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CT REAL ESTATE  
INVESTMENT TRUST

Management  
Information Circular

Notice of Annual General Meeting  
of Unitholders to be held on  
May 6, 2014



# NOTICE OF ANNUAL MEETING OF UNITHOLDERS



# CT REIT

**You are invited to the Annual Meeting of Unitholders of CT Real Estate Investment Trust.**

**When**

Tuesday, May 6, 2014  
10:00 a.m. (Toronto time)

**Where**

St. Andrew's Club & Conference Centre  
150 King Street West, 16<sup>th</sup> floor,  
Toronto, Ontario

In this Notice, *we, us, our, CT REIT, the REIT and the Trust* refer to CT Real Estate Investment Trust™ and its subsidiaries, where applicable. *You and your* refer to holders of CT REIT units (*Trust Unitholders*) and holders of special voting units of CT REIT (*Special Voting Unitholders*, and together with Trust Unitholders, *Unitholders*).

**Business of the Annual Meeting of Unitholders**

We will address four items at the Annual Meeting:

1. CT REIT's Consolidated Annual Financial Statements for the financial year ended December 31, 2013, including the external auditor's report;
2. the election of trustees, who will serve until the next Annual Meeting of Unitholders;
3. the appointment of the external auditor, who will serve until the next Annual Meeting of Unitholders, and authorizing the trustees to set the external auditor's compensation; and
4. the transaction of such further and other business as may properly come before the Annual Meeting or any adjournment thereof.

**You Have the Right to Vote**

You have the right to vote at our Annual Meeting as set out in the enclosed Management Information Circular if you are a Unitholder as of the close of business on March 17, 2014.

**Your Vote is Important**

As a Unitholder, it is important that you read the accompanying Management Information Circular carefully.

You are entitled to vote at the Annual Meeting either in person or by proxy. If you are unable to attend the Annual Meeting in person, you are requested to vote your Units using the enclosed form of proxy or voting instruction form.

Unitholders should complete and sign the enclosed form of proxy and return it in the envelope provided. Proxies must be received by CT REIT's transfer agent, Computershare Trust Company of Canada, 100 University Avenue, 9<sup>th</sup> Floor, North Tower, Toronto, Ontario, Canada M5J 2Y1, by no later than 5:00 p.m. (Toronto time) on Monday, May 5, 2014.

If you are a non-registered Unitholder, you should review the voting instruction form provided by your intermediary, which sets out the procedures to be followed for voting Units held through intermediaries.

By order of the Board of Trustees,

Kimberley M. Graham  
Secretary

Toronto, Ontario  
March 18, 2014

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## MANAGEMENT INFORMATION CIRCULAR

All information in this Management Information Circular is as of March 18, 2014, unless otherwise indicated.

In this Management Information Circular, *we, us, our, CT REIT, the REIT and the Trust* refer to CT Real Estate Investment Trust and its subsidiaries, where applicable. *CTC* refers to Canadian Tire Corporation, Limited and its subsidiaries, as and to the extent applicable. *You and your* refer to holders of CT REIT units (*Trust Unitholders*) and holders of special voting units of CT REIT (*Special Voting Unitholders*, and together with Trust Unitholders, the *Unitholders*).

**This Management Information Circular is provided in connection with our Annual Meeting of Unitholders to be held on May 6, 2014 (the Meeting). Your proxy is being solicited by the management of CT REIT for the items described in the notice on the previous page.** We pay for all costs associated with soliciting your proxy. We usually make our request by mail, but we may also solicit your proxy by telephone or in person.

As a Unitholder, you have the right to attend and vote at the Meeting as set out in this Management Information Circular. Please read this Management Information Circular. It gives you information you need to know to cast your vote. We also encourage you to read CT REIT's Management's Discussion and Analysis and Consolidated Annual Financial Statements for the financial year ended December 31, 2013. A copy of the Management's Discussion and Analysis and Consolidated Annual Financial Statements will be sent to all registered and beneficial Unitholders other than those who have requested that materials not be sent to them. They are also available on the System for Electronic Document Analysis and Retrieval (*SEDAR*) at [www.sedar.com](http://www.sedar.com) and CT REIT's website at [www.ctreit.com](http://www.ctreit.com).

The Board of Trustees has approved the contents and sending of this Management Information Circular.



Kimberley M. Graham  
*Secretary*

Toronto, Ontario  
March 18, 2014



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## BUSINESS OF THE MEETING

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We will address four items at the Meeting.

### Receiving the Consolidated Annual Financial Statements

Our Consolidated Annual Financial Statements for the financial year ended December 31, 2013, including the external auditor's report, have been prepared and will be sent to all registered and beneficial Unitholders other than those who have requested that materials not be sent to them. Our Consolidated Annual Financial Statements are also available on SEDAR at [www.sedar.com](http://www.sedar.com) and CT REIT's website at [www.ctreit.com](http://www.ctreit.com)

### Electing Trustees

The Board has determined that seven trustees will be elected at the Meeting. See *About the Proposed Trustees* on page 8 for more information.

The Board recommends that you vote **FOR** the election of each of the following persons who have been proposed by the Board for election as trustees by the Unitholders:

- Brent Hollister
- David Laidley
- Anna Martini
- John O'Bryan

The Board recommends that you vote **FOR** the election of each of the following persons who have been nominated by CTC and who have been proposed by the Board for election as trustees by the Unitholders:

- Dean McCann
- Ken Silver
- Stephen Wetmore

All of the proposed trustees are currently trustees of CT REIT and were appointed as trustees on or prior to the closing of the REIT's initial public offering on October 23, 2013 (*IPO*).

### Appointing the External Auditor

If you are a Unitholder, you can vote on the appointment of the external auditor and authorizing the Board of Trustees to set the external auditor's compensation. The Board recommends that you vote **FOR** the reappointment of the REIT's current external auditor, Deloitte LLP, Chartered Professional Accountants, Chartered Accountants (*Deloitte*), as the external auditor, and authorizing the Board to set its compensation.

### Considering Other Business

We will consider any other business that may properly come before the Meeting. As of the date of this Management Information Circular, we are not aware of any changes to the items above or any other business to be considered at the Meeting. If there are changes or new items, you or your proxyholder can vote your Units on these items as you, he or she sees fit.



## VOTING INFORMATION

### Who Can Vote

CT REIT is authorized to issue an unlimited number of CT REIT units (*the Trust Units*) and CT REIT special voting units (*the Special Voting Units*, and together with the Trust Units and as the context requires, *the Units*). As of March 17, 2014 there were 179,619,444 issued and outstanding Units, which are comprised of: (i) 90,059,573 issued and outstanding Trust Units, and (ii) 89,559,871 Special Voting Units (which were issued in tandem with the issuance of Class B limited partnership units (*the Class B LP Units*)) of CT REIT Limited Partnership (*the Partnership*) for the purpose of providing voting rights with respect to CT REIT to the holders of such securities.

Each Unit you own as of the close of business on March 17, 2014 entitles you to one vote on each of the matters to be acted upon at the Meeting, or any adjournment thereof, either in person or by proxy.

The trustees and officers of CT REIT are not aware of any person or company that beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the total outstanding Units, other than CTC which holds approximately 83.1% of the Units, as listed below:

	Number of Units Beneficially Owned, Controlled or Directed	Percentage of Issued and Outstanding Units <sup>(1)</sup>
Trust Units held by CTC	59,711,094	33.24%
Special Voting Units held by CTC	89,559,871	49.86%
Total Units held by CTC	149,270,965	83.10%

#### Note

(1) Total number of issued and outstanding Units as at March 17, 2014 was 179,619,444.

### How to Vote

**Your proxy is being solicited by the management of CT REIT** and the associated costs are being borne by CT REIT. The solicitation is being made primarily by mail but may also be made by telephone or in person.

#### Registered Unitholder Voting

You are a registered Unitholder if your Units are held directly in your name either electronically or in the form of a Unit certificate (*Registered Unitholder*). If you are a Registered Unitholder, you may vote in person at the Meeting or by proxy. See below for details on each voting option.

#### Voting in Person

If you are a Registered Unitholder and you wish to vote your Units in person at the Meeting, you do not need to complete and return the form of proxy. Please register with CT REIT's transfer agent, Computershare Trust Company of Canada, upon arrival at the Meeting. Your vote will be taken and counted at the Meeting.

#### Voting by Proxy

Registered Unitholders have three options to vote by proxy:

- **By Mail**

Complete, date and sign the enclosed form of proxy and return it to CT REIT's transfer agent, Computershare Trust Company of Canada, in the envelope provided so that it arrives no later than 5:00 p.m. (Toronto time) on Monday, May 5, 2014. This will ensure your vote is recorded.

- **By Telephone** (only available to Registered Unitholders resident in Canada or the United States)

Call 1-866-732-VOTE (8683) and follow the instructions. You will need your 15 digit control number (located on the front of the form of proxy) to identify yourself to the system. If you are voting by telephone, all required





information must be entered by 5:00 p.m. (Toronto time) on Monday, May 5, 2014. If you vote by telephone, you cannot appoint anyone other than the trustees named on your proxy form as your proxyholder.

- **On the Internet**

Go to [www.investorvote.com](http://www.investorvote.com) and follow the instructions. You will need your 15 digit control number (located on the front of the form of proxy) to identify yourself to the system. If you are voting through the Internet, all required information must be entered by 5:00 p.m. (Toronto time) on Monday, May 5, 2014.

Signing the enclosed form of proxy gives authority to David Laidley or Ken Silver, each of whom is a trustee of the REIT, to vote your Units at the Meeting. **You may appoint someone other than the above-named trustees to vote your Units by writing the name of this person, who need not be a Unitholder, in the blank space provided on the form of proxy.**

It is important to ensure that any other person you appoint is attending the Meeting and is aware that he or she has been appointed to vote your Units. Proxyholders should, upon arrival at the Meeting, present themselves to a representative of CT REIT's transfer agent, Computershare Trust Company of Canada.

The persons named on the form of proxy must vote for or withhold from voting your Units in accordance with your directions, or you can let your proxyholder decide for you. In the absence of such directions, proxies received by management will be voted **in favour of** the election of trustees to the Board, the appointment of the external auditor and authorizing the trustees to set the external auditor's compensation.

The persons named in the form of proxy will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Annual Meeting of Unitholders of CT REIT and with respect to other matters which may properly come before the Meeting.

As of the date of this Management Information Circular, management of CT REIT knows of no such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the persons named in the form of proxy will vote on them in accordance with their best judgment.

#### **Voting Units Registered in the Name of a Corporation**

To vote Units registered in the name of a corporation or other legal entity, an authorized officer or attorney of that corporation or legal entity must sign the enclosed form of proxy. This person may have to provide proof that he or she is authorized to sign. The completed proxy form must be returned to CT REIT's transfer agent, Computershare Trust Company of Canada, in the envelope provided so that it arrives no later than 5:00 p.m. (Toronto time) on Monday, May 5, 2014. **These Units cannot be voted by telephone, through the Internet or in person.**

#### **Revoking Your Proxy**

If you are a Registered Unitholder and wish to revoke your proxy, prepare a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing or by electronic signature to the extent permitted by applicable law or, if the Unitholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the corporation. This statement must be delivered or faxed to the Secretary of CT REIT at the address listed below no later than 5:00 p.m. (Toronto time) on Monday, May 5, 2014, or the business day immediately preceding any adjournment of the Meeting, or to the Chairman of the Board of CT REIT on the day of the Meeting, Tuesday, May 6, 2014, or any adjournment of the Meeting.

CT Real Estate Investment Trust  
2180 Yonge Street, 15<sup>th</sup> Floor  
Toronto, Ontario M4P 2V8  
Attention: Kimberley M. Graham, Secretary  
Fax: (416) 480-3107

#### **Non-Registered Beneficial Unitholder Voting**

Information in this section is very important to non-registered beneficial owners of Units. You are a non-registered beneficial owner if your Units are held in the name of an intermediary such as a bank, trust company, securities broker or other intermediary (*Beneficial Unitholder*). Applicable Canadian securities laws require intermediaries to seek voting instructions from Beneficial Unitholders. Accordingly, you will have received from your intermediary a voting instruction form for the number of Units you hold.



If you are a Beneficial Unitholder, you are still entitled to vote and you may vote in person at the Meeting or by providing voting instructions to your intermediary who will act as proxyholder and vote on your behalf. See below for details on each option.

### **Voting in Person**

**A Beneficial Unitholder who receives a voting instruction form from their intermediary cannot use that voting instruction form to vote Units directly at the Meeting.** To vote your Units in person at the Meeting, your intermediary must appoint you as proxyholder. In order to be appointed as proxyholder, insert your name in the space provided on the voting instruction form and follow the return instructions provided by your intermediary. Do not fill in the voting directions as your vote will be taken at the Meeting. **The voting instruction form must be returned to your intermediary well in advance of the Meeting in order to have the Units voted.** Upon arrival at the Meeting, please register with CT REIT's transfer agent, Computershare Trust Company of Canada. Since CT REIT has limited access to the names of its non-registered Beneficial Unitholders, if you attend the Meeting, CT REIT may have no record of your Unitholdings or your entitlement to vote. Accordingly, unless you complete the voting instruction form as indicated above and your intermediary has appointed you as proxyholder, you may be unable to vote at the Meeting.

### **Voting Instruction**

Beneficial Unitholders who do not wish to vote in person at the Meeting are still encouraged to vote their Units. You can do so by following the instructions on the voting instruction form provided by your intermediary.

Each intermediary has its own procedures, which should be carefully followed to ensure that your Units are voted at the Meeting. The persons named on the voting instruction form must vote for or withhold from voting your Units in accordance with your directions, or you can let your proxyholder decide for you. In the absence of such directions, voting instruction forms received will be voted in favour of the election of trustees to the Board, the appointment of the external auditor and authorizing the trustees to set the external auditor's compensation.

The persons named in the voting instruction form you receive will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Annual Meeting of Unitholders of CT REIT and with respect to other matters which may properly come before the Meeting.

As of the date of this Management Information Circular, management of CT REIT knows of no such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the persons named in the voting instruction form will vote on them in accordance with their best judgment.

### **Revoking Your Voting Instruction**

If you are a Beneficial Unitholder, please contact your intermediary for instructions on how to revoke your voting instructions well in advance of the Meeting.

### **Delivery of Proxy-Related Materials**

Proxy-related materials will be sent by CT REIT to the intermediaries and not directly to Beneficial Unitholders. CT REIT intends to pay for intermediaries to deliver proxy-related materials and Form 54-101F7 (request for voting instructions) to "objecting beneficial owners".

### **Additional Voting Information**

CT REIT's transfer agent, Computershare Trust Company of Canada, counts and tabulates the votes.

For general Unitholder enquiries, you can contact the transfer agent by mail at:

Computershare Trust Company of Canada  
100 University Avenue  
9<sup>th</sup> Floor, North Tower  
Toronto, Ontario M5J 2Y1  
Canada

or by telephone:

within Canada and the United States at 1-800-564-6253, and from all other countries at 514-982-7555;

or by fax:

within Canada and the United States at 1-866-249-7775, and from all other countries at 416-263-9524;

or by e-mail at [service@computershare.com](mailto:service@computershare.com).



## ABOUT CT REAL ESTATE INVESTMENT TRUST

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### Overview

CT REIT is an unincorporated, “closed-end” real estate investment trust established on July 15, 2013 pursuant to a declaration of trust under, and governed by, the laws of the Province of Ontario, as amended and restated as at October 22, 2013 (*the Declaration of Trust*). We commenced operations on October 23, 2013 with the completion of our IPO. CT REIT was formed to own, develop and lease income producing commercial properties located primarily in Canada. As at March 18, 2014, our portfolio consists of 259 properties across Canada.

CTC holds an 83.1% effective interest in the REIT on a fully-diluted basis through ownership of 59,711,094 Trust Units and all of the issued and outstanding Class B LP Units, which are economically equivalent to and exchangeable for Trust Units. Each Class B LP Unit is exchangeable at the option of the holder for one Trust Unit (subject to certain anti-dilution adjustments), is accompanied by one Special Voting Unit (which provides for the same voting rights in the REIT as a Trust Unit) and receives distributions of cash from the Partnership equal to the distributions made by the REIT on a Trust Unit. In addition to Trust Units and Special Voting Units, CTC holds all of the outstanding Class C limited partnership units (*the Class C LP Units*) of the Partnership.

### Arrangements with Canadian Tire Corporation, Limited

CT REIT and CTC are parties to a number of commercial agreements which govern the relationship between them. Such agreements include a services agreement, property management agreement, right of first offer agreement, development agreement and non-competition and non-solicitation agreement. For a discussion of such commercial agreements, other arrangements and certain fees paid between CT REIT and CTC, please refer to our Annual Information Form for the year ended December 31, 2013 (*the 2013 AIF*), and our Management's Discussion and Analysis and Consolidated Annual Financial Statements for the year ended December 31, 2013, which are both available on the REIT's website at [www.ctreit.com](http://www.ctreit.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). Such commercial agreements are material contracts for the REIT and any disclosure in this Management Information Circular, the 2013 AIF or elsewhere is qualified in its entirety by reference to the terms of such agreements which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

CT REIT employs an experienced internal senior executive team which is supported by CTC pursuant to the services agreement and the property management agreement. Pursuant to the services agreement, CTC provides the REIT with certain administrative, legal, financial, information technology, human resources and ancillary services (*the Services*). CTC is responsible for performing the Services primarily through its management team and employees. In carrying out the Services, CTC is subject to the REIT's oversight. Property management services are also provided by CTC pursuant to CT REIT's property management agreement. CTC's team of real estate professionals are intimately familiar with CT REIT's properties and the commercial real estate industry and have significant experience in property development and redevelopment, property management, and real estate acquisitions and dispositions.



## ABOUT THE PROPOSED TRUSTEES

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The trustee biographies on pages 9 to 12 describe the trustees who are proposed for election, along with their ownership of Trust Units and deferred units (*DUs*) under the Deferred Unit Plan for Trustees (*the DU Plan for Trustees*). DUs do not carry any voting rights.

The trustee biographies also indicate the aggregate value of all Trust Units and DUs held by each proposed trustee as well as whether or not each proposed trustee has met the REIT's unit ownership guidelines for trustees. Each trustee, other than Ken Silver, the President and Chief Executive Officer of CT REIT (*the CEO*), and Dean McCann and Stephen Wetmore, executive officers of CTC, is required to accumulate at least three times the value of the base annual trustee retainer, which currently equates to \$150,000, in Trust Units or DUs by the fifth anniversary of becoming a trustee. For more information on the REIT's unit ownership guidelines for trustees, see *Trustee Unit Ownership Guidelines* on page 21. For more information on the REIT's unit ownership guidelines applicable to Mr. Silver, see *Executive Unit Ownership Guidelines* on page 31.

According to CT REIT's Declaration of Trust we must have between seven and nine trustees on our Board of Trustees. The Board of Trustees determines the number of trustees to be elected at a meeting of Unitholders of the REIT. The Declaration of Trust also states that CTC shall have the exclusive right to nominate a number of trustees as follows:

- three trustees, provided that CTC, directly or indirectly, holds greater than 20% of the Units; or
- two trustees, provided that CTC, directly or indirectly, holds greater than 10% of the Units and equal to or less than 20% of the Units; or
- one trustee, provided that CTC, directly or indirectly, holds greater than 5% of the Units and equal to or less than 10% of the Units; or
- four trustees, provided that the Board consists of nine trustees and CTC, directly or indirectly, holds greater than 50% of the Units;

in each case, based on the number of Units held, directly or indirectly, by CTC at the time of such nomination.

Pursuant to the Declaration of Trust, CTC exercises its nomination right by submitting its nominees to the Governance, Compensation and Nominating Committee (*GCN Committee*), which reviews the proposed nominations together with the remaining trustee nominations, determined solely by the GCN Committee, to be elected by the Unitholders at the Meeting.

Each trustee holds office until the next Annual Meeting of Unitholders or until such office is earlier vacated.

We do not expect that any of the proposed trustees will be unable to serve as a trustee. If, however, the REIT becomes aware before the Meeting that a proposed trustee is unable to serve as a trustee, the CT REIT trustees appointed as proxyholders will vote to elect a substitute proposed trustee at their discretion.

### Position on Majority Voting

The rules of the Toronto Stock Exchange (TSX) were recently amended to impose majority voting requirements, subject to certain exceptions, and disclosure obligations on TSX listed issuers. A majority voting policy would generally require a trustee who receives more votes withheld than votes for his or her election to tender his or her resignation. The TSX has however recognized that, in certain circumstances, such a policy may not have the desired effect and as such has provided an exemption for controlled entities.

Since CT REIT has a controlling Unitholder, a majority voting policy would not have a meaningful effect on an election of CT REIT's trustees and could in fact be misleading to Unitholders because the controlling Unitholder can affect the election of trustees with its votes alone. In light of such considerations, the Board of Trustees has decided not to adopt a majority voting policy which is consistent with the exemption provided by the TSX. The current process for electing trustees complies with CT REIT's Declaration of Trust, securities laws and TSX rules.



## Trustee Nominee Biographies

### BRENT HOLLISTER

Independent



**Current Activities:**

Mr. Brent Hollister is a Corporate Director. He currently serves as a director on the board of Holiday Holdings Inc., a private equity company.

**Past Activities:**

Mr. Hollister was formerly President, CEO and director of Sears Canada. He stepped down in 2006 after 37 years of service. During his tenure he held several leadership positions including Chief Operating Officer, President Sales and Service and Executive Vice President. He also served as a Trustee of Primaris Retail REIT until 2013. He is an honorary life member of the Canadian Marketing Association. Mr. Hollister is a graduate of Ryerson in Retail Administration, served as a business member of Ryerson's Retail Council Committee and has completed the Directors Education Program at the Institute of Corporate Directors at the University of Toronto.

Toronto, Ontario,  
Canada

Trustee since:  
October, 2013

**Public Board Memberships During Last Five Years:**

Primaris Retail Real Estate Investment Trust (2009 – 2013)  
CT Real Estate Investment Trust (2013 – Present)

#### NUMBER OF UNITS AND DUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 18, 2014)

UNITS	DUs <sup>(1)</sup>	TOTAL NUMBER OF UNITS AND DUs	MARKET VALUE OF TOTAL NUMBER OF UNITS AND DUs <sup>(2)</sup>	DATE AT WHICH UNIT OWNERSHIP GUIDELINE IS TO BE MET	HAS UNIT OWNERSHIP GUIDELINE BEEN MET? <sup>(3)</sup>
85,318	445	85,763	\$945,111	October 23, 2018	Yes

### DAVID LAIDLEY

Independent



**Current Activities:**

Mr. David Laidley is a Corporate Director. Mr. Laidley currently serves on the boards of Aimia Inc., EMCOR Group Inc., Input Capital Inc. and Aviva Canada Inc.

**Past Activities:**

Mr. Laidley was a partner of Deloitte from 1975 until his retirement in 2007. Mr. Laidley was elected Chairman of the firm in 2000 and served in that capacity until 2006. A Chartered Professional Accountant, Mr. Laidley has over 40 years of professional services experience, specializing in the areas of tax and audit. He previously was the Lead Director of the Bank of Canada, Chairman of Nautilus Indemnity Holdings Limited and served on the boards of Biovail Corporation (now Valeant Pharmaceuticals International, Inc.) and ProSep Inc. Mr. Laidley holds a Bachelor of Commerce degree from McGill University and completed the Directors Education Program at the Institute of Corporate Directors at the University of Toronto.

Westmount,  
Quebec, Canada

Non-Executive  
Chairman since:  
September, 2013

**Public Board Memberships During Last Five Years:**

Biovail Corporation (*now Valeant Pharmaceuticals Int'l Inc.*) (2008 – 2010)  
EMCOR Group Inc. (2008 – Present)  
ProSep Inc.<sup>(4)</sup> (2008 – January 2014)  
Aimia Inc. (2009 – Present)  
Input Capital Inc. (2013 – Present)  
CT Real Estate Investment Trust (2013 – Present)

#### NUMBER OF UNITS AND DUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 18, 2014)

UNITS	DUs <sup>(1)</sup>	TOTAL NUMBER OF UNITS AND DUs	MARKET VALUE OF TOTAL NUMBER OF UNITS AND DUs <sup>(2)</sup>	DATE AT WHICH UNIT OWNERSHIP GUIDELINE IS TO BE MET	HAS UNIT OWNERSHIP GUIDELINE BEEN MET? <sup>(3)</sup>
8,000	3,312	11,312	\$124,668	September 9, 2018	No



**Current Activities:**

Ms. Anna Martini is President of Groupe Dynamite Inc., a specialty apparel global retailer since 2004. Ms. Martini currently serves on the board of Transcontinental Inc., has been a board member and Treasurer of the Retail Council of Canada since 2007, and is a board member of the Royal Victoria Hospital Foundation.

**Past Activities:**

Ms. Martini is a Chartered Professional Accountant and worked at Deloitte, from 1985 to 2004, including as a partner in audit and advisory services from 1996 until her departure. During her tenure at Deloitte, she specialized in the retail and consumer products industry sectors. She was a member of the Advisory Committee to the President of Telus Quebec and served on the board of Velan Inc. where she also chaired the Audit Committee.

**Town of Mount Royal, Quebec, Canada**

**Trustee since:**  
October, 2013

**Public Board Memberships During Last Five Years:**

Velan Inc. (2008 – 2013)  
Transcontinental Inc. (2011 – Present)  
CT Real Estate Investment Trust (2013 – Present)

**NUMBER OF UNITS AND DUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 18, 2014)**

UNITS	DUs <sup>(1)</sup>	TOTAL NUMBER OF UNITS AND DUs	MARKET VALUE OF TOTAL NUMBER OF UNITS AND DUs <sup>(2)</sup>	DATE AT WHICH UNIT OWNERSHIP GUIDELINE IS TO BE MET	HAS UNIT OWNERSHIP GUIDELINE BEEN MET? <sup>(3)</sup>
–	1,452	1,452	\$16,005	October 23, 2018	No

**Current Activities:**

Mr. Dean McCann is the Executive Vice-President and Chief Financial Officer of CTC.

**Past Activities:**

Mr. McCann previously served as President of Canadian Tire Financial Services Limited and as Chief Executive Officer and a director of Canadian Tire Bank, both of which are subsidiaries of CTC. During the past 17 years with CTC, Mr. McCann has held a number of progressively senior roles and led a number of impactful projects, including leading the establishment of Canadian Tire Bank, driving the success of Canadian Tire MasterCard with over five million accounts issued, and developing a shareholder value creation program. Mr. McCann is a Chartered Professional Accountant and a graduate of the Directors College Chartered Director program at McMaster University.

**Toronto, Ontario, Canada**

**Trustee since:**  
September, 2013

**Public Board Memberships During Last Five Years:**

CT Real Estate Investment Trust (2013 – Present)

**NUMBER OF UNITS AND DUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 18, 2014)**

UNITS	DUs	TOTAL NUMBER OF UNITS AND DUs	MARKET VALUE OF TOTAL NUMBER OF UNITS AND DUs	DATE AT WHICH UNIT OWNERSHIP GUIDELINE IS TO BE MET	HAS UNIT OWNERSHIP GUIDELINE BEEN MET?
–	See Note 5	–	–	See Note 5	See Note 5



**Current Activities:**

Mr. John O'Bryan is Chairman of CBRE Limited and a member of its Canadian Board of Directors and Canadian Executive Management Committee.

**Past Activities:**

Mr. O'Bryan joined CBRE Limited in 2008. Prior to joining CBRE, he served as Managing Director at TD Securities from 1998 to 2008. With over 40 years' experience in the real estate industry, Mr. O'Bryan's past accomplishments include selling in excess of \$8.0 billion worth of commercial real estate across Canada and negotiating over 3 million square feet of leases for major Canadian companies and institutions. Mr. O'Bryan holds an honours degree in Estate Management and is a member of the Royal Institution of Chartered Surveyors.

Toronto, Ontario,  
Canada

Trustee since:  
September 2013

**Public Board Memberships During Last Five Years:**

CBRE Limited (2008 – Present)  
CT Real Estate Investment Trust (2013 – Present)

**NUMBER OF UNITS AND DUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 18, 2014)**

UNITS	DUs <sup>(1)</sup>	TOTAL NUMBER OF UNITS AND DUs	MARKET VALUE OF TOTAL NUMBER OF UNITS AND DUs <sup>(2)</sup>	DATE AT WHICH UNIT OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET? <sup>(3)</sup>
20,000	2,152	22,152	\$244,122	September 9, 2018	Yes

**Current Activities:**

Mr. Ken Silver is the CEO of CT REIT

**Past Activities:**

Mr. Silver joined CTC in 1995 and prior to his appointment as CEO of the REIT, Mr. Silver was Senior Vice-President, Corporate Strategy and Real Estate of CTC and President, Canadian Tire Real Estate Limited, a wholly-owned subsidiary of CTC. His accountabilities included all aspects of developing and managing the real estate portfolio, corporate strategy development, and strategic initiatives including business sustainability and negotiating a new Canadian Tire dealer agreement. Mr. Silver holds a Bachelor of Arts degree from Queen's University, a Master of Business Administration degree from McGill University and completed the Directors Education Program at the Institute of Corporate Directors at the University of Toronto.

Toronto, Ontario,  
Canada

Trustee since:  
September 2013

**Public Board Memberships During Last Five Years:**

CT Real Estate Investment Trust (2013 – Present)

**NUMBER OF UNITS AND DUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 18, 2014)**

UNITS	DUs	TOTAL NUMBER OF UNITS AND DUs	MARKET VALUE OF TOTAL NUMBER OF UNITS AND DUs <sup>(2)</sup>	DATE AT WHICH UNIT OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET?
75,000	See Note 6	75,000 <sup>(6)</sup>	\$826,500 <sup>(6)</sup>	October 23, 2018 <sup>(6)</sup>	Yes <sup>(6)</sup>





Toronto, Ontario,  
Canada

Trustee since:  
September 2013

#### Current Activities:

Mr. Stephen Wetmore is CEO of CTC and a director of Canadian Tire Financial Services Limited, a wholly-owned subsidiary of CTC.

#### Past Activities:

Mr. Wetmore was previously President and CEO, Bell Aliant Regional Communications Income Fund (now Bell Aliant Inc.), Group President, Corporate Performance and National Markets, Bell Canada and Executive Vice-President, BCE Inc., President and CEO of Aliant Inc., President and CEO of NewTel Enterprises Ltd., President of Air Atlantic, and Managing Director of Scotia Holding PLC. He also served as a director of Aliant Inc., Axia NetMedia Corporation, Manitoba Telecom Services Inc. and Stratos Global Corporation. Mr. Wetmore was Chair of the Atlantic Provinces' Economic Council and Nova Scotia Council on Higher Education and has actively promoted education through his leadership affiliations with Dalhousie University, Memorial University, University College of Cape Breton, the Shad Valley Institute, RCS Netherwood and the Canadian Youth Business Fundraising Committee. He has also been a director of the C.D. Howe Institute and a member of the Financial Executives Institute.

#### Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (2003 – Present)  
CT Real Estate Investment Trust (2013 – Present)

### NUMBER OF UNITS AND DUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 18, 2014)

UNITS	DUs	TOTAL NUMBER OF UNITS AND DUs	MARKET VALUE OF TOTAL NUMBER OF UNITS AND DUs	DATE AT WHICH UNIT OWNERSHIP GUIDELINE IS TO BE MET	HAS UNIT OWNERSHIP GUIDELINE BEEN MET?
–	See Note 5	–	–	See Note 5	See Note 5

#### Notes:

- (1) The number of DUs that each trustee owns, which includes fractional DUs, has been rounded down to the nearest whole number.
- (2) The closing price for Trust Units and accordingly the value of a DU on March 18, 2014 was \$11.02. The market value of each trustee's Trust Unitholdings and DUs (including fractional DUs) is based upon this closing Trust Unit price.
- (3) The value of Trust Units or DUs required to meet the Trustee Unit Ownership Guideline as at the date at which it is required to be met (currently \$150,000) is calculated as the greater of (i) the acquisition cost of the trust Units or DUs, and (ii) the market value of such Trust Units and DUs (including fractional DUs) based on the closing Trust Unit price on March 18, 2014. For more information, see *Trustee Unit Ownership Guidelines* on page 21.
- (4) Mr. Laidley was acting as a director of 2907160 Canada Inc. (formerly ProSep Inc.) (*ProSep*) from August 2008 until January 2014. On April 12, 2013, the *Autorité des marchés financiers* issued a management cease trade order restricting all trading in securities of ProSep by management and insiders of ProSep due to failure to file its annual disclosure documents within the prescribed time period. The management cease trade order was revoked on June 17, 2013. On October 28, 2013, ProSep filed for and obtained creditor protection under the *Companies' Creditors Arrangement Act* (Canada). At the same time, the Superior Court of Quebec (Commercial Division) approved the sale of substantially all of ProSep's assets to a third party. The distribution of ProSep's liquidation proceeds was completed and ProSep was dissolved on January 15, 2014.
- (5) Mr. McCann and Mr. Wetmore, as CTC employees, are not subject to the Trustee Unit Ownership Guidelines and do not participate in the DU Plan for Trustees.
- (6) Mr. Silver, as President and CEO, does not participate in the DU Plan for Trustees. As at March 18, 2014, Mr. Silver owned 25,532 restricted units (rounded down to the nearest whole number) with a market value of \$281,362. For information on the restricted unit plan for executives applicable to Mr. Silver, see *Restricted Unit Plan for Executives* on page 30. For more information on unit ownership guidelines applicable to Mr. Silver, see *Executive Unit Ownership Guidelines* on page 31 and *CEO Employment Agreement* on page 34.

The average age of the proposed trustees is 59.

### Meeting Attendance

There were five regular Board meetings held in fiscal 2013. All of the trustees who were appointed prior to the closing of the IPO, namely, David Laidley, Dean McCann, John O'Bryan, Ken Silver and Stephen Wetmore, attended all five Board meetings. Prior to their appointment, Brent Hollister and Anna Martini were invited to and did attend two Board meetings as invitees. Mr. Hollister and Ms. Martini have attended all Board meetings held subsequent to their appointment as trustees. There were no Committee meetings held in 2013.



# OUR APPROACH TO CORPORATE GOVERNANCE

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## The Role of the Board

The Declaration of Trust provides that, subject to certain conditions, the trustees shall have full, absolute and exclusive power, control and authority over the trust property and over the affairs of the REIT to the same extent as if the trustees were the sole and absolute legal and beneficial owners of the REIT's assets. The mandate of the Board of Trustees is one of stewardship and governance of the REIT. That role consists primarily of the duty to manage or supervise the management of the business and affairs of the REIT and includes both decision making and oversight functions. In fulfilling their role, the trustees are to act honestly and in good faith with a view to the best interests of the REIT and its Unitholders and, in connection therewith, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Our Board's decision-making function involves the formulation, in conjunction with management, of strategic objectives and fundamental policies for the REIT. The oversight function includes ensuring compliance with the Declaration of Trust, including the investment guidelines and operating policies, the supervision of management's decisions, the adequacy of systems and controls and the implementation of policies. The Board fulfills its duties directly, through its committees and through management.

Our Board is involved in the approval and oversight of significant corporate actions relating to, among other things: strategic planning; distributions; planning for growth, both organic and by acquisition; financial reporting; the control environment and the management of enterprise risk and corporate communication.

In 2013, the Board's primary focus was on the REIT's IPO. Throughout the IPO process, the Board was kept informed of the particulars of the IPO and resulting operations of the REIT through meetings, information sessions and reports from and discussions with management. This approach continues and assists in ensuring that major issues are given the appropriate consideration by the Board and the Board is informed of the REIT's operations.

In 2013, the Board approved the IPO and related matters. In addition, the Board approved the REIT's initial strategic plan and has been actively involved in overseeing the implementation of that plan. The Board discusses the REIT's strategy, refinements thereto and monitors implementation progress at every regularly scheduled Board meeting. To allow the Board to focus on strategy, it has delegated certain of its authorities to its committees as more fully discussed on page 15.

A portion of every meeting is devoted to *in camera* sessions during which the Board meets without management present and then without the non-independent trustees or management present.

The full text of the Board of Trustees' formal mandate is attached to this Management Information Circular as *Appendix A*.

## Corporate Governance Policies and Practices

CT REIT is committed to strong corporate governance policies and practices. The REIT's policies and practices continue to be developed having regard to the external environment and externally cited best practices to ensure that its governance practices are comprehensive, relevant, effective and transparent.

## Chairman of the Board

The primary focus of the non-executive Chairman, who is independent, is to facilitate the effective performance of the Board in the broad range of its responsibilities including oversight of the business, strategic planning and succession planning. The Chairman's duties include, among other things:

- setting the agenda for meetings in consultation with the CEO;
- working to ensure trustees are being provided with timely and relevant information required to make informed decisions and to permit the Board to discharge its duties and responsibilities;
- fostering ethical and responsible decision making by the Board, Board committees and individual trustees;
- acting as key liaison between the Board and management;
- creating a cooperative atmosphere where trustees are encouraged to openly discuss, debate and question matters requiring Board attention; and
- ensuring independent trustees meet in a separate *in camera* session at each Board meeting.



Additional information about the duties of the Chairman of the Board is available on CT REIT's website at [www.ctreit.com](http://www.ctreit.com). Click on *Corporate Governance* under the *About Us* tab and then click on *Board Committee Info*.

## Independence of the Board

The Board of Trustees is comprised of a majority of trustees who are independent, as that term is defined in the requirements and guidelines adopted by securities regulators in Canada (*CSA Rules and Guidelines*). The Board is led by an independent, non-executive Chairman and has appointed an independent Chairman of each of its Committees.

### Assessing independence

Our assessment of whether a trustee is independent starts with the basic question as to whether there are any relationships that have been identified that could reasonably be expected to interfere with the exercise of the trustee's independent judgment. That analysis is augmented, where required, to ensure compliance with certain presumptive standards that are applicable to members of the Audit Committee, for example.

In addition to the above, consideration is given to the following:

- (a) the trustee's relationship with CTC;
- (b) responses to a questionnaire sent to each trustee requesting information concerning direct or indirect material relationships between the trustee and the REIT in accordance with the independence criteria in Section 1.4 of National Instrument 52-110 – *Audit Committees (NI 52-110)*;
- (c) management's review of the materiality of any relationships identified by a trustee in his or her response to the questionnaire; and
- (d) the Board's determination as to whether any relationships identified by a trustee in his or her response to the questionnaire could reasonably be expected to interfere with the exercise of the trustee's independent judgement.

Based on the above analysis, any trustee who is a member of management is not independent. In addition, any trustee who is an executive officer of CTC is not considered to be independent.

In the case of a commercial, charitable, industrial, banking, consulting, legal, accounting or other business relationship that may exist between the REIT and an entity of which the trustee serves as a trustee/director, executive officer, partner or managing director, or occupies a similar position, the Board may determine such relationship to be material having regard to a number of factors including whether the aggregate annual sales or billings from the entity to the REIT, or from the REIT to the entity, in the most recently completed fiscal year of that entity, exceeds a percentage of that entity's consolidated gross revenues, as determined by the Board. While this percentage is generally between 1% and 2%, the applicable threshold to be used in each case is a matter of judgment and other relevant factors may be taken into consideration in determining whether the relationship is a material one that could reasonably be expected to interfere with the exercise of the trustee's independent judgment.

### Determinations of independence

When assessed against the above criteria, the GCN Committee determined that all of the trustees except Messrs. Silver, McCann and Wetmore are independent.

Mr. Silver is the CEO of the REIT and, as such, is not independent.

Messrs. McCann and Wetmore are executive officers of CTC and, therefore, are not independent trustees.

### Independent Chairman of the Board

Mr. Laidley is Chairman of the Board of Trustees and is an independent trustee. He is responsible for providing the necessary leadership to enable the effective performance of the Board.

### Independence of Committees

All members of the Audit Committee are independent. The chairmen and a majority of the members of the GCN Committee and the Investment Committee are independent. All members of each committee are residents of Canada.

None of the current members of any of the committees, except for Ken Silver and Stephen Wetmore, is a current or former employee of CTC, the promoter of the IPO, or any of its subsidiaries. Ken Silver ceased to be an employee of CTC on the closing of the IPO.

### **Other independence mechanisms**

The Board enhances independence by conducting *in camera* sessions without management present. In addition, the independent trustees meet without the non-independent trustees. These sessions take place at each regularly scheduled Board and committee meeting and are conducted by the Chairman of the Board and the Chairmen of the committees, respectively.

### **Board Committees**

The Board has established three standing committees (each a *Committee* and collectively *the Committees*):

- Audit Committee
- Governance, Compensation and Nominating Committee
- Investment Committee

The Board does not have an executive committee.

The Board has delegated a number of its routine approval responsibilities to its Committees, as permitted by the Declaration of Trust, in order to enable the Board to spend more time on business and strategic issues. The Board has approved a mandate for each Committee which reflects this delegation of authority, resulting in improved efficiencies in decision-making. Each Committee is to review its mandate and work plan on a regular basis to ensure that it has fulfilled all of its responsibilities under its mandate. Any revisions to a mandate will be reviewed by the GCN Committee as required, but no less than once every three years, and recommended to the Board for approval. All matters approved by the Committees will be reported to the Board and it is always within the prerogative of the Board to approve, veto, amend or change any approval made by a Committee.

All Committees regularly meet without management present.

### **Audit Committee**

The Declaration of Trust provides that the Audit Committee shall consist of at least three trustees, all of whom are to be independent and unaffiliated with CTC and financially literate within the meaning of NI 52-110. The Audit Committee consists of three trustees, all of whom are persons determined by the REIT to be both independent trustees and unaffiliated with CTC, and to be financially literate within the meaning of NI 52-110. All of the members of the Committee are residents of Canada. The Audit Committee is comprised of Anna Martini, *Chairman*, David Laidley and John O'Bryan.

### **Responsibilities**

Our Audit Committee oversees the REIT's financial reporting and disclosure, risk management and compliance with applicable laws and regulations. It reviews the external auditor's service plan and its performance, monitors its independence, approves non-audit services where appropriate and reviews the results of the external audit, including any internal control issues identified during the course of the audit. It also reviews the internal auditor's audit plan and performance, as well as the adequacy and appropriateness of management's actions in response to internal audit reports. It is charged with overseeing CT REIT's enterprise risk management program.

Additional information about our Audit Committee as required by NI 52-110 is in our 2013 AIF, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).



## Auditor's Fees

Deloitte was first appointed as external auditor of the REIT on the closing of the IPO. The table below shows the fees that Deloitte received for services for the financial year ended December 31, 2013.

Auditor's Fees	2013 (ended December 31, 2013)
Audit fees	\$1,270,000 <sup>(1)</sup>
Audit-related fees	\$150,000
Tax fees	\$5,000
All other fees	\$0
<b>Total</b>	<b>\$1,425,000</b>

### Note

(1) The Audit fees incurred in fiscal 2013 reflect the Auditor's involvement in the IPO.

For more information about the fees paid to our Auditors, see page 51 of the 2013 AIF.

## Governance, Compensation and Nominating Committee

The Declaration of Trust provides that the GCN Committee shall consist of at least three trustees, a majority of whom are to be independent trustees and unaffiliated with CTC. The GCN Committee is comprised of four trustees, a majority of whom are persons determined by the REIT to be independent trustees and unaffiliated with CTC. All of the members are residents of Canada. The GCN Committee is comprised of Brent Hollister, *Chairman*, David Laidley, Anna Martini and Stephen Wetmore.

### Responsibilities

Our GCN Committee oversees executive compensation, including compensation design, plans, policies, procedures and practices. It reviews and recommends for approval the form and amount of compensation of the CEO, the Senior Vice-President and Chief Financial Officer (*the CFO*), and trustees. It also reviews succession planning for the CEO and CFO.

The Committee oversees the REIT's approach to corporate governance in order to assist the Board in discharging its duties in an effective manner. The Committee is charged with, amongst other responsibilities, reviewing criteria for selecting new trustees, reviewing the competencies and skills required in trustees and the Board as a whole, maintaining an evergreen list of prospective trustee nominees, recommending trustees to the Board for approval as nominees, and recommending to the Board the appointment of the Chairman of the Board and the Chairmen and members of the Committees. The Committee is also charged with recommending the criteria for evaluating the independence of trustees and assessing their independence against those criteria, and with recommending the process for assessing the performance of the Board, Committees, individual trustees and the Chairman of the Board. It also evaluates the adequacy of Board and Committee mandates, reviews and evaluates processes for trustees' orientation and education activities, and reviews the ongoing relationship between the Board and management.

## Investment Committee

The Declaration of Trust provides that the Investment Committee shall consist of at least three trustees, a majority of whom are to be independent trustees and unaffiliated with CTC. The Investment Committee is comprised of three trustees, a majority of whom are persons determined by the REIT to be independent trustees and unaffiliated with CTC. All of the members are residents of Canada. The Investment Committee is comprised of John O'Bryan, *Chairman*, Brent Hollister and Ken Silver.

### Responsibilities

Our Investment Committee is charged with reviewing and recommending to the Board for approval investment policies, and monitoring the application of and compliance with such policies. The Committee is also responsible for monitoring the performance of the REIT's portfolio based on benchmarks adopted by the Committee. It reviews proposed acquisitions, dispositions or borrowings on behalf of the REIT and, if appropriate, recommends such acquisitions, dispositions or borrowings to the Board for approval. The Committee is also responsible for

recommending to the Board the adoption of an environmental management program for the REIT and for supervising the REIT's compliance with and implementation of the program.

The responsibilities of our Committees are set out in their mandates which are available on CT REIT's website at [www.ctreit.com](http://www.ctreit.com). Click on *Corporate Governance* under the *About Us* and then click on *Board Committee Info*.

## Selecting Our Trustee Nominees

The Declaration of Trust provides that the Board shall consist of a minimum of seven and a maximum of nine trustees, a majority of whom (including the Chairman) are independent under Canadian securities laws and a majority of whom must be Canadian residents.

The Declaration of Trust grants CTC certain nomination rights in respect of nominating trustees for election to the Board. At present, CTC has the right to nominate three trustees for election to the Board. CTC exercises its nomination rights by submitting its nominees to the GCN Committee which reviews such proposed nominations, together with the remaining trustee nominations solely determined by that Committee. Dean McCann, Ken Silver and Stephen Wetmore are CTC's three nominees.

The GCN Committee has the mandate to recommend to the Board qualified individuals as nominees for election as trustees to the Board by the Unitholders of the REIT at a meeting of Unitholders and for appointment by the Board to fill any vacancies on the Board if a trustee elected by the Unitholders ceased to be a trustee.

The GCN Committee will review prospective nominees' qualifications under applicable laws, regulations and rules as well as the talents already represented on the Board and the competencies and skills a new nominee would bring to the boardroom. Based on its assessment of the existing strengths of the Board and the changing needs of the REIT, the GCN Committee will determine the competencies, skills and personal qualities it should seek in new Board members.

## Trustee Orientation and Continuing Education

To maintain reasonable assurance that every new trustee engages in a comprehensive orientation process and that all trustees are provided with continuing education opportunities, the GCN will ensure that each new trustee has an orientation session and is provided with a manual containing information on the REIT and the Board and such other written materials about the REIT as he or she may request.

In 2013, in depth informational sessions on the REIT's IPO were held for the trustees. Such sessions included external and internal reports on various matters including governance, accounting and tax matters related to real estate investment trusts. In addition, trustees were provided with a comprehensive manual containing information on the REIT, the Board and its Committees, proposed policies and other materials to ensure each trustee had an understanding of the nature and operation of the REIT's business and the role of the Board. This focus on orientation and education has continued at each Board and Committee meeting where trustees receive a substantial amount of background information that not only assists them in discussing the issues to be addressed and decisions to be made at such meetings, but also educates them on matters relevant to the REIT's business.

With respect to trustee education generally, a continuing education program is expected to be developed so that individual trustees may maintain or enhance their skills and abilities as trustees and ensure their knowledge and understanding of the REIT remains current.

## Board Assessments

The performance and effectiveness of the Board, the Committees, the Chairman of the Board and individual trustees (including in their capacity as Committee members) will be regularly assessed under the management of the GCN Committee.

### Assessment of the Board

An assessment of the Board's performance will be conducted every two years. Trustees will be asked to provide their views in respect of a number of areas, including the Board's composition, practices, relationship with management as well as its oversight of the REIT's strategy, CEO succession and performance, financial reporting and internal controls, identification and management of risks, and corporate governance practices.



## Assessment of Trustees

An appraisal of each trustee's performance will be conducted every two years concurrently with the assessment of the Board. Trustees will be asked to evaluate the performance of their fellow Board members (with the exception of the CEO and the Chairman of the Board who will be assessed under separate processes) against criteria expected of an effective trustee.

## Assessment of the Chairman of the Board

The performance of the Chairman of the Board will be assessed annually. The evaluation will consider how the Chairman has carried out his responsibilities as set out in his mandate. The results of the evaluation will be reviewed by the Chairman of the GCN Committee with the Chairman of the Board.

## Assessment of Committees and Committee Members

Assessments of the Committees will be conducted every second year. Trustees will be asked to evaluate the performance and effectiveness of the Committees on which they serve against a number of criteria, including the Committee's composition, practices, relationship with the Board and management, and performance and fulfillment of its responsibilities under its mandate.

## Enterprise Risk Management

The Board oversees the REIT's enterprise risk management program (*ERM Program*) and management's implementation of appropriate systems to effectively identify, monitor, manage and mitigate the impact of risks inherent in the REIT's business and operations.

The Board has delegated primary responsibility to the Audit Committee to: (i) consider the principal risks of the REIT as identified by management and ensure appropriate policies and systems have been implemented to manage these risks; (ii) review the REIT's ERM Program, including its policies and processes with respect to risk identification, assessment, and management of the REIT's risks; (iii) receive periodic reports from the head of the risk management function of CTC who provides enterprise risk management services to the REIT pursuant to a services agreement; and (iv) periodically report to the Board on any major issues arising from the ERM Program.

CT REIT is approaching the management of risk strategically through a disciplined approach. That approach seeks to: (i) address strategic, financial and operational risks, and the potential related impacts; (ii) be cross-functional in its perspective and designed to help support and optimize risk/reward related decisions; (iii) be integrated into the strategic, planning and reporting processes; and (iv) assess and incorporate risk mitigation strategies. Over the course of 2014, CT REIT expects to continue to assess the REIT's principal risks and further develop its ERM Program.

## Code of Business Conduct

The Board has approved the REIT's Code of Business Conduct (*the Code*), a copy of which may be obtained without charge by contacting Kimberley M. Graham, Secretary, CT Real Estate Investment Trust, 2180 Yonge Street, P.O. Box 770, Station K, Toronto, Ontario M4P 2V8. The Code is also available on the REIT's website at [www.ctreit.com](http://www.ctreit.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). The Code contains an explanation of how the REIT monitors compliance with the Code.

Each trustee, officer and employee must acknowledge that they have read, understood and will commit to abide by the standards and expectations set out within the Code. Each officer is accountable for ensuring that all violations are reported in a manner consistent with the requirements of the Code.

## Conflicts of Interest

If a trustee or an officer is a party to a material transaction or agreement or a proposed material transaction or agreement with the REIT, or, if the trustee or officer is a director/trustee or an officer of, or has a material interest in, any person who is a party to a material transaction or agreement or a proposed material transaction or agreement with the REIT, he or she is required to comply with the conflict of interest provisions of the Declaration of Trust, which require written disclosure to the REIT by the trustee or officer, or a request by the trustee or officer to have entered in



the minutes of meetings of trustees the nature and extent of his or her interest. In addition, the Board is given an opportunity to discuss such agreements or transactions in the absence of the interested trustee. A trustee who has declared a conflict of interest cannot vote on the matter in which he or she has an interest.

## **Additional Information**

For information on the process by which the GCN Committee and the Board determine the compensation of the REIT's trustees, see *Trustee Compensation* on page 20 of this Management Information Circular.

The REIT's executive compensation program is overseen on behalf of the Board of Trustees by the GCN Committee. For more information on the process by which the GCN Committee and the Board determine the compensation of the REIT's officers, see *Executive Compensation* on page 23 of this Management Information Circular.

The Board has approved written position descriptions for the Chairman of the Board and the chairs of the Board's Committees. These position descriptions are available on the REIT's website at [www.ctreit.com](http://www.ctreit.com). Click on *Corporate Governance* under the *About Us* tab and then click on *Board Committee Info*. A written position description is also in place for the CEO, whose objectives will be approved annually by the Board of Trustees and form part of the CEO's mandate on a year-to-year basis.



## TRUSTEE COMPENSATION

CT REIT's trustee compensation program is designed to attract and retain qualified and committed trustees, appropriately reward them for their time commitment and contributions and align their interests with the objectives of CT REIT and its Unitholders.

The GCN Committee is responsible for monitoring, reviewing annually and recommending to the Board of Trustees for approval the form and amount of trustees' remuneration to ensure that it is commensurate with the responsibilities and risks assumed, reflects the time commitment required, and is competitive with other REITs which are comparable in terms of size and complexity to CT REIT.

### Trustee Fees

A trustee who is not an employee of CT REIT or CTC is compensated for his or her services through a combination of retainers and attendance fees. Trustee compensation is paid in cash and/or Deferred Units (*DUs*) at the option of each trustee. Trustees are also reimbursed for travel and other expenses they incur to attend Board and Committee meetings.

The table below lists the fees our trustees (including the Chairman of the Board) were entitled to receive during 2013. The CEO and executive officers of CTC do not receive any of these fees.

Fees	Amount
<b>Annual Retainer<sup>(1)</sup></b>	
Chairman of the Board	\$90,000
Trustees	\$50,000
Audit Committee Chairman	\$12,500
GCN Committee Chairman	\$7,500
Investment Committee Chairman	\$5,000
<b>Meeting Fees<sup>(2)(3)(4)</sup></b>	
Board Meeting	\$1,500
Audit Committee	\$1,750
Investment Committee and GCN Committee	\$1,500
<b>Travel Fee</b>	
When travel time for a round trip to attend meetings was more than four hours	\$1,500

#### Notes

(1) Annual amounts were prorated for the period of time that trustees actually served in 2013.

(2) There were no Committee meetings held in 2013.

(3) Meeting fees are payable to trustees who attend meetings of Committees of which they are not members either by invitation or at the discretion of a Committee chairman.

(4) Trustees who participate in telephone meetings of less than 60 minutes will receive the following fees: Board meeting (\$750), Audit Committee meeting (\$875), GCN Committee meeting (\$750) and Investment Committee meeting (\$750).

### Deferred Unit Plan for Trustees

The Chairman of the Board and every other trustee who is neither a full nor a part-time employee or officer of CT REIT or CTC is eligible to participate in the DU Plan for Trustees pursuant to which the trustee may elect to receive all or part of his or her annual retainer, meeting fees and additional compensation (including travel fees), which are paid quarterly, in DUs. DUs are credited quarterly to each participating trustee's account. The number of DUs is calculated by dividing the amount the trustee elects to receive in DUs by the volume weighted average trading price of a Trust Unit on the TSX for the five trading days prior to the date on which the DUs are credited. Additional DUs will be automatically credited to a trustee's account under the DU Plan for Trustees when the REIT pays a distribution to Trust Unitholders. The additional DUs to be credited will be calculated by multiplying the



number of DUs in the trustee's account on the record date for the payment of such distribution by the amount of the distribution, and dividing that amount by the volume weighted average trading price of a Trust Unit on the TSX for the five trading days prior to the day the distribution is paid.

The Board may, subject to receipt of regulatory approval, make certain amendments to the DU Plan for Trustees without Unitholder approval including but not limited to: amendments of a housekeeping nature; the addition or a change to the vesting provisions of a DU or the DU Plan for Trustees; a change to the termination provisions of a DU or the DU Plan for Trustees; amendments to reflect changes to applicable securities laws; and amendments to ensure that the DUs granted under the DU Plan for Trustees will comply with any provisions respecting income tax and other applicable laws.

When a trustee resigns from the Board, he or she will receive Trust Units issued by the REIT for the number of DUs credited to his or her account, including any distributions paid by the REIT on the Trust Units that have accrued in the form of DUs or, at his or her election, the cash equivalent thereof. Trust Units (or where the trustee so elects, cash) will be issued to the former trustee, subject to any applicable statutory source deductions.

## **Trustees Unit Ownership Guidelines**

To ensure that trustees' interests are aligned with those of Unitholders, demonstrate that trustees are financially committed to the REIT through personal Trust Unit ownership and promote the REIT's commitment to sound corporate governance, under our Trustee Unit Ownership Guidelines, each trustee (other than the CEO who is subject to our Executive Unit Ownership Guidelines set out on page 31 and executive officers of CTC) will be required to accumulate at least three times the value of the base annual trustee retainer, which currently equates to \$150,000, in Trust Units or DUs, or a combination thereof, by the fifth anniversary of becoming a trustee (see *About the Proposed Trustees* on pages 8 to 12 for information regarding the number of Trust Units and DUs held by each of the proposed trustees and the market value thereof). When the annual trustee retainer is increased, trustees who met the guideline by the fifth anniversary of becoming a trustee but would not meet the guideline on the effective date of the increase in the retainer are required to increase their investment. The amount of the required increase in investment is the difference between three times the new annual trustee retainer and the value of the trustee's holdings as at the fifth anniversary of becoming a trustee, which amount must be invested by the date that is two years after the effective date of the increase.

A trustee who does not meet the guidelines upon his or her election or appointment to the Board is required to receive at least 50% of the base annual trustee retainer in DUs or to purchase Trust Units equal in value to at least 50% of the base annual trustee retainer, at his or her discretion. If a trustee has accumulated the required equity amount under the Trustee Unit Ownership Guidelines, he or she will receive the entire annual retainer in cash or DUs, or any combination thereof, as specified by the trustee.

## **Trustees' Hedging Policy**

CT REIT's trustees are prohibited from purchasing financial instruments, including 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 as compensation or held, directly or indirectly, by trustees.



## 2013 Compensation Tables

The following table sets out the compensation that was paid by CT REIT to trustees (other than trustees who are members of management of the REIT or CTC) during the year ended December 31, 2013 under the compensation arrangements described above. Some trustees elected to receive all or a portion of their cash compensation in DUs. Messrs. McCann, Silver and Wetmore do not receive any compensation for serving as a trustee of the REIT. Mr. Silver's compensation for serving as CEO is included in the *Summary Compensation Table* on page 33.

Name	Fees Earned <sup>(1)</sup> (\$)	All Other Compensation <sup>(2)</sup> (\$)	Total (\$)
Brent Hollister	15,511	0	15,511
David Laidley	35,380	0	35,380
Anna Martini	15,511	0	15,511
John O'Bryan	22,989	0	22,989
		<b>Total</b>	<b>89,391</b>

### Notes

(1) This column includes annual retainers and meeting fees which trustees elected to receive in cash and/or DUs. No Committee meetings were held in 2013.

(2) Trustees did not receive any other compensation in 2013.

The table below shows a breakdown of the total fees earned by trustees in 2013 for serving as trustees of CT REIT (as shown in the foregoing Trustee Compensation Table) as between amounts paid in cash or DUs.

Name	Total Fees Earned (\$)	Amount of Fees paid in Cash (\$)	Amount of Fees received in DUs (\$)
Brent Hollister	15,511	10,756	4,755
David Laidley	35,380	0	35,380
Anna Martini	15,511	0	15,511
John O'Bryan	22,989	0	22,989

# EXECUTIVE COMPENSATION

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## Compensation Discussion and Analysis

The GCN Committee and the Board of Trustees are committed to ensuring that our compensation philosophy, plan and programs are appropriate and support our ability to achieve our strategic objectives, and will be effective in attracting, retaining and motivating a skilled team of executives to maximize Unitholder value. We are committed to ensuring that our approach to compensation is explained fully and clearly. The Executive Compensation section in this Management Information Circular provides details of our compensation plans and the processes and decisions that underlie it.

### Introduction

The following Compensation Discussion and Analysis (*CD&A*) is intended to provide CT REIT's Unitholders with a description of the processes and decisions involved in the design, oversight and payout of its compensation programs for the named executive officers (*NEOs*) for the 2013 financial year. In this CD&A we also refer to the NEOs as *Executives*.

The NEOs during fiscal 2013 were as follows:

- Ken Silver, CEO<sup>(1)</sup>
- Louis Forbes, CFO<sup>(2)</sup>

Messrs. Silver and Forbes are presently the only REIT employees.

### Notes

- (1) Mr. Silver was appointed as CEO on October 23, 2013. Prior to this date, he served as Senior Vice President, Corporate Strategy and Real Estate at CTC and President of Canadian Tire Real Estate Limited, a wholly-owned subsidiary of CTC.
- (2) Mr. Forbes was appointed as CFO on October 23, 2013.



## Executive Compensation Philosophy

The objective of CT REIT's executive compensation programs is to attract, motivate and retain an outstanding leadership team as well as to align rewards with business results and individual performance. The REIT's approach is to encourage management to make decisions and take actions that will create long-term sustainable growth resulting in long-term Unitholder value.

The executive compensation program is based on the following principles:

- compensation must be guided by a pay for performance philosophy;
- compensation must be market competitive to attract and retain the leadership talent required to drive business results;
- compensation must incorporate an appropriate balance of short and long-term rewards;
- compensation must foster an environment of accountability and teamwork;
- incentive programs must align Executives with the goals and objectives of CT REIT and its Unitholders;
- compensation programs must not encourage Executives to take undue or excessive risks or permit inappropriate rewards; and
- all NEOs must have a significant personal stake in the REIT's success through Trust Unit ownership.

The determination of total compensation for each NEO is based on their level of job responsibility, performance of the REIT, individual experience and performance, and market practice. Total compensation is comprised of both fixed and variable elements. The fixed elements include base salary, benefits, and perquisites. There is no pension plan for Executives.

The variable elements of total compensation consist of an annual short-term incentive plan (*STIP*) and a long-term incentive plan (*LTIP*) comprised entirely of performance units (*PU*s). A significant portion (i.e. between 53% and 61%) of the total compensation paid to NEOs at target is contingent upon financial and Trust Unit price performance and tied to these incentive plans.

## Governance, Compensation and Nominating Committee Composition and Mandate

The GCN Committee, together with the Board, reviews the design and payout of CT REIT's executive compensation programs on an annual basis. As part of this review, the Committee evaluates individual executive compensation, including annual base salary, short and long-term incentive plan designs and payouts for REIT Executives. The Committee believes that this review process allows for a thorough assessment of the Executive compensation program's alignment with plan objectives and market practices.

In addition, the GCN Committee is responsible for the oversight of executive succession planning. As part of the Committee's mandate for executive succession planning, the Committee annually reviews an emergency succession plan and identifies individuals who would be called upon on an interim basis to fill key roles, such as the CEO position, in the event of an unplanned vacancy.

The current members of the GCN Committee are set out below together with a description of the experience of each member that is relevant to the performance of his or her responsibilities. The Board of Trustees believes that the Committee collectively has the knowledge, experience and background required to fulfill its mandate.

### ***Brent Hollister***

Mr. Hollister's business experience that is relevant to his responsibilities in compensation matters includes his former role of President and CEO for Sears Canada. During his tenure as President and CEO, he oversaw the design and implementation of total compensation and benefit programs for the multi-channel retailer. Mr. Hollister also served on the Board of Trustees of Primaris Retail REIT from 2009 to 2013 and was a member of its Compensation Committee.

### ***David Laidley***

Mr. Laidley's business experience that is relevant to his responsibilities in compensation matters includes his role as Chairman of Deloitte from 2000 to 2006. In addition, he currently sits on the Governance Committee of Aimia Inc. and the Compensation Committee of EMCOR Group Inc.

### ***Anna Martini***

Ms. Martini's business experience that is relevant to her responsibilities in compensation matters includes her role as President of Group Dynamite Inc. She currently serves on the board of Transcontinental Inc., where she is a member of the Human Resources and Compensation Committee. Ms. Martini also served as a member of the Human Resources and Compensation Committee of Velan Inc. from 2008 to 2013.



### **Stephen Wetmore**

Mr. Wetmore's business experience that is relevant to his responsibilities in compensation matters includes his role as Chief Executive Officer of CTC. Mr. Wetmore previously served as President and Chief Executive Officer of Bell Aliant Regional Communications Income Fund, now Bell Alliant Inc. As an experienced Chief Executive Officer, Mr. Wetmore has successfully led a number of public companies and has extensive experience in corporate governance.

### **Role of Management in Compensation Decisions**

Pursuant to the services agreement between CTC and CT REIT, the Vice-President, Human Resources for CTC assists the CEO in developing and presenting to the GCN Committee recommendations and supporting material and analysis pertaining to the compensation of Executives. In addition, she works with the Chairman of the Committee to plan the Committee meeting agendas and prepare presentations for meetings of the Committee.

The CEO is invited to attend all regular meetings of the Committee and participates in making recommendations regarding compensation decisions, except as such recommendations relate specifically to his own compensation.

At least one *in camera* session during which management is not in attendance is held during each regular GCN Committee meeting.

### **Independent Compensation Advisors**

The GCN Committee has authority to engage an independent compensation consultant to provide independent advice, compensation analysis and other information to support the Committee. To date, the Committee has not retained an independent consultant or advisor to assist them in determining compensation for any of the trustees or Executives of CT REIT.

Management may also engage an external consultant to provide advice on executive compensation, however, during 2013 an external advisor was not retained.

### **Competitive Benchmarking**

In order to attract and retain the leadership talent required to achieve its goals, CT REIT needs to ensure that its executive compensation programs are competitive. Market practices help to define the total compensation mix, as well as the range of pay opportunity, for our Executives and are based on information about the companies in the benchmarking peer group with which CT REIT would compete for talent.

The group of Real Estate Investment Trusts against which CT REIT benchmarks its NEOs is listed in the table below. The list includes Canadian Real Estate Investment Trusts that are comparable in terms of size and complexity to CT REIT. The Real Estate Investment Trusts within CT REIT's peer group include the 14 Real Estate Investment Trusts within the TSX Capped REIT Index and other Real Estate Investment Trusts with assets of approximately one-half to two times CT REIT's assets of approximately \$3.5 billion.

By ensuring comparable executive compensation programs and compensation levels to these Real Estate Investment Trusts, CT REIT is well positioned to attract and retain the leadership talent required to achieve its goals.

<b>Benchmarking Peer Group</b>	
Allied Properties REIT	Cominar REIT
Artis REIT	Crombie REIT
Boardwalk REIT	Dundee REIT
Calloway REIT	Granite REIT
Canadian Real Estate Investment Trust (CREIT)	H&R REIT
CAP REIT	Morguard REIT
Chartwell Retirement Residences REIT	Northern Property REIT
Choice Properties REIT	RioCan REIT

CT REIT considers median compensation levels of base salary, short-term incentive, long-term incentive and total remuneration when assessing the compensation levels for Executives in comparable roles in the peer group. However, the GCN Committee will also take into account other considerations such as level of experience and



expertise, performance, potential and achievement of business objectives in determining the individual compensation decisions for the REIT's Executives.

### **Relationship of Executive Compensation to Risk**

CT REIT designed its executive compensation programs to provide an appropriate balance of risk and reward in relation to its overall business strategy. The REIT also has in place several policies and practices which are designed to mitigate risk including designing incentive plans focused on the long-term, an incentive clawback provision related to its short-term and long-term compensation (for more information see *Annual Short-Term Incentive Plan* on page 28 and *Long-Term Incentive Plan* on page 29) and a prohibition against hedging changes in the value of CT REIT's equity securities (for more information see *Executive Unit Ownership Guidelines* on page 31). These policies are applicable to the NEOs of CT REIT.

In addition, the plan designs of CT REIT's executive compensation programs incorporate safeguards that are intended to limit CT REIT's risk exposure. These risk mitigation practices include, but are not limited to, the following:

- ensuring compensation plans, programs and policies for Executives are aligned to the achievement of the REIT's strategic objectives;
- ensuring both short and long-term incentive plans incorporate capped or maximum payout levels;
- ensuring that the STIP is linked to the profitability of CT REIT, including a threshold level of financial performance that must be achieved before any STIP awards are paid out;
- regularly completing a market compensation review to ensure the plans continue to be competitive and appropriate;
- providing guidelines for Executives that require a minimum level of Trust Unit ownership, including a provision limiting executive participation in hedging-related activities; and
- requiring the review and approval by the GCN Committee of all STIP adjudication items.

The GCN Committee reviews each incentive compensation plan and has the discretion to recommend to the Board adjustments to individual incentive awards, as appropriate.

## CT REIT's Executive Compensation Programs

The components of executive compensation are comprised principally of base salary, short-term cash incentives and long-term incentives (in the form of PUs) as described in the table below. Benefits and perquisites comprise a relatively small part of a NEO's total annual compensation.

Compensation Component	Objective	Form
<b>Base Salary</b>	Provide fixed compensation that reflects the skills and experience of the Executive, and market value of the role.	Cash
<b>Annual Short-term Incentive Plan</b>	Reward Executives for their contribution to the achievement of annual business objectives and financial goals.	Cash <sup>(1)</sup>
<b>Long-term Incentive Plan</b>	Align the interests of Executives with the achievement of CT REIT's long-term business objectives, as well as with the interests of Unitholders.  Reward Executives for achieving financial targets and increasing Unitholder value over a three-year period.	Performance Units
<b>Benefits</b>	Promote general wellness and preventative care.	<ul style="list-style-type: none"> <li>• Health and dental insurance</li> <li>• Group life and accidental death and dismemberment insurance</li> <li>• Short-term disability insurance</li> <li>• Employee-paid long-term disability insurance</li> </ul>
<b>Perquisites</b>	Provide market competitive perquisites to Executives.	<ul style="list-style-type: none"> <li>• Annual car allowance</li> <li>• Paid parking</li> <li>• Annual medical assessment</li> <li>• Annual financial planning allowance</li> </ul>

### Note

(1) CT REIT has a Restricted Unit Plan pursuant to which Executives may elect to receive all or part of their STIP awards in Restricted Units. For more information see *Restricted Unit Plan for Executives* on page 30.

The compensation mix varies by level to reflect both market practice and the impact of senior roles on the overall performance of CT REIT. The base salary portion of executive compensation is fixed, while the annual short-term and long-term incentive portions are performance-based. CT REIT sets its compensation mix to reflect, generally, that of REITs in its peer group.

The target pay mix of the primary compensation components for the NEOs for fiscal 2013 is shown in the following table:

NEO	Percentage of Target Total Direct Compensation <sup>(1)</sup>			Percentage of pay at risk <sup>(1)</sup>
	Base Salary	Short-term incentive	Long-term incentives	
	<i>Fixed</i>	<i>Variable</i>		
Ken Silver	39%	28%	33%	61%
Louis Forbes	47%	28%	25%	53%

### Note

(1) Target total direct compensation and related targets are based on positions held by NEOs as at December 31, 2013. Percentages have been rounded to the nearest whole number.



The following sections provide an overview of the executive compensation programs listed on page 27 as well as the individual compensation decisions for the 2013 financial year. CT REIT's operations commenced on October 23, 2013 providing less than three months of operations in 2013 and as such, the compensation decisions within these programs reflect the shorter year and may be different than the plan designs that the REIT will utilize in 2014. Where this occurs, the section will detail the decisions related to the previous financial year as well as the upcoming year.

## A. Base Salary

The overall objective of base salaries paid to CT REIT's Executives is to provide fixed compensation that reflects the skills and experience the Executive must possess to make meaningful contributions to the REIT.

Base salaries are reviewed on an annual basis by the GCN Committee to ensure salaries appropriately recognize an Executive's level of responsibility, experience and performance. The Committee's annual review of each Executive's base salary takes the following into consideration:

- the Executive's experience, knowledge, performance and potential; and
- total compensation for each Executive.

The Committee then considers the Executive's salary positioning relative to the market value for the role, in conjunction with the Executive's level of experience and performance, to determine if a salary increase is to be recommended to the Board.

The annual base salaries for Executives were established at \$500,000 for the CEO and \$375,000 for the CFO.

## B. Annual Short-Term Incentive Plan

The objective of the annual STIP is to motivate and reward Executives to achieve the REIT's annual business objectives. Each year the GCN Committee reviews, and recommends to the Board, the REIT's annual STIP design for Executives, and any related performance measures, weightings and targets, and individual performance goals.

STIP targets are expressed as a percentage of base salary and determined for each Executive based on competitive market practice for comparable roles. The STIP target is the award that is earned for achieving target levels of both individual and corporate performance. The STIP targets for Executives were established at 70% of eligible earnings for the CEO, and 60% of eligible earnings for the CFO.

As a result of CT REIT commencing operations in the fourth quarter of 2013, in relation to the fiscal year end, there were no quantifiable corporate performance objectives set for fiscal 2013 against which the NEOs could be assessed. However, in recognition of Messrs. Silver and Forbes contributions to the successful completion of the IPO and establishment of CT REIT, both individuals received an individual multiplier applied to their target awards of 150%. The table below provides details on each NEO's actual STIP award as a percentage of eligible earnings and as a percentage of target. The STIP award for 2013 was prorated based on eligible earnings for the period commencing on October 23, 2013 and ending on December 31, 2013.

NEO	Target Award (%)	Individual Multiplier (%)	Actual STIP Award (\$)	STIP Award (% of eligible earnings)	STIP Award (% of target)
Ken Silver	70%	150%	\$74,712	105%	150%
Louis Forbes	60%	150%	\$48,029	90%	150%

For the 2014 fiscal year, the STIP design will incorporate an assessment of both individual and corporate performance metrics in determining the final STIP award. Individual performance will be assessed through the achievement of annual objectives and corporate performance will be based on the achievement of Adjusted Funds from Operations (AFFO) per Unit compared to the 2014 business plan (*the Plan*). By ensuring that achievement of planned AFFO per Unit is embedded in the STIP design, CT REIT is aligning the interest of Executives with Unitholders' interest in sustainable long-term growth of the Unit price.

The actual payout percentage for the corporate component of the STIP design (*Payout Percentage*) is based on the degree of achievement of AFFO per Unit versus Plan, as follows:

- The target is set at 100% of planned AFFO per Unit. If the target is achieved, the Payout Percentage for this component of the STIP would be 100%.





- The lower shoulder is the minimum level of AFFO per Unit at which a threshold Payout Percentage is determined. The lower shoulder is 95% of target. If this lower shoulder is achieved, the Payout Percentage would be 35%. No STIP award is payable to any Executive if AFFO per Unit is below this lower shoulder.
- The upper shoulder is the level of AFFO per Unit at which a maximum Payout Percentage is determined. The upper shoulder is 105% of target. If this upper shoulder is achieved, the Payout Percentage would be 175%. Results of AFFO per Unit above 105% will be capped at the maximum Payout Percentage of 175%.

For AFFO per Unit that falls between minimum and target, or between target and maximum, a linear calculation is used to determine the actual Payout Percentage.

Executives are required to have an objective related to AFFO in their annual individual objectives, against which individual performance will be assessed within the 2014 STIP.

CT REIT has also established a Restricted Unit Plan for Executives (*RU Plan for Executives*) pursuant to which Executives may elect to receive all or part of their annual STIP awards in Restricted Units (*RUs*) in order to allow them to participate in the long-term success of the REIT and to promote a greater alignment of interests between Executives and Unitholders. For more information see *Restricted Unit Plan for Executives* and *Executive Unit Ownership Guidelines* on pages 30 and 31, respectively.

CT REIT has a clawback provision applicable to all Executives, which provides that in the event of a restatement of the REIT's financial statements for any reason, the Board may in its discretion adjust or require repayment under the STIP using the restated financial statements. This policy is applicable to any STIP awards impacted by the restatement in circumstances where the payment has not yet been made or where the restatement occurred within three years of the payment.

### **C. Long-Term Incentive Plan**

The primary objective of CT REIT's LTIP is to align the interests of the Executives with the achievement of CT REIT's long-term business objectives and with the interests of Unitholders.

The GCN Committee will annually review and recommend to the Board the target LTIP award for each Executive, and any associated performance conditions (for example, performance levels that must be achieved in order for the award to result in a payment).

The target LTIP award for each Executive will be expressed as a percentage of base salary, and is determined for each Executive based on competitive market practice for comparable roles. The LTIP targets for Executives were established at 85% of base salary for the CEO, and 55% of base salary for the CFO. LTIP grants awarded to Executives will be comprised entirely of PUs. Executives will be eligible for their first LTIP grant in 2014.

PU grants will be subject to a clawback provision, which will provide that in the event of a restatement of CT REIT's financial statements for any reason, the Board may in its discretion adjust the payments under the Performance Unit Plan (*PU Plan*) using the restated financial statements. This policy will apply to any PU payment impacted by the restatement in circumstances where the payment has not yet been made or where the restatement occurred within three years of the payment.

#### ***Performance Unit Plan***

PUs are awarded to Executives by the Board upon the recommendation of the GCN Committee. Provided performance conditions are met, each PU awarded entitles the Executive to a cash payment equal to the weighted average trading price of one Trust Unit during the 10-calendar day period that commences on the first business day following the end of the performance period. The performance period of each PU is approximately three years from the date of issuance.

PU awards are generally paid to Executives no later than 90 days after the end of the performance period, less any applicable source deductions.



The 2014 PUs are subject to a back-end multiplier, applied at the end of the three-year performance period, based on the three-year average Payout Percentage. The multiplier is calculated on a linear basis as follows:

	Below Threshold	Threshold	Target	Maximum
Three-year average Payout Percentage (2014-2016)	<50%	50%	100%	>=150%
Performance Multiplier	0%	35%	100%	175%

In the event (i) an Executive ceases to be an employee of the REIT due to death or disability; or (ii) an Executive resigns after age 60 and having achieved 10 years of continuous service with the REIT or CTC; or (iii) in circumstances set out in Executive employment agreements including with respect to termination without cause in the case of Messrs. Silver and Forbes, the Executive will receive payment in respect of his PUs calculated as if the Executive had been an active employee during the entire performance period.

In the event an Executive's termination is triggered by a change of control of the REIT prior to the end of the performance period, the amount payable to the Executive will be reduced to the period of active employment within the expected performance period and PUs will be subject to a modified back-end multiplier, generally based on the Payout Percentages for the completed fiscal years during the performance period, to a maximum multiplier of 1.0.

If an Executive resigns (other than in circumstances described above) or is terminated with cause from the REIT, all outstanding PUs will be forfeited.

The PU Plan also contains customary provisions in respect of adjustments to or reorganization of the capital structure of CT REIT. PUs are not transferrable or assignable by an Executive other than by testamentary disposition or the laws of descent and distribution.

#### **D. Restricted Unit Plan for Executives**

CT REIT offers an RU Plan for Executives pursuant to which an Executive may elect to receive all or a portion of their annual STIP award for any fiscal year in the form of RUs in order to allow them to participate in the long-term success of the REIT and to promote a greater alignment of interests between Executives and Unitholders. RUs may also be granted in order to attract or retain talented individuals in executive positions or to provide additional rewards to Executives for services performed.

RUs represent a right to receive the value of the RUs in Units, or at the election of the Executive, an equivalent amount of cash at the end of the applicable vesting period, which is up to five years in length. The number of RUs granted to an Executive is calculated by dividing, in the case of a STIP award, the amount of the STIP award the Executive has elected to receive in RUs by the volume weighted average trading price of a Unit on the TSX for the five trading days prior to the tenth business day following the release of CT REIT's financial statements for the year in respect of which the STIP award is earned and, in the case of a grant of RUs, the amount of the RU grant by the volume weighted average trading price of Units on the TSX for the five trading days prior to the grant date.

Additional RUs are credited to an Executive's RU account when the REIT pays a distribution to holders of Trust Units, the number of which is determined by multiplying the number of RUs in the Executive's account on the record date for the payment of such distribution by the amount of the distribution, and dividing that amount by the volume weighted average trading price of the Trust Unit on the TSX for the five trading days prior to the day the distribution is paid.

The Board may, subject to receipt of regulatory approval, make certain amendments to the RU Plan for Executives without Unitholder approval including but not limited to: amendments of a housekeeping nature; the addition or a change to the vesting provisions of a RU or the RU Plan for Executives; a change to the termination provisions of a RU or the RU Plan for Executives; amendments to reflect changes to applicable securities laws; and amendments to ensure that the RUs granted under the RU Plan for Executives will comply with any provisions respecting income tax and other applicable laws.

An Executive who has elected to participate in the RU Plan for Executives may change or revoke his or her election, provided that such change or revocation will be effective with respect to STIP awards for fiscal years commencing after the change or revocation is filed with the Trust.



At the end of the applicable vesting period, the Executive receives Trust Units, or, at his or her option, an equivalent amount of cash, issued by CT REIT for the number of RUs credited to his or her account, including any distributions paid by the REIT.

For the 2013 financial year, Messrs. Silver and Forbes did not elect to receive any portion of their 2013 STIP award in RUs. However, in recognition of Mr. Silver's contribution to the development of the real estate portfolio and establishment of CT REIT in 2013, he received a special RU grant on the closing of the IPO with a grant date fair value of \$250,000. The special RU grant will vest on the third anniversary from the grant date. Please refer to the *Summary Compensation Table* on page 33 for further details.

The RU Plan for Executives also contains customary provisions in respect of adjustments to or reorganization of the capital structure of CT REIT. The RUs are not transferrable or assignable by an Executive other than by testamentary disposition or the laws of descent and distribution.

The maximum number of Trust Units issuable pursuant to the DU Plan for Trustees (described under *Deferred Unit Plan for Trustees* on page 20) and RU Plan for Executives will, in the aggregate, not exceed 8,781,043 or approximately 5% of the issued and outstanding Units.

#### **E. Other Benefits**

CT REIT provides Executives with health benefits which are designed to promote general wellness and preventative care. These benefits include medical and dental insurance, group life and accidental death and dismemberment insurance, short-term disability insurance and employee-paid long-term disability insurance. Participation in CTC's employee store discount program is also provided.

#### **F. Perquisites**

CT REIT takes a conservative approach to perquisites and determines such programs by reviewing competitive market practices. Executives are provided with the following perquisites: annual car allowance, paid parking, annual medical assessment, and annual financial planning allowance, intended to reinforce individual accountability for personal financial planning as CT REIT does not offer retirement and pension plans.

#### **Executive Unit Ownership Guidelines**

CT REIT has established Executive Unit Ownership Guidelines (*UOGs*) that set out minimum levels of equity ownership. The UOGs are designed to align the interests of Executives with the interests of Unitholders, demonstrate that the Executives are financially committed to the REIT through personal Trust Unit ownership and promote CT REIT's commitment to sound corporate governance.

Each Executive is required to accumulate, at minimum, an amount that is equal to a multiple of his or her annual base salary as set out below in Trust Units and/or RUs, within five years of appointment:

<b>NEO</b>	<b>Multiple of Annual Salary</b>
Ken Silver	2x
Louis Forbes	1x

Achievement of the UOGs will be calculated using the greater of book value or market value, where market value is calculated based on the closing Trust Unit price as reported on the TSX on the last business day of the calendar quarter prior to the fifth anniversary of the NEO's appointment as an Executive.

If an Executive is promoted to an executive level with a higher multiple, the Executive will be required to accumulate the new UOG requirement within five years from the effective date of the promotion. Notwithstanding the Executive's promotion, the Executive will continue to accumulate his or her UOG requirement that was in effect immediately prior to the effective date of the promotion by his or her original UOG achievement date.

The UOG policy includes a provision that addresses circumstances where an Executive has not achieved their equity ownership by the required date. In this circumstance, the GCN Committee may recommend remedial action for such Executive's non-compliance, which remedial action may include converting the after-tax value of the Executive's future STIP awards into RUs or withholding the granting of future LTIP allocations until such time as the Executive has achieved his or her UOG requirement.



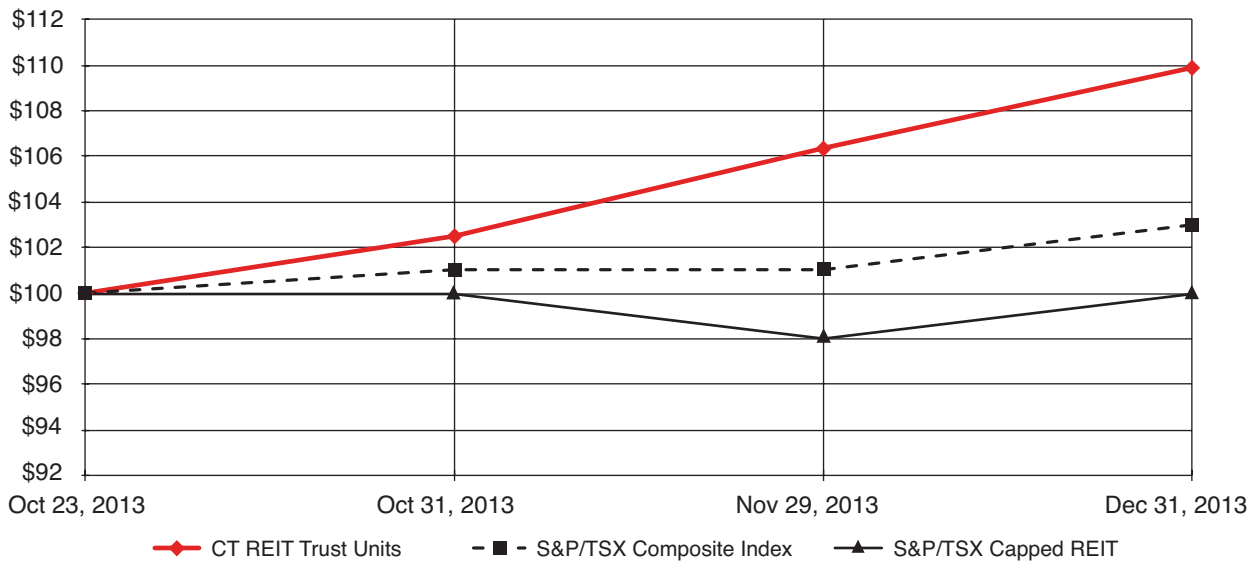
Executives are prohibited from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by Executives.

Each year, management will review and report on each Executive's level of ownership to the GCN Committee. As of the date hereof, Messrs. Silver and Forbes have met their unit ownership requirements.

### CT REIT Performance Graph

The following chart compares the cumulative Unitholder return on CT REIT's Units to the S&P TSX Composite Index and the S&P TSX Capped REIT Index assuming \$100 was invested on the first day of CT REIT's operations, October 23, 2013, and distributions were reinvested.

Over this period, CT REIT's cumulative total Unitholder return was 10% while total return for the S&P TSX Composite Index was 3% and the S&P TSX Capped REIT Index was unchanged.



Date	CT REIT Trust Units	S&P/TSX Composite Index	S&P/TSX Capped REIT
October 23, 2013	\$100.00	\$100.00	\$100.00
October 31, 2013	\$102.50	\$101.00	\$100.00
November 29, 2013	\$106.40	\$101.00	\$98.00
December 31, 2013	\$109.92	\$103.00	\$100.00

## 2013 Compensation Tables

### Summary Compensation Table

The table below shows the compensation paid to the NEOs in respect of CT REIT's most recently completed financial year, which ended on December 31, 2013, in accordance with the Canadian Securities Administrators (CSA) requirements. As the REIT commenced operations on October 23, 2013, values for the 2013 year represent compensation earned or paid during this shortened financial year, and compensation information for prior financial years is not available.

Name and Principal Position (a)	Year (b)	Salary (\$) (c)	Share-based awards <sup>(1)</sup> (\$) (d)	Option-based awards <sup>(2)</sup> (\$) (e)	Non-equity incentive plan compensation (\$) (f)		Pension value <sup>(5)</sup> (\$) (g)	All other compensation <sup>(6)</sup> (\$) (h)	Total compensation (\$) (i)
					Annual incentive plans <sup>(3)</sup> (f1)	Long-term incentive plans <sup>(4)</sup> (f2)			
<b>Ken Silver</b> CEO	2013	94,231	250,000	–	74,712	–	–	–	418,943
<b>Louis Forbes</b> CFO	2013	70,673	–	–	48,029	–	–	–	118,702

#### Notes

- (1) The value in this column (d) refers to a special RU grant provided to Mr. Silver in 2013 in recognition of his contribution to the establishment of CT REIT. The grant date fair value is based on the number of RUs granted to Mr. Silver, multiplied by the Trust Unit price at the time of the IPO of \$10.00.
- (2) CT REIT does not have any option-based plans.
- (3) This column discloses the amount earned under the STIP in the reporting financial year. For the 2013 financial year, no NEOs elected to receive a portion of their 2013 STIP award in RUs.
- (4) CT REIT does not have any long-term non-equity incentive plans.
- (5) CT REIT does not have a defined benefit or defined contribution pension plan.
- (6) The value of perquisites for the NEOs did not exceed \$50,000 in aggregate, or 10% or more of the NEO's salary, and is therefore not included in this column.

### Outstanding Share-Based Awards and Option-Based Awards

The table below shows the total vested and unvested outstanding long-term incentive awards for each NEO as at December 31, 2013.

Name (a)	Option-based awards <sup>(1)</sup>				Share-based awards		
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date (d)	Value of unexercised in-the-money options (\$) (e)	Number of shares or units of shares that have not vested <sup>(2)</sup> (f)	Market or payout value of share-based awards that have not vested <sup>(3)</sup> (\$) (g)	Market or payout value of vested share-based awards not paid out or distributed (\$) (h)
<b>Ken Silver</b> CEO	–	–	–	–	25,164	274,795	–
<b>Louis Forbes</b> CFO	–	–	–	–	–	–	–

#### Notes

- (1) CT REIT does not have any option-based plans.
- (2) This column contains the number of unvested RUs held by the NEOs on December 31, 2013, including distribution equivalents.
- (3) This column contains the value of unvested RUs held by the NEOs as at December 31, 2013 using the closing Trust Unit price on such date of \$10.92.



## Incentive Plan Awards

The table below shows the incentive awards that vested or were earned by each NEO during the financial year ended December 31, 2013.

Name (a)	Option-based awards – Value vested during the year (\$) (b)	Share-based awards – Value vested during the year (\$) (c)	Non-equity incentive plan compensation – Value earned during the year (\$) (d)
Ken Silver	–	–	74,712
Louis Forbes	–	–	48,029

## Employment Agreements and Post-Employment Benefits

### CEO Employment Agreement

An employment contract was established with Mr. Silver effective October 23, 2013. The key terms of the contract (other than with respect to post-employment benefits) are the following:

<b>Base Salary</b>	\$500,000
<b>STIP</b>	Mr. Silver's annual STIP target award is 70% of base salary if target levels of individual and REIT performance established by the Board for the CEO are met and up to 200% of the target award if such target levels are exceeded by established amounts, subject to the terms of the STIP.
<b>RU Plan for Executives</b>	Mr. Silver may elect annually to defer all or a portion of his STIP award and to direct that it be credited in RUs governed by the RU Plan for Executives.
<b>LTIP</b>	Mr. Silver is eligible to receive PUs under the LTIP based on salary, individual capabilities and potential. Mr. Silver's LTIP target is 85% of base salary.
<b>Perquisites</b>	Mr. Silver is entitled to perquisites including annual car allowance, paid parking, annual medical assessment and annual financial planning allowance.
<b>Other Benefits</b>	Mr. Silver is entitled to benefits that are generally provided to the REIT's Executives.
<b>Equity Ownership</b>	Mr. Silver is required to achieve the REIT's UOGs as they may be amended from time to time. Currently these guidelines require unit ownership in the REIT with a value equal to two times Mr. Silver's base salary within five years of the effective date of Mr. Silver's appointment as CEO. Mr. Silver is given full credit for any Units or RUs of the REIT that he owns in connection with such required equity ownership.

## CFO Employment Agreement

An employment contract was established with Mr. Forbes effective October 23, 2013. The key terms of the contract (other than with respect to post-employment benefits) are the following:

<b>Base Salary</b>	\$375,000
<b>STIP</b>	Mr. Forbes' annual STIP target award is 60% of base salary if target levels of individual and REIT performance established by the Board for the CFO are met and up to 200% of the target award if such target levels are exceeded by established amounts, subject to the terms of the STIP.
<b>RU Plan for Executives</b>	Mr. Forbes may elect annually to defer all or a portion of his STIP award and to direct that it be credited in RUs governed by the RU Plan for Executives.
<b>LTIP</b>	Mr. Forbes is eligible to receive PUs under the LTIP based on salary, individual capabilities and potential. Mr. Forbes' LTIP target is 55% of base salary.
<b>Perquisites</b>	Mr. Forbes is entitled to perquisites including annual car allowance, paid parking, annual medical assessment and annual financial planning allowance.
<b>Other Benefits</b>	Mr. Forbes is entitled to benefits that are generally provided to the REIT's Executives.
<b>Equity Ownership</b>	Mr. Forbes is required to achieve the REIT's UOGs as they may be amended from time to time. Currently these guidelines require unit ownership in the REIT with a value equal to one times Mr. Forbes' base salary within five years of the effective date of Mr. Forbes' appointment as CFO. Mr. Forbes is given full credit for any Units and RUs of the REIT that he owns in connection with such required equity ownership.

## Change of Control Benefits

None of the NEOs' employment agreements provide for change of control benefits, as no incremental payments will be triggered upon a change in control of CT REIT. The section below summarizes the termination benefits provided to Messrs. Silver and Forbes under their respective employment agreements.

## Post-Employment Benefits

### CEO

Mr. Silver is entitled to the following payments and benefits following a termination of his employment under the circumstances described below:

#### **Termination Without Cause**

In the event of termination without cause Mr. Silver is entitled to:

- payment of his base salary and expenses due and owing to the date of termination;
- continuation of his base salary and car allowance payments for a period of 24 months following termination;
- entitlement to a STIP award for the year in which the last day of active employment occurred, on a pro-rata basis, calculated as if Mr. Silver was actively employed as at December 31;
- subject to clawback provisions, (i) the vesting of any unvested RUs received in lieu of STIP awards (*STIP RUs*) on the termination date, and (ii) the continued vesting of all other unvested RUs held by Mr. Silver in accordance with the terms set out in his RU grant agreements;
- notional awards under the STIP then in existence during Mr. Silver's 24 month notice period at the target payout percentage for such award;
- with respect to LTIP awards, payment of awards under the PU or any equivalent plan as if Mr. Silver had continued to be employed by the REIT during any term or performance period provided for under such plan; and
- continued participation in the REIT's employee health and other group insurance plans, annual executive medical assessment and financial planning benefit during the 24 month notice period, to the extent permitted by the terms of those plans.



In certain circumstances, some of the foregoing payments may be subject to clawback in the event Mr. Silver obtains alternative employment.

### **Resignation**

In the event of resignation, Mr. Silver is entitled to base salary and expenses due and owing to the date of resignation. Unless the Board otherwise determines, no STIP payment will be made in respect of the year in which the resignation date occurs. Subject to clawback provisions, (i) any unvested STIP RUs will vest as of the termination date, and (ii) all other unvested RUs will either (A) be forfeited on the termination date, or (B) continue to vest in accordance with the terms of Mr. Silver's RU grant agreements if Mr. Silver has attained age 60 with at least ten years of continuous service with the REIT or CTC. With respect to his LTIP awards, unvested PUs previously awarded to Mr. Silver will be forfeited except in the event Mr. Silver resigns after the age of 60 with at least 10 years' of continuous service with the REIT or CTC, in which case he will receive a payment in respect of his PUs calculated on the same basis as if Mr. Silver had continued to be employed by the REIT during any term or performance period provided for under such plan.

### **Termination for Cause**

The REIT may immediately terminate Mr. Silver's employment contract at any time for cause. In this case, the REIT is obligated to pay any base salary and expenses due and owing to the termination date. No STIP payment will be made in respect of the year in which the termination date occurs. Any unvested and vested, but not yet settled, STIP RUs and all other RUs will be forfeited on the termination date. Unvested PUs will also be forfeited on the termination date.

### **CFO**

Mr. Forbes is entitled to the following payments and benefits following a termination of his employment under the circumstances described below:

#### **Termination Without Cause**

In the event of termination without cause Mr. Forbes is entitled to:

- payment of his base salary and expenses due and owing to the date of termination;
- if the date of termination is on or before August 1, 2016, continuation of his base salary and car allowance for a period of 24 months following termination;
- if the date of termination is after August 1, 2016, continuation of his base salary and car allowance for a period which is the greater of (i) the period between the end of his active employment and August 1, 2018, and (ii) the minimum statutory notice period then required pursuant to *Employment Standards Act, 2000*;
- entitlement to a STIP award for the year in which the last day of active employment occurred, on a pro-rata basis, calculated as if Mr. Forbes was actively employed as at December 31;
- subject to clawback provisions, (i) the vesting of any unvested STIP RUs on the termination date, and (ii) the continued vesting of all other unvested RUs held by Mr. Forbes in accordance with the terms set out in his RU grant agreements;
- notional awards under the STIP then in existence during Mr. Forbes' applicable notice period at the target payout percentage for such award;
- with respect to LTIP awards, payment of awards under the PU or any equivalent plan as if Mr. Forbes had continued to be employed by the REIT during any term or performance period provided for under such plan; and
- continued participation in the REIT's employee health and other group insurance plans, annual executive medical assessment and financial planning benefit during the applicable notice period, to the extent permitted by the terms of those plans.

In certain circumstances, some of the foregoing payments may be subject to clawback in the event Mr. Forbes obtains alternative employment.

### **Resignation**

In the event of resignation, Mr. Forbes is entitled to base salary and expenses due and owing to the date of resignation. Unless the Board otherwise determines, no STIP payment will be made in respect of the year in which the resignation date occurs. Subject to clawback provisions, (i) any unvested STIP RUs will vest as of the termination date, and (ii) all other unvested RUs will either (A) be forfeited on the termination date, or (B) continue to vest in accordance with the terms of Mr. Forbes's RU grant agreements if Mr. Forbes has attained age 60 with at least ten years of continuous service with the REIT. With respect to his LTIP awards, if Mr. Forbes resigns before August 1,





2018, unvested PUs previously awarded to Mr. Forbes will be forfeited. In the event Mr. Forbes resigns on or after August 1, 2018, he will receive a payment in respect of his PUs calculated on the same basis as if Mr. Forbes had continued to be employed by the REIT during any term or performance period provided for under such plan.

**Termination for Cause**

The REIT may immediately terminate Mr. Forbes’s employment contract at any time for cause. In this case, the REIT is obligated to pay any base salary and expenses due and owing to the termination date. No STIP payment will be made in respect of the year in which the termination date occurs. Any unvested and vested, but not yet settled, STIP RUs and all other RUs will be forfeited on the termination date. Unvested PUs will also be forfeited on the termination date.

**Estimated Incremental Payments**

The following table summarizes the estimated incremental payments to each of Messrs. Silver and Forbes during the applicable notice period in the circumstances set out in their respective written employment contracts, in the case of a termination without cause (as described above):

NEO	Compensation Component	Estimated Incremental Payments as at December 31, 2013 (\$)
Ken Silver	Base Salary	1,000,000
	STIP	700,000
	Continuation of financial planning, annual executive medical assessment, and car allowance	56,190
	Total	1,756,190
Louis Forbes <sup>(1)</sup>	Base Salary	750,000
	STIP	450,000
	Total	1,200,000

**Note**

(1) Mr. Forbes is entitled to continuation of perquisites and other benefits during the applicable notice period, however, the value did not exceed \$50,000 in aggregate, and is therefore not included in this table. Amounts are based on Mr. Forbes receiving 24 months’ notice of termination. See page 36 for details.



## OTHER COMPENSATION INFORMATION

### Securities Authorized for Issuance

The table below sets out information regarding the Trust Units authorized for issuance under CT REIT's DU Plan for Trustees and RU Plan for Executives as at December 31, 2013. Other than the DU Plan for Trustees and the RU Plan for Executives, CT REIT does not have any compensation plans under which equity securities of CT REIT are authorized for issuance. For more information on the DU Plan for Trustees, see page 20. For more information on the RU Plan for Executives, see page 30.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
<b>Equity Compensation Plans not approved by securityholders</b>			
Deferred Unit Plan and Restricted Unit Plan	32,421 <sup>(1)</sup>	–	8,748,148

**Note:**

(1) The 32,421 RUs and DUs represents less than 1% of issued and outstanding Units.



## OTHER INFORMATION

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### Interest of Informed Persons in Material Transactions

CTC holds an 83.1% effective interest in the REIT on a fully-diluted basis through ownership of 59,711,094 Units and all of the issued and outstanding Class B LP Units. In addition, CTC holds all of the outstanding Class C LP Units of the Partnership. Each Class B LP Unit is exchangeable at the option of the holder for one Unit of the REIT (subject to certain anti-dilution adjustments), is accompanied by one Special Voting Unit of the REIT (which provides for the same voting rights in the REIT as a Trust Unit) and receives distributions of cash from the Partnership equal to the distributions made by the REIT on a Trust Unit. In addition, CT REIT indirectly acquired its initial properties from CTC and entered into certain agreements with CTC including a property management agreement and a service agreement. For a discussion of the property management agreement, service agreement and other arrangements between CT REIT and CTC, please see *About CT Real Estate Investment Trust* on page 7 in this Management Information Circular and refer to the 2013 AIF and our Management's Discussion and Analysis and Consolidated Financial Statements for the year ended December 31, 2013, which are both available on the REIT's website at [www.ctreit.com](http://www.ctreit.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

### Trustees' and Officers' Liability Insurance

During the year ended December 31, 2013, CT REIT purchased Trustees' and Officers' (T&O) liability insurance coverage in the amount of \$30 million. This insurance is designed to protect trustees and officers against liabilities they may face in their capacity as trustees or officers of the REIT.

There is no deductible that applies to claims brought against an individual trustee or officer. For securities claims brought against the REIT for an alleged securities law violation, each loss is subject to a \$75,000 deductible. The T&O liability insurance does not cover losses arising from any deliberately dishonest, fraudulent or criminal act or omission.

We paid \$78,710 (including taxes) in policy premiums for the period from October 23, 2013 to October 23, 2014, none of which was paid by individual trustees and officers. The insurance policy does not differentiate between coverage for trustees and coverage for officers, and we cannot estimate the amount of the premium that relates to the group of trustees or the group of officers.



## Documents You Can Request

You can ask us for a copy of the following documents at no charge:

- Management's Discussion and Analysis and Consolidated Annual Financial Statements for the financial year ended December 31, 2013. These documents contain CT REIT's financial information.
- Annual Information Form for the financial year ended December 31, 2013 and the documents incorporated by reference.

To request any of these documents, please write to Kimberley M. Graham, Secretary, CT Real Estate Investment Trust, 2180 Yonge Street, 15<sup>th</sup> Floor, Toronto, Ontario M4P 2V8.

The Management's Discussion and Analysis, Consolidated Annual Financial Statements, Annual Information Form and other information about CT REIT are also available on SEDAR at [www.sedar.com](http://www.sedar.com).

You can also visit our website at [www.ctreit.com](http://www.ctreit.com). Click on the *Investors* tab for current annual report, annual information form, financial news releases, unit price information, distribution payment history, as well as investor presentations and webcasts.

Information contained in or otherwise accessible through the websites referenced in this Management Information Circular does not form part of this Management Information Circular and is not incorporated by reference into this Management Information Circular. All references to such websites are inactive textual references and are for information only.

The contents and the sending of this Management Information Circular have been approved by the Board of Trustees of CT Real Estate Investment Trust.



Kimberley M. Graham  
*Secretary*

Toronto, Ontario  
March 18, 2014

# APPENDIX A

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## BOARD OF TRUSTEES' MANDATE

### 1.0 Introduction

The Board of Trustees (the “**Board**”) of CT Real Estate Investment Trust (the “**REIT**”) is elected by the unitholders of the REIT (in accordance with the Declaration of Trust) and is responsible for providing governance and stewardship to the REIT. The purpose of this mandate is to describe the principal duties and responsibilities of the Board, as well as some of the policies and procedures that apply to the Board in discharging its duties and responsibilities.

### 2.0 Chairman of the Board

The Chairman of the Board (the “**Chairman**”) will be appointed by the Board after considering the recommendation of the Governance, Compensation and Nominating Committee for such term as the Board may determine and shall initially be independent.

### 3.0 Independence

The Board will be comprised of a majority of independent trustees established by applicable laws and the rules of any stock exchanges upon which the REIT's units are listed, including section 1.4 of National Instrument 52-110 – *Audit Committees*, as the same may be amended from time to time.

Where the Chairman is not independent, the independent trustees will select one of the independent trustees to be appointed lead trustee of the Board for such term as the independent trustees may determine. If the REIT has a non-executive Chairman who is independent, then the role of the lead trustee will be filled by the non-executive Chairman. The lead trustee or non-executive Chairman will chair regular meetings of the independent trustees and assume other responsibilities that the independent trustees as a whole have designated.

### 4.0 Role and Responsibilities of the Board

The responsibilities of the Board include:

- ensuring compliance with the Declaration of Trust;
- monitoring performance of the REIT;
- adopting a strategic planning process and approving strategic goals, performance objectives and operational policies;
- ensuring that processes are in place for identifying and managing the principal risks inherent in the REIT's business and operations;
- monitoring financial disclosure;
- reviewing and approving the REIT's distribution policy and approve the timing and payment of distributions;
- reviewing and approving annual operating plans and budgets;
- succession planning, including the appointment, training and supervision of management;
- monitoring financial reporting and management;
- monitoring internal control, enterprise risk management and management information systems;
- overseeing corporate disclosure and communications;
- adopting measures for receiving feedback from stakeholders on material issues; and
- monitoring the REIT's governance, including adopting key corporate policies designed to ensure that the REIT, its trustees, officers and employees comply with all applicable laws, rules and regulations, and conduct their business ethically and with honesty and integrity.

Meetings of the Board will be held at least quarterly. After each meeting of the Board, the independent trustees may meet without the non-independent trustees. In addition, separate, regularly scheduled meetings of the independent trustees of the Board may be held, at which members of management are not present.

The Board will delegate responsibility for the day-to-day management of the REIT's business and affairs to the REIT's senior officers, and will supervise such senior officers appropriately.

The Board may delegate certain matters it is responsible for to Board committees, presently consisting of the Audit Committee, the Governance, Compensation and Nominating Committee, and the Investment Committee. The Board

will, however, retain its oversight function and ultimate accountability for these matters and all delegated responsibilities.

## **5.0 Strategic Planning Process and Risk Management**

The Board will adopt a strategic planning process to establish objectives and goals for the REIT's business, and will review, approve and modify, as appropriate, the strategies proposed by senior management to achieve such objectives and goals. The Board will review and approve, at least on an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the REIT's business and affairs.

The Board, in conjunction with management, will identify the principal risks of the REIT's business and oversee management's implementation of appropriate systems to effectively monitor, manage and mitigate the impact of such risks.

## **6.0 Corporate Social Responsibility, Ethics and Integrity**

The Board will provide leadership to the REIT in support of its commitment to Corporate Social Responsibility, set the ethical tone for the REIT and its management, and foster ethical and responsible decision making by management. The Board will take all reasonable steps to satisfy itself of the integrity of the Chief Executive Officer (the "CEO") and management, as well as satisfy itself that the CEO and management create a culture of integrity throughout the organization.

## **7.0 Succession Planning, Appointment and Supervision of Management**

The Board will approve the succession plan for the REIT, including the selection, appointment, supervision and evaluation of the CEO and the other senior officers of the REIT, and will also approve the compensation of the CEO and the other senior officers of the REIT.

## **8.0 Delegations and Approval Authorities**

The Board will delegate to the CEO and senior management authority over the day-to-day management of the business and affairs of the REIT. This delegation of authority will be subject to specified financial limits and any transactions or arrangements in excess of general authority guidelines will be reviewed by and subject to the prior approval of the Board.

## **9.0 Monitoring of Financial Reporting and Management**

The Board will approve all regulatory filings, including the annual audited financial statements, interim financial statements, the notes and management discussion and analysis accompanying such financial statements, quarterly and annual reports, management proxy circulars, annual information forms, prospectuses, and all capital investments, equity financings, borrowings and all annual operating plans and budgets.

The Board will adopt procedures that seek to: ensure the integrity of internal controls and management information systems; ensure compliance with all applicable laws, rules and regulations; and prevent violations of applicable laws, rules and regulations relating to financial reporting and disclosure, violation of the REIT's code of business conduct and ethics and fraud against unitholders.

## **10.0 Corporate Disclosure and Communications**

The Board will seek to ensure that all corporate disclosure complies with all applicable laws, rules and regulations and the rules and regulations of the stock exchanges upon which the REIT's securities are listed as well as the Disclosure Policy of the REIT. In addition, the Board will adopt procedures that seek to ensure the Board receives feedback from security holders on material issues.

## **11.0 Orientation and Continuing Education**

With the Governance, Compensation and Nominating Committee, the Board shall ensure that all trustees receive a comprehensive orientation program and continuing education in connection with their role, responsibilities, the business of the REIT, and the skills they must use in their roles as trustees.

## **12.0 Equity Ownership by Trustees**

The Board shall oversee the trustees' compliance with the REIT's equity ownership guidelines.

## **13.0 Corporate Policies**

The Board will adopt policies and procedures designed to ensure that the REIT, its trustees, officers and employees comply with all applicable laws, rules and regulations and conduct the REIT's business ethically and with honesty and integrity. The following policies have been approved:

- Ethical Conduct Policy;
- Code of Business Conduct;
- Disclosure Board Policy; and
- Securities Trading and Reporting Board Policy.

The Board will review such policies annually or in accordance with the review schedule set out in the policies, if applicable, and, where appropriate, approve changes thereto.

## **14.0 Review of Mandate**

The Board will review and assess the adequacy of this mandate, no less than once every three years and, if appropriate, approve changes thereto.

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Visit our website at  
[www.ctreit.com](http://www.ctreit.com)