



**AMERICAN HOTEL**

INCOME PROPERTIES REIT LP

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**AMENDED AND RESTATED SECURITIES-BASED  
COMPENSATION PLAN**

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**May 11, 2022**

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**AMERICAN HOTEL INCOME PROPERTIES REIT LP**  
**(the “REIT”)**

**AMENDED AND RESTATED SECURITIES-BASED COMPENSATION PLAN**

**1.0 PURPOSE OF THE PLAN**

**1.1 Purpose of this Plan.** The purpose of this Plan is to promote the interests and long-term success of the REIT by:

- (a) furnishing certain directors, officers, employees or Consultants of the REIT, the GP or any of their respective Affiliates, or other Persons as the Compensation Committee may determine, with greater incentive to further develop and promote the business and financial success of the REIT;
- (b) furthering the identity of interests of Persons to whom Awards may be granted with those of the Unitholders generally through a proprietary ownership interest in the REIT; and
- (c) assisting the REIT and the GP in attracting, retaining and motivating their respective directors, officers, employees and Consultants as well as those of any Affiliates.

The REIT believes that these purposes may best be effected by granting Awards and affording such Persons an opportunity to acquire a proprietary interest in the REIT.

**2.0 DEFINITIONS AND INTERPRETATION**

**2.1 Definitions.** In this Plan, unless there is something in the subject matter or context inconsistent therewith, capitalized words and terms will have the following meanings:

- (a) **“Affiliate”** or **“Associate”** means, where used to indicate a relationship with any Person: (i) a partner, other than a Unitholder, of that Person; (ii) a trust or estate in which that Person has a substantial beneficial interest or for which that Person serves as trustee or in a similar capacity; (iii) an entity in respect of which that Person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the entity; or (iv) a relative, including the spouse, of that Person or a relative of that Person’s spouse, where the relative has the same home as that Person, and for the purpose of this definition, spouse includes a man or woman not married to that Person but who is living with that Person and has lived with that Person as husband or wife for a period of not less than six months;
- (b) **“Award”** means any Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Performance Award or Other Stock-Based Award granted under the Plan;
- (c) **“Award Agreement”** means (i) in respect of an Option, an Option Agreement; and (ii) in respect of any other Award, the written agreement, contract or other instrument or document evidencing any Award granted. Each Award Agreement shall be subject to the applicable terms and conditions of the Plan and any other terms and conditions (not inconsistent with the Plan) determined by the Compensation Committee;
- (d) **“Blackout Period”** means an interval of time during which the REIT has determined that one or more Participants may not trade any securities of the REIT because they may be in

possession of undisclosed material information pertaining to the REIT, or otherwise prohibited by law from trading any securities of the REIT;

- (e) **“Board of Directors”** or **“Board”** means the board of directors of the GP as constituted from time to time;
- (f) **“Business Day”** means a day other than a Saturday, Sunday or other day on which commercial banks in Vancouver, British Columbia are authorized or required by law to close;
- (g) **“Cause”** in respect of any Participant means:
  - (i) if “Cause” is defined in an employment agreement between such Participant and the REIT, the meaning of “Cause” as provided for in such employment agreement; and
  - (ii) if Cause is not so defined, a circumstance that would entitle the REIT to terminate the employment or services of such Participant at law without notice or compensation as a result of such termination;
- (h) **“Change in Control”** means:
  - (i) any transaction in which voting securities of the REIT possessing more than 50% of the total combined voting power of the REIT’s outstanding securities are transferred to a person or persons different from the persons holding those securities immediately prior to such transaction and the composition of the Board of Directors following such transaction is such that the directors of the GP prior to the transaction constitute less than 50% of the number of directors comprising the Board of Directors following the transaction;
  - (ii) any acquisition, directly or indirectly, by a person or Related Group of Persons (other than a person that is a registered dealer as described in Section 2.1(gg)(iii) and other than the REIT or a person that directly or indirectly controls, is controlled by, or is under common control with, the REIT) of beneficial ownership of voting securities of the REIT possessing more than 50% of the total combined voting power of the REIT’s outstanding securities;
  - (iii) any acquisition, directly or indirectly, by a person or Related Group of Persons of the right to appoint a majority of the directors of the REIT or the right or ability to otherwise directly or indirectly control the management, affairs and business of the REIT;
  - (iv) any sale, transfer or other disposition of all or substantially all of the assets of the REIT;
  - (v) a complete liquidation or dissolution of the REIT; or
  - (vi) any transaction or series of transactions involving the REIT or any of its Affiliates that the Board of Directors in its discretion deems to be a Change in Control;

provided however, that a Change in Control shall not be deemed to have occurred if such Change in Control results solely from the issuance, in connection with a bona fide financing or series of financings by the REIT or any of its Affiliates, of voting securities

of the REIT or any of its Affiliates, or any rights to acquire voting securities of the REIT or any of its Affiliates which are convertible into voting securities;

- (i) **“Code”** means the United States *Internal Revenue Code of 1986*, as amended from time to time;
- (j) **“Compensation Committee”** has the meaning ascribed thereto by Section 4.1;
- (k) **“Consultant”** means any individual consultant, company, partnership of which the individual is an employee, shareholder or partner, other than an employee, an officer or a director, that:
  - (i) is engaged, to provide on an ongoing bona fide basis, consulting, technical, management or other services to the REIT, the GP or any of their respective Affiliates on a full time or part time basis, or otherwise;
  - (ii) provides the services under a written contract between the REIT, the GP or any of their respective Affiliates and the individual, company, partnership or other Person;
  - (iii) in the reasonable opinion of the GP, spends or will spend a significant amount of time and attention on the affairs and business of the REIT or any of their respective Affiliates; and
  - (iv) has a relationship with the REIT, the GP or any of their respective Affiliates that enables this Person to be knowledgeable about the business and affairs of the REIT;
- (l) **“Disinterested Unitholder Approval”** means the approval by a requisite majority of holders of Units other than Units held by Insiders and their Associates;
- (m) **“Effective Date”** has the meaning ascribed thereto by Section 3.1 of this Plan;
- (n) **“Eligible Person”** means a director, officer, employee or Consultant of the REIT, the GP or any of their respective Affiliates;
- (o) **“employee”** means:
  - (i) an individual who is considered an employee of the GP or of a subsidiary of the GP or the REIT under the Income Tax Act (ie. for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source) or the Code, as applicable;
  - (ii) an individual who works full-time for the GP or for a subsidiary of the GP or the REIT providing services normally provided by an employee and who is subject to the same control and direction by the GP or such subsidiary over the details and methods of work as an employee of the GP or such subsidiary, but for whom income tax deductions are not made at source; or
  - (iii) an individual who works for the GP or for a subsidiary of the GP or the REIT on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the GP or such subsidiary over the details and methods of work as an

employee of the GP or such subsidiary, but for whom income tax deductions are not made at source;

- (p) **“Exercise Price”** means the price per Unit at which a Participant may purchase Units pursuant to an Option, provided that if such price is adjusted pursuant to Article 21.0, “Exercise Price” thereafter means the price per Unit at which such Participant may purchase Units pursuant to such Option after giving effect to such adjustment;
- (q) **“Expiry Date”** means the date on which an Award expires and is null and void;
- (r) **“Fair Market Value”** has that meaning set forth in Section 8.1;
- (s) **“GP”** means American Hotel Income Properties REIT (GP) Inc. and includes any successor corporation thereto;
- (t) **“Income Tax Act”** means the *Income Tax Act* (Canada), as amended from time to time;
- (u) **“Insider”** means:
  - (i) a director or senior officer of the REIT or the GP;
  - (ii) a director or senior officer of a Person that is an Insider or subsidiary of the REIT;
  - (iii) a Person that beneficially owns or controls, directly or indirectly, Voting Units carrying more than 10% of the voting rights attached to all outstanding Voting Units of the REIT; or
  - (iv) the REIT itself if it holds any of its own securities;
- (v) **“Legal Representative”** has the meaning ascribed thereto by Section 8.7;
- (w) **“Merger and Acquisition Transaction”** means:
  - (i) any merger;
  - (ii) any acquisition;
  - (iii) any amalgamation;
  - (iv) any offer for Units of the REIT which if successful would entitle the offeror to acquire all of the voting securities of the REIT; or
  - (v) any arrangement or other scheme of reorganization;that results in a Change in Control;
- (x) **“Option Agreement”** means an agreement evidencing an Option, entered into by and between the REIT and an Eligible Person;
- (y) **“Options”** means stock options granted hereunder to purchase Units from the REIT and as evidenced by an Option Agreement and **“Option”** means any one of them;
- (z) **“Other Stock-Based Award”** means any right granted under Article 13.0;

- (aa) **“Outstanding Units”** at the time of any issuance of Units or grant of Awards entitling the holder thereof to Units upon vesting or exercise means the number of Units that are outstanding immediately prior to the Unit issuance or grant of Awards in question, on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the REIT is subject, including the Stock Exchange;
- (bb) **“Participant”** means an Eligible Person to whom an Award has been granted;
- (cc) **“Performance Award”** means any right granted under Article 12.0;
- (dd) **“Permitted Assign”** means:
  - (i) a trustee, custodian or administrator acting on behalf of, or for the benefit of, a Participant;
  - (ii) a holding entity of a Participant;
  - (iii) a Registered Retirement Savings Plan (“**RRSP**”), Registered Retirement Income Fund (“**RRIF**”) or Tax Free Savings Account (“**TFSA**”) of a Participant;
  - (iv) a spouse of a Participant;
  - (v) a trustee, custodian or administrator acting on behalf of, or for the benefit of, the spouse of a Participant;
  - (vi) a holding entity of the spouse of a Participant; or
  - (vii) an RRSP, RRIF or a TFSA of the spouse of a Participant;
- (ee) **“Person”** means and includes any individual, corporation, limited partnership, general partnership, joint stock company, limited liability corporation, joint venture, association, company, trust, bank, trust company, pension fund, trust or other organization, whether or not a legal entity;
- (ff) **“Plan”** means this securities-based compensation plan originally dated as of June 17, 2013, as most recently amended and restated as of May 11, 2022 as set forth herein, as the same may be further amended, restated or modified from time to time;
- (gg) **“Related Group of Persons”** means:
  - (i) Persons and any one or more of their respective Associates and Affiliates;
  - (ii) any two or more Persons who have an agreement, commitment or understanding, whether formal or informal, with respect to:
    - (A) the acquisition of or the intention to acquire, directly or indirectly, beneficial ownership of, or control and direction over, Voting Units; or
    - (B) the exercise of voting rights attached to the securities of the REIT beneficially owned by such Persons, or over which such Persons have control and direction, on matters regarding the appointment of directors or control of the management, affairs and business of the REIT; and

- (iii) despite the above Section 2.1(gg)(ii)(A), a registered dealer acting solely in an agency capacity for a person or Related Group of Persons in connection with the acquisition of beneficial ownership of, or control and direction over, securities of the REIT, and not executing principal transactions for its own account or performing services beyond customary dealer's functions, shall not be deemed solely by reason of such agency relationship to be a related person for the purposes of the definition of Related Group of Persons;
- (hh) **"Restricted Stock"** means any Restricted Stock granted as Units, under Article 10.0;
- (ii) **"Restricted Stock Unit"** means any Restricted Stock Unit granted under Article 11.0 with regard to Units;
- (jj) **"RSU Fair Market Value"** has the meaning ascribed thereto by Section 11.3;
- (kk) **"Securities Act"** means the *Securities Act* (British Columbia), as amended from time to time;
- (ll) **"Stock Appreciation Right"** means any right granted under Article 9.0;
- (mm) **"Stock Exchange"** means the Toronto Stock Exchange or such other stock exchange or other organized market on which the Units are principally listed or posted for trading from time to time;
- (nn) **"subsidiary"** includes, with respect to any Person, a company, partnership, limited partnership, trust or other entity controlled, directly or indirectly, by such Person, company, partnership, limited partnership, trust or other entity, and includes, for greater certainty, a subsidiary of a subsidiary;
- (oo) **"Unitholder"** means a holder of Units;
- (pp) **"Units"** means the units in the capital of the REIT from time to time, provided that if the rights of any Participant are subsequently adjusted pursuant to Article 21.0 hereof, "Units" thereafter means the units or other securities or property which such Participant is entitled to purchase after giving effect to such adjustment; and
- (qq) **"Voting Units"** means a security of the REIT that:
  - (i) is not a debt security; and
  - (ii) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

**2.2 Interpretation.** In this Plan, except as otherwise expressly provided:

- (a) any reference in this Plan to a designated "Article", "Section" or other subdivision is a reference to the designated Article, Section or other subdivision of this Plan;
- (b) the recitals hereto are incorporated into and form part of this Plan;
- (c) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Plan as a whole and not to any particular Article, Section or other subdivision of this Plan;



- (d) the headings are for convenience only and do not form a part of this Plan and are not intended to interpret, define or limit the scope, extent or intent of this Plan;
- (e) words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include any other gender, the word “or” is not exclusive and the word “including” is not limiting whether or not non-limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto;
- (f) unless otherwise provided, all amounts are stated and are to be paid in Canadian dollars;
- (g) where the time for doing an act falls or expires on a day which is not a Business Day, the time for doing such act is extended to the next Business Day; and
- (h) unless otherwise stated, any reference to a statute includes and is a reference to such statute and to the regulations made pursuant to it, with all amendments thereto and in force from time to time, and to any statute or regulations that may be passed which supplement or supersede such statute or such regulations.

### **3.0 EFFECTIVE DATE OF PLAN**

**3.1 Effective Date of this Plan.** The effective date (the “**Effective Date**”) of this Plan is June 17, 2013.

**3.2 Discontinuance of Plan.** The Compensation Committee may discontinue the Plan at any time provided that the discontinuance of the Plan will not affect Awards granted prior to such discontinuance as these previously granted Awards will expire or terminate in accordance with the terms of the Plan and the Award Agreements relating to same.

### **4.0 ADMINISTRATION OF PLAN**

**4.1 Administration of Plan.** The Board of Directors may at any time appoint a committee of the Board of Directors (the “**Compensation Committee**”) to, among other things, interpret, administer and implement this Plan on behalf of the Board of Directors in accordance with such terms and conditions as the Board of Directors may prescribe, consistent with this Plan (provided that if at any such time such a committee has not been appointed by the Board of Directors, this Plan will be administered by the Board of Directors, and in such event references herein to the Compensation Committee shall be construed to be a reference to the Board of Directors). The Board of Directors will take such steps that in its opinion are required to ensure that the Compensation Committee has the necessary authority to fulfil its functions under this Plan.

**4.2 Powers of Compensation Committee.** The Compensation Committee is authorized, subject to the provisions of this Plan, to establish from time to time such rules and regulations, make such determinations and to take such steps in connection with this Plan as in the opinion of the Compensation Committee are necessary or desirable for the proper administration of this Plan. For greater certainty, without limiting the generality of the foregoing, the Compensation Committee will have the power, where consistent with the general purpose and intent of this Plan and subject to the specific provisions of this Plan and any approvals or requirements of any regulatory authorities to which the REIT is subject, including the Stock Exchange:

- (a) to delegate such duties and powers as the Compensation Committee may see fit with respect to this Plan (including, for greater certainty, the powers set out in Sections 4.2(c) through (m) below, pursuant to guidelines approved by the Compensation Committee, and in such event and in respect of those powers so delegated, references herein to the

Compensation Committee shall be construed to be a reference to those Persons to whom such powers have been so delegated);

- (b) to interpret and construe this Plan and any Award Agreement and to determine all questions arising out of this Plan and any Award Agreement, and any such interpretation, construction or determination made by the Compensation Committee will be final, binding and conclusive for all purposes;
- (c) to determine Persons who are Eligible Persons;
- (d) to grant Awards to Eligible Persons;
- (e) to determine the type or types of Awards to be granted to each Eligible Person;
- (f) to determine the time or times when Awards will be granted;
- (g) to determine the value of the underlying security and the terms and conditions (including vesting and manner of settlement) with regard to Awards that are not Options;
- (h) to determine the number of Units covered by each Award (or the then method by which payments or other rights are to be determined in connection therewith);
- (i) to determine whether, to what extent and under what circumstances Awards may be settled in cash, Units, other securities, other Awards or other property, or cancelled, forfeited or suspended;
- (j) to enter into an Award Agreement evidencing each Award which will incorporate such terms as the Compensation Committee in its discretion deems consistent with this Plan and with applicable laws;
- (k) to prescribe the form of the instruments relating to the grant, exercise, settlement and other terms and conditions of an Award;
- (l) to determine the Exercise Price for each Option, subject to Section 8.1;
- (m) to determine the time or times when Awards will vest and be exercisable and to determine when it is appropriate to accelerate the time at which Awards otherwise subject to vesting may be exercised or settled;
- (n) to determine if the Units that are subject to an Award will be subject to any trading or other restrictions or repurchase rights upon the exercise or settlement of such Award including, where applicable, the endorsement of a legend on any certificate representing Units acquired on the exercise or settlement of any Award to the effect that such securities may not be offered, sold or delivered except in compliance with the applicable securities laws and regulations of Canada, the United States or other countries in which the REIT or its Affiliates may operate and if any rights or restrictions exist they will be described in the applicable Award Agreement;
- (o) to determine the expiration date for each Option and other Awards under this Plan;
- (p) to determine whether to transform an Option to a Stock Appreciation Right involving an issuance of REIT securities from treasury;

- (q) to take such steps and require such documentation from each Eligible Person which in its opinion are necessary or desirable to ensure compliance with the rules and regulations of the Stock Exchange and all applicable laws;
- (r) to adopt such modifications, procedures and subplans as may be necessary or desirable to comply with the provisions of the laws of Canada, the United States and other countries in which the REIT or its Affiliates may operate to ensure the viability and maximization of the benefits from the Awards granted to Participants residing in such countries and to meet the objectives of this Plan;
- (s) to determine if Awards should be provided in a certificated or non-certificated manner; and
- (t) to do all such other matters as provided for herein.

Unless otherwise expressly provided in this Plan, all designations, determinations, interpretations and other decisions under or with respect to this Plan or any Award shall be within the sole discretion of the Compensation Committee, may be made at any time and shall be final, conclusive and binding upon any Eligible Person and any holder or beneficiary of any Award.

## **5.0 SECURITIES AVAILABLE FOR AWARDS**

### **5.1 Units Available.**

- (a) Subject to adjustment as provided in Article 21.0 and the applicable rules and regulations of all regulatory authorities to which the REIT is subject, including the Stock Exchange, the total number of Units issuable from treasury by the REIT pursuant to the Plan and all other securities-based compensation arrangements of the REIT: (i) shall not exceed 10% of the issued and Outstanding Units on a rolling basis; and (ii) in the case of Awards of Restricted Stock and Restricted Stock Units (including, for greater certainty, Performance Awards, issued in the form of Restricted Stock or Restricted Stock Units), shall not, in the aggregate, exceed 5% of issued and Outstanding Units on a rolling basis. Units available under the Plan may be used for Options or any other Awards.
- (b) The total number of Units issuable from treasury by the REIT pursuant to the Plan and all other securities-based compensation arrangements of the REIT to non-executive directors of the General Partner in aggregate shall not exceed 1% of the issued and Outstanding Units on a rolling basis. In addition, the maximum value (as determined in accordance with the Plan) of Awards that may be granted pursuant to the Plan and all other securities-based compensation arrangements of the REIT to non-executive directors of the General Partner in a fiscal year shall be limited to \$100,000 per non-executive director (collectively, the “**Non-Executive Director Participation Limits**”). The REIT must obtain Disinterested Unitholder Approval prior to making any amendments to this Plan, which would have the effect of increasing the Non-Executive Director Participation Limits.
- (c) For greater certainty, the REIT must obtain Disinterested Unitholder Approval if the total number of Units issuable pursuant to the Plan and any other compensation plans or grants of the REIT could result at any time in the number of Units:
  - (i) reserved under all securities-based compensation arrangements of the REIT exceeding 10% of the issued and Outstanding Units;

- (ii) issued within any one-year period under all securities-based compensation arrangements of the REIT exceeding 10% of the issued and Outstanding Units;
- (iii) reserved under all securities-based compensation arrangements of the REIT in respect of Awards of Restricted Stock and Restricted Stock Units (including, for greater certainty, Performance Awards, issued in the form of Restricted Stock or Restricted Stock Units), exceeding 5%, in the aggregate, of the issued and Outstanding Units; or
- (iv) issued within any one-year period under all securities-based compensation arrangements of the REIT in respect of Awards of Restricted Stock and Restricted Stock Units (including, for greater certainty, Performance Awards, issued in the form of Restricted Stock or Restricted Stock Units), exceeding 5%, in the aggregate, of the issued and Outstanding Units.

**5.2 Accounting for Awards.** For purposes of Section 5.1 and subject to Section 5.3, if an Award entitles the holder thereof to receive or purchase Units, the number of Units covered by such Award or to which such Award relates shall be counted on the date of grant of such Award against the aggregate number of Units available for granting Awards under the Plan as follows:

- (a) every Unit subject to an Option shall be counted as one Unit; and
- (b) every Unit subject to an Award, other than an Option, shall be counted either as a whole Unit or such greater or lesser fraction thereof as is determined in the discretion of the Compensation Committee having due regard to such matters and considerations as it determines relevant, including any applicable rules or policies of the Stock Exchange.

**5.3 Other Accounting for Awards.** If an outstanding Award for any reason expires or is terminated or cancelled without having been exercised or settled in full, or if Units acquired pursuant to an Award subject to forfeiture or repurchase are forfeited or repurchased by the REIT for an amount not greater than the Participant's purchase price, the Units shall again be available for issuance under the Plan. Units shall not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash.

**5.4 No Fractional Units.** Unless otherwise expressly provided in this Plan, no fractional Units may be purchased or issued under this Plan.

## **6.0 GRANT OF AWARDS**

Subject to the rules set out below, the Compensation Committee (or in the case of any proposed Participant who is a member of the Compensation Committee, the Board of Directors) may from time to time grant to any Eligible Person one or more Awards as the Compensation Committee deems appropriate. A Participant, who holds any Award at the time of granting an Award, may hold more than one type of Award.

**6.1 Date Award Granted.** The date on which an Award will be deemed to have been granted under this Plan will be the date on which the Compensation Committee authorizes the grant of such Award to a Participant or, other than in the case of Awards of Options, such other future date as may be specified by the Compensation Committee at the time of such authorization.

**6.2 Number of Securities/Maximum Grant.** Subject to complying with all requirements of the Stock Exchange, the number of Units that may be purchased under any Award or the amount of any Award that shall be granted in any form that may result in the issuance of Units will be determined and fixed by the Compensation Committee at the date of grant.

**6.3 Award Agreements.** Each Award will be evidenced by an Award Agreement which incorporates such terms and conditions as the Compensation Committee in its discretion deems appropriate and consistent with the provisions of this Plan (and the execution and delivery by the GP on behalf of the REIT of an Award Agreement with a Participant shall be conclusive evidence that such Award Agreement incorporates terms and conditions determined by the Compensation Committee and is consistent with the provisions of this Plan). Each Award Agreement will be executed by the Participant to whom the Award is granted and on behalf of the REIT by any member of the Compensation Committee or any officer of the GP or such other Person as the Compensation Committee may designate for such purpose.

## **7.0 ELIGIBILITY**

Any Eligible Person shall be eligible to be designated a Participant. In determining which Eligible Person shall receive an Award and the terms of any Award, the Compensation Committee may take into account the nature of the services rendered by the respective Eligible Person, their present and potential contributions to the success of the REIT or such other factors as the Compensation Committee, in its discretion, deems relevant.

## **8.0 OPTIONS**

**8.1 Exercise Price.** The Exercise Price per Unit under each Option shall be determined by the Compensation Committee; provided that, the Exercise Price shall not be less than the Fair Market Value of one Unit on the date of grant of the Option. For purposes of this Plan (including for the purpose of the cashless exercise mechanism of Section 8.2), “**Fair Market Value**” shall be such value as is determined by the Compensation Committee, in its sole discretion, provided that such price may not be less than the lowest price permitted under the applicable rules and regulations of the Stock Exchange and all regulatory authorities to which the REIT is subject. Subject to the foregoing, the Fair Market Value of any Unit will be, unless otherwise determined by the Compensation Committee in its discretion, the weighted average price at which the Units have traded on the Stock Exchange during the period of five most recent trading days ending on the trading day immediately prior to the date of the grant of the Option, where “**weighted average price**” means, for any period, the amount obtained by dividing the aggregate sale price of all of the Units traded on the Stock Exchange during such period by the total number of Units so traded.

**8.2 Alternative Exercise.** With the consent of the Compensation Committee, a Participant may, rather than exercise an Option which the Participant is entitled to exercise under the Plan, elect to surrender the Option in whole or in part and, in lieu of receiving the Units to which the surrendered Option relate, receive the number of Units, disregarding fractions, which, when multiplied by the Fair Market Value of a Unit at the time of exercise, have a value equal to the product of the number of Units to which the surrendered Option relate multiplied by the difference between the then Fair Market Value and the Exercise Price of the Units to which the surrendered Option relate, less any amount withheld on account of income taxes. A Participant may also elect, subject to the approval of the Compensation Committee, to surrender the Option in whole or in part and, in lieu of receiving the Units to which the surrender Option relate, receive cash equal to the product of the number of Units to which the surrendered Option relate multiplied by the difference between the Fair Market Value and the Exercise Price of the Units to which the surrendered Option relate, less any amount withheld on account of income taxes.

**8.3 Term of Options.** Subject to Section 8.4 and to the requirements of the Stock Exchange, each Option will expire on the earlier of:

- (a) the date determined by the Compensation Committee and specified in the Option Agreement pursuant to which such Option is granted, provided that such date may not be later than the earlier of: (i) the date which is the tenth anniversary of the date on which such Option is granted; and (ii) the latest date permitted under the applicable rules and

regulations of all regulatory authorities to which the REIT is subject, including the Stock Exchange;

- (b) in the event the Participant ceases to be an Eligible Person for any reason, other than the death of the Participant or the termination of the Participant for Cause, such period of time after the date on which the Participant ceases to be an Eligible Person as may be specified by the Compensation Committee, which date shall not exceed three months following the termination of the Participant's employment or in the case of Options granted to a director or Consultant, three months following the Participant ceasing to be a director or a Consultant, unless the Compensation Committee otherwise determines, and which period will be specified in the Award Agreement with the Participant with respect to such Option;
- (c) in the event of the termination of the Participant as a director, officer, employee or Consultant of the REIT or the GP or an Affiliate for Cause, the date of such termination; and
- (d) in the event of the death of a Participant prior to: (i) the Participant ceasing to be an Eligible Person; or (ii) the date which is the number of days specified by the Compensation Committee pursuant to (b) above from the date on which the Participant ceased to be an Eligible Person; the date which is one year after the date of death of such Participant or such other earlier date as may be specified by the Compensation Committee and which period will be specified in the Award Agreement with the Participant with respect to such Option.

Notwithstanding the foregoing provisions of (b), (c) and (d) of this Section 8.3, the Compensation Committee may, subject Article 20.0 and to any applicable regulatory approval, at any time prior to expiry of an Option extend the period of time within which an Option may be exercised by a Participant who has ceased to be an Eligible Person, but such an extension shall not be granted beyond the original expiry date of the Option as provided for in (a) above.

**8.4 Blackout Extension.** Where the Expiry Date for an Option occurs during or on or before the fifth Trading Day following the end of a Blackout Period, the Expiry Date for such Option shall be extended to the date which is the tenth Trading Day following the end of the Blackout Period.

**8.5 Exercise of Options and Other Restrictions.** Subject to the terms and conditions of this Plan, the Compensation Committee may impose such limitations or conditions on the exercise or vesting of any Option as the Compensation Committee in its discretion deems appropriate, including limiting the number of Units for which any Option may be exercised during any period as may be specified by the Compensation Committee so long as the requirements of the Stock Exchange are met. The number of Units for which such Option may be exercised in any period will be specified in the Option Agreement with respect to such Option.

**8.6 Ceasing to Vest.** Except as determined from time to time by the Compensation Committee, all Options will cease to vest as at the date upon which the Participant ceases to be an Eligible Person (which, in the case of an employee or Consultant of the REIT or the GP or their respective Affiliates, shall be the date on which employment or engagement, as applicable, with the REIT or the GP or their respective Affiliates terminates, specifically without regard to any period of reasonable notice or any salary continuance).

**8.7 Exercise of Options.** Each Option Agreement will provide that the Options granted thereunder may be exercised only by notice delivered to the GP and signed by the Participant, or the legal representative or committee or attorney, as the case may be (the "Legal Representative"), of the

Participant, and accompanied by full payment for the Units being purchased. Such consideration may be paid in any combination of the following:

- (a) bank draft, certified cheque or wire transfer; or
- (b) such other consideration as the Compensation Committee may permit consistent with applicable laws, including the policies of the Stock Exchange.

As soon as reasonably practicable after any exercise of an Option, subject to Section 22.6, the GP will cause either a certificate or certificates representing the Units in respect of which such Option is exercised, or a non-transferable written acknowledgement of the Participant's right to obtain a certificate in respect of same to be delivered to the Participant or the Legal Representative of the Participant.

**8.8 Hold Periods.** Options and any Units issued on the exercise of the Options may be subject to resale restrictions under securities laws and, where appropriate, will be legended with applicable resale restrictions, for a period commencing on the date the Options were granted.

## **9.0 STOCK APPRECIATION RIGHTS**

The Compensation Committee is hereby authorized, subject to the terms and conditions of the Plan and the requirements of the Stock Exchange, to grant "**Stock Appreciation Rights**" to an Eligible Person with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan as the Compensation Committee shall determine.

**9.1 Exercise of Stock Appreciation Rights.** Each Stock Appreciation Right granted under the Plan shall confer on the holder upon exercise of the Stock Appreciation Right the right to receive, as determined by the Compensation Committee, cash or a number of Units equal to the excess of: (i) the Fair Market Value of one Unit on the date of exercise (or, if the Compensation Committee shall so determine, at any time during a specified period before or after the date of exercise); and (ii) the grant price of the Stock Appreciation Right as determined by the Compensation Committee, which grant price shall not be less than the Fair Market Value of one Unit on the date of grant of the Stock Appreciation Right. Subject to the terms of the Plan and the policies of the Stock Exchange, the grant price, term, methods of exercise, dates of exercise, methods of settlement and any other terms and conditions (including conditions or restrictions on the exercise thereof) of any Stock Appreciation Right shall be as determined by the Compensation Committee.

**9.2 Term of Stock Appreciation Rights.** Subject to Section 9.3, each Stock Appreciation Right will have an Expiry Date on the earlier of:

- (a) the date determined by the Compensation Committee and specified in the Award Agreement pursuant to which such Stock Appreciation Right is granted, provided that such date may not be later than the earlier of: (i) the date which is the tenth anniversary of the date on which such Stock Appreciation Right is granted; and (ii) the latest date permitted under the applicable rules and regulations of all regulatory authorities to which the REIT is subject, including the Stock Exchange;
- (b) in the event the Participant ceases to be an Eligible Person for any reason, other than the death of the Participant or the termination of the Participant for Cause, such period of time after the date on which the Participant ceases to be an Eligible Person as may be specified by the Compensation Committee, which date shall not exceed three months following the termination of the Participant's employment or in the case of Stock Appreciation Rights granted to a director or Consultant, three months following the Participant ceasing to be a director or a Consultant, unless the Compensation Committee

otherwise determines, and which period will be specified in the Award Agreement with the Participant with respect to such Stock Appreciation Right;

- (c) in the event of the termination of the Participant as a director, officer, employee or Consultant of the REIT or the GP or one of their respective Affiliates for Cause, the date of such termination; and
- (d) in the event of the death of a Participant prior to: (i) the Participant ceasing to be an Eligible Person; or (ii) the date which is the number of days specified by the Compensation Committee pursuant to (b) above from the date on which the Participant ceased to be an Eligible Person; the date which is one year after the date of death of such Participant or such other earlier date as may be specified by the Compensation Committee and which period will be specified in the Award Agreement with the Participant with respect to such Stock Appreciation Right.

Notwithstanding the foregoing provisions of (b), (c) and (d) of this Section 9.2, the Compensation Committee may, subject to Article 20.0 and to regulatory approval, at any time prior to expiry of a Stock Appreciation Right extend the period of time within which a Stock Appreciation Right may be exercised by a Participant who has ceased to be an Eligible Person, but such an extension shall not be granted beyond the original expiry date of the Stock Appreciation Right as provided for in (a) above.

**9.3 Blackout Extension.** Where the Expiry Date for a Stock Appreciation Right occurs during or on or before the fifth Trading Day following the end of a Blackout Period, the Expiry Date for such Stock Appreciation Right shall be extended to the date which is the tenth Trading Day following the end of the Blackout Period.

## **10.0 RESTRICTED STOCK**

The Compensation Committee is hereby authorized, subject to the terms and conditions of the Plan and the requirements of the Stock Exchange, to grant “**Restricted Stock**” in the form of Units, to an Eligible Person with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan as the Compensation Committee shall determine.

**10.1 Restriction.** Units of Restricted Stock shall be subject to such restrictions as the Compensation Committee may impose and which complies with the requirements of the Stock Exchange (including, without limitation, any restriction on or prohibition against the right to receive any distribution, dividend or other right or property with respect thereto), which restrictions lapse separately or in combination at such time or times, in such instalments or otherwise as the Compensation Committee may deem appropriate.

**10.2 Term of Restricted Stock.** Subject to Section 10.3, each grant of Restricted Stock will have an Expiry Date on the earlier of: the date determined by the Compensation Committee and specified in the Award Agreement pursuant to which such Restricted Stock is granted, provided that such date may not be later than the earlier of: (i) the date which is the tenth anniversary of the date on which such Restricted Stock is granted, and (ii) the latest date permitted under the applicable rules and regulations of all regulatory authorities to which the REIT is subject, including the Stock Exchange.

**10.3 Blackout Extension.** Where the Expiry Date for Restricted Stock occurs during or on or before the fifth Trading Day following the end of a Blackout Period, the Expiry Date for such Restricted Stock shall be extended to the date which is the tenth Trading Day following the end of the Blackout Period.



**10.4 Stock Certificates.** Subject to Section 22.6, any Restricted Stock granted under the Plan shall be evidenced by the issuance of a certificate or certificates representing the security or a non-transferable written acknowledgement of the Participant's right to obtain such certificate(s), which shall be held by the REIT. Such certificate, certificates or written acknowledgement shall be registered in the name of the Participant and shall bear an appropriate legend referring to the applicable Award Agreement and possible forfeiture of such securities of Restricted Stock. Subject to any restrictions imposed by the Stock Exchange and to any discretion of the Compensation Committee to determine otherwise at the time of an Award, holders of Restricted Stock shall have all rights of a Unitholder of record with respect to such Units (including the right to vote, if any, and receive distributions) upon the issuance of the certificate, certificates or written acknowledgment for the Units of Restricted Stock. The Units of Restricted Stock shall vest in the holder thereof when any and all vesting restrictions and vesting contingencies lapse, including the lapse of any rights of forfeiture. Until such time, the Compensation Committee may require that such Units be held by the REIT together with a stock power duly endorsed in blank by the holder.

**10.5 Forfeiture.** Except as otherwise determined by the Compensation Committee, upon a Participant ceasing to be an Eligible Person (as determined under criteria established by the Compensation Committee) during the applicable restriction period, all applicable Units of Restricted Stock at such time subject to restriction shall be forfeited and reacquired by the REIT, provided, however, that the Compensation Committee may, when it finds that a waiver would be in the best interest of the REIT, waive in whole or in part any or all remaining restrictions with respect to Units of Restricted Stock.

## **11.0 RESTRICTED STOCK UNITS**

The Compensation Committee is hereby authorized, subject to the terms and conditions of the Plan and the requirements of the Stock Exchange, to grant "**Restricted Stock Units**" in the form of Units to Eligible Persons, with the following terms and conditions and with such additional terms and conditions not inconsistent with the provisions of the Plan as the Compensation Committee shall determine.

**11.1 Restricted Stock Unit Awards.** A Restricted Stock Unit granted under the Plan shall confer on the holder the right to receive a Unit (or payment in cash or property equal to the fair market value of such security) at some future date, subject to an Award Agreement containing such personal and corporate performance objectives and other terms and conditions, not inconsistent with the provisions of the Plan, as the Compensation Committee shall determine.

**11.2 Evidence of Awards and Distribution Equivalency Rights.** The Award Agreement may, at the discretion of the Compensation Committee, evidence the rights of a Participant to receive the underlying security upon vesting of the Restricted Stock Unit and to receive a payment in cash or property equal to any dividend or other distribution paid on the underlying security from the grant date as if the Restricted Stock Unit was fully vested and settled and the underlying security was held by the Participant.

**11.3 Number and Value of Restricted Stock Units.** Subject to compliance with other applicable terms of this Plan, the Compensation Committee may, from time to time in its discretion, grant Awards of Restricted Stock Units. Further, the Compensation Committee may also fix, in advance, a number of Restricted Stock Units available for Awards for a given year based upon: (i) a pool of money authorized or allocated by the Compensation Committee for Awards of Restricted Stock Units, (ii) the RSU Fair Market Value, and (iii) such other considerations as the Compensation Committee determines relevant in its discretion.

For purposes of this Section 11.3, the "**RSU Fair Market Value**" will be such price for the Units as is determined by the Compensation Committee, in its sole discretion, provided that such price may not be less than the lowest price permitted under the applicable rules and regulations of all regulatory

authorities to which the REIT is subject, including the Stock Exchange. Subject to the foregoing, the RSU Fair Market Value of any Unit will be, unless otherwise determined by the Compensation Committee in its discretion, the weighted average price at which the Units have traded on the Stock Exchange during the period of five most recent trading days ending on the trading day immediately prior to January 10th of the year, where “**weighted average price**” means, for any period, the amount obtained by dividing the aggregate sale price of all of the Units traded on the Stock Exchange during such period by the total number of Units so traded.

**11.4 Term of Restricted Stock Units.** Subject to Section 11.5, each Restricted Stock Unit will have an Expiry Date on the earlier of:

- (a) the date determined by the Compensation Committee and specified in the Award Agreement pursuant to which such Restricted Stock Unit is granted, provided that such date may not be later than the earlier of: (i) the date which is the tenth anniversary of the date on which such Restricted Stock Unit is granted; and (ii) the latest date permitted under the applicable rules and regulations of all regulatory authorities to which the REIT is subject, including the Stock Exchange;
- (b) in the event the Participant ceases to be an Eligible Person for any reason, other than the death of the Participant or the termination of the Participant for Cause, such period of time after the date on which the Participant ceases to be an Eligible Person as may be specified by the Compensation Committee, which date shall not exceed three months following the termination of the Participant’s employment or in the case of Restricted Stock Units granted to a director or Consultant, three months following the Participant ceasing to be a director or a Consultant, unless the Compensation Committee otherwise determines, and which period will be specified in the Award Agreement with the Participant with respect to such Restricted Stock Unit;
- (c) in the event of the termination of the Participant as a director, officer, employee or Consultant of the REIT or the GP or one of their respective Affiliates for Cause, the date of such termination; and
- (d) in the event of the death of a Participant prior to: (i) the Participant ceasing to be an Eligible Person; or (ii) the date which is the number of days specified by the Compensation Committee pursuant to (b) above from the date on which the Participant ceased to be an Eligible Person; the date which is one year after the date of death of such Participant or such other earlier date as may be specified by the Compensation Committee and which period will be specified in the Award Agreement with the Participant with respect to such Restricted Stock Unit.

Notwithstanding the foregoing provisions of (b), (c) and (d) of this Section 11.4, the Compensation Committee may, subject to Article 20.0 and to regulatory approval, at any time prior to expiry of a Restricted Stock Unit extend the period of time within which a Restricted Stock Unit may be settled by a Participant who has ceased to be an Eligible Person, but such an extension shall not be granted beyond the original expiry date of the Restricted Stock Unit as provided for in (a) above.

**11.5 Blackout Extension.** Where the Expiry Date for a Restricted Stock Unit occurs during or on or before the fifth Trading Day following the end of a Blackout Period, the Expiry Date for such Restricted Stock Unit shall be extended to the date which is the tenth Trading Day following the end of the Blackout Period.

**11.6 Settlement of Restricted Stock Units and Other Restrictions.** Subject to the terms and conditions of this Plan, the Compensation Committee may impose such limitations or conditions on the settlement or vesting of any Restricted Stock Units as the Compensation Committee in its discretion

deems appropriate, including limiting the aggregate number of Units, in respect of which Restricted Stock Units may be settled during any period so long as the requirements of the Stock Exchange are met. The number of Units, for which each Restricted Stock Unit may be settled in any period will be specified in the Award Agreement with respect to such Restricted Stock Units.

**11.7 Termination of Unvested Restricted Stock Units.** Except as otherwise provided in this Plan or may be determined by the Compensation Committee and set forth in an Award Agreement, all unvested Restricted Stock Units outstanding as at the date upon which the Participant ceases to be an Eligible Person (which, in the case of an employee or Consultant of the REIT or the GP or any of their respective Affiliates, shall be the date on which active employment or engagement, as applicable, with the REIT, the GP or any of their respective Affiliates terminates, specifically without regard to any period of reasonable notice or any salary continuance) shall immediately terminate as at such date.

**11.8 Accelerated Vesting of Restricted Stock Units Upon Death.** Notwithstanding Section 11.7 above, in the event of the death of a Participant prior to the Participant ceasing to be an Eligible Person, all Restricted Stock Units of such Participant shall become immediately vested unless otherwise determined by the Compensation Committee at the time of an Award grant or specified in the Award Agreement with respect to such Restricted Stock Units.

**11.9 Settlement of Restricted Stock Unit.** Subject to Section 22.6, as soon as reasonably practicable after any settlement of a Restricted Stock Unit, the REIT will cause either a certificate or certificates representing the Units in respect of which such Restricted Stock Unit is settled, or a non-transferable written acknowledgement of the Participant's right to obtain a certificate in respect of same, to be delivered to the Participant or the Legal Representative of the Participant.

**11.10 Hold Periods.** Restricted Stock Units and any Units issued on the settlement of the Restricted Stock Units may be subject to resale restrictions under securities laws and, where appropriate, will be legended with applicable resale restrictions, for a period commencing on the date the Restricted Stock Units were granted.

**11.11 Settlement of Restricted Stock Units in Cash.** Restricted Stock Unit Awards shall be settled in Units, unless the REIT offers the Participant the right to receive cash in lieu of securities and the Participant, in its sole discretion, so elects.

## **12.0 PERFORMANCE AWARDS**

The Compensation Committee is hereby authorized, subject to the terms and conditions of the Plan and the requirements of the Stock Exchange, to grant Performance Awards to an Eligible Person subject to the terms of the Plan. A "**Performance Award**" granted under the Plan: (i) may be denominated or payable in cash, Units (including, without limitation, Restricted Stock and Restricted Stock Units), other securities, other Awards or other property; and (ii) shall confer on the holder thereof the right to receive payments, in whole or in part, upon the achievement of such performance goals during such performance periods as the Compensation Committee shall establish. Subject to the terms of the Plan, the performance goals to be achieved during any performance period, the length of any performance period, the amount of any Performance Award granted, the amount of any payment or transfer to be made pursuant to any Performance Award and any other terms and conditions of the Performance Award shall be determined by the Compensation Committee.

## **13.0 OTHER STOCK-BASED AWARDS**

**13.1 Grant of Stock-Based Awards.** The Compensation Committee is hereby authorized, subject to the terms and conditions of the Plan and the requirements of the Stock Exchange, to grant to an Eligible Person, such other Awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Units (including, without limitation, securities

convertible into Units), as are deemed by the Compensation Committee to be consistent with the purpose of the Plan provided that the maximum number of Units (including, without limitation, securities convertible into Units) issuable from treasury during a calendar year under such other Awards will not exceed 500,000 Units. Units or other securities delivered pursuant to a purchase right granted under this Article 13.0 shall be purchased for such consideration, which may be paid by such method or methods and in such form or forms, as the Compensation Committee shall determine, the value of which consideration, as established by the Compensation Committee, may not be less than the fair market value of the Units or other securities, expressed in terms of money, as determined by the Compensation Committee in its sole discretion, having due regard to such matters and considerations as it determines relevant, including any applicable rules, regulations or policies (including those of the Stock Exchange).

**13.2 Income Tax.** The Compensation Committee shall have the right, but not the obligation, to take account of income or other tax considerations in determining the terms and conditions of the Award or any other amendment thereto.

#### **14.0 GENERAL TERMS OF AWARDS**

**14.1 Consideration for Awards.** Awards may be granted for no cash consideration or for any cash or other consideration as determined by the Compensation Committee and required by applicable law.

**14.2 Awards May Be Granted Separately or Together.** Awards may, in the discretion of the Compensation Committee, be granted either alone or in addition to, in tandem with any other Award or any award granted under any plan of the REIT or any Affiliate. Awards granted in addition to or in tandem with other Awards or in addition to or in tandem with awards granted under any such other plan of the REIT or any Affiliate may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

**14.3 Forms of Payment under Awards.** Subject to the terms of the Plan, payments or transfers to be made by the REIT or an Affiliate upon the grant, exercise or payment of an Award may be made in such form or forms as the Compensation Committee shall determine (including, without limitation, cash, Units, promissory notes, other securities, other Awards or other property or any combination thereof), and may be made in a single payment or transfer, in instalments or on a deferred basis, in each case in accordance with rules and procedures established by the Compensation Committee. Such rules and procedures may include, without limitation, provisions for the payment or crediting of reasonable interest on instalment or deferred payments or the grant or crediting of dividend equivalents with respect to instalment or deferred payments.

**14.4 Restrictions, Securities Exchange Listing.** All Units or other securities delivered under the Plan pursuant to any Award or the exercise or settlement thereof shall be subject to such stop transfer orders and other restrictions as the Compensation Committee may deem advisable under the Plan, applicable Canadian provincial, or foreign securities laws and regulatory requirements, and applicable Canadian corporate laws, and the Compensation Committee may direct appropriate stop transfer orders and cause other legends to be placed on the certificates for such Units or other securities to reflect such restrictions. If the Units or other securities are traded on the Stock Exchange, the REIT shall not be required to deliver any Units or other securities covered by an Award unless and until such Units or other securities have been admitted for trading on the Stock Exchange.

**14.5 Non-Dilutive Purchases.** The REIT may satisfy any Units required to be delivered to a Participant under an Award by either issuing Units from treasury or establishing a trust arrangement with a trustee who will, in its discretion and subject to the terms established with such trustee, carry out purchases of Units on the Stock Exchange.

## **15.0 CHANGE IN STATUS**

A change in the status, office, position or duties of a Participant from the status, office, position or duties held by such Participant on the date on which the Award was granted to such Participant will not result in the termination of the Award granted to such Participant provided that such Participant remains an Eligible Person.

## **16.0 NON-TRANSFERABILITY OF AWARDS**

Each Award Agreement will provide that the Award granted thereunder is not transferable or assignable to anyone other than a Permitted Assign. The Award Agreement will also provide that the Award granted thereunder may only be exercised by the Participant or a Permitted Assign or in the event of:

- (a) the death of the Participant or a Permitted Assign; or
- (b) the appointment of a committee or duly appointed attorney of the Participant or a Permitted Assign on the grounds that the Participant or a Permitted Assign is incapable, by reason of physical or mental infirmity, of managing their affairs.

## **17.0 REPRESENTATIONS AND COVENANTS OF PARTICIPANTS**

**17.1 Representations and Covenants.** Each Award Agreement will be deemed to contain representations and covenants of the Participant that:

- (a) the Participant is a bona fide director, officer, employee, or Consultant of the REIT, the GP or any of their respective Affiliates or a Person otherwise determined as an Eligible Person under this Plan by the Compensation Committee;
- (b) the Participant has not been induced to enter into such Award Agreement by the expectation of employment or continued employment with the REIT, the GP or any of their respective Affiliates;
- (c) the Participant is aware that the grant of the Award and the issuance by the REIT of Units or other securities thereunder are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Awards or the Units or other securities to be distributed thereunder under any applicable securities laws;
- (d) upon each exercise or settlement of an Award, the Participant, or the Legal Representative of the Participant, as the case may be, will, if requested by the REIT, represent and agree in writing that the Person is, or the Participant was, a director, officer, employee or Consultant of the REIT, the GP or any of their respective Affiliates or a Person otherwise determined as an Eligible Person under this Plan by the Compensation Committee and has not been induced to purchase the Units or other securities by expectation of employment or continued employment with the REIT, the GP or any of their respective Affiliates, and that such Person is not aware of any commission or other remuneration having been paid or given to others in respect of the granting of the Award; and
- (e) if the Participant or the Legal Representative of the Participant exercises or settles an Award, the Participant or the Legal Representative, as the case may be, will prior to and upon any sale or disposition of any Units or other securities purchased or issued pursuant to the exercise or settlement of an Award, comply with all applicable securities laws and

all applicable rules and regulations of all regulatory authorities to which the REIT is subject, including the Stock Exchange, and will not offer, sell or deliver any of such Units or other securities, directly or indirectly, in the United States or to any citizen or resident of, or any company, partnership or other entity created or organized in or under the laws of, the United States, or any estate or trust the income of which is subject to United States federal income taxation regardless of its source, except in compliance with the securities laws of the United States.

**17.2 Provisions Relating to Securities Issuances under an Award Agreement.** Each Award Agreement will contain such provisions as in the opinion of the Compensation Committee are required to ensure that no Units or other securities are issued on the exercise or settlement of an Award unless the Compensation Committee is satisfied that the issuance of Units or other securities will be exempt from all registration or qualification requirements of applicable securities laws and will be permitted under the applicable rules and regulations of all regulatory authorities to which the REIT is subject, including the Stock Exchange. In particular, if required by any regulatory authority to which the REIT is subject, including the Stock Exchange, an Award Agreement may provide that Unitholder approval to the grant of an Award must be obtained prior to the exercise or settlement of the Award or to the amendment of the Award Agreement.

## **18.0 WITHHOLDING TAX**

The Participant will be solely responsible for paying any applicable taxes (for greater certainty includes any tax under the Income Tax Act, the Code and any other applicable tax statute or regulation) arising from the grant, vesting, exercise or settlement of any Award and payment therefor is to be made in a manner satisfactory to the REIT. Notwithstanding the foregoing, the REIT will have the right to withhold from any Award or any Units or other securities issuable pursuant to an Award or from any cash amounts otherwise due or to become due from the REIT, the GP or any of their respective Affiliates to the Participant, an amount equal to any such taxes.

## **19.0 CONDITIONS**

Notwithstanding any of the provisions contained in this Plan or in any Award Agreement, the REIT's obligation to issue Units or other securities to a Participant pursuant to the exercise or settlement of an Award or the granting of any Award will be subject to, if applicable:

- (a) completion of such registration or other qualification of such Units or other securities or to the approval of such governmental authority or Stock Exchange as the REIT may determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; and
- (b) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in Units or other securities, as the REIT or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

## **20.0 SUSPENSION, AMENDMENT OR TERMINATION OF PLAN**

**20.1 Suspension, Amendment or Discontinuance of Plan.** The Compensation Committee may discontinue the Plan at any time. Without approval of any of the securityholders of the REIT unless required by the Stock Exchange, the Compensation Committee has the right, subject only to those limitations set forth in Section 20.2 or elsewhere in this Plan, to at any time suspend, amend, modify or terminate this Plan or an Award Agreement including, without limitation, the right to make the following amendments to this Plan or any Award Agreement:

- (a) amendments of a clerical nature, including but not limited to the correction of grammatical or typographical errors or clarification of terms;
- (b) amendments to reflect any requirements of any regulatory authorities to which the REIT is subject, including the Stock Exchange;
- (c) cancel any Award for Units, reduce the number of Units under any Award or increase the Exercise Price of an Award for Units;
- (d) amendments to the vesting provisions under any Award;
- (e) convert the Plan to a fixed number plan at any time, provided that the fixed number does not exceed 10% of the then issued and Outstanding Units, and the number of Units reserved under the fixed number plan and all other securities-based compensation arrangements of the REIT in respect of Awards of Restricted Stock and Restricted Stock Units (including, for greater certainty, Performance Awards, issued in the form of Restricted Stock or Restricted Stock Units), does not, in the aggregate, exceed 5% of the then issued and Outstanding Units; and
- (f) amendments to obtain, preserve or clarify the provision of desirable tax treatment to Participants, the REIT or its subsidiaries in respect of Awards, as well as amendments which may be necessary or desirable in the interests of the Participants, the REIT or its subsidiaries as a result of changes in taxation laws or in their interpretation or administration (including changes in the administrative practices and assessing policies of the Canada Revenue Agency).

Notwithstanding the foregoing, all procedures and necessary approvals required under the applicable rules and regulations of all regulatory authorities to which the REIT is subject, including the Stock Exchange, shall be complied with and obtained in connection with any such suspension, termination, amendment or other modification to the Plan or amendments to any Award Agreement.

**20.2 Limitations.** The Compensation Committee will not have the right to:

- (a) without the prior approval of holders of Units by ordinary resolution and except as permitted pursuant to Article 21.0: (i) extend the term of an Award for Units beyond its original expiry date (other than, for greater clarity, an extension provided in accordance with the terms of this Plan in respect of a Blackout Period in effect on the expiry date); or (ii) cancel any Award for Units and replace such Award within three months of the cancellation;
- (b) reduce the Exercise Price per Unit under any Award held by an Insider of the REIT or the GP without obtaining Disinterested Unitholder Approval;
- (c) reduce the Exercise Price per Unit under any Award held by non-Insiders of the REIT or replace such Award with a lower Exercise Price per Unit under such replacement Award without obtaining the approval of holders of Units by ordinary resolution;
- (d) affect in a manner that is adverse or prejudicial to, or that impairs, the benefits and rights of any Participant under any Award previously granted under this Plan (except as permitted pursuant to Article 21.0 and except for the purpose of complying with applicable securities laws or the bylaws, rules and regulations of any regulatory authority to which the REIT is subject, including the Stock Exchange) unless the consent of the affected Participants is first obtained;

- (e) decrease the number of securities which may be purchased pursuant to any Award (except as permitted pursuant to Article 21.0) without the consent of such Participant;
- (f) increase the Exercise Price at which securities may be purchased pursuant to any Award (except as permitted pursuant to Article 21.0) without the consent of such Participant;
- (g) grant any Awards for Units with, or extend the term of any Awards for Units beyond, a period of ten years or the latest date permitted under the applicable rules and regulations of all regulatory authorities to which the REIT is subject, including the Stock Exchange;
- (h) grant any Award if this Plan is suspended or has been terminated;
- (i) without the prior approval of holders of Units by ordinary resolution, amend any of the terms of the following provisions of this Plan: (i) Article 16.0 (Non-Transferability of Awards); (ii) Section 20.1 (Suspension, Amendment or Discontinuance of Plan); or (iii) Section 20.2 (Limitations).

**20.3 Powers of Compensation Committee Survive Termination.** The full powers of the Compensation Committee as provided for in this Plan will survive the termination of this Plan until all Awards have been exercised or settled in full or have otherwise expired.

## **21.0 ADJUSTMENTS**

**21.1 Adjustments.** Appropriate adjustments to this Plan and to Awards shall be made, and shall be conclusively determined, by the Compensation Committee to give effect to adjustments in the number of Units or other securities resulting from subdivisions, consolidations, substitutions or reclassifications of the Units or other securities, the payment of stock distributions or dividends by the REIT (other than distributions in the ordinary course) or other changes in the capital of the REIT or from a Merger and Acquisition Transaction. Any dispute that arises at any time with respect to any such adjustment will be conclusively determined by the Compensation Committee, and any such determination will be binding on the REIT, the Participant and all other affected parties.

**21.2 Merger and Acquisition Transaction.** In the event of a Merger and Acquisition Transaction or proposed Merger and Acquisition Transaction:

- (a) the Compensation Committee shall, in an appropriate and equitable manner, determine any adjustment to the number and type of Units or other securities (or other securities or other property) that thereafter shall be made the subject of Awards;
- (b) the Compensation Committee shall, in an appropriate and equitable manner, determine the number and type of Units (or other securities or other property) subject to outstanding Awards;
- (c) the Compensation Committee shall, in an appropriate and equitable manner, determine the purchase price or Exercise Price with respect to any Award; provided, however, that the number of securities covered by any Award or to which such Award relates shall always be a whole number;
- (d) the Compensation Committee shall, in an appropriate and equitable manner, determine the manner in which all unexercised rights granted under this Plan will be treated including, without limitation, requiring the acceleration of the time for the exercise or settlement of such rights by the Participants, the time for the fulfilment of any conditions or restrictions on such exercise or settlement, and the time for the expiry of such rights;



- (e) the Compensation Committee or any entity which is or would be the successor to the REIT or which may issue securities in exchange for Units or other securities upon the Merger and Acquisition Transaction becoming effective may offer any Participant the opportunity to obtain a new or replacement Award over any securities into which the Units or other securities are changed or are convertible or exchangeable, on a basis proportionate to the number of Units or other securities (as the case may be) under Award and the Exercise Price (and otherwise substantially upon the terms of the Award being replaced, or upon terms no less favourable to the Participant) including, without limitation, the periods during which the Award may be exercised or settled and expiry dates; and in such event, the Participant shall, if he or she accepts such offer, be deemed to have released his or her Award over the Units or other securities (as the case may be) and such Award shall be deemed to have lapsed and be cancelled; and
- (f) the Compensation Committee may commute for or into any other security or any other property or cash, any Award that is still capable of being exercised or settled, upon giving to the Participant to whom such Award has been granted at least 30 days written notice of its intention to commute such Award, and during such period of notice, the Award, to the extent it has not been exercised, may be exercised or settled by the Participant without regard to any vesting conditions attached thereto, and on the expiry of such period of notice, the unexercised portion of the Award shall lapse and be cancelled.

(a) through (f) of this Section 21.2 may be utilized independently of, successively with, or in combination with each other and Section 21.1, and nothing therein contained shall be construed as limiting or affecting the ability of the Compensation Committee to deal with Awards in any other manner. All determinations by the Compensation Committee under this Article 21.0 will be final, binding and conclusive for all purposes.

**21.3 Cancellation.** The Compensation Committee may, in its sole discretion, cancel any or all outstanding Awards and pay to the holders of any such Awards that are otherwise vested, in cash, the value of such Awards based upon the price per Unit received or to be received by other Unitholders in such event.

**21.4 No Limitation.** The grant of any Awards will in no way affect the REIT's right to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, amalgamate, reorganize, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets or engage in any like transaction.

**21.5 No Fractional Units.** No adjustment or substitution provided for in this Article 21.0 will require the REIT to issue a fractional Unit in respect of any or other Awards and the total substitution or adjustment with respect to each Award will be limited accordingly.

## **22.0 GENERAL**

**22.1 No Rights as Securityholder.** Nothing herein or otherwise shall be construed so as to confer on any Participant any rights as a Unitholder or securityholder of the REIT with respect to any Units or other securities reserved for the purpose of any Award.

**22.2 No Effect on Employment.** Nothing in this Plan or any Award Agreement will confer upon any Participant any right to continue in the employ of or under contract with the REIT, the GP or any of their respective Affiliates or affect in any way the right of the REIT, the GP or any such Affiliate to terminate his or her employment at any time or terminate his or her consulting contract, nor will anything in this Plan or any Award Agreement be deemed or construed to constitute an agreement, or an expression of intent, on the part of the REIT, the GP or any such Affiliate to extend the employment of any Participant beyond the time that he or she would normally be retired pursuant to the provisions of any

present or future retirement plan of the REIT, the GP or any of their respective Affiliates or any present or future retirement policy of the REIT, the GP or their respective Affiliates, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the REIT, the GP or any of their respective Affiliates. Neither any period of notice nor any payment in lieu thereof upon termination of employment shall be considered as extending the period of employment for the purposes of the Plan.

**22.3 No Fettering of Directors' Discretion.** Nothing contained in this Plan will restrict or limit or be deemed to restrict or limit the right or power of the Board of Directors in connection with any allotment and issuance of Units or other securities which are not allotted and issued under this Plan including, without limitation, with respect to other compensation arrangements.

**22.4 Applicable Law.** The Plan and any Award Agreement granted hereunder will be governed, construed and administered in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. In the event that any provision of this Plan or any agreement entered into, document delivered or investment created pursuant to this Plan contravenes any law or any order, policy, bylaw or regulation of any regulatory body having authority, including, without limitation, the Stock Exchange, over the REIT or this Plan, then such provision, agreement, document or investment (as the case may be) will be deemed to be amended to the extent required to bring such provision into compliance therewith.

**22.5 Securities Law Requirements.** The REIT will use all reasonable efforts to facilitate the operation of this Plan as contemplated and described herein, but will not be obligated to purchase, issue or authorize the purchase or issuance of, any Units pursuant to the Plan, if such purchase or issuance would, in the opinion of counsel, violate the Securities Act (or any other applicable statute), as amended from time to time. Each issuance of Units will be subject to the further requirement that if at any time the Board determines that the listing or qualification of such Units under any securities legislation or other applicable law, or the consent or approval of any governmental or other regulatory body (including any applicable stock exchange), is necessary as a condition of, or in connection with, the issuance of such Units hereunder, the REIT will not issue such Units unless such listing, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Board.

**22.6 Non-Certificated Units.** Notwithstanding any other provision contained in this Plan, the Compensation Committee may, in its sole discretion, issue Units with respect to any Award electronically rather than in the form of a certificate. Without limiting the generality of the foregoing, Units may be issued through the non-certificated inventory ("NCI") system and held by, or on behalf of, CDS Clearing and Depository Services Inc. or its successor (collectively, the "**Depository**"), as custodian. Under the NCI system, Units will be represented only in "book-entry only" form (unless the REIT, in its sole discretion, elects to prepare and deliver certificates evidencing the Units). Beneficial interests in the Units will be represented through book-entry accounts of institutions acting on behalf of beneficial owners, as direct and indirect participants of the Depository.