



**TRUE NORTH COMMERCIAL
REAL ESTATE INVESTMENT TRUST**

**NOTICE OF ANNUAL MEETING OF UNITHOLDERS
TO BE HELD ON JUNE 11, 2015
AND
MANAGEMENT INFORMATION CIRCULAR**

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TRUE NORTH COMMERCIAL REAL ESTATE INVESTMENT TRUST
NOTICE OF ANNUAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting (the “**Meeting**”) of the holders of trust units and special voting units (the “**Unitholders**”) of True North Commercial Real Estate Investment Trust (the “**REIT**”) will be held at Cassels Brock & Blackwell LLP, Suite 2100, Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2, on June 11, 2015 at 4:30 p.m. (Toronto time) for the following purposes:

- (a) to receive the audited consolidated annual financial statements of the REIT as at and for the year ended December 31, 2014 and the auditor’s report thereon;
- (b) to elect trustees of the REIT for the ensuing year;
- (c) to re-appoint the auditor of the REIT for the ensuing year and to authorize the board of trustees (the “**Board**”) to fix such auditor’s remuneration; and
- (d) to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The accompanying management information circular (the “**Circular**”) provides additional information relating to voting and the matters to be dealt with at the Meeting and forms part of this Notice. The Board has fixed April 24, 2015 as the record date for determining those Unitholders entitled to receive notice of and vote at the Meeting.

In connection with the Meeting, the REIT will be using the Canadian Securities Administrators’ “notice and access” delivery model which allows the REIT to furnish the Circular and accompanying materials to Unitholders over the Internet resulting in lower costs and a reduction in the environmental impact of the Meeting. On or about May 11, 2015, the REIT intends to mail to Unitholders of record as of April 24, 2015, a notice with information about the notice-and-access process and voting instructions, as well as a proxy or voting instruction form containing instructions on how to access the Circular and accompanying materials. Under notice-and-access, Unitholders still receive a proxy or voting instruction enabling them to vote at the Meeting. However, instead of a paper copy of the Circular, Unitholders will receive a notice with information on how they may access the Circular electronically. **UNITHOLDERS ARE REMINDED TO REVIEW THE CIRCULAR PRIOR TO VOTING.** Unitholders with questions about notice-and-access may contact TMX Equity Transfer Services toll free at 1-866-393-4891 or by email at tmxeinvestorservices@tmx.com. The Circular and additional materials can be viewed online at the REIT’s website at www.truenorthreit.com, or under the REIT’s SEDAR profile at www.sedar.com. Please note that if you request a paper copy of the Circular, you will not receive a new form of proxy or voting instruction form, so you should retain the forms sent to you in order to vote.

Registered Unitholders who are unable to be personally present at the Meeting are encouraged to vote their proxy online at www.voteproxyonline.com. You may also complete, sign, date and return the enclosed form of proxy to the REIT’s transfer agent, TMX Equity Transfer Services, in the envelope provided or otherwise by mail to TMX Equity Transfer Services, Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1, or by hand delivery to TMX Equity Transfer Services, 200 University Avenue, Toronto, Ontario, M5H 4H1, or by facsimile at 416-595-9593, or to the head office of the REIT at 1801-3300 Bloor Street West, West Tower, Toronto, Ontario, M8X 2X2. In order to be effective, proxies must be received not later than 4:30 p.m. (Toronto time) on June 9, 2015 or, if the Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of such reconvened meeting.

Dated at Toronto, Ontario, this 1st day of May, 2015.

BY ORDER OF THE TRUSTEES OF TRUE NORTH
COMMERCIAL REAL ESTATE INVESTMENT TRUST

(signed) DANIEL DRIMMER
Chairman of the Board, President
and Chief Executive Officer

TRUE NORTH COMMERCIAL REAL ESTATE INVESTMENT TRUST

MANAGEMENT INFORMATION CIRCULAR

INTRODUCTION

This management information circular (the “Circular”) is furnished in connection with the solicitation of proxies by and on behalf of the management of True North Commercial Real Estate Investment Trust (the “REIT”) for use at the annual meeting (the “Meeting”) of the holders of trust units (“Units”) and special voting units (“Special Voting Units”) of the REIT (collectively, the “Unitholders”) to be held on June 11, 2015 and any adjournment or postponement thereof for the purposes set forth in the accompanying notice of Meeting (the “Notice”). It is expected the solicitation will be primarily by mail, but proxies may also be solicited by telephone, or other personal contact by representatives of the REIT, without special compensation. The costs of solicitation will be borne by the REIT. The information contained herein is given as at April 15, 2015, except where otherwise indicated.

GENERAL INFORMATION

The REIT is utilizing the notice-and-access mechanism that came into effect on February 11, 2013 for distribution of this Circular to Registered Unitholders and Non-Registered Holders (each as defined below). Notice-and-access is a set of rules that allows issuers to post electronic versions of proxy-related materials (such as proxy circulars and annual financial statements) on-line via the SEDAR website at www.sedar.com and one other website, rather than mailing paper copies of such materials to Unitholders. Notice-and-access will directly benefit the REIT through a substantial reduction in both postage and printing costs and also promotes environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

It is anticipated that copies of proxy-related materials will be distributed to Registered Unitholders and Non-Registered Holders on or about May 11, 2015 pursuant to the notice-and-access regime. In addition, a notice with information about the notice-and-access process and voting instructions as well as a voting instruction form or proxy form (collectively, the “meeting materials”) will be distributed to Unitholders on or about May 11, 2015.

Registered Unitholders and Non-Registered Holders with questions about notice-and-access may contact the REIT’s transfer agent, TMX Equity Transfer Services, toll-free at 1-866-393-4891 or by email at tmxeinvestorservices@tmx.com.

Registered Unitholders and Non-Registered Holders may obtain paper copies of this Circular by postal delivery at no cost to them. Requests may be made up to one year from the date the Circular was filed on SEDAR at www.sedar.com by calling TMX Equity Transfer Services toll free at 1-866-393-4891 or via e-mail to tmxeinvestorservices@tmx.com. In order to receive the Circular in sufficient time to allow for review and return of the proxy by not later than 4:30 p.m. (Toronto time) on June 9, 2015, a request for paper copies should be sent so that it is received by TMX Equity Transfer Services no later than the end of business on May 29, 2015.

MEANING OF CERTAIN REFERENCES

References to dollars or “\$” are to Canadian currency. Unless the context otherwise requires, all references hereinafter in this Circular to the “REIT” refer to True North Commercial Real Estate Investment Trust and its subsidiary entities, including those limited partnerships (the “Partnerships”) formed from time to time to own the commercial properties acquired by the REIT, on a consolidated basis.

References to “management” in this Circular include the persons acting in the capacity of the REIT’s President and Chief Executive Officer (“CEO”), and Chief Financial Officer (“CFO”), who are an executive officer and employee of Starlight Investments Ltd. (“Starlight”), respectively. Any statements in this Circular made by or on behalf of management are made in such persons’ capacities as executive officers of the REIT and not in their personal capacities.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking statements are provided for the purposes of assisting the reader in understanding the REIT's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and readers are cautioned such statements may not be appropriate for other purposes. Forward-looking information may relate to future results, performance, achievements, events, prospects or opportunities for the REIT or the real estate industry and may include statements regarding the financial position, business strategy, budgets, projected costs, capital expenditures, financial results, taxes, plans and objectives of or involving the REIT. In some cases, forward-looking information can be identified by such terms as "may", "might", "will", "could", "should", "would", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "goal", "project", "predict", "forecast", "potential", "continue", "likely", or the negative thereof or other similar expressions concerning matters that are not historical facts.

Forward-looking statements involve known and unknown risks and uncertainties, which may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, assumptions may not be correct and objectives, strategic goals and priorities will not be achieved. A variety of factors, many of which are beyond the REIT's control, affect the operations, performance and results of the REIT and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to, risks related to the Units and risks related to the REIT and its business. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements as there can be no assurance actual results will be consistent with such forward-looking statements.

Information contained in forward-looking statements is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations believed to be appropriate in the circumstances, including the following: the Canadian economy will remain stable over the next 12 months; inflation will remain relatively low; interest rates will remain stable; conditions within the real estate market, including competition for acquisitions, will be consistent with the current climate; the Canadian capital markets will provide the REIT with access to equity and/or debt at reasonable rates when required; Starlight will continue its involvement as asset manager of the REIT in accordance with its current asset management agreement made as of December 14, 2012 among Starlight and the REIT (the "**Asset Management Agreement**"); and the risks referenced above, collectively, will not have a material impact on the REIT. While management considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

The forward-looking statements made in this Circular relate only to events or information as of the date on which the statements are made. Except as specifically required by applicable Canadian law, the REIT undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

PROXY MATTERS

Appointment and Revocation of Proxies

A form of proxy is enclosed and, if it is not your intention to be present in person at the Meeting, you are asked to complete and return the form of proxy in the envelope provided. The form of proxy must be executed by the Registered Unitholder or the attorney of such Unitholder, duly authorized in writing. Proxies to be used at the Meeting must be deposited with the REIT's transfer agent, TMX Equity Transfer Services, in the envelope provided or otherwise by mail to TMX Equity Transfer Services, Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1, by hand delivery to TMX Equity Transfer Services, Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1, or by facsimile at 416-595-9593, or to the head office of the REIT at 1801-3300 Bloor Street West, West Tower, Toronto, Ontario, M8X 2X2, not later than 4:30 p.m. (Toronto time) on June 9, 2015 or, if the Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of such reconvened meeting.

The persons named in the enclosed form of proxy are trustees (“**Trustees**”) or executive officers of the REIT. **A Unitholder may appoint a proxyholder (who is not required to be a Unitholder), other than any person designated in the form of proxy, to attend and act on such Unitholder’s behalf at the Meeting, either by inserting such other desired proxyholder’s name in the blank space provided on the form of proxy or by substituting another proper form of proxy. A Registered Unitholder may also appoint a proxyholder online at www.voteproxyonline.com.**

A Registered Unitholder who has given a proxy pursuant to this solicitation may revoke it as to any matter on which a vote has not already been cast pursuant to its authority by an instrument in writing executed by the Unitholder or by the attorney of such Unitholder authorized in writing or, if the Registered Unitholder is a corporation, by a duly authorized officer or attorney thereof, and deposited either at the head office of the REIT not later than 4:30 p.m. (Toronto time) on June 9, 2015 or, if the Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of such reconvened meeting at which the form of proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof, or in any other manner permitted by law.

Registered Unitholders

A Unitholder is a Registered Unitholder if shown on April 24, 2015 (the “**Record Date**”) on the list of Unitholders kept by TMX Equity Transfer Services, as registrar and transfer agent of the REIT. Certificates have been issued to Registered Unitholders which indicate such Unitholder’s name and the number of securities owned by the Unitholder. Registered Unitholders will receive with this Circular a form of proxy from TMX Equity Transfer Services representing the Units or Special Voting Units (together, “**Voting Units**”) held by the Registered Unitholder.

Non-Registered Holders

A holder of Voting Units is a non-registered (or beneficial) Unitholder (a “**Non-Registered Holder**”) if the Voting Units are registered either:

- (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Voting Units, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, tax-free savings accounts (as such terms are used in the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time) and similar plans; or
- (b) in the name of a clearing agency (such as CDS & Co.) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the REIT has distributed copies of the meeting materials to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use a service company (such as Broadridge Financial Solutions, Inc. (“**Broadridge**”)) to forward the meeting materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive meeting materials will be given a voting instruction form which must be completed and signed by the Non-Registered Holder in accordance with the directions on the voting instruction form; voting instruction forms sent by Broadridge permit the completion of the voting instruction form by telephone or through the Internet at www.proxyvote.com.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Voting Units they beneficially own. Should a Non-Registered Holder who receives a voting instruction form wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should follow the corresponding instructions on the form. Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies.

A Non-Registered Holder giving a proxy may revoke the proxy by contacting his or her Intermediary in respect of such proxy and complying with any applicable requirements imposed by such Intermediary. An Intermediary may not be able to revoke a proxy if it receives insufficient notice of revocation.

In respect of any meeting materials sent directly to a Non-Registered Holder by the REIT or their agent, the Non-Registered Holder’s name and address and information about the Non-Registered Holder’s holdings of

Voting Units have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on such Non-Registered Holder's behalf. By choosing to send the meeting materials to the Non-Registered Holder directly, the REIT (and not the Intermediary holding on the Non-Registered Holder's behalf) has assumed responsibility for (a) delivering the meeting materials to the Non-Registered Holder, and (b) executing the Non-Registered Holder's proper voting instructions. Non-Registered Holders are asked to return their voting instructions as specified in the request for voting instructions.

The REIT will pay for an Intermediary to deliver proxy materials to objecting beneficial owners. The meeting materials sent to non-objecting beneficial owners ("**NOBOs**") and objecting beneficial owners who have not waived the right to receive the meeting materials are accompanied by a voting instruction form. By returning the voting instruction form in accordance with the instructions noted thereon, a NOBO is able to instruct the voting of the Voting Units owned by it. Voting instruction forms, whether provided by the REIT or by an Intermediary, should be completed and returned in accordance with the specific instructions noted thereon. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Voting Units that they beneficially own.

Voting of Units

The Voting Units represented by proxies or voting instruction forms will be voted or withheld from voting in accordance with the instructions of the Unitholder on any ballot that may be called for and, if the Unitholder specifies a choice with respect to any matter to be acted upon at the Meeting, Voting Units represented by properly executed proxies or voting instruction forms will be voted accordingly.

If no choice is specified by a Unitholder with respect to the appointment of a proxyholder and to any matter to be acted upon at the Meeting, the Voting Units represented by such Unitholder's proxy or voting instruction form will be voted by the persons named in the enclosed form of proxy FOR (a) the election of the nominees named herein as Trustees; and (b) the re-appointment of BDO Canada LLP as the auditor of the REIT and the Trustees to fix such auditor's remuneration, all as described in this Circular.

The REIT's registrar and transfer agent, TMX Equity Transfer Services, will serve as independent scrutineer at the Meeting, and will tabulate all votes at the Meeting.

Exercise of Discretion by Proxy

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the Notice and with respect to such other matters as may properly come before the Meeting or any adjournment or postponement thereof. At the date of this Circular, the Trustees and management of the REIT are not aware of any amendments or other matters to come before the Meeting other than the matters referred to in the Notice. With respect to amendments to matters identified in the Notice or other matters that may properly come before the Meeting or any adjournment or postponement thereof, Voting Units represented by properly executed proxies will be voted by the persons so designated in their discretion.

Voting at Meetings and Quorum

The board of trustees of the REIT (the "**Board**") has fixed April 24, 2015 as the Record Date for the purpose of determining which Unitholders are entitled to receive the Notice and vote at the Meeting or any adjournment or postponement thereof, either in person or by proxy. No person acquiring Voting Units after that date shall, in respect of such Voting Units, be entitled to receive the Notice and vote at the Meeting or any adjournment or postponement thereof.

As of the Record Date, the REIT had 16,947,671 outstanding Units, each carrying the right to one vote per Unit at the Meeting, and 3,422,247 outstanding Special Voting Units, each carrying the right to one vote per Special Voting Unit at the Meeting. The Units are listed on the Toronto Stock Exchange ("**TSX**") under the symbol "TNT.UN".

Unless otherwise required by law or the second amended and restated declaration of trust of the REIT made as of May 22, 2014 (the "**Declaration of Trust**"), every question coming before the Meeting or any adjournment or postponement thereof shall be decided by the majority of the votes duly cast on the question. The quorum at the Meeting or any adjournment or postponement thereof (other than an adjournment for lack of quorum) shall consist of at least two individuals present in person, each of whom is a Unitholder of the REIT or a proxyholder representing a Unitholder of the REIT, and who hold or represent by proxy not less than 10% of the total number of outstanding Units of the REIT as at the record date.

QUESTIONS AND ANSWERS

Q. What am I voting on?

A. Unitholders are voting on:

- the election of Trustees for the ensuing year; and
- the re-appointment of the auditor of the REIT and to authorize the Trustees to fix such auditor's remuneration.

Q. Who is entitled to vote?

A. You are entitled to vote if you were a Unitholder as at the close of business on April 24, 2015, which is the Record Date. Each Voting Unit entitles the holder to one vote on those items of business identified in the Notice. If you acquired your Voting Units after the Record Date, please refer to the answer to the question "What if ownership of Voting Units has been transferred after the Record Date?"

Q. How do I vote?

A. There are two ways you can vote your Voting Units if you are a Registered Unitholder. You may vote in person at the Meeting, or you may complete the enclosed form of proxy appointing the named persons or some other person you choose, who need not be a Unitholder, to represent you as proxyholder and vote your Voting Units at the Meeting. Proxies may be voted online at www.voteproxyonline.com or deposited with the REIT's transfer agent, TMX Equity Transfer Services.

If your Voting Units are held in the name of a nominee, please refer to the answer to the question "If my Voting Units are not registered in my name but are held in the name of a nominee (i.e., a bank, trust company, securities broker, trustee or other), how do I vote my Voting Units?" to determine how you may vote your Voting Units.

Q. If my Voting Units are not registered in my name, but are held in the name of a nominee (i.e., a bank, trust company, securities broker, trustee or other), how do I vote my Voting Units?

A. Generally, Non-Registered Holders who have not waived the right to receive meeting materials will be given a voting instruction form which must be completed and signed by the Non-Registered Holder in accordance with the directions on the voting instruction form. Voting instruction forms sent by Broadridge permit the completion of the voting instruction form by telephone or through the Internet at www.proxyvote.com.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Voting Units they beneficially own. Should a Non-Registered Holder who receives a voting instruction form wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should follow the corresponding instructions on the form. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies. Please refer to "Non-Registered Holders".

Q. What if I plan to attend the Meeting and vote in person?

A. If you are a Registered Unitholder and plan to attend the Meeting and wish to vote your Voting Units in person at the Meeting, do not complete or return the form of proxy. Your vote will be taken and counted at the Meeting. Please register with our transfer agent, TMX Equity Transfer Services, upon arrival at the Meeting. If your Voting Units are held in the name of a nominee and you wish to attend the Meeting, please refer to the answer to the question "If my Voting Units are not registered in my name but are held in the name of a nominee (i.e., a bank, trust company, securities broker, trustee or other), how do I vote my Voting Units?" for voting instructions.

Q. Who is soliciting my proxy?

A. The enclosed form of proxy is being solicited by management of the REIT and the associated costs will be borne by the REIT. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited by telephone or other personal contact by representatives of the REIT. The REIT may also engage a proxy solicitation firm to solicit proxies in favour of the resolutions described herein.

Q. What if I sign the form of proxy?

A. Signing the form of proxy gives authority to Mr. Daniel Drimmer, the Chairman of the Board, President and CEO of the REIT or failing him, Ms. Tracy Sherren, the CFO of the REIT, or to another person you have appointed, to vote your Voting Units at the Meeting.

Q. Can I appoint someone other than those representatives to vote my Voting Units?

A. Yes. Write the name of this person, who need not be a Unitholder, in the blank space provided in the form of proxy and strike out the names of the management nominees. It is important to ensure that any other person you appoint is attending the Meeting and is aware that they have been appointed to vote your Voting Units. Proxyholders should, upon arrival at the Meeting, present themselves to a representative of our transfer agent, TMX Equity Transfer Services.

Q. What do I do with my completed proxy?

A. For Registered Unitholders, you may complete your proxy online at www.voteproxyonline.com or you may return it to our transfer agent, TMX Equity Transfer Services, in the envelope provided, or otherwise by mail to TMX Equity Transfer Services, Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1 or by hand delivery to TMX Equity Transfer Services, Suite 300, 200 University Avenue, Toronto, Ontario, M5H 4H1 or by fax to 416-595-9593 or to the head office of the REIT at 1801-3300 Bloor Street West, West Tower, Toronto, Ontario, M8X 2X2, not later than 4:30 p.m. (Toronto time) on June 9, 2015 or, if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of such reconvened meeting. This will ensure that your vote is recorded. For Non-Registered Holders who receive materials through their broker or other Intermediary, the Unitholder should complete and send the voting instruction form in accordance with the instructions provided by their broker or other Intermediary.

Q. If I change my mind, can I take back my proxy once I have given it?

A. Yes. If you change your mind 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, if Voting Units are held by a corporation, under the corporation's corporate seal or by an officer or attorney of the corporation duly authorized. This statement must be delivered either to the head office of the REIT on or before the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used or to the Chairman on the day of the Meeting or any adjournment of the Meeting, prior to the time of voting, or in any other manner permitted by law.

Q. How will my Voting Units be voted if I give my proxy?

A. Voting Units represented by proxies will be voted "for" or "withhold" from voting in accordance with the instructions of the Unitholder. If the Unitholder specifies a choice with respect to any matter to be acted upon at the Meeting, Voting Units represented by properly executed proxies will be voted accordingly.

With respect to the (a) election of the Trustee being nominated by management as Trustees, and (b) re-appointment of the auditor and the authorization of the Trustees to fix the remuneration of the auditor, all as described in this Circular, Unitholders have the option of voting their Voting Units either FOR such election or appointment or to WITHHOLD the Voting Units from voting for such election or appointment. If no specification is made to WITHHOLD the said Voting Units from voting, a proxyholder will vote such Units FOR such election or appointment.

Q. What if amendments are made to these matters or if other matters are brought before the Meeting?

A. The form of proxy that related to this Circular confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the Notice and with respect to such other matters as may properly come before the Meeting or any adjournment or postponement thereof. At the date of this Circular, management of the REIT is not aware of any amendments or other matters to come before the Meeting other than the matters referred to in the Notice. With respect to amendments to matters identified in the Notice or other matters that may come before the Meeting, such Voting Units will be voted by the persons so designated in their discretion.

Q. How many Voting Units are entitled to vote?

A. The Board has fixed April 24, 2015 as the Record Date for the purpose of determining which Unitholders are entitled to vote at the Meeting. On April 24, 2015, there were 16,947,671 Units and 3,422,247 Special Voting Units outstanding. Each Unit and Special Voting Unit is entitled to one vote on each matter to be voted upon at the Meeting.

Q. What if ownership of Voting Units has been transferred after the Record Date?

A. The Declaration of Trust of the REIT provides that only a holder of Voting Units of record at the close of business on the Record Date is entitled to vote at the applicable Meeting, even where such Unitholder has since that date disposed of his or her Voting Units, and no Unitholder becoming such after the Record Date will be entitled to receive notice of and vote at the applicable Meeting or any adjournment thereof.

Q. How will the votes be counted?

A. The REIT's registrar and transfer agent, TMX Equity Transfer Services, will serve as independent scrutineer at the Meeting, and will tabulate all votes at the Meeting.

Q. If I need to contact the transfer agent, how do I reach it?

A. You can contact the transfer agent by mail at:

TMX Equity Transfer Services
Suite 300, 200 University Avenue
Toronto, Ontario, M5H 4H1

or by telephone: 416-361-0930 ext. 205
or by toll-free throughout North America: 1-866-393-4891
or by email: tmxinvestorservices@tmx.com

PRINCIPAL HOLDERS OF VOTING UNITS

To the knowledge of the Trustees and management of the REIT, as of the Record Date, no person or company beneficially owned, or controlled or directed, directly or indirectly, Voting Units carrying 10% or more of the votes attached to the outstanding Voting Units of the REIT, other than entities directly or indirectly beneficially owned or controlled by Mr. Daniel Drimmer, the Chairman of the Board, President and CEO of the REIT, ("**DD Entities**"), which owned, in aggregate, 2,890,410 Units and 828,123 Special Voting Units, representing approximately 18.3% of the outstanding Voting Units (or 17.1% of the outstanding Units and 24.2% of the outstanding Special Voting Units, respectively) as of April 15, 2015. The REIT understands Mr. Daniel Drimmer exercises voting control over all Voting Units owned by the DD Entities.

Management understands the Voting Units registered in the name of CDS & Co. are beneficially owned through various Intermediaries on behalf of their clients and other parties. The names of the beneficial owners of such Units are not known to the REIT. Except as set out above, the REIT and executive officers of the REIT have no knowledge of any person or company that beneficially owns, or controls or directs, directly or indirectly, 10% or more of the outstanding Voting Units.

MATTERS TO BE ACTED UPON AT THE MEETING

1. Financial Statements

The REIT's audited consolidated annual financial statements as at and for the year ended December 31, 2014, together with the auditor's report thereon (the "**financial statements**") will be tabled before the Unitholders at the Meeting for consideration by the Unitholders. The financial statements have been approved by the Audit Committee and by the Board. Copies of the financial statements may be obtained from the Secretary of the REIT upon request and will be available at the Meeting. The financial statements are also available on the REIT's website at www.truenorthreit.com or under the REIT's SEDAR profile at www.sedar.com.

2. Election of Trustees

The Declaration of Trust provides the REIT must have a minimum of three and a maximum of ten Trustees. The Declaration of Trust further provides that Starlight has the right to appoint certain Trustees (the “**Starlight Appointed Trustees**”) based on the size of the Board. Presently, the number of Trustees is set at six and Starlight is entitled to appoint two of the six Trustees. Starlight has determined not to exercise such appointment rights in respect of Trustees to be elected at the Meeting, although it may exercise such appointment rights in the future.

The persons noted below have been nominated by management for election as Trustees at the Meeting (the “**Nominees**”). Five of the six Nominees proposed for election as Trustees by the Unitholders at the Meeting are considered “**Independent Trustees**” (being a Trustee who is “independent” within the meaning of National Instrument 58-101 — *Disclosure of Corporate Governance Practices*).

The Board has adopted a policy that entitles each Unitholder to vote for each Nominee on an individual basis rather than for a fixed slate of Nominees. Each Nominee should be elected by the vote of a majority of the Voting Units represented in person or by proxy at the Meeting. If any Nominee receives, from the Voting Units voted at the Meeting in person or by proxy, a greater number of votes “withheld” than votes “for” his election as a Trustee, the Trustee will be required to tender his resignation to the Chairman of the Governance, Compensation and Nominating Committee (“**GC&N Committee**”) for consideration promptly following the Meeting, to take effect upon acceptance by the Board. The GC&N Committee will consider the resignation and provide a recommendation to the Board as to whether or not to accept such resignation. The Board will, in turn, consider the recommendation of the GC&N Committee, among other things, and make a final decision concerning the acceptance of such resignation within 90 days of the Meeting and a news release will be issued by the REIT announcing the decision. A Trustee who tenders his resignation will not participate in any deliberations pertaining to such resignation.

The foregoing process applies only in circumstances involving an “uncontested” election of Trustees. If any Trustee fails to tender his resignation as contemplated above, that Trustee will not be re-nominated. Subject to any restrictions in the Declaration of Trust, where the Board accepts the resignation of a Trustee, the Board may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resultant vacancy unfilled until the next annual meeting of Unitholders, fill the vacancy through the appointment of a new Trustee whom the Board considers to merit the confidence of the Unitholders, or call a special meeting of Unitholders to elect a new nominee to fill the vacant position.

The Nominees are to be elected by the Unitholders at each annual meeting of Unitholders to hold office for a term expiring at the close of the next annual meeting of Unitholders, or until a successor is appointed. The six Nominees named below are proposed for election as Trustees of the REIT by the Unitholders at the Meeting. Each such Nominee is currently a Trustee and has demonstrated his eligibility and willingness to serve as a Trustee. If, prior to the Meeting, any of the listed nominees become unable or unwilling to serve, Voting Units represented by properly executed proxies will be voted by the persons so designated in their discretion for a properly qualified substitute.

It is the intention of the persons named in the enclosed form of proxy for use at the Meeting (unless such authority is withheld) to vote FOR the election of the Nominees listed and described in the “Nominees for Election to the Board of Trustees” on pages 10 to 14.

Nominees for Election to the Board of Trustees

Daniel Drimmer					
		Age: 42 Toronto, Ontario Canada Trustee Since: December 14, 2012	Principal Occupation: President and Chief Executive Officer, Starlight Investments Ltd. Daniel Drimmer is the founder, President and Chief Executive Officer of Starlight Investments Ltd., a Canadian real estate asset management company focused on the acquisition, ownership and management of commercial and residential properties across Canada and the United States, with a portfolio of approximately 30,500 residential rental units and over 2,000,000 square feet in commercial properties. Mr. Drimmer is also a director and Chief Executive Officer of TSXV-listed Starlight U.S. Multi-Family Core Fund, Starlight U.S. Multi-Family (No. 2) Core Fund, Starlight U.S. Multi-Family (No. 3) Core Fund, Starlight U.S. Multi-Family (No. 4) Core Fund and Campar Capital Corporation. In addition to the formation of Starlight Investments Ltd., Mr. Drimmer established the REIT and TSX-listed True North Apartment Real Estate Investment Trust. In July 2014, Mr. Drimmer was appointed to the board of directors of the Mortgage Company of Canada Inc. Mr. Drimmer was TSX-listed TransGlobe Apartment REIT's creator and sponsor from May 2010 to August 2011. From November 1996 to August 2011, Mr. Drimmer was the President of TransGlobe Investment Management Ltd. and TransGlobe Property Management Services Ltd. Mr. Drimmer obtained a Bachelor of Arts degree from the University of Western Ontario and a Masters degree in Contemporary Policy Making from European University in Geneva, Switzerland.		
Board and Committee Membership		2014 Attendance		Directorships (past 5 years)	
Board (Chair) Investment (Chair)		9/9 1/1	100% 100%	Public Company Directorships <ul style="list-style-type: none"> • TransGlobe Apartment Real Estate Investment Trust (2010-2011) • True North Apartment Real Estate Investment Trust (2012-Present) • Starlight U.S. Multi-Family Core Fund (2013-Present) • Starlight U.S. Multi-Family (No. 2) Core Fund (2013-Present) • Starlight U.S. Multi-Family (No. 3) Core Fund (2014-Present) • Campar Capital Corporation (2014-Present) • Starlight U.S. Multi-Family (No. 4) Core Fund (2015-Present) 	
Securities Held					
Units ⁽¹⁾ #	Special Voting Units ⁽¹⁾ #	Total Units and Special Voting Units #	Total Market Value of Units and Special Voting Units ⁽²⁾ \$	Unexercised Options #	
2,890,410	828,123	3,718,533	22,348,383	252,084	
Voting Results of 2014 Annual and Special Meeting					
	Votes For		Votes Withheld		
Number of Votes	5,520,633		2,600		
Percentage of Votes	99.95%		0.05%		

(1) Voting securities of the REIT beneficially owned, or controlled or directed, directly or indirectly.

(2) "Total Market Value of Units and Special Voting Units" is calculated based on the closing price of the Units on the TSX on April 15, 2015, which was \$6.01.

Jeff Baryshnik



Age: 36
 Toronto, Ontario
 Canada
 Trustee Since:
 December 14,
 2012
Independent

Principal Occupation: President, Republic Funds USA Inc.

Jeff Baryshnik is the President of Republic Funds USA Inc., an activist real estate private equity firm that advises the Republic Real Estate Funds on the acquisition and improvement of commercial and multi-family properties across the United States. Previously, Mr. Baryshnik invested in global equities at leading hedge funds including Citadel LLC, and began his career in mergers and acquisitions at Morgan Stanley. Mr. Baryshnik is a Director on the Huron College Alumni Board at Western University. Mr. Baryshnik received a Master of Business Administration (Stern Scholar) from New York University's Stern School of Business and an Honors Business Administration (Ivey Scholar) from the Richard Ivey School of Business at Western University. Mr. Baryshnik holds the Canadian Investment Manager (CIM) designation and is a Fellow of the Canadian Securities Institute (FCSI).

Board and Committee Membership	2014 Attendance		Directorships (past 5 years)
Board Investment	9/9 1/1	100% 100%	Non-Profit Directorships <ul style="list-style-type: none"> • Director, Huron College Alumni Board, Western University (2004-Present) • Co-Chair, UJA Federation of Greater Toronto Young Bay Street Division (2011-2013)

Securities Held

Units ⁽¹⁾ #	Special Voting Units ⁽¹⁾ #	Total Units and Special Voting Units #	Total Market Value of Units and Special Voting Units ⁽²⁾ \$	Unexercised Options #
18,860	nil	18,860	113,348	60,000

Voting Results of 2014 Annual and Special Meeting

	Votes For	Votes Withheld
Number of Votes	5,515,320	7,913
Percentage of Votes	99.86%	0.14%

(1) Voting securities of the REIT beneficially owned, or controlled or directed, directly or indirectly.

(2) "Total Market Value of Units and Special Voting Units" is calculated based on the closing price of the Units on the TSX on April 15, 2015, which was \$6.01.

William Biggar



Age: 62
 Toronto, Ontario
 Canada
 Trustee Since:
 December 14,
 2012
Independent

Principal Occupation: Corporate Director

William Biggar is a Corporate Director who has previously held senior executive positions in the real estate, mining and investment industries. From 2008 to 2012, Mr. Biggar was President and Chief Executive Officer of TSX-listed mining company North American Palladium Ltd. Mr. Biggar has also served as President and Chief Executive Officer of Granite REIT and Executive Vice-President and Chief Financial Officer of Cambridge Shopping Centres Limited. Over the past 25 years, Mr. Biggar has served on the boards of a number of public and private companies including Primaris Retail REIT (2003-2013) and is currently a trustee of TSX-listed Milestone Apartments REIT. Mr. Biggar is a CPA, CA and holds Bachelor of Commerce and Master of Business Administration degrees from the University of Toronto.

Board and Committee Membership	2014 Attendance		Directorships (past 5 years)	
Board	9/9	100%	Public Company Directorships • North American Palladium Ltd. (2008-2012) • Primaris Retail REIT (2003-2013) • Silver Bear Resources Inc. (2007-2012) • Milestone Apartments REIT (2013-Present)	
Audit (Chair)	4/4	100%		
Investment	1/1	100%		
Securities Held				
Units ⁽¹⁾ #	Special Voting Units ⁽¹⁾ #	Total Units and Special Voting Units #	Total Market Value of Units and Special Voting Units ⁽²⁾ \$	Unexercised Options #
22,122	nil	22,122	132,953	60,000
Voting Results of 2014 Annual and Special Meeting				
	Votes For		Votes Withheld	
Number of Votes	5,523,133		100	
Percentage of Votes	100%		0%	

(1) Voting securities of the REIT beneficially owned, or controlled or directed, directly or indirectly.

(2) "Total Market Value of Units and Special Voting Units" is calculated based on the closing price of the Units on the TSX on April 15, 2015, which was \$6.01.

Roland Cardy



Age: 63

Toronto, Ontario
Canada

Trustee Since:
December 14,
2012

Independent

Principal Occupation: Managing Director, Gorbay Company Limited

Roland Cardy is the Managing Partner and a director of Gorbay Company Limited, a Toronto based private company that owns and operates multi-family properties. Mr. Cardy has previously held the position of Chairman of TSX-listed Primaris Retail REIT, a position he held from March 2003 to April 2013. He was also a director of Public Storage Canadian Properties from April 2006 to October 2010. From 2001 to March 2003, Mr. Cardy was a Senior Managing Director at Raymond James Ltd. Mr. Cardy has Bachelor of Arts (Economics and History) and Master of Business Administration degrees from York University. He also has completed the requirements of the Institute of Corporate Directors program.

Board and Committee Membership	2014 Attendance		Directorships (past 5 years)	
Board	9/9	100%	Public Company Directorships	
Audit	4/4	100%	• Primaris Retail REIT (2003-2013)	
GC&N Committee (Chair)	1/1	100%	• Public Storage Canadian Properties (2006-2010)	
Securities Held				
Units ⁽¹⁾ #	Special Voting Units ⁽¹⁾ #	Total Units and Special Voting Units #	Total Market Value of Units and Special Voting Units ⁽²⁾ \$	Unexercised Options #
34,850	nil	34,850	209,448	60,000
Voting Results of 2014 Annual and Special Meeting				
	Votes For		Votes Withheld	
Number of Votes	5,523,133		100	
Percentage of Votes	100%		0%	

(1) Voting securities of the REIT beneficially owned, or controlled or directed, directly or indirectly.

(2) "Total Market Value of Units and Special Voting Units" is calculated based on the closing price of the Units on the TSX on April 15, 2015, which was \$6.01.

Alon Ossip



Age: 51

Toronto, Ontario
Canada

Trustee Since:
December 14,
2012

Independent

Principal Occupation: Chief Executive Officer, The Stronach Group

Alon Ossip is the Chief Executive Officer of The Stronach Group, a privately-held consortium that owns, operates and manages a number of leading businesses in a wide range of industries, including thoroughbred racing and gaming, real estate, electric vehicle technologies, medical technologies, and agri-business. He is also a trustee of TSX-listed True North Apartment REIT, as well as a director of TSXV-listed Campar Capital Corporation. Mr. Ossip was previously a Partner at Goodman and Carr LLP and Associate Counsel at Miller Thomson LLP. Mr. Ossip was formerly an Executive Vice President of TSX-listed Magna International Inc., and a trustee of TransGlobe Apartment REIT. Previously he was a director, officer and founding shareholder of Workbrain Corporation (a TSX-listed public company that was sold to Infor Global Solutions European Finance, S.a.R.L. in 2007) from June 2003 to June 2007. Mr. Ossip has a Bachelor of Laws from York University (Osgoode Hall) and a Bachelor of Arts from the University of Toronto.

Board and Committee Membership	2014 Attendance		Directorships (past 5 years)	
Board GC&N Committee	8/9 1/1	90% 100%	Public Company Directorships <ul style="list-style-type: none"> • TransGlobe Apartment REIT (2010-2011) • True North Apartment REIT (2012-Present) • Campar Capital Corporation (2014-Present) 	
Securities Held				
Units ⁽¹⁾ #	Special Voting Units ⁽¹⁾ #	Total Units and Special Voting Units #	Total Market Value of Units and Special Voting Units ⁽²⁾ \$	Unexercised Options #
136,179	265,625	401,804	2,414,842	112,500
Voting Results of 2014 Annual and Special Meeting				
	Votes For		Votes Withheld	
Number of Votes	5,516,333		6,900	
Percentage of Votes	99.88%		0.12%	

(1) Voting securities of the REIT beneficially owned, or controlled or directed, directly or indirectly.

(2) "Total Market Value of Units and Special Voting Units" is calculated based on the closing price of the Units on the TSX on April 15, 2015, which was \$6.01.

Sandy Poklar



Age: 44
 Toronto, Ontario
 Canada
 Trustee Since:
 December 14,
 2012
Independent

Principal Occupation: Chief Operating Officer and Managing Director, Capital Markets & Strategic Developments, Firm Capital Corporation

Sandy Poklar is the Chief Operating Officer and Managing Director, Capital Markets & Strategic Developments of Firm Capital Corporation. Mr. Poklar is also Chief Financial Officer and a trustee of Firm Capital Property Trust. Prior to joining Firm Capital Corporation, Mr. Poklar was employed at Macquarie Capital and TD Securities, where he was a Vice President and an Associate in their Real Estate Investment Banking Groups, respectively. In addition, Mr. Poklar was at Canaccord Adams as a real estate equity research associate analyst. Mr. Poklar is a CPA, CA, graduate of the University of Toronto and graduate of the Directors Education Program, and has received his ICD.D designation.

Board and Committee Membership	2014 Attendance		Directorships (past 5 years)
Board	9/9	100%	Public Company Directorships • Genesis Land Development Corp. (2012-2013) • Firm Capital Property Trust (2012-Present)
Audit	4/4	100%	
GC&N Committee	1/1	100%	

Securities Held				
Units ⁽¹⁾ #	Special Voting Units ⁽¹⁾ #	Total Units and Special Voting Units #	Total Market Value of Units and Special Voting Units ⁽²⁾ \$	Unexercised Options #
9,538	6,250	15,788	94,885	60,000

Voting Results of 2014 Annual and Special Meeting		
	Votes For	Votes Withheld
Number of Votes	5,517,301	100
Percentage of Votes	100%	0%

(1) Voting securities of the REIT beneficially owned, or controlled or directed, directly or indirectly.
 (2) "Total Market Value of Units and Special Voting Units" is calculated based on the closing price of the Units on the TSX on April 15, 2015, which was \$6.01.

The Trustees believe the current board size is optimal. Each board member is expected to attend all meetings, with the average rate of attendance for 2014 being 98%, indicating that the current board members are fully committed to the operations and management of the REIT. As set out below, the Trustees believe the skill set currently on the Board meets the operational requirements of the REIT. Much of the Board's work is done through its committees, and all committee members have significant experience in their respective committee specialties.

The skills matrix below summarizes the expertise possessed by each Nominee:

Area of Expertise	Drimmer	Baryshnik	Biggar	Cardy	Ossip	Poklar
Executive Management	✓	✓	✓	✓	✓	✓
Strategic Insight/Leading Growth	✓	✓	✓	✓	✓	✓
Real Estate	✓	✓	✓	✓	-	✓
Business Leadership	✓	✓	✓	✓	✓	✓
Corporate Finance and Capital Markets	✓	✓	✓	✓	-	✓
Finance Accounting and Reporting	-	-	✓	✓	✓	✓
Mergers and Acquisitions	✓	✓	✓	✓	✓	✓
Corporate Governance	-	-	✓	✓	✓	✓

Corporate Cease Trade Orders or Bankruptcies

No person proposed to be nominated for election as a Trustee at the Meeting is or has been, within the preceding ten years, a director, trustee, chief executive officer or chief financial officer of any company (including a personal holding company of any such persons) that:

- (a) was subject to a cease trade order (or similar order that denied the company access to any exemption under securities legislation) that was issued while the proposed Trustee was acting in the capacity as director, trustee, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order (or similar order that denied the company access to any exemption under securities legislation) that was issued after the proposed Trustee ceased to be a director, trustee, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, trustee, chief executive officer or chief financial officer.

No person proposed to be nominated for election as a Trustee at the Meeting is or has been, within the preceding ten years, a director, trustee, or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Individual Bankruptcies

No person proposed to be nominated for election as a Trustee at the Meeting is or has, within the preceding ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

3. Appointment of Auditor

BDO Canada LLP, Chartered Professional Accountants, located in Toronto, Ontario is currently the auditor of the REIT and has been the auditor of the REIT since March 26, 2014. The Board recommends that BDO Canada LLP be re-appointed as the auditor of the REIT, to hold office until the close of the next annual meeting of Unitholders or until a successor is appointed, and the Trustees be authorized to fix BDO Canada LLP's remuneration as the auditor of the REIT.

To be effective, the resolution approving the re-appointment of BDO Canada LLP and authorizing the Trustees to fix BDO Canada LLP's remuneration must be passed at the Meeting. The Board recommends Unitholders vote FOR the re-appointment of BDO Canada LLP as the auditor of the REIT and to authorize the Trustees to fix the auditor's remuneration. Unless such authority is withheld, persons named in the accompanying form of proxy intend to vote FOR the re-appointment of BDO Canada LLP as the auditors of the REIT and to authorize the Trustees to fix the auditor's remuneration.

CORPORATE GOVERNANCE

The Board believes that sound governance practices are essential to achieve the long-term interests of the REIT and the enhancement of value for all of its Unitholders.

Board Mandate

The mandate of the Board, which it discharges directly or through the three committees of the Board, is one of stewardship and oversight of the REIT and its business and includes responsibility for strategic planning, review of operations, disclosure and communication policies, oversight of financial and other internal controls, corporate governance, Trustee orientation and education, executive compensation and oversight, and Trustee compensation and assessment. The text of the Board's written mandate is attached to this Circular as Appendix "A".

Trustee Independence

The term “**Independent Trustee**” is defined in the Declaration of Trust as a Trustee who, in relation to the REIT, is “independent” within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, as replaced or amended from time to time (including any successor rule or policy thereto). Pursuant to the Declaration of Trust, a majority of the Trustees are required to be Independent Trustees. Currently five of the six Trustees are independent.

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

In Camera Meetings

On matters in which a particular Trustee may have a conflict of interest, the Board and its committees may conduct “in camera” sessions at which the particular non-independent Trustee is not present. During fiscal 2014, time was set aside at each quarterly meeting of the Board to meet without the attendance of the non-independent Trustee and/or management of the REIT. In addition, in camera sessions were held in connection with non-arm’s length transactions and/or other potential conflicts of interest.

Conflict of Interest

The Declaration of Trust contains “conflict of interest” provisions to protect Unitholders without creating undue limitations on the REIT. As the Trustees engage in a wide range of real estate and other activities, the Declaration of Trust contains provisions, similar to those contained in the *Canada Business Corporations Act*, that require each Trustee to disclose to the REIT, at the first meeting of the Board or committee of the Board at which a proposed contract or transaction is considered, any interest in a material contract or transaction or proposed material contract or transaction with the REIT (including a material contract or transaction involving the making or disposition of any investment in real property or a joint venture agreement) or the fact that such person is a director or executive officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the REIT. If a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the Board, a Trustee is required to disclose in writing to the REIT, or request to have entered into the minutes of meetings of the Board or a committee thereof, the nature and extent of his interest immediately after the Trustee becomes aware of the contract or transaction or proposed contract or transaction. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction primarily relates to his remuneration or is for indemnity under the provisions of the Declaration of Trust or the purchase or maintenance of liability insurance.

Further, each of the following matters require the approval of a majority of the Independent Trustees:

- (a) an acquisition of a property or an investment in a property, whether by co-investment or otherwise, in which Starlight or any related party of the REIT has any direct or indirect interest, whether as owner, operator or manager;
- (b) a material change to any agreement with Starlight or a related party of the REIT or any renewal, extension or termination thereof or any increase in any fees (including any transaction fees) or distributions payable thereunder;
- (c) the entering into of, or the waiver, exercise or enforcement of any rights or remedies under, any agreement entered into by the REIT, or the making, directly or indirectly, of any co-investment, in each case with (i) any Trustee, (ii) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or (iii) any entity for which any Trustee acts as a director or other similar capacity;
- (d) the refinancing, increase or renewal of any indebtedness owed by or to (i) any Trustee, (ii) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or (iii) any entity for which any Trustee acts as a director or other similar capacity; and
- (e) decisions relating to any claims by or against one or more parties to any agreement with Starlight or any related party of the REIT.

Term Limits and Gender Diversity

Trustee Term Limits and Other Mechanisms of Board Renewal

The REIT has not adopted term limits for the Trustees on its Board as it believes, given the REIT's size, that Board renewal is better achieved through other means. The Board constantly evaluates and compares the core competencies required to oversee the business and its strategy against the competencies residing with its Trustees. The Board has annual processes in place to evaluate Board and committee effectiveness and uses this insight in guiding Board renewal decisions. See also "Governance, Compensation & Nominating Committee".

Policies Regarding the Representation of Women on the Board

The REIT has not adopted a written policy relating to the identification and nomination of women Trustees to the Board. The REIT has not adopted such a policy, written or otherwise, because the Board does not consider diversity of race, ethnicity, gender, age and cultural background as requirements to be a Trustee of the REIT. When vacancies on the Board arise, the REIT will focus on nominating Trustees with highly developed and specialized skill sets in real estate, finance, mortgage underwriting analysis and accounting, among other criteria, regardless of their race, ethnicity, gender, age and cultural background. These requirements are necessary to ensure that the REIT continues to deliver consistent returns to Unitholders.

In identifying and nominating candidates for election or re-election to the Board, the Trustees do not consider the level of representation of women on the Board. The REIT does not consider the level of representation of women on the Board because in considering individuals as potential Trustees, the REIT at all times seeks the most qualified persons, regardless of their race, ethnicity, gender, age and cultural background. The REIT believes that this approach enables it to make decisions regarding the composition of the Board and senior executive team based on what is in the best interests of the REIT and its Unitholders.

Consideration of the Representation of Women in Executive Officer Appointments

In appointing executive officers to the management team, the REIT does not consider the level of representation of women in executive officer positions. The REIT does not consider the level of representation of women in executive officer positions because in considering individuals as members of senior management, the REIT at all times seeks the most qualified persons, regardless of their race, ethnicity, gender, age and cultural background. The REIT believes that this approach enables it to make decisions regarding the compositions of the Board and senior executive team based on what is in the best interests of the REIT and its Unitholders.

Targets Regarding the Representation of Women in Executive Officer Positions or on the Board

The REIT has not adopted a target regarding women in senior executive positions or on the Board. The REIT has not adopted a target for women in senior executive positions or on the Board because the REIT does not believe that any senior executive position or Trustee nominee should be chosen nor excluded solely because of their race, ethnicity, gender, age and cultural background.

Number of Women in Executive Officer Positions and on the Board

As of the date of this Circular, there is one woman in a senior executive position, which represents 50% of the senior executive team, and currently there are no women on the Board.

Position Descriptions

The position descriptions are reviewed annually by the GC&N Committee and any amendments are recommended to the Board.

Chairman of the Board

Mr. Daniel Drimmer, the Chairman of the Board, President and CEO is not an Independent Trustee. The Board has adopted a written position description for the Chairman which sets out the Chairman's key responsibilities, including duties relating to setting Board meeting agendas, chairing Board and Unitholder meetings, Trustee development, and communicating with securityholders and regulators.

Lead Trustee

Mr. Alon Ossip, an Independent Trustee, acts as Lead Trustee. The Board has adopted a written position description for the Lead Trustee which sets out the Lead Trustee's key responsibilities, including duties relating to ensuring appropriate structures and procedures are in place to allow the Board to function independently of management, and leading the process by which the Independent Trustees seek to ensure the Board represents and protects the interest of all securityholders .

Chief Executive Officer

The primary functions of the CEO are to lead the management of the REIT's business and affairs and to lead the implementation of the resolutions and policies of the Board. The Board has developed a written position description for the CEO which sets out the CEO's key responsibilities, including duties relating to strategic planning, operational direction, Board interaction, succession planning, and communication with securityholders and regulators.

Committees of the Board

Pursuant to the Declaration of Trust, the Board has established three committees: the Audit Committee; the GC&N Committee; and the Investment Committee. The committee descriptions are reviewed annually by the GC&N Committee and amendments are recommended to the Board.

Audit Committee

The Audit Committee must consist of at least three trustees, all of whom must be independent and financially literate, as those terms are defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). The Audit Committee assists the Board in fulfilling their oversight responsibilities in respect of the REIT's accounting and reporting practices and pre-approves the non-audit services provided by the REIT's auditor.

Pursuant to its charter, a copy of which is attached hereto as Appendix "B", the Audit Committee is responsible for the review of the consolidated financial statements and the accounting policies and reporting procedures of the REIT. In addition, the Audit Committee is responsible for reviewing, on an annual basis, the principal risks that the REIT is faced with, and consider whether adequate systems are in place to manage such risks and that such systems appear effective.

The Audit Committee reviews the REIT's quarterly and annual consolidated financial statements, managements' discussion and analysis and related press releases and other required financial documents or documents that contain financial disclosure, reviews with management and the external auditor the state of internal controls, and makes appropriate reports thereon to the Board. The Audit Committee has unrestricted access to the senior management of the REIT and to the REIT's external auditor, who regularly attends the Audit Committee meetings.

Currently, the Audit Committee consists of the following members: William Biggar, Roland Cardy and Sandy Poklar. William Biggar serves as Chairman of the Audit Committee. All members of the Audit Committee are independent and financially literate, as those terms are defined in NI 52-110. Starlight Appointed Trustees are not permitted to be members of the Audit Committee.

The following is a brief summary of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee, including any education or experience that has provided the member with an understanding of the accounting principles used by the REIT to prepare its annual and quarterly consolidated financial statements.

Name of the Audit Committee Member	Relevant Education and Experience
William Biggar	<ul style="list-style-type: none"> • CPA, CA • Audit Committee Member, Milestone Apartments REIT • Former Audit Committee Member, Primaris Retail REIT • Former President and Chief Executive Officer, North American Palladium Ltd. • Former President and Chief Executive Officer, Granite REIT
Roland Cardy	<ul style="list-style-type: none"> • Former Audit Committee Member, Primaris Retail REIT • Former Vice Chairman, TD Securities
Sandy Poklar	<ul style="list-style-type: none"> • CPA, CA • Chief Financial Officer, Firm Capital Property Trust • Holds the Institute of Corporate Directors, Institute-Certified Designation, ICD.D

Details regarding external auditor service fees are set out in the REIT's annual information form dated March 11, 2015 under "Committees of the Board – Audit Committee" which can be found on SEDAR at www.sedar.com.

Governance, Compensation and Nominating Committee

Currently, the GC&N Committee consists of the following members: Roland Cardy, Alon Ossip and Sandy Poklar, each of whom are Independent Trustees. Roland Cardy serves as Chairman of the GC&N Committee. The GC&N Committee is charged with reviewing, overseeing and evaluating the governance and nominating policies and the compensation policies of the REIT. In addition, the GC&N Committee is responsible for: (i) assessing the effectiveness of the Board and each of its committees; (ii) overseeing the recruitment and selection of candidates as Trustees; (iii) organizing an orientation and education program for new Trustees and coordinating continuing Trustee development programs; (iv) considering and approving proposals by the Trustees to engage outside advisers on behalf of the Board as a whole or on behalf of the Independent Trustees; (v) reviewing and making recommendations to the Board concerning any change in the number of Trustees composing the Board; (vi) administering the amended and restated unit option plan of the REIT effective June 18, 2013 ("**Option Plan**") or any Unit purchase plan of the REIT or any other compensation incentive programs; (vii) assessing the performance of the executive officers and other members of the executive management team of the REIT; (viii) reviewing and approving the compensation paid by the REIT to the executive officers and consultants of the REIT; and (ix) reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to the Trustees and executive officers of the REIT.

Orientation and Continuing Education

The GC&N Committee has put in place an orientation program for new Trustees under which a new Trustee will meet with the Chairman and members of the executive management team of the REIT, and be provided with a comprehensive orientation and education as to the nature and operations of the REIT and its business, as to the role of the Board, its committees and its members, and as to the contribution an individual Trustee is expected to make. As part of the new Trustee's orientation and education of the REIT, he or she will be provided with the REIT's governing documents, including the Declaration of Trust, Board and committee mandates and charters, code of business conduct and ethics (the "**Code**"), whistleblower policy, insider trading policy, disclosure policy, financial information for the REIT's most recently completed annual and interim financial periods, and the REIT's current year business plan.

The GC&N Committee is also responsible for coordinating continuing Trustee development programs to enable the Trustees to maintain or enhance their skills and abilities as Trustees as well as ensuring their knowledge and understanding of the REIT and its business remains current. As new laws, issues or other material or significant developments that are relevant to the REIT arise, the GC&N Committee will seek to ensure such matter is the subject of presentations to, or discussions with, the Board so the Board is aware of such matter.

The continuing Trustee development programs involve the ongoing evaluation by the GC&N Committee of the skills, diversity and competencies of existing Trustees. The Board is currently comprised of seasoned business executives, directors and professionals who collectively possess a complimentary skill set, diverse knowledge base and considerable experience, including as board members of other significant public companies. The GC&N Committee continually monitors the composition of the Board and will recommend the adoption of other Trustee development program components should it determine other components to be necessary.

Nomination and Assessment of Trustees

The GC&N Committee is responsible for, subject to the right of Starlight to appoint the Starlight Appointed Trustees, overseeing the recruitment and selection of candidates as Trustees of the REIT. The recruitment and selection of candidates involves an identification of the qualifications for Trustees are required to fulfill Board responsibilities and an evaluation of the qualifications existing Trustees possess, while considering developments in governance and applicable laws. Such qualifications may include the competencies, skills, business and financial experience, real estate expertise, leadership roles and level of commitment required of a Trustee to fulfill Board responsibilities. This process takes into account the GC&N Committee's views regarding the appropriate size of the Board, with a view to facilitating effective decision-making.

The GC&N Committee is also responsible for regularly assessing the effectiveness of the Board and each of its committees. The Trustees are surveyed at least annually to form the basis of such assessment and a survey summary is independently prepared for and reviewed by the Chairman of the GC&N Committee. The assessment process involves confidential questionnaires, to be approved periodically by the GC&N Committee, which include a review of the performance and effectiveness of the Board and each Board committee, covering such matters as the operation of the Board and its committees, the adequacy and timeliness of the information provided to Trustees, agenda planning for Board meetings, contributions of Board and committee members, and consideration of whether any changes to the composition, structure or charter of the Board or its committees is appropriate.

Investment Committee

Pursuant to the Declaration of Trust, a majority of the members of the Investment Committee must be Independent Trustees and must have at least five years of substantial experience in the real estate industry. The Investment Committee consists of Daniel Drimmer (Chair), Jeff Baryshnik and William Biggar, each of whom are Independent Trustees, other than Mr. Drimmer. Daniel Drimmer may not vote on Investment Committee decisions in instances where he is considered to be a "related party" to such transaction within the meaning of National Instrument 61-101 – *Take-Over Bids and Special Transactions* ("MI 61-101") and otherwise in compliance with the Declaration of Trust.

The Investment Committee may: (a) consider and authorize, without Board approval, proposed transactions, dispositions or borrowings where the acquisition, disposition or borrowing, including the assumption or granting of any mortgage, where the value of such transaction does not exceed \$25 million; and (b) recommend to the Board whether to approve or reject proposed transactions, including where the value of such transaction exceeds \$25 million. In the event that the Investment Committee approves any matter referred to in (a), it shall at all times ensure that such transaction is completed in compliance with the requirements of MI 61-101 (if applicable), applicable policies of the TSX (or such other exchange on which the REIT's securities are listed) and other applicable laws.

Ethical Business Conduct

Code of Business Conduct and Ethics

The Board has adopted a written code of business conduct and ethics, which is applicable to the Trustees, executive officers and employees of the REIT and its subsidiaries, as well as to those directors, executive officers and employees of Starlight who have involvement with the REIT. The Code sets out the Board's expectations for the conduct of such persons in their dealings on behalf of the REIT. Those who violate the Code may face disciplinary actions, including dismissal.

The Board has established confidential reporting procedures in order to encourage individuals to raise concerns regarding matters addressed by the Code on a confidential basis free from discrimination, retaliation or harassment. If a person subject to the Code should learn of a potential or suspected violation of the Code or of any applicable laws or regulations, they are required to promptly report the violation orally or in writing and, if preferred, anonymously, as the case may be, as follows: (a) in the case of a situation that does not involve

management of the REIT, to the CFO of the REIT; (b) in the case of a situation that involves management of the REIT and does not involve any member of the Audit Committee of the REIT, to the chairperson or any member of the Audit Committee; or (c) in the case of a situation that involves management of the REIT and any member of the Audit Committee, to any Independent Trustee. If the issue or concern is related to the internal accounting controls of the REIT or any accounting or auditing matter, a person subject to the Code may report it anonymously to the Audit Committee.

In addition to the “conflict of interest” provisions contained in the Declaration of Trust as noted in the Circular, the Code provides that persons subject to the Code should not engage in any activity, practice or act which conflicts with the interests of the REIT. Trustees, executive officers and employees must not place themselves or remain in a position in which their private interests conflict with the interests of the REIT. If the REIT determines that an employee’s outside work interferes with performance or the ability to meet the requirements of the REIT, the employee may be asked to terminate the outside employment if he or she wishes to remain employed by the REIT. To protect the interests of both the employees and the REIT, any such outside work or other activity that involves potential or apparent conflict of interest may be undertaken only after disclosure to the REIT by the employee and review and approval by management. Notwithstanding the foregoing, the REIT recognizes the business relationship between the REIT and Starlight and the involvement of certain executive officers of the REIT with both the REIT and Starlight, and accordingly, the foregoing is subject to, and should be interpreted after having given effect to, such arrangements.

Pursuant to the charter of the GC&N Committee, the committee is responsible for reporting to the Board, when determined necessary by the committee, on investigations and any resolutions of complaints received under the Code, and at least annually, reports to the Board on compliance with, or material deficiencies from, the Code and recommends amendments to the Code, if any, to the Board. Each person subject to the Code is required to acknowledge they have read and understand its contents. A copy of the Code can be found on the REIT’s website at www.truenorthreit.com and on SEDAR at www.sedar.com.

Whistleblower Policy

The REIT has also adopted a whistleblower policy (the “**Whistleblower Policy**”) to enable any person to raise concerns regarding accounting, internal accounting controls or auditing matters on a confidential basis, free from discrimination, retaliation or harassment, anonymously or otherwise. The Audit Committee is responsible for administering the whistleblower policy. Mr. Biggar, as Chair of the Audit Committee, is the primary contact under the Whistleblower Policy. A copy of the Whistleblower Policy can be found on the REIT’s website at www.truenorthreit.com.

Disclosure Policy

The Board has adopted a disclosure policy (the “**Disclosure Policy**”) to seek to ensure communications to the public regarding the REIT are timely, factual, accurate, complete and broadly disseminated and, where necessary, filed with the regulators in accordance with applicable securities laws.

The Disclosure Policy applies to all Trustees, directors, executive officers and employees of the REIT and its subsidiaries and all directors, executive officers and employees of Starlight who have involvement with the REIT. The Disclosure Policy covers disclosure documents filed with the Canadian securities regulators and written statements made in the REIT’s annual and quarterly reports, press releases, letters to Unitholders, presentations by executives and information contained on the REIT’s website and other electronic communications. The Disclosure Policy also applies to oral statements made in group and individual meetings and telephone conversations with members of the investment community (which includes analysts, investors, investment dealers, brokers, investment advisers and investment managers), or with employees, interviews with the media as well as speeches, industry conferences, news conferences and conference calls and dealings with the public generally.

The REIT’s disclosure committee, which is comprised of the REIT’s CEO and CFO, is responsible for overseeing the REIT’s disclosure controls, procedures and practices. The REIT’s disclosure committee is responsible for overseeing a reasonable investigation of the REIT’s information and developments is conducted on an ongoing basis for disclosure purposes, assessing such information and developments for materiality and determining if and when such material information requires public disclosure, subject to applicable law, periodic disclosure matters (such as quarterly results) and any development determined by the Board as requiring immediate public disclosure. The REIT’s disclosure committee reports to the Audit Committee on a regular basis.

The Disclosure Policy has been circulated to all persons subject to such policy and the disclosure committee endeavours to ensure all such persons are aware of the existence of the Disclosure Policy, its importance and the REIT's expectation that such persons will comply with the Disclosure Policy. The Disclosure Policy is reviewed periodically by the GC&N Committee.

This Circular includes a summary description of certain material agreements of the REIT. The summary description discloses all attributes material to an investor in securities of the REIT, but is not complete and is qualified by reference to the terms of the material agreements, which have been filed with the Canadian securities regulatory authorities and are available on SEDAR at www.sedar.com. Investors are encouraged to read the full text of such material agreements.

REMUNERATION OF TRUSTEES OF THE REIT

Remuneration of Trustees

For the 2014 financial year, each Trustee received from the REIT an annual base retainer in the amount of \$25,000, plus a fee of \$1,500 for each day on which the Trustee attended a meeting of the Board in person, and \$750 for attendance by telephone, except that any Trustee who is an executive officer of, or is otherwise employed by the REIT or Starlight, was not entitled to any remuneration from the REIT for serving as a Trustee (including as Chairman, or as the chairman or a member of a committee). Accordingly, Mr. Drimmer did not receive any annual retainers or attendance fees for 2014. Members of the Audit Committee, the GC&N Committee and the Investment Committee each received a fee of \$1,500 for each committee meeting attended in person and \$750 for attendance by telephone. The Chairman of the Audit Committee received an additional annual retainer of \$15,000 and the Chairman of each of the GC&N Committee and the Investment Committee (if an Independent Trustee) received an additional annual retainer of \$5,000. The Chairman (if an Independent Trustee) received an additional annual retainer of \$15,000. Each Trustee was also entitled to reimbursement for reasonable travel and other expenses properly incurred by in attending meetings of the Board or any committee meeting.

For 2015, Trustee remuneration is expected to remain unchanged.

Trustee Compensation Table

The following table sets out information concerning the 2014 compensation earned by, paid to, or awarded to each Trustee who is not a Named Executive Officer.

<u>Name</u>	<u>Fee Earned⁽¹⁾</u> <u>(\$)</u>	<u>Option-Based Awards⁽²⁾</u> <u>(\$)</u>	<u>All Other Compensation</u> <u>(\$)</u>	<u>Total Compensation</u> <u>(\$)</u>
Jeff Baryshnik	34,750	nil	nil	36,250
William Biggar	56,500	nil	nil	56,500
Roland Cardy	46,500	nil	nil	46,500
Alon Ossip	31,750	nil	nil	31,750
Sandy Poklar	41,500	nil	nil	41,500

(1) Fees earned represent 50% payable in cash and 50% payable in Units as elected by each Trustee under the non-executive trustee unit issuance plan.

(2) On January 8, 2015, Messrs. Baryshnik, Biggar, Cardy, Ossip and Poklar were each granted 25,000 options at an exercise price of \$6.15. The options expire on January 8, 2020.

Non-Executive Trustee Unit Issuance Plan

The REIT established the non-executive trustee unit issuance plan (the "Unit Issuance Plan") adopted with effect from June 18, 2013 and amended and restated as of January 1, 2014, to allow non-executive Trustees to elect to receive Units in lieu of cash compensation.

Pursuant to the Unit Issuance Plan, up to 50% of the fees payable to each non-executive Trustee in a fiscal year of the REIT for serving on the Board or any committee of the Board, but excluding any expense reimbursement or retainer for serving as a member of any special committee constituted by the Board from time to time (the "Amount") will be payable (after deducting applicable withholding taxes, if any) in Units issued from the REIT's treasury on the last Business Day (as defined in the Unit Issuance Plan) of March, June, September and December of each fiscal year of the REIT, or such other date recommended by the GC&N Committee and confirmed by the Board from time to time. An Eligible Person (as defined in the Unit Issuance Plan) may elect to receive his or her Amount entirely in cash, or to receive any proportion of his or her Amount (subject to the

above-mentioned 50% maximum) in cash or Units at his or her discretion (an “**Election**”). An Election may only be made once annually for the full duration of a year by giving written notice five Business Days prior to December 31 for the upcoming year, provided such Election may not be made while the REIT is observing a trading blackout.

The aggregate number of Units reserved for issuance under the Unit Issuance Plan, subject to adjustment or increase pursuant to the terms contained therein, may not exceed 100,000 Units (the “**Plan Maximum**”). The Unit Issuance Plan contains customary provisions providing for the adjustment of the Plan Maximum in the event of a Unit split, consolidation or recapitalization. As at April 15, 2015, 31,981 Units had been issued under the Unit Issuance Plan.

The Board has full and exclusive discretionary power to: (a) interpret and construe the Unit Issuance Plan; (b) establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Unit Issuance Plan; (c) determine the qualification of any person to participate in the Unit Issuance Plan; (d) determine the number of Units to be issued pursuant to each issuance; (e) approve the forms of documents for use under the Unit Issuance Plan; (f) amend the Unit Issuance Plan, subject to the terms contained therein; and (g) take such other action, not inconsistent with the terms of the Unit Issuance Plan, as the Board deems appropriate. Notwithstanding the foregoing, the Board may not without approval by a majority of the votes cast by Unitholders: (a) increase the number of Units issuable pursuant to the Unit Issuance Plan; (b) expand the authority of the Board to permit assignability of Units issued pursuant to the Unit Issuance Plan beyond that contemplated by the terms of the Unit Issuance Plan; (c) amend the definition of “Eligible Persons” in the Unit Issuance Plan to add categories of eligible participants; and (d) amend the Unit Issuance Plan to provide for other types of compensation through equity issuance.

The Board may delegate to its GC&N Committee or any other committee of the Board or to any executive officer or employee of the REIT, as specified by the Board, such administrative duties or powers as the Board may deem advisable in connection with the Unit Issuance Plan.

Incentive Plan Awards — Outstanding Option-Based Awards

The following table sets forth for each Trustee who is not a Named Executive Officer information regarding options outstanding as at April 15, 2015:

<u>Name</u>	<u>Number of Units Underlying Unexercised Options (#)</u>		<u>Option Exercise Price (\$)</u>	<u>Option Expiration Date</u>	<u>Value of Unexercised In-The-Money Options⁽¹⁾ (\$)</u>	
	<u>Vested</u>	<u>Unvested</u>			<u>Vested</u>	<u>Unvested</u>
Jeff Baryshnik	6,666	3,334	7.48	Dec. 14, 2017	nil	nil
	16,666	8,334	7.66	Feb. 12, 2018	nil	nil
	nil	25,000	6.15	Jan. 8, 2020	nil	nil
William Biggar	6,666	3,334	7.48	Dec. 14, 2017	nil	nil
	16,666	8,334	7.66	Feb. 12, 2018	nil	nil
	nil	25,000	6.15	Jan. 8, 2020	nil	nil
Roland Cardy	6,666	3,334	7.48	Dec. 14, 2017	nil	nil
	16,666	8,334	7.66	Feb. 12, 2018	nil	nil
	nil	25,000	6.15	Jan. 8, 2020	nil	nil
Alon Ossip	41,666	20,834	1.60	Aug. 27, 2017	183,747	91,878
	16,666	8,334	7.66	Feb. 12, 2018	nil	nil
	nil	25,000	6.15	Jan. 8, 2020	nil	nil
Sandy Poklar	6,666	3,334	7.48	Dec. 14, 2017	nil	nil
	16,666	8,334	7.66	Feb. 12, 2018	nil	nil
	nil	25,000	6.15	Jan. 8, 2020	nil	nil

(1) Calculated based on the April 15, 2015 closing price on the TSX of \$6.01 per Unit.

REMUNERATION OF MANAGEMENT OF THE REIT

Overview

As at the date hereof, the REIT does not directly employ any persons who would be considered an executive officer of the REIT. The services of Mr. Daniel Drimmer as President and CEO and Ms. Tracy Sherren as CFO, are provided to the REIT by Starlight. Other than equity incentive compensation, no compensation is paid by the REIT or its subsidiaries to those persons provided by Starlight as executive officers of the REIT (including Mr. Drimmer and Ms. Sherren), and the compensation received by such persons from Starlight is not within or subject to the discretion of the Board although the Board may make recommendations to Starlight. The compensation paid by the REIT to Starlight for services rendered is calculated in accordance with the Asset Management Agreement.

Compensation Discussion and Analysis

The executive officers of the REIT named in the “Summary Compensation Table” below, namely Mr. Drimmer and Ms. Sherren, are an executive officer and employee of Starlight, respectively. The REIT is obligated to pay Starlight certain amounts pursuant to terms of the Asset Management Agreement, as discussed in “Arrangements with Starlight – Asset Management Agreement”. As such, any variability in compensation paid by Starlight to persons determined to be named executive officers of the REIT pursuant to applicable securities laws (the “**Named Executive Officers**”) will not impact the REIT’s financial obligations.

The REIT is under no obligation to retain the services of the management provided by Starlight. The Board has the sole discretion to hire executive officers and employees, but such hiring, if not of Starlight employees, would be at the sole expense of the REIT.

The following discussion is intended to describe the compensation of the Named Executive Officers and supplements the more detailed information concerning executive compensation that appears in the tables and the accompanying narrative that follows.

Principal Elements of Compensation

The compensation of the Named Executive Officers includes three principal elements: (i) base salary, (ii) an annual cash bonus, and (iii) long-term equity incentives, consisting of options to acquire Units (“**Options**”) granted by the REIT under the Option Plan. As a private company, Starlight’s process for determining executive compensation is straightforward, with no specific formula for determining the amount of each element, and no formal approach applied by Starlight for determining how one element of compensation fits into the overall compensation objectives in respect of the activities of the REIT. Notwithstanding the foregoing, Starlight has implemented an executive compensation program to attract, retain and motivate highly qualified executive officers. Objectives and performance measures may vary from year to year as determined to be appropriate by Starlight. Accordingly, the Board has not considered the implications of the risks associated with the compensation of the Named Executive Officers.

The Named Executive Officers do not benefit from medium term incentives or pension plan participation. Perquisites and personal benefits are not a significant element of compensation of the Named Executive Officers.

The three principal elements of compensation are described below.

Base salaries. Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries are determined on an individual basis, taking into consideration the past, current and potential contribution to the success of the REIT, the position and responsibilities of the Named Executive Officers and competitive industry pay practices for other real estate investment trusts and corporations of comparable size. Starlight has not engaged compensation consultants for the purposes of performing benchmarking or applying specific criteria for the selection of comparable real estate businesses. Increases in base salary are at the sole discretion of Starlight but it considers the goals of the executive compensation program described above. The Board may review the compensation payable to its executive officers by Starlight, and is entitled to provide recommendations to Starlight, which must be considered in good faith but are not binding upon Starlight.

Annual cash bonuses. Annual cash bonuses are discretionary and are not awarded pursuant to a formal incentive plan. Annual cash bonuses are awarded based on qualitative and quantitative performance standards, and reward performance of the REIT or the Named Executive Officer individually. The determination of the performance of the REIT may vary from year to year depending on economic conditions and conditions in the real estate industry, and may be based on measures such as Unit trading performance, the meeting of financial targets against budget, the meeting of acquisition objectives and balance sheet management. The Board may review the bonuses payable to its executive officers by Starlight, and is entitled to provide recommendations to Starlight, which must be considered in good faith but are not binding upon Starlight.

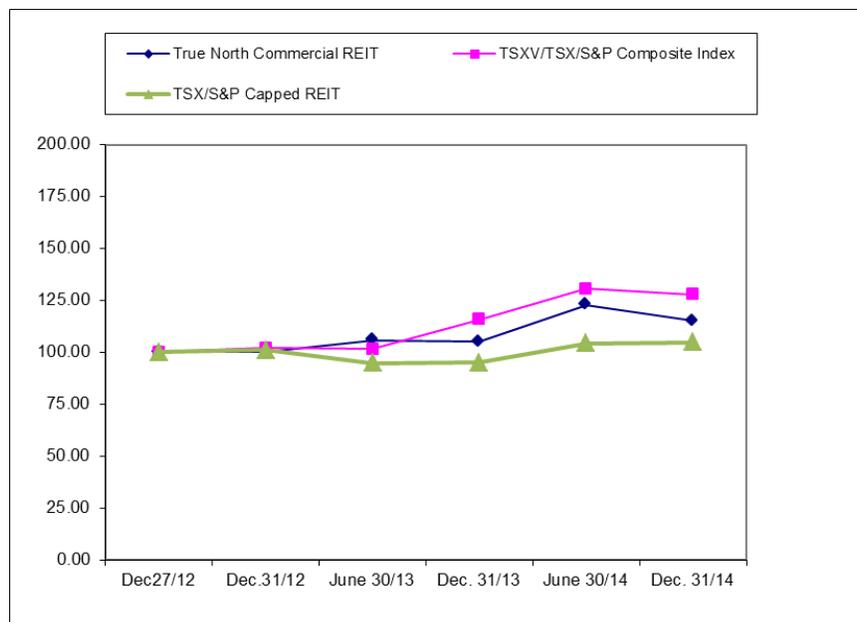
Individual performance factors vary, and may include completion of specific projects or transactions and the execution of day to day management responsibilities.

Options. Grants of Options by the REIT under the Option Plan align the interests of the Named Executive Officers more closely with the interests of Unitholders because they are tied to the REIT’s financial and Unit trading performance and vest over a number of years. The Board, acting on the recommendation of the GC&N Committee, may designate individuals eligible to receive grants of Options. In determining grants of Options, an individual’s performance and contributions to the REIT’s success, relative position, tenure and past grants are taken into consideration. For a description of the material terms of the Option Plan, see “Equity Compensation Plan Information – Unit Option Plan.”

Named Executive Officers and Trustees are not permitted to purchase 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 market value of equity securities granted as compensation or held, directly or indirectly, by such Named Executive Officers and Trustees.

Performance Graph

The REIT did not commence trading on the TSX until June 19, 2013, the following graph compares the yearly percentage change in the total cumulative Unitholder return for \$100 invested in Units on December 27, 2012 (being the first day the Units traded on the TSX Venture Exchange) against the cumulative total return of the S&P/TSX Composite Index and the TSX/S&P Capped REIT index for the period from December 27, 2012 to December 31, 2014.



The compensation paid to the NEOs by Starlight is not based upon the market price of Units or the total return to Unitholders. See “Remuneration of Management of the REIT – Compensation Discussion and Analysis”.

Summary Compensation Table

The following table sets out information concerning compensation to be earned by and paid to, the persons determined to be Named Executive Officers.

Name and principal positions	Year	Salary	Option-based Awards⁽¹⁾⁽²⁾	Annual incentive plans⁽³⁾	All other compensation⁽⁴⁾	Total compensation
		(\$)	(\$)	(\$)	(\$)	(\$)
Daniel Drimmer ⁽⁵⁾ <i>Chairman of the Board, President and CEO</i>	2014	nil	nil	nil	nil	nil
	2013	nil	38,000	nil	nil	38,000
	2012	nil	12,400	nil	nil	12,400
Tracy Sherren ⁽⁶⁾ <i>CFO</i>	2014	250,000	nil	125,000	nil	375,000
	2013	240,000	38,000	100,000	nil	378,000
	2012 ⁽⁷⁾	50,000	13,400	35,000	nil	98,400

- (1) The amount is the estimated fair value of each Option grant on the grant date. This fair value was calculated using the Black-Scholes option pricing model, as this is a widely used methodology that satisfies Canadian generally accepted accounting principles for publicly accountable enterprises (as defined by the Accounting Standards Board of The Canadian Institute of Chartered Accountants, as amended from time to time) and corresponds to the compensation value intended to be provided to each Named Executive Officer, within the REIT's total compensation policy, and the fair value determined for accounting purposes.
- (2) On January 8, 2015, Mr. Drimmer and Ms. Sherren were granted 100,000 Options and 125,000 Options, respectively, at an exercise price of \$6.15. The Options expire on January 8, 2020.
- (3) All annual incentive plan awards relating to services performed during a fiscal year are paid by Starlight in the first quarter of the following year.
- (4) None of the Named Executive Officers are entitled to perquisites or other personal benefits which, in the aggregate, are worth over \$50,000 or over 10% of their annual base salary.
- (5) Mr. Drimmer does not receive compensation from Starlight with respect to the services he renders as CEO. Mr. Drimmer is the sole beneficial owner of Starlight. For fees paid, and expenses reimbursed to, Starlight, see "Arrangements with Starlight — Asset Management Agreement". Mr. Drimmer does not otherwise receive compensation from the REIT or from any Starlight entity in respect of the REIT, including with respect to his role as a Trustee or on any committee of the Board.
- (6) Compensation of Ms. Sherren is paid by Starlight (with the exception of option-based awards granted by the REIT under the Option Plan) and there is no charge back to the REIT for such compensation.
- (7) Effective October 15, 2012, Ms. Sherren was appointed to the office of Chief Financial Officer. On an annualized basis Ms. Sherren's paid or allocated salary for the year ended December 31, 2012 would have been \$240,000.

Incentive Plan Awards — Outstanding Option-Based Awards

The following table sets forth for each Named Executive Officer information concerning Options outstanding as at April 15, 2015:

Name	Number of Units underlying unexercised Options (#)		Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options⁽¹⁾ (\$)	
	Vested	Unvested			Vested	Unvested
Daniel Drimmer	nil	52,084	1.60	Aug. 27, 2017	nil	229,690
	66,666	33,334	7.66	Feb. 12, 2018	nil	nil
	nil	100,000	6.15	Jan. 8, 2020	nil	nil
Tracy Sherren.....	23,332	11,668	7.48	Dec. 14, 2017	nil	nil
	66,666	33,334	7.66	Feb. 12, 2018	nil	nil
	nil	125,000	6.15	Jan. 8, 2020	nil	nil

- (1) Calculated based on April 15, 2015 closing price of the Units on the TSX of \$6.01 per Unit.

Incentive Plan Awards — Value Vested or Earned During the Year

<u>Name</u>	<u>Options-Based Awards – Value Vested During the Year (\$)</u>
Daniel Drimmer	245,311 ⁽¹⁾
Tracy Sherren.....	nil

(1) 52,083 Options were exercised at the exercise price of \$1.60 per Option on September 30, 2014.

Pension Plan Benefits

The REIT does not sponsor any pension plan for its executive officers.

Employment Agreements

Daniel Drimmer, the Chairman, President and CEO of the REIT, is the sole beneficial owner of Starlight and does not have an employment agreement with the REIT.

Pursuant to the terms of an employment agreement with Starlight dated March 4, 2013, Tracy Sherren serves as the REIT's CFO for an indefinite term. The agreement provides for an annual base salary of \$260,000, and an annual incentive of up to 50% of annual base salary or as adjusted by the Board (but subject to Starlight's approval). Ms. Sherren's employment agreement also provides for certain restrictive covenants that continue to apply following the termination of Ms. Sherren's employment, including a 12-month non-solicit with respect to the REIT's customers or employees. Ms. Sherren may terminate her employment at any time with 90 days' written notice, which Starlight may waive. Pursuant to her employment agreement, if Ms. Sherren's employment is terminated without "cause" by providing her with a written notice, Ms. Sherren will be entitled to base salary and vacation owing at the time of termination and an amount equal to the aggregate of 18 months' base salary and an amount equal to the average of her discretionary bonus paid in each of the previous three years to a maximum of 50% or as adjusted by the Board (but subject to Starlight's approval), and benefits for 18 months. If Ms. Sherren's employment is terminated with "cause", there will be no obligation to make any further payments other than compensation owing at the time of termination. On a change of control of the REIT, if within 12 months of such change in control, Ms. Sherren's employment is terminated for any reason other than just cause, or certain changes occur in Ms. Sherren's employment and she resigns, Ms. Sherren will be entitled to receive from Starlight 18 months' base salary, an amount equal to the average of her discretionary bonus paid in each of the previous three years to a maximum of 50% or as adjusted by the Board (but subject to Starlight's approval), and benefits for 18 months. The Board may review the compensation payable to its executive officers, and is entitled to provide recommendations to Starlight, which must be considered in good faith but are not binding upon Starlight.

EQUITY COMPENSATION PLAN INFORMATION

Overview

The following table sets out as at December 31, 2014 the number of Units to be issued upon exercise of outstanding Options, the weighted average price of outstanding Options and the number of Units remaining available for future issuance under the Option Plan:

<u>Plan Category</u>	<u>Number of Units to be Issued Upon Exercise of Outstanding Options</u>	<u>Weighted-Average Exercise Price of Outstanding Options</u>	<u>Number of Units Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Units Reflected in the First Column)</u>
Unit Option Plan (approved by Unitholders)	658,751	\$6.43	827,452
Total.....	658,751	\$6.43	827,452

Option Plan

The REIT established the Option Plan for the benefit of Trustees, executive officers, employees and directors of the REIT and its subsidiaries, as well as certain eligible service providers.

The Options granted under the Option Plan permit Option holders to purchase Units on payment of the subscription price. The subscription price is established by the Board and is not less than the market value of Units on the date of the grant. The Board determines the number of Units to be covered by each Option and determines, subject to the Option Plan, the terms of each such option. The Options are granted for a period of not more than five years, although a shorter option period may be established by the Board. Generally, Options granted vest on the basis of: (a) as to the first third, one year from the date of grant; (b) as to the next third, two years from the date of grant; and (c) as to the remaining third, three years from the date of grant.

The Options granted under the Option Plan will also be exercisable on a cashless basis by receipt, without payment by the optionee, of the Growth Amount (as defined in the Option Plan). The Growth Amount is payable by issuance by the REIT to the optionee of that number of whole Units calculated by dividing this Growth Amount by the fair market value of the Units, rounded down to the nearest whole Unit, without payment in Units or cash for any fractional interest. The fair market value of the Units is the volume weighted average trading price of the Units on the TSX for the five business days preceding the date on which the granting of an option is approved by the Board.

Unless the Board determines otherwise, an optionee's Options granted under the Option Plan will terminate and may not be exercised after the earliest of: (a) one year after the optionee's termination of employment with the REIT by reason of death, permanent disability or retirement; (b) the optionee's termination of employment with the REIT, for "cause"; (c) 90 days after the optionee's termination of employment with the REIT, in any manner or for any reason, other than death, permanent disability, retirement or termination of employment for "cause"; and (d) the expiry date of the optionee's option; provided that, subject to the foregoing, unvested Options will continue to vest according to their terms of grant.

The number of Units issuable at any time under Options issued and outstanding pursuant to the Option Plan and under any other security-based compensation arrangements of the REIT may not exceed in the aggregate 10% of the REIT's total issued and outstanding Units (on a non-diluted basis but including the number of Class B limited partnership units of the Partnerships ("**Class B LP Units**") issued and outstanding). The number of Units issuable to insiders at any time under Options issued and outstanding pursuant to the Option Plan and under any other security-based compensation arrangements of the REIT may not exceed in the aggregate 10% of the REIT's total issued and outstanding Units (on a non-diluted basis but including the number of Class B LP Units issued and outstanding), and the number of Units issued to insiders within any one year period under Options issued and outstanding pursuant to the Option Plan and under any other security-based compensation arrangements of the REIT may not exceed in the aggregate 10% of the REIT's total issued and outstanding Units (on a non-diluted basis, but including the number of Class B LP Units issued and outstanding). The number of Units covered by Options held by any one optionee may not exceed 5% of the outstanding Units (on a non-diluted basis, but including the number of Class B LP Units issued and outstanding) at any time.

The Board may delegate to any committee of the Board as specified by the Board or to any executive officer or employee of the REIT such administrative duties or powers as it may deem advisable.

For purposes of the Option Plan, "officer" includes, for greater certainty, any individual performing a policy-making function in respect of the REIT pursuant to an arrangement with Starlight or any other person, and "Service Provider" means, among others, Starlight for so long as it is providing specified services under the Asset Management Agreement and its successors and permitted assigns, as well as its respective employees, executive officers, or directors, provided in each case such person spends or will spend a significant amount of time and attention on the affairs and business of the REIT or an affiliate of the REIT.

As at April 15, 2015, 1,266,250 Options had been issued under the Option Plan.

INDEBTEDNESS OF TRUSTEES AND EXECUTIVE OFFICERS

As at April 15, 2015, there was no indebtedness owing to the REIT or any of its subsidiaries by any Trustee, executive officer (or any associates thereof).

ARRANGEMENTS WITH STARLIGHT

Starlight is responsible for the day-to-day administration and operation of the REIT's properties and for providing strategic advisory and other services to the REIT pursuant to the Asset Management Agreement.

Starlight's head office is located at 1801-3300 Bloor Street West, West Tower, Toronto, Ontario, M8X 2X2. Mr. Daniel Drimmer, the Chairman of the Board, President and CEO of the REIT, is Starlight's sole beneficial shareholder and sole director as at the date hereof. To the best of the REIT's knowledge, the following persons act as executive officers of Starlight: (a) Mr. Daniel Drimmer, a resident of Toronto, Ontario, is the President and Chief Executive Officer of Starlight; (b) Ms. Tamara Lawson, a resident of Toronto, Ontario, is the Chief Financial Officer of Starlight; (c) Mr. David Chalmers, a resident of Toronto, Ontario, is the Vice President, Asset Management of Starlight; and (d) Mr. David Hanick, a resident of Toronto, Ontario, is the Vice President, Corporate Development and General Counsel of Starlight.

On July 31, 2014, the REIT indirectly acquired an office property from a Starlight Affiliate. The purchase price of \$6.5 million was satisfied as to approximately \$1.95 million in cash and as to the balance by mortgage financing of approximately \$4.55 million. Concurrent with the completion of the acquisition, DD Entities purchased, by way of a non-brokered private placement, 378,787 Units at the price of \$6.60 per Unit for gross proceeds of approximately \$2.5 million. A portion of the proceeds of the private placement were used to satisfy the cash portion of the acquisition of the office property.

On December 18, 2014, DD Entities purchased by way of a non-brokered private placement 151,515 Units at the price of \$6.60 per Unit for gross proceeds of approximately \$1 million. The proceeds of the private placement were used to partially satisfy the cash portion of the acquisition of 11 office properties located in Ontario, Canada.

Neither Starlight nor any director or executive officer of Starlight, nor any of their respective affiliates or associates, is, or has at any time since January 1, 2014, been indebted to the REIT or its subsidiaries or been engaged in any significant transaction or arrangement with the REIT, except otherwise disclosed in this Circular.

Asset Management Agreement

Starlight provides certain services to the REIT and its subsidiary entities pursuant to the Asset Management Agreement. Starlight is entitled to the following fees pursuant to the Asset Management Agreement:

- (a) A base annual management fee calculated and payable on a monthly basis, equal to 0.35% of the sum of: (i) of the historical purchase price of the properties owned by the REIT (the "**Properties**"); and (ii) the cost of any capital expenditures incurred by the REIT or any of its affiliates in respect of the Properties;
- (b) From and after January 1, 2013, an incentive fee payable by the REIT for the year ended December 31, 2013, equal to 15% of the REIT's fund from operations ("**FFO**") FFO per Unit in excess of the REIT's FFO per Unit determined by the Trustees by June 30, 2013, with reference to such parameters and information as the Trustees deem prudent, including without limitation, the 2013 business plan of the REIT, and from and after January 1, 2014, an amount equal to 15% of the excess of the REIT's FFO per Unit for fiscal 2013 (the "**Hurdle Amount**"), plus 50% of the increase in the weighted average consumer price index (or other similar metric as determined by the Trustees) ("**CPI Adjustment**") in jurisdictions in which the properties are located, and the Hurdle Amount thereafter increasing annually by the CPI Adjustment. The FFO per Unit is equal to the quotient obtained by dividing: (i) the sum of: (A) the gain on the dispositions of any Properties at fiscal year (calculated as the difference between the total sale price set out in any agreement entered into by the REIT with respect to the disposition of the Property net of costs incurred and the historical purchase price of such Property inclusive of costs incurred), and (B) FFO; by (ii) the total number of issued and outstanding Units as at the end of such fiscal year. Management considers this non-IFRS measure to be an important measure of the REIT's operating performance;
- (c) A capital expenditures fee equal to five percent of all hard construction costs incurred on each capital project with costs in excess of \$1.0 million excluding work done on behalf of tenants or any maintenance capital expenditures; and

- (d) An acquisition fee equal to: (a) 1.0% of the purchase price of a property, on the first \$100 million of Properties announced to be acquired by the REIT in each fiscal year; (b) 0.75% of the purchase price of a property announced to be acquired by the REIT on the next \$100 million of properties acquired in each fiscal year; and (c) 0.50% of the purchase price on Properties announced to be acquired by the REIT in excess of \$200 million in each fiscal year.

Starlight earned management fees of approximately \$680,000 pursuant to the Asset Management Agreement for the year ended December 31, 2014 and approximately \$1.2 million in acquisition fees. No incentive fees, capital expenditure fees and reimbursements for out-of-pocket costs and expenses were incurred during the same period.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as noted in the following paragraphs or otherwise disclosed in this Circular, there are no material interests, direct or indirect, of any Trustee, executive officer of the REIT or Nominee, any Unitholder that beneficially owns, or controls or directs, (directly or indirectly) more than 10% of the Units or Special Voting Units of the REIT, or any associate or affiliate of any of the foregoing persons, in any completed transaction since the commencement of the REIT's most recently completed financial year or proposed transaction of the REIT that has materially affected or would materially affect the REIT or any of its subsidiaries.

Daniel Drimmer (the Chairman of the Board, President and CEO of the REIT) has an ongoing relationship with Starlight. See "Arrangements with Starlight".

As of April 15, 2015, Mr. Drimmer, through the DD Entities, holds an approximate 18.3% effective interest in the REIT through his ownership of Units, Class B LP Units and Special Voting Units. Each Class B LP Unit of a Partnership is exchangeable at the option of the holder for one Unit (subject to customary anti-dilution adjustments), is accompanied by one Special Voting Unit (which provides for the same voting rights in the REIT as a Unit) and is entitled to receive distributions of cash from such Partnership equal to the distributions the holder of the Class B LP Unit would have received if it was holding one Unit (subject to customary anti-dilution adjustments) instead of the Class B LP Unit.

In addition, Starlight is entitled to certain pre-emptive rights to maintain its pro rata ownership interest in the REIT and its subsidiaries, "demand" and "piggyback" registration rights with respect to public offerings by the REIT, and "drag" and "tag" rights with respect to purchases of securities of subsidiaries of the REIT, pursuant to an exchange agreement dated December 14, 2012, among, *inter alia*, Starlight and the REIT which can be found on SEDAR at www.sedar.com.

ADDITIONAL INFORMATION

Additional information relating to the REIT can be found on SEDAR at www.sedar.com. Additional financial information is provided in the REIT's audited consolidated financial statements and management's discussion and analysis for the REIT's most recently completed financial year. Copies of this Circular and audited consolidated annual financial statements of the REIT as at and for the year ended December 31, 2014, and related management's discussion and analysis may be obtained without charge by writing to the CFO at 1801-3300 Bloor Street West, West Tower, Toronto, Ontario, M8X 2X2.

APPROVAL OF THE TRUSTEES

The contents and the sending of this Circular have been approved by the Board of the REIT.

DATED as of May 1, 2015.

BY ORDER OF THE TRUSTEES OF TRUE NORTH
COMMERCIAL REAL ESTATE INVESTMENT TRUST

(signed) DANIEL DRIMMER
Chairman of the Board, President
and Chief Executive Officer

APPENDIX “A” BOARD OF TRUSTEES MANDATE

Trustees’ Responsibilities

The trustees (the “**Trustees**”) of True North Commercial Real Estate Investment Trust (the “**REIT**”) are explicitly responsible for the stewardship of the REIT. To discharge this obligation, the Trustees shall:

Strategic Planning Process

- Provide input to management on emerging trends and issues.
- Review and approve management’s strategic plans.
- Review and approve the REIT’s financial objectives, plans and actions, including significant capital allocations and expenditures.

Monitoring Tactical Progress

- Monitor the REIT’s performance against the strategic and business plans, including assessing operating results to evaluate whether the business is being properly managed.

Risk Assessment

- Identify the principal risks of the REIT’s businesses and ensure that appropriate systems are in place to manage these risks.

Senior Level Staffing

- Select, monitor and evaluate the Chief Executive Officer (“**CEO**”) and other senior executives, and ensure management succession.
- Approve a position description for the CEO including limits to management’s responsibilities and corporate objectives which the CEO is responsible for meeting, all upon recommendation from the Governance, Compensation & Nominating Committee of the REIT.

Integrity

- Ensure the integrity of the REIT’s internal control and management information systems.
- Ensure ethical behaviour and compliance with laws and regulations, audit and accounting principles, and the REIT’s own governing documents.

Material Transactions

- Review and approve material transactions not in the ordinary course of business.

Monitoring Trustees’ Effectiveness

- Assess its own effectiveness in fulfilling the above and Trustees’ responsibilities, including monitoring the effectiveness of individual Trustees.

Other

Perform such other functions as prescribed by law or assigned to the Trustees in the REIT’s Declaration of Trust.

**APPENDIX “B”
AUDIT COMMITTEE MANDATE**

Section 1. PURPOSE

The overall purpose of the Audit Committee (the “**Committee**”) of True North Commercial Real Estate Investment Trust (the “**REIT**”) is to monitor the REIT’s system of internal financial controls, to evaluate and report on the integrity of the financial statements of the REIT, to enhance the independence of the REIT’s external auditors and to oversee the financial reporting process of the REIT.

Section 2. COMPOSITION, PROCEDURES AND ORGANIZATION

- 2.1 The Committee shall consist of at least three members of the Board of the REIT (the “**Board**”), each of whom shall be, in the determination of the Board, “independent” as that term is defined by Multilateral Instrument 52-110 – *Audit Committees* (“**MI 52-110**”), as amended from time to time, and the majority of whom shall be resident Canadians. Each member shall complete and return to the REIT annually a questionnaire regarding the member’s independence.
- 2.2 All members of the Committee shall be, in the determination of the Board, “financially literate” as that term is defined by MI 52-110, and at least one member of the Committee must have, in the determination of the Board, “accounting or related financial expertise”.
- 2.3 The Board, at its organizational meeting held in conjunction with each annual meeting of unitholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. Any member of the Committee ceasing to be a trustee of the REIT shall cease to be a member of the Committee.
- 2.4 Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from among their number.
- 2.5 The Committee shall have access to such officers and employees of the REIT and to the REIT’s external auditors and its legal counsel, and to such information respecting the REIT as it considers to be necessary or advisable in order to perform its duties.
- 2.6 Notice of every meeting shall be given to the external auditors, who shall, at the expense of the REIT, be entitled to attend and to be heard thereat.
- 2.7 Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet on a regular basis, at such times and at such locations as the chair of the Committee shall determine;
 - (b) the external auditors or any member of the Committee may call a meeting of the Committee;
 - (c) any trustee of the REIT may request the chair of the Committee to call a meeting of the Committee and may attend such meeting to inform the Committee of a specific matter of concern to such trustee, and may participate in such meeting to the extent permitted by the chair of the Committee; and
 - (d) the external auditors and management employees shall, when required by the Committee, attend any meeting of the Committee.
- 2.8 The external auditors shall be entitled to communicate directly with the chair of the Committee and may meet separately with the Committee. The Committee, through its chair, may contact directly any employee in the REIT as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper practices or transactions.

- 2.9 Compensation to members of the Committee shall be limited to trustee's fees, either in the form of cash or equity, and members shall not accept consulting, advisory or other compensatory fees from the REIT (other than as members of the Board and Board committee members).
- 2.10 The Committee is authorized, at the REIT's expense, to retain independent counsel and other advisors as it determines necessary to carry out its duties and to set their compensation.

Section 3. DUTIES

- 3.1 The overall duties of the Committee shall be to:
- (a) assist the Board in the discharge of its duties relating to the REIT's accounting policies and practices, reporting practices and internal controls;
 - (b) establish and maintain a direct line of communication with the REIT's external auditors and assess their performance;
 - (c) oversee the co-ordination of the activities of the external auditors;
 - (d) ensure that the management of the REIT has designed, implemented and is maintaining an effective system of internal controls;
 - (e) monitor the credibility and objectivity of the REIT's financial reports;
 - (f) report regularly to the Board on the fulfillment of the Committee's duties;
 - (g) assist the Board in the discharge of its duties relating to the REIT's compliance with legal and regulatory requirements; and
 - (h) assist the Board in the discharge of its duties relating to risk assessment and risk management.
- 3.2 The Committee shall be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the REIT, including the resolution of disagreements between management and the external auditors regarding financial reporting, and in carrying out such oversight the Committee's duties shall include:
- (a) recommending to the Board a firm of external auditors to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the REIT;
 - (b) reviewing, where there is to be a change of external auditors, all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102 – *Continuous Disclosure Obligations* or any successor legislation ("**NI 51-102**"), and the planned steps for an orderly transition;
 - (c) reviewing all "reportable events" as defined in NI 51-102 on a routine basis, whether or not there is to be a change of external auditor;
 - (d) reviewing the engagement letters of the external auditors, both for audit and non-audit services;
 - (e) reviewing the performance, including the fee, scope and timing of the audit and other related services and any non-audit services provided by the external auditors; and
 - (f) reviewing and approving the nature of and fees for any non-audit services performed for the REIT by the external auditors and consider whether the nature and extent of such services could detract from the firm's independence in carrying out the audit function.
- 3.3 The duties of the Committee as they relate to audits and financial reporting shall be to:
- (a) review the audit plan with the external auditor and management;

- (b) review with the external auditor and management any proposed changes in accounting policies, the presentation of the impact of significant risks and uncertainties, and key estimates and judgments of management that may in any such case be material to financial reporting;
 - (c) review the contents of the audit report;
 - (d) question the external auditor and management regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
 - (e) review the scope and quality of the audit work performed;
 - (f) review the adequacy of the REIT's financial and auditing personnel;
 - (g) review the co-operation received by the external auditor from the REIT's personnel during the audit, any problems encountered by the external auditors and any restrictions on the external auditor's work;
 - (h) review the internal resources used;
 - (i) review the evaluation of internal controls by the internal auditor (or persons performing the internal audit function) and the external auditors, together with management's response to the recommendations, including subsequent follow-up of any identified weaknesses;
 - (j) review the appointments of the chief financial officer, internal auditor (or persons performing the internal audit function) and any key financial executives involved in the financial reporting process;
 - (k) review and approve the REIT's annual audited financial statements and those of its subsidiaries in conjunction with the report of the external auditors thereon, and obtain an explanation from management of all significant variances between comparative reporting periods before release to the public;
 - (l) review and approve the REIT's interim unaudited financial statements, and obtain an explanation from management of all significant variances between comparative reporting periods before release to the public;
 - (m) establish a procedure for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and employees' confidential anonymous submission of concerns regarding accounting and auditing matters; and
 - (n) review the terms of reference for an internal auditor or internal audit function.
- 3.4 The duties of the Committee as they relate to accounting and disclosure policies and practices shall be to:
- (a) review changes to accounting principles of the Canadian Institute of Chartered Accountants which would have a significant impact on the REIT's financial reporting as reported to the Committee by management and the external auditors;
 - (b) review the appropriateness of the accounting policies used in the preparation of the REIT's financial statements and consider recommendations for any material change to such policies;
 - (c) review the status of material contingent liabilities as reported to the Committee by management;
 - (d) review the status of income tax returns and potentially significant tax problems as reported to the Committee by management;
 - (e) review any errors or omissions in the current or prior year's financial statements;

- (f) review and approve before their release all public disclosure documents containing audited or unaudited financial information, including all earnings, press releases, MD&A, prospectuses, annual reports to unitholders, annual information forms and management's discussion and analysis; and
- (g) oversee and review all financial information and earnings guidance provided to analysts and rating agencies.

3.5 The other duties of the Committee shall include:

- (a) reviewing any inquires, investigations or audits of a financial nature by governmental, regulatory or taxing authorities;
- (b) formulating clear hiring policies for employees or former employees of the REIT's external auditors;
- (c) reviewing annual operating and capital budgets;
- (d) reviewing the funding and administration of the REIT's compensation and pension plans;
- (e) reviewing and reporting to the Board on difficulties and problems with regulatory agencies which are likely to have a significant financial impact;
- (f) inquiring of management and the external auditors as to any activities that may be or may appear to be illegal or unethical;
- (g) ensuring procedures are in place for the receipt, retention and treatment of complaints and employee concerns received regarding accounting or auditing matters and the confidential, anonymous submission by employees of the REIT of concerns regarding such; and
- (h) any other questions or matters referred to it by the Board.