



## DISTRIBUTION REINVESTMENT PLAN

of

## TRUE NORTH COMMERCIAL REAL ESTATE INVESTMENT TRUST

### Purpose

The Distribution Reinvestment Plan (the “**Plan**”) provides eligible holders of trust units (“**Trust Units**”) of True North Commercial Real Estate Investment Trust (the “**REIT**”) and class B limited partnership units (“**Class B LP Units**”) of all partnership subsidiaries of the REIT (“**Unitholders**”), the opportunity to acquire additional Trust Units at a 3% discount to the Average Market Price (as defined herein). The Plan provides an efficient and cost-effective way for the REIT to issue additional equity to existing Unitholders.

The REIT will determine for each distribution payment date the amount of new equity, if any, that will be made available under the Plan on that date. No assurances can be made that new Trust Units will be made available under the Plan on a regular basis, or at all.

### Defined Terms

“**Authorization Form**” means the authorization form attached hereto.

“**Average Market Price**” means the weighted average closing price of Trust Units on the Exchange for the five trading days immediately preceding the applicable date of Distribution, appropriately adjusted for certain capital changes (including Trust Unit subdivisions, Trust Unit consolidations, certain rights offerings and certain distributions).

“**Beneficial Participant**” means a beneficial holder who has elected, in accordance with the terms hereof, to participate in the Plan, by registering through CDS as a Nominee.

“**Business Day**” means any day on which the Plan Agent’s principal offices in Toronto, Ontario are generally open for the transaction of commercial business but does not, in any event, include a day on which the Exchange is not open for trading, a Saturday, Sunday or any day that is a statutory or municipal holiday in Toronto, Ontario.

“**CDS**” means The Canadian Depository for Securities Limited, which acts as a nominee for many Canadian investment dealers and brokerage firms, or its nominee, as applicable.

“**Distribution**” means the cash distribution declared payable for any particular month in respect of Trust Units and Class B LP Units.

“**Eligible Holder**” means a registered holder of at least 500 Trust Units or Class B LP Units on the applicable record date for a Distribution, and who is otherwise eligible to participate in the Plan.

“**Exchange**” means the Toronto Stock Exchange or such other exchange on which the Trust Units are listed and posted for trading.

**“Nominee”** means a broker, investment dealer, financial institution or other nominee holder of Trust Units or Class B LP Units.

**“Participants”** means collectively all Beneficial Participants and Registered Participants, and a **“Participant”** refers to any one of them.

**“Plan Agent”** means TSX Trust Company, its successors or assigns or such other trust company as is appointed by the REIT from time to time to act as plan agent under the Plan.

**“Registered Participant”** means an Eligible Holder who has elected, in accordance with the terms hereof, to participate in the Plan by completing and delivering to the Plan Agent an Authorization Form, as more particularly described in the Plan.

### **Advantages**

An Eligible Holder may, by enrolling in the Plan, direct that Distributions payable in respect of all or some of the Trust Units and Class B LP Units held for the account of such Unitholder under the Plan, be applied to the purchase of additional Trust Units and have the additional Trust Units held for the account of such Unitholder under the Plan. The price of Trust Units purchased with reinvested Distributions will be 97% of the Average Market Price.

No commissions, service charges or brokerage fees are payable by Participants in connection with the purchase of additional Trust Units under the Plan. However, Beneficial Participants who enrol in the Plan through a Nominee may nevertheless be subject to fees imposed under the terms governing their relationship with the Nominee.

Full investment of funds is possible because the Plan permits fractions of Trust Units (to six decimal places) as well as whole Trust Units to be credited to Participants' (or their Nominees') accounts. Beneficial Participants should contact their Nominee with respect to the treatment of fractional Trust Units that could notionally exist from the reinvestment of a Beneficial Participant's Distribution, as some Nominees will facilitate the accumulation of fractional Trust Units in a Beneficial Participant's account while others may not.

### **Administration**

The Plan Agent acts for and on behalf of the Participants. On each Distribution payment date, the REIT will pay to the Plan Agent all Distributions in respect of Trust Units and Class B LP Units registered in the name of, or held under the Plan for the account of, Participants who have enrolled in the Plan.

The Plan Agent will use such funds to purchase directly from the REIT, for each Participant's (or their Nominee's) account, that number of Trust Units (including fractions computed to six decimal places) equal to the amount invested under the Plan for such Participant's account divided by 97% of the Average Market Price. See “Price of New Trust Units” below. Trust Units purchased pursuant to the Plan will be registered in the name of the Plan Agent or its nominee, as agent for the Participants, and credited to Participants' (or their Nominees') accounts in accordance with the Plan.

Distributions in respect of Trust Units (including fractions of Trust Units) that are held under the Plan for the account of a Participant will automatically be reinvested in additional Trust Units in accordance with the Plan and such additional Trust Units will be credited to the Participant's (or the applicable Nominee's) account.

All funds received by the Plan Agent under the Plan, including cash Distributions received from the REIT, will be applied to the purchase of new Trust Units directly from the REIT. **In no event will interest be paid to Participants on any funds held for investment under the Plan.**

## Participation

Except as noted below, all Eligible Holders are eligible for enrolment in the Plan at any time. Beneficial Unitholders whose Trust Units and Class B LP Units are registered in the name of a Nominee may not directly enrol in the Plan, but may participate in the Plan only through their Nominee. Beneficial Unitholders may only participate in the Plan if they (i) transfer their Trust Units or Class B LP Units into their own name and then enrol in the Plan directly, or (ii) arrange for their Nominee to enrol in the Plan on their behalf.

Beneficial Unitholders should contact their Nominee to provide instructions on how they would like to participate in the Plan. Not all Nominees will allow, nor are required to allow, participation in the Plan. Unitholders interested in participating in the Plan who hold their Trust Units or Class B LP Units through a Nominee that does not allow participation are responsible for either transferring their Trust Units or Class B LP Units to a different Nominee or into their own name in order to participate.

An Eligible Holder becomes a Registered Participant by completing and delivering to the Plan Agent a duly completed Authorization Form. A beneficial Unitholder becomes a Beneficial Participant by having such beneficial Unitholder's Nominee complete and deliver to the Plan Agent (through CDS, if applicable), on its behalf, a duly completed Authorization Form. If required, an Authorization Form may be obtained from the Plan Agent at any time upon request. By enrolling in the Plan, a Participant is deemed to have directed the REIT to forward to the Plan Agent all Distributions in respect of Trust Units or Class B LP Units held on behalf of the Participant, and to have directed the Plan Agent to reinvest such Distributions in additional Trust Units in accordance with the Plan.

An initial Authorization Form must be received by the Plan Agent no later than 5:00 p.m. (Toronto time) on the third Business Day immediately preceding a Distribution record date in order for the Distribution to which such record date relates to be reinvested under the Plan. Where a beneficial Unitholder wishes to participate in the Plan with respect to Trust Units or Class B LP Units registered through a Nominee, that Nominee must provide the initial Authorization Form to CDS regarding a Beneficial Participant's participation in the Plan no later than 5:00 p.m. (Toronto time) on the third Business Day immediately preceding a Distribution record date (or such other deadline as CDS may set from time to time) in order for the Distribution to which such record date relates to be reinvested under the Plan. If an initial Authorization Form is not received by the Plan Agent from a registered Unitholder, or by CDS from a Nominee in the case of a beneficial Unitholder, on or before such deadlines, the Distribution to which such record date relates will not be reinvested under the Plan and a Participant's enrolment in the Plan will only be effective for purposes of subsequent Distributions. **Beneficial Unitholders who wish to participate in the Plan will need their Nominee to elect to participate on their behalf every Distribution period.** If the Authorization Form is not received by the Plan Agent on or before such deadlines, enrolment in the Plan will take effect on the succeeding Distribution record date.

Once an Eligible Holder has enrolled in the Plan, participation by the Registered Participant continues automatically until the Registered Participant's participation in the Plan is terminated by delivery to the Plan Agent of new instructions. Beneficial Participants should contact their Nominee to determine the procedures for terminating their participation in the Plan. The time at which a termination of Plan participation becomes effective is described under "Termination of Participation" below. The effect of these provisions is that a Participant (or the applicable Nominee) cannot terminate participation in the Plan after 5:00 p.m. (Toronto time) on the third Business Day immediately preceding a Distribution record date to and including the Distribution payment date to which such record date relates.

The REIT reserves the right to refuse participation to, or cancel participation of, any person who, in the sole opinion of the REIT is (i) engaging in market activities or has been artificially accumulating securities of the REIT, for the purposes of taking undue advantage of the Plan to the detriment of the REIT, (ii) participating in the Plan primarily with a view to arbitrage trading or (iii) participating or attempting to participate in the Plan in more than one capacity or as more than one Participant.

### **Non-Residents of Canada**

Residents of any jurisdiction outside of Canada are not permitted to participate in the Plan unless appropriate measures are taken by the REIT to ensure that all applicable withholding taxes are deducted at source and if determined necessary by the REIT, a legal opinion is obtained confirming that such distribution is in compliance with applicable securities legislation in the applicable jurisdiction.

Upon ceasing to be a resident of Canada for purposes of the *Income Tax Act* (Canada), a Participant must forthwith notify the Plan Agent or their Nominee, as the case may be. The REIT and the Plan Agent reserve the right to deny participation in the Plan to, and to not accept an Authorization Form from any person or agent of such person who appears to be, or who the REIT, the Plan Agent or such Nominee has reason to believe is, not a resident of Canada for purposes of the *Income Tax Act* (Canada), unless the appropriate measures and legal opinion referenced in the preceding paragraph above are obtained.

### **Available Equity**

The REIT will determine on or before each Distribution record date the amount of equity, if any, that will be made available under the Plan on the Distribution payment date to which such record date relates.

If, in respect of any Distribution payment date, the REIT determines not to issue any equity through the Plan or fulfilling all of the Participants' entitlements under the Plan would result in the REIT exceeding the limit on new equity set by the REIT, then Participants will receive from the REIT the Distributions to which they would otherwise be entitled on such date and no purchases of Trust Units will be made on the applicable Distribution payment date.

### **Maximum Number of Trust Units**

Applicable law imposes limits on the number of Trust Units that the REIT may issue pursuant to the Plan in any given financial year. This limit is currently 5% of the aggregate number of issued and outstanding Trust Units at any time during a financial year which limit includes the aggregate number of issued and outstanding Class B LP Units. Any increases in the maximum number of Trust Units that the REIT may issue pursuant to the Plan is subject to (i) approval of the REIT's board of trustees, (ii) approval of the Exchange, and (iii) public disclosure by way of a news release regarding the increase in the maximum number of Trust Units. In order to ensure that this limit is not exceeded, the REIT may impose additional restrictions on the maximum number of additional Trust Units that may be acquired by Participants under the Plan.

### **Price of New Trust Units**

On each Distribution payment date, the REIT will, on behalf of the Participants, pay to the Plan Agent all funds that are eligible for investment in new Trust Units on such date, unless the Trust Units are to be issued from treasury, in which case no funds will be payable to the Plan Agent. The subscription price of Trust Units purchased under the Plan will be 97% of the Average Market Price. The REIT will advise the Plan Agent of such Average Market Price and 97% of the Average Market Price no later than the Distribution payment date.

## **Costs**

No commission, service charges or brokerage fees are payable by Registered Participants in connection with the purchase of additional Trust Units under the Plan. All administrative costs of the Plan, including the fees and expenses of the Plan Agent, will be paid by the REIT.

## **Accounts and Reports to Participants**

An account will be maintained by the Plan Agent for each Registered Participant and unaudited statements of that account will be mailed to each such Registered Participant in respect of each Distribution period. Statements and reports, if any, with respect to purchases of Trust Units under the Plan will be provided to Beneficial Participants by their Nominee. These account statements and reports are a Participant's continuing record of purchases of Trust Units made for such Participant's account under the Plan and should be retained for income tax reporting purposes. The Plan Agent will also send annually to each Registered Participant (or the applicable Nominee will also send annually to each Beneficial Participant), certain tax forms for tax reporting purposes. The calculation and monitoring of each Participant's adjusted cost base in Trust Units for income tax purposes will be the responsibility of each Participant, as certain averaging rules may apply and such calculations may depend on the cost of other Trust Units held by the Participant.

## **Certificates for Trust Units held under the Plan**

Accounts under the Plan are maintained by the Plan Agent in the name in which Trust Units and Class B LP Units are registered at the time of enrolling in the Plan and certificates for Trust Units will be similarly registered when issued. Trust Units purchased and held under the Plan will be registered in the name of the Plan Agent or its nominee as agent for the Participants, and certificates for such Trust Units will not normally be issued to Participants. However, a Registered Participant may, upon request to the Plan Agent (by duly completing the appropriate section of their Plan statement and delivering it to the Plan Agent) and without terminating participation in the Plan, have a Trust Unit certificate issued and registered in the Registered Participant's name for any number of whole Trust Units held for the Registered Participant's account under the Plan. Any remaining whole Trust Units and any fractional Trust Units will continue to be held by the Plan Agent for the Registered Participant's account under the Plan.

A written request to issue certificate must be received by the Plan Agent from the Registered Participant no later than 5:00 p.m. (Toronto time) on the third Business Day immediately preceding a Distribution record date in order for the request to be processed by such Distribution record date. If the written request to issue a certificate is not received by the Plan Agent on or before such deadline, the issuance of such certificate will only be effective after the Distribution.

Trust Units held by the Plan Agent for the account of a Registered Participant may not be sold, pledged or otherwise disposed of by the Registered Participant while so held.

## **Termination of Participation**

A Registered Participant may voluntarily terminate participation in the Plan by delivering to the Plan Agent a written notice signed by such Registered Participant stating that such Registered Participant wishes to withdraw its participation in the Plan. In such event, the Registered Participant will receive a certificate for the number of whole Trust Units held by the Plan Agent in such Registered Participant's account and a cash payment for any remaining fraction of a Trust Unit so held. Any fractional Trust Unit interest will be paid based on the closing market price of a Trust Unit on the Exchange on the Business Day immediately preceding the effective date of termination.

Participation in the Plan will be terminated automatically following receipt by the Plan Agent of a written notice of the death of a Registered Participant. A certificate for the number of whole Trust Units held for the account of a deceased Registered Participant under the Plan will be issued by the REIT in the name of the deceased Registered Participant or the estate of the deceased

Registered Participant, as applicable, and the Plan Agent will send to the legal representative of the deceased Registered Participant such certificate and a cheque in payment for any remaining fraction of a Trust Unit in the deceased Registered Participant's account. Any fractional Trust Unit interest will be paid based on the closing market price of a Trust Unit on the Exchange on the Business Day immediately preceding the effective date of termination.

A written request of a Registered Participant to terminate participation, or notice of a Registered Participant's death, must be received by the Plan Agent no later than 5:00 p.m. (Toronto time) on the third Business Day immediately preceding a Distribution record date in order to be processed by such Distribution record date. If the written request of a Registered Participant to terminate participation, or notice of a Registered Participant's death, is not received by the Plan Agent on or before such deadline, termination of participation in the Plan will only be effective after the Distribution.

Beneficial Participants must contact their Nominee in order to arrange for termination of participation in the Plan.

### **Rights Offering**

In the event that the REIT makes available to its Unitholders rights to subscribe for additional Trust Units or other securities, rights will be issued by the REIT in respect of whole Trust Units held in a Participant's (or Nominee's) account under the Plan on the record date for such rights issue. No rights will be issuable on a fraction of a Trust Unit held in a Participant's account.

### **Subdivisions**

If Trust Units are distributed pursuant to a subdivision of Trust Units, the additional Trust Units received in respect of Trust Units held under the Plan will be credited to the accounts of Participants (or their Nominees).

### **Unitholder Voting**

Whole Trust Units of a Participant enrolled in the Plan on the record date for a vote of Unitholders will be voted in the same manner and in accordance with the same instructions of the Participant as any other Trust Units. No voting rights will attach to any fraction of a Trust Unit held in a Participant's account.

### **Responsibilities of the REIT and the Plan Agent**

Neither the REIT nor the Plan Agent shall be liable to any Unitholder for any act or for any omission to act in connection with the operation of the Plan including, without limitation, any claims for liability:

- (a) arising out of the failure to terminate, or of a Nominee's failure to terminate, a Participant's participation in the Plan upon such Participant's death;
- (b) with respect to the prices and times at which Trust Units are purchased on behalf of a Participant; and
- (c) with respect to decisions by the REIT to raise or not raise equity through the Plan in any given Distribution period, or the amount of equity raised, if any.

Participants should recognize that neither the REIT nor the Plan Agent can assure a profit or protect them against a loss on the Trust Units purchased under the Plan.

## **Canadian Federal Income Tax Considerations**

*The following is a summary only of certain Canadian federal income tax considerations relevant to Participants. The information provided is current as of the effective date of the Plan. This summary is not intended to be legal or tax advice to any particular Participant and Participants are urged to consult their tax advisors as to their particular tax position.*

The fact that Distributions are reinvested under the terms of the Plan does not relieve Participants of any liability for taxes that may be payable on such Distributions. To the extent that a Distribution would be included in the income of Unitholders for the purposes of the *Income Tax Act* (Canada), such amount will be included in the income of Unitholders who elect to reinvest such amount in new Trust Units under the Plan.

The Canada Revenue Agency generally takes the position that the amount, if any, by which the fair market value of any Trust Units acquired pursuant to the Plan on the date of purchase of such Trust Units exceeds the purchase price therefor must be included in the income of the Participant.

Where a Participant terminates participation in the Plan and receives a cash payment with respect to any fractional Trust Unit, such Participant will likely be considered to have disposed of such fractional Trust Unit for purposes of the *Income Tax Act* (Canada). Participants should consult a tax advisor with respect to the tax consequences of such a disposition in their particular circumstances.

## **Amendment, Suspension or Termination of the Plan**

The REIT reserves the right to amend, suspend or terminate the Plan at any time, but such action shall have no retroactive effect that would prejudice the interests of the applicable Participants. All amendments to the Plan will be subject to the prior approval of the Exchange. The REIT will notify Unitholders of any amendment, suspension or termination of the Plan in accordance with the Plan and any applicable securities law requirements. If the REIT terminates the Plan, an applicable Participant will receive certificates for whole Trust Units held for the Participants' accounts under the Plan and, depending on the Nominee in the case of beneficial Unitholders, cash payments may be made for fractional Trust Units held in a Participant's account. If the REIT suspends the Plan, no investment will be made by the Plan Agent on the Distribution payment date for the REIT immediately following the effective date of such suspension, and any Distributions paid by the REIT after the effective date of such suspension that would, but for the suspension, be reinvested under the Plan, will be remitted to the Participants.

## **Interpretation**

Any issues of interpretation arising in connection with the Plan or its application shall be conclusively determined by the REIT.

## **Personal Liability**

Notwithstanding any other provisions hereof, it is acknowledged and agreed that the obligations of the REIT under the Plan will not be personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property (including, without limitation, any property consisting of or arising from a distribution of any kind or nature by the REIT) of any of the trustees, Unitholders, officers, employees, agents or annuitants or beneficiaries of any plan of which a Unitholder acts as trustee or carrier, of the REIT, but the property of the REIT or a specific portion thereof only shall be bound.

**Notices**

All notices or other documents required to be given to Participants under the Plan shall be publicly announced by the REIT and the REIT will notify Participants in accordance with applicable securities law requirements.

Notices to the Plan Agent shall be sent to:

TSX Trust Company  
100 Adelaide Street West, Suite 301  
Toronto, Ontario M5H 4H1  
Attention: DRIP Department  
Facsimile: (416) 361-0470

Notices to the REIT shall be sent to:

Attention: Ms. Tracy Sherren, Chief Financial Officer  
Facsimile: 647-725-0144  
E-mail: tsherren@truenorthreit.com

**Effective Date of the Plan**

The effective date of the Plan is January 1, 2013.