



**TRUE NORTH COMMERCIAL
REAL ESTATE INVESTMENT TRUST**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS
TO BE HELD ON JUNE 14, 2016
AND
MANAGEMENT INFORMATION CIRCULAR**

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

NOTICE IS HEREBY GIVEN that the annual and special 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 14, 2016 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, 2015 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;
- (d) to re-approve the amended and restated 2013 unit option plan of the REIT, as more fully described in the accompanying management information circular (the “**Circular**”);
- (e) to renew the unitholder rights plan of the REIT, as more fully described in the accompanying management information circular; and
- (f) to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

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 29, 2016 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 13, 2016, the REIT intends to mail to Unitholders of record as of April 29, 2016, 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 by hand delivery to the REIT at 800-3250 Bloor Street West, East Tower, Toronto, Ontario, M8X 2X9. To be effective, proxies must be received not later than 4:30 p.m. (Toronto time) on June 10, 2016 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 2nd day of May, 2016.

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 and special 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 14, 2016 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 29, 2016, 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 directly benefits 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 13, 2016 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 13, 2016.

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 is 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 10, 2016, a request for paper copies should be made so that it is received by TMX Equity Transfer Services no later than the end of business on June 3, 2016.

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 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 an 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 may 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.

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.

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 by hand delivery to the REIT at 800-3250 Bloor Street

West, East Tower, Toronto, Ontario, M8X 2X9, not later than 4:30 p.m. (Toronto time) on June 10, 2016 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 office of the REIT at 800-3250 Bloor Street West, East Tower, Toronto, Ontario, M8X 2X9 not later than 4:30 p.m. (Toronto time) on June 10, 2016 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 29, 2016 (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**”) 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 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 they beneficially own.

Voting of Units

The Voting Units represented by proxies or voting instruction forms will be voted "for", "withhold" or "against" 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 FOR each of the matters set out in the Notice by the persons named in the enclosed form of proxy.

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 29, 2016 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 17,387,006 outstanding Units, each carrying the right to one vote per Unit at the Meeting, and 4,306,337 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;
- the re-appointment of the auditor of the REIT and to authorize the Trustees to fix such auditor's remuneration;
- the re-approval of the amended and restated 2013 unit option plan of the REIT; and
- the renewal of the unitholder rights plan of the REIT.

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 29, 2016, 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 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 by hand delivery to the REIT at 800-3250 Bloor Street West, East Tower, Toronto, Ontario, M8X 2X9, not later than 4:30 p.m. (Toronto time) on June 10, 2016 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 office of the REIT at 800-3250 Bloor Street West, East Tower, Toronto, Ontario, M8X 2X9 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", "withhold" or "against" 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:

- election of the Trustee being nominated by management as Trustees, and
- re-appointment of the auditor and the authorization of the Trustees to fix the remuneration of the auditor,

Unitholders have the option of voting their Voting Units either FOR such election or re-appointment, or to WITHHOLD the Voting Units from voting for such election or re-appointment. If no specification is made to WITHHOLD the said Voting Units from voting, a proxyholder will vote such Units FOR such election or re-appointment.

With respect to the:

- re-approval of the amended and restated 2013 unit option plan of the REIT, and
- renewal of the unitholder rights plan of the REIT,

Unitholders have the option of voting their Voting Units either FOR or AGAINST such re-approval or renewal. If no specification is made to vote AGAINST the said Voting Units from voting, a proxyholder will vote such Units FOR such re-approval or renewal.

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

- A. The form of proxy that relates 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, the Board or 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 29, 2016 as the Record Date for the purpose of determining which Unitholders are entitled to vote at the Meeting. On April 29, 2016, there were 17,387,006 Units and 4,306,337 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, 3,209,867 Units and 828,123 Special Voting Units, representing approximately 18.61% of the outstanding Voting Units (or 18.46% of the outstanding Units and 19.23% of the outstanding Special Voting Units, respectively) as of April 29, 2016. In addition, Mr. Drimmer holds 200,000 options to acquire Units (“**Options**”) as of April 29, 2016. 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, 2015, 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 Corporate 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" below.


Nominees for Election to the Board of Trustees

| Jeff Baryshnik | | | | |
|--|--|------|--|---------|
|  | Principal Occupation: President, Republic Funds USA Inc. | | | |
| | <p>Jeff Baryshnik is the President of Republic Funds USA Inc., a real estate private equity firm with more than \$100 million of assets under management; and Republic Residential Corp., the general partner of Republic Residential Fund II LP and Republic Residential Fund III LP. Previously, Mr. Baryshnik was an investment professional at leading global hedge funds including Citadel LLC, and began his career in mergers and acquisitions at Morgan Stanley. 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 is a Director on the Huron College Alumni Board at Western University and holds the Canadian Investment Manager (CIM) and Fellow of the Canadian Securities Institute (FCSI) designations.</p> | | | |
| | | | | |
| Board Investment ⁽¹⁾ | 8/8 | 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) | |
| | | | | |
| | | | | |
| | | | | |
| | 21,573 | nil | 21,573 | 123,397 |
| | | | | 60,000 |
| | | | | |
| | | | | |
| | | | | |
| Number of Votes | 6,460,382 | | 27,259 | |
| Percentage of Votes | 99.58% | | 0.42% | |

(1) No formal Investment Committee meetings were held in 2015; however, the Investment Committee met in conjunction with Board meetings during 2015 and fulfilled its duties as contemplated by the Declaration of Trust.

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

(3) "Total Market Value of Units and Special Voting Units" is calculated based on the closing price of the Units on the TSX on April 29, 2016, which was \$5.72.

| | | | | | |
|---|--|--|--------------|---|--------|
|  | | 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 Audit (Chair) Investment ⁽¹⁾ | | 8/8 4/4 | 100% 100% | Public Company Directorships <ul style="list-style-type: none"> • North American Palladium Ltd. (2008-2012) • Primaris Retail REIT (2003-2013) • Silver Bear Resources Inc. (2007-2012) • Milestone Apartments REIT (2013-Present) | |
| | | | | | |
| | | | | | |
| 26,240 | | nil | 26,240 | 150,092 | 60,000 |
| | | | | | |
| Number of Votes | | 6,462,332 | | 25,309 | |
| Percentage of Votes | | 99.61% | | 0.39% | |

- (1) No formal Investment Committee meetings were held in 2015; however, the Investment Committee met in conjunction with Board meetings during 2015 and fulfilled its duties as contemplated by the Declaration of Trust.
- (2) Voting securities of the REIT beneficially owned, or controlled or directed, directly or indirectly.
- (3) "Total Market Value of Units and Special Voting Units" is calculated based on the closing price of the Units on the TSX on April 29, 2016, which was \$5.72.

Roland Cardy



Age: 64

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 has also completed the requirements of the Institute of Corporate Directors program.

| Board and Committee Membership | 2015 Attendance | | Directorships (past 5 years) | |
|---|--|---|---|--------------------------|
| Board | 8/8 | 100% | Public Company Directorships | |
| Audit | 4/4 | 100% | • Primaris Retail REIT (2003-2013) | |
| GC&N Committee (Chair) | 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 # |
| 38,471 | nil | 38,471 | 220,054 | 60,000 |
| Voting Results of 2015 Annual and Special Meeting | | | | |
| | Votes For | | Votes Withheld | |
| Number of Votes | 6,479,682 | | 7,959 | |
| 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 29, 2016, which was \$5.72.

Daniel Drimmer



Age: 43
 Toronto, Ontario
 Canada
 Trustee Since:
 December 14,
 2012
non-Independent

Principal Occupation: President and Chief Executive Officer, Starlight Investments Ltd.

Daniel Drimmer is the founder, President and Chief Executive Officer of Starlight, 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 32,500 residential rental units and over 2,300,000 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) and Campar Capital Corporation, a member of the Board of Trustees of TSX-listed Northview Apartment REIT, and is a member of the Board of Directors of the Mortgage Company of Canada Inc. In addition to the formation of Starlight, Mr. Drimmer established the REIT and TSX-listed True North Apartment REIT in 2012. Mr. Drimmer was TSX-listed TransGlobe Apartment REIT's creator and sponsor from May 2010 to August 2011. Over the last seven years, Mr. Drimmer has completed more than \$15 billion worth of acquisition and financing transactions in residential and commercial real estate. Mr. Drimmer obtained a Bachelor of Arts degree from the University of Western Ontario, and both a Master of Business Administration and a Master's degree in Contemporary European Policy Making from European University in Geneva, Switzerland.

| Board and Committee Membership | 2015 Attendance | | Directorships (past 5 years) | |
|--|--|---|--|--------------------------|
| Board (Chair) Investment (Chair) ⁽¹⁾ | 8/8 | 100% | Public Company Directorships <ul style="list-style-type: none"> • TransGlobe Apartment REIT (2010-2011) • True North Apartment REIT (2012-2015) • 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) • Northview Apartment REIT (2015-Present) | |
| Securities Held | | | | |
| Units ⁽²⁾ # | Special Voting Units ⁽²⁾ # | Total Units and Special Voting Units # | Total Market Value of Units and Special Voting Units ⁽³⁾ \$ | Unexercised Options # |
| 3,209,867 | 828,123 | 4,037,990 | 23,097,302 | 200,000 |
| Voting Results of 2015 Annual and Special Meeting | | | | |
| | Votes For | | Votes Withheld | |
| Number of Votes | 6,482,432 | | 5,209 | |
| Percentage of Votes | 99.92% | | 0.08% | |

- (1) No formal Investment Committee meetings were held in 2015; however, the Investment Committee met in conjunction with Board meetings during 2015 and fulfilled its duties as contemplated by the Declaration of Trust.
- (2) Voting securities of the REIT beneficially owned, or controlled or directed, directly or indirectly.
- (3) "Total Market Value of Units and Special Voting Units" is calculated based on the closing price of the Units on the TSX on April 29, 2016, which was \$5.72.

Alon Ossip



Age: 52

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, and agri-business. Mr. Ossip was formerly a trustee of TSX-listed True North Apartment REIT and TransGlobe Apartment REIT. From October 2006 to July 2013, Mr. Ossip was Executive Vice President of TSX-listed Magna International Inc., and was previously a Partner at Goodman and Carr LLP and Associate Counsel at Miller Thomson LLP. Mr. Ossip was also formerly 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 | | 2015 Attendance | | Directorships (past 5 years) | |
|---|--|---|---|------------------------------|--|
| Board | 7/8 | 90% | Public Company Directorships <ul style="list-style-type: none"> • TransGlobe Apartment REIT (2010-2011) • True North Apartment REIT (2012-2014) • Campar Capital Corporation (2014-Present) | | |
| 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 # | |
| 210,783 | 265,625 | 476,408 | 2,725,053 | 112,500 | |
| Voting Results of 2015 Annual and Special Meeting | | | | | |
| | Votes For | | Votes Withheld | | |
| Number of Votes | 6,463,123 | | 24,509 | | |
| Percentage of Votes | 99.62% | | 0.38% | | |

(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 29, 2016, which was \$5.72.

Sandy Poklar



Age: 45
 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 | 2015 Attendance | | Directorships (past 5 years) |
|--------------------------------|-----------------|------|---|
| Board | 7/8 | 90% | 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 # |
| 14,970 | 6,250 | 21,220 | 121,378 | 60,000 |

| Voting Results of 2015 Annual and Special Meeting | | |
|---|-----------|----------------|
| | Votes For | Votes Withheld |
| Number of Votes | 6,460,382 | 27,259 |
| Percentage of Votes | 99.58% | 0.42% |

(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 29, 2016, which was \$5.72.

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 2015 being 97%, 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 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Leadership | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Real Estate | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Business Leadership | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Corporate Finance and Capital Markets | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Financial Literacy | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 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 of 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 of 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 one 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.

4. Special Business – Re-approval of Unit Option Plan

The Unitholders will be asked to consider, and if thought advisable, pass an ordinary resolution (the "**Amended and Restated Option Plan Resolution**") to approve the unallocated Options granted under the REIT's amended and restated 2013 unit option plan (the "**Amended and Restated Option Plan**"). The REIT first adopted a unit option plan on December 13, 2012 in connection with the completion of the plan of arrangement between the REIT and Tanq Capital Corporation. The original unit option plan was amended and restated in connection with the REIT's graduation to the TSX in June 2013 (the "**Original Option Plan**") and the Unitholders approved the Original Option Plan at the annual and special meeting of Unitholders held on June 18, 2013. Pursuant to the rules of the TSX, the unallocated Options are required to be re-approved by Unitholders every three years.

As the three-year term prescribed by the TSX expires on June 18, 2016, the Amended and Restated Option Plan Resolution will be placed before the Unitholders to approve the unallocated Options. This approval will be effective for three years from the date of the Meeting.

If approval is not obtained at the Meeting, Options currently outstanding will continue unaffected, however, the REIT will not have the ability to grant further Options or other Unit-based awards under the Amended and Restated Option Plan. Furthermore, currently outstanding Options that are subsequently cancelled, terminated or exercised will not be available for re-issuance under the Amended and Restated Option Plan.

For purposes of the Original Option Plan and the Amended and Restated Option Plan, “officer” includes 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.

The Amended and Restated Option Plan (previously approved by the Board of Trustees) has been amended in accordance with the Original Option Plan to remove references to the TSX Venture Exchange (the “TSXV”) as they are no longer applicable and to clarify certain defined terms and mechanics and, therefore, Unitholder approval is not required for such amendments. The following is a summary of changes to the Amended and Restated Option Plan:

- definitions for each of “Date of Grant” and “Exercise Notice” have been added;
- the following definitions have been amended:
 - “Exchange” has been revised to reference the TSX;
 - “Fair Market Value” has been revised to reflect the Date of Grant;
 - “Insider” has been revised to reference the TSX rules and regulations;
 - “Market Price” has been revised to remove the TSXV reference;
 - “Plan” has been revised to reference the Amended and Restated Option Plan;
 - TSXV has been removed and replaced to reference the TSX;
- the definition of “Market Value” has been deleted as it is no longer applicable;
- Section 4.2(e) has been amended to reflect the exercise price shall not be less than the Fair Market Value;
- Section 5.4 has been amended to reflect the maximum number of Units reserved for issuance under the Amended and Restated Option Plan and all other unit compensation plans may not exceed 10% of the issued and outstanding Units and Class B Units;
- Section 5.5 has been amended so that no Participant may be granted more than 5% of the issued and outstanding Units and Class B Units during any 12-month period;
- Section 5.6 has been amended to reflect the maximum number of Units an Insider can be granted shall not exceed 10% of the issued and outstanding Units and Class B Units;
- Sections 5.7, 5.8, 5.9, 5.10 and 5.11 have been deleted as a result of the REIT being listed on the TSX;
- a new Section 5.9 has been added to confirm the Amended and Restated Option Plan is an “evergreen plan”;
- Section 7.1 was updated to include the definition of Market Price rather than Market Value;
- Sections 8.1 and 8.2 were updated to comply with TSX rules and regulations;
- Section 9.5 was updated to comply with TSX rules and regulations;
- Section 10.11 with respect to Effective Date was added; and
- Schedule A was added to include a Notice of Exercise.

A summary of the Original Option Plan is below under “Equity Compensation Plan Information – Option Plan ” in this Circular. A blacklined copy of the Amended and Restated Option Plan, reflecting amendments from the Original Option Plan, is attached hereto as Appendix “A”.

To be effective, the Amended and Restated Option Plan Resolution must be passed by a majority of the votes cast at the Meeting by all Unitholders present or represented by proxy in order to be fully adopted. **The Board recommends Unitholders vote FOR the re-approval of the Amended and Restated Option Plan. Unless otherwise instructed, persons named in the accompanying form of proxy intend to vote FOR the re-approval of the Amended and Restated Option Plan.**

The text of the Amended and Restated Option Plan Resolution, subject to such amendments, variations or additions as may be approved at the Meeting, is set forth below:

“BE IT RESOLVED THAT:

1. The unallocated options granted under the Amended and Restated Option Plan, in the form attached as Appendix “A” to the management information circular of the REIT dated May 2, 2016, are hereby approved and the REIT has the ability to continue granting options under the Amended and Restated Option Plan until June 14, 2019, which is the date that is three years from the date of the unitholder meeting;
2. Upon the valid exercise of any options granted under the Amended and Restated Option Plan, including the payment of the applicable exercise price, the underlying trust units in the capital of the REIT (“Units”) shall be issued from treasury as fully paid and non-assessable Units; and
3. Any one officer or trustee of the REIT be and is hereby authorized to execute and deliver on behalf of the REIT any and all agreements, instruments and other documents whatsoever, and do any and all other acts and things whatsoever, as such officer or trustee of the REIT shall in his absolute and unfettered discretion deem or determine appropriate in connection with any of the foregoing resolutions, the authority for the execution of such documents, agreements, certificates and statements and the doing of such other acts or things to be conclusively evidenced thereby.”

5. Special Business – Renewal of Unitholder Rights Plan

The REIT approved a unitholder rights plan (the “**Rights Plan**”) upon completion of the plan of arrangement between the REIT and Tanq Capital Corporation on December 13, 2012.

Unitholders will be asked to consider, and if thought advisable, pass an ordinary resolution to amend and reconfirm the Rights Plan at the Meeting. The text of the ordinary resolution is provided below (the “**Rights Plan Resolution**”). For the Rights Plan to be amended and continue in effect after the Meeting, the Rights Plan Resolution must be approved by a majority of votes cast by Unitholders at the Meeting. **If the Rights Plan Resolution is not passed, the Rights Plan will terminate on June 14, 2016.** If the Rights Plan Resolution is passed, the Rights Plan will require reconfirmation by the Unitholders at the 2019 annual meeting of Unitholders.

The purpose and principal terms of the Rights Plan, including the proposed amendments, are set forth in Appendix “B” to this Circular.

Proposed Amendments

On February 25, 2016, the Canadian Securities Administrators (the “**CSA**”) announced amendments, effective May 9, 2016, to the minimum period a take-over bid must remain open for deposits of securities thereunder, which extend the minimum period to 105 days (from its current 35 days), with the ability of the target issuer to voluntarily reduce the period to not less than 35 days. Additionally, the minimum period may be reduced due to the existence of certain competing take-over bids or alternative change of control transactions. As a result, the only proposed substantive amendment to the Rights Plan is to extend the period of time a Permitted Bid must remain open solely to reflect changes to the take-over bid regime by the CSA. To ensure the Permitted Bid definition in the Rights Plan remains aligned with the minimum period a take-over bid must remain open under applicable Canadian securities laws, the proposed amendments to the Rights Plan include:

- amending the definition of Permitted Bid to be outstanding for a minimum period of 105 days or such shorter period that a take-over bid must remain open for deposits of securities, in the applicable circumstances, pursuant to Canadian securities laws; and
- certain additional non-substantive, technical and administrative amendments, including to align the definition of a Competing Permitted Bid to the minimum number of days as required under Canadian securities laws and provide an exception for certain Exempt Acquisitions.

A copy of the Rights Plan, as proposed to be amended, may be obtained by contacting the Corporate Secretary at (416) 234-8444 or by fax at (647) 725-0144, and will be available on the REIT’s website at www.truenorthreit.com

To be effective, the Rights Plan Resolution must be passed by a majority of the votes cast at the Meeting by all Unitholders present or represented by proxy in order to be fully adopted. The Board has determined that the proposed continuation and amendment and restatement of the Rights Plan are in the best interests of the REIT and its Unitholders. **The Board recommends that Unitholders vote FOR the Rights Plan Resolution. Unless otherwise instructed, the persons designated in the proxy form and the voting information form intend to vote FOR the Rights Plan Resolution.** The text of the Rights Plan Resolution, subject to such amendments, variations or additions as may be approved at the Meeting, is set forth below:

“BE IT RESOLVED THAT:

1. The amended and restated unitholder rights plan (“**Rights Plan**”) of the REIT to be dated as of June 14, 2016 between the REIT and TMX Equity Transfer and Trust Company, which amends and restates the unitholder rights plan dated December 14, 2012, and continues the rights issued thereunder, be and is hereby ratified, confirmed and approved; and
2. Any one officer or trustee of the REIT be and is hereby authorized to execute and deliver on behalf of the REIT any and all agreements, instruments and other documents whatsoever, and do any and all other acts and things whatsoever, as such officer or trustee of the REIT shall in his absolute and unfettered discretion deem or determine appropriate in connection with any of the foregoing resolutions, the authority for the execution of such documents, agreements, certificates and statements and the doing of such other acts or things to be conclusively evidenced thereby.”

CORPORATE GOVERNANCE

The Board believes 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 “C”.

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.

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 2015, time was set aside at each meeting of the Board to meet without the attendance of the non-Independent Trustee and/or management of the REIT.

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.

Board Diversity and Trustee Term Limits

The REIT has not adopted a written policy relating to the identification and nomination of female trustees and instead it considers the level of representation of women on the Board as part of its assessment of the Board's strengths and the REIT's needs. The REIT has not adopted a target regarding women on its Board because it believes a less formulaic approach to board composition, together with a rigorous search for qualified candidates, will best serve the REIT. Although the Board is conscious of diversity, including gender diversity, this factor alone is not determinative of the Board's selection process. Currently there are no women on the Board.

The REIT has not adopted a policy that would require a Trustee to retire after a fixed period of tenure. It believes its continual evaluation of the changing skills and experience that are required, together with its performance assessment process, facilitate appropriate Board renewal. In the Board's view, the REIT's more fluid, needs focused and less formulaic approach to Board renewal is far more effective than the application of rigid and prescribed rules relating to tenure limits.

Gender Diversity in Executive Positions

The REIT has a unique structure which includes the provision of certain asset management, advisory and administrative services by employees of Starlight pursuant to the asset management agreement between Starlight and the REIT. As a result, the REIT has only two executive officers (one of whom is a female) whose services are provided to the REIT by Starlight. The REIT has not adopted a written policy relating to the level of representation of women in executive officer positions.

If and when the executive team is required to grow or the incumbents are replaced, the REIT will follow a balanced approach in identifying the factors to be considered when determining the make-up of its executive team. These factors include experience, leadership capabilities, innovative thinking, strategic agility and diversity. As the REIT does not directly employ any persons who would be considered an executive officer, the REIT has not adopted a target regarding the number of women in executive officer positions.

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: Audit Committee; GC&N Committee; and 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 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.

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 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 and 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 executive officers and 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 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 10, 2016 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 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) as required, 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 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 matters are the subject of presentations to, or discussions with, the Board so the Board is aware of such matters.

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, subject to the right of Starlight to appoint the Starlight Appointed Trustees, to identify and nominate new candidates for Board approval. The GC&N Committee is also required, as necessary or appropriate, to establish qualifications for Trustees, and procedures for identifying possible nominees who meet these criteria. In doing so, it considers the desired competencies and skills, the appropriate size of the Board, and the needs of the Board when vacancies arise. The GC&N Committee believes nominees for the Board should possess established skill sets, in particular with respect to management, leadership, governance, financial acumen and real estate.

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, and 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 and executive officers 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 this 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 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.

REMUNERATION OF TRUSTEES OF THE REIT

A Trustee, who is not an executive officer, or otherwise employed by Starlight, is compensated for his services through a combination of retainers and attendance fees. Trustee compensation is payable 50% in cash and 50% in Units, as currently elected by each Trustee under the non-executive trustee unit issuance plan. Trustees are also eligible to be reimbursed for reasonable expenses properly incurred for attending meetings of the Board or any committee meeting.

The table below lists the fees Trustees were entitled to receive during 2015. Daniel Drimmer, the REIT's CEO, who is the President and Chief Executive Officer of Starlight, did not receive any fees.

| Fees | Amount |
|--|----------|
| Annual Retainer | |
| Chairman of the Board | \$15,000 |
| Trustees | \$25,000 |
| Audit Committee Chair | \$15,000 |
| GC&N Committee Chair | \$ 5,000 |
| Investment Committee Chair | \$ 5,000 |
| Meeting Fees⁽¹⁾ | |
| Board Meeting | \$1,500 |
| Audit Committee, GC&N Committee and Investment Committee | \$1,500 |

(1) Trustees who participate by telephone receive \$750 per meeting.

For 2016, Trustee remuneration is expected to remain unchanged.

Trustee Compensation Table

The following table sets out information concerning the 2015 compensation earned by, paid to, or awarded to each Trustee who is not a Named Executive Officer.

| Name | Fee Earned ⁽¹⁾ (\$) | Option-Based Awards ⁽²⁾ (\$) | All Other Compensation (\$) | Total Compensation (\$) |
|---------------------|-----------------------------------|---|-----------------------------------|-------------------------------|
| Jeff Baryshnik..... | 34,750 | 4,500 | nil | 39,250 |
| William Biggar..... | 56,500 | 4,500 | nil | 61,000 |
| Roland Cardy..... | 48,000 | 4,500 | nil | 52,500 |
| Alon Ossip..... | 31,000 | 4,500 | nil | 35,500 |
| Sandy Poklar..... | 40,750 | 4,500 | nil | 45,250 |

(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) The amount is the estimated fair value of each Option 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 GAAP and corresponds to the compensation value intended to be provided to each Trustee, and the fair value determined for accounting purposes. The following weighted average assumptions were used: expected distribution yield is 10.00%; expected volatility is 20%; risk free interest rate is 1.04%; and expected Option life is 3.5 years. For a description of the material terms of the Original Option Plan, see "Equity Compensation Plan Information – Unit Option Plan".

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 for their annual remuneration.

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 aforementioned 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 29, 2016, 48,106 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 29, 2016:

| 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 |
| Jeff Baryshnik..... | 10,000 | nil | 7.48 | Dec. 14, 2017 | nil | nil |
| | 25,000 | nil | 7.66 | Feb. 12, 2018 | nil | nil |
| | 8,333 | 16,667 | 6.15 | Jan. 8, 2020 | nil | nil |
| William Biggar..... | 10,000 | nil | 7.48 | Dec. 14, 2017 | nil | nil |
| | 25,000 | nil | 7.66 | Feb. 12, 2018 | nil | nil |
| | 8,333 | 16,667 | 6.15 | Jan. 8, 2020 | nil | nil |
| Roland Cardy..... | 10,000 | nil | 7.48 | Dec. 14, 2017 | nil | nil |
| | 25,000 | nil | 7.66 | Feb. 12, 2018 | nil | nil |
| | 8,333 | 16,667 | 6.15 | Jan. 8, 2020 | nil | nil |
| Alon Ossip..... | 62,500 | nil | 1.60 | Aug. 27, 2017 | 257,500 | nil |
| | 25,000 | nil | 7.66 | Feb. 12, 2018 | nil | nil |
| | 8,333 | 16,667 | 6.15 | Jan. 8, 2020 | nil | nil |
| Sandy Poklar..... | 10,000 | nil | 7.48 | Dec. 14, 2017 | nil | nil |
| | 25,000 | nil | 7.66 | Feb. 12, 2018 | nil | nil |
| | 8,333 | 16,667 | 6.15 | Jan. 8, 2020 | nil | nil |

(1) Calculated based on the April 29, 2016 closing price on the TSX of \$5.72 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) annual cash bonus, and (iii) long-term equity incentives, consisting of Options granted by the REIT under the Original Option Plan. As a private company, Starlight’s process for determining executive compensation has no specific formula for determining the weighting or amount of compensation, and no formal approach is applied when applying compensation to the objectives 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.

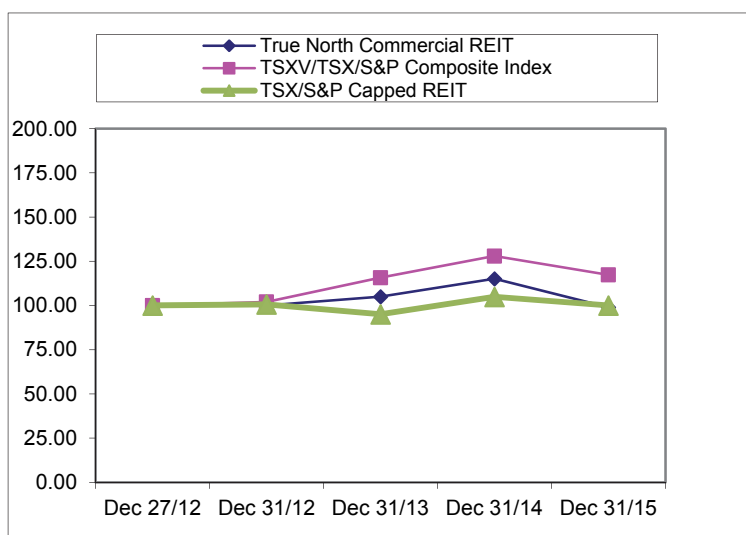
Individual performance factors vary, and may include completion of specific projects or transactions and the execution of day to day management responsibilities.

Options. Grants of Options by the REIT under the Original 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 Original 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

On December 19, 2012, the REIT was listed and commenced trading on the TSXV. Upon graduation to the TSX on June 18, 2013 the REIT was de-listed and ceased trading on the TSXV and commenced trading on the TSX. The following graph compares the yearly percentage change in the total cumulative Unitholder return for \$100 invested in Units against the cumulative total return of the TSXV/TSX/S&P Composite Index and the TSX/S&P Capped REIT index for the period from December 19, 2012 to December 31, 2015.



| | Dec 27/12 | Dec 31/12 | Dec 31/13 | Dec 31/14 | Dec 31/15 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| True North Commercial REIT | 100.00 | 100.00 | 105.00 | 115.10 | 98.98 |
| TSXV/TSX/S&P Composite Index | 100.00 | 102.05 | 115.76 | 127.97 | 117.33 |
| TSX/S&P Capped REIT | 100.00 | 100.58 | 95.03 | 104.87 | 100.00 |

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.

| <u>Name and principal positions</u> | <u>Year</u> | <u>Salary (\$)</u> | <u>Option- based Awards⁽¹⁾ (\$)</u> | <u>Annual incentive plans⁽³⁾ (\$)</u> | <u>All other compensation⁽⁴⁾ (\$)</u> | <u>Total compensation (\$)</u> |
|---|-------------|------------------------|--|--|--|--|
| Daniel Drimmer ⁽⁵⁾ | 2015 | nil | 17,800 ⁽²⁾ | nil | nil | 17,800 |
| <i>Chairman of the Board, President and CEO</i> | 2014 | nil | nil | nil | nil | nil |
| | 2013 | nil | 38,000 | nil | nil | 38,000 |
| Tracy Sherren ⁽⁶⁾ | 2015 | 260,000 | 22,300 ⁽²⁾ | 125,000 | nil | 407,300 |
| <i>CFO</i> | 2014 | 250,000 | nil | 125,000 | nil | 375,000 |
| | 2013 | 240,000 | 38,000 | 100,000 | nil | 378,000 |

- (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. The amount represents the fair value of the Options on the grant date using the Black Scholes option pricing model. Key assumptions used in the valuation were a distribution yield of 10.00%; a risk-free rate of 1.04% and a volatility of 20%. The Black-Sholes model is used as the most commonly used valuation methodology by options market participants.
- (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 Original Option Plan) and there is no charge back to the REIT for such compensation.

Incentive Plan Awards — Outstanding Option-Based Awards

The following table sets forth for each Named Executive Officer information concerning Options outstanding as at April 29, 2016:

| <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 (\$)</u> | |
|---------------------|---|-----------------|---|---------------------------------------|---|-----------------|
| | <u>Vested</u> | <u>Unvested</u> | | | <u>Vested</u> | <u>Unvested</u> |
| Daniel Drimmer | 100,000 | nil | 7.66 | Feb. 12, 2018 | nil | nil |
| | 33,333 | 66,667 | 6.15 | Jan. 8, 2020 | nil | nil |
| Tracy Sherren | 35,000 | nil | 7.48 | Dec. 14, 2017 | nil | nil |
| | 100,000 | nil | 7.66 | Feb. 12, 2018 | nil | nil |
| | 41,666 | 83,334 | 6.15 | Jan. 8, 2020 | nil | nil |

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 | 223,961 ⁽¹⁾ |
| Tracy Sherren | nil |

- (1) 52,084 Options were exercised at the exercise price of \$1.60 per Option on August 28, 2015.

Pension Plan Benefits

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

Employment Agreements

Daniel Drimmer, the Chairman of the Board, 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 \$270,000, 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% of base salary 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 of 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% of base salary 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, 2015 the number of Units to be issued upon the exercise of outstanding Options, the weighted average price of outstanding Options and the number of Units remaining available for future issuance under the Original 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> |
|---|--|---|--|
| Original Option Plan (approved by Unitholders) | 1,101,667 | \$6.53 | 1,050,332 |
| Total | 1,101,667 | \$6.53 | 1,050,332 |

Option Plan

The REIT originally established the Original 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. "Officer" includes 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 noted above, at the Meeting, Unitholders will be asked to re-approve the unallocated Options contemplated in the Original Option Plan which is now entitled the Amended and Restated Option Plan. The Amended and Restated Option Plan has been amended to remove references to the TSXV as they are no longer applicable and to clarify certain defined terms and mechanics to the Original Option Plan. The full text of the Amended and Restated Option Plan blacklined to show amendments from the Original Option Plan is attached to this Circular as Appendix "A".

The Options granted under the Original 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 Fair Market Value of Units on the date of the grant. Fair Market Value means in respect of any date of grant, the volume weighted average trading price of the Units for the five business day proceeding such grant. The Board determines the number of Units to be covered by each Option and determines, subject to the Original 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 Original Option Plan may also be exercisable on a cashless basis by receipt, without payment by the optionee, of the Growth Amount. The Growth Amount is payable by issuance by the REIT to the optionee of that number of whole Units calculated by dividing the 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 Original 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, other than as stated above, Options are not assignable.

The maximum number of Units reserved for issuance under the Original Option Plan and all other unit compensation plans at any time may not collectively exceed 10% of the total issued and outstanding Units and Class B limited partnership units ("**Class B LP Units**") from time to time. If any Option granted under this Plan is exercised, terminated, forfeited, expired or cancelled, new Options may be granted covering such Units, subject to any required prior approval by the TSX or other stock exchange upon which the Units are listed.

The maximum aggregate number of Units issuable under the Original Option Plan to insiders at any time, including those Units issuable under any other unit compensation plan, may not exceed 10% of the total issued and outstanding Units and Class B Units on a non-diluted basis as of the date of grant of such Options and the maximum aggregate number of Units that may be issued pursuant to Options to such insiders during any 12-month period, including those Units issuable under any other unit compensation plan, shall not exceed 10% of the total issued and outstanding Units and Class B Units on a non-diluted basis.

The maximum aggregate number of Units that may be subject to grants of Options under the Original Option Plan to any one participant during any 12-month period may not be greater than 5% of the issued and outstanding Units or Class B Units.

The Board may not make the following amendments to the Original Option Plan without approval by the TSX and a majority of votes cast by Unitholders:

- (a) increase the number of Units issuable pursuant to the Original Option Plan;
- (b) make any amendment that would reduce the exercise price of an outstanding Option, including a cancellation of an Option and re-grant of an Option in conjunction therewith that would constitute a reduction of the exercise price of the Option;
- (c) make an amendment that would extend the term of any Option granted under the Original Option Plan beyond the latest exercise date of the Option;
- (d) amend or delete Options to allow for a maximum term of an Option to be greater than five years;
- (e) expand the authority of the Board to permit assignability of the Options;
- (f) amend the definition of eligible persons to add categories of eligible participants;
- (g) amend the Original Option Plan to provide for other types of compensation through equity issuance;
- (h) increase or delete the percentage limit relating to Units issuable or issued to insiders; or
- (i) increase or delete the percentage limit on Units reserved for issuance to any one eligible person.

At all times, the REIT will reserve and keep available a sufficient number of Units to satisfy the requirements of all outstanding Options granted under the Original Option Plan.

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

As at April 29, 2016, 1,266,250 Options had been issued under the Original Option Plan, representing 5.84% of the issued and outstanding Units and Class B Units.

INDEBTEDNESS OF TRUSTEES AND EXECUTIVE OFFICERS

As at April 29, 2016, 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 800-3250 Bloor Street West, East Tower, Toronto, Ontario, M8X 2X9. 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 as of the date hereof: (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 29, 2015, DD Entities purchased by way of a non-brokered private placement 45,454 Units at the price of \$6.60 per Unit for gross proceeds of approximately \$300,000. The proceeds of the private placement were used to partially satisfy the cash portion of the acquisition of four office properties located in Fredericton, New Brunswick, 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, 2015, 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) An incentive fee payable by the REIT for each fiscal year equal to 15% of the REIT’s fund from operations (“FFO”) per Unit in 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;
- (c) A capital expenditures fee equal to 5% 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: (i) 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; (ii) 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 (iii) 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 \$1.1 million pursuant to the Asset Management Agreement for the year ended December 31, 2015, approximately \$409,000 in acquisition fees and was paid approximately \$29,000 in other expenses. No incentive fees were earned or capital expenditure fees charged 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 29, 2016, Mr. Drimmer, through the DD Entities, holds an approximate 18.61% 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, Mr. Drimmer holds 200,000 Options as of April 29, 2016. See “Principal Holders of Voting Units”.

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. See “Matters to be Acted Upon at the Meeting – Election of Trustees”.

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, 2015, and related management’s discussion and analysis may be obtained without charge by writing to the Corporate Secretary at 800-3250 Bloor Street West, East Tower, Toronto, Ontario, M8X 2X9.

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 2, 2016.

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"
AMENDED AND RESTATED 2013 UNIT OPTION PLAN

UNIT OPTION PLAN

SECTION 1
TITLE

- 1.1 The Plan herein described shall be called the "True North Commercial REIT Amended and Restated 2013 Unit Option Plan".

SECTION 2
PURPOSE OF THE PLAN

- 2.1 The purpose of ~~the True North Commercial REIT 2013 Unit Option~~this Plan is to grant long term incentives, on a selective basis, to employees, officers, trustees, directors and Service Providers ~~(as defined below)~~ who are providing services to, or involved in the management of, the REIT ~~(as defined below)~~, to allow such persons to participate in the growth and development of the REIT by providing them with the opportunity to purchase Units ~~(as defined below)~~, thereby aligning their interests with the long-term interests of the unitholders of the REIT.

SECTION 3
DEFINITIONS

Where used herein, the following terms shall have the following meanings, respectively:

- 3.1 "**Affiliate**" means as follows: a Person is an Affiliate of another Person if: (i) one of them is the Subsidiary of the other; or (ii) each of them is Controlled by the same Person.
- 3.2 "**Award Documents**" means (i) an agreement between the REIT and an Eligible Person under which an Option is granted, together with such amendments, deletions or changes thereto as are permitted under the Plan or (ii) a resolution of the Board to create and grant Options and stipulate such additional terms as are consistent with the Plan, in which case, the grant shall also be documented in a letter from the REIT addressed to the Optionee setting forth the terms of the grant and no separate agreement between REIT and an Eligible Person shall be necessary.
- 3.3 "**Beneficial Owner**" or "**Beneficial Ownership**" in respect of a Person means a Person or group of Persons acting jointly or in concert within the meaning of the *Securities Act* (Ontario), who directly or indirectly exercise control or direction over Units.
- 3.4 "**Blackout Period**" means a period of time during which the applicable Optionee cannot exercise an Option, or sell Units, due to policies of the REIT in respect of insider trading.
- 3.5 "**Board**" means the board of trustees of the REIT, or a committee of the Board or such other persons designated by the Board pursuant to Subsection 4.3.
- 3.6 "**Business Day**" means any day on which commercial banks are generally open for business in Ontario, other than a Saturday, a Sunday or a day observed as a holiday in Ontario under the laws of the Province of Ontario or the federal laws of Canada.
- 3.7 "**Change of Control**" means the acquisition, after the date hereof, by any Person of Beneficial Ownership of securities of the REIT, or securities convertible into, exchangeable for or otherwise exercisable to acquire securities of the REIT which, directly or following conversion,

exchange or exercise thereof, would entitle the holder thereof to cast more than 50% of the votes attaching to all securities of the REIT which may be cast to elect trustees of the REIT.

- 3.8 **"Class B Units"** means collectively, the ~~Class~~class B limited partnership units in the capital of any Partnership.
- 3.9 **"Committee"** shall have the meaning given to that term in Subsection 4.3.
- 3.10 **"Control"** means as follows: a Person (first Person) is considered to Control another Person (second Person) if (i) the first Person Beneficially Owns, or controls or directs, directly or indirectly, securities of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors (or trustees) of the second Person, unless that first Person holds the voting securities only to secure an obligation; (ii) the second Person is a partnership, other than a limited partnership, and the first Person holds more than 50% of the interests of the partnership; or (iii) the second Person is a limited partnership and the general partner (or if there is more than one general partner, the managing general partner) of the limited partnership is the first Person (or the Person who Controls such general partner pursuant to clause (i) of this definition is the first Person).
- 3.11 **"Date of Grant"** means, for an Option, the date specified by the Board as the date that it grants the Option or, if no such date is specified, the date upon which the Option was granted.
- 3.12 ~~3.11~~**"Eligible Person"** means any employee, officer, trustee or director of the REIT or Subsidiary of the REIT, or Service Provider.
- 3.13 ~~3.12~~**"Exchange"** means the ~~TSXV~~TSX, or such other stock exchange upon which the Units are listed from time to time.
- 3.14 **"Exercise Notice"** means a notice in writing, in the form set out in Schedule A, or in any other form acceptable to the Board, signed by an Optionee and stating the Optionee's intention to exercise a particular Option.
- 3.15 ~~3.13~~**"Exercise Price"** means the price per Unit at which Units may be purchased under an Option, as the same may be adjusted from time to time.
- 3.16 ~~3.14~~**"Fair Market Value"** ~~at any date~~means, in respect of the ~~Units shall be any~~ Date of Grant, the volume weighted average trading price of the Units on the Exchange for the five Business Days preceding such date, provided that in the event that Units are not listed and posted for trading on any stock exchange or marketplace, the Fair Market Value shall be determined by the Board in its sole discretion.
- 3.17 ~~3.15~~**"Growth Amount"** shall have the meaning given to that term in Subsection 7.1(b).
- 3.18 ~~3.16~~**"Insider"** ~~shall have~~has the meaning given to that term in the ~~Exchange rules relating to security based compensation arrangements~~such term in the TSX Company Manual, as such manual may be amended, supplemented or replaced from time to time.
- 3.19 ~~3.17~~**"Latest Exercise Date"** means the latest date on which an Option may be exercised, as designated by the REIT at the time the Option is granted, provided that if such date should occur during a Blackout Period, within ten Business Days of the end of a Blackout Period, subject to applicable law.
- 3.20 ~~3.18~~**"Market Growth Feature"** shall have the meaning given to that term in Subsection 7.1(b).

- 3.21 ~~3.19~~ **“Market Price”** means, ~~subject to certain exceptions required by the rules of the TSXV, the last daily closing price of the Units before the date the Options are exercised granted.~~
- 3.20 ~~“Market Value” of Units means, (i) if the Units are listed only on the TSXV, the Market Price less the maximum discount permitted under applicable TSXV policies and (ii) in all other cases, the Fair Market Value.~~
- 3.22 ~~3.21~~ **“officer”** includes any individual performing a policy-making function in respect of the REIT pursuant to an arrangement with Starlight Investments Ltd. (or any of its Affiliates).
- 3.23 ~~3.22~~ **“Option”** means an option to purchase a specific number of Units by an Eligible Person under the Plan.
- 3.24 ~~3.23~~ **“Optioned Units”** means the Units issuable pursuant to an exercise of Options.
- 3.25 ~~3.24~~ **“Optionee”** means an Eligible Person to whom an Option has been granted in accordance with the terms of the Plan and who continues to hold such Option.
- 3.26 ~~3.25~~ **“Partnership”** means those limited partnerships formed from time to time to own ~~the residential~~commercial properties acquired by the REIT, which are Subsidiaries of the REIT.
- 3.27 ~~3.26~~ **“Person”** means and includes any individual, general partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, joint stock company, association, trust, trust company, bank, pension fund, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or other organization or entity, whether or not a legal entity, however designated or constituted.
- 3.28 ~~3.27~~ **“Plan”** means ~~the True North Commercial REIT 2013 Unit Option Plan~~this amended and restated 2013 unit option plan, as the same may be amended from time to time.
- 3.29 ~~3.28~~ **“Purchase Price”** shall have the meaning given to that term in Subsection 7.1(a).
- 3.30 ~~3.29~~ **“REIT”** means True North Commercial Real Estate Investment Trust and any successor organization whether by amalgamation, merger or otherwise.
- 3.31 ~~3.30~~ **“Retirement”** means the retirement of an Eligible Person from employment with the applicable employer in accordance with the normal retirement policy of his or her employer.
- 3.32 ~~3.31~~ **“Sale Transaction”** means any merger, amalgamation or plan of arrangement involving the REIT and/or a Subsidiary of the REIT, acquisition or take-over bid for the Units, or similar transaction, or the sale of all or substantially all of the assets of the REIT and/or a Subsidiary of the REIT excluding any merger, amalgamation or plan of arrangement involving a Subsidiary of the REIT or asset sale transaction in connection with which, in either such case, all holders of Units are not entitled to receive cash or securities in respect of their holdings of Units, provided that a Sale Transaction shall exclude: (a) any unit transfer, reorganization, asset transfer, or similar transaction to which the parties are limited to the REIT and/or any of its present or future Affiliates; (b) the completion of a treasury offering of securities of the REIT or an Affiliate of the REIT; or (c) the public offering or distribution by the REIT or one of its Affiliates of units in the capital of the REIT.

- 3.33 ~~3.32~~ “**Service Provider**” means a Person that:
- (a) is engaged to provide, on a bona fide basis, for an initial, renewable or extended period of 12 months or more, consulting, technical, management or other services to the REIT or its Subsidiaries, other than services provided in relation to a distribution;
 - (b) provides the services under a written contract between the REIT or a Subsidiary of the REIT and the Person;
 - (c) in the reasonable opinion of the REIT, spends or will spend a significant amount of time and attention on the affairs and business of the REIT or a Subsidiary of the REIT;

and includes

- (d) for an individual Service Provider, a corporation of which the individual Service Provider is an employee or shareholder, and a partnership of which the individual Service Provider is an employee or partner; and
- (e) for a Service Provider that is not an individual, an employee, executive officer, or director of the Service Provider, provided that the individual employee, executive officer, or director spends or will spend a significant amount of time and attention on the affairs and business of the REIT or a Subsidiary of the REIT;

The definition of Service Provider shall include True North Commercial General Partner Corp. for so long as it is a general partner of any Partnership and Starlight Investments Ltd. for so long as it is providing management services under an agreement with the REIT and/or a Subsidiary of the REIT, and in each case, its successors and permitted assigns.

- 3.34 ~~3.33~~ “**Special Voting Units**” means units in the capital of the REIT designated as “Special Voting Units” and such other units or securities as may be substituted therefor as a result of any change to the Units or any capital reorganization, arrangement, amalgamation or merger affecting all of the Units.
- 3.35 ~~3.34~~ “**Subsidiary**” means a Person that is Controlled directly or indirectly by another Person.
- 3.36 ~~3.35~~ “**Successor Person**” shall have the meaning given to that term in Subsection 8.2.
- 3.37 ~~3.36~~ “**TSX/TSX**” means the ~~TSX Venture~~ Toronto Stock Exchange.
- 3.38 ~~3.37~~ “**Unit**” means trust units in the capital of the REIT designated as “trust units” and such other units or securities as may be substituted therefore as a result of any change to the trust units of the REIT or any capital reorganization, arrangement, amalgamation or merger affecting all of the units of the REIT.
- 3.39 ~~3.38~~ “**Unit Compensation Plans**” means collectively the Plan and any other security based compensation arrangements for the benefit of employees, Insiders or Service Providers, within the meaning ascribed to such terms in the Exchange rules relating to security based compensation arrangements.
- 3.40 ~~3.39~~ “**Unit Option Agreement**” means the unit option agreement executed between the REIT and the Optionee.

**SECTION 4
ADMINISTRATION OF THIS PLAN**

- 4.1 The Plan shall be administered by the Board.
- 4.2 The Board shall have full and exclusive discretionary power to:
- (a) interpret and construe the Plan and any Award Document and to determine all questions arising out of the Plan or any Option, and any such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes;
 - (b) establish policies and adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;
 - (c) select the Eligible Persons to whom awards may from time to time be granted under the Plan;
 - (d) determine the number of Optioned Units covered by each Option;
 - (e) determine the Exercise Price of each Option; provided that, the Exercise Price shall not be less than the Fair Market Value of a Unit on the date of grant of such Option;
 - (f) determine the time or times when Options will be granted and exercisable, including the Latest Exercise Date; provided that no Option shall be exercisable later than five years from the date of the grant of the Option;
 - (g) determine the grant, time and/or performance vesting criteria and other terms and conditions of each Option under the Plan;
 - (h) approve the forms of agreements for use under the Plan;
 - (i) subject to Section 9, approve any amendments to the terms and conditions of any Option under the Plan, provided it does not without the Optionee's consent adversely affect the rights of the Optionee under the Plan for Options previously granted;
 - (j) subject to Section 9, make exceptions to the Plan in circumstances which the Board determines it is reasonable to do so, including with respect to the vesting of Options granted to any particular Optionee in the Plan, provided it does not without the Optionee's consent adversely affect the rights of the Optionee under the Plan for awards previously granted;
 - (k) amend the Plan pursuant to Section 9 hereof; and
 - (l) take such other action, not inconsistent with the terms of the Plan, as the Board deems appropriate.
- 4.3 The Board may delegate to the Governance, Compensation and Nominating Committee or any other committee of the Board as specified by the Board (the "**Committee**") or to any officer or employee of the REIT such administrative duties or powers as it may deem advisable; provided that no such officer or employee shall have or obtain the authority to grant awards to himself or herself.

Where the Board has delegated an administrative duty or power to the Committee, any reference under the Plan or an Award Document, in connection with such duty or power, to the "Board" shall be, as applicable, to the Committee. The Board shall also be permitted to hire administrators, custodians or similar service providers to assist in the administration of the Plan.

- 4.4 Any Option granted under the Plan shall be subject to the requirement that, if at any time counsel to the REIT shall determine that the qualification of the Optioned Units subject to such Option upon the Exchange, or any securities exchange or under any law or regulation of any jurisdiction, or the consent or approval of the Exchange, or any securities exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Option or the delivery or purchase of Optioned Units thereunder, such Option may not be accepted or exercised in whole or in part unless such qualification, consent or approval shall have been effected or obtained on conditions acceptable to the trustees of the REIT.

SECTION 5 ELIGIBILITY, GRANT AND TERMS OF OPTIONS

- 5.1 Options may be granted by the Board to any Eligible Person whom the Board from time to time selects and approves, and awards of Options shall be evidenced by an Award Document, in such form not inconsistent with the Plan as the Board may from time to time determine.
- 5.2 Subject to the terms of the Plan, the Board shall determine the number of Units subject to each Option, the Exercise Price of each Option, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and any other terms and conditions relating to each Option; provided, however, that if no specific determination is made by the Board with respect to any of the foregoing matters, as evidenced by the applicable Award Document, each Option shall contain the following terms and conditions:
- (a) the Latest Exercise Date shall be five years from the date the Option is granted;
 - (b) each Option granted shall become exercisable in respect of 33 1/3% of the Units subject to such Option after each anniversary of the granting of such Option (i.e. 33 1/3% of such Units after the first anniversary, 66 2/3% of such Units after the second anniversary, etc.); and
 - (c) the Exercise Price shall not be less than the Fair Market Value on the date of such grant.
- 5.3 Options may be granted in respect of authorized and unissued Units, provided that the aggregate number of Units reserved for issuance under the Plan at any time, subject to adjustment or increase of such number pursuant to the provisions of Section 8 and Section 9 shall not exceed 10% of the aggregate number of Units and Class B Units outstanding from time to time. At all times, the REIT will reserve and keep available a sufficient number of Units to satisfy the requirements of all outstanding Options granted under the Plan.
- 5.4 ~~No Option may be granted if such grant would have the effect of causing the total number of Units subject to Options to exceed the total~~The maximum number of Units reserved for issuance pursuant to the exercise of Options and set forth in Subsection 5.3 under this Plan and all other Unit Compensation Plans at any time shall be collectively 10% of the total issued and outstanding Units and Class B Units from time to time. Notwithstanding the above, subject to applicable law or the requirements of the TSX or any other stock exchange upon which Units are listed and any Unitholder or other approval which may be required, the Board may, in its

discretion, amend the Option Plan to increase such limit without notice to Eligible Persons. If any Option granted under this Plan is exercised, terminated, forfeited, expired, cancelled, or otherwise, new Options may thereafter be granted covering such Units, subject to any required prior approval by the TSX or other stock exchange upon which the Units are listed. At all times, the REIT will reserve and keep available a sufficient number of Units to satisfy the requirements of all outstanding Options granted under this Plan.

- 5.5 ~~Optioned Units which are not purchased as a result of Options having terminated, expired, forfeited, cancelled, or otherwise without being fully exercised shall be available for subsequent Options under the Plan. The maximum aggregate number of Units that may be subject to grants of Options under this Plan to any one Participant during any 12-month period shall be no greater than 5% of the issued and outstanding Units or Class B Units.~~
- 5.6 ~~The maximum aggregate number of Units which are issuable under this Plan to Insiders under the Plan and all at any time, including those Units issuable under any other Unit Compensation Plans collectively Plan, shall be not exceed 10% of the aggregate number of total issued and outstanding Units and Class B Units outstanding at the time of the grant (on a non-diluted basis). The maximum number of Units which may be issued to Insiders under the Plan and all as of the Date of Grant of such Options and the maximum aggregate number of Units that may be issued pursuant to Options to such Insiders during any 12-month period, including those Units issuable under any other Unit Compensation Plans collectively within a one-year period Plan, shall be not exceed 10% of the aggregate number of total issued and outstanding Units and Class B Units at the time of the issuance (on a non-diluted basis).~~
- 5.7 ~~No Options may be granted to any Eligible Person if the total number of Units issuable to such Eligible Person under the Plan and all other Unit Compensation Plans collectively would exceed 5% of the aggregate number of Units and Class B Units outstanding at the time of grant. Notwithstanding the foregoing, if the Units of the REIT are listed only on the TSXV and the REIT obtains requisite disinterested unitholder approval pursuant to the policies of the TSXV, Options exceeding 5% of the aggregate number of Units and Class B Units outstanding at the time of grant in any 12-month period may be granted to any Eligible Person.~~
- 5.8 ~~If required by applicable Exchange policies, no Options may be granted to any one consultant if the total number of Units issuable to such consultant under the Plan would exceed 2% of the total number of aggregate number of Units and Class B Units outstanding in any 12-month period.~~
- 5.9 ~~If required by applicable Exchange policies, no Options may be granted to any employees conducting investor relations activities if the total number of Units issuable to such employees under the Plan, collectively, would exceed 2% of the total number of Units and Class B Units outstanding in any 12-month period.~~
- 5.10 ~~Any increase in the Units reserved for issuance under the Plan shall be subject to the approval of the unitholders of the REIT in accordance with the rules of the Exchange or such other applicable stock exchange or marketplace.~~
- 5.11 ~~No individual shall have the right to be selected to receive an award under the Plan, or having been so selected, to be selected to receive a future award.~~
- 5.7 5.12 No fractional Units may be purchased or issued under the Plan.
- 5.8 5.13 The granting of an Option to an Eligible Person constitutes a representation by the REIT that such Eligible Person is a bona fide employee, officer, trustee or director of the REIT, or a Subsidiary of the REIT or Service Provider, as the case may be.

- 5.9 This Plan is considered an “evergreen” plan, since the Units covered by Options which have been exercised or terminated shall be available for subsequent grants under this Plan and the number of Options available to grant increases as the number of issued and outstanding Units and Class B Units increases.

SECTION 6 TERMINATION OF OPTIONS IN CERTAIN CIRCUMSTANCES

- 6.1 Unless the Board, and subject to the Exchange’s rules, otherwise determines, as evidenced by the applicable Award Document, an Optionee’s Options shall terminate and may not be exercised after the earliest of:
- (a) one year after the Optionee’s termination of employment with, or as an officer, trustee or director of, the REIT or Subsidiary of the REIT by reason of death, permanent disability or Retirement;
 - (b) the Optionee’s termination of employment with, or as an officer, trustee or director of, the REIT, or Subsidiary of the REIT for cause;
 - (c) 90 days after the Optionee’s termination of employment with, or as an officer, trustee or director of, the REIT or Subsidiary of the REIT, in any manner or for any reason, other than death, permanent disability, Retirement or termination of employment for cause; and
 - (d) the Latest Exercise Date of the Optionee’s Option;

provided that, subject to the foregoing, unvested Options shall continue to vest according to their terms of grant and in any event, the Optionee’s Options shall terminate and may not be exercised after one year upon occurrence of any of the events listed in this ~~section~~ Section 6.1.

- 6.2 For the purposes of Section 6.1:
- (a) any and all references to “termination of employment with the REIT” shall be deemed to refer to the date on which the active employment of the Optionee with the REIT and all of its Subsidiaries ceases, irrespective of any notice or payment in lieu thereof, or, in the event that the Optionee resigns, the Optionee’s last day of active employment with the REIT and all of its Subsidiaries;
 - (b) the transfer of an employee from the REIT to a Subsidiary or a Service Provider, from a Subsidiary or a Service Provider to the REIT, or from one Subsidiary or Service Provider to another Subsidiary or Service Provider, shall not be considered a termination of employment for the purposes of the Plan; and
 - (c) for the purposes of this Section 6.2 only, a trustee, director or Service Provider who is an Optionee shall be deemed to be an employee and the provisions of Section 6.1 and Section 6.2 shall apply *mutatis mutandis* to such trustee, director or Service Provider.

SECTION 7 EXERCISE OF OPTIONS

- 7.1 Subject to the provisions of the Plan, to the extent an Option has vested and become exercisable in accordance with the applicable Award Document, the Option may be exercised in whole or in part by:

- (a) the purchase of any number of whole Units which are then available for purchase at the Exercise Price specified for such Option (the "**Purchase Price**"); or
- (b) subject to the applicable policies of the Exchange, the receipt, without payment by the Optionee, of an amount equal to the amount, if any, by which the Market ~~Value~~Price exceeds the Exercise Price, multiplied by the number of Units in respect of which the Option is being exercised (the "**Growth Amount**"), which Growth Amount will be payable by the issuance by the REIT to the Optionee (or his or her legal, personal representative) of that number of whole Units calculated by dividing the Growth Amount by the Market ~~Value~~Price (the "**Market Growth Feature**"), rounded down to the nearest whole Unit, without payment in Units or cash for any fractional interests.

7.2 Any Optionee wishing to exercise an Option shall deliver to the REIT, at its registered office:

- (a) ~~a written notice~~ an Exercise Notice expressing the intention of such Optionee to exercise his or her Option and (i) specifying the number of Units in respect of which the Option is exercised and (ii) if the Optionee elects to exercise using the Market Growth Feature, a statement to that effect (absent which statement, the Optionee shall be presumed to have elected to exercise pursuant to Subsection 7.1(a) above);
- (b) unless the Optionee elects the Market Growth Feature, a cash payment, cheque or bank draft, representing the full Purchase Price of the Units in respect of which the Option is exercised; and
- (c) in the event that the Options are exercised in accordance with the terms of the Plan and Unit Option Agreement by a person other than the Optionee, proof satisfactory to the REIT of the right of such person or party to exercise the Options as authorized legal or personal representative of the Optionee.

7.3 An ~~option~~Option may be exercised only for whole Units provided that the Board may from time to time specify a minimum number of Units in respect of which an Option may be exercised. Unless otherwise determined by the Board, all payments indicated above shall be paid in Canadian dollars.

7.4 The REIT may require an Optionee to pay to the REIT the amount of any taxes or other required source deductions that the REIT and/or its Subsidiaries is required by applicable law to withhold with respect to the exercise of an award ("**applicable tax withholding**"), and any other amounts due from the participant to the REIT and/or its Subsidiaries. The REIT shall not be required to issue any Units or otherwise settle an award under the Plan until such applicable tax withholding and other obligations are satisfied.

7.5 Subject to any governing rules or regulations, as soon as practicable, but not later than 30 Business Days, after receipt of written notification of exercise and full payment (including satisfaction of any applicable tax withholding), the REIT shall deliver to the participant a certificate representing the aggregate number of Units as the participant shall have exercised and paid full and valid consideration to the REIT under the exercise therein.

7.6 Notwithstanding any of the provisions contained in the Plan or in any Option, the REIT's obligation to issue Units to an Optionee pursuant to the exercise of any Option shall be subject to:

- (a) the receipt from the Optionee of such representations, warranties, agreements and undertakings, as the REIT determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction; and

- (b) the satisfaction of any conditions on exercise prescribed in the Plan, or in the applicable Award Document.

SECTION 8 CERTAIN ADJUSTMENTS

- 8.1 If the number of outstanding Units shall be increased or decreased as a result of a Unit split, consolidation or recapitalization, and not either as a result of the issuance of Units for additional consideration or by way of Unit distribution, subject to applicable law or the requirements of the TSX or any other stock exchange upon which Units are listed and any Unitholder or other approval which may be required, the Board shall make appropriate adjustments with regards to the maximum number of Units which the Optionee may thereafter purchase under such Option, the Exercise Price in respect of such Option and/or the maximum number of Units which may be issued under the Plan under Section 5 to give effect to the adjustments in the number of Units.
- 8.2 Subject to Section 8.4, if at any time after the grant of an Option and prior to the expiration of the term of such Option, the Units shall be reclassified, reorganized or otherwise changed, other than as specified in the preceding paragraph, or the REIT shall merge, combine, enter into a plan of arrangement or amalgamate with or into another Person (the Person resulting or continuing from such merger, combination, plan of arrangement or amalgamation being herein called the “**Successor Person**”), subject to applicable law or the requirements of the TSX or any other stock exchange upon which Units are listed and any Unitholder or other approval which may be required, the Optionee shall be entitled to receive upon the subsequent exercise of his or her Option in accordance with the terms hereof and shall accept in lieu of the number of Units to which he or she was theretofore entitled upon such exercise but for the same aggregate consideration payable therefore, the aggregate number of Units and/or other securities of the REIT or the Successor Person (as the case may be) and/or other consideration from the REIT or the Successor Person (as the case may be) that the Optionee would have been entitled to receive as a result of such reclassification, reorganization or other change or, of such merger, combination, arrangement or amalgamation, if on the record date or effective date (as the case may be) of such reclassification, reorganization or other change or such merger, combination, plan of arrangement or amalgamation (as the case may be) he or she had been the registered holder of the number of Units to which he or she was theretofore entitled upon such exercise.
- 8.3 No fractional Units shall be issued upon the exercise of an Option. Accordingly, if as a result of any adjustment under Section 8.1 a Optionee would otherwise have become entitled to a fractional Unit upon the exercise of an Option, he or she shall have the right to purchase only the next lower whole number of Units and no payment or other adjustment will be made with respect to the fractional interests so disregarded.
- 8.4 All determinations of the Board pursuant to the forgoing adjustments (including a determination that it would be appropriate not to make an adjustment in the circumstances) shall be conclusive, final and binding on all participants in the Plan.
- 8.5 Except as otherwise set out in any written agreement between a Optionee and the REIT in respect of an Option and notwithstanding any other provision of the Plan, in the event of a Sale Transaction, each Option will be deemed to be redeemed on such terms as may be specified by the Board and terminate immediately prior to the specified effective date of the Sale Transaction, unless either the Option is assumed by the Successor Person or parent thereof in connection with the Sale Transaction or the Board determines otherwise. Upon Board approval of a Sale Transaction, the REIT may give notice to each Optionee which will set forth requirements in respect of any outstanding Option or any Units acquired through the exercise of Options following the date of such notice that must be complied with as a condition to each Optionee's participation in the Sale Transaction.

- 8.6 The Board in its sole discretion and subject to such conditions as the Board considers appropriate may, at any time after the date of grant of an Option, determine the acceleration, if any, of the vesting provisions for any Option and permit a Optionee to exercise any or all of his or her unvested Options then outstanding and granted to the Optionee under the Plan, in which event all such unvested Options then outstanding and granted to the Optionee shall be deemed to be immediately exercisable during such period of time as may be specified by the Board.
- 8.7 Section 8.5 and Section 8.6 may be utilized independently or successively in combination or otherwise, and nothing therein contained shall be construed as limiting or affecting the ability of the REIT to deal with Options in any other manner.

SECTION 9 AMENDMENT, SUSPENSION AND TERMINATION

- 9.1 The Board may at any time and for any reason amend, suspend or terminate the Plan, in whole or in part, and the Plan shall govern the rights and obligations of the REIT and the Optionees, as applicable, with respect to all the outstanding Options, provided that no such amendment, suspension or termination of the Plan may, without the consent of an Optionee to whom Options shall theretofore have been granted, adversely affect the rights of such Optionee's outstanding Options.
- 9.2 Notwithstanding the foregoing, except as set forth in Section 8, the Board may not without approval by the Exchange and a majority of the votes cast by the holders of Units and Special Voting Units, taken together, present and voting in person or by proxy at a meeting of unitholders of the REIT:
- (a) increase the number of Units issuable pursuant to the Plan;
 - (b) make any amendment that would reduce the Exercise Price of an outstanding Option, including a cancellation of an Option and re- grant of an Option in conjunction therewith, constituting a reduction of the Exercise Price of the Option;
 - (c) make an amendment that would extend the term of any Option granted under the Plan beyond the Latest Exercise Date of the Option;
 - (d) amend or delete Subsection 4.2(f) to allow for a maximum term of an Option to be greater than five years as set forth therein;
 - (e) expand the authority of the Board to permit assignability of the Options beyond that contemplated by ~~Subsection~~Section 10.5;
 - (f) amend the definition of Eligible Persons to add categories of eligible participants;
 - (g) amend the Plan to provide for other types of compensation through equity issuance;
 - (h) increase or delete the percentage limit relating to Units issuable or issued to Insiders in ~~Subsection~~Section 5.6;
 - (i) increase or delete the percentage limit on Units reserved for issuance to any one Eligible Person pursuant to options in ~~Subsection 5.7~~Section 5.5; or
 - (j) amend this ~~Subsection~~Section 9.2 other than as permitted under the Exchange's rules.

- 9.3 If required by applicable Exchange policies, any reduction in the ~~exercise price~~Exercise Price of an Option held by an Insider of the REIT at the time of the proposed amendment shall be subject to disinterested ~~shareholder~~unitholder approval.
- 9.4 Subject to the provisions of this Section 9, the Board shall have the authority at any time and from time to time, to amend the terms and conditions of any Award Agreement; provided, however, that unless an Optionee otherwise agrees, such amendment shall apply only in respect of Options granted on or after the date of such amendment.
- 9.5 For greater certainty, the REIT, under the authority of the Board, may, subject to Section 9.3, amend any term or condition of the Plan or any Option granted hereunder other than the items specified in Section 9.2 without approval of the holders of Units and Special Voting Units, as set out in Section 9.2, and except any amendments requiring shareholder approval under the rules of the TSX.

SECTION 10 MISCELLANEOUS PROVISIONS

- 10.1 **Gender and Number.** Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.
- 10.2 **No Rights to Units.** An Optionee shall not have any rights as a unitholder of the REIT with respect to any of the Units covered by such Option until the date of issuance of the Units upon the exercise of such Option, in full or in part, and then only with respect to the Units then issued. Without in any way limiting the generality of the foregoing, no adjustment shall be made for cash distributions or other rights for which the record date is prior to the date such Units are issued.
- 10.3 **Applicable Laws and Policies.** The obligations of the REIT to issue and deliver Units to the Optionee in accordance with the terms of the Plan and ~~this~~the Unit Option Agreement is subject to applicable securities legislation and to receipt by the REIT of any required approvals from any regulatory authority. If Units cannot be issued to the Optionee upon the exercise of any Options due to any restrictions or limitations under applicable securities legislation or the ~~Policy~~applicable policy, the obligations of the REIT to the Optionee to issue such Units shall terminate and any funds paid to the REIT in connection with the exercise of any Options shall be returned to the Optionee as soon as practicable, without any interest or deduction whatsoever.
- 10.4 **No Employment Rights.** Nothing in the Plan or any Option shall confer upon an Optionee any right to be retained or continued as a trustee, director, officer or Service Provider of, or any right to continue in the employ of the REIT, or affect in any way the right of the REIT to terminate his or her employment or to terminate any contract of service at any time.
- 10.5 **Withholdings.** The exercise of each Option granted under the Plan is subject to the condition that if at any time the REIT determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the REIT. In such circumstances, the REIT may require that an Optionee pay to the REIT, in addition to and in the same manner as the Exercise Price for the Units, such amount as the REIT is obliged to remit to the relevant taxing authority in respect of the exercise of the Option. Alternatively, the REIT shall have the right in its discretion to satisfy any such liability for withholding by retaining any amount payable to an Optionee by the REIT, whether or not such amounts are payable under the Plan. In the further alternative, if directed by an Optionee, the REIT may withhold and cause to be sold, by it as agent on behalf of the Optionee, such number of Units as it determines to be necessary to satisfy the withholding

obligation. By so directing the REIT, the Optionee consents to such sale and authorizes the REIT to effect the sale of such Units on behalf of the Optionee and to remit the appropriate amount to the relevant taxing authorities. Where so directed, the REIT shall not be responsible for obtaining any particular price for the Units.

- 10.6 **Assignment.** The Options and all benefits and rights accruing to the Optionee hereunder shall not be transferable or assignable unless specifically provided herein. The Options granted hereunder may only be exercised by the Optionee as herein provided and in the event of the death or disability of the Optionee, by the person or persons to whom the Optionee's rights under the Options pass under the Optionee's will or applicable laws.
- 10.7 **Severability.** If any provision of the Plan or any award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction, or as to any person or award, or would disqualify the Plan or any award under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of the Plan or the award, such provision shall be stricken as to such jurisdiction, person, or award, and the remainder of the Plan and any such award shall remain in full force and effect.
- 10.8 **Conflict.** To the extent that there is a conflict or inconsistency between any of the provisions of the Plan, the Unit Option Agreement, and the provisions of the ~~Policy~~applicable policy, the provisions of the ~~Policy~~applicable policy shall prevail and shall govern in resolving such conflict. If there is a conflict or inconsistency between only the provisions of the Plan and the Unit Option Agreement, the Plan shall prevail and shall govern in resolving such conflict.
- 10.9 **Headings, Sections.** Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained. A reference to a section or schedule shall, except where expressly stated otherwise, mean a section or schedule of the Plan, as applicable.
- 10.10 **Governing Law.** The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 10.11 **Effective Date.** This Plan was adopted and effective as of June 18, 2013, and amended and restated as of June 14, 2016. Should any changes to this Plan be required by any securities commission or other governmental body of any jurisdiction of Canada to which this Plan has been submitted or by any stock exchange on which the Units may from time to time be listed, such changes will be made to this Plan as are necessary to conform with such requests and, if such changes are approved by the Board, this Plan, as amended, will remain in full force and effect in its amended form as of and from that date.

DATED this ~~14~~¹⁴th day of June, ~~2013~~²⁰¹⁶.

**TRUE NORTH COMMERCIAL REAL ESTATE
INVESTMENT TRUST**

Per: _____
Name: Daniel Drimmer
Title: President and Chief Executive
Officer

APPENDIX “B”

PURPOSE AND PRINCIPAL TERMS OF THE UNITHOLDER RIGHTS PLAN

Purpose of the Rights Plan

On February 25, 2016, the Canadian Securities Administrators (“**CSA**”) announced amendments, effective May 9, 2016, to the minimum period a take-over bid must remain open for deposits of securities thereunder, which extends the minimum period to 105 days (from its current 35 days), with the ability of the target issuer to voluntarily reduce the period to not less than 35 days. Consistent with such amendments, the Rights Plan encourages a potential acquiror to proceed with their bid in accordance with Canadian take-over bid rules, which requires that the bid satisfy certain minimum standards intended to promote fairness or have the approval of the Board, by:

- protecting against “creeping bids” (the accumulation of more than 20% of the Voting Units through purchases exempt from Canadian take-over bid rules, such as (i) purchases from a small group of unitholders under private agreements at a premium to the market price not available to all Unitholders, (ii) acquiring control through the slow accumulation of Voting Units over a stock exchange without paying a control premium, or (iii) through other transactions outside of Canada not subject to Canadian take-over bid rules), and requiring the bid to be made to all Unitholders; and
- preventing a potential acquiror from entering into lock-up agreements with existing Unitholders prior to launching a take-over bid, except for permitted lock-up agreements as specified in the Rights Plan.

By encouraging bids in accordance with Canadian take-over bid rules, the Board wants to allow all Unitholders (as defined therein) to benefit from the acquisition of a control position of 20% or more of the Voting Units, and allow the Board to have sufficient time to explore and develop all options for maximizing unitholder value in the event a person tries to acquire a control position in the REIT. Under the Rights Plan, potential acquirors are prevented from accumulating effective control of the REIT or a blocking position against other bidders except by way of a Permitted Bid (as defined below).

Summary of the Rights Plan

Principal terms of the Rights Plan are summarized below. This summary is qualified in its entirety by reference to the text of the Rights Plan. A REIT Unitholder or any other interested party may obtain a copy of the agreement governing the Rights Plan as proposed to be amended by contacting our Corporate Secretary at 416-234-8444 or by fax at 647-725-0144, and will be available on the REIT’s website at www.truenorthreit.com.

The only proposed substantive amendment to the Rights Plan is to potentially extend the period of time a Permitted Bid must remain open solely to reflect changes to the take-over bid regime by the CSA. To ensure the Permitted Bid definition in the Rights Plan remains aligned with the minimum period a take-over bid must remain open under applicable Canadian securities laws, it is proposed this definition be amended to be outstanding for a minimum period of 105 days or such shorter period that a take-over bid must remain open for deposits of securities, in the applicable circumstances, pursuant to Canadian securities laws. It is also proposed that certain non-substantive and technical amendments be made to the Rights Plan.

Term

The Rights Plan must be reconfirmed by a simple majority of votes cast by Unitholders at every third annual meeting of Unitholders of the REIT. The Rights Plan, including the amendments described herein, is therefore presented at the Meeting for reconfirmation and approval. If not approved, the Rights Plan will expire and cease to have effect effective June 14, 2016. If it is approved at the Meeting, the Rights Plan will require reconfirmation by the Unitholders at the 2019 annual meeting of Unitholders.

Upon the Rights Plan becoming effective, one right (“**Right**”) was issued and attached to each Unit, Special Voting Unit, or any other security of the REIT entitled to vote generally for the election of trustees, or any combination thereof (a “**Voting Unit**”). One Right also attaches to each subsequently issued Voting Unit.

Rights Exercise Privilege

The Rights generally separate from the Voting Units and become exercisable ten business days (the “**Separation Time**”) after a person has acquired, or commenced a take-over bid to acquire, 20% or more of the Voting Units, other than by an acquisition pursuant to a take-over bid permitted by the Rights Plan (a “**Permitted Bid**”). The acquisition by any person (an “**Acquiring Person**”) of 20% or more of the Voting Units, other than by way of a Permitted Bid, is referred to as a “**Flip-in Event**”. Any Rights held by an Acquiring Person will become void upon the occurrence of a Flip-in Event. Ten business days after the occurrence of the Flip-in Event, each Right (excluding Rights held by an Acquiring Person which have become void), will permit the purchase from the REIT, upon exercise thereof in accordance with the terms hereof, that number of Units having an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the exercise price (as defined) for an amount in cash equal to the exercise price.

The issue of the Rights is not initially dilutive. Upon a Flip-in Event and Rights separating from the Voting Units, reported earnings per Voting Unit of the REIT on a diluted or non-diluted basis may be affected. An Acquiring Person, and holders of Rights who do not exercise their Rights upon the occurrence of a Flip-in Event, may suffer substantial dilution.

Lock-Up Agreements

A bidder may enter into lock-up agreements with Unitholders whereby such Unitholders agree to tender their Voting Units to the take-over bid (the “**Subject Bid**”) without a Flip-in Event occurring. Such agreement must be publicly disclosed and allow the Unitholder to withdraw the Voting Units to tender to another take-over bid or to support another transaction that exceeds the value of the Subject Bid either on an absolute basis or by as much or more than a specified amount, which specified amount may not be greater than 7%. The definition of “**Lock-Up Agreement**” provides that no “**break up**” fees or other penalties that exceed, in the aggregate, the greater of 2.5% of the price or value of the consideration payable under the Subject Bid and 50% of the increase in the consideration resulting from another take-over bid transaction shall be payable by the Unitholder if the Unitholder fails to tender its Voting Units to the Subject Bid.

Certificates and Transferability

Prior to the Separation Time, the Rights are evidenced by a legend imprinted on certificates for the Voting Units, and are not to be transferable separately from the Voting Units. From and after the Separation Time, Rights are evidenced by Rights certificates, which will be transferable and traded separately from the Voting Units.

Permitted Bid Requirements

The requirements for a Permitted Bid include the following:

- the take-over bid must be made by way of a bid circular;
- the take-over bid must be made to all holders of Voting Units;
- as proposed to be amended, the take-over bid must be outstanding for a minimum period of 105 days or such shorter period that a take-over bid must remain open for deposits of securities, in the applicable circumstances, pursuant to Canadian securities laws;
- Voting Units tendered pursuant to the take-over bid may not be taken up prior to the expiry of the period and only if at such time more than 50% of the Voting Units held by Independent Unitholders (as defined below) have been tendered to the take-over bid and not withdrawn; and
- if more than 50% of the Voting Units held by Independent Unitholders are tendered to the take-over bid within the period and the Voting Units are taken up by the bidder, the bidder must make a public announcement of that fact and the take-over bid must remain open for deposits of Voting Units for not less than ten business days from the date of such public announcement.

“Independent Unitholders” is defined in the Rights Plan as all holders of Voting Units, excluding any Acquiring Person, any person that is making or has announced a current intention to make a take-over bid for the Voting Units, affiliates, associates and persons acting jointly or in concert with such excluded persons, and any person who is a trustee of an employee benefit, Unit purchase plan, deferred profit sharing or any similar plan or trust for the benefit of employees of the REIT or a Subsidiary of the REIT, unless the beneficiaries of the plan or trust direct the manner in which the Voting Units are to be voted.

The Rights Plan allows for a competing Permitted Bid (a **“Competing Permitted Bid”**) to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid except that, as proposed to be amended, it must be outstanding for a minimum number of days as required under Canadian securities laws.

Waiver

The Board, acting in good faith, may prior to the occurrence of a Flip-in Event, waive the application of the Rights Plan to a particular Flip-in Event where the take-over bid is made by a take-over bid circular to all holders of Voting Units or, as proposed to be amended, pursuant to an amalgamation, plan of arrangement or other procedure (statutory or otherwise) having similar effect which has been approved by the Board and the requisite majority of holders of Voting Units (each, an **“Exempt Acquisition”**).

Redemption

The Board, with the approval of a majority of votes cast by the Independent Unitholders (or the holders of Rights if the Separation Time has occurred) voting in person or by proxy at a meeting duly called for that purpose, may redeem the Rights at \$0.00001 per Right. Rights will be deemed to have been redeemed by the Board following completion of a Permitted Bid, Competing Permitted Bid or Exempt Acquisition.

Amendment

The Board may amend the Rights Plan with the approval of a majority of the votes cast by the Independent Unitholders (or the holders of Rights if the Separation Time has occurred) voting in person or by proxy at a meeting duly called for that purpose. The Board, subject to approval as noted above, may correct clerical or typographical errors at the next meeting of the holders of Voting Units (or the holders of Rights, as the case may be), may make amendments to the Rights Plan to maintain its validity due to changes in applicable legislation.

Board

The Rights Plan will not detract from or lessen the duty of the Board to act honestly and in good faith with a view to the best interests of the REIT. The Board, when a Permitted Bid is made, will continue to have the duty and power to take such actions and make such recommendations to Unitholders as are considered appropriate.

Exemption for Investment Managers

Investment managers (for client accounts), trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds and administrators of registered pension plans acquiring greater than 20% of the Voting Units are exempted from triggering a Flip-in Event, provided that they are not making, or are not part of a group making, a take-over bid.

APPENDIX “C” 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.