



**TRUE NORTH COMMERCIAL
REAL ESTATE INVESTMENT TRUST**

**NOTICE OF ANNUAL MEETING OF UNITHOLDERS
TO BE HELD ON JUNE 13, 2018
AND
MANAGEMENT INFORMATION CIRCULAR**

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

NOTICE IS HEREBY GIVEN that the annual meeting (the “**Meeting**”) of the holders of trust units and special voting units (the “**Unitholders**”) of True North Commercial Real Estate Investment Trust (the “**REIT**”) will be held at The TSX Gallery, 130 King Street West, Toronto, Ontario on Wednesday, June 13, 2018 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, 2017 and the auditor’s report thereon;
- (b) to elect trustees of the REIT for the ensuing year;
- (c) to re-appoint the auditor of the REIT for the ensuing year and to authorize the board of trustees (the “**Board**”) to fix such auditor’s remuneration; and
- (d) to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The management information circular (“**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 27, 2018 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 method which allows the REIT to furnish the Circular and accompanying materials to Unitholders via the Internet resulting in lower administrative costs and a reduction in the environmental impact of the Meeting. On or about May 11, 2018, the REIT intends to mail to Unitholders of record as of April 27, 2018, 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. Pursuant to the notice-and-access delivery method, Unitholders will receive a proxy or voting instruction form enabling them to vote at the Meeting. However, instead of receiving a paper copy of the Circular, Unitholders will be provided with information on how to access the Circular electronically. **UNITHOLDERS ARE REMINDED TO REVIEW THE CIRCULAR PRIOR TO VOTING.** Unitholders with questions about notice-and-access may contact the REIT’s transfer agent, TSX Trust Company, toll free at 1-866-600-5869 or by email at tmxeinvestorservices@tmx.com. The Circular and additional materials can be viewed online on the REIT’s website at www.truenorthreit.com or under the REIT’s SEDAR profile at www.sedar.com. Please note if you request a paper copy of the Circular, you will not receive a new form of proxy or voting instruction form, so Unitholders should retain the forms to facilitate voting.

Registered Unitholders who are unable to personally attend 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, TSX Trust Company, in the envelope provided or otherwise by mail or hand delivery to TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, by facsimile at 416-595-9593; or by hand delivery to the REIT at 1400-3280 Bloor Street West, Centre Tower, Toronto, Ontario, M8X 2X3. To be effective, proxies must be received not later than 4:30 p.m. (Toronto time) on June 11, 2018 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 4th day of May, 2018.

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 management of True North Commercial Real Estate Investment Trust (the “REIT”) for use at the annual meeting (the “Meeting”) of the holders of trust units (“Units”) and special voting units (“Special Voting Units”) of the REIT (collectively, the “Unitholders”) to be held on June 13, 2018 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 27, 2018, except where otherwise indicated.

GENERAL INFORMATION

The REIT is utilizing the notice-and-access delivery method 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 management information 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 11, 2018 pursuant to the notice-and-access delivery method. In addition, information about the notice-and-access process and voting instructions as well as a voting instruction form or proxy form (collectively, the “meeting materials”) will be distributed to Unitholders on or about May 11, 2018.

Registered Unitholders and Non-Registered Holders with questions about notice-and-access may contact the REIT’s transfer agent, TSX Trust Company, toll-free at 1-866-600-5869 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 TSX Trust Company toll free at 1-866-600-5869, 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 11, 2018, a request for paper copies should be made so that it is received by TSX Trust Company no later than the end of business on June 1, 2018.

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 the beneficial owner and an executive officer of Starlight Group Property Holdings Inc. (“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 purpose 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. 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 suggesting future outcomes or events.

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 applied in drawing a conclusion or making a forecast or projection, including management's perception 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 relatively 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 or an affiliate of 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, TSX Trust Company, in the envelope provided or otherwise by mail or hand delivery to TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, or by facsimile at 416-595-9593; or by hand delivery to the REIT at 1400-3280 Bloor Street West, Centre Tower, Toronto, Ontario, M8X 2X3, not later than 4:30 p.m. (Toronto time) on June 11, 2018 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 provided 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 1400-3280 Bloor Street West, Centre Tower, Toronto, Ontario, M8X 2X3 not later than 4:30 p.m. (Toronto time) on June 11, 2018 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 27, 2018 (the "**Record Date**") on the list of Unitholders kept by TSX Trust Company, 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 a form of proxy from TSX Trust Company 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.

Voting Instructions

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 via 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 instruction form in accordance with the specific instructions noted thereon.

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.

Voting of Units

The Voting Units represented by proxies or voting instruction forms will be voted "for" or "withhold" 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, TSX Trust Company, 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 27, 2018 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 47,787,230 outstanding Units, each carrying the right to one vote per Unit at the Meeting, and 4,268,837 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 or a proxyholder representing a Unitholder, and who hold or represent by proxy not less than 10% of the total number of outstanding Units of the REIT as at the Record Date.

QUESTIONS AND ANSWERS

Q. What am I voting on?

A. Unitholders are voting on:

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

Q. Who is entitled to vote?

A. You are entitled to vote if you were a Unitholder as at the close of business on April 27, 2018, 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, TSX Trust Company.

If your Voting Units are held in the name of an Intermediary, 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 an Intermediary (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 an Intermediary (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 via 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, TSX Trust Company, upon arrival at the Meeting. If your Voting Units are held in the name of an Intermediary 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 Sherrin, 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 any other person you appoint is attending the Meeting and is aware they have been appointed to vote your Voting Units. Proxyholders should, upon arrival at the Meeting, present themselves to a representative of the transfer agent, TSX Trust Company.

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, TSX Trust Company, in the envelope provided, or otherwise by mail or hand delivery to TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, or by facsimile to 416-595-9593; or by hand delivery to the REIT at 1400-3280 Bloor Street West, Centre Tower, Toronto, Ontario, M8X 2X3, not later than 4:30 p.m. (Toronto time) on June 11, 2018 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 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 1400-3280 Bloor Street West, Centre Tower, Toronto, Ontario, M8X 2X3 on or before the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used or to the Chairman on the day of the Meeting or any adjournment of the Meeting, prior to the time of voting, or in any other manner permitted by law.

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

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

With respect to the (a) election of the Trustee being nominated by management as Trustees, and (b) re-appointment of the auditor and the authorization of the Trustees to fix the remuneration of the auditor, all as described in this Circular, Unitholders have the option of voting their Voting Units either FOR such election or 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.

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 27, 2018 as the Record Date for the purpose of determining which Unitholders are entitled to vote at the Meeting. On April 27, 2018, there were 47,787,230 Units and 4,268,837 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, TSX Trust Company, 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:

TSX Trust Company
Suite 301, 100 Adelaide Street West
Toronto, Ontario, M5H 4H1

or by telephone: 416-361-0930 ext. 205
or by toll-free throughout North America: 1-866-600-5869
or by email: tmxeinvestorservices@tmx.com

PRINCIPAL HOLDERS OF VOTING UNITS

To the knowledge of the Board 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.

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, 2017, 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 of the REIT (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.

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 Board has increased the number of Trustees to be elected at the meeting to seven. As of the date of this Circular, the Board consists of Messrs. Jeff Baryshnik, William Biggar, Roland Cardy, Daniel Drimmer, Alon Ossip and Sandy Poklar. The REIT's Chief Financial Officer, Ms. Tracy Sherren, is being proposed as a new Trustee nominee at the Meeting.

The persons noted below have been nominated by management for election as Trustees at the Meeting (the "**Nominees**"). Five of the seven 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 members of the Board are elected annually by the Unitholders. In 2017, each Trustee who stood for re-election at the annual meeting of unitholders received votes in favour from at least 99% of the total votes cast.

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 must 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 or her election as a Trustee, the Trustee will be required to immediately tender his or her 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 promptly consider the resignation and provide a recommendation to the Board as to whether or not to accept such resignation. The Board will 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 press release, a copy of which must be provided to the TSX, will be issued by the REIT announcing the decision. The GC&N Committee will recommend and the Board will accept the resignation absent exceptional circumstances. If the resignation is not accepted due to exceptional circumstances, the Board will take active steps to resolve the exceptional circumstances before the next meeting of Unitholders to be held for the purpose of electing Trustees. Should the Board decide not to accept the resignation, the press release will fully state the reasons for such decision. A Trustee who tenders his or her resignation will not attend or 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 immediately tender his or her 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 Nominees named below have established their eligibility and willingness to serve as Trustees and are comprised of experienced business professionals with a diverse background in real estate, management, corporate finance and corporate governance. 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 in their discretion by the persons so designated 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				
		Age: 39 Toronto, Ontario Canada Trustee Since: December 14, 2012 Independent		Principal Occupation: President, Republic Funds USA Inc. Jeff Baryshnik is the President of Republic Funds USA Inc., 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. Jeff 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.
Board and Committee Membership		2017 Attendance		Directorships (past 5 years)
Board		7/7	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)
Investment		1/1	100%	
Securities Held				
Units ⁽¹⁾ #	Special Voting Units ⁽¹⁾ #	Total Units and Special Voting Units #	Total Market Value of Units and Special Voting Units ⁽²⁾ \$	Unexercised Options #
26,646	nil	26,646	174,265	75,000
Voting Results of 2017 Annual and Special Meeting				
	Votes For		Votes Withheld	
Number of Votes	11,269,258		43,992	
Percentage of Votes	99.61%		0.39%	

(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 27, 2018, which was \$6.54.

William Biggar



Age: 65
 Toronto, Ontario
 Canada
 Trustee Since:
 December 14, 2012

Independent

Principal Occupation: Corporate Director

William Biggar is a Corporate Director who has previously held senior executive positions in the real estate, mining and investment industries. From 2008 to 2012, Mr. Biggar was President and Chief Executive Officer of TSX-listed mining company North American Palladium Ltd. Mr. Biggar has also served as President and Chief Executive Officer of Granite REIT and Executive Vice-President and Chief Financial Officer of Cambridge Shopping Centres Limited. Over the past 25 years, Mr. Biggar has served on the boards of a number of public and private companies including Primaris Retail REIT (2003-2013), Milestone Apartments REIT (2013-2017) and is currently on the board of directors of TSX-listed Teranga Gold Corporation. Mr. Biggar is a CPA, CA and holds Bachelor of Commerce and Master of Business Administration degrees from the University of Toronto.

Board and Committee Membership	2017 Attendance		Directorships (past 5 years)	
Board	7/7	100%	Public Company Directorships	
Audit (Chair)	4/4	100%	<ul style="list-style-type: none"> • Primaris Retail REIT (2003-2013) • Milestone Apartments REIT (2013-2017) • Teranga Gold Corporation (2016-Present) 	
Investment	1/1	100%		
Securities Held				
Units ⁽¹⁾ #	Special Voting Units ⁽¹⁾ #	Total Units and Special Voting Units #	Total Market Value of Units and Special Voting Units ⁽²⁾ \$	Unexercised Options #
93,884	nil	93,884	614,001	75,000
Voting Results of 2017 Annual and Special Meeting				
	Votes For		Votes Withheld	
Number of Votes	11,270,358		42,892	
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 27, 2018, which was \$6.54.

Roland Cardy



Age: 66
 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 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 a Bachelor of Arts (Economics and History) and Master of Business Administration degrees from York University. He also has completed the requirements of the Institute of Corporate Directors program.

Board and Committee Membership	2017 Attendance		Directorships (past 5 years)	
Board	7/7	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 #
144,944	nil	144,944	947,934	75,000
Voting Results of 2017 Annual and Special Meeting				
	Votes For		Votes Withheld	
Number of Votes	11,265,308		47,942	
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 27, 2018, which was \$6.54.

Daniel Drimmer



Age: 45
 Toronto, Ontario
 Canada
 Trustee Since:
 December 14, 2012
non-Independent

Principal Occupation: President and Chief Executive Officer, Starlight Group Property Holdings Inc.

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 over 5.3 million square feet in commercial properties and approximately 36,000 residential rental units. In addition to the formation of Starlight, Mr. Drimmer was a director and Chief Executive Officer of TSXV-listed Starlight U.S. Multi-Family Core Fund, Starlight U.S. Multi-Family (No. 2) Core Fund, Starlight U.S. Multi-Family (No. 3) Core Fund, Starlight U.S. Multi-Family (No. 4) Core Fund and Campar Capital Corporation which through a plan of arrangement in 2016 consolidated all their assets into TSXV-listed Starlight U.S. Multi-Family (No. 5) Core Fund where he is a director and Chief Executive Officer. Mr. Drimmer also established the REIT and TSX-listed True North Apartment Real Estate Investment Trust in 2012. He also founded TSX-V listed Starlight U.S. Multi-Family (No. 1) Value-Add Fund in 2016 where he is a director and Chief Executive Officer and he has been a member of the Board of Trustees of TSX-listed Northview Apartment Real Estate Investment Trust since 2015. Over the last seven years, Mr. Drimmer has completed more than \$16 billion worth of acquisition and financing transactions in commercial and residential 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		2017 Attendance		Directorships (past 5 years)	
Board (Chair)		7/7	100%	Public Company Directorships <ul style="list-style-type: none"> • True North Apartment REIT (2012-2015) • Starlight U.S. Multi-Family Core Fund (2013-2016) • Starlight U.S. Multi-Family (No. 2) Core Fund (2013-2016) • Starlight U.S. Multi-Family (No. 3) Core Fund (2014-2016) • Campar Capital Corporation (2014-2016) • Starlight U.S. Multi-Family (No. 4) Core Fund (2015-2016) • Northview Apartment REIT (2015-Present) • Starlight U.S. Multi-Family (No. 5) Core Fund (2016-Present) • Starlight U.S. Multi-Family (No. 1) Value-Add Fund (2017-present) 	
Investment (Chair)		1/1			
Securities Held					
Units ⁽¹⁾ #	Special Voting Units ⁽¹⁾ #	Total Units and Special Voting Units #	Total Market Value of Units and Special Voting Units ⁽¹⁾ \$	Unexercised Options #	
3,956,048	828,123	4,784,171	31,288,478	350,000	
Voting Results of 2017 Annual and Special Meeting					
	Votes For		Votes Withheld		
Number of Votes	11,270,358		42,892		
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 27, 2018, which was \$6.54.

Alon Ossip



Age: 54
 Toronto, Ontario
 Canada
 Trustee Since:
 December 14, 2012

Independent

Principal Occupation: Chief Executive Officer, The Stronach Group

Alon Ossip is the Co-Founder and Principal of The Almada Group, a private equity group which is active across such diverse verticals as aircraft leasing, real estate, software and consumer products. Mr. Ossip is also 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 Real Estate Investment Trust and TransGlobe Apartment REIT. From August 2013 to August 2016, Mr. Ossip was a Consultant and Advisor of TSX-listed Magna International Inc., where he was also an Executive Vice President from October 2006 to August 2013. Mr. Ossip was previously a Partner at Goodman and Carr LLP and Associate Counsel at Miller Thomson LLP, and he 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	2017 Attendance		Directorships (past 5 years)	
Board GC&N Committee	7/7 1/1	100% 100%	Public Company Directorships <ul style="list-style-type: none"> • True North Apartment REIT (2012-2015) • Campar Capital Corporation (2014-2016) 	
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 #
357,882	265,625	623,507	4,077,736	75,000
Voting Results of 2017 Annual and Special Meeting				
	Votes For		Votes Withheld	
Number of Votes	11,261,308		51,942	
Percentage of Votes	99.54%		0.46%	

(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 27, 2018, which was \$6.54.

Sandy Poklar



Age: 47
 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 Executive Vice-President, Finance and Managing Director, Capital Markets & Strategic Developments of Firm Capital Corporation and the Chief Operating Officer of TSX-listed Firm Capital Mortgage Investment Corporation, a mortgage investment corporation. Mr. Poklar is also the Chief Financial Officer and a trustee of TSXV-listed Firm Capital Property Trust, a real estate investment trust, and the Chief Financial Officer and a director of TSXV-listed Firm Capital American Realty Partners Corp. 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. Mr. Poklar is a CPA, CA, graduate of the University of Toronto, the Directors Education Program, and has received his ICD.D designation.

Board and Committee Membership	2017 Attendance		Directorships (past 5 years)	
Board	6/7	86%	Public Company Directorships <ul style="list-style-type: none"> • Genesis Land Development Corp. (2012-2013) • Firm Capital Property Trust (2012-Present) • Firm Capital American Realty Partners Corp. (2016-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 #
22,326	6,250	28,576	186,888	75,000
Voting Results of 2017 Annual and Special Meeting				
	Votes For		Votes Withheld	
Number of Votes	11,263,489		49,761	
Percentage of Votes	99.56%		0.44%	

(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 27, 2018, which was \$6.54.

Tracy Sherren



Age: 52
 Halifax, Nova Scotia
 Canada
 New Nominee
non-Independent

Principal Occupation: Chief Financial Officer, True North Commercial Real Estate Investment Trust and Chief Financial Officer and Group Head, Commercial Starlight Group Property Holdings Inc.

Tracy Sherren is the Chief Financial Officer of the REIT and Chief Financial Officer and Group Head, Commercial of Starlight. Ms. Sherren was the Chief Financial Officer of Pacrim Hospitality Services Inc. from January 2005 to September 2012 and the Chief Financial Officer of Holloway Lodging Corp. (TSX: HLR.UN) from its inception in 2005 until July 2011, where she was responsible for construction and long-term financing of commercial properties, operations management, financial reporting, investor relations and corporate tax planning. With over 25 years of experience, Ms. Sherren has participated in over \$1 billion financings and led asset management teams, acquisition due diligence, real estate development and has extensive experience in transaction structuring and risk management. Ms. Sherren is a CPA, CA and obtained her Bachelor of Business Administration from Acadia University.

Board and Committee Membership

Directorships (past 5 years)

-

Public Company Directorships

-

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 #
29,715	nil	29,715	194,337	400,000

(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 27, 2018, which was \$6.54.

Each Board member is expected to attend all meetings, with the average rate of attendance for 2017 being 98%, indicating 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	Sherren
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 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.

The following table sets forth all services rendered by BDO Canada LLP for fees related to the REIT for each category of service for the financial years ended December 31, 2017 and 2016.

Fee Category	January 1, 2017 to December 31, 2017 (\$ 000s) ⁽¹⁾	January 1, 2016 to December 31, 2016 (\$ 000s) ⁽¹⁾
Audit fees	\$199	\$167
Audit-related fees.....	113	125
Tax fees ⁽²⁾	32	29
All other fees ⁽³⁾	nil	nil
Total	\$344	\$321

- (1) Excluding HST and other applicable taxes.
- (2) "Tax fees" include fees paid and accrued for tax compliance and tax advisory services, including the review of tax returns and other structuring matters.
- (3) "All other fees" include fees paid and accrued for all other services other than those presented in the categories of "audit fees", "audit-related fees" and "tax fees".

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

CORPORATE GOVERNANCE

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

Board Mandate

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

Trustee Independence

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

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

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.

Trustee Meetings without Management/Non-Independent Trustees

The Board enhances independence by conducting in-camera sessions without management and non-Independent Trustees present. These sessions take place at each regularly scheduled Board and Committee meeting and are conducted by the Lead Trustee and the Chairmen of the Committees, respectively.

Board Interlocks

The Board believes it is an appropriate governance practice to avoid interlocking relationships if possible, but there is currently no formal limit on the number of interlocking board and committee memberships. The Board considers interlocking memberships on a case-by-case basis and will consider recommendations from the GC&N Committee with respect thereto. As of the date hereof, there are no interlocking board memberships among Trustees.

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

The REIT encourages diversity in the composition of the Board. The Trustees have adopted a diversity policy (the “**Diversity Policy**”) that recognizes and supports the benefits of diversity in the REIT’s Board. For the purposes of the Diversity Policy, diversity has been defined as any characteristic or quality that can be used to differentiate groups and people from one another and includes, gender, age, race, nationality, culture, language and other ethnic distinctions, education, industry experience, and expertise.

It is an objective of the Diversity Policy that diversity be considered when determining the optimal composition of the Board. In reviewing Board composition and identifying suitable candidates for Board appointment or nomination for election to the Board, candidates will be selected based on merit and against objective criteria, and due consideration will be given to diversity in identifying candidates and selecting candidates.

The REIT recognizes that gender diversity is a significant aspect of diversity and acknowledges the role that women with relevant competencies and skills can play in contributing to diversity of perspective in the boardroom. Accordingly, in order to promote the specific objective of gender diversity, the selection process for Board nominees includes female candidates.

Currently, the Board has no female Trustees, however, the Trustee nominees, if elected at the Meeting, will increase female representation to one female Trustee (14% of Board). The Board and GC&N Committee will continue to strive to increase the presentation of women on the Board as turnover occurs.

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.

Term Limits

The GC&N Committee has determined that no fixed retirement date or term of service be set for Trustees or Chairs of the Board or Committees. While there is benefit to adding new perspectives to the Board from time to time, as with the nomination of Ms. Sherren, there are also benefits to be achieved through continuity and Trustees having in depth knowledge of each facet of the REIT's business, which necessarily takes time to develop. Pursuant to the REIT's Declaration of Trust, Trustees are to be elected (including the re-election of incumbent Trustees) at each annual meeting of the REIT, and in all cases, the term of any Trustee will expire at the close of the next annual meeting of Unitholders following such Trustee's appointment.

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 of the Board which sets out his 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 for approval.

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 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 (Chair), Roland Cardy and Sandy Poklar. 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, Teranga Gold Corporation• Former 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 Chair of the Board and 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 and Firm Capital American Realty Partners Corp.• Holds the Institute of Corporate Directors, Institute-Certified Designation, ICD.D

Governance, Compensation and Nominating Committee

Currently, the GC&N Committee consists of the following members: Roland Cardy (Chair), Alon Ossip and Sandy Poklar, each of whom are Independent Trustees. The GC&N Committee is charged with reviewing, overseeing and evaluating the governance and nominating policies, including monitoring new policies and

disclosure requirements with respect to diversity, 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 2013 unit option plan dated June 14, 2016 (the “**Option Plan**”) or any Unit purchase plan of the REIT or any other compensation incentive programs; (vii) as required, reviewing and approving the compensation paid by the REIT to the executive officers and consultants of the REIT; and (viii) 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 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 REIT provides Trustees with ongoing education and information sessions to ensure they remain current with respect to the business and operations of the REIT, including the REIT’s financial condition and other matters related to the success of the REIT, and the implementation of the REIT’s primary objectives and core strategies.

- At each quarterly Board meeting and the annual business plan meeting, the CFO provides a comprehensive overview of the REIT’s historical and current operating performance and financial results. The CEO and CFO also provide a review of the REIT’s anticipated future financial results and overall market conditions and trends.
- Members of the REIT’s management team provide detailed analysis on operations, specific market trends and leasing initiatives.
- Education on topics affecting the REIT, including accounting standards, governance practices and regulatory changes, are provided on an ongoing basis.
- Trustees participate in property tours with management of the REIT on a periodic basis.
- Trustees attend various Real Estate Forums and Conferences throughout the year.

The continuing Trustee development program involves 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 Daniel 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 Multilateral Instrument 61-101 – *Protection of Minority Security Holders in 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 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. Reference is also made to the Code of Business Conduct and Ethics (as described above). The Audit Committee is responsible for administering the Whistleblower Policy. Mr. Biggar, as Chairman 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 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.

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 annually 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 (the "**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 2017. Daniel Drimmer, the REIT's CEO, who is the President and Chief Executive Officer of Starlight, did not receive any fees.

Fees ⁽¹⁾	Amount
Annual Retainer	
Chairman of the Board ⁽¹⁾	\$15,000
Trustees	\$25,000
Audit Committee Chair	\$17,500 ⁽²⁾
GC&N Committee Chair	\$ 5,000
Investment Committee Chair ⁽¹⁾	\$ 5,000
Meeting Fees⁽³⁾	
Board Meeting	\$1,500
Audit Committee, GC&N Committee and Investment Committee	\$1,500

(1) Daniel Drimmer is a non-Independent Trustee and, therefore, did not receive this fee.

(2) Audit Committee Chair fee increased from \$15,000 to \$17,500 effective July 1, 2017.

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

Trustee Compensation Table

The following table sets out information concerning the 2017 compensation earned by, paid to, or awarded to each Trustee who is not a Named Executive Officer.

Name	Fee Earned ^{(1) (2)} (\$)	Option-Based Awards ⁽³⁾ (\$)	All Other Compensation (\$)	Total Compensation (\$)
Jeff Baryshnik	33,250	3,000	Nil	36,250
William Biggar	56,251	3,000	Nil	59,251
Roland Cardy	43,500	3,000	Nil	46,500
Alon Ossip	32,500	3,000	Nil	35,500
Sandy Poklar	37,000	3,000	Nil	40,000

(1) Fees earned represent 50% payable in cash and 50% payable in Units as elected by each Trustee under the Trustee Unit Issuance Plan.

(2) No travel fees were paid to Trustees in 2017.

(3) 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 9.33%; expected volatility is 15.17%; risk free interest rate is 1.70%; and expected Option life is 3.50 years. For a description of the material terms of the Option Plan, see "Equity Compensation Plan Information – Unit Option Plan".

Non-Executive Trustee Unit Issuance Plan

The REIT established 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 27, 2018, 77,264 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 December 31, 2017:

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	25,000	Nil	7.66	Feb. 12, 2018	Nil	Nil
	16,666	8,334	6.15	Jan. 8, 2020	9,333	4,667
	3,333	6,667	6.04	Aug. 5, 2021	2,233	4,467
	3,333	6,667	6.28	Nov. 14, 2021	1,433	2,867
	Nil	10,000	6.17	Aug. 11, 2022	Nil	5,400
William Biggar	Nil	10,000	6.44	Nov. 16, 2022	Nil	2,700
	25,000	Nil	7.66	Feb. 12, 2018	Nil	Nil
	16,666	8,334	6.15	Jan. 8, 2020	9,333	4,667
	3,333	6,667	6.04	Aug. 5, 2021	2,233	4,467
	3,333	6,667	6.28	Nov. 14, 2021	1,433	2,867
Roland Cardy	Nil	10,000	6.17	Aug. 11, 2022	Nil	5,400
	Nil	10,000	6.44	Nov. 16, 2022	Nil	2,700
	25,000	Nil	7.66	Feb. 12, 2018	Nil	Nil
	16,666	8,334	6.15	Jan. 8, 2020	9,333	4,667
	3,333	6,667	6.04	Aug. 5, 2021	2,233	4,467
Alon Ossip	3,333	6,667	6.28	Nov. 14, 2021	1,433	2,867
	Nil	10,000	6.17	Aug. 11, 2022	Nil	5,400
	Nil	10,000	6.44	Nov. 16, 2022	Nil	2,700
	25,000	Nil	7.66	Feb. 12, 2018	Nil	Nil
	16,666	8,334	6.15	Jan. 8, 2020	9,333	4,667
Sandy Poklar	3,333	6,667	6.04	Aug. 5, 2021	2,233	4,467
	3,333	6,667	6.28	Nov. 14, 2021	1,433	2,867
	Nil	10,000	6.17	Aug. 11, 2022	Nil	5,400
	Nil	10,000	6.44	Nov. 16, 2022	Nil	2,700
	25,000	Nil	7.66	Feb. 12, 2018	Nil	Nil

(1) Calculated based on the December 29, 2017 closing price on the TSX of \$6.71 per Unit.

REMUNERATION OF MANAGEMENT OF THE REIT

Overview

As at the date hereof, the REIT does not directly employ any persons. 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 the beneficial owner and an executive officer of Starlight, respectively. In addition to her duties as CFO of the REIT, Ms. Sherren was appointed the Chief Financial Officer of Starlight on May 16, 2016 and Group Head, Commercial on October 19, 2017, which responsibilities are specifically allowed for, and agreed to, by the Board and acknowledged by the REIT. 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 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.

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

The three principal elements of compensation are described below.

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

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

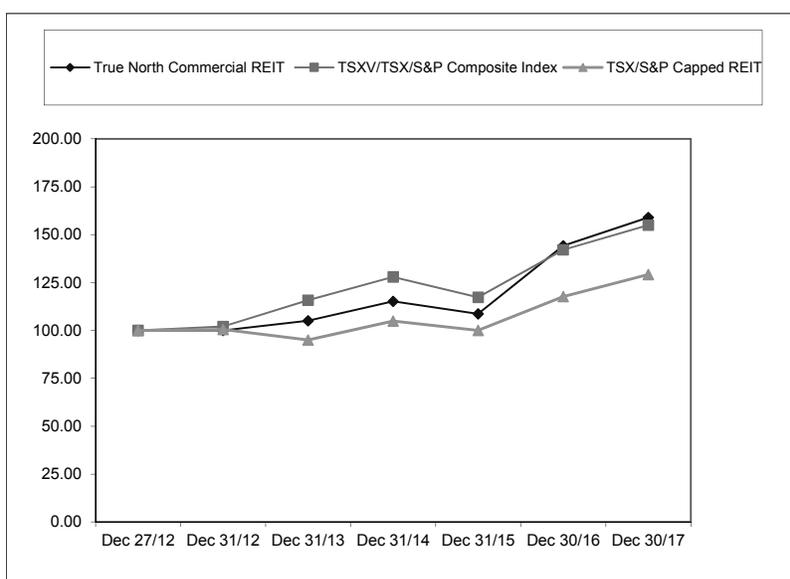
Individual performance factors vary, and may include completion of specific projects or transactions and the execution of day to day management responsibilities.

Options. Grants of Options by the REIT under the Option Plan align the interests of the Named Executive Officers more closely with the interests of Unitholders because they are tied to the REIT’s financial and Unit trading performance and vest over a number of years. The Board, acting on the recommendation of the GC&N Committee, may designate individuals eligible to receive grants of Options. In determining grants of Options, an individual’s performance and contributions to the REIT’s success, relative position, tenure and past grants are taken into consideration. For a description of the material terms of the Option Plan, see “Equity Compensation Plan Information – 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 TSX Venture Exchange (“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, 2017.



	Dec 27/12	Dec 31/12	Dec 31/13	Dec 31/14	Dec 31/15	Dec 30/16	Dec 30/17
True North Commercial REIT	100.00	100.00	105.00	115.10	108.68	144.22	158.93
TSXV/TSX/S&P Composite Index	100.00	102.05	115.76	127.97	117.33	142.06	154.98
TSX/S&P Capped REIT	100.00	100.58	95.03	104.87	100.00	117.62	129.21

The compensation paid to the Named Executive Officers 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⁾	2017	Nil	17,000 ⁽²⁾	Nil	Nil	17,000
<i>Chairman of the Board, President and CEO</i>	2016	Nil	12,000	Nil	Nil	12,000
	2015	Nil	17,800	Nil	Nil	17,800
Tracy Sherren ⁽⁶⁾	2017	325,000	17,000 ⁽²⁾	315,000	Nil	657,000
<i>CFO</i>	2016	290,000	16,000	150,000	Nil	456,000
	2015	260,000	22,300	125,000	Nil	407,300

- (1) 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 Named Executive Officer, and the fair value determined for accounting purposes. The following weighted average assumptions were used: expected distribution yield is 9.33%; expected volatility is 15.17%; risk free interest rate is 1.70%; and expected Option life is 3.50 years. For a description of the material terms of the Option Plan, see "Equity Compensation Plan Information – Unit Option Plan".
- (2) On August 11, 2017 and November 16, 2017, Mr. Drimmer and Ms. Sherren were each granted 60,000 Options at an exercise price of \$6.17 and \$6.44 and expiring on August 11, 2022 and November 16, 2022, respectively. The amount represents the fair value of the Options on the grant date using the Black Scholes option pricing model. The following assumptions were used: expected distribution yield is 9.33%; expected volatility is 15.17%; risk free interest rate is 1.70%; and expected Option life is 3.50 years. For a description of the material terms of the Option Plan, see "Equity Compensation Plan Information – Unit Option Plan".
- (3) All annual incentive plan awards relating to services performed during a fiscal year are paid by Starlight.
- (4) None of the Named Executive Officers are entitled to perquisites or other personal benefits which, in the aggregate, are worth over \$50,000 or over 10% of their annual base salary.
- (5) Mr. Drimmer does not receive compensation from Starlight with respect to the services he renders as CEO. Mr. Drimmer is the sole beneficial owner of Starlight. For fees paid, and expenses reimbursed to Starlight, see "Arrangements with Starlight — Asset Management Agreement". Mr. Drimmer does not otherwise receive compensation from the REIT or from any Starlight entity in respect of the REIT, including with respect to his role as a Trustee or on any committee of the Board.
- (6) Compensation of Ms. Sherren is paid by Starlight (with the exception of Option-based awards granted by the REIT under the Option Plan).

Incentive Plan Awards — Outstanding Option-Based Awards

The following table sets forth for each Named Executive Officer information concerning Options outstanding as at December 31, 2017:

<u>Name</u>	<u>Number of Units underlying unexercised Options (#)</u>		<u>Option exercise price (\$)</u>	<u>Option expiration date</u>	<u>Value of unexercised in-the-money Options⁽¹⁾ (\$)</u>	
	<u>Vested</u>	<u>Unvested</u>			<u>Vested</u>	<u>Unvested</u>
Daniel Drimmer	100,000	Nil	7.66	Feb. 12, 2018	Nil	Nil
	66,666	33,334	6.15	Jan. 8, 2020	37,333	18,667
	10,000	20,000	6.04	Aug. 5, 2021	6,700	13,400
	13,333	26,667	6.28	Nov. 14, 2021	5,733	11,467
	Nil	60,000	6.17	Aug. 11, 2022	Nil	32,400
	Nil	60,000	6.44	Nov. 16, 2022	Nil	16,200
Tracy Sherren	100,000	Nil	7.66	Feb. 12, 2018	Nil	Nil
	83,333	41,667	6.15	Jan. 8, 2020	45,666	23,334
	15,000	30,000	6.04	Aug. 5, 2021	10,050	20,100
	16,666	33,334	6.28	Nov. 14, 2021	7,166	14,334
	Nil	60,000	6.17	Aug. 11, 2022	Nil	32,400
	Nil	60,000	6.44	Nov. 16, 2022	Nil	16,200

- (1) Calculated based on the December 29, 2017 closing price on the TSX of \$6.71 per Unit.

Incentive Plan Awards — Value Vested or Earned During the Year

<u>Name</u>	Options-Based Awards – Value Vested During the Year
	(\$)
Daniel Drimmer	5,770
Tracy Sherren	7,685

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 or Starlight.

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 \$325,000, 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, 2017 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 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>
Option Plan (approved by Unitholders)	2,005,500	6.51	234,452

The annual burn rate of the Equity Incentive Plans (as expressed as a percentage based on the number of options under the Option Plan granted during the applicable fiscal year divided by the weighted average number of issued and outstanding Units and Class B LP Units for the applicable fiscal year) was 1.6% for the fiscal year 2017, 2.0% for the fiscal year 2016 and 2.4% for the fiscal year 2015.

Option Plan

The REIT established the Option Plan for the benefit of Trustees, executive officers, directors of the REIT and its subsidiaries, as well as certain eligible Service Providers (as described below and defined in the Option Plan).

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

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

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

The number of Units issuable at any time under Options issued and outstanding pursuant to the Option Plan and under any other security-based compensation arrangements of the REIT may not exceed in the aggregate 10% of the REIT's total issued and outstanding Units (on a non-diluted basis but including the number of Class B LP Units issued and outstanding).

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

The maximum number of Units that may be subject to grants of Options under the Option Plan to any one optionee during any 12-month period shall be no greater than 5% of the issued and outstanding Units (on a non-diluted basis, but including the number of Class B LP Units issued and outstanding).

As specified by the Board, it may delegate to (i) the GC&N Committee; (ii) any committee of the Board; or (iii) officer; such administrative duties or powers as it may deem advisable.

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

As at April 27, 2018, 2,711,750 Options had been issued under the Option Plan.

INDEBTEDNESS OF TRUSTEES AND EXECUTIVE OFFICERS

As at April 27, 2018, 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 or an affiliate of 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 1400-3280 Bloor Street West, Centre Tower, Toronto, Ontario, M8X 2X3. 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. Tracy Sherren, a resident of Hammonds Plains, Nova Scotia, is the Group Head, Commercial and Chief Financial Officer of Starlight; (c) Mr. Glen Hirsh, a resident of Toronto, Ontario is the Chief Operating Officer of Starlight; (d) Mr. David Hanick, a resident of Toronto, Ontario, is the Chief Legal Officer of Starlight; and (e) Mr. David Chalmers, a resident of Toronto, Ontario, is the President, Canadian Multi-Family of Starlight.

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, 2017, 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 or an affiliate of Starlight provides certain services to the REIT and its subsidiary entities pursuant to the Asset Management Agreement. Starlight or an affiliate of 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) 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 \$1.6 million pursuant to the Asset Management Agreement for the year ended December 31, 2017, approximately \$1.8 million in acquisition fees and was paid approximately \$159,000 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 27, 2018, Mr. Drimmer, through entities directly or indirectly beneficially owned or controlled by him, holds an approximate 9.19% 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 350,000 Options as of April 27, 2018.

Provided that Starlight holds at least 10% of the outstanding Units determined on a fully-diluted basis (including Units issuable upon the exchange of the Class B LP Units), 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 the REIT's website at www.truenorthreit.com or under the REIT's SEDAR profile 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, 2017, and related management's discussion and analysis may be obtained without charge by writing to the Corporate Secretary at 1400-3280 Bloor Street West, Centre Tower, Toronto, Ontario, M8X 2X3.

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 4, 2018.

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

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

APPENDIX “A” BOARD OF TRUSTEES MANDATE

Trustees’ Responsibilities

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

Strategic Planning Process

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

Monitoring Tactical Progress

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

Risk Assessment

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

Senior Level Staffing

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

Integrity

- Ensure the integrity of the REIT’s internal control and management information systems.
- Ensure ethical behaviour and compliance with laws and regulations, audit and accounting principles, and the REIT’s own governing documents.
- Satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization.
- Monitor compliance with the Code of Business Conduct and Ethics.

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.

Expectations and Responsibilities

- Trustees are expected to attend all meetings of the board. Trustees are expected to have reviewed meeting materials in advance of meetings.

Other

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

