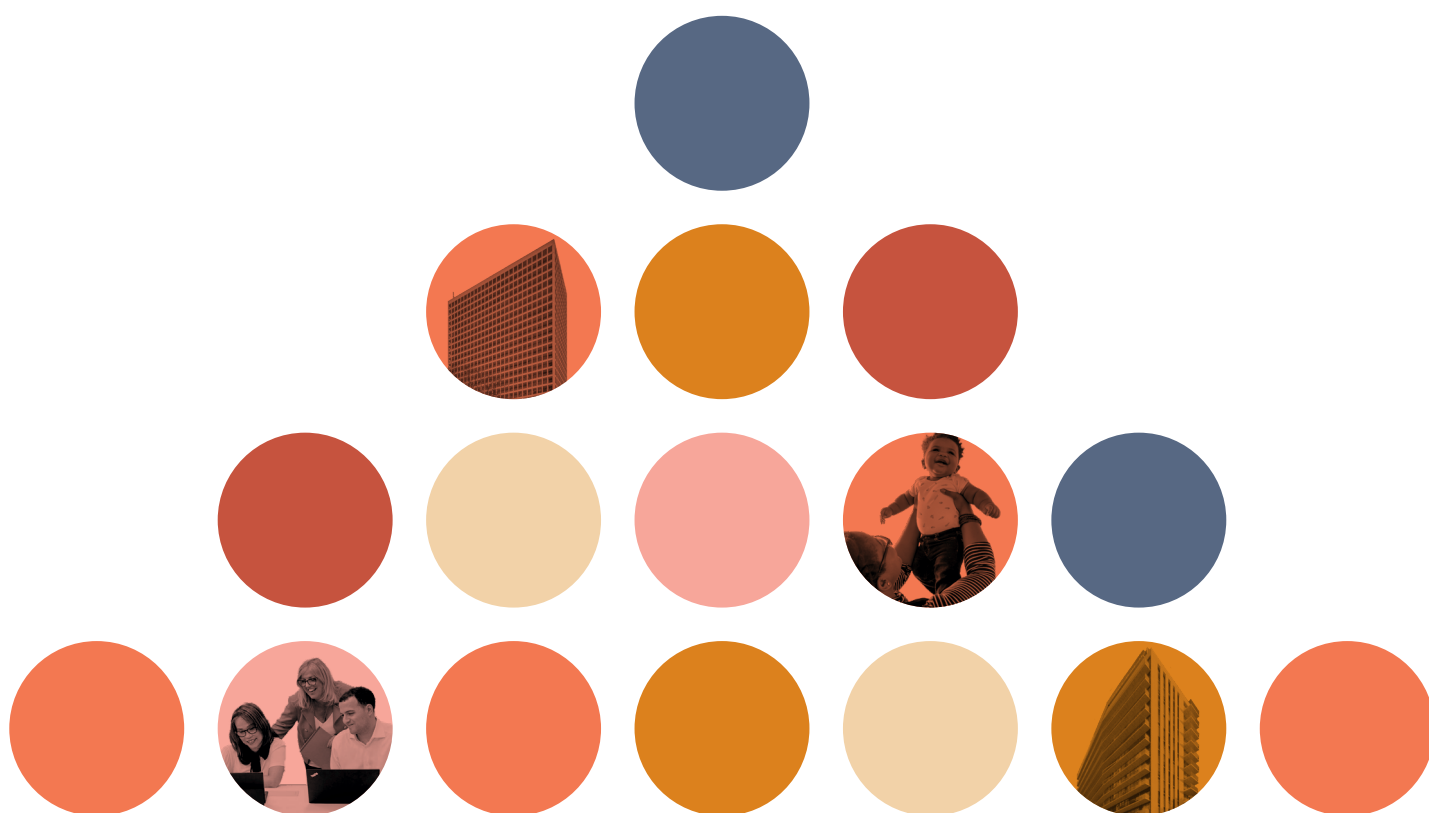




CANADIAN APARTMENT
PROPERTIES • REIT

Management Information Circular

Notice of Annual and Special Meeting
of Unitholders to be held June 1, 2022





CANADIAN APARTMENT
PROPERTIES • REIT

Notice of Annual and Special Meeting of Unitholders to be held June 1, 2022

NOTICE IS HEREBY GIVEN THAT the Annual and Special 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/206349209> on June 1, 2022 at 4:00 p.m. (Toronto time) for the following purposes:

1. to receive the audited consolidated financial statements of CAPREIT for the financial year ended December 31, 2021, together with the auditors’ report thereon;
2. to elect the trustees of CAPREIT;
3. to re-appoint the auditor of CAPREIT and authorize the trustees to fix the remuneration to be paid to the auditor;
4. 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**”);
5. to consider and, if thought advisable, to approve a proposed ordinary resolution, attached to the Management Information Circular as Appendix 2, authorizing amendments to CAPREIT’s deferred unit plan (the “**DUP**”), employee unit purchase plan (the “**EUPP**”), restricted unit rights plan (the “**RUR Plan**”, and together with the DUP and EUPP, the “**Plans**”) to increase the maximum number of units of CAPREIT (the “**Units**”) issuable thereunder from an aggregate amount of 9,500,000 Units to an aggregate of 11,500,000 Units (representing approximately 6.6% of the issued and outstanding Units as at December 31, 2021);
6. to consider and, if thought advisable, to approve a proposed ordinary resolution, attached to the Management Information Circular as Appendix 3, authorizing the amendment and restatement of the DUP, as more particularly described in the Management Information Circular;
7. to consider and, if thought advisable, to approve a proposed ordinary resolution, attached to the Management Information Circular as Appendix 4, authorizing the amendment and restatement of the EUPP, as more particularly described in the Management Information Circular;
8. to consider and, if thought advisable, to approve a proposed ordinary resolution, attached to the Management Information Circular as Appendix 5, authorizing the amendment and restatement of the RUR Plan, as more particularly described in the Management Information Circular;
9. to consider and, if thought advisable, to reconfirm the unitholders’ rights plan agreement, as more fully described in the Management Information Circular;

10. to consider and, if thought advisable, to approve a special resolution, attached to the Management Information Circular as Appendix 6, authorizing certain amendments to CAPREIT's Amended and Restated Declaration of Trust dated April 1, 2020 (the "**Declaration of Trust**") to allow for special distributions from CAPREIT to holders of Units and preferred units, as more particularly described in the Management Information Circular; and
11. to transact such further or other business as may properly come before the Meeting or any adjournments or postponements thereof.

This year, to deal with the ongoing public health impact of COVID-19 and to mitigate risks to the health and safety of our communities, Trust Unitholders, employees and other stakeholders, 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/206349209> at 4:00 p.m. on June 1, 2022. 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, 2022 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, 2021 and the related management discussion and analysis, have been posted on www.envisionreports.com/CAMQ2022 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 13th day of April 2022.

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.

Voting Recommendations

Meeting Information

Date: Wednesday, June 1, 2022

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

Virtual:

<https://web.lumiagm.com/206349209>

Proposal	Board Recommendation
Elect the trustees of CAPREIT	FOR
Re-appoint the auditor of CAPREIT	FOR
Approve a non-binding advisory say-on-pay resolution	FOR
Special Business – Approve amendments to CAPREIT’s deferred unit plan (“ DUP ”), employee unit purchase plan (“ EUPP ”), and restricted unit rights plan (“ RUR Plan ”) to increase the maximum number of Units of CAPREIT issuable thereunder	FOR
Special Business – Approve the Amended and Restated DUP	FOR
Special Business – Approve the Amended and Restated EUPP	FOR
Special Business – Approve the Amended and Restated RUR Plan	FOR
Special Business – Reconfirm the Unitholders’ Rights Plan Agreement	FOR
Special Business – Approve amendments to the Declaration of Trust	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 14, 2022.

Vote Deadline

To ensure that your vote is counted, please vote by 4:00 p.m. (Toronto time) on May 30, 2022.

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. Michael Stein will not stand for re-election at the Meeting.
- The following eight (8) nominees are being put forward for election to the Board: Lori-Ann Beausoleil, Harold Burke, Gina Parvaneh Cody, Mark Kenney, Poonam Puri, Jamie Schwartz, Elaine Todres and René Tremblay.

Re-appoint the Auditor

- Trust Unitholders will be asked to approve the appointment of PricewaterhouseCoopers LLP, the present auditor of CAPREIT, 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.

Special Business – Approve Amendments to the Equity Incentive Plans

- Trust Unitholders will be asked to approve amendments to CAPREIT's DUP, EUPP, and RUR Plan to increase the maximum number of Units issuable thereunder from an aggregate amount of 9,500,000 Units to an aggregate of 11,500,000 Units.
- The amendments will permit a continuation of CAPREIT's market competitiveness in its compensation practices to enable CAPREIT to continue to attract, retain and motivate personnel whose contributions are important to the future success of CAPREIT.

Special Business – Approve the Amended and Restated DUP

- The DUP is available to non-executive trustees of CAPREIT and its purpose is to promote a greater alignment of interests between the non-executive trustees of CAPREIT and the Trust Unitholders.
- Trust Unitholders will be asked to approve certain amendments to the DUP, including but not limited to: (i) the replacement in the DUP of the 0.5% aggregate limit on issuances to non-employee trustees with the NET Participation Limit; (ii) the addition of a \$150,000 individual limit on the value of awards a non-executive trustee may be granted under the DUP 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); (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



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.



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.

Questions - Shorecrest

Tel: 1-888-637-5789

Tel: 1-647-931-7454

Email: contact@shorecrestgroup.com

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.

Special Business – Approve the Amended and Restated EUPP

- The EUPP is available to certain full-time employees of CAPREIT or any of its subsidiaries and its purpose 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, through payroll deductions.
- Trust Unitholders will be asked to approve 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.

Special Business – Approve the Amended and Restated RUR Plan

- The RUR Plan is the primary plan through which long-term incentive compensation is awarded to certain officers and employees of CAPREIT and its designated affiliates. Its purpose is to provide the RUR Participants with additional incentives in the form of Units, to encourage ownership of Units by RUR Participants, to increase the ownership interest in CAPREIT of RUR Participants, and to encourage RUR Participants to remain employed by CAPREIT or its designated affiliates, as applicable.
- Trust Unitholders will be asked to approve certain amendments to the RUR Plan, including but not limited to: (i) changes to the with respect to the method of settlement of RURs in the event of a change of control; and (ii) changes to provide for CAPREIT's right to satisfy applicable withholding taxes and other required deductions in any manner necessary.

Special Business – Reconfirmation of Unitholders' Rights Plan Agreement

- The Rights Plan was first adopted by Unitholders in 2002. In accordance with TSX requirements, the Rights Plan has been reconfirmed by Trust Unitholders at the annual and special meetings of Trust Unitholders every three years since the date of its adoption.
- The Rights Plan utilizes the mechanism of a Permitted Bid (as defined in the Rights Plan) to ensure that a person seeking control of CAPREIT gives Unitholders (as defined in the Rights Plan) and the trustees sufficient time to evaluate the bid, negotiate with the initial bidder and encourage competing bids to emerge. The purpose of Rights Plan is to protect Unitholders by requiring all potential bidders to comply with the conditions specified in the Permitted Bid provisions or risk being subject to the dilutive features contained therein.
- Trust Unitholders will be asked to reconfirm the Rights Plan. If the ordinary resolution reconfirming the Rights Plan is not passed at the Meeting, the Rights Plan will terminate on the date of the Meeting.

Special Business – Amendments to Declaration of Trust

- The Board is seeking to amend the Declaration of Trust to allow for "Special Distributions" to Unitholders and Preferred Unitholders. In addition to the distributions that are currently payable to Unitholders and Preferred Unitholders under the Declaration of Trust, the proposed amendments would allow the trustees to declare payable and/or make special distributions, from time to time, of cash, Units or Retained Securities.
- The amendments to the Declaration of Trust must be passed by two-thirds of the votes cast by Trust Unitholders, present or represented by proxy, at the Meeting.
- These proposed changes to the Declaration of Trust will improve CAPREIT's ability to efficiently execute its Board approved business strategy.

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 and special 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 2022, 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/CAMQ2022 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. CAPREIT has retained Shorecrest Group Ltd. (“**Shorecrest**”) as proxy solicitation agent to assist with the solicitation of votes from Trust Unitholders in order to have as many Trust Unitholders vote as possible. The proxy solicitation agent will monitor the number Trust Unitholders voting and may contact Trust Unitholders in order to increase participation in voting. In connection with the solicitation of proxies for the Meeting, Shorecrest is expected to receive a fee of \$25,000.00 plus reasonable out of pocket expenses. CAPREIT may utilize the Broadridge QuickVote™ service to assist Non-Registered Unitholders (as defined below), who have not objected to their information being shared with CAPREIT, with voting their Trust Units. Non-Registered Unitholders who have not objected to their information being shared with CAPREIT may be contacted by Shorecrest to conveniently obtain a vote directly over the telephone. The costs of the solicitation will be borne by CAPREIT. On April 13, 2022, 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 April 1, 2022, 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 April 1, 2020 (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, 2021 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 1-866-962-0498. Paper copies must be requested by May 23, 2022, in order to be received prior to 4:00 p.m. (Toronto time) on May 30, 2022, which is the deadline for the submission of voting instructions. Trust Unitholders with questions about notice and access can call Computershare toll-free at 1-866-962-0498. 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, to deal with the ongoing public health impact of COVID-19 and to mitigate risks to the health and safety of our communities, Trust Unitholders, employees and other stakeholders, 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/206349209>. Such persons may enter the Meeting by clicking “I have a control number” and entering a valid control number and the password “capreit2022” (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, 2022, 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/206349209>. 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, 2022 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, 2022, 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 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, 2022, 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, 2022, 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 Corinne Pruzanski (at C.Pruzanski@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 re-appointment of the auditor of CAPREIT; (iii) a non-binding advisory say-on-pay resolution accepting CAPREIT’s approach to executive compensation; (iv) the proposed amendments to CAPREIT’s deferred unit plan (the “DUP”), employee unit purchase plan (the “EUPP”) and restricted unit rights plan (the “RUR Plan”, and together with the DUP and EUPP, the “Plans”) to increase the maximum number of Units issuable under the Plans from an aggregate of 9,500,000 Units to an aggregate of 11,500,000 Units (representing approximately 6.6% of the issued and outstanding Units as at December 31, 2021); (v) the amendment and restatement of the DUP, as more particularly described herein, (vi) the amendment and restatement of the EUPP, as more particularly described herein, (vii) the amendment and restatement of the RUR Plan, as more particularly described herein, (viii) the reconfirmation of the unitholders’ rights plan agreement and (ix) the amendments to the Declaration of Trust, as more particularly described herein, all as described in this Circular.

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 April 1, 2022, 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 April 1, 2022, 173,852,894 Units, 1,679,190 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 14, 2022 (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 April 1, 2022, no person or company beneficially owns, or 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 consist of at least two (2) individuals present online at the Meeting, each of whom is a holder of Trust Units or a proxyholder representing a holder of Trust Units, and who hold or represent by proxy not less than twenty-five percent (25%) of the total number of outstanding Trust Units.

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 and Adjusted Cash Generated from Operating Activities (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. Michael Stein will not stand for re-election as a trustee at the Meeting. CAPREIT has accepted Michael Stein’s resignation and in accordance with the Declaration of Trust, the Board intends to fill such vacancy and maintain the number of trustees at nine (9). The Board intends to undertake a process to identify a trustee to fill such vacancy in due course. **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, Poonam Puri, Jamie Schwartz, 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 such resignation 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, or controlled or directed, directly or indirectly, by each of them as at April 1, 2022.

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

Mississauga, Ontario,
Canada

Trustee since 2021

Independent

Committees:

Audit Committee

Areas of Expertise:

Management Experience
Board Experience
Legal/Tax
Real Estate
Corporate Governance
Financial Acumen
Capital Markets
International Business
Experience
Enterprise Risk
Management
Client Engagement

LORI-ANN BEAUSOLEIL

Lori-Ann Beausoleil, FCPA, FCA (Age: 58) is a recently retired Partner of PricewaterhouseCoopers LLP (“PwC”), where she most recently held the positions of National Leader – Compliance, Ethics and Governance and Real Estate Advisory Partner. She also previously 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, 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. She was also a Board member of WPT Industrial REIT (TSX:WIR) until October 2021 when the REIT went private. She 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, or Controlled or Directed, Directly or Indirectly, as of April 1, 2022 ⁽³⁾			Voting Results at the 2021 Annual Meeting of Trust Unitholders
#	\$	%	Votes For: 99.92%
2,260	121,904	0.00	Votes Withheld: 0.08%

Toronto, Ontario, Canada

Trustee since 2010

Independent

Committees:

Governance and
Nominating Committee

Areas of Expertise:

Management Experience
Board Experience
Legal/Tax
Real Estate
Corporate Governance
Financial Acumen
Capital Markets
International Business
Experience
Enterprise Risk
Management
Client Engagement

HAROLD BURKE

Harold Burke, CPA, CA, ICD.D (Age: 75) 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). 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. He is a Chartered Professional Accountant and holds the Institute of Corporate Directors, Institute-Certified Director Designation, ICD.D.

Units, Deferred Units ⁽¹⁾ and RURs ⁽²⁾ Beneficially Owned, or Controlled or Directed, Directly or Indirectly, as of April 1, 2022 ⁽³⁾			Voting Results at the 2021 Annual Meeting of Trust Unitholders
#	\$	%	Votes For: 95.45%
33,089	1,784,821	0.02	Votes Withheld: 4.55%

Toronto, Ontario, Canada

Vice-Chair of the Board

Trustee since 2017

Independent

Committees:

None

Areas of Expertise:

Enterprise Leadership
Management Experience
Board Experience
Real Estate
Human Resources
Corporate Governance
Financial Acumen
Government Relations
Capital Markets
International Business
Experience
Enterprise Risk
Management
Client Engagement

GINA PARVANEH CODY

Dr. Gina Parvaneh Cody (Age: 65) holds a Masters and a Doctorate in Building Engineering from Concordia University. Dr. Cody has more than 30 years of professional practice in the private sector as a professional engineer, corporate executive and principal of an engineering firm. Dr. Cody has provided professional engineering services to some of Canada's largest REITs, financial institutions, builders and developers. Dr. Cody is a trustee of ERES (TSX:ERE.UN). Dr. Cody retired in 2016 as the Executive Chair of CCI Group Inc., a Toronto based national engineering company. Prior to her retirement, Dr. Cody served the Professional Engineers of Ontario ("PEO") for over 15 years as a member of the Discipline Committee and for over 8 years as a member and subsequently chair of the Professional Practice Committee. Dr. Cody was granted both the Certificate of Fellowship and the Award of Honor by PEO. Dr. Cody is currently a member of the Board of Governors as well as the Governance Committee and Chair of the Real Estate Planning Committee and Industrial Advisory Council of Concordia University. Dr. Cody is also a recipient of the Award of Merit by the Canadian Standard Association. Dr. Cody was awarded the Order of Montreal in 2019 and became a Fellow of the Canadian Academy of Engineers. In 2020, she was named one of the Top 25 Women of Influence and in December 2020, Dr. Cody was named to the Order of Canada. Dr. Cody is also the benefactor of the Gina Cody School of Engineering and Computer Science at Concordia University. In 2021, Dr. Cody was appointed Honorary Lieutenant-Colonel -34 Combat Engineer Regiment, Canadian Armed Forces.

Units, Deferred Units ⁽¹⁾ and RURs ⁽²⁾ Beneficially Owned, or Controlled or Directed, Directly or Indirectly, as of April 1, 2022 ⁽³⁾			Voting Results at the 2021 Annual Meeting of Trust Unitholders
#	\$	%	Votes For: 99.00%
41,450	2,235,813	0.02	Votes Withheld: 1.00%

Newmarket, Ontario,
Canada

Trustee since 2019

Non-Independent

Committees:

None

Areas of Expertise:

Enterprise Leadership
Management Experience
Board Experience
Real Estate
Human Resources
Corporate Governance
Financial Acumen
Government Relations
Capital Markets
International Business
Experience
Enterprise Risk
Management
Client Engagement

MARK KENNEY

Mark Kenney (Age: 54) 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 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 currently the Co-Chair of the REALPAC Apartment Owners Committee. 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 (“IRES”). Mr. Kenney maintains active membership in the Halifax, Montreal, Calgary, and Vancouver Apartment Associations, and holds a Bachelor of Economics degree from Carleton University.

Units, Deferred Units ⁽¹⁾ and RURs ⁽²⁾ Beneficially Owned, or Controlled or Directed, Directly or Indirectly, as of April 1, 2022 ⁽³⁾			Voting Results at the 2021 Annual Meeting of Trust Unitholders
#	\$	%	Votes For: 99.77%
421,051	22,711,479	0.24	Votes Withheld: 0.23%

Toronto, Ontario, Canada

Trustee since 2019

Independent

Committees:

Governance and
Nominating Committee
Audit Committee

Areas of Expertise:

Enterprise Leadership
Management Experience
Board Experience
Legal/Tax
Human Resources
Corporate Governance
Financial Acumen
Government Relations
Capital Markets
Enterprise Risk
Management
Client Engagement

POONAM PURI

Poonam Puri, ICD.D (Age: 50) is a tenured Professor of Law at Osgoode Hall Law School and a corporate lawyer and Affiliated Scholar at Davies Ward Phillips & Vineberg LLP. Ms. Puri is an internationally recognized expert in corporate governance and has extensive board experience in real estate, engineering, transportation infrastructure and healthcare, including as a past director of Greater Toronto Airports Authority, Arizona Mining and as a former commissioner of the Ontario Securities Commission. She currently serves on the boards of Colliers International Group Inc. (TSX/NASDAQ: CIGI), Propel Holdings Inc. (TSX: PRL) and Augusta Gold Corp. (TSX:G and OTCQB:AUGG), as well as the Canada Infrastructure Bank. She also serves as Vice-Chair of the Board of Trustees of Holland Bloorview Kids Rehabilitation Hospital in Toronto. Ms. Puri has been recognized as one of the top 25 most influential lawyers in Canada by Canadian Lawyer Magazine in 2017 and 2015 and is a former recipient of Canada's Top 40 under 40 award and Canada's Most Powerful Women: Top 100 Award. In 2021, Ms. Puri was awarded the Royal Society of Canada's Yvan Allaire Medal for exemplary contributions to the governance of public and private institutions in Canada, in addition to the Law Society Medal and the David Walter Mundell Medal. Ms. Puri holds a Masters in Law from Harvard University, a Bachelor of Laws from the University of Toronto and the Institute of Corporate Directors, Institute-Certified Director Designation, ICD.D.

Units, Deferred Units ⁽¹⁾ and RURs ⁽²⁾ Beneficially Owned, or Controlled or Directed, Directly or Indirectly, as of April 1, 2022 ⁽³⁾			Voting Results at the 2021 Annual Meeting of Trust Unitholders
#	\$	%	Votes For: 98.81%
9,446	509,517	0.01	Votes Withheld: 1.19%

Toronto, Ontario, Canada

Trustee since 2018

Independent

Committees:

Audit Committee
Human Resources and
Compensation Committee
Investment Committee

Areas of Expertise:

Enterprise Leadership
Management Experience
Real Estate
Human Resources
Corporate Governance
Financial Acumen
Government Relations
Capital Markets
International Business
Experience
Enterprise Risk
Management
Client Engagement

JAMIE SCHWARTZ

Jamie Schwartz (Age: 46) is an Associate Vice President, Enterprise Real Estate of the TD Bank Financial Group, with responsibility for the bank's Canadian corporate real estate portfolio. Mr. Schwartz has over 20 years of experience working in the banking, real estate and hospitality industries. From 2011 to December 2020, Mr. Schwartz worked for TD Securities Inc. ("**TD Securities**") in Toronto and New York, with responsibility for structuring and managing corporate debt. Before that, Mr. Schwartz worked in TD Securities' commercial mortgage group, providing mortgage financing for all classes of real estate assets across Canada. Before joining TD Securities, Mr. Schwartz was Vice President at HVS Consulting and Valuation, a global consulting organization, where he spent almost 10 years providing real estate strategic advisory services to the hospitality industry.

Units, Deferred Units ⁽¹⁾ and RURs ⁽²⁾ Beneficially Owned, or Controlled or Directed, Directly or Indirectly, as of April 1, 2022 ⁽³⁾			Voting Results at the 2021 Annual Meeting of Trust Unitholders
#	\$	%	Votes For: 98.89%
10,631	573,436	0.01	Votes Withheld: 1.11%

Toronto, Ontario, Canada

Trustee since 2013

Independent

Committees:

Human Resources and
Compensation Committee
Investment Committee

Areas of Expertise:

Enterprise Leadership
Management Experience
Board Experience
Human Resources
Corporate Governance
Financial Acumen
Government Relations
Enterprise Risk
Management
Client Engagement

ELAINE TODRES

Elaine Todres, ICD.D (Age: 72) 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 ten 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 strategy, leadership, organizational transformation, and governance. Dr. Todres has served on many community and hospital boards, including as chair of Women's College Hospital Foundation. She served as director of The Northern Trust Company, Canada from August 2005 to February 2014. Dr. Todres holds the ICD.D designation.

Units, Deferred Units ⁽¹⁾ and RURs ⁽²⁾ Beneficially Owned, or Controlled or Directed, Directly or Indirectly, as of April 1, 2022 ⁽³⁾			Voting Results at the 2021 Annual Meeting of Trust Unitholders
#	\$	%	Votes For: 99.36%
36,711	1,980,191	0.02	Votes Withheld: 0.64%

Montreal, Quebec,
Canada

Trustee since 2020

Independent

Committees:

Governance and
Nominating Committee
Human Resources and
Compensation Committee
Investment Committee

Areas of Expertise:

Enterprise Leadership
Management Experience
Board Experience
Real Estate
Human Resources
Corporate Governance
Financial Acumen
Capital Markets
International Business
Experience
Enterprise Risk
Management
Client Engagement

RENÉ TREMBLAY

René Tremblay (Age: 66) 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. He 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.

Units, Deferred Units ⁽¹⁾ and RURs ⁽²⁾ Beneficially Owned, or Controlled or Directed, Directly or Indirectly, as of April 1, 2022 ⁽³⁾			Voting Results at the 2021 Annual Meeting of Trust Unitholders
#	\$	%	Votes For: 99.60%
7,600	409,944	0.00	Votes Withheld: 0.40%

Notes:

- (1) Deferred Units (as defined in "Trustee Compensation - Deferred Unit Plan") are issued under the DUP (as defined above); 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, or 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, or controlled or directed, directly or indirectly, by each nominee, as determined by multiplying the number of such interests beneficially owned, or controlled or directed, directly or indirectly, by each nominee by the closing price of the Units on the Toronto Stock Exchange (the "TSX") on April 1, 2022; and the column entitled "%" indicates as a percentage of the issued and outstanding Units of CAPREIT, the number of the interests beneficially owned, or 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, or 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, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of 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

PwC has acted as CAPREIT’s auditor since CAPREIT’s 1997 meeting of Unitholders. In the course of undertaking a formal review of the performance of CAPREIT’s external auditor, PwC,

the Audit Committee employed an audit committee evaluation tool made available by CPA Canada, the Canadian Public Accountability Board and the Institute of Corporate Directors, and sought and received detailed information from CAPREIT management covering key factors of audit quality, including: (i) independence, objectivity and professional skepticism; (ii) quality of the engagement team; and (iii) quality of communications and interactions between PwC and CAPREIT.

The Audit Committee examined the quality of work performed by PwC and undertook a review and discussion of the information received. Following its examination, review and discussion, the Audit Committee concluded that, based on the information received and its own independent assessment of the work performed by PwC, the Audit Committee would recommend to the Board that PwC continue to be retained as CAPREIT's external auditor and that it be appointed as such for 2022.

The Board proposes to nominate PwC, the present auditor of CAPREIT, 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 re-appointment of the auditor, PricewaterhouseCoopers 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 13, 2022, 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.

4. Special Business – Amendments to Increase the Maximum Number of Units Issuable Under Equity Incentive Plans

Background

At a meeting of Trust Unitholders in May 2014, Trust Unitholders approved the amendments to the Plans to increase the maximum number of Units issuable thereunder from an aggregate of 7,000,000 Units to an aggregate of 9,500,000 Units. When the maximum number of 9,500,000 Units was set at the meeting of Trust Unitholders in May 2014, it represented approximately 8.6% of the number of outstanding Units of CAPREIT at such time. Currently, the maximum number of Units issuable under the Plans is 9,500,000 Units (representing approximately 5.5%

of the number of outstanding Units as of December 31, 2021) and as of December 31, 2021, 355,228 Units remained available for future issuances under the Plans.

Since May 2014, pursuant to offerings of Units to the public and other issuances (including under the CAPREIT Distribution Reinvestment Plan), CAPREIT has issued additional Units such that the number of issued and outstanding Units of CAPREIT has increased to 173,406,406 as at December 31, 2021.

As at December 31, 2021, an aggregate of 2,428,494 Units have been issued, granted, awarded or settled under all Plans (representing approximately 1.4% of the issued and outstanding Units at such date).

Objective

The Board believes that amending the Plans to increase the maximum number of Units issuable thereunder is essential to permit a continuation of CAPREIT's market competitiveness in its compensation practices to enable CAPREIT to continue to attract, retain and motivate personnel whose contributions are important to the future success of CAPREIT. The Board believes that a portion of employee and executive compensation should be in the form of equity as a means to link compensation to CAPREIT's long-term performance. The Plans have been properly structured to provide alignment between management compensation and the creation of Trust Unitholder value, while limiting the participation of insiders in accordance with TSX guidelines. As at December 31, 2021, there were only 355,228 Units available for grant under the Plans. If the proposed amendment is not approved by the Trust Unitholders, once such available Units are granted CAPREIT would be required to restructure the Plans and its compensation arrangements to replace equity incentives with cash incentives in order to attract and retain qualified management, trustees and employees.

Therefore, the Board has determined that it is desirable and in the best interest of CAPREIT to amend the Plans to increase the maximum number of Units issuable under the Plans by 2,000,000 Units to 11,500,000 Units (representing approximately 6.6% of the issued and outstanding Units as at December 31, 2021) in aggregate, by amending the relevant provisions of such Plans.

The Plans, as amended, will be referred to as the "**Amended and Restated Plans**". This discussion is qualified in its entirety by the text of the Amended and Restated Plans, which will be substantially in the form of Appendices 8, 9 and 10 to this Circular.

Trust Unitholder approval of such amendments will be required. If such amendments are approved by Trust Unitholders, the total maximum number of Units issuable under the Plans will be 11,500,000 (representing approximately 6.6% of the issued and outstanding Units as at December 31, 2021).

Approval Required

The text of the proposed ordinary resolution approving the above amendments to the Plans is set forth in Appendix 2 to this Circular. To be effective, the resolution must be passed by the majority of votes cast by Trust Unitholders present or represented by proxy at the Meeting.

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.

5. Special Business – Approve the Amended and Restated DUP

Background

CAPREIT has established the DUP, as amended from time to time, which is available to non-executive trustees of CAPREIT (the “**DUP Participants**”). 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.

Under the DUP, as at December 31, 2021, an aggregate of:

- 500,300 Deferred Units have been issued, granted, or awarded (representing approximately 0.3% of the issued and outstanding Units at such date);
- 303,877 Deferred Units have been settled (representing approximately 0.2% of the issued and outstanding Units at such date); and
- No Deferred Units have been cancelled prior to settlement.

Objective

As further discussed under “**Trustee Compensation - Deferred Unit Plan**”, the DUP was amended effective April 1, 2022 to: (i) require each Eligible Person (as defined in the DUP) to participate in the DUP, (ii) make changes to the definition of “Elected Percentage” in the DUP, and (iii) remove certain obligations of CAPREIT to annually match the number of Deferred Units a DUP Participant elected to receive thereunder.

In conjunction with the approval to increase the maximum number of Units issuable under the Plans to 11,500,000 Units, the Board has approved (subject to Trust Unitholder approval), and is recommending that Trust Unitholders approve, certain other amendments to the DUP, including the following:

- the replacement in the DUP of the 0.5% aggregate limit on issuances to non-employee trustees with the NET Participation Limit (as defined below);
- the addition in the DUP of an individual limit on the value of awards a non-executive trustee may be granted under the DUP of up to \$150,000 of awards per annum (the “**NET Participation Limit**”);
- clarifying changes to the DUP to reflect that the Deferred Units awarded pursuant to the DUP in satisfaction of a non-executive trustee's Board compensation will not be counted towards the NET Participation Limit for so

long as the Deferred Units issued under the DUP are granted at the same initial value as the Board compensation surrendered in exchange;

- changes to the amendment provision of the DUP to require Trust Unitholder approval for changes to the NET Participation Limit;
- changes to the settlement provisions of the DUP (Article 9) 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;
- clarifying changes to the settlement provisions of the DUP (Article 9) with respect to the treatment of Deferred Units upon the death of a DUP Participant; and
- making certain other amendments to the DUP of a “housekeeping nature”.

The DUP, as amended, will be referred to as the “**Amended and Restated DUP**”. In the event the proposed amendments to the Declaration of Trust (as described below) are approved by Trust Unitholders, and subject to any requisite regulatory approval, certain housekeeping changes may be made to the DUP to reflect the amendments to the Declaration of Trust. The TSX has conditionally approved the Amended and Restated DUP. This discussion is qualified in its entirety by the text of the Amended and Restated DUP, which will be substantially in the form of Appendix 8.

Approval Required

The text of the proposed ordinary resolution approving the above amendments to the DUP is set forth in Appendix 3 to this Circular. To be effective, the resolution must be passed by the majority of votes cast by Trust Unitholders present or represented by proxy at the Meeting.

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.

6. Special Business – Approve the Amended and Restated EUPP

Background

CAPREIT has established the EUPP, as amended from time to time, which is available to full-time employees of CAPREIT or any of its subsidiaries (the “**EUPP Participants**”). 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 EUPP, as at December 31, 2021, an aggregate of 510,512 Units have been issued (representing approximately 0.3% of the issued and outstanding Units at such date).

Objective

In conjunction with the approval to increase the maximum number of Units issuable under the Plans to 11,500,000 Units, the Board has approved (subject to Trust Unitholder approval), and is recommending that Trust Unitholders approve, certain other amendments to the EUPP, including the following:

- changes to the amendment provision of the EUPP to require Trust Unitholder approval for any amendments to:
 - 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);
 - increase the insider participation limit in the EUPP; and
 - the amendment provision of the EUPP.

The EUPP, as amended, will be referred to as the “**Amended and Restated EUPP**”. The TSX has conditionally approved the Amended and Restated EUPP. This discussion is qualified in its entirety by the text of the Amended and Restated EUPP, which will be substantially in the form of Appendix 9.

Approval Required

The text of the proposed ordinary resolution approving the above amendments to the EUPP is set forth in Appendix 4 to this Circular. To be effective, the resolution must be passed by the majority of votes cast by Trust Unitholders present or represented by proxy at the Meeting.

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.

7. Special Business – Approve the Amended and Restated RUR Plan

Background

CAPREIT has established the RUR Plan, as amended from time to time, as the primary 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**”). The RUR Plan provides the RUR Participants with additional incentives in the form of Units and further aligns the interest of the RUR Participants with Trust Unitholders through the use of RURs which, upon vesting, are settled in Units (each RUR is settled for one (1) Unit, subject to applicable withholding taxes).

Under the RUR Plan, as at December 31, 2021 an aggregate of:

- 1,417,682 Units have been issued, granted, or awarded (representing approximately 0.8% of the issued and outstanding Units at such date); and
- 937,982 Units have been settled (representing approximately 0.5% of the issued and outstanding Units at such date).

Objective

In conjunction with the approval to increase the maximum number of Units issuable under the Plans to 11,500,000 Units, the Board has approved (subject to Trust Unitholder approval), and is recommending that Trust Unitholders approve, certain other amendments to the RUR Plan, including the following:

- changes with respect to the method of settlement of RURs in the event of a change of control; and
- changes to provide for CAPREIT's right to satisfy applicable withholding taxes and other required deductions in any manner necessary.

The RUR Plan, as amended, will be referred to as the “**Amended and Restated RUR Plan**”. In the event the proposed amendments to the Declaration of Trust (as described below) are approved by Trust Unitholders, and subject to any requisite regulatory approval, certain housekeeping changes may be made to the RUR Plan to reflect the amendments to the Declaration of Trust. The TSX has conditionally approved the Amended and Restated RUR Plan. This discussion is qualified in its entirety by the text of the Amended and Restated RUR Plan, which will be substantially in the form of Appendix 10.

Approval Required

The text of the proposed ordinary resolution approving the above amendments to the RUR Plan is set forth in Appendix 5 to this Circular. To be effective, the resolution must be passed by the majority of votes cast by Trust Unitholders present or represented by proxy at the Meeting.

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.

8. Special Business – Reconfirmation of Unitholders' Rights Plan Agreement

Background

CAPREIT adopted a Unitholders' Rights Plan Agreement (as amended and restated, the “**Rights Plan**”) dated as of May 3, 2002 (which replaced CAPREIT's former rights plan that was adopted at the time of CAPREIT's initial public offering), which was amended at the annual and special meetings of Unitholders in 2005 and 2016 and reconfirmed by Unitholders at the annual and special meetings of Unitholders in accordance with TSX requirements, every three years from the

date of adoption. The Rights Plan is subject to reconfirmation by Trust Unitholders every three (3) years at the annual meeting of Trust Unitholders. As such, the Trust Unitholders are being asked to approve an ordinary resolution reconfirming the Rights Plan at the Meeting. If the ordinary resolution reconfirming the Rights Plan is not passed at the Meeting, the Rights Plan will terminate on June 1, 2022, the date of the Meeting. However, if the ordinary resolution reconfirming the Rights Plan is passed at the Meeting, the Rights Plan will require reconfirmation by Trust Unitholders at the 2025 annual meeting of Trust Unitholders (or any adjournment or postponement thereof) and thereafter at such meeting to be held, *mutatis mutandis*, every three years thereafter.

Objective

All capitalized terms used in this section shall have the meanings ascribed thereto in the Rights Plan, which is available on SEDAR under CAPREIT's profile at www.sedar.com and was filed on June 25, 2019.

The Rights Plan utilizes the mechanism of the Permitted Bid to ensure that a person seeking control of CAPREIT gives Unitholders and the trustees sufficient time to evaluate the bid, negotiate with the initial bidder and encourage competing bids to emerge.

The purpose of the Rights Plan is to protect Unitholders by requiring all potential bidders to comply with the conditions specified in the Permitted Bid provisions or risk being subject to the dilutive features of the Rights Plan. Generally, to qualify as a Permitted Bid, a bid must be made to all Unitholders and must be open, as proposed to be amended, for one hundred and five (105) days after the bid is made or such shorter period that a take-over bid (that is not exempt from the requirements of Division 5: Bid Mechanics of *National Instrument 62-104 – Take-Over Bids and Issuer Bids* ("NI 62-104")) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104. If more than fifty percent (50%) of the Units held by Independent Unitholders are deposited or tendered to the bid and not withdrawn, the bidder may take up and pay for such Units. The takeover bid must then be extended for a further period of ten (10) days on the same terms to allow those Unitholders who did not initially tender their Units to tender to the takeover bid if they so choose. Thus, there is no coercion to tender during the initial one hundred and five (105) day period, or such shorter period as permitted by NI 62-104, because the bid must be open for acceptance for at least a further ten (10) days after the expiry of the initial tender period. The intention of the Rights Plan is to make it impractical for any person to acquire more than twenty percent (20%) of the outstanding Units without the approval of the trustees, except pursuant to the Permitted Bid procedures or pursuant to certain other exemptions, as outlined in Appendix 7.

Management believes that the Rights Plan, taken as a whole, should not be an unreasonable obstacle to a serious bidder willing to make a bona fide and financially fair offer open to all Unitholders while permitting the Board to fully consider the bidder's offer and, if appropriate, investigate and pursue alternatives.

The terms of the Rights Plan were established on a basis that takes account of concerns previously expressed by institutional investors with respect to certain of the provisions of such plans. The provisions of the Rights Plan relating to portfolio managers are designed to prevent the triggering

of the Rights Plan by virtue of the customary activities of such persons (see “**Portfolio Managers**” in Appendix 7 hereto).

A summary of the Rights Plan is set forth in Appendix 7 to this Circular. For a copy of the Rights Plan, please contact CAPREIT at ir@capreit.net or (416) 861-9404.

Approval Required

At the Meeting, Trust Unitholders will be asked to consider, and if thought advisable, approve the following ordinary resolution (the “**Rights Plan Resolution**”) reconfirming the Rights Plan:

“**BE IT RESOLVED** that the Unitholders’ Rights Plan Agreement to be effective June 1, 2022, between the trustees of Canadian Apartment Properties Real Estate Investment Trust and Computershare Investor Services Inc., substantially as described in Appendix 7 to the Circular, be and is hereby reconfirmed. The Unitholders’ Rights Plan Agreement is hereby amended to the extent necessary to reflect and give effect to the foregoing.

Any trustee or officer of CAPREIT be and is hereby authorized to take all such further actions and to execute and deliver all such further instruments and documents, in the name and on behalf of CAPREIT as may be necessary, proper or advisable in order to carry out and give full effect to the foregoing.”

Approval of the Rights Plan Resolution will require that it be passed by a majority of the votes cast by Trust Unitholders thereon in person and by proxy.

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.

9. Special Business – Amendments to Declaration of Trust

Background

The Board is seeking to amend the Declaration of Trust to allow for “Special Distributions” to Unitholders and holders of Preferred Units (“**Preferred Unitholders**”). In addition to the distributions that are currently payable to Unitholders and Preferred Unitholders pursuant to Section 10.1 of the Declaration of Trust, the proposed amendments would allow the trustees to declare payable and/or make special distributions, from time to time, of cash, Units or Retained Securities (as defined below).

The proposed changes to the Declaration of Trust will improve CAPREIT’s ability to efficiently execute its Board approved business strategy.

Proposed Amendments

It is proposed that the Declaration of Trust be amended to incorporate the following proposed changes.

Special Distributions

- The addition of Section 10.3 to the Declaration of Trust, authorizing the trustees to declare payable and/or make special distributions to Unitholders or Preferred Unitholders, from time to time, including with respect to any securities of a subsidiary of CAPREIT or any publicly traded securities held or owned by CAPREIT or its subsidiaries ("**Retained Securities**"), in any year, in such amount or amounts, and on such dates as the trustees may determine.
- To authorize the trustees, in their discretion, to determine that any special distributions payable pursuant to the proposed Section 10.3 be payable wholly or partially in cash, Units or Retained Securities or any combination of cash, Units or Retained Securities.

The above is a summary of the material changes being proposed by the amendments. The amendments also include certain clean-up related changes of a "housekeeping nature". Reference should be made, and consideration given, to the full text of the proposed amended and restated Declaration of Trust, which can be found in Appendix 11 to this Circular and has been blacklined to reflect all proposed changes.

Approval Required

The text of the special resolution authorizing and approving the foregoing amendments to the Declaration of Trust is set forth in Appendix 6 to this Circular. To be effective, this special resolution must be passed by two-thirds of the votes cast by Trust Unitholders, present or represented by proxy, at the Meeting.

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.

2021 VOTING RESULTS

In addition to the election of the trustees, the following matters were voted on at the 2021 annual meeting of Trust Unitholders held on June 2, 2021. Each of the matters voted on is more fully described in CAPREIT's 2021 management information circular dated April 15, 2021.

Resolution	Votes For		Votes Against	
	Total	%	Total	%
Appointment of Auditors	105,631,610	92.65%	8,374,269	7.35%
Advisory Say-on-Pay Resolution	110,078,598	96.95%	3,467,620	3.05%

The voting results for the election of trustees at the 2021 annual meeting of Trust Unitholders held on June 2, 2021 is reported in the description of the applicable nominee on pages 21-28 of this Circular.

COMPENSATION DISCUSSION & ANALYSIS

Year in Review/Executive Summary

Despite operating for a full year under the significant and unprecedented challenges presented by the COVID-19 pandemic, CAPREIT continued to achieve its key financial and strategic objectives throughout 2021, with solid portfolio growth, strong operating performance, an increase in NFFO, a conservative NFFO payout ratio and maintained a strong and flexible financial position.

In 2021, CAPREIT further enhanced the scale of its Canadian property portfolio with the acquisition of 3,245 suites and sites in Canada, for a total purchase price of \$805 million. With these acquisitions CAPREIT's total Canadian property portfolio rose to 59,620 suites and sites as of December 31, 2021, with a fair value of approximately \$14.4 billion.

Portfolio Performance

- Operating Revenues — Annual operating revenues increased by 5.7% to \$933.1 million, compared to December 31, 2020, due to the contributions from acquisitions and increased monthly rents on the stabilized residential suite portfolio.
- Net Average Monthly Rents — Net average monthly rents for properties owned as at December 31, 2020 and are not disposed of increased by 1.9% to \$1,140 as at December 31, 2021 compared to \$1,119 from last year. As at December 31, 2021, overall occupancy increased to 98.1% compared to 97.5% for December 31, 2020.
- Net Operating Income ("NOI") — Annual NOI increased by 5.5% to \$610.0 million for the year ended December 31, 2021, compared to last year. On a stabilized portfolio basis, Stabilized NOI increased by 1.0% to \$564.0 million for the year ended December 31, 2021, 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 bad debts, and (ii) an appropriate allocation of overhead costs.
- NOI margin on a stabilized portfolio basis was 65.7% compared to 65.8% last year.

Operating Performance

- NFFO for the year ended December 31, 2021, increased by 3.4% to \$402.2 million

compared to \$389.0 million in 2020, generating a NFFO payout ratio of 61.0%, consistent with 2020. 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. NFFO is calculated by excluding from FFO amortization of losses on certain hedging instruments previously settled and paid, mortgage prepayment penalties, accelerated vesting of previously granted RUR units, large acquisition research costs relating to transactions that were not completed, one-time IRES internalization expenses impacting FFO adjustment from investment in associate and reorganization, senior management termination, and retirement costs.

Liquidity and Leverage

- Debt to Gross Book Value — Total debt to gross book value as at December 31, 2021 was conservative at 36.1% compared to 35.5% as at December 31, 2020.
- Debt Financings and Mortgage Renewals — CAPREIT achieved its debt financing and mortgage refinancing targets for 2021. Mortgage refinancings (excluding acquisition financings) totaled \$1,023 million in 2021, consisting of renewals of existing mortgages of \$521 million and additional top up financings of \$502 million. New financings (excluding acquisition financings) were completed at a weighted average stated interest rate of 1.97%, which is lower than the weighted average interest rate for the mortgages that matured in 2021.
- Interest and Debt Coverage — Improved interest coverage and debt service coverage ratios of 4.02 and 1.97 times, respectively, were achieved in 2021 compared to 3.95 and 2.01 times, respectively in 2020.

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 April 1, 2022, the Human Resources and Compensation Committee of CAPREIT consisted of the following three (3) trustees: Jamie Schwartz, Elaine Todres and 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 2021, the Human Resources and Compensation Committee:

- reviewed the performance of CAPREIT executives and senior management relative to CAPREIT's annual and long-term objectives;
- considered the impact of COVID-19 in its review of executive compensation, financial and non-financial objectives and the granting of non-equity and equity-based compensation;
- reviewed and made recommendations to the Board on the compensation of trustees and of the President and Chief Executive Officer, Chief Financial Officer and certain other senior executives;
- reviewed the succession plan for certain of CAPREIT's senior executives. CAPREIT has a formal process for reviewing and approving succession plans for the President and Chief Executive Officer and other members of senior management. 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;
- provided thought and oversight regarding CAPREIT's long-term human resources strategic plan; and
- engaged Mercer (Canada) Limited ("**Mercer**"), a compensation consultant, to provide advice and counsel on executive and trustee compensation matters, please see below "**Engagement of Independent Compensation Consultant**".

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, Cryer and Fleischer (each, an "NEO" and together, the "NEOs"). Mr. Fleischer ceased to be Executive Vice President of CAPREIT on June 23, 2021. 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 and Cryer are governed by the terms of their employment agreements dated March 27, 2019 and March 26, 2018, respectively, each as may be amended from time to time (the “**Executive Contracts**”), as more fully described under “**Significant Terms of Executive Employment Agreements**” and (ii) Mr. Fleischer was governed by the terms of his employment agreement dated October 19, 2015, as was amended from time to time (the “**EVP Contract**”, together with the Executive Contracts, the “**NEO Contracts**”).

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, Dr. Todres and Mr. Tremblay have direct experience that is relevant to their responsibilities in executive compensation.

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 CEO or president of large corporations. During his tenure as CEO 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 Human Resources and Compensation Committee 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 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

As part of CAPREIT's objective to align the interests of trustees and senior executives of CAPREIT with the interests of Trust Unitholders, in November 2006, the Board instituted a requirement that all trustees, including the President and Chief Executive Officer of CAPREIT, acquire, over a maximum period of three (3) years, such number of Units (which may include Deferred Units and RURs) having a value equal to three (3) times his or her annual retainer or annual base salary, as applicable. The President and Chief Executive Officer and the current trustees of CAPREIT have met, exceeded or are in the process of meeting this ownership requirement.

In November 2019, the Board instituted a further requirement that the President and Chief Executive Officer of CAPREIT be required to hold such number of Units having a value equal to three (3) times his or her annual base salary for a period of one (1) year following his or her departure from CAPREIT.

In addition, in November 2019, the Board instituted a requirement that all other executive officers of CAPREIT, acquire, over a maximum period of five (5) years, such number of Units (which may include RURs) having a value equal to (i) in the case of NEOs, three (3) times his or her annual base salary, and (ii) in the case of other officers (vice presidents and above), two (2) times his or her annual base salary. CAPREIT strongly encourages all of its employees to invest in CAPREIT on a go forward basis.

The following table summarizes the number of Units and RURs beneficially owned, or controlled or directed, directly or indirectly, as of April 1, 2022, 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 base salary.

Name of Executive Officer	Number of Units and RURs ⁽¹⁾ Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽²⁾	Dollar Value of Units and RURs ⁽¹⁾ Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽³⁾ (\$)	Units and RURs ⁽¹⁾ Beneficially Owned, or Controlled or Directed, Directly or Indirectly, as a Percentage of Outstanding Units ⁽⁴⁾ (%)	Actual Multiple of Base Salary	Meet or Exceeded Suggested Ownership Guidelines? ⁽⁵⁾
MARK KENNEY President and Chief Executive Officer	Units: 256,450	Units: \$13,832,913	Units: 0.15%		
	RURs: 164,601	RURs: \$8,878,566	RURs: 0.09%	27.70 times	Yes
	Total: 421,051	Total: \$22,711,479	Total: 0.24%		
SCOTT CRYER Former Chief Financial Officer	Units: 13,810	Units: \$744,911	Units: 0.01%		
	RURs: 37,145	RURs: \$2,003,608	RURs: 0.02%	7.47 times	Yes
	Total: 50,955	Total: \$2,748,520	Total: 0.03%		
JONATHAN FLEISCHER Former Executive Vice President	Units: N/A	Units: N/A	Units: N/A		
	RURs: N/A	RURs: N/A	RURs: N/A	N/A	N/A
	Total: N/A	Total: N/A	Total: N/A		
TOTAL	472,006	\$25,459,999	0.27%		

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, or controlled or directed, directly or indirectly, by them. See “**Outstanding Unit-based Awards and Option-based Awards**”.
- (3) Dollar amounts represent the estimated market value of Units and RURs (vested or unvested) beneficially owned, or controlled or directed, directly or indirectly by each NEO, as determined by multiplying the number of Units beneficially owned, or controlled or directed, directly or indirectly, by such NEO as of April 1, 2022, 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, or controlled or directed, directly or indirectly.
- (5) Mr. Fleischer ceased to be Executive Vice President on June 23, 2021. Prior to leaving, Mr. Fleischer had 26,585 RURs that were subsequently settled and converted to Units on a one-for-one basis. As of June 23, 2021, the estimated market value of the Units held by Mr. Fleischer was \$1,541,930 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, 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, for the Chief Financial Officer is one hundred twenty percent (120%) of base salary, and for the Executive Vice President was eighty-two and a half percent (82.5%) 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. Fleischer who ceased to be employed by CAPREIT on June 23, 2021.

Annual incentive compensation for each NEO in the 2021 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 2021, such financial component was weighted at fifty-five percent (55%) of the NEOs annual incentive compensation potential.

For the year ended 2021, 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. Cryer and Mr. Fleischer as follows:

Three-Year Average NFFO per Unit Growth (% against Target)	Annual Incentive Compensation Payout ⁽¹⁾		
	Mr. Kenney	Mr. Cryer	Mr. Fleischer
4.0% and Higher	150 %	120%	82.5%
2.0 to 3.99%	130% - 149%	110% - 119%	78.75% - 82.4%
0.0 to 1.99%	100% - 129%	100% - 109%	75% - 78.56%
-0.01 to -1.0%	90% - 99%	90% - 99%	67.5% - 74.25%
-1.01 to -2.0%	80% - 89%	80% - 89%	60% - 66.75%
-2.01 to -3.0%	70% - 79%	70% - 79%	52.5% - 59.25%
-3.01 to -4.0%	60% - 69%	60% - 69%	45% - 51.75%
-4.01% and Below	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. For 2021, Mr. Kenney and Mr. Cryer received Exceptional and Progressing assessments, respectively.

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. Cryer is graduated between zero percent (0%) to a maximum of one hundred twenty percent (120%); and (iii) Mr. Fleischer was graduated between zero percent (0%) to a maximum of eighty-two and a half percent (82.5%), 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 2019, 2020, and 2021 years is as follows:

	Target NFFO per Unit	Actual NFFO per Unit	Actual Above Target
2019	\$2.080	\$2.139	2.84%
2020	\$2.198	\$2.273	3.41%
2021	\$2.200	\$2.318	5.36%
Weighted Average Growth Rate	N/A	N/A	4.24%

For the year ended 2021, CAPREIT achieved a NFFO Per Unit Growth Rate, weighted as described above, equal to 4.24% above the targets set by the Board for the relevant three-year period. This achievement translated into payment to Mr. Kenney and Mr. Cryer for the financial component of the annual incentive compensation plan in an amount equal to their maximum potential of one hundred and fifty percent (150%) and one hundred and twenty percent (120%), 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 amortization of losses on certain hedging instruments previously settled and paid, mortgage prepayment penalties, accelerated vesting of previously granted RURs, large acquisition research costs relating to transactions that were not completed, one-time IRES internalization expenses impacting FFO adjustment from investment in associate and reorganization, senior management termination, and retirement costs.

Non-Financial Components

Personal Performance

One of the non-financial components of the 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 2021, 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 2021:

NEO	Personal Performance Goals and Objectives
MARK KENNEY President and Chief Executive Officer	• Continue to build on the investors relations program and build brand awareness for CAPREIT and ERES. • Bring forward recommendations and rationalization of the European Investment Strategy. • Clearly define the manufactured housing communities (“MHC”) expansion strategy for Canada. • Continue to execute on Elevation 2023, CAPREIT’s 5-year strategic plan. Examine organizational structures and alignment to ensure CAPREIT is successful in its current and future state. • Continue to build succession plans for key leaders within the organization. • Develop a strategic plan document for Board review and work with the Board to roll out considerations identified in the strategic plan. • Continue to provide mentoring support for the senior team in meeting our goal of being a successful, evolving, agile organization. Ensure success with key operational leaders. • Provide leadership and continue political outreach within the industry.
SCOTT CRYER Former Chief Financial Officer	• Continue to work on improving the department's engagement score. • Continue to develop key staff from a leadership perspective. • Execute on Elevation 2023 projects that have been defined on the Finance & Accounting Roadmap. Continue to communicate the vision in a highly engaged way to ensure buy-in and participation. • Continue to examine the Finance & Accounting team's organizational structure to ensure that it is set up for current and future success. • Continue to develop processes and procedures to ensure clear disclosure of the financial results. • Enhance processes for risk identification and escalation to the Chief Executive Officer.
JONATHAN FLEISCHER Former Executive Vice President	• Continue to develop succession plans for the Operations and Operational Services Teams. • Continue to work on Operations in Ireland and Netherlands to ensure procedures, policies are adhered to from an Operational perspective. • Execute on the ESG strategy and GRESB (as defined below) Submission. • Work in collaboration with Senior Leadership on the MHC strategy and execution of key initiatives. • Work with external industry leaders in areas of government relations and public relations.

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 and the personal performance non-financial component of the annual incentive compensation for each NEO was payable as follows in 2021:

Personal Performance Assessment	Annual Incentive Compensation Payout ⁽¹⁾ (%)		
	Mr. Kenney	Mr. Cryer	Mr. Fleischer
Exceptional	150%	120%	82.5%
Outstanding Performance	140%	115%	78.75%
Exceeds Expectations	130%	110%	75%
Meeting All Expectations	120%	100%	67.5%
Meeting Most Expectations	100%	75%	56.25%
Progressing	50%	50%	37.5%
Improvement Required	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.

Employee Engagement

One of the non-financial measures for 2021 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 in 2021 by Kincentric. For 2021, 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 NEO in 2021 as follows:

Employee Engagement Score	Annual Incentive Compensation Payout ⁽¹⁾ (%)		
	Mr. Kenney	Mr. Cryer	Mr. Fleischer
90% and Higher	150%	120%	82.5%
85 to 89.99%	140% - 148%	115% - 119%	80.625% - 82.125%
80 to 84.99%	130% - 138%	110% - 114%	78.75% - 80.25%
75 to 79.99%	120% - 128%	100% - 108%	75% - 78%
70 to 74.99%	50% - 100%	50% - 90%	37.5% - 67.5%
69.99% and Below	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 thirty-seven and a half percent (37.5%) to a maximum of one hundred 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. For 2021, Mr. Kenney and Mr. Cryer received 126% and 104%, respectively.

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, one hundred twenty percent (120%) for Mr. Cryer and eighty-two and a half percent (82.5%) for Mr. Fleischer. 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 NEOs' 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, and 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 Executive Contracts.

With regard to long-term compensation awards made in respect of the year ended 2021, grants of RURs were awarded based on the same financial and non-financial performance measures as described above under the heading "**Annual Incentive Awards**". As a result of the Mercer benchmarking review completed in early 2021, to align the overall President and Chief Executive Officer compensation by keeping the short term incentive components the same and increasing the long term incentive component, the Board approved a change in the RUR component percentage for the President and Chief Executive Officer from two hundred percent (200%) to two hundred and fifty percent (250%) of his base salary. No RURs were awarded to the Chief Financial Officer or the Executive Vice President for the year ended 2021, as they ceased to be the Chief Financial Officer and the Executive Vice President on March 31, 2022, and June 23, 2021, respectively.

The table below shows all RURs granted to each of the NEOs in respect of the 2021 financial year:

Name	Number of RURs	Total Value (\$)	Last Day of Grant Period
MARK KENNEY President and Chief Executive Officer	36,924	2,050,000 ⁽¹⁾	February 22, 2025
	2,028 ⁽²⁾	100,062 ⁽³⁾	February 26, 2024
SCOTT CRYER Former Chief Financial Officer	N/A	N/A	N/A
	1,231 ⁽²⁾	60,738 ⁽³⁾	February 26, 2024
JONATHAN FLEISCHER Former Executive Vice President	N/A	N/A	N/A
	730 ⁽²⁾	36,000 ⁽³⁾	February 26, 2024

Notes:

- (1) Based on a per Unit price of \$55.52 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, Mr. Cryer, and Mr. Fleischer in consideration of their agreement to extend the settlement date of RURs granted to each of them in February 2018.
- (3) Based on a per Unit price of \$49.34 determined in accordance with the RUR Plan. Amounts are rounded to the nearest whole RUR.

Senior Executive Compensation Claw-Back Policy

In February 2012, the Board adopted a senior executive compensation claw-back policy for awards made under CAPREIT's annual incentive compensation and RUR Plan. Under this policy, which applies to the NEOs, the Board may, pursuant to an agreement with the NEO, require reimbursement of all or a portion of the annual incentive compensation and compensation received under the RUR Plan by the executive(s) in situations where:

- the amount of incentive compensation received by the NEO was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently the subject of or affected by a restatement of all or a portion of CAPREIT's financial statements;
- the NEO engaged in gross negligence, intentional misconduct or fraud that caused or partially caused the need for the restatement; and
- the incentive compensation payment received would have been lower had the financial results been properly reported.

Each NEO is bound by the senior executive compensation claw-back 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 2021, in accordance with the RUR Plan, the Human Resources and Compensation Committee extended the settlement date by three (3) years of RURs granted in 2018 (the “**2018 RUR Grant**”) for purposes of further aligning the long-term interests of RUR Participants and Trust Unitholders by facilitating the continued holding of the 2018 RUR Grant. In consideration of their long-term commitment to CAPREIT, additional RURs were granted to those RUR Participants who agreed to extend the settlement date of the 2018 RUR Grant from March 12, 2021, to March 12, 2024, equal to twenty percent (20%) of the original value of their 2018 RUR Grant.

In 2022, in accordance with the RUR Plan, the Human Resources and Compensation Committee extended the settlement date by three (3) years of RURs 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 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 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, including an amendment to remove certain obligations of CAPREIT to annually match the number of Deferred Units a DUP Participant elected to receive thereunder. See “**Trustee Compensation - Deferred Unit Plan**”.

In 2021, the Board approved a change in the RUR component percentage for the President and Chief Executive Officer from two hundred percent (200%) to two hundred and fifty (250%). 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 Executive Contracts.

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 does not intend on making any significant changes to its compensation policies and practices in the next financial year.

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.

Engagement of Independent Compensation Consultant

In 2021, the Human Resources and Compensation Committee engaged Mercer to perform a review of executive and trustee compensation. Mercer delivered its report to the chair of the Human Resources and Compensation Committee in May 2021.

Mercer proposed, and the Human Resources and Compensation Committee approved, the following set of organizations against which to benchmark. Such set of organizations is composed of eighteen (18) Canadian publicly traded real estate investment trusts and real estate management and development organizations. Organizations were included in the benchmark group in consideration of various factors, including the following selection criteria: industry relevance, annual revenues (between \$245 million to \$1,900 million), total assets (between \$2,550 million to \$15,739 million), market capitalization (between \$401 million to \$8,692 million) and EBITDA (between \$120 million to \$892 million). CAPREIT deems each organization included in the benchmark group to carry on business operations comparable to CAPREIT and thus views the compensation policies of such organizations relevant for consideration.

Executive and Trustee Compensation Review Benchmark Group					
• Allied Properties REIT	• Artis REIT	• Boardwalk REIT	• Choice Properties REIT	• Cominar REIT	• RioCan REIT
• Crombie REIT	• CT REIT	• DREAM Industrial REIT	• DREAM Office REIT	• Granite Real Estate Inc.	• RITCHIE Bros, Auctioneers Incorporated
• H&R REIT	• Killam Apartment REIT	• Morguard North American REIT	• Morguard REIT	• Northwest Healthcare Properties REIT	• SMARTCENTRES REIT

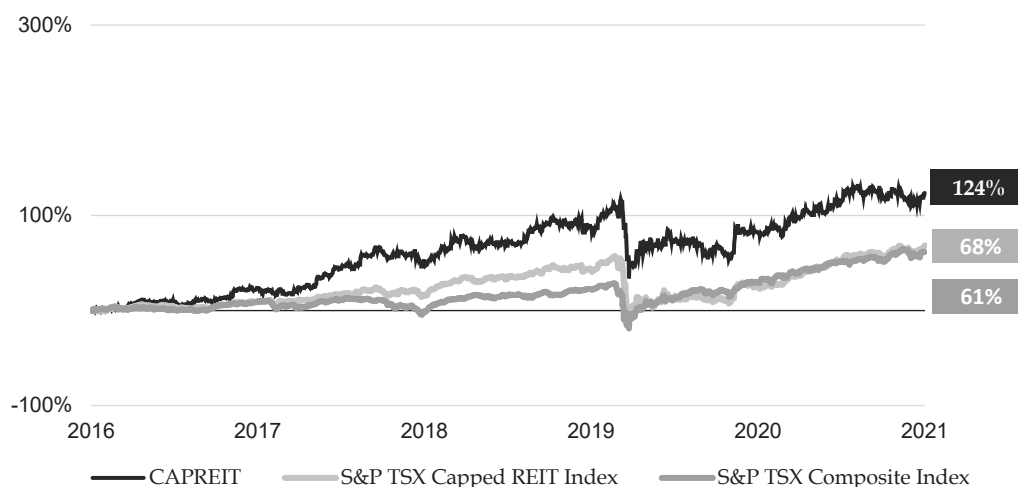
The results of the Mercer engagement, and the benchmarking that was applied, were used in 2021 to determine the overall composition of the NEO's total compensation, setting levels for base salary and performance-based (both short-term cash and long-term equity-based) incentive compensation. CAPREIT does not determine performance-based incentive compensation based on how CAPREIT performed relative to its peer group on an annual basis. No adjustments were made for the trustees compensation in 2021. For changes to trustee compensation in 2022, please see “**Compensation Discussion and Analysis – New Actions/Decisions or Policies**”.

Mercer did not provide any other services to CAPREIT or to any of its trustees or members of management other than as described above.

Summary of Fees paid to Mercer		
Nature of Fees	2021	2020
Executive Compensation-Related Fees	\$49,745	Nil
All Other Fees	Nil	Nil
Total	\$49,745	Nil

Performance Graph

The following graph compares the total cumulative Unitholder return for \$100 invested in Units on December 31, 2016 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, 2021, and as a percentage of market capitalization for the five (5) years ended December 31, 2021, are shown below:

	2017	2018	2019	2020	2021
Total Compensation of the NEOs⁽¹⁾	\$4,290	\$3,461	\$5,109	\$5,810	\$6,257
NFFO	\$250,474	\$289,335	\$339,121	\$388,958	\$402,194
Total Compensation of the NEOs as a percentage of NFFO	1.17%	1.20%	1.51%	1.49%	1.56%
Total Compensation of the NEOs as a percentage of market capitalization (as at December 31 of each year)	0.08%	0.05%	0.06%	0.07%	0.06%

Note:

- (1) Total compensation is calculated in the same manner as in the Summary Compensation Table and includes the NEOs for each respective year. The calculations for 2021 include one-time termination payments of \$937,767 made to Mr. Fleischer.

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 2021. For comparison purposes, the compensation information from 2019 and 2020 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	2021	820,087	2,150,062 ⁽²⁾	1,210,320 ⁽⁵⁾	-	88,449 ⁽⁸⁾	4,268,918
	2020	828,084	1,694,323 ⁽³⁾	1,185,610 ⁽⁶⁾	-	82,484 ⁽⁹⁾	3,790,501
	2019	694,149	1,484,143 ⁽⁴⁾	828,625 ⁽⁷⁾	-	178,899 ⁽¹⁰⁾⁽¹¹⁾	3,185,816
SCOTT CRYER Former Chief Financial Officer	2021 ⁽¹⁾	368,039	60,738 ⁽²⁾	345,552 ⁽⁵⁾	-	52,137 ⁽⁸⁾	826,466
	2020	372,506	393,198 ⁽³⁾	324,838 ⁽⁶⁾	-	49,563 ⁽⁹⁾	1,140,105
	2019	349,449	411,669 ⁽⁴⁾	351,669 ⁽⁷⁾	-	124,882 ⁽¹⁰⁾⁽¹¹⁾	1,237,669
JONATHAN FLEISCHER Former Executive Vice President	2021 ⁽¹⁾	151,468	36,000 ⁽²⁾	-	-	973,758 ⁽⁸⁾	1,161,226
	2020	311,120	277,684 ⁽³⁾	242,684 ⁽⁶⁾	-	48,103 ⁽⁹⁾	879,591
	2019	282,961	176,000 ⁽⁴⁾	170,000 ⁽⁷⁾	-	56,613 ⁽¹⁰⁾⁽¹¹⁾	685,574

Notes:

- (1) Mr. Cryer and Mr. Fleischer ceased to be Chief Financial Officer on March 31, 2022, and Executive Vice President on June 23, 2021, respectively.
- (2) Represents 36,923 RURs issued to Mr. Kenney on February 22, 2022 in respect of the 2021 financial year. RURs were not granted to Mr. Fleischer or Mr. Cryer in 2022, in respect of the 2021 financial year, due to ceasing to be employed by CAPREIT in 2021 and 2022, respectively. 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 and an additional 730 RURs issued to Mr. Fleischer for a value of \$36,000 on February 26, 2021. These additional RURs were granted to Mr. Kenney, Mr. Cryer and Mr. Fleischer 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”.
- (3) Represents 31,752 RURs issued to Mr. Kenney and 6,446 RURs issued to Mr. Cryer and 4,816 RURs issued to Mr. Fleischer 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 and an additional 593 RURs issued to Mr. Fleischer for a value of \$35,000 on February 26, 2020. These additional RURs were granted to Mr. Kenney, Mr. Cryer and Mr. Fleischer 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”.
 - (4) Represents 23,728 RURs issued to Mr. Kenney and 5,960 RURs issued to Mr. Cryer and 2,881 RURs issued to Mr. Fleischer on February 26, 2020. 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 \$59.00. 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. Represents also an additional 1,759 RURs issued to Mr. Kenney for a value of \$84,143 and an additional 1,254 RURs issued to Mr. Cryer for a value of \$60,000 and an additional 125 RURs issued to Mr. Fleischer for a value of \$6,000 on February 26, 2019. These additional RURs were granted to Mr. Kenney, Mr. Cryer and Mr. Fleischer as they agreed to extend the settlement date of the 2016 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 \$47.84. See “Compensation Discussion & Analysis – New Actions/Decisions or Policies”.
 - (5) This bonus was earned in respect of the 2020 financial year and paid in February 2021.
 - (6) This bonus was earned in respect of the 2019 financial year and paid in February 2020.
 - (7) This bonus was earned in respect of the 2018 financial year and paid in February 2019.
 - (8) Represents the total value of perquisites including car allowance of \$18,000 and Executive RRSP contribution of \$40,000 for Mr. Kenney. Represents total value of perquisites, including car allowance of \$18,000, and Executive RRSP contribution of \$17,947 for Mr. Cryer. Represents total value of perquisites, including car allowance of \$8,515, and Executive RRSP contribution of \$15,001 for Mr. Fleischer. In addition, termination payments made to Mr. Fleischer are included in the amount of \$937,767. 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.
 - (9) Represents the total value of perquisites including car allowance of \$18,692 and Executive RRSP contribution of \$35,000 for Mr. Kenney. Represents total value of perquisites, including car allowance of \$18,692, and Executive RRSP contribution of \$17,509 for Mr. Cryer. Represents total value of perquisites, including car allowance of \$18,457, and Executive RRSP contribution of \$14,175 for Mr. Fleischer. 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.
 - (10) Represents the total value of perquisites including car allowance of \$18,000 and Executive RRSP contribution of \$22,324 for Mr. Kenney. Represents total value of perquisites, including car allowance of \$18,000, and Executive RRSP contribution of \$15,918 for Mr. Cryer. Represents total value of perquisites, including car allowance of \$14,354, and Executive RRSP contribution of \$13,005 for Mr. Fleischer. 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 2019 were immaterial.
 - (11) On December 10, 2019, options of ERES at an exercise price of \$4.65 were granted as follows: 150,000 options to Mr. Kenney; 100,000 options to Mr. Cryer and 30,000 options to Mr. Fleischer. One third of the options vest each year for 3 years, and the options expire on December 9, 2029. The amounts represent the grant date fair value of the options using the Black-Scholes option pricing model. Key assumptions used in the valuation were a distribution yield of 3.26%, a risk-free rate of 1.61% and a volatility of 25%. The NEOs were granted these options in relation to their role with CAPREIT, which acts as an asset manager to ERES.

SUMMARY CEO COMPENSATION LOOKBACK TABLE

The following table sets forth a summary of the compensation earned by the CEO of CAPREIT in 2021 in relation to the maximum potential compensation for the CEO. For comparison purposes, the compensation information from 2019 and 2020 is set out below in the summary CEO compensation lookback table.

Year		Salary (\$)	Unit-based Awards (\$)	Non-equity Incentive Plan Compensation (\$)		All Other Compensation (\$)	Total Compensation (\$)	CEO Maximum Potential Compensation (\$)
				Annual Incentive Plans	Long-Term Incentive Plans			
				(\$)	(\$)			
MARK KENNEY 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
	2019	694,149	1,484,143	828,625	-	178,899	3,185,816	3,197,191

Narrative Discussion

Significant Terms of Executive Employment Agreements

The NEO Contracts provide for 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 EVP Contract between CAPREIT and Mr. Fleischer terminated on June 23, 2021. The Executive Contract between CAPREIT and Mr. Cryer terminated on March 31, 2022.

Long-term incentive awards for NEOs are governed by 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 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 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.

	Messrs. Kenney and Cryer	Mr. Fleischer
	Executive Contract	EVP Contract
Term	Indefinite	Indefinite
Termination without cause, with notice	• CAPREIT may terminate the Executive 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, 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 the EVP 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 eighteen (18) months (the “EVP Notice Period”). • During the EVP Notice Period, the executive shall receive an amount equal to their base salary, plus the plus the average annual bonus awarded to the executive in respect of the two (2) most recent calendar years receding the date the notice of termination is received (the “EVP Termination Payments”). • CAPREIT shall maintain all health and dental benefits to which Mr. Fleischer is entitled pursuant to his EVP Contract for the EVP Notice Period
Termination without cause, without notice	• In lieu of the Executive Notice Period, CAPREIT may elect to immediately terminate the Executive 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.	• In lieu of the EVP Notice Period, CAPREIT may elect to immediately terminate the EVP Contract upon payment to the executive of a lump sum equal to the total EVP Termination Payments. • At the option of the executive, any lump sum payment payable may be paid in instalments until the full amount is paid.
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	• Six (6) months’ notice of the executive’s resignation must be given to CAPREIT. After such time, CAPREIT shall have no further obligations under the EVP Contract or CAPREIT’s employee benefit plans.

	Messrs. Kenney and Cryer Executive Contract	Mr. Fleischer EVP Contract
Termination in the event of a change of control	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. - Each executive may elect to terminate his respective Executive 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. - Mr. Cryer 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. - If an executive elects to terminate their Executive 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.	- Mr. Fleischer may elect to terminate his EVP Contract for any Good Reason (as defined in his EVP Contract) at any time following a change of control, which termination shall be effective thirty (30) days after the date of serving notice of such election. - Mr. Fleischer may elect to terminate his EVP Contract, for any reason following a change of control, exercisable for thirty (30) days following the EVP becoming aware of the change of control, which termination shall be effective thirty (30) days after the date of serving notice of such election. - In the event of termination pursuant to a change of control, Mr. Fleischer is entitled to receive a severance payment in the amount equal to two (2) times the sum of (i) his base salary paid or payable during the previous twelve (12) month period, and (ii) the average of any annual bonus awarded in respect of the two (2) previous calendar years. - CAPREIT shall maintain all health and dental benefits to which Mr. Fleischer is entitled pursuant to his EVP Contract for a period of twenty-four (24) months.
Non-Competition, Non-Solicitation and Confidentiality	Each Executive Contract contains certain customary non-competition, non-solicitation and confidentiality provisions in favour of CAPREIT.	Mr. Fleischer's EVP 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 Executive 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 and Option-based Awards

The following table sets forth a summary of the Unit-based awards and option-based awards for each NEO outstanding as at December 31, 2021.

	Option Based Awards ⁽¹⁾				Unit Based Awards		
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options ⁽²⁾ (\$)	Number of Units That Have Not Vested (#)	Market or Payout Value of Unit-Based Awards That Have Not Vested ⁽²⁾ (\$)	Market or Payout Value of Vested Unit- Based Awards Not Paid Out or Distributed ⁽²⁾ (\$)
MARK KENNEY President and Chief Executive Officer	-	-	-	-	74,863	4,488,785	2,995,722
SCOTT CRYER Former Chief Financial Officer	-	-	-	-	24,650	1,478,014	2,050,812
JONATHAN FLEISCHER⁽³⁾ Former Executive Vice President	-	-	-	-	N/A	N/A	N/A

Notes:

- (1) The Unit Option Plan (as defined below) governing option-based awards was terminated by the Board effective February 23, 2022.
- (2) Value based on the closing price of Units on the TSX on December 31, 2021.
- (3) Mr. Fleischer ceased to be Executive Vice President on June 23, 2021.

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-Based Awards – Value Vested During the Year ⁽¹⁾ (\$)	Unit-Based Awards – Value Vested During the Year ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
MARK KENNEY President and Chief Executive Officer	-	948,346	1,210,320
SCOTT CRYER Former Chief Financial Officer	-	548,960	345,552
JONATHAN FLEISCHER⁽³⁾ Former Executive Vice President	-	1,088,307	N/A

Notes:

- (1) The Unit Option Plan governing option-based awards was terminated by the Board effective February 23, 2022.
- (2) Represents 18,588, 10,760, and 5,393 RUR grant units which vested in February 2021 for Mr. Kenney, Mr. Cryer and Mr. Fleischer, respectively and 14,018 RUR grant units which vested for Mr. Fleischer upon termination June 23, 2021.
- (3) Mr. Fleischer ceased to be Executive Vice President on June 23, 2021.

Narrative Discussion

Equity Based Incentive Plans

The following table provides a brief description of CAPREIT's RUR Plan, which is its key long-term equity incentive plan. 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 an 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 the Plans as at the date of this Circular and is qualified entirely by the full text of each Plan. Please see “**Matters Requiring Unitholder Approval – 4. Special Business – Amendments to Increase the Maximum Number of Units Issuable Under Equity Incentive Plans**”, “**Matters Requiring Unitholder Approval – 5. Special Business – Approve the Amended and Restated DUP**”, “**Matters Requiring Unitholder Approval – 6. Special Business – Approve the Amended and Restated EUPP**” and “**Matters Requiring Unitholder Approval – 7. Special Business – Approve the Amended and Restated RUR Plan**” for proposed amendments to the Plans, which have not been reflected in the below.

The full text of the proposed Amended and Restated Plans can be found in Appendices 8, 9 and 10.

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 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.

As at December 31, 2021, 479,700 RURs have been issued and are outstanding under the RUR Plan to RUR Participants; the Units issuable under such grants constitute 0.3% of CAPREIT's currently outstanding Units.

CAPREIT's annual burn rate of the RURs granted under the RUR Plan, was 0.05% in fiscal 2019, 0.05% in fiscal 2020 and 0.07% in fiscal 2021. 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 9,500,000 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 12, 2014.

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 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.

As at December 31, 2021, 510,512 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 0.02% in fiscal 2019, 0.03% in fiscal 2020 and 0.03% in fiscal 2021. 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 9,500,000 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 12, 2014.

Deferred Unit Plan

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

Former Plans

Unit Option Plan

On 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 2021 financial year. As of each of December 31, 2021 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 ").

Plan	Death, Retirement or Resignation	Termination With Cause	Termination Without Cause	Termination Without Cause Following a Change-In-Control
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 ”.
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, 2021.

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 4,109,642 retirement/ resignation	Nil	5,137,053	5,137,053
SCOTT CRYER Former Chief Financial Officer	368,000	Nil	1,857,998	2,229,597
JONATHAN FLEISCHER⁽³⁾ Former Executive Vice President	N/A	Nil	844,474	N/A

Notes:

- (1) Includes benefits premiums and car allowance.
- (2) For Mr. Kenney's additional entitlements under his Executive Contract dated March 27, 2019, please refer to "**Significant Terms of Executive Employment Agreements**".
- (3) Mr. Fleischer ceased to be Executive Vice President on June 23, 2021, the calculated amount reflects the compensation received by Mr. Fleischer pursuant to the termination of the EVP 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 2021

Name	Fees Earned (\$)	Unit-Based Awards ⁽¹⁾ (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
LORI-ANN BEAUSOLEIL	-	98,544	-	-	-	-	98,544
HAROLD BURKE	88,750	42,500	-	-	-	-	131,250
GINA PARVANEH CODY	50,000	170,000	-	-	-	-	220,000
MARK KENNEY	-	-	-	-	-	-	-
POONAM PURI	-	170,000	-	-	-	-	170,000
JAMIE SCHWARTZ	42,500	85,000	-	-	-	-	127,500
MICHAEL STEIN	100,000	170,000	-	-	-	-	270,000
ELAINE TODRES	67,500	85,000	-	-	-	-	152,500
RENÉ TREMBLAY	-	170,000	-	-	-	-	170,000
TOTAL	348,750	991,044	-	-	-	-	1,339,794

Notes:

- (1) Represents 2,942 Deferred Units issued each to Dr. Cody, Ms. Puri, Mr. Stein and Mr. Tremblay, 1,471 Deferred Units to Dr. Todres and Mr. Schwartz, 736 Deferred Units to Mr. Burke, and 1,655 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.

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 fiscal 2021, trustees received a flat annual retainer from CAPREIT per the schedule below. Due to all meetings being virtual in 2021, no trustees were reimbursed for travel and miscellaneous expenses. Pursuant to the DUP, each non-executive trustee in 2021 was entitled to elect to receive up to one hundred percent (100%) of his or her Board compensation (equating to 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. As a result, if a non-executive trustee elected to receive one hundred percent (100%) of his or her Board compensation in Deferred Units, such trustee's annual compensation for 2021 (including the impact of Deferred Units issued and matched by CAPREIT), would amount to \$170,000. Effective April 1, 2022, trustees will receive an annual

retainer from CAPREIT of \$170,000. The trustees will be entitled to elect between 50% and 100% to be paid in Deferred Units 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 will be \$170,000. In addition, effective April 1, 2022, a Vice-Chair position was added with an annual retainer of \$50,000. '

The following table provides a description of the 2021 trustee fee schedule.

Compensation Element	Compensation Value (\$)
Member Annual Retainer	\$85,000
Chair Annual Retainer (premium)	\$100,000
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

On November 8, 2006, upon the recommendation of the Compensation and Governance Committee then constituted, the Board instituted a requirement that the trustees own or acquire, over a maximum period of three (3) years from the date of their appointment as trustee, such number of Units, including, following adoption of the DUP, Deferred Units, having a value equal to three (3) times their annual retainer.

The following table summarizes the number of Units and Deferred Units owned by each trustee as at April 1, 2022, and whether each trustee has met or exceeded the ownership guidelines established by the Board.

Name of Trustee	Number of Units Beneficially Owned, or 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, or Controlled or Directed, Directly or Indirectly and Deferred Units ⁽²⁾	Actual Multiple of Total Annual Compensation ⁽³⁾	Met or Exceeded Ownership Guidelines?
LORI-ANN BEAUSOLEIL ⁽⁴⁾	-	2,260	2,260	121,904	1.43 times annual retainer	No
HAROLD BURKE	-	33,089	33,089	1,784,821	21.00 times annual retainer	Yes
GINA PARVANEH CODY	23,000	18,450	41,450	2,235,813	26.30 times annual retainer	Yes
MARK KENNEY	256,450	164,601	421,051	22,711,479	27.70 base salary	Yes
POONAM PURI	-	9,446	9,446	509,517	5.99 times annual retainer	Yes
JAMIE SCHWARTZ	175	10,456	10,631	573,436	6.75 times annual retainer	Yes
MICHAEL STEIN	376,405	87,387	463,792	25,016,940	294.32 times annual retainer	Yes
ELAINE TODRES	3,000	33,711	36,711	1,980,191	23.30 times annual retainer	Yes
RENÉ TREMBLAY	-	7,600	7,600	409,944	4.82 times annual retainer	Yes

Notes:

- (1) Individual trustees have furnished information as to Units beneficially owned, or 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 April 1, 2022, 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 annual retainer or base salary, as applicable. Based on their annual retainer of \$85,000 as no payments have been made yet under the new retainer which became effective April 1, 2022.
- (4) Ms. Beausoleil was appointed to the Board on June 2, 2021 and is in the process of meeting her ownership requirement.

Deferred Unit Plan

The following is a summary of the DUP as at the date of this Circular and is qualified entirely by the full text of the DUP.

Please see “Matters Requiring Unitholder Approval – 4. Special Business – Amendments to Increase the Maximum Number of Units Issuable Under Equity Incentive Plans” and “Matters Requiring Unitholder Approval – 5. Special Business – Approve the Amended and Restated DUP” for proposed amendments to the DUP, which have not been reflected in the below. The full text of the proposed Amended and Restated DUP can be found in Appendix 8.

Overview

In 2008, CAPREIT established the DUP, which has been amended and restated from time to time, and most recently on April 1, 2022. 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.

During the year ended December 31, 2021, each Eligible Person (a person who was, on the applicable Election Date (as defined in the DUP), a non-executive trustee) was entitled, subject to the conditions of the DUP, to elect (in accordance with Section 5.02 of the DUP) to be a DUP Participant in the DUP. A DUP Participant was entitled to elect to be paid twenty-five percent (25%), fifty percent (50%), seventy-five percent (75%) or one hundred percent (100%) (the “**Elected Percentage**”) of his or her Board compensation (such product being herein referred to as the “**Elected Amount**”), subject to an annual maximum Elected Percentage established by the Human Resources and Compensation Committee and approved by the Board, in the form of deferred Units (“**Deferred Units**”), in lieu of cash, provided that CAPREIT matched the Elected Amount for each DUP Participant annually in the form of Deferred Units having a value on each Award Date (as defined in the DUP) equal to the Market Value (as defined in the DUP) on such dates. The maximum Elected Percentage for 2021 was one hundred percent (100%) of the DUP Participant’s Board compensation in respect of 2021.

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 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 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, 2021, 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 doubling the dollar amount of the DUP Participant's Elected Amount and dividing that product 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.

CAPREIT's annual burn rate of the Deferred Units granted under the DUP, was 0.01% in fiscal 2019, 0.01% in fiscal 2020 and 0.01% in fiscal 2021. 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.

Amendments

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; except that Trust Unitholder approval is not required to amend the provisions of the DUP relating to the value of Deferred Units. 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) amendment which, in the opinion of the trustees, are necessary or desirable to remove conflicts or inconsistencies in the DUP; (iii) amendments as the trustees 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. In 2016, the trustees made certain amendments to the DUP to change the vesting provisions of the Deferred Units issued pursuant to the DUP to: (a) permit a DUP Participant to elect to withdraw up to twenty percent (20%) of the Deferred Units credited to his or her Deferred Unit account at any one time or from time to time in any five-year period and (b) permit a DUP Participant to carry forward the remaining balance of up to twenty percent (20%) of the Deferred Units credited to his or her Deferred Unit account not redeemed at the end the five-year period to the next five-year period. As described below, in 2022, the trustees made certain additional amendments to the DUP.

The DUP was amended and restated without Trust Unitholder approval effective as of April 1, 2022 to: (i) delete the definition of “Eligible Person” and replace any reference to an “Eligible Person” with a “Participant”; (ii) require each DUP Participant (as defined below) to participate in the DUP, (iii) make changes to the “Elected Percentage” definition (Section 5.01) to modify the percentage of total compensation an Eligible Person 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 herein as the “**2022 DUP Amendments**”).

Under the DUP following the 2022 DUP Amendments, a DUP Participant is defined as a person who is, on the applicable Election Date (as defined in the DUP), a non-executive trustee of CAPREIT. A DUP Participant shall be required to elect to be paid between fifty percent (50%) and one hundred percent (100%) (referred to herein as the “**Amended Elected Percentage**”) of his or her Board compensation, in the form of Deferred Units, in lieu of cash on a dollar-for-dollar basis, provided that the 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 (referred to herein as the “**Amended Elected Amount**”).

Pursuant to the 2022 DUP Amendments, CAPREIT no longer matches the DUP Participant’s Amended Elected Percentage, and 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 Amended Elected Amount and dividing that product by four; by (ii) the Market Value of a Unit on the Award Date (as defined in the DUP).

During the year ended December 31, 2021, no amendments were made to the DUP other than the 2022 DUP Amendments. The above discussion of the DUP, as amended, is qualified in its entirety by the text of the DUP, as amended by the 2022 DUP Amendments, the full text of which is available on SEDAR under CAPREIT’s profile at www.sedar.com and was filed on April 1, 2022.

As of December 31, 2021, a total of 303,877 Units have been settled under the DUP (representing approximately 0.2% of the issued and outstanding Units at such date) and a further 196,423 Units are issuable under the DUP (representing approximately 0.1% of the issued and outstanding Units at such date).

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, 2021 and the associated dollar value. Such Deferred Units are included in the 9,500,000 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 (prior to the 2022 DUP Amendments, referred to as an “**Eligible Person**”) shall at any time be issued Deferred Units under the DUP which would result in the non-executive trustees collectively holding an aggregate number of Units issued or issuable pursuant to the equity incentive plans in excess of one-half percent (0.5%) of the aggregate number of Units, on a non-diluted basis, outstanding from time to time.

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⁾	1,655	8	99,713
HAROLD BURKE	24,347	8,332	1,959,433
GINA PARVANEH CODY	16,468	1,085	1,052,478
MARK KENNEY	-	-	-
POONAM PURI	8,345	263	516,136
JAMIE SCHWARTZ	9,445	555	599,600
MICHAEL STEIN	64,449	21,593	5,159,078
ELAINE TODRES	28,316	4,788	1,984,916
RENÉ TREMBLAY	6,611	163	406,169
TOTAL	159,636	36,787	11,777,523

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, 2021, by the closing price of the Units on the TSX on such date.
- (3) Ms. Beausoleil was appointed to the Board on June 2, 2021.

Outstanding Unit-based Awards

The following table sets forth Deferred Units issued in previous years to trustees as of December 31, 2021.

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 ⁽²⁾	-	-	99,713
HAROLD BURKE	-	-	1,959,433
GINA PARVANEH CODY	-	-	1,052,478
MARK KENNEY	-	-	-
POONAM PURI	-	-	516,136
JAMIE SCHWARTZ	-	-	599,600
MICHAEL STEIN	-	-	5,159,078
ELAINE TODRES	-	-	1,984,916
RENÉ TREMBLAY	-	-	406,169

Notes:

- (1) Value based on closing price of the Units on the TSX on December 31, 2021.
- (2) Ms. Beausoleil was appointed to the Board on June 2, 2021.

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
- Code of Business Ethics and Conduct
- Whistle-blower Policy
- Audit Committee Charter
- Governance and Nominating Committee Charter
- Human Resources and Compensation Committee Charter
- Investment Committee Charter
- Disclosure Policy
- Insider Trading Policy
- Position descriptions for the Chair and Chair of each Board committee
- Diversity Policy
- Majority Voting 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. Michael Stein will not stand for re-election at the Meeting. As of April 1, 2022, the trustees were: Lori-Ann Beausoleil, Harold Burke, Gina Parvaneh Cody, Mark Kenney, Poonam Puri, Jamie Schwartz, Michael Stein, Elaine Todres and René Tremblay. Effective March 31, 2022, Gina Parvaneh Cody was appointed to the position of Vice-Chair of the Board. This year, eight (8) candidates have been nominated for election to the Board; all of the nominees were elected at CAPREIT’s 2021 annual and special meeting.

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

Area of Expertise	Beausoleil	Burke	Cody	Kenney	Puri	Schwartz	Todres	Tremblay
Enterprise Leadership			X	X	X	X	X	X
Management Experience	X	X	X	X	X	X	X	X
Board Experience	X	X	X	X	X		X	X
Legal/Tax	X	X			X			
Real Estate	X	X	X	X		X		X
Human Resources			X	X	X	X	X	X
Corporate Governance	X	X	X	X	X	X	X	X
Financial Acumen	X	X	X	X	X	X	X	X
Government Relations			X	X	X	X	X	
Capital Markets	X	X	X	X	X	X		X
International Business Experience	X	X	X	X		X		X
Enterprise Risk Management	X	X	X	X	X	X	X	X
Client Engagement	X	X	X	X	X	X	X	X

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, seven (7) 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, Director Overboarding and Other Board Memberships

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 of directors) and director overboarding. While the Board has not adopted a formal policy restricting interlocking directorships or limiting the number of boards of other

public companies of which its trustees may be members, it does believe disclosure of other board memberships is important. Given that many of the 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 trustees of CAPREIT that such trustees excuse themselves from all deliberations on such matters.

In its capacity as investment manager to IRES, IRES Fund Management Limited (a wholly-owned subsidiary of CAPREIT) had appointed Mr. Kenney as its nominee to be a director of IRES. Mr. Kenney is also the President and Chief Executive Officer and a trustee of CAPREIT. However, Mr. Kenney ceased being a director of IRES on July 2, 2021 and as of January 31, 2022 IRES Fund Management Limited was acquired by IRES and therefore ceased to be a subsidiary of CAPREIT.

Pursuant to its rights under an investor rights agreement in respect to ERES, CAPREIT has appointed trustees Harold Burke, Gina Parvaneh Cody and Michael Stein as its nominees to be trustees of ERES.

Michael Stein and Poonam Puri are both directors of Propel Holdings Inc.

As of April 1, 2022, other than the interlocks noted above, there are no common public board memberships involving the trustees of CAPREIT.

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 (and nominees for trustee) of CAPREIT serves as a trustee or director as at April 1, 2022:

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, Trustee	• TSX
POONAM PURI	• Augusta Gold Corp., Director	• TSX and OTCQB
	• Colliers International Group Inc., Director	• TSX and NASDAQ
	• Propel Holdings Inc., Director	• TSX
MICHAEL STEIN	• McEwen Mining Inc., Director	• TSX and New York Stock Exchange
	• Cliffside Capital Ltd., Director	• TSX Venture Exchange
	• ERES, Trustee	• TSX
	• Propel Holdings Inc., Director	• TSX

As of the date of the Meeting, 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 directorships 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 2021:

Name of Trustee	Board	Audit Committee	Governance and Nominating Committee	Human Resources and Compensation Committee	Investment Committee
LORI-ANN BEAUSOLEIL ⁽¹⁾	5/6	3/3	N/A	N/A	N/A
HAROLD BURKE	11/11	6/6	4/4	N/A	N/A
GINA PARVANEH CODY	11/11	N/A	4/4	4/4	6/6
MARK KENNEY	11/11	N/A	N/A	N/A	N/A
POONAM PURI	11/11	6/6	4/4	N/A	N/A
JAMIE SCHWARTZ	11/11	6/6	N/A	4/4	6/6
MICHAEL STEIN	11/11	N/A	N/A	N/A	N/A
ELAINE TODRES	10/11	N/A	N/A	4/4	6/6
RENÉ TREMBLAY	11/11	N/A	N/A	4/4	6/6

Notes:

(1) Ms. Beausoleil became a member of the Board and joined the Audit Committee, effective June 2, 2021.

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 2021, the Audit Committee, Human Resources and Compensation Committee, Governance and Nominating Committee and investment committee of the Board of trustees (the "**Investment Committee**") held in camera sessions without the presence of management or non-independent trustees at each 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.

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 April 1, 2022, the Audit Committee of CAPREIT consists of the following three (3) trustees: Lori-Ann Beausoleil, Poonam Puri, and Jamie Schwartz. Ms. Beausoleil serves a Chair of the Audit Committee.

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 28, 2022 (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, 2021, the Audit Committee met six (6) 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 and each of whom should be familiar with corporate governance practices.

The Human Resources and Compensation Committee has the primary functions 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 April 1, 2022, the Human Resources and Compensation Committee of CAPREIT consists of the following three (3) trustees: Jamie Schwartz, 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, 2021, 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 functions 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. For a more detailed discussion of the Governance and Nominating Committee’s role in executive compensation, see the **“Compensation Discussion & Analysis – Governance and Nominating Committee”** discussion above.

As of April 1, 2022, the Governance and Nominating Committee of CAPREIT consists of the following three (3) trustees: Harold Burke, Poonam Puri and René Tremblay. Poonam Puri 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, 2021, the Governance and Nominating Committee met four (4) 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 April 1, 2022, the Investment Committee of CAPREIT consists of the following three (3) trustees: Jamie Schwartz, 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, 2021, the Investment Committee met six (6) 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 and existing direction. These outline the desired complement of trustees' skills and characteristics based on CAPREIT's current and anticipated needs under the broad categories of enterprise leadership, management experience, board experience, legal/tax, real estate, human resources, corporate governance, financial acumen, government relations, capital markets, international business experience, enterprise risk management and client engagement. 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 and, reviews and recommendations arising out of trustee effectiveness assessments and peer-review evaluations.

The President and Chief Executive Officer

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

The mandate of the President and Chief Executive Officer sets out the President and Chief Executive Officer's key responsibilities. The primary accountabilities of the President and Chief Executive Officer are:

- 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;
- developing a long-term strategy and vision for CAPREIT that enhances Trust Unitholder value;
- developing an annual operating plan and financial budget that support CAPREIT's long-term strategy;
- strategy and implementation for major mergers, acquisitions and divestitures;
- 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 communications framework and strategy;
- ensuring, in cooperation with the Board, that there is an effective succession plan in place for the President and Chief Executive Officer position;
- ensuring that CAPREIT has an effective management team below the level of the President and 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 primary responsibility being to facilitate the operations and deliberations of the Board and the satisfaction of the Board's responsibilities under his 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 ensuring 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 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 by 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 each year. 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, provided if there is a vacancy in such office, the Audit Committee shall appoint one of its members to fill the vacancy until such time as it is filled by the Board.

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;
- 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;

- in advance of each 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, 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 Committee and the internal and external auditors;
- from time to time, and in advance of each scheduled Audit Committee meeting, meeting with CAPREIT's Director, Internal Audit and 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 CAPREIT's Director, Internal Audit and support the independence of the Director, Internal Audit; 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 is reviewed and considered by 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 is reviewed and considered by 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 is reviewed and considered by 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 each year or, in the event that the Board does not elect a Chair, the members of the Investment 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 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 committee meetings;
- providing appropriate information from management to enable the committee to exercise its accountabilities;
- ensuring that all items requiring committee approval or committee recommendations to the Board are appropriately tabled;
- ensuring proper flow of information to the committee and reviewing adequacy and timing of documentary materials; and
- ensuring that the committee has access to such members of senior management as may be required by the 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; encourage free and open discussion at meetings of the 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 is reviewed and considered by 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 and the Chairs of the committees 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 with the President and Chief Executive Officer, in order to familiarize themselves with CAPREIT's operations, property management, and a segment of the property portfolio. This meeting also provides new trustees with an opportunity to ask any questions they may have on the nature and operations of the business, and on 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 general counsel and corporate secretary, as executive chair of the risk management committee, provides an overview of the matters under review by the risk management committee, including emerging risks and trends in the market.
- Every year, the Board meets for a full-day 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 2021, trustees participated in the following:

Who Participated	Who Presented	Education Activity
Governance Committee	Management	Canadian Privacy Legislation
Board of Trustees	Management	Education session on the topics of capital allocation pricing and the Due Diligence process
Board of Trustees	Valuer	Presentation "Canadian multi-residential market review"
Dr. Todres	Institute of Corporate Directors	ICD "2021 ICD National Conference: Next Level Governance"
Board of Trustees	Management	Valuations Process
Board of Trustees	Management	Cybersecurity
Mr. Burke and Dr. Todres	REALReit	REALReit Conference 2021
Dr. Todres	Indigenous Speakers	Indigenous Speaker Series #1: CAPREIT and Reconciliation: Bridging the Gap
Audit Committee	External Auditor	Review of responsibilities of the Audit Committee under "National Instrument 52-110 – Audit Committees"
Dr. Cody and Mr. Stein	Canadian Coalition for Good Governance	CCGG Webinar "Board-Shareholder Engagement: Impact and Insights"
Board of Trustees	Management	Mortgage/Debt Strategy process
Board of Trustees	Management	Privacy Update
Board of Trustees	CMHC	Affordable Housing
	Developer	
	Insurance Broker	Cyber Insurance
Board of Trustees	Third Party Provider	Cyber Security Landscape
	Management	Cyber Security protocols
Dr. Cody	Indigenous Speaker	Indigenous Speaker Series: The Role of Business in Reconciliation, Call to Action #92
Board of Trustees	Management	Strategy Day

In addition, all Trustees are currently members of the Institute of Corporate Directors. Mr. Burke, Ms. Puri and Dr. Todres have completed their Director Education Programs at the Rotman School of Management, and carry the ICD.D designation.

Ms. Puri is a Full Professor of Law at Osgoode Hall Law School. Ms. Puri has presented or lectured on a number of business law and corporate governance topics in 2021 including the following:

- Speaker, “The Changing World of Directors Liability in Canada”, Rotman School of Business and the Institute of Corporate Directors Education Program (January, February, June, October, 2021);
- Speaker, “Expectations for the Oppression Remedy emerging from COVID”, National Judicial Institute Court of Queen’s Bench of Alberta’s *Mandatory Professional Development Program* (January 2021);
- Moderator, “Managing Change in Times of Crisis: The Impact of COVID-19 on Business and Law in Canada”, JD/MBA Students’ Association’s *24th Annual Business and Law Conference* (January 2021);
- Speaker, “ESG and Beyond: Strengthening Sustainable Capitalism in a Time of Upheaval”, *Second Annual General Counsel Summit* (February 2021);
- Speaker, “Directors Duties & Oppression Remedy in an Age of COVID”, National Judicial Institute’s *Business Law Program* for commercial law judges across the country (February 2021);
- Chair, “The Practical Legal Guide to Advising the Public Company Board of Directors”, Osgoode Professional Development (March, April 2021);
- Speaker, “Central Bank Digital Loonie: Canadian Cash for a New Global Economy”, Bank of Canada’s *Model X Challenge* (March 2021);
- Lecturer, “Engagement and Good Relations with Indigenous Peoples” Course, “Boards of Directors” Course and “Corporate Governance” Course”, Osgoode Professional Development (April, September, November 2021);
- Presenter, “Shareholder Inspection Rights: A Comparative Perspective”, *Shareholder Inspection Rights Virtual Conference* (June 2021);
- Visiting Professor, “Comparative Corporate Governance”, National University of Singapore (August 2021);
- Speaker, “Building a Strong, High-Functioning Board: Updated Skills for Forward-Looking Businesses”, Canadian Bar Association’s *Modernizing Your Corporate Governance Skills* (September 2021);
- Lecturer, “Business Association Course”, Osgoode Hall Law School (Fall 2021);
- Lecturer, “Duty of Care & The Legal Framework in Canada”, Rotman School of Business and the Institute of Corporate Directors Education Program (November, December 2021); and
- Co-Chair, “9th Annual Professionalism Issues for Business Lawyers”, Ontario Bar Association (December 2021).

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 guidelines and 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 it in identifying the principal risks faced by CAPREIT, the Board and the Audit Committee receive regular presentations from management and its external advisors assessing principal risks and risk mitigation, including 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 Covid-19 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;
- climate-related risk;
- 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 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; and
- ineffective controls relating to document review, signing and approval processes.

ESG Oversight

Pursuant to the Board's mandate, as amended on February 23, 2022, 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, as amended on February 23, 2022, the members of the Audit Committee must satisfy themselves that adequate procedures and controls are in place for the review of the 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, as amended on February 23, 2022, 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, as amended on February 23, 2022, the Governance and Nominating Committee shall review CAPREIT's Diversity Policy at least annually and take into consideration the Diversity 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, as amended on February 28, 2022, 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.

CAPREIT continues to review and refine its multi-year ESG strategy and road map and integrate it into its corporate strategy. The ESG strategy and roadmap are supported by CAPREIT's Board of Trustees and all levels of the organization contribute to the implementation of the strategy and achievement of deliverables. This road map allows CAPREIT to better demonstrate its environmental responsibility, attract and retain the best people in the business, build strong relationships with its residents and the communities in which they live, adopt best practice programs in corporate governance, and maintain open and transparent communication with its investors. CAPREIT focuses on several ESG-specific deliverables. Through building the in-house ESG subject matter expertise, CAPREIT established the necessary foundation to empower its people to be advocates and enablers of ESG transparency and performance, 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 Global Real Estate Sustainability Benchmark ("**GRESB**"), the results of which will inform future cycles of improvement and the evolution of CAPREIT's strategy going forward.

Information Security

Pursuant to the Board's Mandate, as amended on February 23, 2022 and included at Appendix 1 of this Circular, 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.

Management briefs the Board on information security matters quarterly. 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. In 2021, CAPREIT engaged an independent external third party to conduct a cybersecurity maturity assessment in relation to global security standards. 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.

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 officers, and procedures for identifying possible nominees who meet these criteria. In doing so, it should consider the Diversity Policy, as well as desired competences and skills and the appropriate size of the Board, analyze the current skills and competences of the Board, the needs of the Board when vacancies arise on the Board and 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, in particular with respect to management, leadership, governance, financial acumen, and real estate.

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 of CAPREIT or its reputation.

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

Ethical Business Conduct

Effective February 23, 2022, the Governance and Nominating Committee adopted a new code of business ethics and conduct (the "**Code of Business Ethics and Conduct**"), that applies to all employees, trustees, officers and agents of CAPREIT.

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

- (i) establish a minimum standard of conduct by which all employees, trustees, officers and agents 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 employees, trustees, officers, and agents 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, confidentiality, privacy and protecting CAPREIT's assets, disclosure controls and internal controls, and most importantly, the obligation of CAPREIT employees, trustees, officers and agents to speak up about any concerns or violations of CAPREIT's principles.

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

The code, in addition to CAPREIT's Declaration of Trust, requires that if any employee, trustee or officer of CAPREIT is a party to a proposed or existing material contract or transaction with CAPREIT, or is a director or officer of, or has a material interest in, a person who is a party to a proposed or existing material contract or transaction with CAPREIT, that employees must promptly disclose such conflict of interest in writing to the Legal and Compliance 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>.

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 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, and the executive officers. The Governance and Nominating Committee may retain an external consultant to assist in conducting this assessment.

The assessment process for the 2021 financial year was completed in February 2022. 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 (including the Chair of the Board) and its committees (including the Chairs of each of the 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 (including the Chair of the Board and the chairs of each of the 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 2021 financial year indicated that the Board and its committees are functioning 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 has determined that while it is committed to fostering diversity among board members, it would be unduly restrictive and not in CAPREIT's best interest to adopt specific trustee term limits or other mechanisms of board renewal at this time. The Board acknowledges the benefit of fresh viewpoints, however considers that industry and institutional knowledge

along with commitment and expertise are vital to the successful functioning of the Board. The Board has found that having long-standing trustees who are knowledgeable about CAPREIT and its history contributes to a well-functioning board that oversees an organization that has seen tremendous growth over the years. Diversity and Board renewal will be supported through other mechanisms, including the Diversity Policy (as explained below), designed to address the needs of CAPREIT. The Board has implemented a comprehensive assessment process that evaluates the performance, skills and contribution of each trustee on an annual basis which the Board believes is preferable to term limits and other mechanisms of board renewal. See “Assessments”.

Board Diversity Policies

CAPREIT has adopted a Diversity 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 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 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 and 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 Policy for nomination for election to the Board; and
- consider the level of representation of men and women 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 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 candidates are considered to fill any needs on the Board; and
- if 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 aligns with the goals of the Diversity Policy, as noted above. Any external advisor engaged to assist in identifying candidates for appointment to the Board will be specifically directed to include diverse candidates generally, and multiple female candidates in particular.

The Diversity Policy was updated in February 2022. CAPREIT will track the annual and cumulative progress of CAPREIT in achieving the objectives of the Diversity Policy in 2021 and beyond. The Governance and Nominating Committee will measure the effectiveness of the Diversity 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 Policy is available on CAPREIT's website at <https://ir.capreit.ca>. CAPREIT reserves the right, at its absolute discretion, to change the Diversity 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 one-third (1/3) of the trustees on the Board will be women or men.

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 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	33.33%	None	The target has been achieved. Women represent 44% of trustees as of April 1, 2022.
Executive Officer Positions	None	None	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*) as of April 1, 2022.

	Diversity Statistics	
	Number	%
Women on the Board	4	44.4%
Women in senior executive management	9	56.3%
Trustees who self-identify as Aboriginal	0	0%
Senior executive management who self-identify as Aboriginal	0	0%
Trustees who self-identify as a member of a visible minority	3	33.3%
Senior executive management who self-identify as a member of a visible minority	5	31.3%
Trustees who self-identify as a person with a disability	0	0%
Senior executive management who self-identify as a person with a disability	0	0%

INDEMNIFICATION OF TRUSTEES AND OFFICERS

CAPREIT indemnifies the trustees and officers against certain losses arising from claims against them for certain of their acts, errors or omissions as such. CAPREIT maintains liability insurance for its trustees and officers. The policy provides insurance for trustees 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 or officers. CAPREIT is also insured against any loss arising out of any payment that it may be required or permitted by law to make to trustees or officers in respect of such claims. For the policy period ended March 31, 2022, the policy limit for such insurance coverage applicable to CAPREIT was \$35 million per occurrence with a \$250,000 deductible and \$55 million for trustees and officers per occurrence with no deductible. The premium (excluding applicable taxes) paid by CAPREIT for the period ending March 31, 2022 was \$226,675.

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

Other than the election of trustees and the amendments to CAPREIT's equity incentive plans, 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, and no associate or affiliate of any of the foregoing, has any material interests, 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

PwC has been CAPREIT's auditor since the date of the initial public offering on May 21, 1997. For the year ended December 31, 2021, PwC has advised that they are independent with respect to CAPREIT within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

For further information on auditor's fees, please see Section 20 of the Annual Information Form, which can be accessed on SEDAR under CAPREIT's profile at www.sedar.com.

The Audit Committee intends to initiate a request for proposals for external audit services in the near term, seeking submissions from PwC and other audit services firms, and to establish a process whereby the external audit services are put out for tender not less frequently than every ten (10) years.

GENERAL

The consolidated financial statements of CAPREIT for the financial year ended December 31, 2021, together with the report of the auditors 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 to the Independent Chair of the Board through the Corporate Secretary at: corporatesecretary@capreit.net.

Management: The President and Chief Executive Officers 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. A list of upcoming and past events can be found on our website at: <https://ir.capreit.ca>.

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) 861-9404 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 13th day of April 2022.

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 April 1, 2020 (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 February 23, 2022.

APPENDIX 2: RESOLUTION OF THE TRUST UNITHOLDERS OF CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST – INCREASE THE MAXIMUM NUMBER OF UNITS ISSUABLE UNDER THE EQUITY INCENTIVE PLANS

RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The maximum number of units (“**Units**”) of Canadian Apartment Properties Real Estate Investment Trust (“**CAPREIT**”) issuable under CAPREIT’s employee unit purchase plan, deferred unit plan and restricted unit rights plan (collectively, the “**Equity Incentive Plans**”) substantially as described in the management information circular dated April 13, 2022, be and is hereby amended from an aggregate amount of 9,500,000 Units to an aggregate of 11,500,000 Units (representing approximately 6.6% of the issued and outstanding Units as at December 31, 2021), and all such amendments to the Equity Incentive Plans required to give effect to the foregoing be and are hereby authorized and approved.
2. The trustees of CAPREIT be and are hereby authorized to allocate the aggregate of 11,500,000 Units (representing approximately 6.6% of the issued and outstanding Units as at December 31, 2021) issuable amongst CAPREIT’s Equity Incentive Plans as the trustees may determine in their discretion from time to time.
3. Any trustee or officer of CAPREIT be and is hereby authorized to take all such further actions and to execute and deliver all such further instruments and documents, in the name and on behalf of CAPREIT as may be necessary, proper or advisable in order to carry out and give effect to the foregoing.

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APPENDIX 3: RESOLUTION OF THE TRUST UNITHOLDERS OF CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST – AMENDED AND RESTATED DEFERRED UNIT PLAN

RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The amended and restated deferred unit plan (the “**DUP**”) of Canadian Apartment Properties Real Estate Invest Trust (“**CAPREIT**”), attached as Appendix 8 to the management information circular dated April 13, 2022, be and the same is hereby authorized and approved with such amendments to be effective as of the date hereof.
2. Any trustee or officer of CAPREIT be and is hereby authorized to take all such further actions and to execute and deliver all such further instruments and documents, in the name and on behalf of CAPREIT as may be necessary, proper or advisable in order to carry out and give effect to the foregoing.

* * * * *

APPENDIX 4: RESOLUTION OF THE TRUST UNITHOLDERS OF CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST – AMENDED AND RESTATED EMPLOYEE UNIT PURCHASE PLAN

RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The amended and restated employee unit purchase plan (the “EUPP”) of Canadian Apartment Properties Real Estate Invest Trust (“CAPREIT”), attached as Appendix 9 to the management information circular dated April 13, 2022, be and the same is hereby authorized and approved with such amendments to be effective as of the date hereof.
2. Any trustee or officer of CAPREIT be and is hereby authorized to take all such further actions and to execute and deliver all such further instruments and documents, in the name and on behalf of CAPREIT as may be necessary, proper or advisable in order to carry out and give effect to the foregoing.

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APPENDIX 5: RESOLUTION OF THE TRUST UNITHOLDERS OF CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST – AMENDED AND RESTATED RESTRICTED UNIT RIGHTS PLAN

RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The amended and restated restricted unit rights plan (the “**RUR Plan**”) of Canadian Apartment Properties Real Estate Invest Trust (“**CAPREIT**”), attached as Appendix 10 to the management information circular dated April 13, 2022, be and the same is hereby authorized and approved with such amendments to be effective as of the date hereof.
2. Any trustee or officer of CAPREIT be and is hereby authorized to take all such further actions and to execute and deliver all such further instruments and documents, in the name and on behalf of CAPREIT as may be necessary, proper or advisable in order to carry out and give effect to the foregoing.

* * * * *

APPENDIX 6: RESOLUTION OF THE TRUST UNITHOLDERS OF CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST – AMENDMENTS TO DECLARATION OF TRUST

RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The amendments to the Amended and Restated Declaration of Trust dated April 1, 2020 (the “**Declaration of Trust**”) of Canadian Apartment Properties Real Estate Investment Trust (“**CAPREIT**”) substantially as described in the management information circular dated April 13, 2022 (the “**Circular**”) under the heading “Special Business – Amendments to the Declaration of Trust” and as reflected in the blackline of the Declaration of Trust in Appendix 11 to the Circular, and any additional and/or alternative amendments to the Declaration of Trust that the trustees determine to be necessary or desirable from time to time in order to effect the substance of the changes described in the Circular, be and are hereby authorized and approved.
2. The trustees are hereby authorized and directed to execute or cause to be executed on behalf of CAPREIT an amended and restated Declaration of Trust reflecting the foregoing changes and amendments.
3. Notwithstanding that the foregoing resolutions have been duly passed, the board of CAPREIT may, without further notice to or approval of the holders of units, special voting units and preferred units of CAPREIT (collectively, the “**Trust Unitholders**”), determine the timing and arrange for the implementation of the amendment and/or restatement of the Declaration of Trust, decide not to proceed with the amendment and/or restatement of the Declaration of Trust, or modify the amendment and/or restatement of the Declaration of Trust, provided that any modification will not be materially prejudicial to Trust Unitholders, or revoke this resolution at any time prior to the amendments to and/or restatement of the Declaration of Trust.
4. Any trustee or officer of CAPREIT be and is hereby authorized to take all such further actions and to execute and deliver all such further instruments and documents, in the name and on behalf of CAPREIT as may be necessary, proper or advisable in order to carry out and give full effect to the foregoing.

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APPENDIX 7: SUMMARY OF UNITHOLDERS' RIGHTS PLAN AGREEMENT

The following is a summary of the principal terms of the Rights Plan. This summary is qualified in its entirety by reference to the text of the Rights Plan. For a copy of the Rights Plan, please contact CAPREIT at ir@capreit.net or (416) 861-9404.

Unless otherwise specified, all capitalized terms used in this summary and not defined herein shall have the meanings ascribed thereto in the Rights Plan, which is available on SEDAR under CAPREIT's profile at www.sedar.com and was filed on June 25, 2019.

Term

The Rights Plan must be reconfirmed by a simple majority of votes cast by Trust Unitholders (as defined in this Circular) at every third annual meeting of Trust Unitholders of CAPREIT. The Rights Plan is therefore presented at the Meeting (as defined in this Circular) for reconfirmation and approval. If not approved, the Rights Plan will expire and cease to have effect effective June 1, 2022. If it is approved at the Meeting, the Rights Plan will require reconfirmation by CAPREIT's Trust Unitholders at the 2025 annual meeting of Trust Unitholders (or any adjournment or postponement thereof) and thereafter at such meeting to be held, *mutatis mutandis*, every three years thereafter.

Issue of Rights

One right (a "**Right**") will be issued and attached to each subsequently issued Unit and will be issued and will attach to any subsequently issued Units. The initial exercise price of each Right is: (i) until the Separation Time (as defined below), an amount equal to three times the Market Price, from time to time per Unit and (ii) from and after the Separation Time, an amount equal to three times the Market Price, as at the Separation Time, per Unit (the "**Exercise Price**"), subject to appropriate antidilution adjustments.

Rights Exercise Privilege

The Rights will separate from the Units to which they are attached and will become exercisable at the time (the "**Separation Time**") that is ten (10) trading days after the earlier of: (i) a person having acquired, or (ii) the commencement or announcement date in respect of a takeover bid to acquire, twenty percent (20%) or more of the Units of CAPREIT, other than by an acquisition pursuant to a Permitted Bid. The acquisition by a person (an "**Acquiring Person**"), including persons acting in concert, of twenty percent (20%) or more of the Units of CAPREIT, other than by way of a Permitted Bid in certain circumstances, is referred to as a "**Flip-in Event**". Any Rights held by an Acquiring Person on or after the earlier of the Separation Time or the first date of public announcement by CAPREIT or an Acquiring Person that an Acquiring Person has become such, will become void upon the occurrence of a Flip-in Event. The issue of the Rights is not initially dilutive. Upon a Flip-in Event occurring and the Rights separating from the attached Units, reported earnings per Unit on a fully diluted or non-diluted basis may be affected. Holders

of Rights who do not exercise their Rights upon the occurrence of a Flip-in Event may suffer substantial dilution.

Certificates and Transferability

Prior to the Separation Time, the Rights will be evidenced by a legend imprinted on certificates for Units and will not be transferable separately from the attached Units. From and after the Separation Time, the Rights will be evidenced by Rights certificates or, as proposed to be amended, by book-entry form registration, which will be transferable and traded separately from the Units.

Permitted Bid Requirements

The requirements of a Permitted Bid include the following:

- The takeover bid must be made by way of a takeover bid circular.
- The takeover bid must be made to all holders of Units, other than the bidder.
- The takeover bid must contain, and the provisions for the take-up and payment for securities tendered or deposited thereunder must be subject to, an irrevocable and unqualified condition that no securities shall be taken up or paid for pursuant to the takeover bid prior to the close of business on a date which is not less than one hundred and five (105) days following the date of the takeover bid or such shorter period that a take-over bid must remain open for deposits of securities, in the applicable circumstances, pursuant to Canadian securities laws.
- The takeover bid must contain irrevocable and unqualified provisions that, unless the takeover bid is withdrawn, securities may be deposited pursuant to the takeover bid at any time prior to the close of business on the date of first take-up or payment for securities and that all securities deposited pursuant to the takeover bid may be withdrawn, unless restricted by law, at any time prior to the close of business on such date.
- The takeover bid must contain, and the provisions for take-up and payment for securities tendered or deposited thereunder shall be subject to, an irrevocable and unqualified condition that no securities shall be taken up or paid for pursuant to the Take-over Bid unless, at such date, more than fifty percent (50%) of the outstanding Units held by Independent Unitholders (defined below), determined as at the close of business on the date of first take-up or payment for securities under the takeover bid, have been deposited or tendered to the takeover bid and not withdrawn.
- The takeover bid must contain an irrevocable and unqualified provision that in the event that more than fifty percent (50%) of the Units held by Unitholders other than the bidder, its affiliates and persons acting jointly or in concert with the bidder (the “**Independent Unitholders**”) shall have been deposited to the takeover bid and not withdrawn as at the close of business on the date of first takeover or payment for securities under the takeover bid, the offeror will make a public announcement of that fact and the takeover bid will

remain open for deposits and tenders of securities for not less than ten (10) business days from the date of such public announcement.

The Rights Plan allows a competing Permitted Bid (a “**Competing Permitted Bid**”) to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid except that, provided it is outstanding for a minimum period of one hundred and five (105) days, (or such other minimum period of days as may be prescribed by applicable law in Ontario) it may expire on the same date as the Permitted Bid.

Waiver and Redemption

The trustees acting in good faith may, with the consent of the Unitholders (or instalment receipts related to Units, if any), prior to a Flip-in Event, waive the dilutive effects of the Rights Plan in respect of a particular Flip-in Event. At any time prior to the occurrence of a Flip-in Event, the trustees may, at their option, redeem all, but not less than all, of the outstanding Rights at a price of \$0.001 each.

Waiver of Inadvertent Flip-in Event

The trustees acting in good faith may, in respect of any Flip-in Event, waive the application of the Rights Plan to that Flip-in Event, provided that (i) the trustees have determined that the Acquiring Person became an Acquiring Person by inadvertence and without any intent or knowledge that it would become an Acquiring Person, and (ii) such Acquiring Person has reduced its beneficial ownership of Units (or instalment receipts related to Units, if any) such that at the time of waiver it is no longer an Acquiring Person.

Portfolio Managers

The provisions of the Rights Plan relating to portfolio managers are designed to prevent the occurrence of a Flip-in Event solely by virtue of the customary activities of such managers, including trust companies and other persons, where a substantial portion of the ordinary business of such person is the management of funds for unaffiliated investors, so long as any such person does not propose to make a takeover bid either alone or jointly with others.

Supplement and Amendments

CAPREIT is authorized to make amendments to the Rights Plan to correct any clerical or typographical error or, subject to certain exceptions, which are required to maintain the validity of the Rights Plan as a result of any changes in law or regulation.

General

Until a Right is exercised, the holders thereof, as such, will have no rights as a Unitholder.

APPENDIX 8: AMENDED AND RESTATED DEFERRED UNIT PLAN

The following is a copy of the Amended and Restated Deferred Unit Plan.

**CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST
AMENDED AND RESTATED DEFERRED UNIT PLAN**

**ARTICLE 1
INTERPRETATION**

1.01 Purpose

The purpose of the Canadian Apartment Properties Real Estate Investment Trust Amended and Restated Deferred Unit Plan (the “**Plan**”) is to promote a greater alignment of interests between the non-executive trustees of Canadian Apartment Properties Real Estate Investment Trust (the “**Trust**”) and the unitholders of the Trust.

1.02 Definitions

The following terms used in this Plan have the meanings set out below:

- a. “**Applicable Withholding Taxes**” means any and all taxes and other source deductions or other amounts which the Trust is required by law to withhold from any amounts to be paid or in respect of the fair market value of Units issued under the Plan;
- b. “**Award Date**” means a date on which any Board Compensation is payable, being the last Business Day of each calendar quarter;
- c. “**Board**” means the Board of Trustees of the Trust;
- d. “**Board Compensation**” means the annual retainer payable by the Trust to a Trustee in respect of a calendar year for service on the Board (excluding any Board committee fees, attendance fees, chair fees, or additional fees and retainers), payable in equal quarterly installments on the last Business Day of each calendar quarter;
- e. “**Business Day**” means a day on which there is trading on the Toronto Stock Exchange or such other stock exchange on which the Units are then listed and posted for trading, and if the Units are not so listed, a day that is not a Saturday or Sunday or a national legal holiday in Canada;
- f. “**Declaration of Trust**” means the amended and restated declaration of trust of the Trust as amended, supplemented or amended and restated from time to time;
- g. “**Deferred Unit**” means a bookkeeping entry, equivalent in value to a Unit (determined in accordance with the provisions hereof), credited to a Participant's Deferred Unit Account in accordance with the terms and conditions of the Plan;
- h. “**Deferred Unit Account**” has the meaning ascribed thereto in Section 7.02;
- i. “**Elected Amount**” has the meaning ascribed thereto in Section 5.01;
- j. “**Elected Percentage**” has the meaning ascribed thereto in Section 5.01;

- k. **"Election Date"** means the date on which a Participant files an Election Notice in accordance with Section 5.02;
- l. **"Election Notice"** has the meaning ascribed thereto in Section 5.02;
- m. **"HR and Compensation Committee"** means the Human Resources and Compensation Committee of the Board;
- n. **"Market Value"** at any date in respect of the Units means the volume weighted average price of all Units traded on the TSX for the five trading days immediately preceding such date (or, if such Units are not listed and posted for trading on the TSX, on such stock exchange on which such Units are listed and posted for trading as may be selected for such purpose by the Trustees). In the event that such Units are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of such Units as determined by the Board in its sole discretion;
- o. **"NET Participation Limit"** has the meaning ascribed thereto in Section 10.01;
- p. **"Participant"** means a person who is, on the applicable Election Date, a non-executive Trustee;
- q. **"Redemption Notice"** has the meaning ascribed thereto in Section 9.02;
- r. **"Redemption Period"** has the meaning ascribed thereto in Section 9.02;
- s. **"Trustee"** means a trustee of the Trust;
- t. **"TSX"** means the Toronto Stock Exchange;
- u. **"Unit"** means a Unit of the Trust and such other Units as may be added thereto or substituted therefor as a result of amendments to the Declaration of Trust, reorganization or otherwise;
- v. **"Unitholder"** means a holder of Units; and
- w. **"Voting Securities"** means the Units and the special voting units of the Trust.

ARTICLE 2 CONSTRUCTION AND INTERPRETATION

- 2.01 The effective date of the Plan is October 6, 2016, as amended and restated herein effective [●], 2022 (the **"Effective Date"**).
- 2.02 All references in the Plan to currency refer to lawful currency of Canada.
- 2.03 The Plan shall be governed and interpreted in accordance with the laws of Ontario and the federal laws of Canada applicable therein.

- 2.04 If any provision of the Plan is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision thereof.
- 2.05 In the Plan, references to the singular shall include the plural and vice versa, as the context requires.
- 2.06 Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained.
- 2.07 The Plan is adopted by the Board as of the Effective Date, subject to the approval of the TSX and any other required regulatory approvals, and subject to Unitholder approval if required by any regulatory authority having jurisdiction.

ARTICLE 3 GENERAL

- 3.01 The Plan shall be administered by the HR and Compensation Committee.
- 3.02 The HR and Compensation Committee is authorized, subject to the provisions of the Plan, to establish such rules and regulations as it deems necessary for the proper administration of the Plan, and to make such determinations and take such other actions in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or action made or taken pursuant to the Plan, including interpretation of the Plan, shall be final and conclusive for all purposes and binding on all parties, provided that, notwithstanding any determination or action made or taken by the HR and Compensation Committee, the Board has the authority to make all determinations and take all other actions in connection with or in relation to the Plan as it may deem necessary or advisable.
- 3.03 No member of the Board, the HR and Compensation Committee or other administrator shall be liable for any action or determination made in good faith pursuant to the Plan. To the full extent permitted by law, the Trust shall indemnify and save harmless each Person made, or threatened to be made, a party to any action or proceeding by reason of the fact that such Person is or was a member of the Board, is or was a member of the HR and Compensation Committee or is or was the administrator and, as such, is or was required or entitled to take action pursuant to the terms of the Plan.
- 3.04 The Trust will be responsible for all costs relating to the administration of the Plan.
- 3.05 The Plan shall remain an unfunded obligation of the Trust and the rights of Participants under the Plan shall be general unsecured obligations of the Trust.

- 3.06 Subject to the terms of this Plan, the Trust may deduct from any amount to be paid or in respect of the fair market value of Units issued under the Plan any Applicable Withholding Taxes in such manner as the Trust determines.

ARTICLE 4 PARTICIPATION IN THE PLAN

- 4.01 Each Participant shall receive a minimum of 50% and a maximum of 100% of their Board Compensation in the form of Deferred Units, as elected in accordance with Article 5.
- 4.02 Nothing herein contained shall be deemed to give any person the right to be retained as a Trustee.

ARTICLE 5 ELECTION

- 5.01 A Participant may elect to be paid between 50% and 100% (the “**Elected Percentage**”) of their Board Compensation (such product being herein referred to as the “**Elected Amount**”) in the form of Deferred Units, in satisfaction of such Board Compensation and in lieu of cash on a dollar-for-dollar basis, having a value on each Award Date equal to the Market Value on such dates; for the avoidance of doubt, the HR and Compensation Committee, as the administrator of this Plan, shall have no discretion, ability or other power to vary a Participant’s Elected Amount or the number of Deferred Units to be granted to a Participant.
- 5.02 Each Participant shall file a notice of election in the form of Schedule A-1 hereto (the “**Election Notice**”) with the Corporate Secretary of the Trust: (i) in the case of an existing Trustee, by December 31 in the year immediately preceding the calendar year in respect of which such election is to apply; and (ii) in the case of a newly-appointed Trustee, within thirty (30) days of such appointment. If no election is made within the foregoing time frames, the Participant shall be paid 50% of their Board Compensation for the applicable calendar year in Deferred Units and the remainder in cash.
- 5.03 Subject to Section 5.04 and to Section 5.05, the election of a Participant’s Elected Percentage shall be deemed to apply to all Board Compensation up to the Elected Amount payable subsequent to the filing of the Election Notice and in respect of the calendar year to which such notice is applicable.
- 5.04 Participants may not change their Elected Percentage during the calendar year.
- 5.05 All Deferred Units credited under the Plan shall remain in the Deferred Unit Accounts and will be settled or forfeited, as applicable, only in accordance with the terms of the Plan.

ARTICLE 6 DEFERRED UNITS

- 6.01 Subject to Section 7.03, under no circumstances shall Deferred Units be considered Units

or entitle a Participant to any Unitholder rights, including, without limitation, voting rights, distribution entitlements or rights on liquidation.

- 6.02 One (1) Deferred Unit shall be equivalent in value to one (1) Unit. Fractional Deferred Units are permitted, but shall be rounded down to the nearest whole number of Units at the time of settlement.

ARTICLE 7 DEFERRED UNIT ACCOUNTS

- 7.01 The number of Deferred Units (including fractional Deferred Units) to be credited to a Participant as of any particular Award Date pursuant to this Plan will be calculated by dividing: (i) the amount calculated by dividing the dollar amount of the Participant's Elected Amount by four; by (ii) the Market Value of a Unit on the Award Date.
- 7.02 An account, to be known as a **"Deferred Unit Account"**, shall be maintained by the Trust for each Participant and will be credited with Deferred Units awarded to the Participant in respect of each Award Date on which such Participant has an Election Notice on file with the Trust.
- 7.03 Whenever cash distributions are paid on the Units, additional Deferred Units will be credited to the Participant's Deferred Unit Account. The number of such additional Deferred Units shall be calculated by dividing: (i) the amount determined by multiplying: (a) the number of Deferred Units in such 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 decimal places.

ARTICLE 8 ADJUSTMENTS

- 8.01 In the event of any Unit cash distribution, Unit split, combination or exchange of Units, merger, consolidation, spin-off or other distribution (other than normal cash distributions) of the Trust's assets to the Unitholders, or any other change affecting the Units, the account of each Participant and the Deferred Units outstanding under the Plan shall be adjusted in such manner, if any, as the HR and Compensation Committee may in its discretion deem appropriate to reflect the event. However, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Deferred Units will be granted to such Participant to compensate for a downward fluctuation in the price of the Units, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

ARTICLE 9
SETTLEMENT OF DEFERRED UNITS

- 9.01** A Participant's Deferred Unit Account shall be settled pursuant to a partial redemption as described in Section 9.02 or upon a Participant ceasing to be a Trustee as described in Section 9.05.
- 9.02** Each Participant may elect to withdraw up to 20% of the Deferred Units credited to their Deferred Unit Account by filing a written notice of redemption (a "**Redemption Notice**") in the form of Schedule A-2 hereto with the Chief Financial Officer of the Trust. A Redemption Notice may be filed at any one time or from time to time in any five-year period (a "**Redemption Period**"). The Redemption Period commences on the date Deferred Units are first credited to a 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 Participant does not file a Redemption Notice during a Redemption Period, the Participant's ability to withdraw up to 20% of the Deferred Units credited to their Deferred Unit Account at the end of such Redemption Period shall be carried forward to the next Redemption Period. In the event that a Participant files a Redemption Notice during a Redemption Period for less than 20% of the Deferred Units credited to their Deferred Unit Account, the remaining balance of up to 20% of the Deferred Units credited to their Deferred Unit Account as at the date of such Redemption Notice at the end of such Redemption Period shall be carried forward to the next Redemption Period. This Section 9.02 is subject at all times to any minimum ownership requirements applicable to the trustees of the Trust from time to time.
- 9.03** Upon a Participant's election to withdraw Deferred Units in accordance with Section 9.02 hereof, the Trust shall deliver to the Participant, as soon as reasonably possible, a statement outlining the Applicable Withholding Taxes which will arise on the settlement of such number of the Participant's Deferred Units (a "**Withholding Tax Statement**"). The Participant, promptly following receipt of a Withholding Tax Statement shall, by filing an election in the form of Schedule A-3 hereto with the Chief Financial Officer of the Trust, (i) elect to undertake a broker assisted "cashless exercise" pursuant to which the Trust or its designee (including a third party administrator) may deliver a copy of irrevocable instructions to a broker engaged by the Trust for such purposes (the "**Broker**") to sell certain of the Units otherwise deliverable upon the settlement of the Deferred Units and to deliver promptly (but in any event within (3) three Business Days) an amount equal to the Applicable Withholding Taxes to the Trust; (ii) elect to pay the Applicable Withholding Taxes which will arise on the settlement of such number of its Deferred Units by bank draft or certified cheque in an amount equal to the Applicable Withholding Taxes which will arise on the settlement of such Deferred Units; or (iii) elect for the Trust to withhold from the Participant's other earnings, the Applicable Withholding Taxes which will arise on the settlement of such number of its Deferred Units, provided that, where the Participant does not have any or sufficient earnings on which to satisfy such Applicable Withholding Taxes, the Trust shall, prior to issuing any Units, require the Participant provide the Trust with a bank draft or certified cheque in an amount equal to the Applicable Withholding Taxes which will arise on the settlement of such Deferred Units.

- 9.04** Subject to the receipt by CDS Clearing and Depository Services Inc. of the Participant's brokerage account information from the Participant or their investment advisor, the Participant shall receive, in settlement of the number of Deferred Units specified in their Redemption Notice, within five (5) Business Days after filing such Redemption Notice in accordance with Section 9.02, a whole number of Units from the Trust equal to such number of Deferred Units. The number of Units to be issued under this Section 9.04 shall be reduced by the number of Units which were otherwise deliverable to the Participant but have been sold under the "cashless exercise" method described in Section 9.03 hereof, unless other appropriate arrangements have been made to satisfy any Applicable Withholding Taxes pursuant to Section 9.03 hereof.
- 9.05** As soon as reasonably possible following the occurrence of any event causing a Participant to cease to be a Trustee, the Trust shall deliver to the Participant a Withholding Tax Statement. The Participant, promptly following receipt thereof, shall, by filing an election in the form of Schedule A-3 hereto with the Chief Financial Officer of the Trust, elect between the three options for satisfying any Applicable Withholding Taxes outlined in Section 9.03 hereof. Subject to the receipt by CDS Clearing and Depository Services Inc. of the Participant's brokerage account information from the Participant or their investment advisor, the Participant shall receive, in settlement of all their Deferred Units, within five (5) Business Days after the occurrence of any event causing him to cease to be a Trustee, a whole number of Units from the Trust equal to the whole number of Deferred Units then recorded in the Participant's Deferred Unit Account. The number of Units to be issued under this Section 9.05 shall be reduced by the number of Units which were otherwise deliverable to the Participant but have been sold under the "cashless exercise" method described in Section 9.03 hereof, unless other appropriate arrangements have been made to satisfy any Applicable Withholding Taxes pursuant to Section 9.03 hereof.
- 9.06** Upon the death of the Participant, the Trust will deliver to the estate of such Participant a notice stating the amount of Applicable Withholding Taxes relating to the benefit deemed to be received by the Participant as a result of the Participant holding DUPs immediately before such Participant's death and/or to the number of Units to be issued to the estate of the Participant in connection therewith. To allow for a reasonable time frame for the estate to be settled, as a condition to the issuance of the Units to the estate of the Participant, within the earlier of: (i) two (2) months of the death of the Participant, and (ii) December 31st of the year in which the death of the Participant occurred, the estate of the Participant will deliver to the Trust the brokerage account information for the estate of the Participant, as well as either (i) a certified cheque or bank draft in the amount of the Applicable Withholding Taxes, or (ii) an undertaking to remit the Applicable Withholding Taxes by certified cheque or bank draft to the Trust within the earlier of (i) three (3) Business Days of the issuance of such Units and (ii) December 31st of the year such Units are to be issued in. If the estate of the Participant fails to remit any of the Applicable Withholding Taxes as aforesaid, the Trust will have all rights available to it to pursue payment of such amounts pursuant to Section 3.06 hereof. Notwithstanding anything contained in this Section 9.06, in the event the estate of a Participant fails to remit the Applicable Withholding Taxes in compliance with this Section 9.06, such estate shall provide written confirmation to the Trust acknowledging its obligation to remit the Applicable Withholding Taxes to the Trust and providing for

indemnification of the Trust in connection with any such Applicable Withholding Taxes.

- 9.07 For greater certainty, and notwithstanding anything to the contrary herein, the Trust shall be under no obligation to issue Units to a Participant in settlement of such number of the Participant's Deferred Units unless the Trust is satisfied, in its sole discretion, acting reasonably, that appropriate arrangements have been made to satisfy any Applicable Withholding Taxes.
- 9.08 Upon issuance of Units in settlement of any Deferred Units, such Deferred Units shall be cancelled.

ARTICLE 10 NUMBER OF UNITS

- 10.01 A maximum of 11,500,000 Units, in aggregate, shall be issuable and reserved for issuance by the Trust under all equity incentive plans of the Trust (including Units authorized for issuance upon the settlement of the Deferred Units granted under this Plan), provided, however, that: (i) at no time shall the number of Units reserved for issuance to insiders of the Trust 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 10% of the then outstanding Units, as calculated immediately prior to the issuance in question; (ii) the number of Units issued to insiders of the Trust 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 year period, shall not exceed 10% of the then outstanding Units; and (iii) no Participant shall be issued Deferred Units under this Plan which would result in a non-executive Trustee of the Trust being granted total annual awards under all of the Trust's equity incentive plans, including this Plan, with a value greater than \$100,000 in options and \$150,000 in the aggregate, regardless of which of the Trust's equity incentive plans such awards were granted under (the "**NET Participation Limit**"); provided that, notwithstanding anything in this Section 10.01, Units awarded to non-executive trustees pursuant to this Plan 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.

ARTICLE 11 AMENDMENTS TO THE PLAN

- 11.01 Subject to Section 11.02 and applicable law (including, without limitation, the rules, regulations and policies of the TSX), the provisions of the Plan may be amended at any time and from time to time by resolution of the Board. Such amendments to the Plan include, without limitation:
- (a) minor changes of a "house-keeping nature";

- (b) amendments which, in the opinion of the Board, are necessary or desirable to remove conflicts or inconsistencies in the Plan;
- (c) amendments as the Board in its discretion deems necessary or desirable as a result of changes in the taxation laws from time to time; and
- (d) a change to or the addition of any vesting provisions of Deferred Units issued pursuant to the Plan.

11.02 Approval of the holders of Voting Securities will not be required for amendments to the Plan or amendments to the terms and conditions of Deferred Units issued or rights or interests acquired hereunder, except for the following types of amendments or modifications:

- (a) amendments to Article 10 hereof to increase the number of Units reserved for issuance, 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;
- (b) amendments for the purpose of extending eligibility to participate in the Plan to persons who are not Participants as defined herein;
- (c) amendments to permit the issuance of Deferred Units to Participants on a discretionary basis;
- (d) amendments for the purpose of permitting Deferred Units issued or other rights or interests acquired hereunder to be transferred or assigned other than in accordance with Article 13 hereof;
- (e) amendments to Article 10 hereof to increase the insider participation limits or NET Participation Limit;
- (f) amendments to this Article 11; and
- (g) amendments required to be approved by holders of Voting Securities under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

ARTICLE 12 SUSPENSION AND TERMINATION

12.01 The Board may, in its sole discretion and without the consent of any Participant (acting in their capacity as a participant in the Plan), suspend or terminate the Plan or any provision hereof at any time by giving written notice thereof to each Participant hereunder, provided, however that such suspension or termination may not materially adversely affect the rights already accrued under the Plan by a Participant, without the consent of the Participant.

- 12.02** Following termination of the Plan, Deferred Units previously credited to Participants shall remain outstanding and in effect and be settled subject to and in accordance with the applicable terms and conditions of the Plan in effect immediately prior to the termination.

ARTICLE 13 ASSIGNMENT

- 13.01** In no event may the rights or interests of a Participant under the Plan 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 Participant, by will or by the laws of succession and distribution.
- 13.02** Rights and obligations under the Plan may be assigned by the Trust to a successor in the business of the Trust.

ARTICLE 14

NO LIABILITY

- 14.01** The parties acknowledge and agree that the obligations of the Trust hereunder are not personally binding upon any trustee or director of the Trust, any registered or beneficial holder of Voting Securities in the Trust, any annuitant under a plan of which a holder of Voting Securities acts as trustee or carrier, or officers, employees or agents of the Trust, and resort shall not be had to, nor shall recourse or satisfaction be sought from any of the foregoing or the private property of the foregoing, but the property of the Trust only shall be bound by such obligations. Any obligation of the Trust set out in this Plan shall, to the extent necessary to give effect to such obligation, be deemed to constitute, subject to the provisions of the previous sentence, an obligation of the trustees of the Trust only in their capacity as trustees of the Trust.

ARTICLE 15 COMPLIANCE WITH APPLICABLE LAWS

- 15.01** The administration of the Plan shall be subject to and performed in conformity with all applicable laws, regulations, orders of governmental or regulatory authorities and the requirements of any stock exchange on which the Units are listed. Each Participant shall comply with all such laws, regulations, rules, orders and requirements, and shall furnish the Trust with any and all information and undertakings, as may be required to ensure compliance therewith.

ARTICLE 16 LANGUAGE

- 16.01** Les Participants et la Fiducie ont exigé que le present Régime ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en anglais. The Participants and the Trust have required that this Plan and all documents and notices resulting herefrom be drawn up in English.

SCHEDULE A - 1

**CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST
DEFERRED UNIT PLAN (THE "PLAN")**

ELECTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Plan, I hereby elect to receive the following percentage of my Board Compensation in the form of Deferred Units in lieu of cash on a dollar-for-dollar basis, which may be no less than 50% and no greater than 100% of my Board Compensation, in respect of the _____ calendar year:

☐ _____%

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by them.
- (b) I recognize that when Deferred Units credited pursuant to this election are settled in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time.
- (c) The value of Deferred Units is based on the value of the Units of the Trust and therefore is not guaranteed.

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

Date: _____

(Name of Participant)

(Signature of Participant)

SCHEDULE A - 2

**CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST
DEFERRED UNIT PLAN (THE "PLAN")**

REDEMPTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

I hereby advise the Trust that I wish to redeem _____ of the Deferred Units credited to my Deferred Unit Account in accordance with Section 9.02 of the Plan.

Date: _____

(Name of Participant)

(Signature of Participant)

- Notes: (a) If the Redemption Notice is signed by a beneficiary or legal representative, documents providing the authority of such signature should accompany this notice.
- (b) No more than 20% of the Deferred Units credited to a Deferred Unit Account may be redeemed at one time or from time to time in any 5-year period.

SCHEDULE A - 3

CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST DEFERRED UNIT PLAN (THE "PLAN")

WITHHOLDING TAX ELECTION

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

I hereby advise the Trust that I wish for the below method of satisfying the Trust's applicable withholding tax obligations in respect of the redemption of _____ of the Deferred Units credited to my Deferred Unit Account to apply:

☐ I wish to undertake a broker assisted "cashless exercise" and I hereby instruct the Trust or its designee (including a third party administrator) to deliver a copy of irrevocable instructions to the Broker instructing the Broker to sell a sufficient number of Units otherwise deliverable upon the settlement of the Deferred Units to fund the Applicable Withholding Taxes which will arise on the settlement of _____ of the Deferred Units credited to my Deferred Unit Account, being \$_____, and to deliver promptly (but in any event within three (3) Business Days) an amount equal to the Applicable Withholding Taxes to the Trust. In selecting this method, I consent to the sale of Units by the Trust or the Broker, and grant the Trust irrevocable power of attorney to effect the sale of such Units on my behalf and I acknowledge that (i) the number of Units sold shall, at a minimum, be sufficient to fund the Applicable Withholding Taxes net of all selling costs, which costs are the responsibility of the Participant and which the Participant hereby authorizes to be deducted from the proceeds of such sale; (ii) in effecting the sale of any such Units, the Trust or the Broker will exercise its sole judgement as to the timing and the manner of sale and will not be obligated to seek or obtain a minimum price; and (iii) neither the Trust nor the Broker will be liable for any loss arising out of any sale of such Units including any loss relating to the pricing, manner or timing of such sales or any delay in transferring any Units to a Participant or otherwise. The Participant further acknowledges that the sale price of Units will fluctuate with the Market Value of the Units and no assurance can be given that any particular price will be received upon any sale.

☐ I have enclosed a bank draft or certified cheque in an amount equal to the Applicable Withholding Taxes which will arise on the settlement of _____ of the Deferred Units credited to my Deferred Unit Account, being \$_____.

☐ I wish for the Trust to withhold from my other earnings an amount equal to the Applicable Withholding Taxes which will arise on the settlement of _____ of the Deferred Units credited to my Deferred Unit Account, being \$_____.

I acknowledge that the Trust shall be under no obligation to issue me any Units unless the Trust is satisfied, in its sole discretion, acting reasonably, that appropriate arrangements to satisfy its withholding and remittance obligations under applicable law have been made.

Date: _____

(Name of Participant)

(Signature of Participant)

APPENDIX 9: AMENDED AND RESTATED EMPLOYEE UNIT PURCHASE PLAN

The following is a copy of the Amended and Restated Employee Unit Purchase Plan.

**CANADIAN APARTMENT PROPERTIES
REAL ESTATE INVESTMENT TRUST**

EMPLOYEE UNIT PURCHASE PLAN

Amended and Restated
as at [●], 2022

STIKEMAN ELLIOTT LLP

**CANADIAN APARTMENT PROPERTIES
REAL ESTATE INVESTMENT TRUST**

AMENDED AND RESTATED EMPLOYEE UNIT PURCHASE PLAN

1. Establishment and Purpose.

The purpose of the Employee Unit Purchase Plan is to advance the interests of the Trust and its unitholders by facilitating and encouraging employees and senior officers of the Trust and its subsidiaries to purchase Units, through payroll deductions.

2. Interpretation.

2.1 In this Plan, the following terms shall have the following meanings:

- a. **"Act"** means the *Securities Act* (Ontario);
- b. **"Administration Agreement"** means the administration agreement annexed hereto as Schedule "A", as amended from time to time;
- c. **"Administrative Agent"** means such person or company as may be appointed for the purposes of the Plan as designated by the Administrators from time to time or their respective successors for the purpose of administering the Plan, being, initially, Computershare Trust Company of Canada;
- d. **"Administrators"** means the Human Resources and Compensation Committee of the Trustees or any other members of the Trustees as may be designated from time to time by the Trustees to administer the Plan;
- e. **"Change Form"** means a form acceptable to the Trust and the Administrative Agent, including but not limited to an electronic form;
- f. **"Contributions"** means the cash contributions made by Participants under the Plan;
- g. **"Employee"** means an individual who is a full-time employee of the Trust or any of its subsidiaries, including for greater certainty CAPREIT Limited Partnership;
- h. **"Employer"** means the employer of the Employee, being the Trust or a subsidiary of the Trust;
- i. **"Enrolment Form"** means a form acceptable to the Trust and the Administrative Agent, including but not limited to an electronic form, and has the meaning ascribed thereto in Section 8;

- j. **“Event of Disentitlement”** shall have the meaning set out in Section 13 hereof;
- k. **“Exchange”** means The Toronto Stock Exchange, and if the Units are no longer listed on The Toronto Stock Exchange, it shall mean the stock exchange or market upon which the greatest volume of trading of Units occurred during the thirty (30) days preceding the commencement of the then current fiscal year of the Trust;
- l. **“Insider”** means:
 - i. an insider as defined in the Act, other than a person who falls within that definition solely by virtue of being a director or senior officer of a subsidiary; and
 - ii. an associate (as defined in the Act) of any person who is an insider by virtue of (i);
- m. **“Market Value”** of the Units means that price per Unit equal to the weighted average trading price of the Units on the Exchange for the five trading days during which the Units were traded or posted immediately preceding the purchase date;
- n. **“Normal Retirement”** shall mean retirement from the office or employment with the Employer coincident with or the next day following the attainment by the Employee of age 65, or such earlier time as agreed to between the Employee and the Employer;
- o. **“Participant”** means an Employee who has enrolled in the Plan in accordance with the provisions thereof;
- p. **“Participation Termination Event”** means the earliest to occur of: (i) an Event of Disentitlement; and (ii) the release of the Units from the Plan upon delivery of a duly completed Termination/Withdrawal Form;
- q. **“Plan”** means this Amended and Restated Employee Unit Purchase Plan as amended from time to time;
- r. **“Purchase Date”** shall have the meaning set out in Section 8(d);
- s. **“Purchase Month”** shall have the meaning set out in Section 8(d);
- t. **“Purchase Price”** shall have the meaning set out in Section 9;
- u. **“RRSP”** means a Registered Retirement Savings Plan established under the *Income Tax Act* (Canada);

- v. **"RRSP Plan"** means the Group RRSPs established by the RRSP Plan Trustee on the instructions of individual Participants in accordance with Section 7.3;
- w. **"RRSP Plan Trustee"** means Computershare Trust Company of Canada or such other trust company as may time to time be appointed by the Trust to act as trustee for the RRSP Plan;
- x. **"TFSA"** means a tax free savings account established under the *Income Tax Act* (Canada);
- y. **"TFSA Plan"** means the group TFSAs established by the TFSA Plan Trustee on the instructions of individual Participants in accordance with Section 7.4;
- z. **"TFSA Plan Trustee"** means Computershare Trust Company of Canada or such other trust company as may from time to time be appointed by the Trust to act as trustee for the TFSA Plan;
- aa. **"Salary"** means the annual earnings from the Employer excluding bonus and other extra-ordinary compensation;
- bb. **"subsidiary"** has the meaning assigned thereto in the Act and shall be deemed to include partnerships in which the Trust or is subsidiaries hold units or interests to which are attached more than fifty percent (50%) of the votes attached to all units of or interests in that partnership and **"subsidiaries"** shall have a corresponding meaning;
- cc. **"Termination/Withdrawal Form"** means a form acceptable to the Trust and the Administrative Agent, including but not limited to an electronic form, and has the meaning set out in Section 11.3;
- dd. **"Trust"** means Canadian Apartment Properties Real Estate Investment Trust;
- ee. **"Trustees"** means the board of trustees the Trust, as the same may be reconstituted from time to time;
- ff. **"Unit"** or **"Units"** shall mean, as the case may be, one or more units of the Trust and any units or securities of the Trust into which such units are changed, classified, reclassified, subdivided, consolidated or converted ("Substitute Units"). All such Substitute Units shall be included in the term "Units" for the purposes of the Plan. For purposes of the Plan, Substitute Units shall be deemed to have an issue price equal to the issue price of the units of the Trust which were converted into or exchanged for such Substitute Units;

gg. “**Unit Compensation Arrangement**” has the meaning ascribed thereto under the rules of the Exchange; and

hh. “**Withdrawal Event**” shall have the meaning set out in Section 14 hereof.

2.2 The masculine gender shall include the feminine gender and the singular shall include the plural and vice-versa unless the context otherwise requires.

3. Administration of the Plan.

3.1 The Plan shall be administered by the Administrators who shall be entitled to exercise any or all of the authority, rights, powers and discretion, exercisable by the Trustees with regard to the Plan; and references to the Administrators herein shall include action by the Trustees (as applicable).

3.2 Subject to the limitations hereof, the Administrators shall have the power and authority to:

- a. adopt rules and regulations for implementing the Plan that are not inconsistent with the terms of the Plan;
- b. determine the eligibility of persons to participate in the Plan and the terms of such participation;
- c. interpret and construe the provisions of the Plan;
- d. subject to regulatory requirements, make exceptions to the Plan in circumstances which they determine to be exceptional; and
- e. take such other steps as they determine to be necessary or desirable to give effect to the Plan.

4. Eligibility.

The Trust may, from time to time, make Units available under the Plan for purchase by Participants. The determination of the Participants who may participate in the Plan and the extent to which each shall be entitled to participate shall be determined by the Administrators, provided that the Employee who elects to participate in the Plan has completed six full months of service with the Employer. The eligibility of an Employee to purchase Units made available at any time and from time to time pursuant to the Plan shall not by itself entitle that Employee to purchase Units made available at any other time.

5. Units Available for Purchase.

The Units which may be purchased by the Participants in accordance with the terms of the Plan shall be authorized but unissued Units.

6. Maximum Number of Units to be Issued.

Subject to Section 19, the total maximum number of Units to be issuable under the Plan together with Units issuable pursuant to all other equity incentive plans of the Trust is 11,500,000.

No Units of the Trust shall be issued under the Plan if such issuance would result in the majority of the Units to be allocated under the Plan being or becoming issuable to Insiders or if the Plan, together with all other equity incentive plans, could result, at any time in (i) the issuance to Insiders, within a one year period, of a number of Units exceeding 10% of the outstanding issue; (ii) the issuance to Insiders, at any time, of a number of Units exceeding 10% of the outstanding issue; or (iii) the number of Units which may be issued or reserved for issuance, within a one year period, under the Plan and any other Unit Compensation Arrangement to any one Employee exceeding 5% of the outstanding issue.

7. Participation and Enrolment in the Plan and RRSP Plan and TFSA Plan.

7.1 Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Employee's position as an employee or senior officer of the Employer.

7.2 All funds and Units held by the Administrative Agent: (i) pursuant to the Plan are held on behalf of the account of the individual Participants; (ii) pursuant to the RRSP Plan are held in trust for the account of the individual Participants in the RRSP Plan; and (iii) pursuant to the TFSA Plan are held in trust for the account of the individual Participants in the TFSA Plan. A Participant shall be the beneficial owner of all Units purchased on his or her behalf.

7.3 A Participant may elect to hold all or part of the Units acquired with Contributions pursuant to the Plan in an RRSP by filing with the Administrative Agent a completed application for an RRSP in the prescribed form attached as Schedule "B" and indicating the portion of the Participant's Contributions allocated to the RRSP. In the event that a Participant should wish to transfer any Units acquired with Contributions pursuant to the Plan into an RRSP, he or she may do so by completing the prescribed form and authorizing the Administrative Agent to transfer the specified number of Units into the RRSP Plan. It is solely the Participant's responsibility to ensure that his or her RRSP Contributions do not, in conjunction with other RRSP contributions of that Participant, exceed the maximum RRSP contribution for income tax purposes of that Participant.

7.4 A Participant may elect to hold all or part of the Units acquired with Contributions

pursuant to the Plan in a TFSA by filing with the Administrative Agent a completed application for a TFSA in the form prescribed by the Administrators and indicating the portion of the Participant's Contributions allocated to the TFSA. In the event that a Participant should wish to transfer any Units acquired with Contributions pursuant to the Plan into a TFSA, he or she may do so by completing the prescribed form and authorizing the Administrative Agent to transfer the specified number of Units into the TFSA Plan. It is solely the Participant's responsibility to ensure that his or her TFSA Contributions do not, in conjunction with other TFSA Contributions of that Participant, exceed the maximum TFSA Contribution for income tax purposes of that Participant.

8. Subscriptions for Units and Limitations.

- a. Each Employee may elect to participate in the Plan (and purchase Units) by signing and delivering to the Employer a subscription in a form acceptable to the Trust and the Administrative Agent, including but not limited to an electronic form, (an "Enrolment Form") authorizing the Employer to deduct from the Employee's earnings the amount designated by the Employee in accordance with the Enrolment Form until such authorization shall be revised, revoked or terminated, and agreeing to the terms and conditions of the Plan.
- b. Each Employee's participation is subject to the limitations and restrictions hereinafter expressed. Participants who elect to participate in the Plan shall be entitled to continue to participate in the Plan until such time as the Participant delivers a Termination/Withdrawal Form, the time of a Withdrawal Event or Event of Disentitlement, other termination in accordance with the terms hereof or at the time of termination of the Plan. If a Participant terminates his or her participation in the Plan, such Employee shall not be entitled to elect to resume participation in the Plan until six months has passed from the date of delivery of a Termination/Withdrawal Form.
- c. The Enrolment Form shall:
 - i. indicate the amount (in increments of 1%), up to 10% of the Salary of the Employee on an annual basis, which such Employee desires to contribute to the Plan for the purpose of purchasing Units;
 - ii. authorize the payroll deduction of such amount on a bi-weekly basis; and
 - iii. authorize the Trustees to issue the Units to be acquired on behalf of the Participant on the Purchase Dates.
- d. The Trust shall issue Units to Participants four times per year in the last month of each fiscal quarter (namely March, June, September and December) (the "Purchase Month"). The date of purchase and issuance of Units in each Purchase Month (the

“Purchase Date”) shall be the eighth business day prior to the date which has been designated by the Trustees as the record date in respect of the distribution of distributed income to be made by the Trust on its Units to Unitholders of record on the record date in such Purchase Month.

- e. If it is determined by the Trust or the Administrators that Participants have subscribed for more than the maximum number of Units remaining for purchase pursuant to the Plan, the maximum number of Units available for purchase will be prorated to each subscribing Participant based on the number of Units subscribed for by each.
- f. Until a Participant has completed payment for the Units subscribed for by him or her and such Units are issued to such Participant, he or she shall have no rights whatsoever as a Unitholder in relation to such Units.
- g. If in any period an Employee does not elect to participate in the Plan or elects to participate in the Plan to an extent of less than his or her full entitlement for such period, then all rights of the Employee to participate in the Plan shall terminate as to the Units or balance of the Units which might have been acquired by the Employee in respect of such period.
- h. A Participant may increase or decrease the amount of his or her Contributions in accordance with the Plan by minimum increments of 1% of such Participant's annual salary by completing and delivering to the Employer notice in a form acceptable to the Trust and the Administrative Agent, including but not limited to an electronic form, (a “Change Form”) to such effect at least 15 days before the change is to take effect.

9. Purchase Price.

The price per Unit (the “Purchase Price”) at which Units shall be issued by the Trust and purchased by the Participants in accordance with the terms hereof shall be the Market Value thereof as at the Purchase Date as calculated by the Trust. Participants shall also receive an additional number of Units (the “Additional Units”) equal to 20% of the Market Value of the Units purchased by such Participants in accordance with the terms hereof at the time of such purchase. The cost of all fees (including, without limitation, brokerage fees on any acquisition of Units) and other expenses payable in connection with the issuance of the Units to the Participants (other than, for greater certainty, any taxes payable in respect of such Units) shall be paid by the Trust.

10. Purchase of Units.

A Participant shall, subject to the limitations expressed herein, be entitled to purchase Units pursuant to the Plan and to pay for such Units by means of payroll deductions which shall be subject to the following terms:

- a. A Participant who purchases Units hereunder shall pay for the Units subscribed for by him or her by payroll deduction.
- b. Only amounts received by the Employer by payroll deduction in the calendar months commencing in the calendar month during which the immediately preceding Purchase Date occurred and ending immediately prior to the month in which a Purchase Date occurs will be used to purchase Units on such Purchase Date. Amounts received on account of payroll deductions in the calendar month in which a Purchase Date occurs will be applied to purchase Units on the immediately following Purchase Date.
- c. The Employer will refund any portion of a Participant's payroll deductions which is not used for the purchase of Units pursuant to the Plan. Refunds will be made, as appropriate, at the time of cancellation of a Participant's subscription, the time of a Withdrawal Event, or at the time of termination of the Plan.
- d. A Participant may not pledge, transfer or assign his or her rights under the Plan. Any attempt by the Participant to do so shall constitute a cancellation of his or her subscription and result in the return to the Participant of his payments on account of the purchase of his Units to the date of cancellation.
- e. No Units (other than the Additional Units) purchased hereunder may be issued until the Purchase Price therefor has been paid in full. Units once so issued shall be conclusively deemed allotted and issued as fully paid and non-assessable at the price paid therefor.
- f. Units shall be registered in the name of and issued in the name of the Administrative Agent to be held on behalf of the Participant who subscribed for such Units to be held during the period and on the terms as set forth in Section 11.
- g. Subject to section 12.2, Participants are entitled to receive fractional Units.
- h. Any distribution of distributable income paid by the Trust on Units held by the Administrative Agent on behalf of Participants pursuant to the Plan will be held by the Administrative Agent on behalf of the Participant who owns such Units, as well as interest earned on Participants' personal account cash balances, and will be used by the Administrative Agent to purchase additional Units on behalf of the

Participant in accordance with the Plan, together with the Participant's Contributions.

11. Terms of Participation

11.1 By purchasing Units hereunder a Participant shall be deemed to accept the terms of the Plan and Administration Agreement governing the engagement and responsibilities of the Administrative Agent, to the extent applicable.

11.2 Notwithstanding anything to the contrary in Section 10 hereof, all Units purchased hereunder shall be held on behalf of the Participant by the Administrative Agent, (in trust for the Participant in the case of Units held in the RRSP Plan and/or in the TFSA Plan), and shall be registered in the name of and issued in the name of, the Administrative Agent until the occurrence of a Participation Termination Event.

11.3 A Participant on whose behalf Units are held pursuant to any provision of this Plan shall have the right, at any time, upon delivering to the Employer (who will, in turn, deliver it to the Administrative Agent) a duly executed form (a "Termination/Withdrawal Form") to cause the Units to be transferred to or to the order of the Participant, in which event any trusts created hereunder shall terminate with respect to those Units.

11.4 Upon the termination of a Participant's participation in the Plan with respect to Units purchased hereunder pursuant to subsection 11.2, 11.3 or otherwise, all Units held by the Administrative Agent on behalf of such Participant pursuant to the Plan shall be transferred to or to the order of the Participant.

11.5 Where the Participant holds Units in the RRSP Plan, a Participant may, upon notice in writing in accordance with Section 11.3, request that all or a portion of the Units in the Participant's RRSP;

- a. be transferred in certificate form to, or be sold and the proceeds (net of brokerage commissions and sale processing fees) transferred to another RRSP or to a TFSA in the Participant's name, or
- b. be sold and the proceeds after deducting the appropriate income taxes, brokerage commissions and sales processing fees, remitted to the Participant.

11.6 Where the Participant holds Units in the TFSA Plan, a Participant may, upon notice in writing in accordance with Section 11.3, request that all or a portion of the Units in the Participant's TFSA;

(a) be transferred in certificate form to, or be sold and the proceeds (net of brokerage commissions and sale processing fees) transferred to another TFSA or an RRSP in the Participant's name; or

c. be sold and the proceeds after deducting the appropriate income taxes, brokerage commissions and sales processing fees, remitted to the Participant.

11.7 Units to be registered in the name of the Administrative Agent pursuant to this Plan may, in the discretion of the Administrative Agent, be registered in the name of the nominee or agent of the Administrative Agent, or such other name as the Administrative Agent determines, for that purpose.

11.8 The Participant will be responsible for paying any brokerage commissions and sales processing fees on Unit sales.

12. Termination by Participant

12.1 A Participant may, subject to Section 12.4, terminate participation in the Plan by delivering to the Employer (who will, in turn, deliver it to the Administrative Agent) a Termination/Withdrawal Form requesting that:

a. all funds deducted from the payroll of the Participant and held by the Employer or Administrative Agent in his or her personal account but which have not been used for the purchase of Units pursuant to the Plan be refunded to the Participant;

b. all Units in his or her personal account be transferred and issued in his or her name or as directed;

c. all such Units be sold and the net proceeds be distributed to the Participant; or

d. if the Participant's funds and/or Units are held in an RRSP:

i. all such funds and Units, or net proceeds from selling said Units be transferred to another RRSP in the Participant's name; or

ii. all such Units be sold and the proceeds, plus any uninvested funds, after deducting the appropriate income taxes, brokerage commissions and sales processing fees, be remitted to the Participant.

e. if the Participant's funds and/or Units are held in a TFSA:

i. all such funds and Units, or net proceeds from selling said Units, be transferred to another TFSA or RRSP in the Participant's name; or

- ii. all such Units be sold and the proceeds, plus any uninvested funds, after deducting the appropriate income taxes, brokerage commissions and sales processing fees, be remitted to the Participant.

12.2 On any termination, any fractional Units credited to the Participant's personal account will be disregarded on any sale or transfer and the Participant will be entitled to receive the cash equivalent thereof.

12.3 A Participant who delivers a Termination/Withdrawal Form will not be permitted to participate in the Plan until six full calendar months have elapsed since the date of receipt by the Employer of the Termination/Withdrawal Form.

12.4 Termination/Withdrawal Forms given by Participants in accordance with Section 12.1 hereof shall be effective on the date given save and except where such notice is given less than 5 days prior to a Purchase Date. Where the notice is given less than 5 days prior to a Purchase Date, such notice shall only become effective from and after the first business day following such Purchase Date and the Trust shall continue to be entitled to issue to the Participant such Units as the Participant would have been entitled to on such Purchase Date and the Employer shall continue to make any payroll deductions with respect to the Participant as may occur during such 5 day period as if the Termination/Withdrawal Form had not been given.

12.5 If no Termination/Withdrawal Form is filed within 60 days after the termination of an Employee's employment with the Employer, the Participant, or his or her executors or administrative agents, will be deemed to have elected to request a certificate for all Units held in the non-RRSP and non-TFSA component of his or her personal account, and to sell all Units in the RRSP and TFSA component of his or her personal account and forward the net proceeds to the Participant, or his or her executors or administrative agents, as the case may be.

12.6 The Participant will be responsible for paying any brokerage commissions and sales administration fees on Unit sales.

13. Events of Disentitlement.

13.1 An Event of Disentitlement under the Plan shall occur where the Participant voluntarily retires or resigns or is terminated by the Employer from all of his or her position(s) as a senior officer or employee before Normal Retirement.

13.2 Subject to Section 14 hereof, on the occurrence of an Event of Disentitlement:

- a. the Participant's subscription for Units under this Plan, if any, shall be automatically cancelled and the Employer shall return to the Participant his or her

Contributions held in a non-RRSP and non-TFSA account of the Participant to the date of cancellation; and

- b. any Units held on behalf of the Participant by the Administrative Agent pursuant to this Plan and any cash held in an RRSP and a TFSA account of the Participant shall be transferred to or to the order of the Participant.

13.3 If, at the end of any calendar year, a Participant has not contributed to the Plan his or her portion of his Salary during such calendar year, the Trust or the Employer shall have the option to give written notice requiring that the Participant terminate his or her participation in the Plan and withdraw all funds and Units held on behalf of such Participant pursuant to the Plan in the manner set forth in Section 13.2.

13.4 Any Participant who has terminated his or her participation in the Plan or is deemed to have terminated his or her participation in the Plan shall not be permitted to enrol and become a Participant again until a period of six months has elapsed since his or her termination or deemed termination.

14. Death/Retirement/Permanent Disability of Employee.

14.1 Upon a Participant ceasing to be an Employee as a result of death, Normal Retirement or permanent disability (collectively a "Withdrawal Event") the Participant shall immediately cease to be eligible to participate in the Plan and no additional payroll deductions shall be made, and no additional Units shall be issued, to the Participant hereunder. In addition, and subject to any beneficiary designation made with respect to an RRSP Plan and/or a TFSA Plan, on the occurrence of a Withdrawal Event:

- a. the Employer shall return to the Participant or the Participant's legal representative (as the case may be) the Participant's Contributions held in a non-RRSP and non-TFSA account to the date of the Withdrawal Event; and
- b. any Units held on behalf of the Participant by the Administrative Agent pursuant to this Plan and any cash held in an RRSP and a TFSA account of the Participant shall be transferred to or to the order of the Participant or his or her legal representative.

15. Distributions and Other Rights Pertaining to Units.

15.1 The Administrative Agent shall deliver or cause to be delivered to the Participants on whose behalf Units are held hereunder copies of all materials distributed to holders of Units, and shall on each such occasion notify such holders in writing of their rights hereunder, including the right to direct votes, and of the manner of exercise of such rights. The Administrative Agent shall vote Units held on behalf of each Participant at every meeting of holders of Units of the Trust which the Administrative Agent shall be entitled

to attend by virtue of being the registered holder of Units in such manner as each such Participant, or his or her legal representatives, shall have previously directed in writing, and in default of any such direction the Administrative Agent shall refrain from voting. The Administrative Agent will, if so required by any Participant, or his or her legal representatives, execute all proxies necessary or proper to enable the Participant, or his or her legal personal representatives, to attend and vote the Units held by the Administrative Agent on behalf of such Participant at any such meeting in place of the Administrative Agent.

15.2 Distributions of distributable cash on Units held by Participants shall be dealt with in accordance with section 10(h).

16. The Administrative Agent.

16.1 The Administrative Agent may be a trust company or trust companies authorized to carry on business in Canada, or any other individual or company which shall be legally entitled to act as Administrative Agent. The Trust may, at any time, remove the Administrative Agent so appointed and may appoint a successor or successors and may similarly fill any vacancy created for any reason whatsoever. The Trust agrees to reimburse the Administrative Agent for all reasonable costs assumed by the Administrative Agent in administering the Plan.

16.2 The Administrative Agent shall maintain or cause to be maintained such records as may be required by the Trust indicating the number of Units purchased on behalf of each Participant and upon written request therefor shall furnish to each Participant a statement containing such information. Each of such statements shall be deemed to have been accepted by the Participant as correct unless written notice to the contrary shall have been received by the Administrative Agent within 30 days after the mailing of such statement to the Participant.

16.3 The Administrative Agent shall establish a personal account for each Participant and shall record in each personal account the amount of all Contributions made by the Participant, the number of Units purchased with that Participant's Contributions, all Additional Units allocated to the Participant, any distribution income received on Units held, the number of Units purchased with the distribution income, the prices at which such Units were purchased, any Unit withdrawals, the prices at which such Units were withdrawn, and the amount of any expenses allocated to such personal account.

17. Assignment/Transferability.

17.1 Except with the consent of the Administrators (which may not be arbitrarily or unreasonably withheld) and subject to applicable laws, no right or interest of any Participant in any of the Units purchased or held on his or her behalf under the Plan shall

be, at any time prior to the transfer of such Units to or to the order of the Participant in accordance with the terms hereof, assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner, other than by will or other testamentary instrument, or the laws of succession. No attempted assignment or transfer of any Units acquired contrary to the terms hereof shall be effective. Notwithstanding the foregoing, assignments or transfers may be effected with the approval of the Trust and the appropriate regulatory authorities, if required. For the purposes of this Section 17, the terms “assign” and “assignment” shall include the creation, granting or incurring of a security interest, mortgage, charge, lien, execution and similar interests in the Units of a Participant.

17.2 The Plan and the Administration Agreement shall enure to the benefit of and be binding upon the Trust, and the Employer, and their successors and assigns and shall enure to the benefit of and be binding upon the Participants and their respective heirs, executives, administrators, successors, legal personal representatives and permitted assigns.

18. Taxes

18.1 Each Participant shall be responsible for paying his or her respective income and other taxes applicable to Contributions and to transactions involving the Units held by the Administrative Agent on his or her behalf, including, without limitation, any taxes payable on:

- a. any Contributions made by or on behalf of a Participant;
- b. the transfer of Units to the Participant or a person designated by the Participant;
- c. the sale or other disposition of Units of a Participant;
- d. the transfer of Units to an RRSP and/or TFSA in the name of the Participant or withdrawal therefrom; or
- e. distributions paid on the Units.

18.2 The Administrative Agent is authorized to deduct from any amounts payable to a Participant following a sale of that Participant’s Units any amounts which are required to be withheld on account of taxes.

19. Certain Adjustments.

19.1 In the event of a merger, amalgamation, consolidation, reorganization, recapitalization, unit dividend or other change affecting the Trust’s capital structure, appropriate adjustments by the Administrators shall be made and the number and kind

of Units allocated to the Plan and the Units being purchased thereunder. No fractional Units shall be issued under any such adjustment, and in computing any such adjustment, any fractional Unit which might otherwise result shall be eliminated.

19.2 Subject to the express provisions of the Plan, the Administrators may from time to time make such provisions as they consider proper with respect to the rights of the Participants under the Plan in the event of a Withdrawal Event in respect of a Participant or any Event of Disentitlement or any other eventuality not specifically provided for in the Plan.

20. Change of Control.

If (i) the Trust proposes to make an issuer bid or proposes to enter into a merger, amalgamation or other arrangement or reorganization; (ii) there occurs a change in the control of the Trust as a result of which one person or group of related persons beneficially owns more than 50% of the issued Units of the Trust; or (iii) there occurs a sale or transfer of all, or substantially all, of the undertaking, property or assets of the Trust, the Administrators may, in a fair and equitable manner, determine the manner in which all Units held by the Administrative Agent subject to the terms of the Plan, shall be treated. All determinations of the Administrators under this Section 20 shall be conclusive and final.

21. Termination of the Plan.

The Trustees may terminate the Plan at any time in their absolute discretion. If the Plan is so terminated, any arrangements then in place with Participants shall continue in full force and effect in accordance with the provisions of the Plan.

22. Amendments to the Plan.

22.1 Subject to Section 22.2, from time to time the Administrators may make amendments to any provision of the Plan, including but not limited to amendments of a housekeeping nature, and, with the consent of the Administrative Agent, any provisions of the Administration Agreement, including but not limited to amendments of a housekeeping nature, provided that no amendment to the Plan or the Administration Agreement or any termination of the Plan shall divest any Participant of his or her entitlement to his or her Units or of any rights a Participant may have in respect of the Units or have the effect of altering the terms of any outstanding right of a Participant without the prior written consent of the Participant, and provided further that regulatory approval (including Exchange approval) and, if required by such regulatory authorities or Section 22.2 hereof, Unitholder approval, of the amended form of the Plan is received prior to the issuance of any Units under the provisions of the amended form of the Plan.

22.2 Unitholder approval will not be required for amendments to the Plan or

amendments to the terms and conditions of Units purchased or rights or interests acquired hereunder, except for the following types of amendments or modifications:

- a. amendments to Section 6 hereof to increase the number of Units reserved for issuance, 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;
- b. amendments to Section 9 hereof to reduce the Purchase Price of a Unit that has been previously granted (including a reduction in the number of Units issued as Additional Units thereto), except, in connection with an adjustment pursuant to Section 19;
- c. amendments for the purpose of extending eligibility to participate in the Plan to persons not eligible to participate pursuant to Section 4 hereof;
- d. amendments for the purpose of permitting Units purchased or rights or interests acquired hereunder to be transferred or assigned other than in accordance with Section 17 hereof;
- e. amendments to Section 6 hereof to increase the insider participation limits;
- f. amendments to this Section 22; and
- g. amendments required to be approved by Unitholders under applicable law (including, without limitation, the rules, regulations and policies of the Exchange).

23. Rights to Positions.

Nothing contained in this Plan shall confer upon any Employee any rights to a continuing position as an employee of the Employer or interfere in any way with the rights of the Employer in connection with preserving or terminating the position of such Employee.

24. Interpretation.

All decisions and interpretations of the Administrators respecting the Plan and all rules and regulations made from time to time in respect thereof shall be binding and conclusive on the Employer, the Trust and on all Participants participating in the Plan and their respective legal representatives and on all Participants eligible under any provisions of the Plan to participate therein.

25. Governing Law.

The Plan, and any and all determinations made and actions taken in connection with the Plan, shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

26. Regulatory and Unitholder Approvals.

The Plan is adopted subject to the approval of the Exchange and any other required regulatory approvals, and subject to Unitholder approval if required by any regulatory authority having jurisdiction. To the extent a provision of the Plan requires regulatory approval which is not received, such provision shall be severed from the remainder of the Plan until the approval is received and the remainder of the Plan shall remain in effect. The purchase and issuance of Units and the holding thereof by the Administrative Agent, if applicable, as contemplated herein, shall comply at all times and in all respects with all applicable laws, including, without limitation, all rules, regulations and by-laws of the Exchange and all policies of applicable securities regulatory authorities. If, upon the advice of the Trust's counsel it is considered necessary or advisable to seek exemptions or discretionary relief from applicable regulatory requirements in order to fully implement the provisions of the Plan, the Trust shall make application thereof at its expense, unless the Administrators elects to amend the Plan as provided herein.

27. General.

27.1 Except as set out in Sections 11.7 and 12.6, the Trust shall pay all costs and expenses of administering the Plan, including the Administrative Agent's compensation. The Trustees and/or proper officers of the Trust are authorized to sign and execute all instruments and documents and to do all things necessary or desirable for the purposes of carrying out the provisions of the Plan.

27.2 Each Participant shall be provided with a copy of the Administration Agreement upon request.

27.3 The section headings in this document are for convenience of reference only, do not form part of the Plan and shall not affect the interpretation of the Plan.

27.4 Nothing contained herein shall restrict or limit or be deemed to restrict or limit the rights or powers of the Trustees in connection with any allotment and issuance of Units in the capital of the Trust which are not allotted and issued hereunder.

27.5 Adopted by the Trustees of Canadian Apartment Properties Real Estate Investment Trust and Amended and Restated this [●] day of [●], 2022.

SCHEDULE "A"
EMPLOYEE UNIT PURCHASE PLAN
ADMINISTRATION AGREEMENT

THIS AGREEMENT made as of the 27th day of May, 2014, in the City of Toronto, Province of Ontario, Canada.

BETWEEN:

**CANADIAN APARTMENT
PROPERTIES REAL ESTATE
INVESTMENT TRUST,**

a trust formed under the laws of
Province of Ontario,

(the "Trust")

of the first part

AND:

**COMPUTERSHARE TRUST
COMPANY OF CANADA,**

a trust company existing under the laws
of Canada, having an office in the city of
Toronto, Province of Ontario,

("Computershare")

of the second part

WHEREAS the Trust has established the Employee Unit Purchase Plan (the "Plan");

WHEREAS the Trust wishes to appoint Computershare to act as administrative agent and record keeper with a view of assisting in the administration and record keeping required to be performed under the Plan;

NOW THEREFORE, the Trust and Computershare hereby covenant and agree as follows:

1. Appointment:

The Trust hereby appoints Computershare and Computershare hereby accepts the appointment as administrative agent and record keeper for and on behalf of the Trust for the purposes of maintaining the records pertaining to the Participants' accounts under the Plan, and agrees to perform the services as set forth in

Exhibit "I" attached hereto to form part of this Agreement as if written herein. Computershare shall have no duties or responsibilities except as expressly provided in this Agreement and in Exhibit "I" and will have no duties or responsibilities arising under any other agreements, including the Plan, to which Computershare is not a party.

2. Receipt of Contributions:

Computershare shall receive and accept all contributions, in a form acceptable to Computershare, deposited with Computershare from time to time by the Trust, on the Trust's behalf or in the Trust's capacity as agent for the participants, as well as all distributions, interest or other income or rights which may be attached to such contributions.

Computershare shall allocate such contributions and other such income or rights to the accounts of each participant strictly in accordance with the directions provided from time to time by the Trust.

Computershare shall have no discretion in regard to the investment, allocation or distribution of any funds deposited with it. Computershare shall under no circumstances be responsible for the collection, monitoring, sufficiency, timeliness or adequacy of contributions, or for determining whether contributions received by it were collected or remitted in accordance with the terms of the Plan.

Computershare is directed and authorized to register and hold any Units or other securities deposited with Computershare in the name of Computershare, in its capacity as administrative agent, for the Participant, and is further authorized to register and hold any such Units or other securities in nominee name and deposit same, as required, with The Canadian Depository for Securities Limited (CDS), the Depository Trust Company (DTC) or any other recognized depository, or clearing agency authorized to operate a book-based system.

3. Directions and Instructions:

Computershare shall act strictly upon the instructions and directions provided from time to time by the Trust or any agent authorized by the Trust to act on its behalf. All directions and instructions shall remain in force until superseded or withdrawn by the Trust or authorized agent.

The Trust represents and warrants that all directions or instructions given by the Trust, or its agents, shall be in full compliance with the terms of the Plan and the promises made by the Trust, or its agents, to the Plan participants. In carrying out its duties hereunder, Computershare is entitled, at all times, to rely upon such representation.

Computershare shall not be responsible to assess the validity or advisability of any instructions or directions so given. Computershare shall under no circumstances be deemed to provide legal, investment or trading advice or counseling.

Other than as specifically set out herein, Computershare shall not be responsible for:

- (a) administering the Plan;
- (b) applying and interpreting the Plan provisions;
- (c) the sale or disposition of securities held under the Plan; and
- (d) ensuring compliance with applicable securities and other laws and the rules, regulations, policies, guidelines and pronouncements of the securities regulatory authorities, applicable exchanges and securities markets and other applicable self-regulatory organizations.

The Trust undertakes to provide Computershare in a timely manner with all relevant information pertaining to the Plan. Without limiting the aforementioned, the Trust undertakes to forthwith provide written notice to Computershare of the termination of employment, suspension or withdrawal of participation by a Plan participant, as the case may be, or any other circumstances affecting the rights and eligibility of a Plan participant under the terms of the Plan. Computershare shall as soon as practicable and no later than the close of the following business day, indicate such reported change in its records. Computershare shall have no obligations under this Agreement in regards to transactions that may have been effected and closed on behalf of the departing or ineligible Plan participant before such reported change has been recorded and entered on the records maintained by Computershare and hereinbefore provided.

Computershare, in the execution of its duties, is entitled to:

- (a) rely upon any instrument or instruction given hereunder by such officers, directors or authorized signatories of the Trust as may from time to time be identified for that purpose in a certificate of incumbency and of authorized signatories in the form and content set forth in Exhibit "III", signed by a senior officer of the Company. Such certificate shall remain in force and binding until such time as Computershare is provided with an amended certificate; and
- (b) act upon any instrument believed by it to be genuine and to have been signed or presented by the authorized officers and signatories and accept such instrument as conclusive evidence of the truth of any statement contained therein.

4. Reporting:

Computershare shall provide the Trust with monthly statements which shall comprise the information as agreed upon between the parties and as set out in Exhibit "I". Such statements and other reports which may be provided from time to time by Computershare shall be transmitted in the format and manner, electronic or otherwise, as may be agreed by the parties and as further set out in Exhibit "I".

The Trust undertakes to examine and report to Computershare, within thirty days (30) of receipt, any discrepancy or other issue which may affect the accuracy of the information reported in the statements provided by Computershare to the Trust hereunder, failing which such statements shall be conclusive and deemed accurate as to their contents for all purposes

5. Legal Advice and Appointment of Agents:

Computershare is hereby authorized, at its discretion, as it may reasonably require for the purpose of discharging its duties hereunder:

- (a) to refer any document or request made in connection with the administration of the Plan to its legal department, the Trust's legal department, the Trust's solicitors, or the solicitors for Computershare for direction and advice. Computershare may, however, accept and act on any documents which appear to it to be in order; and
- (b) to employ such consultants, experts, advisors, agents or agencies (the "Assistants") as it may reasonably require for the purpose of discharging its duties hereunder and shall not be responsible for the negligent actions or misconduct of such parties.

The costs and expenses of any such referral or employment shall be at the expense of the Trust. In the absence of bad faith, negligence or wilful misconduct on its part, Computershare shall be indemnified and held harmless by the Trust against and from any liability, cost and expense for any action by it in accordance with any instructions or advice received from any such solicitors or Assistants.

6. Liability:

Computershare shall incur no responsibility or liability in regards to any claims, demands, losses, penalties, expenses, fees, costs and liabilities, including without limitation, legal fees and expenses, in regards to any claims regarding the assets deposited with Computershare, in respect of the application of the provisions or interpretation of the Plan, or the performance by Computershare of services

hereunder, except where same results directly and principally from its negligence, wilful misconduct or lack of good faith. For greater certainty, Computershare shall incur no responsibility or liability in respect of any market loss or diminution in value of the assets or for any breach to the terms of the Plan and promises made to Plan participants. This provision shall survive the termination of this Agreement.

7. Indemnification:

The Trust hereby undertakes to indemnify and hold harmless Computershare, its affiliates, their current and former directors, officers, employees and agents (the “Indemnified Parties”) from and against all claims, demands, losses, penalties, costs, expenses, fees and liabilities, including, without limitation, legal fees and expenses, directly or indirectly arising out of, in connection with, or in respect of, the performance by Computershare of services hereunder, except where same results directly and principally from negligence, wilful misconduct or lack of good faith on the part of the Indemnified Parties. This provision shall survive the termination of this Agreement.

8. Compliance with Securities Laws:

The Trust covenants and agrees that it shall ensure that the trading of Units under the Plan does and shall comply in all material respect with all applicable securities laws and requirements of all applicable exchanges, securities markets and self-regulatory organizations.

9. Protection of Administrative Agent:

Computershare shall:

- (a) retain the right not to act and shall not be liable for refusing to act unless it has received clear instructions and/or documentation. Such instructions or documentation must not require the exercise of any discretion or independent judgement on the part of Computershare;
- (b) disburse funds hereunder only to the extent that funds have been deposited with it;
- (c) if any funds are received by it in the form of uncertified cheques, be entitled to delay the time for release of such funds until such uncertified cheques shall be determined to have cleared the financial institution upon which the same are drawn;

- (d) incur no liability with respect to the delivery or non-delivery by Computershare or its agents of any Unit certificate whether delivered by hand, mail or other means; which shall be at the risk of the intended recipient; and
- (e) if it shall hold any amount on account of dividends or other distributable amount which is unclaimed or which cannot be paid for any reason, be under no obligation to invest or reinvest the same but shall only be obligated to hold same in a current or other non-interest bearing account pending payment to the person or persons entitled thereto, and shall be entitled to retain for its own account any benefit earned by the holding of same prior to its dissociation in accordance with this Agreement.

10. Dispute:

In the event of dispute between the parties or either of them and a participant or other third party, Computershare shall be entitled at its option to refuse to comply with any incompatible or conflicting instructions, directions or demands and make no delivery of the assets under dispute until such time as such issue or dispute shall have been satisfactorily resolved amicably between the parties to the dispute or by an order of the Court and Computershare shall incur no liability in refraining from acting or by refusing to comply with such directions or demands.

11. Fees and Expenses:

Computershare shall, for services rendered, receive the fees as published from time to time or otherwise agreed upon by the parties, and shall be promptly reimbursed upon demand after providing a detailed invoice of any costs, charges and expenses properly incurred by Computershare in connection with the performance of its duties hereunder.

The current Schedule of Fees is attached hereto as Exhibit "II".

12. Termination of Agreement:

This Agreement may be terminated by either party upon a sixty (60) day written notice to the other. Computershare shall transfer and deliver to the Trust or, as the Trust may direct, to such other party, all property and assets on deposit as well as all records maintained by Computershare hereunder upon full payment of any amounts then owing to Computershare hereunder.

13. Amendment of Plan:

The Trust reserves the right to amend the Plan, provided that it gives prior notice in writing to Computershare, subject to the following exceptions:

- (a) no amendment may be made that would have the effect of calling upon, authorizing or permitting any party whatsoever, to use property being held by Computershare in connection with the Plan for purposes other than those provided for in the Plan; and
- (b) no amendment having the effect of increasing the duties and responsibilities of Computershare may be made without its formal consent.

The Trust undertakes to promptly provide Computershare with a copy of all Plan amendments and at least thirty (30) days prior notice of such amendment. The Trust also undertakes to notify Computershare of its intended exercise of a discretion under the Plan that will, when exercised, affect the administration or operation of the Plan. Computershare and the Trust reserve the right to renegotiate reasonable fees to reflect changes to the Plan made by the Trust.

14. Assignment:

The parties hereby undertake not to assign their duties and responsibilities hereunder except upon securing the prior written approval of the other party, which approval shall not be unreasonably withheld.

Notwithstanding the aforementioned, any entity resulting from the merger, amalgamation or continuation of Computershare or succeeding to all or substantially all of its plans administration business (by sale of such business or otherwise), shall thereupon automatically become the administrative agent and record keeper hereunder without further act of formality.

15. Limited Liability:

The obligations of the Trust under this agreement shall not be personally binding upon, and resort shall not be had, nor shall satisfaction or recourse be sought from, the private property of the Trustees, the unitholders of the Trust or annuitants under a plan of which a unitholder acts as a trustee or carrier, but the property of the Trust only shall be bound by such obligations.

16. Notices:

Any notice or other communication required or permitted to be given under this Agreement shall be deemed to be validly given if delivered by electronic mail,

messenger, telecopier, registered mail or regular mail postage prepaid at the relevant addresses set forth in Exhibit "IV". Any such notice delivered in accordance with the foregoing shall be deemed, if delivered by electronic mail, messenger, telecopier or registered mail, to have been received on the date and at the time of delivery or, if by regular mail, on the fifth business day following the date of the postmark on the envelope.

17. Interpretation:

Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Plan. Unless the context requires otherwise, any terms or provisions importing the plural shall include the singular and vice versa and any terms or provisions importing the masculine gender shall include the feminine gender.

This Agreement and its Exhibits constitute the entire agreement between the parties. Any provisions aiming at supplementing or amending this Agreement shall be evidenced in writing, dated and executed by the parties.

No failure on the part of any party to this Agreement or any delay in exercising any right under this Agreement shall operate as a waiver of such right.

18. Successors and Assigns:

This Agreement shall enure to and shall be binding upon the parties hereto and their permitted successors and assigns.

19. Applicable Laws:

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

IN WITNESS WHEREOF, the parties have executed this Agreement on this 27th day of May, 2014.

**ON BEHALF OF THE TRUSTEES OF
CANADIAN APARTMENT
PROPERTIES**

REAL ESTATE INVESTMENT TRUST

by: _____

, Trustee

by: _____

, Trustee

**COMPUTERSHARE TRUST
COMPANY OF CANADA**

by: _____

by: _____

EXHIBIT "I"
to the
CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST
Employee Unit Purchase Plan
Administration Agreement
made as of May 27, 2014

SERVICES TO BE PERFORMED BY COMPUTERSHARE

Computershare shall:

1. as soon as practicable following receipt of an Enrolment Form, but in any event within two (2) business days from the date of such receipt, enroll Participants in accordance with the directions provided to it by the Trust;
2. establish and maintain an RSP and/or non-RSP and/or TFSA account for each Participant enrolled in the Plan;
3. receive all monies which are paid to it by the Trust on behalf of Participants and hold same on behalf of the Participants until (a) the next applicable Purchase Date at which time the monies are invested in Units, or (b) or the monies are withdrawn by the Participant in accordance with the Plan and the directions provided to it by the Trust;
4. receive an electronic contribution file in a format acceptable to Computershare and enter all relevant payroll data to each Participant's account in accordance with the directions provided to it by the Trust;
5. allocate Units to each Participant's account using the cost of the Units purchased from the Trust with each period's applicable Contributions on each Purchase Date pursuant to the Plan;
6. calculate each Participant's 20% Additional Unit entitlement of the Market Value of Units Purchased for each Purchase Date in accordance with the Plan and advise the Trust of the aggregate value of the Units to be issued, and allocate the appropriate number of Units to Participants' accounts as determined by dividing each

Participant's entitlement by the purchase price of the Additional Units purchased from the Trust;

7. provide a report in electronic format to the Trust detailing the 20% Additional Unit entitlement taxable benefit attributed to each Participant on a quarterly basis;
8. receive and hold all distributions of distributable income paid by the Trust on Units held in the Plan on behalf of the Participants as well as interest paid by Computershare on Participants' personal account cash balances until (a) the next applicable Purchase Date at which time the monies are invested in Units, or (b) the monies are withdrawn by the Participant;
9. if and when a rights offering occurs, sell the rights at market, and hold such proceeds held in the Plan on behalf of the Participants until (a) the next applicable Purchase Date at which time the monies are invested in Units, or (b) the monies are withdrawn by the Participant;
10. use its best efforts to effect Participant's partial withdrawal instructions requested of it by Participants, reflect such transactions on its records and (a) issue Unit certificates, (b) issue cheques for Unit sale proceeds, or (c) transfer Units and/or uninvested cash from their non-RSP account to their RSP account, or (d) transfer Units and/or uninvested cash from their non-RSP account to their TFSA account, as directed by Participants accompanied by withdrawal statements reflecting such transactions within ten (10) business days of receipt of said withdrawal instructions;
11. use its best efforts to effect participation termination instructions requested of it by Participants, reflect such transactions on its records and (a) issue Unit certificates, or (b) issue cheques for Unit sale proceeds and/or cash balances, as directed by Participants accompanied by withdrawal statements reflecting such transactions within ten (10) business days of processing (such processing will occur after the Participant's final Contributions have been posted to his or her account). If instructions are not received from a Participant within sixty (60) days of termination of employment with the Trust, a Unit certificate will be issued for the Units held on behalf of the Participant in the non-RSP component of his or her personal account, and a cheque for the Unit sale proceeds (net of withholding tax) for the Units held in trust for the Participant in the RSP and the TFSA component of his or her personal account within ten (10) business days of the sixty (60) day anniversary of the termination of employment;
12. not later than the 15th business day of each month, prepare and send monthly reconciliation report (Alphabetical Trial Balance) for the previous month confirming the total number of Participants, the total Plan holdings and other regular Plan summary

details as may reasonably be required by the Company and agreed to by the Administrative Agent;

13. forward to each Participant any information otherwise made available to the Company's unitholders pursuant to applicable securities regulatory requirements. Computershare shall provide to each Participant a voting instruction card so that the Participant may indicate thereon his or her directions as to how he or she wishes to vote, and vote on his or her behalf upon the timely receipt of and in accordance with such voting instruction card;
14. give to each Participant notice consistent with any notice given to registered unitholders, in the event that a take-over bid is made, or a merger, plan or arrangement or other transaction is formally proposed to all holders of Units;
15. answer Participants' enquiries on their accounts, refer promptly to the Trust any enquiry pertaining to the application or interpretation of the provisions of the Plan;
16. issue to all Participants quarterly statements of account (January 31, April 30, July 31 and October 31) detailing dollar and corresponding Unit information;
17. for tax filings at the Plan level: annually in January, generate magnetic tapes containing the appropriate information required for the preparation of income tax forms and for filing with the respective governments; prepare the appropriate summary forms required by the Canadian federal and provincial applicable legislation no later than the prescribed federal and provincial deadlines;
18. for tax filings at the Participant Level:
 - (a) prepare, issue and mail T3/Releve 16 slips in respect of each Participant for all taxable distributable income, and T5008/Releve 18 slips for capital gains/losses calculation information. The Canadian Federal government prescribes the T3/Releve 16 slips be mailed by the last day of March, and the T5008/Releve 18 slips be mailed by the last day of February;
 - (b) prepare, issue and mail T5/R3 slips in respect of each Participant for all interest income earned on cash balances. The Canadian Federal government prescribes the T3/Releve 16 slips be mailed by the last day of March, and the T5008/Releve 18 slips be mailed by the last day of February;
 - (c) by the last day of February prepare, issue, and mail T4RSP/Releve 2 slips to each Participant in respect of which withdrawals were made from his or her RRSP Personal Account;

- (d) by March 31st of each calendar year, prepare, issue, and mail a contribution receipt for the period January 1 to March 1 (or such other dates as determined by the Canada Customs and Revenue Agency), to each Participant in respect of which contributions were made to his or her RRSP Personal Account in the prescribed period of the current year;
- (e) by the last day of February of each calendar year, prepare, issue, and mail a contribution receipt to each Participant in respect of which contributions were made to his or her RRSP Personal Account in the prescribed period for the remainder of the previous year; and

19. fees and Charges: following the end of each month, Computershare shall forward to the Trust an invoice showing fees and administration charges for the period for the Plan.

Canadian Apartment Properties Real Estate Investment Trust shall:

- 1. within five (5) business days before each Contribution date, provide Enrolment Forms for all new Participants (and confirm eligibility thereof);
- 2. within five (5) business days of each Contribution date, provide Participant Contributions, as well as payroll data via an electronic contribution file in a format acceptable to Computershare;
- 3. on at least a monthly basis, advise Computershare of Participant terminations of employment (name, SIN, and termination date);
- 4. within five (5) business days of receipt by the Trust, forward all properly completed Change Forms where a name or address change has been noted to Computershare;
- 5. forward properly completed Participant termination requests to Computershare after the last Contributions have been remitted to Computershare for said Participants;
- 6. as soon as practicable, forward all properly completed Participant withdrawal requests to Computershare;
- 7. within two (2) business days, advise Computershare of the applicable price to be used to calculate the purchase price of Units including Additional Units pursuant to the Plan, and within five (5) business days of receipt of advice from Computershare of the aggregate Participant monies available for the purchase of Units including Additional Units, arrange for the appropriate number of (whole) Units including Additional Units to be issued by the Trust to the Plan on behalf of the Plan Participants; and

8. be responsible for monitoring and ensuring that (a) the number of Units issued to the Plan does not exceed the maximum number of Units issuable under the Plan, and (b) no Units of the Trust shall be issued under the Plan if such issuance would result in the majority of the Units to be allocated under the Plan being or becoming issuable to Insiders or if the Plan, together with all other equity incentive plans, could result, at any time in (i) the issuance to Insiders, within a one year period, of a number of Units exceeding 10% of the outstanding issue; (ii) the issuance to Insiders, at any time, of a number of Units exceeding 10% of the outstanding issue; or (iii) the number of Units which may be issued or reserved for issuance, within a one year period, under the Plan and any other Unit Compensation Arrangement to any one Employee exceeding 5% of the outstanding issue.

EXHIBIT "II"

to the

CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST

Employee Unit Purchase Plan

Administration Agreement

made as of May 27, 2014

SCHEDULE OF FEES

EXHIBIT “III”

to the

CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST

Employee Unit Purchase Plan

Administration Agreement

made as of May 27, 2014

AUTHORIZED SIGNATORIES AND INCUMBENCY CERTIFICATE

EXHIBIT "IV"
to the
CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST
Employee Unit Purchase Plan
Administration Agreement
made as May 27, 2014

NOTIFICATION ADDRESSES

Address for Computershare:

COMPUTERSHARE TRUST COMPANY OF CANADA
100 University Avenue, 8th Floor
Toronto, Ontario
M5J 2Y1

Attention: Client Relationship Manager – Employee Plans

Phone Number: (416) 263-9301

Telecopier: 1-888-367-8419

Address of the Trust:

CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST

11 Church Street

Suite 401

**Toronto, Ontario
M5E 1W1**

Attention: Chief Financial Officer

Phone Number: (416) 861-9404

Telecopier: (416) 861-9330

SCHEDULE "B"
ENROLMENT FORM

APPENDIX 10: AMENDED AND RESTATED RESTRICTED UNIT RIGHTS PLAN

The following is a copy of the Amended and Restated Restricted Unit Rights Plan.

**CANADIAN APARTMENT PROPERTIES REAL ESTATE
INVESTMENT TRUST**

RESTRICTED UNIT RIGHTS PLAN

Amended and Restated as at [●], 2022

CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST

RESTRICTED UNIT RIGHTS PLAN

1. PURPOSE OF THE PLAN

The purpose of the Plan is to promote the long term success of Canadian Apartment Properties Real Estate Investment Trust (the “**Trust**”) by (i) providing Participants with additional incentives in the form of units of the Trust (“**Units**”), (ii) encouraging ownership of Units by Participants, (iii) increasing the ownership interest in the Trust of Participants, and (iv) encouraging Participants to remain employed by the Trust or its Designated Affiliates through the issuance of RURs which, upon vesting, in accordance with the terms of the Plan, will be settled for Units of the Trust.

2. DEFINITIONS

For purposes of the Plan, the terms contained in this Section 2 shall have the following meanings.

“**Administrator**” means such administrator as may be appointed by the Committee from time to time under the Plan.

“**Affiliate**” has the meaning ascribed to such term in the *Securities Act* (Ontario).

“**Board**” means the Board of Trustees of the Trust.

“**Business Day**” means a day, on which there is trading on the Toronto Stock Exchange or such other stock exchange on which the Units are then listed and posted for trading, and if the Units are not listed, a day that is not a Saturday or Sunday or a national legal holiday in Canada.

“**Change in Control**” means: (a) a takeover, merger, consolidation or amalgamation of or involving the Trust or its subsidiaries representing, collectively, 50% or more of the value of the assets of the Trust; (b) an offer to acquire all of the outstanding Units of the Trust; (c) an acquisition by any third party (either alone, or acting jointly or in concert with another party, directly or indirectly) (a “**Third Party**”) of over 50% of the outstanding Units or votes attaching thereto; or (d) an acquisition by any Third Party of all or substantially all of the assets of the Trust or its subsidiaries.

“**CIC Date**” means the date of any Change in Control.

“**Committee**” means the Board or, if the Board so determines, the Human Resources and Compensation Committee of the Board.

“**Designated Affiliate**” means any Affiliate of the Trust (including a partnership or trust controlled by the Trust) designated by the Board for the purposes of the Plan from time to time.

“Designated Person” means, subject to the Regulations and to all applicable laws, an: (i) officer or employee of the Trust; or (ii) an officer or employee of a Designated Affiliate, in each case provided that such person is actively engaged in activities related to the Trust.

“Disability” means the mental or physical state of a Participant such that the Participant has been unable as a result of illness, disease, mental or physical disability or similar cause to fulfill the material and substantial duties and obligations of such Participant to the Trust or a Designated Affiliate, as the case may be, either for any consecutive six (6) month period or for any period of twelve (12) months (whether or not consecutive) in any consecutive twenty-four (24) month period.

“Distribution RURs” has the meaning ascribed to such term in Section 8(a) hereof.

“First Vesting Date” has the meaning ascribed to such term in Section 6(b)6(b) hereof.

“Fiscal Year” means a fiscal year of the Trust.

“Grant” means the grant of RURs to a Designated Person at any time in accordance with Section 5.

“Grant Agreement” means the written agreement entered into by the Trust and the Participant in accordance with Section 5, in a form substantially similar to that attached as Appendix “A”.

“Grant Date” means the date on which the Committee or the Board grants RURs or such later date which the Committee or the Board determines will be the date on which a Grant shall take effect.

“Insider” shall have the meaning ascribed thereto in the *Securities Act* (Ontario), as amended from time to time.

“Market Price” at any date in respect of the Units means the volume weighted average price of all Units traded on the TSX for the five trading days immediately preceding such date (or, if such Units are not listed and posted for trading on the TSX, on such stock exchange on which such Units are listed and posted for trading as may be selected for such purpose by the Board). In the event that such Units are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of such Units as determined by the Board in its sole discretion.

“Participant” means a Designated Person to whom a Grant has been made in accordance with Section 5.

“Person” means, without limitation, an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, trustee, executor, administrator, or other legal representative.

“Plan” means this Canadian Apartment Real Estate Investment Trust Restricted Unit Rights Plan, as it may be amended from time to time.

“Regulations” means the regulations, if any, made pursuant to the Plan, as the same may be amended from time to time.

“Retirement” means retirement in accordance with the provisions of any pension or retirement plan of the Trust or of any of its Designated Affiliates covering the Participant, retirement pursuant to a special pension arrangement entered into by the Trust or any of its Designated Affiliates and a Participant and applicable in lieu of, or in addition to, any pension or retirement plan of the Trust or of any of its Designated Affiliates or, if the Participant is not covered by such a plan and/or special pension arrangement, as determined by the Committee in its sole discretion.

“RUR” means a restricted unit right credited to a Participant pursuant to a Grant in accordance with Section 5 or, in the case of a Distribution RUR, pursuant to Section 8, and which shall, following the last day of the Vesting Period, in accordance with and subject to the provisions of the Plan and relevant Grant Agreement, entitle the holder thereof to receive one Unit.

“Second Vesting Date” has the meaning ascribed to such term in Section 6(b) hereof.

“Settlement Date” means the date which is ten (10) Business Days following the vesting of any RURs in accordance with Section 6(b)6(b) hereof unless otherwise determined by the Committee or extended in accordance with Section 6(c)6(c) hereof.

“Termination Date” has the meaning ascribed to such term in Section 6(b) hereof.

“Trust” has the meaning ascribed to such term in Section 1 hereof.

“TSX” means The Toronto Stock Exchange.

“Units” has the meaning ascribed to such term in Section 1 hereof.

“Vesting Period” means, in respect of each Grant, the period of time commencing on the Grant Date and ending on the third anniversary of the Grant Date, unless otherwise determined by the Committee or extended in accordance with Section 6(c)6(e) hereof.

3. ADMINISTRATION

The Committee shall be responsible for the administration of the Plan. The Committee may, subject to the terms of the Plan, delegate to the Administrator (if one is appointed), the whole or any part of the administration of the Plan and determine the scope of such delegation. Any decision made by the Committee in carrying out its responsibilities with respect to the administration of the Plan shall be final and binding on the Participants.

All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be exercised by the Committee.

In addition to the other powers granted under the Plan and subject to the terms of the Plan, the Committee shall have the authority to interpret the Plan. The Committee may from time to time prescribe such rules and Regulations and make all determinations necessary or desirable for the administration of the Plan. Any such interpretation, rule, determination or other act of the Committee, and any determination pursuant to Section 55, shall be conclusively binding upon all Persons, including the Participants and their legal representatives and beneficiaries, provided that, notwithstanding any determination or act made or taken by the Committee, the Board shall have the authority to make all determinations and take all other actions in connection with or in relation to the Plan as it may deem necessary or advisable.

No member of the Board, the Committee or other Administrator shall be liable for any action or determination made in good faith pursuant to the Plan. To the full extent permitted by law, the Trust shall indemnify and save harmless each Person made, or threatened to be made, a party to any action or proceeding by reason of the fact that such Person is or was a member of the Board, is or was a member of the Committee or is or was the Administrator and, as such, is or was required or entitled to take action pursuant to the terms of the Plan.

Except as Participants may otherwise be advised by prior written notice of at least thirty (30) days, all costs of the Plan, including any administration fees, shall be paid by the Trust.

4. UNITS SUBJECT TO THE PLAN

The Trust shall not be required to issue Units or to deliver Unit certificates pursuant to the Plan unless and until such issuance and delivery is in compliance with all applicable laws, regulations, rules, orders of governmental or regulatory authorities and the requirements of the TSX and any other stock exchange upon which Units are listed. Each Participant shall comply with all such laws, regulations, rules, orders or requirements, and shall furnish the Trust with any and all information and undertakings as may be required to ensure compliance therewith.

The maximum number of Units which may be issued under the Plan and all of the Trust's other equity incentive plans is 11,500,000 Units, or such greater number as may be approved from time to time by an ordinary resolution of the Unitholders of the Trust. The maximum number of Units which may be issued to Insiders under the Plan, or when combined with any other equity incentive plans, within any 1-year period, may not exceed 10% of the Units issued and outstanding. The maximum number of Units issuable to Insiders under the Plan, or when combined with any other equity incentive plans, at any time, may not exceed 10% of the Units issued and outstanding.

Subject to the foregoing, the Board shall authorize from time to time the treasury issuance by the Trust of Units in settlement of the vested RURs.

5. GRANTS

The Committee shall determine from time to time the Designated Persons to whom a Grant will be made. The Committee shall also determine in connection with each Grant:

- (a) the number of RURs to be credited to each such Designated Person;
- (b) the Grant Date; and
- (c) any other terms and conditions (which need not be identical and which, without limitation, may include non-competition provisions) of the RURs covered by any Grant.

The foregoing shall be determined in the discretion of the Committee in accordance with the Trust's compensation policy from time to time.

Each Grant shall be evidenced by a Grant Agreement between the Trust and the Participant, which shall contain the terms and conditions specified by this Section 5 and such other terms and conditions as the Committee specifies.

6. TERMS AND CONDITIONS OF RESTRICTED UNIT RIGHTS

(a) Certificates and Records

Certificates need not be issued with respect to RURs. The Trust and/or the Administrator shall maintain records showing the number of RURs accrued in respect of and/or credited to each Participant under the Plan.

(b) Vesting

(i) General

As of the Grant Date, the RURs shall be unvested and fully forfeitable. Subject to the provisions of this Section 6(b), RURs shall vest on the last day of the applicable Vesting Period.

(ii) Retirement and Termination without Cause

Subject to the provisions of any change in control or employment agreement between the Participant and the Trust or any Designated Affiliate and the terms and conditions upon which the Grant was made, in the event of the Retirement or termination without cause of a Participant, from the Trust or any Designated Affiliate before the first anniversary of any Grant Date, any RURs granted on such Grant Date shall remain unvested and forfeited as of such Retirement date or Termination Date, as applicable, and such Participant shall not be entitled to any compensation for loss of any benefit under the Plan.

In the event of the Retirement or termination without cause of a Participant from the Trust or any Designated Affiliate on or after the first anniversary of any Grant Date but before the second anniversary of any Grant Date, one-third (1/3) of the RURs granted on such Grant Date shall vest as of such Retirement date or Termination Date, as applicable ("**First Vesting Date**"), and the remainder of the RURs granted on such Grant Date shall remain unvested and forfeited as of such Retirement date or Termination Date, as applicable, and such Participant shall not be entitled to any compensation for loss of any benefit under the Plan.

In the event of the Retirement or termination without cause of a Participant from the Trust or any Designated Affiliate 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 Retirement date or Termination Date, as applicable ("**Second Vesting Date**"), and the remainder of the RURs granted on such Grant Date shall remain unvested and forfeited as of such Retirement date or Termination Date, as applicable, and such Participant shall not be entitled to any compensation for loss of any benefit under the Plan.

For greater certainty, in the event of the Retirement or termination without cause of a Participant from the Trust or any Designated Affiliate on the last day of any Vesting Period, all RURs granted in respect of such Vesting Period shall vest in accordance with Section 6(b)(i).

Notwithstanding the foregoing or the provisions of Section 8, the Committee may, in its sole discretion, determine that in the event of the Retirement or termination without cause of a Participant from the Trust or any Designated Affiliate, vesting of unvested RURs (including for greater certainty any Distribution RURs accrued but not yet credited pursuant to Section 8) may be accelerated in whole or in part with effect on the date preceding the date of the Participant's Retirement or termination without cause and Units issued to the Participant in accordance with the Plan (and such date shall constitute the date for the purposes of determining the Settlement Date).

For purposes of the Plan, a Participant's employment shall be deemed to have terminated on the Participant's last date of actual and active employment, whether that date is selected unilaterally by the Trust or Designated Affiliate or by mutual agreement (the "**Termination Date**"). No period of notice that is given or ought to be given, whether under statute or otherwise, shall be taken into account in determining entitlement under the Plan for purposes of this or any other Plan provision.

(iii) Death or Disability

In the event of the death or Disability of a Participant, while in the employment of the Trust or any of its Designated Affiliates, before the last day of any Vesting Period, all RURs granted in respect of such Vesting Period (including for any greater certainty Distribution RURs accrued but not yet credited pursuant to

Section 8) shall vest and Units shall be issued in accordance with the Plan (and such date of death or Disability, as applicable, shall constitute the date for the purposes of determining the Settlement Date).

(iv) Termination with Cause

Subject to the provisions of any change in control or employment agreement between the Participant and the Trust or any Designated Affiliate and the terms and conditions upon which the Grant was made, in the event a 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 pursuant to Section 8) shall remain unvested and forfeited as of such Termination Date and such Participant shall not be entitled to any compensation for loss of any benefit under the Plan.

(v) Resignation

In the event of the resignation of a Participant as an employee of the Trust or any Designated Affiliate before the last day of any Vesting Period, all RURs granted 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 Participant shall not be entitled to any compensation for loss of any benefit under the Plan. Notwithstanding the foregoing or the provisions of Section 8, the Committee may, in its sole discretion, determine that in the event a Participant resigns as an employee of the Trust or a Designated Affiliate before the last day of any Vesting Period, vesting of unvested RURs (including for greater certainty any Distribution RURs accrued but not yet credited pursuant to Section 8) may be accelerated in whole or in part with effect on the date preceding the date of the Participant's resignation and Units issued to the Participant in accordance with the Plan (and such date shall constitute the date for the purposes of determining the Settlement Date).

(c) Settlement – Fully Paid Units Issued to the Participant

Subject to Sections 4, 6(d), 6(e) and 10(e) and the Participant's satisfaction of any conditions, restrictions or limitations imposed under the Plan or Grant Agreement, on the Settlement Date the Trust shall settle all vested RURs (including any Distribution RURs credited pursuant to Section 8) by the issuance of fully-paid Units from treasury. Subject to the receipt by CDS Clearing and Depositary Services Inc. of the Participant's brokerage account information from the Participant or his investment advisor, the Administrator shall transfer to the Participant full legal title and beneficial ownership of the applicable number of Units upon the Settlement Date. Notwithstanding the foregoing, or any other provision of the Plan, the Committee shall have the discretion, subject to the Participant's prior consent, to extend the Settlement Date, Vesting Period or otherwise facilitate the continued holding of RURs by the Participant for purposes of further aligning the long-term interests of Participants and Unitholders. In connection therewith, the Committee shall also have the discretion to grant the

Participant such additional consideration, provided that no such additional consideration shall be granted without the Participant's prior written consent where the grant of such additional consideration could adversely affect the tax treatment of any RURs granted to such Participant.

(d) Right to Units in the Event of Death, Disability, Retirement or Termination of Employment

For greater certainty, in the event of the Retirement, termination without cause, death or Disability, resignation or termination with cause of a Participant on or after the vesting of any RURs but prior to the Settlement Date for such vested RURs, the number of such Units that would otherwise be issued to such Participant, or in the case of death or Disability, the Participant's estate or the Participant's legal guardian, as applicable, shall be so issued and delivered to the Participant in accordance with and subject to Section 6(e), as if the Participant had continued in the active employment of the Trust or a Designated Affiliate until the Settlement Date.

(e) Right to RURs in the Event of a Change in Control

- (i) If a Participant is terminated without cause within two years of a Change in Control or a Participant who is an officer of the Trust or a Designated Affiliate terminates their employment agreement for "Good Reason" to the extent provided for in such Participant's employment agreement, then notwithstanding any other provision of the Plan, and subject to Section 10(e), with respect to all RURs that are unvested on the Participant's Termination Date, the Participant shall receive, in full settlement of each unvested RUR, on the Termination Date, the number of Units that would have been issued to the Participant on the expiry of the Vesting Period (including Units for any Distribution RURs accrued but not yet credited pursuant to Section 8). The Participant shall have no further entitlement under the Plan.
- (ii) In the event of a Change in Control, with respect to all unvested RURs on the CIC Date, if the acquiror does not adopt the Plan or otherwise compensate Participants by way of a substituted plan involving equivalent marketable securities or other forms of compensation of a value at least equivalent to the value of a Participant's vested or unvested RURs, then notwithstanding any other provision of the Plan, but subject to Sections 6(e) and 10(e), the Participant shall receive, in full settlement of each unvested RUR on the CIC Date (including any Distribution RURs accrued pursuant to Section 8), on or immediately before the CIC Date, the number of Units that would have been issued to a Participant on the expiry of the Vesting Period. The Participant shall have no further entitlement under the Plan.
- (iii) Notwithstanding any other provision of this Plan, if the Board deems it advisable to do so in connection with a proposed Change in Control,

the Board may (without the consent of Participants) take such steps with respect to outstanding RURs and make such amendments to this Plan (subject to the limitations contained in Section 9) as it deems necessary or advisable in connection with the Change in Control.

(f) RURs Not Units

Under no circumstances shall RURs be considered Units, nor entitle any Participant to the exercise of voting rights, the receipt of distributions or the exercise of any other rights attaching to ownership of Units.

7. EFFECTS OF ALTERATION OF UNIT CAPITAL

If there is any change in the outstanding Units by reason of a distribution payable to Unitholders in Units or a subdivision, recapitalization, consolidation, combination or exchange of outstanding Units, or other change affecting the capital structure of the Trust, the Board, subject to any prior approval required of any applicable regulatory authority, will make an appropriate substitution or adjustment in:

- (1) the number or kind of Units or other securities reserved for issuance pursuant to this Plan; and
- (2) the number and kind of RURs theretofore granted under this Plan;

provided, however, that no substitution or adjustment will obligate the Trust to issue or sell fractional RURs or Units. In the event of a reorganization of the Trust or an amalgamation or consolidation of the Trust with another corporate entity or trust, the Board may make any provision for the protection of the rights of Designated Persons and Participants as the Board in its discretion deems appropriate. The determination of the Board, as to any adjustment or as to there being no need for adjustment, will be final and binding on all Participants.

For greater certainty, for the purposes of this Section 7, the exchange of limited partnership units of CAPREIT Limited Partnership or other securities for Units shall not be, and shall not be deemed to be, a change in the number of outstanding Units requiring an adjustment under this Section 7.

For greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional RURs will be granted to such Participant to compensate for a downward fluctuation in the price of Units, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

8. DISTRIBUTIONS

- (a) Whenever a distribution is paid on the Units, additional RURs (the “**Distribution RURs**”), the number of which will be computed pursuant to Section 8(b), shall accrue in respect of each Participant. Distribution RURs will be credited to the Participant and vest on the same terms and times (and

subject to vesting) of the underlying RURs in respect of which the Distribution RURs were accrued.

- (b) The number of Distribution RURs which shall accrue in respect of each Participant under Section 8(a) shall be calculated by dividing: (i) the amount determined by multiplying: (x) the number of RURs credited to the Participant on the record date for the payment of such distribution plus the number of accrued Distribution RURs; by (y) the distribution paid per Unit; by (ii) the Market Price of a Unit on the distribution payment date for such distribution, in each case, with fractions computed to two decimal places.

9. AMENDMENT AND TERMINATION

The Board may from time to time amend, suspend or terminate the Plan in whole or in part, without Unitholder or Participant approval. Subject to applicable securities laws, the Board may from time to time amend the terms of Grants made under the Plan without Unitholder approval but subject to any required regulatory or other approvals and, if any such amendment will materially adversely affect the rights of a Participant with respect to a Grant, the written consent of such Participant to such amendment. Notwithstanding the foregoing: (i) the written consent of any Participant to an amendment which materially adversely affects the rights of such Participant with respect to a Grant shall not be required if such amendment is necessary to comply with applicable laws, regulations, rules, orders of governmental or regulatory authorities or the requirements of any stock exchange on which Units are listed; and (ii) no amendment may be made to Section 6(e) of the Plan or to the defined terms referred to in such Section 6(e) on or after the CIC Date.

The Committee may, subject to receipt of any requisite regulatory approval, in its sole discretion make all other amendments to the Plan without Unitholder approval, including but not limited to:

- (i) amendments of a housekeeping nature;
- (ii) the addition or a change to the vesting provisions of a RUR or the Plan;
- (iii) a change to the termination provisions of a RUR or the Plan;
- (iv) amendments to reflect changes to applicable securities laws; and
- (v) amendments to ensure that the RURs granted under the Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction to which a Participant may from time to time be subject.

Notwithstanding the foregoing, the following amendments to the Plan shall require Unitholder approval:

- (vi) any increase in the aggregate number of Units reserved for issuance under all equity incentive plans of the Trust;

- (vii) any expansion of the definition of Designated Persons;
- (viii) any amendment to the definition of Market Price;
- (ix) any amendment which may permit equity-based awards granted under the Plan to be transferable or assignable other than for normal estate settlement purposes;
- (x) any amendment to this Section 9; and
- (xi) any amendment required to be approved by the Unitholders under applicable law (including rules of the TSX).

If this Plan is terminated, the provisions of this Plan, the Grant Agreement, the Regulations and any applicable administrative guidelines and other rules which are in force at the time of termination, shall continue in effect as long as any RURs, or any right pursuant thereto, remain outstanding. However, notwithstanding the termination of this Plan, the Committee may make any amendments to this Plan, or to the Grant Agreement or any RUR (in accordance, in each case, with the terms of the Grant Agreement) that it would be entitled to make if this Plan were still in effect.

10. MISCELLANEOUS PROVISIONS

(a) Participation Voluntary

Participation in the Plan by a Designated Person is voluntary.

(b) No Right to Continued Employment

No Designated Person shall have any claim or right to receive Grants under the Plan, and the Grant of RURs and issuance of Units under the Plan shall not be construed as giving a Participant any right to continue in the employment of the Trust or its Designated Affiliates or affect the right of the Trust or its Designated Affiliates to terminate the employment of any Participant. Unless the Board of Trustees determines otherwise, no notice of termination or payment in lieu thereof will extend the period of employment for purposes of this Plan.

Nothing herein contained shall be deemed to give any person the right to be retained, or to continue to be retained, as a trustee, director, officer or employee of the Trust or of any Designated Affiliate.

(c) Source Deductions

The Committee may adopt and apply rules that in its opinion will ensure that the Trust and its Designated Affiliates will be able to comply with applicable provisions of any federal, provincial, state or local law relating to the withholding of tax and other required deductions, including on the amount, if any, included in income of a Participant. The Trust, a Designated Affiliate or the Administrator

shall inform the Participant of the amount required to be withheld hereunder, if any, as soon as practicable following the applicable Vesting Date. Notwithstanding anything in this Plan to the contrary, the Trust, any Designated Affiliate or the Administrator may withhold from any compensation which is payable to a Participant other than under this Plan, such amount as may be necessary so as to ensure that the Trust or any Designated Affiliate will be able to comply with applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, including on the amount, if any, includable in the income of a Participant. The Trust or any Designated Affiliate or the Administrator shall also have the right to withhold the delivery of any Units to a Participant and instead deliver such Units to an agent or broker who shall liquidate such Units in order to satisfy such liability unless and until such Participant pays to the Trust or a Designated Affiliate a sum sufficient to indemnify the Trust or such Designated Affiliate for any liability to withhold the applicable tax and other required deductions in respect of the amounts included in, or required to be included in, the income of such Participant as a result of the vesting and/or settlement of RURs under this Plan, to the extent that such tax or other required deductions are not otherwise being withheld from other payments to such Participant by the Trust or such Designated Affiliate or the Administrator.

(d) No Liability

The parties acknowledge and agree that the obligations of the Trust and the Designated Affiliates hereunder are not personally binding upon any trustee or director of the Trust or a Designated Affiliate, any registered or beneficial holder of the units in the Trust (a “**Unitholder**”), any annuitant under a plan of which a Unitholder acts as trustee or carrier, or officers, employees or agents of the Trust or a Designated Affiliate, and resort shall not be had to, nor shall recourse or satisfaction be sought from any of the foregoing or the private property of the foregoing, but the property of the Trust and the Designated Affiliates only shall be bound by such obligations. Any obligation of the Trust set out in this Plan shall, to the extent necessary to give effect to such obligation, be deemed to constitute, subject to the provisions of the previous sentence, an obligation of the trustees of the Trust only in their capacity as trustees of the Trust.

(e) Acceptance of Terms by Participant

Participation in the Plan by any Participant shall be construed as acceptance of the terms and conditions of the Plan by the Participant and as to the Participant's agreement to be bound thereby.

(f) Governing Law

The Plan shall be construed in accordance with and governed by the laws of Ontario and the federal laws of Canada applicable therein.

(g) Number, etc.

In this Plan, whenever the context so requires, the masculine gender includes the feminine gender and a singular number includes the plural number, and vice versa.

(h) Headings

Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained.

(i) No Representation or Warranty

The Trust makes no representation or warranty as to the future market value of any Units issued in accordance with the Plan.

(j) Necessary Approvals

The Plan is subject to acceptance by the TSX and/or any regulatory authority having jurisdiction over the securities of the Trust.

(k) Unfunded Plan

The Plan shall remain an unfunded obligation of the Trust and the Designated Affiliates, as applicable, and the rights of Participants under the Plan shall be general unsecured obligations of the Trust and the Designated Affiliates, as applicable.

(l) Assignment

Except as expressly provided herein, in no event may the rights or interests of a Participant under the Plan 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 Participant, by will or by the laws of succession and distribution or otherwise as required by law.

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

(m) Successors and Permitted Assigns

The rights and obligations under the Plan and the Grant Agreement are binding and enure to the benefit of the Trust or the relevant Designated Affiliate, as applicable, and its successors and assigns and the Participants and their respective heirs, attorneys, guardians, estate trustees, executors, trustees and permitted assigns.

(n) Severability

If any provision of the Plan is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision thereof.

(o) Language

Les Participants et la Fiducie ont exigé que le present Régime ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en anglais. The Participants and the Trust have required that this Plan and all documents and notices resulting herefrom be drawn up in English.

11. EFFECTIVE DATE

The Plan shall become effective upon its adoption by the Board, receipt of required regulatory approval and subject to Unitholder approval if required by any regulatory authority having jurisdiction.

APPENDIX "A"
GRANT AGREEMENT

[Date]

[Name & Address]

Dear [Name]:

This is to advise you that in recognition of your contribution to our endeavours, you have been selected to participate in the Restricted Unit Rights Plan (the "**Plan**") of Canadian Apartment Properties Real Estate Investment Trust (the "**Trust**").

Any capitalized terms not defined herein have the meanings ascribed thereto in the Plan.

On 1, you were granted (the "**Grant**") 1 restricted unit rights ("**RURs**"). Your Grant is subject to the provisions of the Plan (as it may be amended from time to time), a copy of which is appended hereto, and the terms and conditions outlined below. The last day of the Vesting Period applicable to the Grant is 1.

Subject to the terms and conditions of the Plan, the RURs subject to such Grant and any associated Distribution RURs are hereby redeemed by the Trust, and Units shall be issued to you on the Settlement Date following the last day of the relevant Vesting Period.

Please note that the Grant described above is strictly confidential, and the information concerning the number of RURs granted under this Grant Agreement should not be disclosed to anyone.

By signing below, you represent to the Trust that: (i) your participation in the Plan is voluntary, and has not been induced by the expectation of employment or continued employment with the Trust or a Designated Affiliate of the Trust; and (ii) you agree to be bound by the terms of the Plan, a copy of which you acknowledge receiving.

Yours sincerely,

Acknowledgement: I confirm my acceptance of this Grant of RURs under the terms and conditions described above.

Accepted, this ____ day of _____, 20____

Name

APPENDIX 11: BLACKLINE OF DECLARATION OF TRUST

The following is a blackline evidencing the proposed amendments to the Declaration of Trust.

**CANADIAN APARTMENT PROPERTIES
REAL ESTATE INVESTMENT TRUST**

**AMENDED AND RESTATED
DECLARATION OF TRUST**

(DATED AS OF ~~APRIL 1, 2020~~ APRIL 1, 2022)

STIKEMAN ELLIOTT LLP

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CANADIAN APARTMENT PROPERTIES REAL ESTATE INVESTMENT TRUST

AMENDED AND RESTATED DECLARATION OF TRUST

THIS AMENDED AND RESTATED DECLARATION OF TRUST made in Toronto, Ontario as of the ~~1st~~ day of ~~April~~, ~~2020~~ 2022.

RECITAL

WHEREAS the undersigned, being all of the Trustees, have established the Trust for the principal purpose of providing persons who may become the holders of Units or Preferred Units of the Trust with an opportunity to participate in a portfolio of income-producing multi-unit residential real property investments in Canada.

DECLARATION

NOW THEREFORE, the undersigned, being all of the Trustees, hereby confirm and declare that they agree to hold in trust as trustees any and all property, real, personal or otherwise, tangible or intangible, which has been at the date hereof or is hereafter transferred, conveyed or paid to or otherwise received by them as such trustees or to which the Trust is otherwise entitled and all rents, income, profits and gains therefrom for the benefit of the Unitholders and Preferred Unitholders hereunder in accordance with and subject to the express provisions of this Declaration of Trust, to wit:

ARTICLE 1 THE TRUST AND DEFINITIONS

Section 1.1 Definitions and Interpretation.

In this Declaration of Trust, words in the singular number include the plural and words in the plural number include the singular, and the masculine includes the feminine and neuter. In this Declaration of Trust, except where the context otherwise requires:

- (1) "Acquisition and Operating Facility" means any borrowing facility of the Trust for the purposes of making acquisitions of property or of the securities of persons owning property or funding working capital;
- (2) "Adjusted Unitholders' Equity" means, at any time, as shown on the Trust's then most recent balance sheet, the aggregate of (i) the amount of Unitholders' equity plus (ii) the amount of accumulated depreciation and amortization in respect of its properties calculated in accordance with generally accepted accounting principles plus (iii) the amount of any provision taken in respect of future income taxes;
- (3) "Affected Holder" means a person holding or beneficially owning Trust Units in contravention of the restrictions set out in Section 5.12;
- ~~(4) "Affected Units" means Trust Units held or beneficially owned by an Affected Holder;~~
- (4) ~~(5)~~ "affiliate" has the meaning ascribed thereto by National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators, as amended from time to time;
- (5) ~~(6)~~ "annuitant" means the annuitant of a registered retirement savings plan or a registered retirement income fund, all as defined in the *Income Tax Act* (Canada);
- (6) ~~(7)~~ "associate" has the meaning ascribed thereto by the *Canada Business Corporations Act*, as amended from time to time;
- (7) ~~(8)~~ "Audit Committee" means the committee established pursuant to Section 8.3;
- (8) ~~(9)~~ "business day" means a day other than a Saturday, Sunday or any day on which the principal chartered banks located at Toronto, Ontario are not open for business during normal banking hours;
- (9) ~~(10)~~ "CDS" means CDS Clearing and Depository Services Inc., together with its successors from time to time;
- (10) ~~(11)~~ "CDS Participant" means a broker, dealer, bank, other financial institution or other person who, directly or indirectly, from time to time effects book-based transfers with CDS and pledges of securities deposited with CDS;

- (11) ~~(12)~~ “Chairman”, “Chief Executive Officer”, “President”, “Executive Vice-President”, “Senior Vice-President”, “Vice-President” and “Secretary” shall mean the person(s) holding the respective office from time to time in accordance with Section 2.9;
- (12) ~~(13)~~ “court” means, except as provided otherwise in this Declaration of Trust, the Superior Court of Justice in the Province of Ontario;
- (13) ~~(14)~~ “Declaration of Trust” means this declaration of trust as amended, supplemented or amended and restated from time to time;
- (14) ~~(15)~~ “dissenting offeree” means, where a take-over bid is made for all of the Trust Units other than those held by the offeror, a holder of Trust Units who does not accept the take-over bid and includes a subsequent holder of that Trust Unit who acquires it from the first mentioned holder;
- (15) ~~(16)~~ “Distribution” has the meaning ascribed thereto in Section 10.1;
- (16) ~~(17)~~ “Distribution Date” means a date on which the Trustees make a Distribution, as contemplated in Article 10, which date shall be on or about the 15th day of the month following a Distribution Record Date or, if any such day is not a business day, the next following business day, or such other date as may be determined from time to time by the Trustees or otherwise in accordance with this Declaration of Trust;
- (17) ~~(18)~~ “Distribution Record Date” means the last business day of each month of each year or as otherwise determined in accordance with Section 6.9, except for the month of December where the Distribution Record Date shall be December 31;
- (18) ~~(19)~~ “Exchangeable Securities” means any securities of any trust, limited partnership or corporation other than the Trust that are convertible or exchangeable directly for Units without the payment of additional consideration therefor;
- (19) ~~(20)~~ “Exchange Agreement” means the exchange agreement between the Trustees of the Trust, CAPREIT GP Inc., LP and any person holding Class B LP Units that provides for, among other things, the contribution of Units to LP in contemplation of an exchange of Class B LP Units of LP into Units in accordance with the terms and conditions of the Class B LP Units of LP, as described in the limited partnership agreement among the partners of LP dated July 9, 2007 (as amended, supplemented, or amended and restated from time to time);
- (20) ~~(21)~~ “Extraordinary Resolution” when used in this Declaration of Trust means either:
- (a) a resolution proposed to be passed as an extraordinary resolution at a meeting of Trust Unitholders (including an adjourned meeting) duly convened for that purpose and held in accordance with the provisions hereof at which a quorum is present and passed by the affirmative vote of not less than two-thirds of the votes

cast by the Trust Unitholders entitled to vote who voted in respect of such resolution; or

- (b) a resolution in writing signed by all of the Trust Unitholders that would be entitled to vote on that resolution at a meeting of Trust Unitholders.

(21) ~~(22)~~ “going-private transaction” means an arrangement, consolidation or other transaction involving the Trust, other than an acquisition pursuant to Section 5.27, that results in the interest of a holder of participating securities of the Trust being terminated without the consent of the holder and without the substitution of an interest of equivalent value in participating securities of the Trust or of a person that succeeds to the business of the Trust, which participating securities have rights and privileges that are equal to or greater than the affected participating securities;

(22) ~~(23)~~ “Governance and Nominating Committee” means the committee established pursuant to Section 8.4;

(23) ~~(24)~~ “Gross Book Value” means, at any time, the book value of the assets of the Trust, as shown on its then most recent balance sheet plus the amount of accumulated depreciation and amortization thereon;

(24) ~~(25)~~ “herein”, “hereof”, “hereby”, “hereunder” and similar expressions refer to this Declaration of Trust and include every instrument supplemental or ancillary to or in implementation of this Declaration of Trust and, except where the context otherwise requires, not to any particular article, section or other portion hereof or thereof;

(25) ~~(26)~~ “Human Resources and Compensation Committee” means the committee established pursuant to Section 8.5;

(26) ~~(27)~~ references to the “Income Tax Act (Canada)” or the “Tax Act” mean the *Income Tax Act* (Canada) and the regulations thereunder as the same may be amended from time to time;

(27) ~~(28)~~ “Independent Trustee” means, for the purposes of Section 8.3, at any time, a Trustee who, in relation to the Trust, is “independent” for purposes of National Instrument 52-110 and, for all other purposes, at any time, a Trustee who, in relation to the Trust, is “independent” for the purposes of National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, as amended from time to time;

(28) ~~(29)~~ “Independent Trustee Matter” means any decision:

- (a) to enter into any arrangement in which a Non-Independent Trustee or an officer of the Trust has a material interest;
- (b) relating to the enforcement of any agreement entered into by the Trust with a Non-Independent Trustee, or an officer of the Trust or an affiliate or associate of such party;

- (c) to grant options under any Unit option plan or any rights to participate in any other long term incentive plans adopted by the Trust;
 - (d) to demolish all or substantially all of a property owned by the Trust;
 - (e) to increase the number of Trustees by no more than one third in accordance with Section 2.1 and to appoint Trustees to fill the vacancies so created; or
 - (f) to recommend to Trust Unitholders that the number of Trustees be increased, where a vote of Trust Unitholders thereon is required, and to nominate individuals as Trustees to fill the vacancies so created;
- (29) ~~(30)~~ "Investment Committee" means the committee established pursuant to Section 8.2;
- (30) ~~(31)~~ "LP" means CAPREIT Limited Partnership, a limited partnership formed under the laws of the Province of Manitoba;
- (31) ~~(32)~~ "mortgage" means any mortgage, charge, hypothec, bond, debenture, note or other evidence of indebtedness, in each case which is directly or indirectly secured by real property;
- (32) ~~(33)~~ "National Instrument 52-110" means National Instrument 52-110 – *Audit Committees*, as amended from time to time;
- (33) ~~(34)~~ "net realized capital gains of the Trust" for any year means the amount, if any, by which the amount of the capital gains of the Trust for the year exceeds the aggregate of (i) the amount of any capital losses of the Trust for the year and (ii) the amount of any net capital losses of the Trust carried forward from a previous year to the extent not previously deducted from realized capital gains of the Trust;
- (34) ~~(35)~~ "net recapture income of the Trust" for any year means the amount, if any, by which the amount required to be included in the income of the Trust for income tax purposes for such year in respect of recapture of capital cost allowance exceeds the amount permitted to be deducted under subsection 20(16) of the *Income Tax Act* (Canada) for such year;
- (35) ~~(36)~~ "Non-Independent Trustees" means the Trustees who are not Independent Trustees;
- (36) ~~(37)~~ "Non-Resident" means any person that is neither a resident nor a deemed resident of Canada nor a Canadian partnership for the purposes of the *Income Tax Act* (Canada);
- (37) ~~(38)~~ "offer" includes an invitation to make an offer;
- (38) ~~(39)~~ "offeree" means a person to whom a take-over bid is made;
- (39) ~~(40)~~ "offeror" means a person, other than an agent or mandatary, who makes a take-over bid, and includes two or more persons who, directly or indirectly,

- (a) make a take-over bid jointly or in concert; or
 - (b) intend to exercise jointly or in concert voting rights attached to the Trust Units for which a take-over bid is made;
- (40) ~~(41)~~ “Ordinary Resolution” when used in this Declaration of Trust means either:
- (a) a resolution proposed to be passed as an ordinary resolution at a meeting of Trust Unitholders (including an adjourned meeting) duly convened for that purpose and held in accordance with the provisions hereof at which a quorum is present and passed by the affirmative votes of not less than a majority of the votes cast by the Trust Unitholders entitled to vote who voted in respect of such resolution; or
 - (b) a resolution in writing signed by all Trust Unitholders that would be entitled to vote on that resolution at a meeting of Trust Unitholders.
- (41) ~~(42)~~ “person” means and includes individuals, corporations, limited partnerships, general partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, pension funds, land trusts, business trusts or other organizations, whether or not legal entities and governments and agencies and political subdivisions thereof;
- (42) ~~(43)~~ “Preferred Unit” means a preferred equity interest of any series in the Trust as more particularly described in Section 5.3 with such designation, rights, privileges, restrictions and conditions attached thereto as determined by the Trustees and which are issued from time to time in accordance with the provisions hereof;
- (43) ~~(44)~~ “Preferred Unitholder” or “holder of Preferred Units” means a person whose name appears on the Register as a holder of Preferred Units, if any, and includes, for the purposes of Section 14.1, Section 14.2 and Section 14.4 only, any person who is a beneficial holder of a Preferred Unit, if any;
- (44) “Public Securities” means any securities in a company whose securities trade on a recognized stock exchange.
- (45) “real property” means property which in law is real property and includes, whether or not the same would in law be real property, leaseholds, mortgages, undivided joint interests in real property (whether by way of tenancy-in-common, joint tenancy, co-ownership, joint venture or otherwise), any interests in any of the foregoing and securities of corporations whose sole or principal purpose and activity is to invest in, hold and deal in real property;
- (46) “Receiver General” means the Receiver General for Canada;
- (47) “Register” means the register which shall be established and maintained pursuant to Section 5.17;

- (48) "Registrar" has the meaning ascribed thereto in Section 5.17;
- (49) "resident Canadian" means a person who is a resident of Canada for purposes of the *Income Tax Act* (Canada);
- (50) "Retained Securities" means (i) any securities of a Subsidiary or (ii) any Public Securities held or owned by CAPREIT or a Subsidiary of CAPREIT, as the Trustees may determine from time to time;
- (51) "Special Distribution" has the meaning ascribed thereto in Section 10.3;
- (52) ~~(50)~~ "Special Unitholder" or "holder of Special Voting Units" means a person whose name appears on the Register as a holder of Special Voting Units, if any, and includes, for the purposes of Section 14.2, Section 142. And Section 14.4 only, any person who is a beneficial holder of a Special Voting Unit, if any;
- (53) ~~(51)~~ "Special Voting Unit" means a non-participating, voting unit of the Trust, other than a Unit, that is more particularly described herein that has been authorized and issued hereunder, if any;
- (54) ~~(52)~~ "Subsidiary" means any person, company, partnership, limited partnership, trust or other entity controlled, directly or indirectly, by the Trust;
- (55) ~~(53)~~ "take-over bid" has the meaning ascribed to such term in the *Securities Act* (Ontario), as amended from time to time and includes an offer made by the Trust to repurchase all of the Units, Preferred Units or Special Voting Units, as applicable;
- (56) ~~(54)~~ "Transfer Agent" has the meaning ascribed thereto in Section 5.17;
- (57) ~~(55)~~ "Trust" means the Canadian Apartment Properties Real Estate Investment Trust established hereunder;
- (58) ~~(56)~~ "Trustees" means, as at any particular time, the trustees holding office under this Declaration of Trust at such time, whether they be the signatories hereto or additional or successor trustees;
- (59) ~~(57)~~ "Trustees' Regulations" means the regulations adopted by the Trustees pursuant to Section 3.3;
- (60) ~~(58)~~ "Trust Unitholders" means Unitholders, Preferred Unitholders and/or Special Unitholders, as the case may be;
- (61) ~~(59)~~ "Trust Units" means Units, Preferred Units and/or Special Voting Units, as the case may be;

- (62) ~~(60)~~ “Unit” means a participating, voting unit of the Trust, more particularly described herein issued from time to time in accordance with the provisions hereof that is not a Preferred Unit and includes (i) a fraction of a participating unit of the Trust, (ii) a security currently convertible into a Unit, and (iii) currently exercisable options and rights to acquire a Unit or such convertible security;
- (63) ~~(61)~~ “Unit Certificate” means a certificate, in the form stipulated by Article 5, evidencing one or more Units, issued and certified in accordance with the provisions hereof;
- (64) ~~(62)~~ “Unitholder” or “holder of Units” means a person whose name appears on the Register as a holder of Units and includes, for the purposes of Section 14.1, Section 14.2 and Section 14.4 only, any person who is a beneficial holder of a Unit; and
- (65) ~~(63)~~ any reference to “property of the Trust” or “assets of the Trust” includes, in each case, property and assets of the Trust.

Section 1.2 Name.

The name of the Trust is Canadian Apartment Properties Real Estate Investment Trust in its English form and Fonds de Placement Immobilier D’immeubles Résidentiels Canadien in its French form. As far as practicable and except as otherwise provided in this Declaration of Trust, the Trustees shall conduct the affairs of the Trust, hold property, execute all documents and take all legal proceedings under that name, in either its English form or its French form.

Section 1.3 Use of Name.

Subject to any required regulatory approvals, should the Trustees determine that the use of the name Canadian Apartment Properties Real Estate Investment Trust or the name Fonds de placement immobilier d’immeubles résidentiels canadien is not practicable, legal or convenient, they may use such other designation or they may adopt such other name for the Trust as they deem appropriate and the Trust may hold property and conduct its activities under such other designation or name.

Section 1.4 Office.

The principal office and centre of administration of the Trust shall be at 11 Church Street, Suite 401, Toronto, Ontario M5E 1W1 unless changed by the Trustees to another location in Canada. The Trust may have such other offices or places for the conduct of its affairs as the Trustees may from time to time determine as necessary or desirable.

Section 1.5 Nature of the Trust.

The Trust is an unincorporated open-end mutual fund trust established pursuant to the laws of Ontario. The Trust, the Trust Units and the property of the Trust shall be governed by the general law of trusts, except as such general law of trusts has been or is from time to time modified, altered or abridged for the Trust by:

- (1) applicable laws and regulations or other requirements imposed by applicable securities or other regulatory authorities; and

(2) the terms, conditions and trusts set forth in this Declaration of Trust.

The beneficial interest and rights generally of a Unitholder or Preferred Unitholder in the Trust shall be limited to the right to participate in Distributions in such amounts when and as declared by the Trustees as contemplated by Article 10 and distributions upon the termination of the Trust as contemplated in Article 13. The Trust is not and is not intended to be, shall not be deemed to be and shall not be treated as a general partnership, limited partnership, syndicate, association, joint venture, company, corporation or joint stock company nor shall the Trustees or the Trust Unitholders or any of them for any purpose be, or be deemed to be treated in any way whatsoever to be, liable or responsible hereunder as partners or joint venturers. The Trustees shall not be, or be deemed to be, agents of the Trust Unitholders. The relationship of the Trust Unitholders to the Trustees, to the Trust and to the property of the Trust shall be solely that of beneficiaries in accordance with the rights conferred and the liabilities and obligations imposed upon them by this Declaration of Trust, and, in respect of the Preferred Units, in a certificate of amendment approved by the Trustees pursuant to Section 5.3.

Section 1.6 Trust Investments.

The Trust shall make such investments as the ~~trustees~~ Trustees consider appropriate in accordance with the provisions of this Declaration of Trust.

Section 1.7 Applications to Court.

As the rights (including the right to apply to a court) and remedies set out in Section 3.7(10), Section 5.27, Section 6.1, Section 6.10 and Section 9.1 of this Declaration of Trust are not statute-based, all references in this Declaration of Trust to Trust Unitholder rights (or the rights of any other person) that may be enforced by the court or to remedies that may be granted by the court are subject to the court, in its discretion, accepting jurisdiction to consider and determine any proceeding commenced by an eligible Trust Unitholder (or other eligible person as contemplated herein) applying to the court under such sections.

ARTICLE 2 TRUSTEES AND OFFICERS

Section 2.1 Number.

There shall be no fewer than seven nor more than eleven Trustees, a majority of whom must be Independent Trustees. The number of Trustees may be increased or decreased within such limits from time to time by the Trust Unitholders, or, if authorized by the Trust Unitholders, by the Trustees, subject to Section 1.1(29)(e) and provided that the Trustees may not, between meetings of Trust Unitholders entitled to vote, appoint an additional Trustee if, after such appointment, the total number of Trustees would be greater than one and one-third times the number of Trustees in office immediately following the last annual meeting of Trust Unitholders entitled to vote.

Section 2.2 Term of Office.

The Trustees shall hold office for a term expiring at the close of the first annual meeting of the Trust Unitholders entitled to vote (except as provided in Section 2.7) following their election or appointment or until their respective successors are elected or appointed and such successors have accepted such election or appointment. At each annual meeting of the Trust Unitholders entitled to vote, the successors of the Trustees shall be elected to hold office for a term expiring at the close of the annual meeting of Trust Unitholders entitled to vote held in the next year following the year of their election.

Section 2.3 Qualifications of Trustees.

A Trustee shall be an individual at least 18 years of age, who is not of unsound mind and has not been found to be of unsound mind by a court in Canada or elsewhere, and who does not have the status of bankrupt. Trustees are not required to hold Trust Units. A majority of the Trustees must be resident Canadians. A majority of the Trustees shall have had at least five years of substantial experience in the real estate industry. A majority of the Trustees or of any committee of the Trustees must be Independent Trustees provided, however, that if at any time a majority of the Trustees are not Independent Trustees because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any Trustee who was an Independent Trustee, this requirement shall not be applicable for a period of 60 days thereafter, during which the remaining Trustees shall appoint a sufficient number of Independent Trustees to comply with the requirement.

Section 2.4 Election of Trustees.

Subject to Section 2.3 and Section 2.6, the election of the Trustees shall be by the vote of Trust Unitholders entitled to vote in such election. The appointment or election of any Trustee (other than an individual who is serving as a Trustee immediately prior to such appointment or election) shall not become effective unless and until such person shall have in writing accepted his appointment or election and agreed to be bound by the terms of this Declaration of Trust.

Section 2.5 Resignation, Removal and Death of Trustees.

A Trustee may resign at any time by an instrument in writing signed by him and delivered or mailed to the President or Secretary of the Trust. Such resignation shall take effect on the date such notice is given or at any later time specified in the notice. A Trustee may be removed at any time with or without cause by two-thirds of the votes in the aggregate cast at a meeting of Trust Unitholders called for that purpose by holders of Trust Units entitled to vote thereon or by the written consent of Trust Unitholders holding in the aggregate not less than two-thirds of the outstanding Trust Units entitled to vote thereon or with cause by the resolution passed by an affirmative vote of not less than two-thirds of the remaining Trustees. Any removal of a Trustee shall take effect immediately following the aforesaid vote or resolution and any Trustee so removed shall be so notified by the Secretary or another officer of the Trust forthwith following such removal. Upon the resignation or removal of any Trustee, or his otherwise ceasing to be a Trustee, he shall (i) cease to have the rights, privileges and powers of a Trustee hereunder, (ii) execute and deliver such documents as the remaining Trustees shall reasonably require for the conveyance of any Trust property held in his name, (iii) account to the remaining Trustees as they

may require for all property which he or she holds as Trustee and (iv) resign from all representative or other positions held by him or her on behalf of the Trust, including without limitation, as a director or officer of any corporation in which the Trust owns any securities (directly or indirectly), upon which he or she shall thereupon be discharged of his or her obligations as Trustee. Upon the incapacity or death of any Trustee, his or her legal representative shall execute and deliver on his or her behalf such documents as the remaining Trustees may require as provided in this section.

Section 2.6 Vacancies.

The term of office of a Trustee shall terminate and a vacancy shall occur in the event of the death, resignation, bankruptcy, adjudicated incompetence or other incapacity to exercise the duties of the office or upon the removal of a Trustee. No such vacancy shall operate to annul this Declaration of Trust or affect the continuity of the Trust. Until vacancies are filled, the remaining Trustee or Trustees (even if less than a quorum) may exercise the powers of the Trustees hereunder. In the case of a vacancy, the Trust Unitholders or a majority of the Trustees continuing in office may fill such vacancy (except as otherwise required under Section 1.1(29)(e) and Section 2.1). Any Trustee so elected by the Trust Unitholders or appointed by the Trustees shall hold office for the remaining term of the Trustee he or she is succeeding.

Section 2.7 Successor and Additional Trustees.

The right, title and interest of the Trustees in and to the property of the Trust shall vest automatically in all persons who may hereafter become Trustees upon their due election or appointment and qualification and acceptance thereof without any further act and they shall thereupon have all the rights, privileges, powers, obligations and immunities of Trustees hereunder. Such right, title and interest shall vest in the Trustees whether or not conveyancing documents have been executed and delivered pursuant to Section 2.6 or otherwise.

Section 2.8 Compensation and Other Remuneration.

Trustees who are not employees of and who do not receive salary from the Trust shall be entitled to receive for their services as Trustees such reasonable compensation as the Trustees may determine from time to time, as well as reimbursement of their out-of-pocket expenses incurred in acting as a Trustee. Trustees, either directly or indirectly, shall be entitled to receive remuneration for services rendered to the Trust in any other capacity. Such services may include, without limitation, services as an officer of the Trust, its subsidiaries or another person in which it has an interest, legal, accounting or other professional services or services as a broker, Transfer Agent or underwriter, whether performed by a Trustee or any person affiliated with a Trustee. Trustees who are employees of and who receive a salary from the Trust shall not be entitled to receive any remuneration for their services as Trustees but shall be entitled to reimbursement from the Trust of their out-of-pocket expenses incurred in acting as a Trustee.

Section 2.9 Officers of the Trust.

The Trust may have a Chairman, a Chief Executive Officer, a Chief Financial Officer, a Chief Operating Officer, a President, one or more Executive Vice-Presidents, one or more Senior Vice-Presidents, one or more Vice-Presidents and a Secretary and such other officers as the

Trustees may appoint from time to time. One person may hold two or more offices. Any officer of the Trust may, but need not, be a Trustee. Officers of the Trust shall be appointed and discharged and their remuneration determined by the Trustees. Any Chairman must also be a Trustee.

ARTICLE 3

TRUSTEES' POWERS AND DUTIES

Section 3.1 General Powers.

The Trustees, subject only to the specific limitations contained in this Declaration of Trust, including without limitation Section 4.1 and Section 4.2, shall have, without further or other authorization and free from any power of control on the part of the Trust Unitholders, full, absolute and exclusive power, control and authority over the assets of the Trust and over the affairs of the Trust to the same extent as if the Trustees were the sole owners of such assets in their own right, to do all such acts and things as in their sole judgment and discretion are necessary or incidental to, or desirable for, the carrying out of any of the purposes of the Trust or the conducting of the affairs of the Trust. In construing the provisions of this Declaration of Trust, presumption shall be in favour of the granted powers and authority to the Trustees. The enumeration of any specific power or authority herein shall not be construed as limiting the general powers or authority or any other specified power or authority conferred herein on the Trustees. Except as specifically required by such laws, the Trustees in carrying out investment activities shall not be in any way restricted by the provisions of the laws of any jurisdiction limiting or purporting to limit investments which may be made by trustees.

Section 3.2 Specific Powers and Authorities.

Subject only to the express limitations contained in this Declaration of Trust including, without limitation Section 4.1 and Section 4.2, and in addition to any powers and authorities conferred by this Declaration of Trust or which the Trustees may have by virtue of any present or future statute or rule of law, the Trustees without any action or consent by the Trust Unitholders shall have and may exercise at any time and from time to time the following powers and authorities which may or may not be exercised by them in their sole judgment and discretion and in such manner and upon such terms and conditions as they may from time to time deem proper:

- (1) To retain, invest and re-invest the capital or other funds of the Trust in real or personal property of any kind, all without regard to whether any such properties are authorized by law for the investment of trust funds, and to possess and exercise all the rights, powers and privileges appertaining to the ownership of the property of the Trust and to increase the capital of the Trust at any time by the issuance of additional Units or Preferred Units for such consideration as they deem appropriate;
- (1.1) To determine the rights, designation, privileges, restrictions and conditions attaching to each series of Preferred Units authorized for issuance by the Trust in accordance with Section 5.3;

- (2) For such consideration as they deem proper, to invest in, purchase or otherwise acquire for cash or other property or through the issuance of Units or Preferred Units or through the issuance of notes, debentures, bonds or other obligations or securities of the Trust and hold for investment the entire or any participating interest in any mortgages. In connection with any such investment, purchase or acquisition, the Trustees shall have the power to acquire a share of rents, lease payments or other gross income from or a share of the profits from or a share in the equity or ownership of real property;
- (3) To sell, rent, lease, hire, exchange, release, partition, assign, mortgage, pledge, hypothecate, grant security interests in, encumber, negotiate, convey, transfer or otherwise dispose of any or all of the property of the Trust by deeds, trust deeds, assignments, bills of sale, transfers, leases, mortgages, financing statements, security agreements and other instruments for any of such purposes executed and delivered for and on behalf of the Trust or Trustees by one or more of the Trustees or by a duly authorized officer, employee, agent or any nominee of the Trust;
- (4) To enter into leases, contracts, obligations and other agreements for a term extending beyond the term of office of the Trustees and beyond the possible termination of the Trust or for a lesser term;
- (5) To borrow money from or incur indebtedness to any person; to guarantee, indemnify or act as surety with respect to payment or performance of obligations of third parties; to enter into other obligations on behalf of the Trust; and to assign, convey, transfer, mortgage, subordinate, pledge, grant security interests in, encumber or hypothecate the property of the Trust to secure any of the foregoing;
- (6) To lend money, whether secured or unsecured;
- (7) To incur and pay out of the property of the Trust any charges or expenses and disburse any funds of the Trust, which charges, expenses or disbursements are, in the opinion of the Trustees, necessary or incidental to or desirable for the carrying out of any of the purposes of the Trust or conducting the affairs of the Trust including, without limitation, taxes or other governmental levies, charges and assessments of whatever kind or nature, imposed upon or against the Trustees in connection with the Trust or the property of the Trust or upon or against the property of the Trust or any part thereof and for any of the purposes herein;
- (8) To deposit funds of the Trust in banks, trust companies and other depositories, whether or not such deposits will earn interest, the same to be subject to withdrawal on such terms and in such manner and by such person or persons (including any one or more Trustees, officers, employees, agents or representatives of the Trust) as the Trustees may determine;
- (9) To possess and exercise all the rights, powers and privileges appertaining to the ownership of all or any mortgages or securities, issued or created by, or interest in, any person, forming part of the assets of the Trust, to the same extent that an individual might

and, without limiting the generality of the foregoing, to vote or give any consent, request or notice, or waive any notice, either in person or by proxy or power of attorney, with or without power of substitution, to one or more persons, which proxies and powers of attorney may be for meetings or action generally or for any particular meeting or action and may include the exercise of discretionary power;

- (10) To elect, appoint, engage or employ officers for the Trust, its subsidiaries or other persons in which it has an interest (including a Chairman, a Chief Executive Officer, a Chief Financial Officer, a Chief Operating Officer, a President, one or more Executive Vice-Presidents, one or more Senior Vice-Presidents, one or more Vice-Presidents and a Secretary and other officers as the Trustees may determine), who may be removed or discharged at the discretion of the Trustees, such officers to have, subject to Section 8.1, such powers and duties, and to serve such terms as may be prescribed by the Trustees or by the Trustees' Regulations; to engage or employ any persons as agents, representatives, employees or independent contractors (including, without limitation, real estate advisors, investment advisors, Registrars, underwriters, accountants, lawyers, real estate agents, property managers, appraisers, brokers, architects, engineers, construction managers, general contractors or otherwise) in one or more capacities, and to pay compensation from the Trust or its subsidiaries or other persons in which it has an interest for services in as many capacities as such persons may be so engaged or employed; and except as prohibited by law and this Declaration of Trust, to delegate any of the powers and duties of the Trustees to any one or more Trustees, agents, representatives, officers, employees, independent contractors or other persons;
- (11) To collect, sue for and receive sums of money coming due to the Trust, and to engage in, intervene in, prosecute, join, defend, compromise, abandon or adjust, by arbitration or otherwise, any actions, suits, proceedings, disputes, claims, demands or other litigation relating to the Trust, the assets of the Trust or the Trust's affairs, to enter into agreements therefor whether or not any suit is commenced or claim accrued or asserted and, in advance of any controversy, to enter into agreements regarding the arbitration, adjudication or settlement thereof;
- (12) To renew, modify, release, compromise, extend, consolidate or cancel, in whole or in part, any obligation to or of the Trust;
- (13) To purchase and pay for, out of the assets of the Trust, insurance contracts and policies insuring the assets of the Trust against any and all risks and insuring the Trust and/or any or all of the Trustees, the Trust Unitholders or officers of the Trust against any and all claims and liabilities of any nature asserted by any person arising by reason of any action alleged to have been taken or omitted by the Trust or by the Trustees, the Trust Unitholders or the officers;
- (14) To cause legal title to any of the assets of the Trust to be held by and/or in the name of the Trustees, or by and/or in the name of the Trust or one or more of the Trustees or any other person, on such terms, in such manner with such powers in such person as the

Trustees may determine and with or without disclosure that the Trust or Trustees are interested therein provided, however, that should legal title to any of the assets of the Trust be held by and/or in the name of any person or persons other than the Trust, the Trustees shall require such person or persons to execute a declaration of trust acknowledging that legal title to such assets is held in trust for the benefit of the Trust;

- (15) To issue Trust Units and other securities of the Trust or other securities convertible or exchangeable for Units or other securities of the Trust or other rights, warrants or options convertible into or exchangeable for Units, for such consideration as the Trustees may deem appropriate in their sole discretion, such issuance to be subject to the terms and conditions of this Declaration of Trust;
- (16) To enter into and perform the obligations of the Trust under the Exchange Agreement and to enter into and perform the obligations of the Trust under any amendment to such agreement;
- (17) To determine conclusively the allocation to capital, income or other appropriate accounts all revenues, receipts, expenses, disbursements and property of the Trust;
- (18) To prepare, sign and file or cause to be prepared, signed and filed a prospectus, offering memorandum or similar document, and any amendment thereto, relating to or resulting from an offering of the Units, Preferred Units or other securities issued or held by the Trust and to pay the cost thereof and related thereto out of the property of the Trust whether or not such offering is or was of direct benefit to the Trust or those persons (if any) who were Unitholders or Preferred Unitholders immediately prior to such offering;
- (19) To make or cause to be made application for the listing on any stock exchange of any Units, Preferred Units or other securities of the Trust, and to do all things which in the opinion of the Trustees may be necessary or desirable to effect or maintain such listing or listings;
- (20) To determine conclusively the value of any or all of the property of the Trust from time to time and, in determining such value, to consider such information and advice as the Trustees, in their sole judgment, may deem material and reliable;
- (21) To do all such acts and things and to exercise such powers which are delegated to the Trustees by any person who co-owns real property with the Trust;
- (22) To make, adopt, amend or repeal policies containing provisions relating to the advance notice of nominations of Trustees in connection with any annual or special meeting of Trust Unitholders; and
- (23) To do all such other acts and things as are incidental to the foregoing, and to exercise all powers which are necessary or useful to carry on the business of the Trust, to promote any of the purposes for which the Trust is formed and to carry out the provisions of this Declaration of Trust.

Section 3.3 Further Powers of the Trustees.

The Trustees shall have the power to prescribe any form provided for or contemplated by this Declaration of Trust. The Trustees may make, adopt, amend, or repeal regulations containing provisions relating to the Trust, the conduct of its affairs, their rights or powers and the rights or powers of its Trust Unitholders or officers not inconsistent with law or with this Declaration of Trust. The Trustees shall also be entitled to make any reasonable decisions, designations or determinations not contrary to this Declaration of Trust which they may determine are necessary or desirable in interpreting, applying or administering this Declaration of Trust or in administering, managing or operating the Trust. Any regulations, decisions, designations or determinations made pursuant to this section shall be conclusive and binding upon all persons affected thereby.

Section 3.4 Standard of Care.

The exclusive standard of care required of the Trustees in exercising their powers and carrying out their functions hereunder shall be that they exercise their powers and carry out their functions hereunder as Trustees honestly, in good faith and in the best interests of the Trust and the Trust Unitholders and that in connection therewith they exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Unless otherwise required by law, no Trustee shall be required to give bond, surety or security in any jurisdiction for the performance of any duties or obligations hereunder. The Trustees in their capacity as Trustees shall not be required to devote their entire time to the affairs of the Trust.

Section 3.5 Reliance Upon Trustees.

Any person dealing with the Trust in respect of any matters pertaining to the assets of the Trust and any right, title or interest therein or to the Trust or to securities of the Trust shall be entitled to rely on a certificate or statutory declaration (including, without limiting the foregoing, a certificate or statutory declaration as to the passing of a resolution of the Trustees) executed by any two Trustees or the Secretary or, without limiting the foregoing, such other person as may be authorized by the Trustees as to the capacity, power and authority of the Trustees or any other person to act for and on behalf and in the name of the Trust. No person dealing with the Trustees shall be bound to see to the application of any funds or property passing into the hands or control of the Trustees. The receipt by or on behalf of the Trustees for monies or other consideration shall be binding upon the Trust.

Section 3.6 Determinations of Trustees Binding.

All determinations of the Trustees which are made in good faith with respect to any matters relating to the Trust, including, without limiting the generality of the foregoing, whether any particular investment or disposition meets the requirements of this Declaration of Trust, shall be final and conclusive and shall be binding upon the Trust and all Trust Unitholders (and, where the Unitholder or Preferred Unitholder is a registered retirement savings plan, registered retirement income fund, deferred profit sharing plan or registered pension fund or plan as defined in the *Income Tax Act* (Canada), or other such fund or plan registered under the *Income Tax Act* (Canada), upon plan beneficiaries and plan holders past, present and future) and the Trust Units of the Trust shall be issued and sold on the condition and understanding that any and

all such determinations shall be binding as aforesaid.

Section 3.7 Conflict of Interest.

If a Trustee or an officer of the Trust:

- (1) is a party to a material contract or transaction or proposed material contract or transaction with the Trust; or
- (2) is a director or officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Trust,

the Trustee or the officer of the Trust, as the case may be, shall disclose in writing to the Trustees or request to have entered into the minutes of meetings of the Trustees or the Investment Committee, as the case may be, the nature and extent of such interest as follows:

- (3) The disclosure required in the case of a Trustee shall be made:
 - (a) at the meeting of Trustees or the Investment Committee, as the case may be, at which a proposed contract or transaction is first considered;
 - (b) if the Trustee was not then interested in a proposed contract or transaction, at the first such meeting after he or she becomes so interested;
 - (c) if the Trustee becomes interested after a contract is made or a transaction is entered into, at the first meeting after he or she becomes so interested; or
 - (d) if a person who is interested in a contract or transaction later becomes a Trustee, at the first such meeting after he or she becomes a Trustee.
- (4) The disclosure required in the case of an officer of the Trust who is not a Trustee:
 - (a) forthwith after such person becomes aware that the contract or transaction or proposed contract or transaction is to be considered or has been considered at a meeting of the Trustees or the Investment Committee;
 - (b) if such person becomes interested after a contract is made or a transaction is entered to, forthwith after such person becomes so interested; or
 - (c) if a person who is interested in a contract or transaction later becomes an officer of the Trust who is not a Trustee, forthwith after he or she becomes an officer of the Trust.
- (5) Notwithstanding subsections (3) and (4), where this section applies to any person in respect of a material contract or transaction or proposed material contract or transaction that, in the ordinary course of the affairs of the Trust, would not require approval by the

Trustees or the Trust Unitholders entitled to vote, such person shall disclose in writing to the Trustees or request to have entered into the minutes of meetings of the Trustees the nature and extent of such person's interest forthwith after such person becomes aware of the contract or transaction or proposed contract or transaction.

- (6) A Trustee referred to in this section shall not vote on any resolution to approve the said contract or transaction unless the contract or transaction is:
 - (a) one relating primarily to his or her remuneration as a Trustee, officer, employee or agent of the Trust or any affiliate of the Trust; or
 - (b) one for indemnity under Section 14.1 hereof or the purchase of liability insurance.
- (7) For the purposes hereof, a general notice to the Trustees by a Trustee or an officer of the Trust disclosing that he or she is a director or officer of or has a material interest in a person and is to be regarded as interested in any contract made or any transaction entered into with that person, is a sufficient disclosure of interest in relation to any contract so made or transaction so entered into. In the event that a meeting of Trust Unitholders entitled to vote is called to confirm or approve a contract or transaction which is the subject of a general notice to the Trustees, the notice and extent of the interest in the contract or transaction of the person giving such general notice shall be disclosed in reasonable detail in the notice calling the said meeting of Trust Unitholders entitled to vote or in any information circular required to be provided by this Declaration of Trust or by law.
- (8) Where a material contract is made or a material transaction is entered into between the Trust and a Trustee or an officer of the Trust, or between the Trust and another person of which a Trustee or an officer of the Trust is a director or officer or in which he or she has a material interest:
 - (a) such person is not accountable to the Trust or to the Trust Unitholders for any profit or gain realized from the contract or transaction; and
 - (b) the contract or transaction is neither void nor voidable,
by reason only of that relationship or by reason only that such person is present at or is counted to determine the presence of a quorum at the meeting of the Trustees or Investment Committee that authorized the contract or transaction, if such person disclosed his or her interest in accordance with this Section 3.7, and the contract or transaction was reasonable and fair to the Trust at the time it was so approved.
- (9) Notwithstanding anything in this section, but without limiting the effect of subsection (8) hereof, a Trustee or an officer of the Trust, acting honestly and in good faith, is not accountable to the Trust or to the Trust Unitholders for any profit or gain realized from any such contract or transaction by reason only of his or her holding such office, position or interest, and the contract or transaction, if it was reasonable and fair to the Trust at the

time it was approved, is not by reason only of such person's interest therein void or voidable, where:

- (a) the contract or transaction is confirmed or approved at a meeting of Trust Unitholders entitled to vote duly called for that purpose; and
 - (b) the nature and extent of such person's interest in the contract or transaction are disclosed in reasonable detail in the notice calling the meeting or in any information circular required to be provided by this Declaration of Trust or by law.
- (10) Subject to subsections (8) and (9) hereof, where a Trustee or an officer of the Trust fails to disclose his or her interest in a material contract or transaction in accordance with this Declaration of Trust or otherwise fails to comply with this section, the Trustees or any Trust Unitholder, in addition to exercising any other rights or remedies in connection with such failure exercisable at law or in equity, may apply to a court for an order setting aside the contract or transaction and directing that such person account to the Trust for any profit or gain realized.

ARTICLE 4 INVESTMENT RESTRICTIONS AND OPERATING POLICIES

Section 4.1 Investment Restrictions.

The assets of the Trust may be invested only in accordance with the following restrictions:

- (1) the Trust shall focus its activities primarily on the acquisition, holding, developing, maintaining, improving, leasing or management of income producing real property with an emphasis on real property which is being utilized or intended to be utilized to provide living accommodation (the "**Focus Activities**");
- (2) notwithstanding anything else contained in this Declaration of Trust, the Trust shall not make any investment, take any action or omit to take any action that would result in Trust Units not being units of a "mutual fund trust" within the meaning of the *Income Tax Act* (Canada), that would result in Units being disqualified for investment by registered retirement savings plans, registered retirement income funds or deferred profit sharing plans or that would, if the Trust is a registered investment within the meaning of the *Income Tax Act* (Canada), result in the Trust paying a tax under the registered investment provisions of the *Income Tax Act* (Canada) imposed for exceeding certain investment limits;
- (3) the Trust may, directly or indirectly, make such investments, do all such things and carry out all such activities as are necessary or desirable in connection with the conduct of its activities provided they are not otherwise specifically prohibited under this Declaration of Trust;
- (4) the Trust may invest in freehold, leasehold or other interests in property (real, personal, moveable or immovable);

- (5) the Trust may make its investments and conduct its activities directly or indirectly through an investment in one or more persons on such terms as the Trustees may from time to time determine;
- (6) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, short-term government debt securities, or money market instruments of, or guaranteed by, a Canadian bank listed on Schedule I to the *Bank Act* (Canada) maturing prior to one year from the date of issue, the Trust may not hold securities other than securities of a Person:
 - (a) acquired in connection with the carrying on, directly or indirectly, of the Trust's activities or the holding of its assets; or
 - (b) which focuses its activities primarily on Focus Activities and ancillary activities;
- (7) the Trust shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
- (8) the Trust shall not acquire any interest in a single real property if, after giving effect to the proposed acquisition, the cost to the Trust of such acquisition (net of the amount of acquisition debt) will exceed 20% of the Trust's Adjusted Unitholders' Equity;
- (9) the Trust may invest in operating businesses;
- (10) the Trust may invest in mortgages and mortgage bonds (including a participating or convertible mortgage) where the aggregate amount of such investments after giving effect to the proposed investment, will not exceed 20% of the Adjusted Unitholders' Equity; and
- (11) notwithstanding any other provision of this Declaration of Trust but subject always to subsection (2) above, the Trust may make investments not otherwise permitted under this Declaration of Trust, provided the aggregate amount of such investments (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any indebtedness assumed or incurred by the Trust and secured by a mortgage on such property) will not exceed 20% of the Adjusted Unitholders' Equity of the Trust after giving effect to the proposed investment.

Section 4.2 Operating Policies.

The operations and affairs of the Trust shall be conducted in accordance with the following policies:

- (1) the Trust shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof, the term "hedging" shall have the meaning ascribed thereto by National Instrument 81-102 – *Mutual Funds*, as amended from time to time;

- (2) (i) any written instrument creating an obligation which is or includes the granting by the Trust of a mortgage, and (ii) to the extent the Trustees determine to be practicable and consistent with their fiduciary duty to act in the best interests of the Trust Unitholders, any written instrument which is, in the judgment of the Trustees, a material obligation shall contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of the Trustees, Trust Unitholders, annuitants under a plan of which a Trust Unitholder acts as a trustee or carrier, or officers, employees or agents of the Trust, but that only property of the Trust or a specific portion thereof shall be bound; the Trust, however, is not required, but shall use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the Trust upon the acquisition of real property;
- (3) the Trust shall not incur or assume any indebtedness if, after giving effect to the incurring or assumption of the indebtedness, the total indebtedness of the Trust (including the amount then advanced under the Acquisition and Operating Facility) would be more than 70% of the Gross Book Value, unless a majority of the ~~trustees~~ Trustees, in their discretion, determine that the maximum amount of indebtedness shall be based on the appraised value of the real properties of the Trust. For the purposes of this subparagraph, “indebtedness” means (without duplication) on a consolidated basis:
- (a) any obligation of the Trust for borrowed money (other than under the Acquisition and Operating Facility),
 - (b) any obligation of the Trust (other than under the Acquisition and Operating Facility) incurred in connection with the acquisition of property, assets or businesses other than the amount of future income tax liability arising out of indirect acquisitions,
 - (c) any obligation of the Trust issued or assumed as the deferred purchase price of property, and
 - (d) any capital lease obligation of the Trust;
- provided that (A) for the purposes of (a) through (d), an obligation (other than convertible debentures) will constitute indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of the Trust in accordance with generally accepted accounting principles, (B) obligations referred to in clauses (a) through (c) exclude trade accounts payable, security deposits, distributions payable to Unitholders or Preferred Unitholders, contingent liabilities and accrued liabilities arising in the ordinary course, and (C) convertible debentures will constitute indebtedness to the extent of the principal amount thereof outstanding;
- (4) the Trust shall obtain an independent appraisal of each real property that it intends to acquire;

- (5) the Trust shall obtain and maintain at all times insurance coverage in respect of potential liabilities of the Trust and the accidental loss of value of the assets of the Trust from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties; and
- (6) unless the Trustees determine it is not necessary, the Trust shall have conducted a Phase I environmental audit of each real property to be acquired by it and, if the Phase I environmental audit report recommends that further environmental audits be conducted, the Trust shall have conducted such further environmental audits, in each case by an independent and experienced environmental consultant; such audit, as a condition to any acquisition, shall be satisfactory to the Trustees.

Section 4.3 Operating Plan.

The Trust shall, at least on an annual basis, establish an investment and operating plan for the ensuing period.

Section 4.4 Regulatory Matters.

If at any time a government or regulatory authority having jurisdiction over the Trust or any property of the Trust shall enact any law, regulation or requirement which is in conflict with any investment restriction of the Trust then in force, such restriction in conflict shall, if the Trustees on the advice of legal counsel to the Trust so resolve, be deemed to have been amended to the extent necessary to resolve any such conflict and, notwithstanding anything to the contrary herein contained, any such resolution of the Trustees shall not require the prior approval of Trust Unitholders.

ARTICLE 5 TRUST UNITS

Section 5.1 Units.

- (1) The beneficial interests in the Trust shall be divided into three classes, described and designated as “Units”, “Preferred Units” and “Special Voting Units”, which shall be entitled to the rights and subject to the limitations, restrictions and conditions set out herein, and the interest of each Unitholder, Preferred Unitholder and Special Unitholder shall be determined by the number of Units, Preferred Units and/or Special Voting Units registered in the name of the Unitholder, Preferred Unitholder or Special Unitholder. Following the date of this Declaration of Trust, the Trustees may create additional classes of units of the Trust having such attributes as may be ascribed from time to time provided that, other than Preferred Units, in no event, shall any such additional class of units contain any rights, terms or conditions which are more favourable than the rights terms and conditions attaching to the Units and Special Voting Units outstanding as of the date hereof. The number of Units and Special Voting Units which the Trust may issue is unlimited. The number of Preferred Units which the Trust may issue is limited to 25,840,600. The issued and outstanding Units, Preferred Units and Special Voting Units may be subdivided or consolidated from time to time by the Trustees.

- (2) Each Unit represents an equal undivided interest in the Trust. All Units outstanding from time to time shall, subject to the rights of holders of Preferred Units, be entitled to participate pro rata in any distributions by the Trust and, in the event of termination or winding-up of the Trust, in the net assets of the Trust, after satisfaction of the rights of holders of the Preferred Units. All Units shall rank among themselves equally and rateably without discrimination, preference or priority.

Section 5.2 Rights Attaching to Special Voting Units.

- (1) Special Voting Units shall not entitle the holder thereof to any share of or interest in the distributions or net assets of the Trust. Special Voting Units may be issued in series and shall only be issued in connection with or in relation to Exchangeable Securities issued and shall be automatically cancelled on the issuance of Units on exercise, conversion or cancellation of Exchangeable Securities. Subject to the restrictions set forth in this Declaration of Trust, each Special Voting Unit shall entitle the Special Unitholder of record thereof to a number of votes at all meetings of Unitholders or in respect of any written resolution of Unitholders equal to the number of Units into which the Exchangeable Securities to which such Special Voting Unit relates are, directly or indirectly, exchangeable or convertible (other than in respect of Exchangeable Securities which have been so exchanged, converted or cancelled). For greater certainty, holders of Special Voting Units shall not be entitled to any distributions of any nature whatsoever from the Trust or have any legal or beneficial interests in any assets of the Trust on termination or winding-up of the Trust.
- (2) Concurrently with the issuance of any Exchangeable Securities and associated Special Voting Units, the Trust shall enter into such agreements, including the Exchange Agreement and/or other voting and exchange trust agreements and Exchangeable Security support agreements, as may be necessary or desirable to properly provide for the terms of the Exchangeable Securities, including to provide for voting of such Special Voting Units.

Section 5.3 Rights Attaching to Preferred Units.

The Preferred Units shall have attached thereto the following attributes:

- (1) the Preferred Units may from time to time be issued in one or more series, and the Trustees may fix from time to time before such issue the number of Preferred Units which is to comprise each series and the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Units and the currency thereof, including, without limiting the generality of the foregoing, any voting rights, the rate or amount of distributions (which may be cumulative or non-cumulative and variable or fixed) or the method of calculating distributions, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion, if any, any rights on the liquidation, dissolution or winding-up of the Trust, and any sinking fund or other provisions;
- (2) the Preferred Units of each series shall, with respect to the payment of distributions (other than distributions paid solely through the distribution of additional Units) and the

distribution of assets of the Trust or return of capital in the event of liquidation, dissolution or winding-up of the Trust, whether voluntary or involuntary, or any other return of capital or distribution of assets of the Trust among its Unitholders and Special Unitholders for the purpose of winding-up its affairs, be entitled to preference over the Units and Special Voting Units, and over any other security of the Trust ranking by their terms junior to the Preferred Units. The Preferred Units of any series may also be given such other preferences, not inconsistent with this Declaration of Trust, over the Units, Special Voting Units and any other securities of the Trust ranking by their terms junior to the Preferred Units, as may be fixed in accordance with subsection (1); and

- (3) if any cumulative distributions or amounts payable on the return of capital in respect of a series of Preferred Units are not paid in full, all series of Preferred Units of equal ranking shall participate rateably in respect of accumulated distributions and return of capital based on the accumulated distributions and return of capital of a series of Preferred Units as a proportion of the accumulated distributions and return of capital of all series of Preferred Units of equal ranking.

The terms of a particular series of Preferred Units as fixed by the Trustees in accordance with subsection (1) above shall be set out in a “Certificate of Preferred Unit Terms” which certificate shall be approved by the Trustees prior to the issue of such Preferred Units and, upon such approval, the certificate shall become a part of this Declaration of Trust.

Notwithstanding anything else herein contained, except as otherwise provided in the terms of a particular series of Preferred Units as fixed by the Trustees in accordance with subsection 5.3(1) above, the Units, Special Voting Units or any series of Preferred Units shall have not or be deemed to have any term, condition, right or other attribute which would provide any holder of Units, Special Voting Units or Preferred Units of any series with an interest in the income of the Trust as a percentage in any distribution received by that Trust Unitholder that is greater or lesser than an interest in the income of the Trust as a percentage of any distribution received by the holder of any other Trust Units of any series.

Section 5.4 Consideration for Units and Preferred Units.

Subject to the last sentence of this Section 5.4, a Unit or Preferred Unit shall not be fully paid until the consideration therefor has been received in full by or on behalf of the Trust. The consideration for any Unit or Preferred Unit shall be paid in money or in property or in past services that are not less in value than the fair equivalent of the money that the Trust would have received if the Unit or Preferred Unit had been issued for money. In determining whether property or past services are the fair equivalent of consideration paid in money, the Trustees may take into account reasonable charges and expenses of organization and reorganization and payments for property and past services reasonably expected to benefit the Trust. Units may be issued and sold on an instalment basis, in which event beneficial ownership of such Units may be represented by instalment receipts, but shall otherwise be non-assessable.

Section 5.5 No Pre-Emptive Rights.

There are no pre-emptive rights attaching to the Units or Preferred Units.

Section 5.6 Fractional Units.

If as a result of any act of the Trustees hereunder any person becomes entitled to a fraction of a Unit or Preferred Unit, such person is not entitled to receive a certificate therefor. Fractional Units or Preferred Units shall not, except to the extent that they may represent in the aggregate one or more whole Units or Preferred Units, entitle the holders thereof to notice of or to attend or to vote at, meetings of Unitholders or Preferred Unitholders. Subject to the foregoing, such fractional Units or Preferred Units shall have attached thereto the rights, restrictions, conditions and limitations attaching to whole Units or Preferred Units, as applicable, in the proportion that they bear to a whole Unit or Preferred Unit.

Section 5.7 Legal Ownership of Assets of the Trust.

The legal ownership of the assets of the Trust and the right to conduct the affairs of the Trust are vested exclusively in the Trustees, subject to the provisions of this Declaration of Trust, and the Trust Unitholders shall have no interest therein other than the beneficial interest in the Trust conferred by their Trust Units issued hereunder as described herein, and they shall have no right to compel any partition, division, dividend or Distribution of the Trust or any of the assets of the Trust. The Trust Units shall be personal property and shall confer upon the holders thereof only the interest and rights specifically set forth in this Declaration of Trust. No Trust Unitholder has or is deemed to have any right of ownership in any of the assets of the Trust.

Section 5.8 Issuance of Trust Units.

The Trustees may allot and issue Trust Units at such time or times and in such manner (including pursuant to any plan from time to time in effect relating to reinvestment by Unitholders of their Distributions of the Trust in Units), and for such consideration and to such person, persons or class of persons as the Trustees in their sole discretion shall determine except that Special Voting Units shall only be issued in connection with the issuance of Exchangeable Securities. In the event that Trust Units are issued in whole or in part for a consideration other than money, the resolution of the Trustees allotting and issuing such Trust Units shall express the fair equivalent in money of the other consideration received.

Section 5.9 Issuance of Other Securities.

The Trustees may create and issue convertible securities and rights, warrants or options to subscribe for fully paid Units or Preferred Units (including Exchangeable Securities) which securities, or rights, warrants or options may be convertible or exercisable, as the case may be, into Units or Preferred Units at such subscription price or prices and at such time or times as the Trustees may determine. The rights, warrants or options so created may be issued for such consideration or for no consideration, all as the Trustees may determine. A convertible security, or a right, warrant or option shall not be a Unit or Preferred Unit and a holder thereof shall not be a Unitholder or a Preferred Unitholder. Upon the approval by the Trustees of any equity incentive plan for trustees, officers and/or employees of the Trust, the Human Resources and Compensation Committee may, upon receiving authority from the Trustees, grant convertible securities, rights, warrants or options upon the terms and subject to the conditions set forth in such plan.

Section 5.10 Commissions and Discounts.

The Trustees may provide for the payment of commissions or may allow discounts to persons in consideration of their subscribing or agreeing to subscribe, whether absolutely or conditionally, for Units or Preferred Units or of their agreeing to produce subscriptions therefor, whether absolute or conditional.

Section 5.11 Transferability.

Subject to limitations on ownership set out in this Declaration of Trust and limitations set out in applicable securities laws, the Units and Preferred Units are freely transferable and the Trustees shall not impose any restriction on the transfer of Units and Preferred Units. The Trustees shall use all reasonable efforts to obtain and maintain a listing for the Units on one or more stock exchanges in Canada. Special Voting Units and Exchangeable Securities shall be non-transferable without the consent of the Trust and shall not be listed on any exchange.

Section 5.12 Non-Resident Ownership Constraint.

- (1) At no time may Non-Residents be the beneficial owners of more than 49% of the Units or Preferred Units, on a basic or fully-diluted basis (and for greater certainty, including Units into which Exchangeable Securities may be converted or exchanged), and the Trust shall inform its Transfer Agent of this restriction. The Trustees may require a registered holder of Trust Units to provide the Trustees with a declaration as to the jurisdictions in which beneficial owners of the Units or Preferred Units registered in such Unitholder's or Preferred Unitholder's name are resident and as to whether such beneficial owners are Non-Residents (or in the case of a partnership, whether the partnership is a Non-Resident). If the Trustees become aware, as a result of such declarations as to beneficial ownership or as a result of any other investigations, that the beneficial owners of more than 49% of the Units or Preferred Units (on a basic or fully-diluted basis, including Units into which Exchangeable Securities may be converted or exchanged) are, or may be, Non-Residents or that such a situation is imminent, the Trustees may make a public announcement thereof and shall not accept a subscription for Units or Preferred Units from or issue or register a transfer of Units or Preferred Units to a person unless the person provides a declaration in form and content satisfactory to the Trustees that the person is not a Non-Resident and does not hold such Units or Preferred Units for the benefit of Non-Residents. If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Units or Preferred Units (on a basic or fully-diluted basis, including Units, Preferred Units into which Exchangeable Securities may be converted or exchanged) are held by Non-Residents, the Trustees may send a notice to such Non-Resident holders of the Units, Preferred Units or Exchangeable Securities, as the case may be, chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell their Units, Preferred Units or Exchangeable Securities or a portion thereof within a specified period of not more than thirty (30) days. If the Unitholders or Preferred Unitholders receiving such notice have not sold the specified number of Units, Preferred Units or Exchangeable Securities or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may on behalf of such Unitholders sell such

Units, Preferred Units or Exchangeable Securities and, in the interim, shall suspend the voting and Distribution rights attached to such Units, Preferred Units or Exchangeable Securities (other than the right to receive the net proceeds from the sale). Upon such sale or conversion, the ~~affected holders~~ Affected Holders shall cease to be holders of the relevant Units, Preferred Units or Exchangeable Securities and their rights shall be limited to receiving the net proceeds of sale upon surrender of the certificates, if any, representing such securities. The Trust may direct its Transfer Agent to do any of the foregoing.

- (2) No liability shall accrue to the Trust or the Trustees if the Units or Preferred Units of a Non-Resident Unitholder are sold at a loss to such Unitholder or Preferred Unitholder, as applicable. Unless and until the Trustees shall have been required to do so under the terms hereof, the Trustees shall not be bound to do or take any proceedings or action with respect to this Section 5.12 by virtue of the powers conferred on them hereby. The Trustees shall use reasonable commercial efforts to actively monitor the ownership of Units and Preferred Units by Non-Residents. It is acknowledged that the Trustees cannot definitely monitor the ownership of Units and Preferred Units by Non-Residents if the Units or Preferred Units are registered in the name of an intermediary. The Trustees shall not be liable for any violation of the Non-Resident ownership restriction which may occur during the term of the Trust.
- (3) The Trustees' Regulations may include provisions to implement the foregoing.

Section 5.13 Book-Based System.

The provisions of this Section shall not in any way alter the nature of Trust Units or the relationships of a Trust Unitholder to the Trustees and of one Trust Unitholder to another but are intended only to facilitate the issuance of certificates evidencing the ownership of Trust Units, if desirable to issue them to Trust Unitholders, and the recording of all transactions in respect of Trust Units and certificates whether by the Trust, securities dealers, stock exchanges, transfer agents, registrars or other persons.

Registration of interests in and transfers of Trust Units held through CDS, or its nominee, will be made electronically through the uncertificated book-entry only system of CDS. The Trust, via its Transfer Agent, will electronically deliver the Trust Units registered to CDS or its nominee, and CDS will credit interests in such Trust Units to the accounts of the CDS Participants. Trust Units held in CDS will be purchased, transferred and surrendered for redemption through a CDS Participant. All rights of beneficial Trust Unitholders who hold Trust Units in CDS must be exercised through, and all payments or other property to which such beneficial Trust Unitholders are entitled will be made or delivered by CDS or the CDS Participant through which the beneficial Trust Unitholder holds such Trust Units. A beneficial holder of a Trust Unit participating in the uncertificated book-entry only system will not be entitled to a certificate or other instrument from the Trust or the Transfer Agent evidencing that person's interest in it or ownership of Trust Units, nor, to the extent applicable, will such beneficial Trust Unitholder be shown on the records maintained by CDS, except through an agent who is a CDS Participant. Registration of ownership and transfers of the Trust Units will be effected only through the book-based system administered

by CDS. Special Voting Units shall be non-transferable without the consent of the Trust and applicable regulatory authorities.

Except as described below, no purchaser of a Trust Unit will be entitled to a certificate or other instrument from the Trust evidencing that purchaser's ownership thereof, and no holder of a beneficial interest in a Trust Unit (a "**Beneficial Owner**") will be shown on the records maintained by CDS except through the accounts of CDS Participants acting on behalf of the Beneficial Owners. CDS will be responsible for establishing and maintaining book-entry accounts for CDS Participants having interests in the Trust Units, and sales of interests in the Trust Units can only be completed through CDS Participants.

Trust Units will be issued in fully registered form to holders or their nominees, if any, who purchase Trust Units pursuant to the private placement of Trust Units made in reliance upon Rule 144A adopted under the *United States Securities Act of 1933*, as amended, and to transferees thereof in the United States who purchase such Trust Units in reliance upon such Rule. Likewise, any Trust Units transferred to a transferee within the United States or outside the United States to a "U.S. Person" (within the meaning of Regulation S) or a "U.S. resident" (within the meaning of the *United States Investment Company Act of 1940*, as amended) will be evidenced in definitive certificates representing any such Trust Units unless the Trust otherwise agrees that such Trust Units need not be evidenced in definitive securities. If any such Trust Units represented by definitive certificates are subsequently traded into Canada or otherwise outside the United States to a person other than a "U.S. Person" (within the meaning of Regulation S) or a "U.S. resident" (within the meaning of the *United States Investment Company Act of 1940*, as amended), the Transfer Agent will electronically deliver such Trust Units registered to CDS or its nominee, and CDS will credit interests in such Trust Units to the accounts of the CDS Participants as directed by the Transfer Agent and, thereafter, registration of ownership and transfers of such Trust Units will be made through the book-based system administered by CDS. Without the prior written consent of the Trust, no Trust Units may be transferred within the United States unless the transferee is a "Qualified Purchaser" (within the meaning of Section 2(a)(51) of the *United States Investment Company Act of 1940*, as amended) and the transfer is in compliance with U.S. federal and state securities laws. Without the prior written consent of the Trust, no Trust Units may be transferred outside the United States (A) to a "U.S. Person" (within the meaning of Regulation S under the *United States Securities Act of 1933*, as amended) or a "U.S. resident" (within the meaning of the *United States Investment Company Act of 1940*, as amended), in each case of clause (A) or (B) above if such transfer would result in the Trust being required to register as an "investment company" under the *United States Investment Company Act of 1940*, as amended and (B) unless in accordance with Regulation S under the *United States Securities Act of 1933*, as amended.

Except in the case of United States purchasers purchasing Trust Units under Rule 144A or purchasers outside the United States who are either a "U.S. Person" (within the meaning of Regulation S) or a "U.S. resident" (within the meaning of the *United States Investment Company Act of 1940*, as amended), Trust Units will be issued in fully registered form to holders or their nominees, other than CDS or its nominee, only if: (i) the Trust is required to do so by applicable law; (ii) the depository system of CDS ceases to exist; (iii) the Trust determines that CDS is no longer willing or able or qualified to discharge properly its responsibility as depository and the

Trust is unable to locate a qualified successor; or (iv) the Trust at its option elects to terminate the book-entry system in respect of the Trust Units through CDS.

All references herein to actions by, notices given or payments made to Trust Unitholders shall, where such Trust Units are held through CDS, refer to actions taken by, or notices given or payments made to, CDS upon instruction from the CDS Participants in accordance with CDS's rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of Trust Unitholders evidencing a specified percentage of the aggregate Trust Units outstanding, such direction or consent may be given by Trust Unitholders acting through CDS and the CDS Participants owning Trust Units evidencing the requisite percentage of the Trust Units. The rights of a Trust Unitholder whose Trust Units are held through CDS shall be exercised only through CDS and the CDS Participants and shall be limited to those established by law and agreements between such Trust Unitholders and CDS and/or the CDS Participants or upon instruction from the CDS Participants. Each of the Transfer Agent and the Trustees may deal with CDS for all purposes (including the making of payments) as the authorized representative of the respective Trust Unitholders and such dealing with CDS shall constitute satisfaction or performance, as applicable, towards their respective obligations hereunder.

For so long as Trust Units are held through CDS, if any notice or other communication is required to be given to Trust Unitholders, the Trustees and the Transfer Agent will give all such notices and communications to CDS.

If CDS resigns or is removed from its responsibilities as depository and the Trustees are unable or do not wish to locate a qualified successor, CDS shall surrender the Trust Units held by it to the Transfer Agent with instructions from CDS for registration of Trust Units in the name and in the amounts specified by CDS and the Trust shall issue and the Trustee and Transfer Agent shall execute and deliver the aggregate number of Trust Units then outstanding in the form of definitive certificates representing such Trust Units.

Section 5.14 Certificates.

Subject to the provisions of this Article 5, each Trust Unitholder or his, her or its duly authorized agent is entitled to a certificate bearing an identifying serial number in respect of the Trust Units held by him, her or its, signed in the manner hereinafter prescribed, but the Trust is not bound to issue more than one certificate in respect of a unit or units held jointly or in common by two or more persons and delivery of a certificate to one of them shall be sufficient delivery to all. No certificate shall be issued to evidence any fractional units.

Section 5.15 Certificate Fee.

The Trustees may establish a reasonable fee to be charged for every certificate issued.

Section 5.16 Forms of Certificate.

The forms of certificates representing Units, Special Voting Units and any series of Preferred Units, shall be in such forms as are from time to time authorized by the Trustees.

Section 5.17 Unit, Preferred Unit and Special Voting Unit Register and Transfer Ledgers to be Maintained.

A register (the “**Register**”) shall be kept by, or on behalf and under the direction of the Trustees, which Register shall contain the names, alphabetically arranged, and the latest known addresses of each Trust Unitholder who is or has been a Trust Unitholder, the respective numbers of Trust Units held by them, the certificate numbers of the certificates, if any, of such Trust Units and the date and particulars of the issue and all transfers thereof. The Trustees may appoint one or more chartered banks or trust companies to act as transfer agents (each a “**Transfer Agent**”) and to act as registrars (each a “**Registrar**”) for Trust Units and may provide for the transfer of Trust Units in one or more places within Canada. In the event of such appointment, such Transfer Agents and Registrars shall keep all necessary registers and other books (which may be kept in a bound or loose-leaf book or may be entered or recorded by any system of mechanical or electronic data processing or any other information storage device) for recording original issues and registering and transferring the Units or Preferred Units. If the Trustees have appointed a Transfer Agent and Registrar, no certificate, if any, for Trust Units shall be valid unless countersigned by or on behalf of a transfer agent and/or registrar. Only persons whose Trust Units are recorded on the Register shall be entitled to vote or otherwise exercise or enjoy the rights of Trust Unitholders, as the case may be, except that only persons whose Units or Preferred Units are recorded on the Register shall be entitled to receive Distributions.

Section 5.18 Entry on Register.

Upon any issue of Trust Units, the name of the subscriber shall be promptly entered on the Register as the owner of the number of Trust Units issued to such subscriber, or if the subscriber is already a Trust Unitholder, the Register shall be amended to include his, her or its additional Trust Units.

Section 5.19 Transfer of Units and Preferred Units.

Subject to the provisions of this Article 5, Units and Preferred Units shall be, for all purposes of the Trust and this Declaration of Trust, personal and moveable property, and shall be transferable at any time and from time to time by the Unitholder or the Preferred Unitholder by endorsement and delivery of the certificates representing the Units or the Preferred Units subject to such provisions and conditions as may be prescribed by the Trustees from time to time. Subject to the provisions of this Article 5, no transfer shall be recorded on the Register unless the transferor has executed the instrument of transfer as reproduced in the Unit or Preferred Unit certificate and the transferee has delivered to the Transfer Agent and/or registrar a Unit certificate or Preferred Unit certificate representing the Units or Preferred Units transferred, as applicable. Subject to the foregoing and to the provisions of this Article 5, transfers shall be recorded on the Register and a new certificate for the Units or Preferred Units so transferred shall be issued to the transferee and in case of a transfer of only part of the Units or Preferred Units represented by any certificate, a new certificate for the remaining Units or Preferred Units shall be issued to the transferor. Special Voting Units shall be non-transferable without the consent of the Trust and applicable regulatory authorities.

Section 5.20 Successors in Interest to Unitholders and Preferred Unitholders.

Any person becoming entitled to any Trust Units as a consequence of the death, bankruptcy or incapacity of any Unitholder, Preferred Unitholder or otherwise by operation of law shall be recorded in the Register as the holder of such Trust Units and, in the case of units represented by a certificate, shall receive a new certificate therefore upon production of evidence thereof satisfactory to the Trustees and delivery of the existing certificate to the Trustees or Transfer Agent or Registrar of the Trust, but until such record is made, the Trust Unitholder of record shall continue to be and be deemed to be the holder of such Trust Units for all purposes whether or not the Trust, the Trustees or the Transfer Agent or Registrar shall have actual or other notice of such death, bankruptcy, incapacity or other event.

Section 5.21 Trust Units Held Jointly or in Fiduciary Capacity.

The Trust may treat two or more persons holding any Trust Unit as joint tenants of the entire interest therein unless the ownership is expressly otherwise recorded on the Register of the Trust, but no entry shall be made in the Register or on any certificate that any person is in any other manner entitled to any future, limited or contingent interest in any Trust Unit; provided, however, that any person recorded in the Register as a Trust Unitholder may, subject to the provisions herein contained, be described in the Register or on any certificate as a fiduciary of any kind and any customary words may be added to the description of the holder to identify the nature of such fiduciary relationship.

Section 5.22 Performance of Trusts.

None of the Trustees, officers of the Trust, Trust Unitholders or any Transfer Agent, Registrar or other agent of the Trust or the Trustees shall have a duty to inquire into any claim that a transfer of a Trust Unit or other security of the Trust was or would be wrongful or that a particular adverse person is the owner of or has an interest in the Trust Unit or other security or any other adverse claim, or be bound to see to the performance of any trust, express, implied or constructive or of any charge, pledge or equity to which any of the Trust Units or other securities or any interest therein are or may be subject, or to ascertain or inquire whether any sale or transfer of any such Trust Units or other securities or interest therein by any such Trust Unitholder or holder of such security or his personal representatives is authorized by such trust, charge, pledge or equity, or to recognize any person as having any interest therein, except for the person recorded as Trust Unitholder of such security.

Section 5.23 Lost, Stolen or Destroyed Certificates.

In the event that any certificate for Trust Units is lost, stolen, destroyed or mutilated, the Trustees may authorize the issuance of a new certificate for the same number of Trust Units, as applicable, in lieu thereof. The Trustees may in their discretion, before the issuance of such new certificate, require the owner of the lost, stolen, destroyed or mutilated certificate, or the legal representative of the owner, to make such affidavit or statutory declaration, setting forth such facts as to the loss, theft, destruction or mutilation as the Trustees deem necessary and may require the applicant to supply to the Trust a "lost certificate" or similar bond in such reasonable amount as the Trustees direct indemnifying the Trustees, the transfer agents and registrars for so doing. The Trustees shall have the power to acquire from an insurer or insurers a blanket lost

security bond or bonds in respect of the replacement of lost, stolen, destroyed or mutilated certificates. The Trust shall pay all premiums and other sums of money payable for such purpose out of the property of the Trust with such contribution, if any, by those insured as may be determined by the Trustees. If such blanket lost security bond is acquired, the Trustees may authorize and direct (upon such terms and conditions as they from time to time impose) any registrar, transfer agent, trustee or others to whom the indemnity of such bond extends to take such action to replace such lost, stolen, destroyed or mutilated certificates without further action or approval by the Trustees.

Section 5.24 Death of a Trust Unitholder.

The death of a Trust Unitholder during the continuance of the Trust shall not terminate the Trust or give the personal representatives or the heirs of the estate of the deceased Trust Unitholder a right to an accounting or to take any action in the courts or otherwise against other Trust Unitholders or the Trustees, officers of the Trust or the property of the Trust, but shall only entitle the personal representatives or the heirs of the estate or succession of the deceased Trust Unitholder to demand to be recorded in the Register as the holder of the Trust Units formerly held by the deceased Trust Unitholder (and, in the case of units represented by certificates, the right to demand and receive a new certificate for units in place of the certificate held by the deceased Trust Unitholder), and upon the acceptance thereof such personal representatives or the heirs of the estate or succession of the deceased Trust Unitholder shall succeed to all rights of the deceased Trust Unitholder under this Declaration of Trust.

Section 5.25 Unclaimed Payments.

In the event that the Trustees hold any amounts to be paid to Unitholders or Preferred Unitholders under Article 10 or otherwise because such amounts are unclaimed or cannot be paid for any reason, neither the Trustees nor any distribution disbursing agent shall be under any obligation to invest or reinvest the same and shall only be obligated to hold the same in a current or other non-interest bearing account with a chartered bank or trust company, pending payment to the person or persons entitled thereto. The Trustees shall, as and when required by law, and may at any time prior to such required time, pay all or part of such amounts so held to a court in the province where the Trust has its principal office or to the public trustee (or other similar government official or agency) in the province where the Trust has its principal office whose receipt shall be a good satisfaction and discharge of the obligations of the Trustees.

Section 5.26 Repurchase of Units.

Provided the holder thereof agrees or the terms of the Units or Preferred Units so provide, the Trust shall be entitled to purchase for cancellation at any time the whole or from time to time any part of the outstanding Units or Preferred Units, at a price per Unit or Preferred Unit and on a basis determined by the Trustees in compliance with all applicable securities regulatory laws, regulations or policies or the policies of any applicable stock exchange.

Section 5.27 Take-Over Bids.

- (1) For the purposes of this Section 5.27 only, where a take-over bid is made for Special Voting Units, a reference to Unit in this Section 5.27 shall be to a Special Voting Unit.

- (2) If within 120 days after the date of a take-over bid the bid is accepted by the holders of not less than 90 percent of the Units of any class of Units to which the take-over bid relates, other than Units held at the date of the take-over bid by or on behalf of the offeror or an affiliate or associate of the offeror, the offeror is entitled, on complying with this section, to acquire the Units held by the dissenting offerees.
- (3) An offeror may acquire Units held by a dissenting offeree by sending by registered mail within 60 days after the date of termination of the take-over bid and in any event within 180 days after the date of the take-over bid, an offeror's notice to each dissenting offeree stating that:
- (a) the offerees holding not less than 90% of the Units to which the bid relates accepted the take-over bid;
 - (b) the offeror is bound to take up and pay for or has taken up and paid for the Units of the offerees who accepted the take-over bid;
 - (c) a dissenting offeree is required to elect:
 - (i) to transfer his, her or its Units to the offeror on the terms on which the offeror acquired the Units of the offerees who accepted the take-over bid, or
 - (ii) to demand payment of the fair value of his, her or its Units in accordance with Sections 5.27(11) to 5.27(20) by notifying the offeror within 20 days after he, she or it receives the offeror's notice;
 - (d) a dissenting offeree who does not notify the offeror in accordance with Section 5.27(5)(ii) is deemed to have elected to transfer his, her or its Units to the offeror on the same terms that the offeror acquired the Units from the offerees who accepted the take-over bid; and
 - (e) a dissenting offeree must send his, her or its Units to which the take-over bid relates to the Trust within 20 days after he, she or it receives the offeror's notice.
- (4) Concurrently with sending the offeror's notice under Section 5.27(3), the offeror shall send to the Trust a notice of adverse claim disclosing the name and address of the offeror and the name of the dissenting offeree with respect to each Unit held by a dissenting offeree.
- (5) A dissenting offeree to whom an offeror's notice is sent under Section 5.27(3) shall, within 20 days after he, she or it receives that notice, send his, her or its certificates representing the Units of the class of Units to which the take-over bid relates to the Trust; and elect (i) to transfer the Units to the offeror on the terms on which the offeror acquired the Units of the Unitholders who accepted the take-over bid; or (ii) to demand payment of the fair value of the Units in accordance with Sections 5.27(11) to 5.27(20) by notifying the offeror within those 20 days.

- (6) A dissenting offeree who does not notify the offeror in accordance with Section 5.27(5)(ii) is deemed to have elected to transfer the Units to the offeror on the same terms on which the offeror acquired the Units from the Unitholders who accepted the take-over bid.
- (7) Within 20 days after the offeror sends an offeror's notice under Section 5.27(3), the offeror shall pay or transfer to the Trust the amount of money or other consideration that the offeror would have had to pay or transfer to a dissenting offeree if the dissenting offeree had elected to accept the take-over bid under Section 5.27(5)(i).
- (8) The Trust is deemed to hold in trust for the dissenting offeree the money or other consideration it receives under Section 5.27(7), and the Trust shall deposit the money in a separate account in a bank or other body corporate any of whose deposits are insured by the Canada Deposit Insurance Corporation or guaranteed by the Quebec Deposit Insurance Board, and shall place the other consideration in the custody of a bank or such other body corporate.
- (9) If the Trust is the offeror, it is deemed to hold in trust for a dissenting offeree the money and other consideration that it would have had to pay or transfer to a dissenting offeree if the dissenting offeree had elected to accept the take-over bid under Section 5.27(5)(i), and the Trust shall, within 20 days after the offeror's notice is sent under Section 5.27(3), deposit the money in a separate account in a bank or other body corporate any of whose deposits are insured by the Canada Deposit Insurance Corporation or guaranteed by the Quebec Deposit Insurance Board, and shall place the other consideration in the custody of a bank or such other body corporate.
- (10) Within 30 days after the offeror sends an offeror's notice under Section 5.27(3), the Trust shall:
 - (a) if the payment or transfer required by Section 5.27(7) is made, issue to the offeror a Unit Certificate in respect of the Units that were held by dissenting offerees;
 - (b) give to each dissenting offeree who elects to accept the take-over bid terms under Section 5.27(5)(i) and who sends his, her or its Unit Certificates as required under Section 5.27(5), the money or other consideration to which he, she or it is entitled, disregarding fractional Units, if any, which may be paid for in money; and
 - (c) if the payment or transfer required by Section 5.27(7) is made and the money or other consideration is deposited as required by Section 5.27(9) or (10), send to each dissenting offeree who has not sent his, her or its Unit Certificates as required under Section 5.27(5) a notice stating that:
 - (i) his, her or its Units have been cancelled,
 - (ii) the Trust or some designated person holds in trust for him, her or it the money or other consideration to which he, she or it is entitled as payment for or in exchange for his, her or its Units, and

- (iii) the Trust will, subject to Sections 5.27(11) to 5.27(20), send that money or other consideration to him, her or it forthwith after receiving his, her or its Units.
- (11) If a dissenting offeree has elected to demand payment of the fair value of his, her or its Units under Section 5.27(5)(ii), the offeror may, within 20 days after it has paid the money or transferred the other consideration under Section 5.27(7), apply to a court to fix the fair value of the Units of that dissenting offeree.
- (12) If an offeror fails to apply to a court under Section 5.27(11), a dissenting offeree may apply to a court for the same purpose within a further period of 20 days.
- (13) Where no application is made to a court under Section 5.27(12) within the period set out in that section, a dissenting offeree is deemed to have elected to transfer his, her or its Units to the offeror on the same terms that the offeror acquired the Units from the offerees who accepted the take-over bid.
- (14) An application under Section 5.27(11) or 5.27(12) shall be made to a court having jurisdiction in the place where the Trust has its registered office or in the province where the dissenting offeree resides if the Trust carries on business in that province.
- (15) A dissenting offeree is not required to give security for costs in an application made under Section 5.27(11) or 5.27(12).
- (16) On an application under Section 5.27(11) or 5.27(12):
 - (a) all dissenting offerees referred to in Section 5.27(5)(ii) whose Units have not been acquired by the offeror shall be joined as parties and shall be bound by the decision of the court; and
 - (b) the offeror shall notify each affected dissenting offeree of the date, place and consequences of the application and of his, her or its right to appear and be heard in person or by counsel.
- (17) On an application to a court under Section 5.27(11) or 5.27(12) the court may determine whether any other person is a dissenting offeree who should be joined as a party, and the court shall then fix a fair value for the Units of all dissenting offerees.
- (18) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the Units of a dissenting offeree.
- (19) The final order of the court shall be made against the offeror in favour of each dissenting offeree and for the amount for his Units as fixed by the court.
- (20) In connection with proceedings under this section, a court may make any order it thinks fit and, without limiting the generality of the foregoing, it may:

- (a) fix the amount of money or other consideration that is required to be held in trust under Section 5.27(7) or (9);
 - (b) order that money or other consideration be held in trust by a person other than the Trust;
 - (c) allow a reasonable rate of interest on the amount payable to each dissenting offeree from the date he, she or it sends or delivers his, her or its Unit Certificates under Section 5.27(5) until the date of payment; and
 - (d) order that any money payable to a Unitholder who cannot be found be paid to the Receiver General.
- (21) If a Unitholder does not receive an offeror's notice under Section 5.27(3), the Unitholder may:
- (a) within 90 days after the date of termination of the take-over bid, or
 - (b) if the Unitholder did not receive an offer pursuant to the take-over bid, within 90 days after the later of:
 - (i) the date of termination of the take-over bid, and
 - (ii) the date on which the Unitholder learned of the take-over bid,
- require the offeror to acquire those Units.
- (22) If a Unitholder requires the offeror to acquire Units under Section 5.27(21), the offeror shall acquire the Units on the same terms under which the offeror acquired or will acquire the Units of the Unitholders who accepted the take-over bid.
- (23) (23) Section 5.27(1) to (22) inclusive shall apply *mutatis mutandis* to any series of Preferred Units that is the subject of a take-over bid (whether or not the Preferred Units are voting securities or equity securities for purposes of the *Securities Act* (Ontario)).

ARTICLE 6 MEETINGS OF TRUST UNITHOLDERS

Section 6.1 Annual Meeting.

There shall be an annual meeting of the Trust Unitholders entitled to vote at such time and place and/or by such form of telephonic, electronic, virtual or other communication method, as the Trustees shall prescribe for the purpose of electing Trustees, appointing the auditors of the Trust and transacting such other business as the Trustees may determine or as may properly be brought before the meeting. The annual meeting of Trust Unitholders entitled to vote shall be held after delivery to the Trust Unitholders of the annual report referred to in Section ~~16.7~~^{16.6} and, in any event, within 180 days after the end of each fiscal year of the Trust, or such later date

(not later than fifteen months after holding the last preceding annual meeting of the Trust Unitholders entitled to vote) as the Trustees may determine is in the best interests of the Trust Unitholders, subject to the receipt of all applicable regulatory approvals. Notwithstanding the foregoing, the Trust may apply to the court for an order extending the time for calling an annual meeting.

Section 6.2 Other Meetings.

The Trustees shall have power at any time to call special meetings of the Trust Unitholders at such time and place and/or by such form of telephonic, electronic, virtual or other communication method as the Trustees may determine. Trust Unitholders holding in the aggregate not less than 5% of the outstanding Trust Units of the Trust may requisition the Trustees to call a special meeting of the Trust Unitholders for the purposes stated in the requisition. The requisition shall state in reasonable detail the business to be transacted at the meeting and shall be sent to each of the Trustees and to the principal office of the Trust. Upon receiving the requisition, the Trustees shall call a meeting of Trust Unitholders to transact the business referred to in the requisition, unless:

- (1) a record date for a meeting of the Trust Unitholders entitled to vote has been fixed and notice thereof has been given to each stock exchange in Canada on which the Units are listed for trading;
- (2) the Trustees have called a meeting of the Trust Unitholders entitled to vote and have given notice thereof pursuant to Section 6.4; or
- (3) in connection with the business as stated in the requisition:
 - (a) it clearly appears that the matter covered by the requisition is submitted by the Trust Unitholder primarily for the purpose of (i) enforcing a personal claim or redressing a personal grievance against the Trust, the Trustees, the officers of the Trust or its security holders, or (ii) does not relate in a significant way to the business or affairs of the Trust;
 - (b) the Trust, at the Trust Unitholder's request, included a matter covered by a requisition in an information circular relating to a meeting of Trust Unitholders entitled to vote held within two years preceding the receipt of such request, and the Trust Unitholder failed to present the matter, in person, by electronic means, as applicable, or by proxy, at the meeting;
 - (c) substantially the same matter covered by the requisition was submitted to Trust Unitholders in an information circular (including a dissident's information circular) relating to a meeting of Trust Unitholders entitled to vote held within two years preceding the receipt of the Trust Unitholder's request and the matter covered by the requisition was defeated; or
 - (d) the rights conferred by this Section 6.2 are being abused to secure publicity.

If the Trustees do not within 21 days after receiving the requisition call a meeting, any Trust Unitholder who signed the requisition may call the meeting in accordance with the provisions of Section 6.4 and Section 6.9 and the Trustees' Regulations, *mutatis mutandis*. If there shall be no Trustees, the officers of the Trust shall promptly call a special meeting of the Trust Unitholders entitled to vote for the election of successor Trustees. Unless the Trust Unitholders otherwise resolve at a meeting called under this Section 6.2, the Trust shall reimburse the Trust Unitholders, as applicable, for the expenses reasonably incurred by them in requisitioning, calling and holding the meeting. The phrase "meeting of the Trust Unitholders" wherever it appears in this Declaration of Trust shall mean and include both an annual meeting and any other meeting of Trust Unitholders entitled to vote.

Section 6.3 Meeting Held by Electronic Means.

- (1) At such time as the Trustees call a meeting of the Trust Unitholders, or at such other time before a meeting of Trust Unitholders, as reasonably determined by the Trustees, the Trustees may determine, subject to Section 6.3(2), that:
 - (a) The meeting shall be held entirely by means of a telephonic, electronic, virtual or other communication method;
 - (b) While the meeting may be held in a physical location, any ~~Person~~person entitled to attend and vote at the meeting may participate by means of a telephonic, electronic, virtual or other communication method; and
 - (c) In the case of (a) and (b), any vote shall be held entirely or partially, as applicable, by means of a telephonic, electronic, virtual or other communication method that has been made available for that purpose.
- (2) Any vote at a meeting of Trust Unitholders may be carried out by means of a telephonic, electronic, virtual or other communication method, only if such facility enables the votes to be gathered in a manner that permits their subsequent verification.
- (3) ~~A Person~~A person participating in a meeting of Trust Unitholders by way of telephonic, electronic, virtual or other communication method made available for that purpose is deemed to be present at the meeting for all purposes, including quorum.

Section 6.4 Notice of Meeting of Trust Unitholders.

- (1) Notice of all meetings of the Trust Unitholders entitled to vote shall be provided by the Trustees to CDS or to each Trust Unitholder entitled to vote at his, her or its address appearing in the Register or as otherwise permitted under this Declaration of Trust, to each Trustee and to the auditors of the Trust not less than 21 and no more than 60 days before the meeting.
- (2) If a meeting is adjourned for less than thirty days it is not necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a meeting of Trust Unitholders is adjourned by one or more adjournments for an

aggregate of thirty days or more, notice of the adjourned meeting shall be given as for an original meeting.

- (3) All business to be conducted at a special meeting of Trust Unitholders, as applicable, except consideration of the financial statements, auditor's report, election of Trustees and re-appointment of the incumbent auditor, is deemed to be special business. Notice of a meeting of Trust Unitholders entitled to vote at which special business is to be transacted shall state (i) the nature of the business in sufficient detail to permit a Trust Unitholder entitled to vote to form a reasonable judgment thereon, and (ii) the text of any Extraordinary Resolution.

Section 6.5 Quorum; Chairman.

A quorum for any meeting of Trust Unitholders shall be individuals present in person or by electronic means, as applicable, not being less than two in number and being Trust Unitholders representing by proxy Trust Unitholders who hold in the aggregate not less than 25% of the total number of outstanding Trust Units entitled to vote thereon. If a quorum is present at the opening of a meeting of Trust Unitholders, the Trust Unitholders present may proceed with the business of the meeting, notwithstanding that a quorum is not present, in person or by electronic means, as applicable, throughout the meeting. If a quorum is not present at the opening of a meeting of Trust Unitholders, the Chairman or the Trust Unitholders present may adjourn the meeting to a fixed time and place, as applicable, but may not transact any other business. The Chairman, or any Trustee determined by the Trustees, shall be the chairman of any meeting of the Trust Unitholders.

Section 6.6 Voting.

Holders of Trust Units entitled to vote at a meeting may attend and vote at all meetings of the Trust Unitholders either in person, by electronic means, as applicable, or by proxy. Each Trust Unit entitled to vote at a meeting shall be entitled to one vote at all meetings of the Trust Unitholders. Unitholders and Special Unitholders shall be entitled to vote at all meetings of Unitholders, Preferred Unitholders and Special Unitholders, except at a meeting of the Preferred Unitholders as contemplated in Section 6.8(3). Any action to be taken by the Trust Unitholders shall, except as otherwise required by this Declaration of Trust or by law, be authorized when approved by Ordinary Resolution. The Chairman of any such meeting shall not have a second or casting vote.

Section 6.7 Voting Units Held by Trust.

- (1) If the Trust holds any Trust Units, the Trust shall not vote or permit those Trust Units to be voted unless:
 - (a) the Trust holds the Trust Units in the capacity of a personal representative;
 - (b) the Trust, without delay following the filing or receipt by the Trust, as applicable, of the notice of the meeting, financial statements, management proxy circular, dissident's proxy circular and any other documents (other than the form of proxy) provided to registered Trust Unitholders entitled to vote at the applicable meeting

by or on behalf of any person for use in connection with the applicable meeting, provides a copy of the document to the beneficial owner of the Trust Units and, except where the Trust has received written voting instructions from the beneficial owner of the Trust Units, as applicable, a written request for such instructions; and

- (c) the Trust receives written voting instructions from the beneficial owner of the Trust Units;

in which case the Trust shall vote, or appoint a proxyholder to vote, any such Trust Units in accordance with any written voting instructions received from the beneficial owner thereof.

- (2) A Trust Unitholder by or on behalf of whom a solicitation is made shall provide, at the request of the Trust, without delay, to the Trust at the Trust Unitholder's expense the necessary number of copies of the documents referred to in Section 6.7(1), other than copies of the document requesting voting instructions.
- (3) If a beneficial owner of Trust Units held by the Trust so requests and provides the Trust with appropriate documentation, the Trust must appoint the beneficial owner or a nominee of the beneficial owner as proxyholder.
- (4) The failure of the Trust to comply with this Section 6.7 does not render void any meeting of Trust Unitholders or any action taken at the meeting.
- (5) Nothing in this Section gives the Trust the right to vote Trust Units that the Trust is otherwise prohibited from voting.
- (6) The Trust shall not permit any of its Subsidiaries holding Trust Units to vote, or permit those Trust Units to be voted, unless the Subsidiary satisfies the requirements of Section 6.7(1).

Section 6.8 Matters on which Trust Unitholders Shall Vote.

None of the following shall occur unless the same has been duly approved by the Trust Unitholders (as provided in Section 12.2, Section 12.3 and Section 13.2, as applicable) entitled to vote at a meeting duly called and held:

- (1) except as provided in Section 2.2, Section 2.4, Section 2.5 or Section 2.6, the appointment, election or removal of Trustees;
- (2) except as provided in Section ~~16.5~~~~16.4~~, the appointment or removal of auditors of the Trust;
- (3) any amendment to the Declaration of Trust (except as provided in Section 4.4 or Section 12.1) and except for any amendment resulting from or in connection with the issuance of any new series of Preferred Units or the conversion or reclassification of one series of Preferred Units into another series); provided that holders of Preferred Units shall not be entitled to vote on any amendment which directly or indirectly adds, removes or changes

any of the rights, privileges, restrictions and conditions in respect of the Units; and further provided that any amendment which directly or indirectly adds, removes or changes in an adverse manner any of the rights, privileges, restrictions and conditions in respect of any series of Preferred Units cannot occur without the affirmative vote of an Extraordinary Resolution at a duly called and held meeting of the holders of Preferred Units of that series or those series so affected, except for in connection with the issuance of any new series of Preferred Units or the conversion or reclassification of one series of Preferred Unit into another series; or

- (4) any termination of this Declaration of Trust.

Nothing in this section, however, shall prevent the Trustees from submitting to a vote of Trust Unitholders any matter which they deem appropriate. Except with respect to the matters specified in this section, Section 12.2, Section 12.3 and Section 13.2 or matters submitted to a vote of the Trust Unitholders by the Trustees, no vote of the Trust Unitholders shall in any way bind the Trustees.

Section 6.9 Record Dates.

For the purpose of determining the Trust Unitholders who are entitled to receive notice of and vote at any meeting or any adjournment thereof, or for the purpose of determining the Unitholders or Preferred Unitholders who are entitled to receive any distribution, or for the purpose of any other action, the Trustees may from time to time, without notice to Trust Unitholders, close the transfer books for such period, not exceeding 30 days, as the Trustees may determine; or without closing the transfer books the Trustees may fix a date not more than 60 days prior to the date of any meeting of the Trust Unitholders or distribution or other action as a record date for the determination of Trust Unitholders entitled to receive notice of and to vote at such meeting or any adjournment thereof or (in the case of Unitholders and Preferred Unitholders only) to receive such distribution or to be treated as Trust Unitholders of record for purposes of such other action, and any Trust Unitholder who was a Trust Unitholder at the time so fixed shall be entitled to receive notice of and vote at such meeting or any adjournment thereof or (in the case of Unitholders and Preferred Unitholders only) to receive such distribution, even though he, she or it has since that date disposed of his, her or its Trust Units, and no Trust Unitholder becoming such after that date shall be entitled to receive notice of and vote at such meeting or any adjournment thereof or (in the case of Unitholders and Preferred Unitholders only) to receive such distribution or to be treated as a Trust Unitholder of record for purposes of such other action.

Section 6.10 Court Requisitioned Meetings.

- (1) A Trust Unitholder may apply to a court to order a meeting of the Trust Unitholders to be called, held and conducted in the manner that the court directs, if:
- (a) it is impracticable to call the meeting within the time or in the manner in which those meeting are to be called pursuant to this Declaration of Trust;
 - (b) it is impracticable to conduct the meeting in the manner required by this Declaration of Trust; or

- (c) the court thinks that the meeting should be called, held and conducted within the time or in the manner it directs for any other reason.
- (2) Without restricting the generality of Section 6.10(1), the court may order that the quorum required by this Declaration of Trust be varied or dispensed with at a meeting called, held and conducted pursuant to this Section.
- (3) A meeting called, held and conducted pursuant to this Section is for all purposes a meeting of Trust Unitholders, duly called, held and conducted.

Section 6.11 Proxies.

- (1) Whenever the vote or consent of Trust Unitholders is required or permitted under this Declaration of Trust, such vote or consent may be given either directly by the Trust Unitholder or by means of a proxy appointing a proxyholder or one or more alternate proxyholders who are not required to be a Trust Unitholder, to attend and act at a meeting of Trust Unitholders in the manner and to the extent authorized by the proxy and the authority conferred by the proxy. A proxy shall be executed, or, in Quebec, signed by the Trust Unitholder or by the Trust Unitholder's personal representative authorized in writing. A proxy is valid only at the meeting in respect of which it is given or any adjournment thereof. The Trustees may solicit such proxies from the Trust Unitholders or any of them in any matter requiring or permitting the Trust Unitholders' vote, approval or consent. The Trustees may adopt, amend or repeal such rules relating to the appointment of proxyholders and the solicitation, execution, validity, revocation and deposit of proxies, as they in their discretion from time to time determine.
- (2) A Trust Unitholder may revoke a proxy:
 - (a) by depositing an instrument or act in writing executed, or, in Quebec, signed by the Trust Unitholder or by the Trust Unitholder's personal representative authorized in writing:
 - (i) at the principal office of the Trust at any time up to and including the last business day preceding the day of the meeting, or an adjournment thereof, at which the proxy is to be used; or
 - (ii) with the chairman of the meeting on the day of the meeting or any adjournment thereof; or
 - (b) in any other manner permitted by law.
- (3) The Trustees may specify in a notice calling a meeting of Trust Unitholders a time not exceeding forty-eight hours, excluding Saturdays and holidays, before the meeting or adjournment before which time proxies to be used at the meeting must be deposited with the Trust or its agent or mandatary in order to be voted at the meeting. In any event, no

proxy shall be voted at any meeting unless it shall have been received by the Trust or its agent or mandatary prior to the commencement of the meeting.

Section 6.12 Resolution in Lieu of Meeting.

A resolution signed in writing by all of the Trust Unitholders entitled to vote on that resolution at a meeting of Trust Unitholders is as valid as if it had been passed at a meeting of Trust Unitholders.

**ARTICLE 7
MEETINGS OF THE TRUSTEES**

Section 7.1 Trustees May Act Without Meeting.

The Trustees may act with or without a meeting. Any action of the Trustees may be taken at a meeting by vote or without a meeting by written consent signed by all of the Trustees.

Section 7.2 Notice of Meeting.

Meetings of the Trustees may be held from time to time upon the giving of notice by the President, the Secretary or other officer of the Trust or any two Trustees. Regular meetings of the Trustees may be held without call or notice at a time and place fixed by the Trustees' Regulations. Notice of the time and place of any other meetings shall be mailed or otherwise given not less than 48 hours before the meeting but may be waived in writing by any Trustee either before or after such meeting. The attendance of a Trustee at a meeting shall constitute a waiver of notice of such meeting except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened. Each committee of Trustees appointed by the Trustees may adopt its own rules or procedures for the calling, conduct, adjournment and regulation of the meetings of such committees as it sees fit and may amend or repeal such rules or procedures from time to time; provided, however, that the Trustees' Regulations and any such rules or procedures shall not be inconsistent with this Declaration of Trust.

Section 7.3 Quorum.

A quorum for all meetings of the Trustees or any committee thereof shall be a majority of the Trustees or of the Trustees on such committee, as the case may be, present in person, at least one of whom shall be an Independent Trustee, provided that if an Independent Trustee is not present, the meeting shall be adjourned to a business day, on notice to all of the Trustees or members of such committee, as the case may be, and, at the reconvened meeting, the presence of a majority of the Trustees or members of such committee, as the case may be, is required in order to constitute a quorum.

Section 7.4 Voting at Meetings.

Questions arising at any meeting of the Trustees shall be decided by a majority of the votes cast; provided, however, that the approval required with respect to any Independent Trustee Matter shall be that of a majority of the votes cast of the Independent Trustees. In the case of an

equality of votes, the chairman of the meeting, who shall be the Chairman if present, shall not have a second or casting vote in addition to his or her original vote, if any.

Section 7.5 Meeting by Telephone.

Any Trustee may participate in a meeting of the Trustees or any committee thereof by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear and speak to each other and a Trustee so participating shall be considered for the purposes of this Declaration of Trust to be present in person at that meeting.

ARTICLE 8 DELEGATION OF POWERS

Section 8.1 General.

The Trustees may appoint from among their number a committee or committees of Trustees and may delegate to such committee or committees any of the powers of the Trustees. The Trustees shall have the power to appoint, employ or contract with any person for any matter relating to the Trust or its assets or affairs. The Trustees may grant or delegate such authority to the officers of the Trust as set out in Section 3.2(10) as the Trustees may, in their sole discretion, deem necessary or desirable without regard to whether such authority is normally granted or delegated by trustees. In no event shall the Trustees delegate authority with respect to any Independent Trustee Matter. Furthermore, the Trustees may not delegate to any managing Trustee or any committee of Trustees or any officer the authority to: (i) submit to the Trust Unitholders any question or matter requiring the approval of the Trust Unitholders; (ii) fill a vacancy among the Trustees, or appoint additional Trustees; (iii) issue Trust Units except as authorized by the Trustees; (iv) declare distributions; (v) approve a proxy circular; (vi) approve a take-over bid circular or directors' circular; (vii) approve the annual financial statements of the Trust; or (viii) adopt, amend or repeal the by-laws of the Trust, if any, or amend this Declaration of Trust. The Trustees shall have the power to grant powers of attorney as required in connection with any financing or security relating thereto.

Section 8.2 Investment Committee.

The Trustees shall appoint an investment committee (the "**Investment Committee**") to consist of not less than three Trustees, a majority of whom shall be Independent Trustees and shall have had at least five years of substantial experience in the real estate industry. The duties of the Investment Committee may be changed by the Trustees from time to time and shall be subject to such authority as may be delegated from time to time to officers of the Trust without requiring the approval of or review by the Trustees or the Investment Committee. The duties of the Investment Committee will be, unless delegated by the Trustees to officers of the Trust, to: (i) review all investment and financing proposals for the Trust; (ii) where the approval of the Trustees is required, recommend to the Trustees approval or rejection of proposed transactions by the Trust (including acquisitions and dispositions of investments by the Trust); (iii) where the approval of the Investment Committee is required, approve or reject proposed transactions by the Trust (including acquisitions and dispositions of investments by the Trust); and (iv) approve

all proposed borrowings and the assumption or granting of any mortgage or other security interest in real property. Questions arising at any meeting of the Investment Committee shall be decided by a majority of the votes cast. Decisions may be taken by written consent signed by all of the members of the Investment Committee. Any member of the Investment Committee may call a meeting of the Investment Committee upon not less than 48 hours' notice. Where for any reason a member of the Investment Committee is disqualified from voting on or participating in a decision, any other disinterested Independent Trustee not already a member of the Investment Committee may be designated by the Trustees to act as an alternate. Notwithstanding the appointment of the Investment Committee and the granting of any authority thereto, the Trustees may consider and approve or disapprove any matter which the Investment Committee has the authority to consider or approve.

Section 8.3 Audit Committee.

The Trustees shall appoint an audit committee (the "**Audit Committee**") to consist of not less than three Trustees, all of whom shall be Independent Trustees (subject to any applicable exceptions in National Instrument 52-110). The Audit Committee shall review the financial statements of the Trust and report thereon to the Trustees. The auditors of the Trust are entitled to receive notice of every meeting of the Audit Committee and, at the expense of the Trust, to attend and be heard thereat and, if so requested by a member of the Audit Committee, shall attend any meeting of the Audit Committee held during the term of office of the auditors. Questions arising at any meeting of the Audit Committee shall be decided by a majority of the votes cast. Decisions may be taken by written consent signed by all of the members of the Audit Committee. The auditors of the Trust or a member of the Audit Committee may call a meeting of the Audit Committee on not less than 48 hours' notice.

Section 8.4 Governance and Nominating Committee.

The Trustees shall appoint a governance and nominating committee (the "**Governance and Nominating Committee**") to consist of not less than three Trustees, all of whom shall be Independent Trustees. The duties of the Governance and Nominating Committee will be to review matters relating to the governance of the Trust including the nomination of trustees. Questions arising in any meeting of the Governance and Nominating Committee shall be decided by a majority of the votes cast. Decisions may be taken by written consent signed by all of the members of the Governance and Nominating Committee. Any member of the Governance and Nominating Committee may call a meeting of the Governance and Nominating Committee upon not less than 48 hours' notice. Where for any reason a member of the Governance and Nominating Committee is disqualified from voting on or participating in a decision, any other disinterested Independent Trustee not already a member of the Governance and Nominating Committee may be designated by the Trustees to act as an alternate. Notwithstanding the appointment of the Governance and Nominating Committee, the Trustees may consider and approve or disapprove any matter which the Governance and Nominating Committee has the authority to consider or approve.

Section 8.5 Human Resources and Compensation Committee.

The Trustees shall appoint a human resources and compensation committee (the "**Human Resources and Compensation Committee**") to consist of not less than three Trustees, all of whom

shall be Independent Trustees. The duties of the Human Resources and Compensation Committee will be to review matters relating to human resources, including compensation of trustees and officers of the Trust. Questions arising in any meeting of the Human Resources and Compensation Committee shall be decided by a majority of the votes cast. Decisions may be taken by written consent signed by all of the members of the Human Resources and Compensation Committee. Any member of the Human Resources and Compensation Committee may call a meeting of the Human Resources and Compensation Committee upon not less than 48 hours' notice. Where for any reason a member of the Human Resources and Compensation Committee is disqualified from voting on or participating in a decision, any other disinterested Independent Trustee not already a member of the Human Resources and Compensation Committee may be designated by the Trustees to act as an alternate. Notwithstanding the appointment of the Human Resources and Compensation Committee, the Trustees may consider and approve or disapprove any matter which the Human Resources and Compensation Committee has the authority to consider or approve.

ARTICLE 9 DISSENT RIGHTS

Section 9.1 Dissent Rights

- (1) A Trust Unitholder entitled to vote at a meeting of Trust Unitholders who complies with this Section 9.1, may dissent if the Trust resolves to:
 - (a) sell, lease or exchange all or substantially all of the property and assets of the Trust
 - (b) carry out a going-private transaction; or
 - (c) amend this Declaration of Trust to (A) add, change or remove (i) any provision restricting or constraining the issue, transfer or ownership of Units, (ii) any restriction on the business that the Trust may carry on, or (iii) the rights, privileges, restrictions or conditions attached to the Units of the class held by the dissenting Unitholder, (B) increase the rights or privileges of any class of units having rights or privileges equal or superior to the class of Units held by the dissenting Unitholder, (C) create a new class of units equal to or superior to the Units of the class held by the dissenting Unitholder, (D) make any class of units having rights or privileges inferior to the class of Units held by the dissenting Unitholder superior to that class, or (E) effect an exchange or create a right of exchange in all or part of a class of Units into the class of Units held by the dissenting Unitholder; for greater certainty, excluding the issuance of any series of Preferred Units or the conversion or reclassification of one series of Preferred Unit into another series.
- (2) In addition to any other right a Trust Unitholder may have, a Trust Unitholder who complies with this Section 9.1 is entitled, when the action approved by the resolution from which the Trust Unitholder dissents becomes effective, to be paid by the Trust the fair value of the Trust Units held by the Trust Unitholder in respect of which the Trust

Unitholder dissents, determined as of the close of business on the day before the resolution was adopted.

- (3) A dissenting Trust Unitholder may only claim under this Section 9.1 with respect to all the Trust Units held by the dissenting Trust Unitholder on behalf of any one beneficial owner and registered in the name of the Trust Unitholder.
- (4) A dissenting Trust Unitholder shall send to the Trust, at or before any meeting of Trust Unitholders at which a resolution referred to in this Section 9.1 is to be voted on, a written objection to the resolution, unless the Trust did not give notice to the Trust Unitholder of the purpose of the meeting and of the Trust Unitholder's right to dissent.
- (5) The Trust shall, within ten days after the Trust Unitholders adopt the resolution, send to each Trust Unitholder who has filed the objection referred to in Section 9.1(4) notice that the resolution has been adopted, but such notice is not required to be sent to any Trust Unitholder who voted for the resolution or who has withdrawn its objection.
- (6) A dissenting Trust Unitholder shall, within twenty days after receiving a notice under Section 9.1(5) or, if the Trust Unitholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the Trust a written notice containing:
 - (a) the Trust Unitholder's name and address;
 - (b) the number of, and class/series of, Trust Units in respect of which the Trust Unitholder dissents; and
 - (c) a demand for payment of the fair value of such Trust Units.
- (7) A dissenting Trust Unitholder shall, within thirty days after the sending of a notice under Section 9.1(6), send the certificates, if any, representing the Trust Units in respect of which the Trust Unitholder dissents to the Trust or its Transfer Agent.
- (8) A dissenting Trust Unitholder who fails to comply with Section 9.1(7) has no right to make a claim under this Section 9.1.
- (9) The Trust or its Transfer Agent shall endorse on any certificate received under Section 9.1(7) a notice that the holder is a dissenting Trust Unitholder under this Section 9.1 and shall return forthwith such certificates to the dissenting Trust Unitholder.
- (10) On sending a notice under Section 9.1(6), a dissenting Trust Unitholder ceases to have any rights as a Trust Unitholder other than the right to be paid the fair value of its Trust Units as determined under this Section 9.1 except where:
 - (a) the Trust Unitholder withdraws that notice before the Trust makes an offer under Section 9.1(11);

- (b) the Trust fails to make an offer in accordance with Section 9.1(11) and the dissenting Trust Unitholder withdraws the notice; or
- (c) the Trustees revoke the resolution which gave rise to the dissent rights under this Section 9.1, and to the extent applicable, terminate the related agreements or abandon a sale, lease or exchange to which the resolution relates,

in which case the Trust Unitholder's rights are reinstated as of the date the notice under Section 9.1(6) was sent.

- (11) The Trust shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the Trust received the notice referred to in Section 9.1(6), send to each dissenting Trust Unitholder who has sent such notice a written offer to pay for the dissenting Trust Unitholder's Trust Units, in an amount considered by the Trustees to be the fair value, accompanied by a statement showing how the fair value was determined.
- (12) Every offer made under Section 9.1(11) for Trust Units of the same class or series shall be on the same terms.
- (13) The Trust shall pay for the Trust Units of a dissenting Trust Unitholder within ten days after an offer made under Section 9.1(11) has been accepted, but any such offer lapses if the Trust does not receive an acceptance thereof within thirty days after the offer has been made.
- (14) Where the Trust fails to make an offer under Section 9.1(11), or if a dissenting Trust Unitholder fails to accept an offer, the Trust may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the Trust Units of any dissenting Trust Unitholder.
- (15) If the Trust fails to apply to a court under Section 9.1(14), a dissenting Trust Unitholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.
- (16) The court where an application under Section 9.1(14) or Section 9.1(15) may be made is a court having jurisdiction in the place where the Trust has its registered office or in the province where the dissenting Trust Unitholder resides if the Trust carries on business in that province.
- (17) A dissenting Trust Unitholder is not required to give security for costs in an application made under Section 9.1(14) or Section 9.1(15).
- (18) On an application under Section 9.1(14) or Section 9.1(15):
 - (a) all dissenting Trust Unitholders whose Trust Units have not been purchased by the Trust shall be joined as parties and bound by the decision of the court; and

- (b) the Trust shall notify each affected dissenting Trust Unitholder of the date, place and consequences of the application and of the dissenting Trust Unitholder's right to appear and be heard in person or by counsel.
- (19) On an application to a court under Section 9.1(14) or Section 9.1(15), the court may determine whether any other person is a dissenting Trust Unitholder who should be joined as a party, and the court shall fix a fair value for the Trust Units of all dissenting Trust Unitholders.
- (20) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the Trust Units of the dissenting Trust Unitholders.
- (21) The final order of a court in the proceedings commenced by an application under Section 9.1(14) or Section 9.1(15) shall be rendered against the Trust in favour of each dissenting Trust Unitholder and for the amount of the Trust Units as fixed by the court.
- (22) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting Trust Unitholder from the date the action approved by the resolution is effective until the date of payment.
- (23) If subsection (25) applies, the Trust shall, within ten days after the pronouncement of an order under subsection (21), notify each dissenting Trust Unitholder that it is unable lawfully to pay dissenting Trust Unitholders for their Trust Units, as applicable.
- (24) If subsection (25) applies, a dissenting Trust Unitholder, by written notice delivered to the Trust within thirty days after receiving a notice under subsection (23), may:
 - (a) withdraw their notice of dissent, in which case the Trust is deemed to consent to the withdrawal and the Trust Unitholder is reinstated to their full rights as a Trust Unitholder, as applicable; or
 - (b) retain a status as a claimant against the Trust, to be paid as soon as the Trust is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the Trust but in priority to its Trust Unitholders.
- (25) A Trust shall not make a payment to a dissenting Trust Unitholder under this section if there are reasonable grounds for believing that:
 - (a) the Trust is or would after the payment be unable to pay its liabilities as they become due; or
 - (b) the realizable value of the Trust's assets would thereby be less than the aggregate of its liabilities.

ARTICLE 10 DISTRIBUTIONS

Section 10.1 Distributions.

Income of the Trust to be distributed to Unitholders or Preferred Unitholders on each Distribution Date (each a “**Distribution**” and collectively, the “**Distributions**”) shall be determined by the Trustees and computed on or before each Distribution Date in respect of the calendar month ending immediately prior to each Distribution Date.

The Trust shall distribute to Unitholders monthly Distributions calculated and determined in accordance with this Section 10.1. Distributions may be adjusted for amounts paid in prior periods. Unitholders of record at the close of business on the Distribution Record Date in respect of a month shall be entitled to receive proportionately any Distribution declared payable by the Trustees for such month, subject to the preferential entitlements of Preferred Unitholders. The Distribution for any month shall be paid on the applicable Distribution Date. Distributions shall be made in cash or Units pursuant to any distribution reinvestment plan or Unit purchase plan adopted by the Trustees pursuant to Section ~~10.7~~^{10.6}. The Trustees, if they so determine when income has been earned but not collected may, on a temporary basis, transfer sufficient monies from the capital to the income account of the Trust to permit Distributions under this Section 10.1.

The Trust shall pay or declare payable to holders of Preferred Units of ~~each~~^{any} series as may from time to time be issued and outstanding, and the holders of such Preferred Units will have a right to receive, such portion of the income of the Trust as the Trustees have determined to distribute to such holders of such series of Preferred Units or as prescribed by the rights, privileges, restrictions and conditions established by the Trustees on the creation of such series of Preferred Units. For so long as any Preferred Units remain issued and outstanding, the Trust shall not pay or declare payable any amount pursuant to this Section 10.1 to holders of Units (other than amounts that are paid solely through the issuance of additional Units) unless and until ~~the~~^{any outstanding and unpaid} distribution entitlements of the Preferred Units have been paid in full.

Section 10.2 Allocation.

Except as otherwise provided in the terms of a particular series of Preferred Units as fixed by the Trustees in accordance with Section 5.3(1), income and net taxable capital gains for purposes of the *Income Tax Act* (Canada) will be allocated to Unitholders and Preferred Unitholders in the same proportions as Distributions received by Unitholders and Preferred Unitholders, subject to the discretion of the Trustees to adopt an allocation method which the Trustees consider to be more reasonable in the circumstances.

Section 10.3 Special Distributions

In addition to the Distributions that are declared payable to Unitholders pursuant to Section 10.1, the Trustees may declare payable and/or make special distributions, from time to time, out of, but not limited to, the income of the Trust, the net realized capital gains of the Trust, the net recapture income of the Trust, the capital of the Trust or otherwise, including with respect to Retained Securities held by the Trust or any Subsidiary of the Trust, in any year, in such amount or amounts, and on such dates as the Trustees may determine, to Unitholders of record on such

date as is fixed by the Trustees in accordance with Section 6.9 (the “**Special Distribution**”). The Trustees may, in their discretion, determine that any Special Distributions payable pursuant to this Section 10.3 may be paid wholly or partially in cash, Units or Retained Securities or any combination of cash, Units or Retained Securities.

The Trust shall pay or declare payable to holders of Preferred Units of each series as may from time to time be issued and outstanding, and the holders of such Preferred Units will have a right to receive, such portion of the cash, Units or Retained Securities or any combination of cash, Units or Retained Securities distributed pursuant to the Special Distribution as the Trustees have determined to distribute to such holders of Preferred Units as prescribed by the rights, privileges, restrictions and conditions established by the Trustees on the creation of such series of Preferred Units. For so long as any Preferred Units remain issued and outstanding, the Trust shall not pay or declare payable any amount pursuant to this Section 10.3 to holders of Units (other than amounts that are paid solely through the issuance of additional Units) unless and until the distribution entitlements of the Preferred Units have been paid in full.

Section 10.4 ~~Section 10.3~~ Payment of Distributions.

Distributions shall be made by cheque payable to or to the order of the Unitholder or Preferred Unitholder or by such other manner of payment approved by the Trustees from time to time. The payment, if made by cheque, shall be conclusively deemed to have been made upon hand-delivery of a cheque to the Unitholder or Preferred Unitholder or to his, her or its agent duly authorized in writing or upon the mailing of a cheque by prepaid first-class mail addressed to the Unitholder or Preferred Unitholder at his, her or its address as it appears on the Register unless the cheque is not paid on presentation. The Trustees may issue a replacement cheque if they are satisfied that the original cheque has not been received or has been lost or destroyed upon being furnished with such evidence of loss, indemnity or other document in connection therewith that they may in their discretion consider necessary.

The payment of the Special Distribution pursuant to Section 10.3, if made in or partially comprised of Retained Securities, shall, with respect to such Retained Securities, be conclusively deemed to have been made upon delivery of the Retained Securities to the Trust Unitholder, as applicable, or to his or her agent duly authorized in writing, or, if the Retained Securities are redeemable in accordance with their terms, to an agent appointed by the Trustees to hold such Retained Securities pending such redemption.

Section 10.5 ~~Section 10.4~~ Income Tax Matters.

In reporting income for income tax purposes the Trust shall claim the maximum amount available to it as deductions under the relevant law, including but not limited to maximum capital cost allowance, unless the Trustees determine otherwise.

Section 10.6 ~~Section 10.5~~ Designations.

The Trustees shall make such designations for income tax purposes in respect of amounts paid or payable to Unitholders or Preferred Unitholders for such amounts that the Trustees consider to be reasonable, including designations relating to taxable dividends received by the

Trust in the year on shares of taxable Canadian corporations, net taxable capital gains of the Trust in the year and foreign source income of the Trust for the year.

Section 10.7 ~~Section 10.6~~ Distribution Reinvestment and Unit Purchase Plan.

Subject to any required regulatory approvals, the Trustees may in their sole discretion establish one or more distribution reinvestment plans, distribution reinvestment and Unit purchase plans or Unit option plans at any time and from time to time.

**ARTICLE 11
FEES AND EXPENSES**

Section 11.1 Expenses.

The Trust shall pay all expenses incurred in connection with the administration and management of the Trust and its investments, including without limitation, interest and other costs of borrowed money, fees of auditors, lawyers, appraisers, Registrars and Transfer Agents and other agents, stock exchanges, consultants and professional advisors employed by or on behalf of the Trust, fees and expenses of the Trustees, fees and expenses connected with the acquisition, disposition or ownership of real property interest or mortgage loans or other property, insurance as considered necessary by the Trustees (including liability insurance for the Trustees and holders of Trust Units), expenses in connection with payments of Distributions on Units or Preferred Units of the Trust, expenses in connection with communications to Trust Unitholders and other bookkeeping and clerical work necessary in maintaining relations with Trust Unitholders, the cost of any accounting, statistical or bookkeeping equipment necessary for the maintenance of the books and records of the Trust, expenses of changing or terminating the Trust, all fees, expenses, taxes and other costs incurred in connection with the issuance, distribution, transfer and qualification for distribution to the public of the Trust Units and other required governmental filings, and all costs and expenses in connection with the incorporation, organization and maintenance of corporations formed to hold real property or other property of the Trust.

Section 11.2 Payment of Real Property and Brokerage Commissions.

The Trust may pay real property and brokerage commissions at commercial rates in respect of the acquisition and disposition of any investment acquired or disposed of by it. Such commissions may be paid to an advisor or a property manager or to others.

Section 11.3 Advisory, Administrative and Management Fees.

The Trust may pay advisory fees, administrative fees and management fees in respect of such advisory, administrative and management services as are rendered to the Trust. Such fees may be paid to an advisor or to others.

Section 11.4 Property Management, Leasing and Financing Fees.

The Trust may pay property management fees, leasing fees and financing fees in respect of any real property owned by it. Such fees may be paid to an advisor or a property manager or to others.

ARTICLE 12
AMENDMENTS TO THE DECLARATION OF TRUST

Section 12.1 Amendments by the Trustees.

The Trustees may make the following amendments to this Declaration of Trust in their sole discretion and without the approval of Trust Unitholders:

- (1) amendments for the purpose of ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustees or over the Trust, its status as a “mutual fund trust”, a “registered investment”, or, if applicable, a “real estate investment trust” under the *Income Tax Act* (Canada) or the distribution of its Trust Units;
- (2) amendments which, in the opinion of the Trustees, provide additional protection for Trust Unitholders;
- (3) amendments which, in the opinion of the Trustees, are necessary or desirable to remove conflicts or inconsistencies in the Declaration of Trust;
- (4) amendments of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest omissions or errors which amendments in the opinion of the Trustees are necessary or desirable and not prejudicial to the Trust Unitholders;
- (5) such amendments to the Declaration of Trust as the Trustees in their discretion deem necessary or desirable as a result of changes in the taxation laws or accounting standards from time to time which may affect the Trust, the Trust Unitholders or annuitants under a plan of which a Trust Unitholder acts as trustee or carrier;
- (6) amendments which in the opinion of the Trustees are not prejudicial to Trust Unitholders and are necessary or desirable (which, for greater certainty, exclude amendments in respect of which a Trust Unitholder vote is specifically otherwise required); and
- (7) amendments which in the opinion of the Trustees are necessary or desirable to enable the Trust to issue Trust Units for which the purchase price is payable on an instalment basis, as permitted pursuant to Section 5.4 hereof.

Section 12.2 Amendments by Unitholders and Special Unitholders.

Subject to Section 6.8(3), Section 12.1 and Section 12.3, this Declaration of Trust may be amended by Ordinary Resolution.

Section 12.3 Extraordinary Resolution of Trust Unitholder Vote.

Subject to Section 6.8(3), none of the following shall occur unless the same has been duly approved by Extraordinary Resolution:

- (1) any amendment to this Section 12.3;

- (2) any amendment to change a right with respect to any outstanding Units or Preferred Units of the Trust to reduce the amount payable thereon upon termination of the Trust or to diminish or eliminate any voting rights pertaining thereto;
- (3) any termination of the Trust as provided for in Section 13.2;
- (4) any amendment to the duration or termination provisions of the Trust;
- (5) any amendment relating to the powers, duties, obligations, liabilities or indemnification of the Trustees;
- (6) any sale or transfer of the assets of the Trust as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the Trust as approved by the Trustees); or
- (7) any amendment to Section 4.1 or Section 4.2, except for any amendment contemplated by Section 12.1(6).

ARTICLE 13

TERMINATION OF THE TRUST

Section 13.1 Duration of the Trust.

Unless the Trust is sooner terminated as otherwise provided herein, the Trust shall continue in full force and effect so long as any property of the Trust is held by the Trustees, and the Trustees shall have all the powers and discretions, expressed and implied, conferred upon them by law or by this Declaration of Trust.

Section 13.2 Termination by Trust Unitholders.

The Trust may be terminated by Extraordinary Resolution.

Section 13.3 Effect of Termination.

Upon the termination of the Trust, the liabilities of the Trust shall be discharged with due speed and the net assets of the Trust shall be liquidated and the proceeds distributed to holders of issued and outstanding Preferred Units in accordance with the rights, privileges, restrictions and conditions attached to the Preferred Units, with the remaining balance of the proceeds distributed proportionately to the Unitholders. Such distribution may be made in cash or in kind or partly in each, all as the Trustees in their sole discretion may determine.

ARTICLE 14

LIABILITIES OF THE TRUSTEES AND OTHERS

Section 14.1 Liability and Indemnification of the Trustees.

The Trustees shall at all times be indemnified and saved harmless out of the property of the Trust from and against all liabilities, damages, losses, debts, claims, suits, actions, proceedings whatsoever, including costs, charges and expenses in connection therewith, sustained, incurred,

brought, commenced or prosecuted against them for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of their duties as Trustees and also from and against all other liabilities, damages, losses, debts, claims, suits, actions, proceedings, costs, charges, and expenses which they sustain or incur in or about or in relation to the affairs of the Trust. Further, the Trustees shall not be liable to the Trust or to any Trust Unitholder or annuitant for any loss or damages relating to any matter regarding the Trust, including any loss or diminution in the value of the Trust or its assets. The foregoing provisions of this Section 14.1 in favour of any Trustee do not apply unless:

- (1) the Trustee acted honestly and in good faith with a view to the best interests of the Trust and the Trust Unitholders; and
- (2) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Trustee had reasonable grounds for believing his conduct was lawful.

Section 14.2 Liability of the Trustees.

The Trustees shall not be liable to the Trust or to any Trust Unitholder, annuitant or any other person for the acts, omissions, receipts, neglects or defaults of any person or engaged by it as permitted hereunder, or for joining in any receipt or act of conformity or for any loss, damage or expense caused to the Trust through the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Trust shall be paid out or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation with whom or which any monies, securities or property of the Trust shall be lodged or deposited, or for any loss occasioned by error in judgment or oversight on the part of the Trustees, or for any other loss, damage or misfortune which may happen in the execution by the Trustees of their duties hereunder, except to the extent the Trustees have not acted in accordance with Section 14.1(1) and (2).

Section 14.3 Reliance Upon Advice.

The Trustees may rely and act upon any statement, report or opinion prepared by or any advice received from the auditors, lawyers or other professional advisors of the Trust and shall not be responsible or held liable for any loss or damage resulting from so relying or acting.

Section 14.4 Liability of Unitholders and Others.

- (1) No Trust Unitholder or annuitant under a plan of which a Trust Unitholder acts as trustee or carrier shall be held to have any personal liability as such, and no resort shall be had to, nor shall recourse or satisfaction be sought from, the private property of any Trust Unitholder or annuitant for any liability whatsoever, in tort, contract or otherwise, to any person in connection with the assets or liabilities of the Trust property or the obligations or the affairs of the Trust, including, without limitation, for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Trust or of the Trustees or any obligation which a Trust Unitholder or annuitant would otherwise have to indemnify a Trustee for any personal liability incurred by the Trustee as such, but

rather the assets of the Trust only are intended to be liable and subject to levy or execution for satisfaction of such liability. Each Trust Unitholder and annuitant under a plan of which a Trust Unitholder acts as trustee or carrier shall be entitled to be reimbursed out of the assets of the Trust in respect of any payment of a Trust obligation made by such Trust Unitholder or annuitant. Without limiting the generality of the foregoing, no Trust Unitholder or annuitant under a plan of which a Trust Unitholder acts as trustee or carrier, in its capacity as such, shall be liable to any person for any liability, act or default of the Trustees or the Trust or shall be liable to indemnify the Trustees or any other person with respect to any liabilities of the Trust.

- (2)
 - (a) Any written instrument creating an obligation which is or includes the granting by the Trust of a mortgage; and
 - (b) to the extent the Trustees determine to be practicable and consistent with their fiduciary duty to act in the best interests of the Trust Unitholders, any written instrument which is, in the judgment of the Trustees, a material obligation shall contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of the Trust Unitholders or annuitants under a plan of which a Trust Unitholder acts as trustee or carrier, but the property of the Trust or a specific portion thereof only shall be bound. If the Trust makes any real property investment subject to existing contractual obligations, including obligations under mortgages, the Trustees shall use all reasonable efforts to have any such obligations modified so as to achieve the aforesaid disavowal of contractual liability. Further, the Trustees shall cause the operations of the Trust to be conducted, with the advice of counsel, in such a way and in such jurisdictions as to avoid, to the extent which they determine to be practicable and consistent with their fiduciary duty to act in the best interests of the Trust Unitholders, any material risk of liability on the Trust Unitholders for claims against the Trust, and shall, to the extent available on terms which they determine to be practicable, including in the cost of premiums, cause the insurance carried by the Trust, to the extent applicable, to cover the Trust Unitholders and annuitants as additional insureds. Any potential liability of the Trustees with respect to their foregoing obligations or their failure to perform the same shall be governed by the provisions of Section 14.1, Section 14.2 and Section 14.3.
- (3) To the extent that, notwithstanding the provisions of this Section 14.4, any Trust Unitholder or annuitant under a plan of which a Trust Unitholder acts as trustee or carrier, in its capacity as such, is determined by a judgment of a court of competent jurisdiction to be, or is otherwise held, personally liable in respect of any of the liabilities of the Trust or is required to indemnify the Trustees or any other person:

- (a) any such judgment, writ of execution or similar process in respect thereof will be enforceable only against, and will be satisfied only out of, the assets of the Trust; and
 - (b) in the event that, notwithstanding subsection (i), the judgment, writ of execution or similar process is enforceable against the Trust Unitholder or annuitant under a plan of which a Trust Unitholder or annuitant acts as trustee or carrier, or the Trust Unitholder or annuitant is otherwise held personally liable, the Trust Unitholder or annuitant will be entitled to indemnity and reimbursement out of the assets of the Trust to the full extent of the liability and for all costs of any litigation or other proceedings in which such liability has been determined, including all fees and disbursements of counsel.
- (4) The rights accruing to a Trust Unitholder and annuitant under a plan of which a Trust Unitholder acts as trustee or carrier under this Section 14.4 and the limitations of a Trust Unitholder's and annuitant's liability set out herein are in addition to, and do not exclude, any other rights or limitations of liability to which such Trust Unitholder or annuitant may be lawfully entitled, pursuant to statute, regulation or otherwise, nor does anything herein contained restrict the right of the Trustees to indemnify or reimburse a Trust Unitholder or annuitant out of the assets of the Trust in any appropriate situation not specially provided herein but, for greater certainty, the Trustees have no liability to reimburse Trust Unitholders or annuitants for taxes assessed against them by reason of or arising out of their ownership of Trust Units or annuity.

ARTICLE 15

REDEMPTION OF UNITS

Section 15.1 Right of Redemption.

Each Unitholder shall be entitled to require the Trust to redeem at any time or from time to time at the demand of the Unitholder all or any part of the Units registered in the name of the Unitholder at the prices determined and payable in accordance with the conditions hereinafter provided.

Section 15.2 Exercise of Redemption Right.

To exercise a Unitholder's right to require redemption under this Article 15, a duly completed and properly executed notice requiring the Trust to redeem Units, in a form approved by the Trustees, together with (i) the certificate or certificates representing the Units to be redeemed or (ii) written instructions as to the number of Units to be redeemed, shall be sent to the Trust at the head office of the Trust.

A Unitholder not otherwise holding a registered Unit ~~certificate~~ Certificate that wishes to exercise the redemption right will be required to obtain a redemption notice form from the Unitholder's investment dealer who will be required to deliver the completed redemption notice form to the Trust and to CDS. No form or manner of completion or execution shall be sufficient unless the same is in all respects reasonably acceptable to the Trustees and is accompanied by any

further evidence that the Trustees may reasonably require with respect to the identity, capacity or authority of the person giving such notice.

Upon receipt by the Trust of the notice to redeem Units, the Unitholder shall thereafter cease to have any rights with respect to the Units tendered for redemption (other than to receive the redemption payment therefor) including the right to receive any distributions thereon which are declared payable to the Unitholders of record on a date which is subsequent to the day of receipt by the Trust of such notice. Units shall be considered to be tendered for redemption on the date that the Trust has received the notice and other required documents or evidence as aforesaid.

Section 15.3 Cash Redemption.

- (1) Subject to Section 15.4, upon receipt by the Trust of the notice to redeem Units in accordance with Section 15.2, the holder of the Units tendered for redemption shall be entitled to receive a price per Unit (hereinafter called the “**Redemption Price**”) equal to the lesser of:
 - (a) 90% of the “market price” of the Units on the principal market on which the Units are quoted for trading during the ten (10) trading day period ending on the date on which the Units are surrendered to the Trust for redemption; and
 - (b) the “closing market price” of the Units on the principal market on which the Units are quoted for trading on the date on which the Units are surrendered to the Trust for redemption.

For the purposes hereof, “**market price**” will be an amount equal to the simple average of the closing price of the Units for each of the ten (10) trading days on the principal market on which the Units are quoted for trading and on which there was a closing price; provided that if the applicable exchange or market does not provide a closing price but only provides the highest and lowest prices of the Units traded on a particular day, the market price shall be an amount equal to the weighted average of the highest and lowest prices for each of the trading days on which there was a trade; and provided further that if there was trading on the applicable exchange or market for fewer than five (5) of the ten (10) trading days, the “market price” shall be the weighted average of the following prices established for each of the ten trading days: the average last bid and last ask prices for each day on which there was no trading; the closing price of the Units for each day that there was trading if the exchange or market provides for a closing price; and the weighted average of the highest and lowest price of the Units for each day that there was trading, if the market provides only the highest and lowest prices of Units traded on a particular day. The “**closing market price**” on a particular day shall be an amount equal to the closing price of the Units if there was a trade on that day and the exchange or market provides a closing price; an amount equal to the weighted average of the highest and lowest prices of Units if there was trading and the exchange or other market provides only the highest and lowest trading prices of Units traded on that day; and the weighted average of the last bid and last ask prices of the Units if there was no trading on that day.

- (2) Subject to Section 15.4 and Section 15.5, the Redemption Price payable in respect of the Units tendered for redemption during any month shall be paid by cheque, drawn on a Canadian chartered bank or a trust company in lawful money of Canada, payable at par to or to the order of the Unitholder who exercised the right of redemption on or before the last day of the calendar month following the month in which the Units are tendered for redemption. Payments made by the Trust of the Redemption Price are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the former Unitholder and/or any party having a security interest unless such cheque is dishonoured upon presentment. Upon such payment, the Trust shall be discharged from all liability to the former Unitholder in respect of Units redeemed.

Section 15.4 No Cash Redemption in Certain Circumstances.

Section 15.3(2) shall not be applicable to Units tendered for redemption by a Unitholder, if:

- (1) the total amount payable by the Trust pursuant to Section 15.3 in respect of such Units and all other Units tendered for redemption prior thereto in the same calendar month exceeds \$50,000—~~“Monthly Limit”~~; provided that the Trustees may, in their sole discretion, waive such limitation in respect of Units tendered for redemption in any calendar month. In the absence of such a waiver for such calendar month, the aggregate Redemption Price payable in respect of Units tendered for redemption in such calendar month in excess of \$50,000 shall be satisfied by the distribution *in specie* of certain securities held by the Trust, as determined by the Trustees and, subject to any applicable regulatory approvals, in accordance with Section 15.5;
- (2) at the time the Units are tendered for redemption, the outstanding Units of the Trust (or, as applicable, instalment receipts) are not listed for trading on a stock exchange or traded or quoted on any other market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Units (or, as applicable, instalment receipts); or
- (3) the normal trading of the outstanding Units (or, as applicable, instalment receipts) is suspended or halted on any stock exchange on which the Units (or, as applicable, instalment receipts) are listed for trading or, if not so listed, on any market on which the Units (or, as applicable, instalment receipts) are quoted for trading, on the date that such Units tendered for redemption are tendered to the Trust for redemption or for more than five (5) trading days during the ten (10) trading day period commencing immediately after the date on which such Units are tendered for redemption.

Section 15.5 Alternative Redemption.

If, pursuant to Section 15.4, Section 15.3(2) is not applicable to Units tendered for redemption by a Unitholder, the Redemption Price per Unit specified in Section 15.3 to which the Unitholder would otherwise be entitled shall, subject to receipt of all necessary regulatory approvals, be paid and satisfied by way of the distribution to such Unitholder of securities issued or held by the Trust or a Subsidiary of the Trust (the “**Securities**”), as determined by the Trustees

in their sole discretion. The Redemption Price payable pursuant to this Section 15.5 in respect of Units tendered for redemption during any month shall, subject to receipt of all necessary regulatory approvals, be paid by transfer of the Securities, to or to the order of the Unitholder who exercised the right of redemption, on the last day of the calendar month following the month in which the Units were tendered for redemption. Payments by the Trust of the Redemption Price are conclusively deemed to have been made, in the case of Securities represented by certificates, upon the mailing of the Securities by registered mail in a postage prepaid envelope addressed to the former Unitholder or in the case of Securities represented electronically, upon CDS crediting interests in such Securities to the account of the former Unitholder. Upon such payment, the Trust shall be discharged from all liability to the former Unitholder in respect of the Units so redeemed. No fractional Securities will be distributed and where a number of Securities to be received by a Unitholder includes a fraction, such number shall be rounded to the next lowest number. The Trust shall be entitled to all income paid or accrued and unpaid on the Securities on or before the date of the distribution *in specie*. Holders of Securities will be subject to the provisions of all material agreements that relate to such Securities. Where the Trust makes a distribution *in specie* pursuant to this Section 15.5, the Trustees may, in their sole discretion, designate to the redeeming Unitholders any income or capital gain realized by the Trust as a result of the distribution of such property to such Unitholders.

Section 15.6 Cancellation of all Redeemed Units.

All Units which are redeemed under this Article 15 shall be cancelled and such Units shall no longer be outstanding and shall not be reissued.

Section 15.7 Subordination.

Following any *in specie* redemption pursuant to the operation of Section 15.5, holders of Securities will be required to acknowledge that they are subject to any applicable subordination agreements as may be determined by the Trustees prior to delivery of such Securities to the Unitholder.

ARTICLE 16 GENERAL

Section 16.1 Execution of Instruments.

The Trustees shall have power from time to time to appoint any Trustee or Trustees or any person or persons on behalf of the Trust either to sign instruments in writing generally or to sign specific instruments in writing. Provisions respecting the foregoing may be contained in the Trustees' Regulations.

Section 16.2 Manner of Providing Notice.

Any notice required or permitted by the provisions of this Declaration of Trust to be provided to a Trust Unitholder, a Trustee or the auditors of the Trust shall be deemed conclusively to have been provided if provided either by delivery or by prepaid first-class mail addressed to the Trust Unitholder at his, her or its address shown on the book-based system administered by CDS or on the Register, as applicable, to the Trustee at the last address provided by such Trustee to the Secretary of the Trust, or to the auditors of the Trust at the last address

provided by such auditors to the Secretary of the Trust, as the case may be, or as otherwise permitted under this Declaration of Trust.

Section 16.3 ~~15.2.1~~ Electronic Documents.

Any requirement under this Declaration of Trust, the *Securities Act* (Ontario) or any other applicable law that a notice, statement, document or other information be created or provided is satisfied by the creation or provision of an electronic document to the extent permitted by law.

Section 16.4 ~~Section 16.3~~ Failure to Give Notice.

The failure by the Trustees, by accident or omission or otherwise unintentionally, to give any Trust Unitholder, any Trustee or the auditors of the Trust any notice provided for herein shall not affect the validity, effect, taking effect or time of taking effect of any action referred to in such notice, and the Trustees shall not be liable to any Trust Unitholder for any such failure.

Section 16.5 ~~Section 16.4~~ Trust Auditors.

The auditors of the Trust shall be appointed at each annual meeting. Such appointment shall be approved by Ordinary Resolution. If at any time a vacancy occurs in the position of auditors of the Trust, the Trustees may appoint a firm of chartered accountants qualified to practice in all provinces of Canada to act as the auditors of the Trust until the next annual meeting of Trust Unitholders. The auditors of the Trust shall report to the Trustees and the Trust Unitholders on the annual financial statements of the Trust and shall fulfil such other responsibilities as they may properly be called upon by the Trustees to assume. The auditors shall have access to all records relating to the affairs of the Trust. The remuneration of auditors shall be fixed by the Trustees.

Section 16.6 ~~Section 16.5~~ Fiscal Year.

The fiscal year of the Trust shall terminate on December 31 in each year.

Section 16.7 ~~Section 16.6~~ Reports to Unitholders.

Within 140 days of the end of each fiscal year, commencing in the fiscal year of 1997, and at least 21 days prior to each annual meeting of Trust Unitholders, the Trustees shall provide to each Trust Unitholder a report, including audited comparative financial statements for such year, prepared in compliance with applicable securities laws. Within 60 days after the end of each of the first three fiscal quarters of each year, the Trustees shall provide unaudited comparative financial statements for the period then ended to each Trust Unitholder. The Trustees will supply Trust Unitholders with any information that may be required by them in connection with their obligations under the *Income Tax Act* (Canada) and equivalent provincial legislation.

Section 16.8 ~~Section 16.7~~ Trust Property to be Kept Separate.

The Trustees shall maintain the property of the Trust separate from all other property in their possession.

Section 16.9 ~~Section 16.8~~ Trustees May Hold Trust Units.

Any Trustee or associate of a Trustee may be a Trust Unitholder or may be an annuitant.

Section 16.10 ~~Section 16.9~~ Trust Records.

- (1) The Trustee shall cause the Trust to prepare and maintain, at its principal office or at any other place in Canada designated by the Trustees, records containing (i) this Declaration of Trust and any amendments thereto; (ii) the Trustees Regulations, if any, (iii) minutes of meetings and resolutions of Trust Unitholders; and (iv) the Register.
- (2) The Trust shall also prepare and maintain adequate accounting records and records containing minutes of meetings and resolutions of the Trustees and any committee thereof. Such records shall be kept at the principal office of the Trust or at such other place as the Trustees think fit and shall at all reasonable times be open to inspection by the Trustees.

Section 16.11 ~~Section 16.10~~ Right to Inspect Documents and Records of the Trust.

- (1) A Trust Unitholder and any agent, consultant or creditor of the Trust shall have the right to examine the records described in Section 16.10(1) ~~16.9(1)~~ and any other documents or records which the Trustees determine should be available for inspection by such persons, during normal business hours at the principal office of the Trust, and take extracts from the records, free of charge. Any person described in this Section 16.11 ~~16.10~~ who wishes to examine the securities Register of the Trust must first make a request to the Trust or its agent or mandatary, accompanied by an affidavit referred to in Section 16.13 ~~16.12~~. On receipt of the affidavit, the Trust or its agent or mandatary shall allow the applicant access to the securities Register during the normal business hours, and, on payment of a reasonable fee, provide the applicant with an extract from the securities Register.

Section 16.12 ~~Section 16.11~~ Information Available to Trust Unitholders and other Securityholders.

- (1) Trust Unitholders and other securityholders of the Trust and creditors and their respective personal representatives, on payment of a reasonable fee therefor and on sending the Trust or its agent or mandatary an affidavit required by Section 16.13 ~~16.12~~, may on application require the Trust or its agent or mandatary to provide, where available, within 10 days after receipt of the affidavit a list (in this section referred to as the “**basic list**”) made up to a date not more than 10 days before the receipt of the affidavit setting out the names of the Trust Unitholders, the number of Trust Units held by each Trust Unitholder and the address of each Trust Unitholder as shown in the records of the Trust.
- (2) A person requiring the Trust to provide a basic list may, by stating in the affidavit referred to in this Section that they require supplemental lists, require the Trust or its agent or mandatary on payment of a reasonable fee to provide supplemental lists, where applicable, setting out any changes from the basic list in the names or addresses of the Trust Unitholders and the number of Trust Units owned by each Trust Unitholder for each business day following the date the basic list is made up to.

- (3) The Trust or its agent or mandatory shall provide a supplemental list, where available, required under Section 16.12(2) ~~16.11(2)~~:
- (a) on the date the basic list is furnished, where the information relates to changes that took place prior to that date; and
 - (b) on the business day following the day to which the supplemental list relates, where the information relates to changes that take place on or after the date the basic list is furnished.
- (4) A person requiring the Trust to furnish a basic list or a supplemental list may also require the Trust to include in that list the name and address of any known holder of an option or right to acquire Trust Units, where available.
- (5) A list of Trust Unitholders or information from a securities register obtained pursuant to the provisions of this Declaration of Trust shall not be used by any person except in connection with (i) an effort to influence the voting of, Trust Unitholders of the Trust; (ii) an offer to acquire securities of the Trust; or (iii) any other matter relating to the affairs of the Trust.

Section 16.13 ~~Section 16.12~~ Affidavits.

An affidavit required under Section 16.11 ~~16.10~~ or Section 16.12 ~~16.11~~ shall state (i) the name and address of the applicant; (ii) the name and address for service of the body corporate, if the applicant is a body corporate; and (iii) that the information contained in the securities register obtained pursuant to Section 16.12(1) ~~16.11(1)~~ or the basic list and any supplemental lists obtained pursuant to Section 16.12(2) ~~16.11(2)~~, as the case may be, will not be used except as permitted under Section 16.12(5) ~~16.11(5)~~.

Section 16.14 ~~Section 16.13~~ Consolidations.

Any one or more Trustees or the Secretary may prepare consolidated copies of the Declaration of Trust as it may from time to time be amended or amended and restated and may certify the same to be a true consolidated copy of the Declaration of Trust, as amended or amended and restated.

Section 16.15 ~~Section 16.14~~ Counterparts.

This Declaration of Trust may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

Section 16.16 ~~Section 16.15~~ Severability.

The provisions of this Declaration of Trust are severable and if any provisions are in conflict with any applicable law, the conflicting provisions shall be deemed never to have constituted a part of the Declaration of Trust and shall not affect or impair any of the remaining provisions thereof.

Section 16.17 ~~Section 16.16~~ Headings for Reference Only.

The headings preceding the articles and sections hereof have been inserted for convenience and reference only and shall not be construed to affect the meaning, construction or effect of this Declaration of Trust.

Section 16.18 ~~Section 16.17~~ Governing Law.

This Declaration of Trust shall be interpreted and governed by and take effect exclusively in accordance with the laws of the Province of Ontario. Any and all disputes arising under this Declaration of Trust, whether as to interpretation, performance or otherwise, shall be subject to the exclusive jurisdiction of the courts of the Province of Ontario and each of the Trustees hereby irrevocably attorns, and each Unitholder, each Preferred Unitholder and each Special Unitholder shall be deemed to hereby irrevocably attorn, to the exclusive jurisdiction of the courts of such province.

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TIME IS OF
THE
ESSENCE.
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TODAY.

Questions may be directed to:

North American Toll-Free 1-888-637-5789

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