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**NOTICE OF ANNUAL MEETING OF UNITHOLDERS  
TO BE HELD ON MAY 25, 2017**

**AND**

**MANAGEMENT INFORMATION CIRCULAR  
DATED MARCH 24, 2017**

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**NOTICE OF ANNUAL MEETING OF UNITHOLDERS  
TO BE HELD MAY 25, 2017**

**NOTICE IS HEREBY GIVEN** that an annual meeting (the “**Meeting**”) of unitholders (the “**Unitholders**”) of Plaza Retail REIT (“**Plaza**” or the “**Trust**”) will be held in the Governor’s Ballroom of the Delta Fredericton Hotel, 225 Woodstock Road, Fredericton, New Brunswick, E3B 2H8 on **Thursday, May 25, 2017 at 10:00 a.m. (AT)** for the following purposes:

1. to receive the financial statements of the Trust for the year ended December 31, 2016, together with the report of the external auditor thereon;
2. to elect the trustees of Plaza;
3. to appoint Plaza’s auditor at a remuneration to be fixed by the trustees; and
4. to transact such other business as may properly come before the Meeting, or any adjournment or postponement thereof.

Specific details of the matters to be addressed at the Meeting are set forth in the section entitled *Matters to be acted upon at the Meeting* in Plaza’s management information circular for the Meeting dated March 24, 2017 (the “**Management Information Circular**”).

Plaza is utilizing “notice-and-access” to distribute Meeting materials to Unitholders. Notice-and-access allows issuers to post electronic versions of proxy materials and annual financial statements online, via the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and one other website, rather than mailing paper copies of such materials to security holders. Under notice-and-access, you still receive a proxy or voting instruction form enabling you to vote at the Meeting (as hereinafter described). However, instead of a paper copy of the Management Information Circular and Plaza’s 2016 Annual Report (containing the comparative consolidated financial statements of the Trust for the year ended December 31, 2016 and management’s discussion and analysis of the Trust’s results of operations and financial condition for 2016), you receive this notice which contains information about how to access them electronically.

Plaza anticipates that using notice-and-access for delivery to Unitholders will directly benefit the Trust through a substantial reduction in both postage and material costs and promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. Plaza believes this method of delivery will also expedite Unitholders’ receipt of proxy materials.

Electronic copies of the Management Information Circular and Plaza's 2016 Annual Report may be found under Plaza's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and also on Plaza's website under Investor Relations / Financial Reports, the direct link to which is <http://plaza.ca/financial-reports/>. Unitholders may obtain paper copies of the Management Information Circular and 2016 Annual Report free of charge by contacting Plaza toll-free at +1 (855) 460-8294; CST Trust Company toll-free at +1 (888) 433-6443 or by e-mailing CST Trust Company at [fulfilment@canstockta.com](mailto:fulfilment@canstockta.com). Unitholders with questions about notice-and-access can call Plaza or CST Trust Company at the same toll-free numbers, respectively.

A request for paper copies which are required in advance of the Meeting should be sent so that it is received by Plaza or CST Trust Company, as applicable, by Friday, May 12, 2017 in order to allow sufficient time for Unitholders to receive the paper copies and to return, as applicable, their form of proxy to CST Trust Company (in the case of those who do hold their units in their own names as registered Unitholders, herein referred to as "**Registered Unitholders**") or voting instruction forms to brokers or other intermediaries (in the case of those who do not hold their units in their own names as registered Unitholders, herein referred to as "**Beneficial Unitholders**") by their due date.

Registered Unitholders will receive Plaza's form of proxy with this Notice via prepaid mail. Such Unitholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the form of proxy for use at the Meeting or any adjournment thereof to the attention of CST Trust Company, Proxy Dept., in one of the following manners: (i) by mail to P.O. Box 721, Agincourt, Ontario, M1S 0A1 in the envelope provided, (ii) by email at [proxy@canstockta.com](mailto:proxy@canstockta.com) or (iii) by facsimile to 416-368-2502 (Toll Free: 1-866-781-3111 Canada & US) at any time up to and including **Tuesday, May 23, 2017 until 5:00 pm (AT)**. A proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and received by CST Trust Company by this time.

Beneficial Unitholders will receive a voting instruction form from their brokers or other intermediaries with this Notice via prepaid mail. They will also receive a form to request they be included in Plaza's supplementary mailing list for receipt of the Trust's financial statements for the 2017 fiscal year. Many brokers delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge must receive voting instructions at least one (1) business day in advance of the proxy deposit date noted in the voting instruction form. Beneficial Unitholders should carefully follow the instructions for completion and delivery contained in the voting instruction form.

**All Unitholders are reminded to review the Management Information Circular before voting.**

Unitholders of record at the close of business on April 10, 2017 are entitled to notice of and to attend and vote at the Meeting, except to the extent a person has transferred any units after that date and the new holder of such units establishes proper ownership and requests, not later than ten (10) days before the Meeting, to be included in the list of Unitholders eligible to vote at the Meeting.

**DATED AT** Fredericton, New Brunswick this 24<sup>th</sup> day of March, 2017.

By Order of the Board of Trustees

(signed) "*Earl Brewer*"  
Earl Brewer, Chair of the Board



98 Main Street  
Fredericton, New Brunswick E3A 9N6  
[www.plaza.ca](http://www.plaza.ca)

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**MANAGEMENT INFORMATION CIRCULAR  
FOR THE ANNUAL MEETING OF UNITHOLDERS  
TO BE HELD ON MAY 25, 2017**

**DATED MARCH 24, 2017**

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## MANAGEMENT INFORMATION CIRCULAR

Plaza Retail REIT is utilizing the notice-and-access mechanism under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101") for distribution of this Management Information Circular to Unitholders. Further information on notice-and-access, including how Unitholders can obtain a paper copy of this Management Information Circular, is contained below under *Meeting, Proxy and Voting Information, Notice-and-Access*.

### MEETING, PROXY AND VOTING INFORMATION

#### ANNUAL MEETING – DATE, TIME AND PLACE

The annual meeting (the "**Meeting**") of unitholders ("**Unitholders**") of Plaza Retail REIT (the "**Trust**" or "**Plaza**") will be held in the Governor's Ballroom of the Delta Fredericton Hotel, 225 Woodstock Road, Fredericton, New Brunswick, E3B 2H8 on **Thursday, May 25, 2017 at 10:00 a.m. (AT)** for the purposes set forth in the accompanying Notice of Meeting.

#### SOLICITATION OF PROXIES

This Management Information Circular is furnished in connection with the solicitation of proxies by management of Plaza for use at the Meeting and any adjournment thereof. **The information contained herein is as of March 24, 2017 unless otherwise stated.**

It is expected that the solicitation of proxies will be primarily by mail but proxies may also be solicited personally, by email, by telephone or by facsimile by officers and employees of the Trust or its subsidiaries without special compensation or by such agents as the Trust may appoint. The cost of solicitation will be borne by the Trust. The Trust may also pay brokers or nominees holding trust units ("**Units**") in their names or in the names of their principals for their reasonable expenses in sending solicitation materials to their principals.

#### RECORD DATE

The board of trustees of Plaza (the "**Board**" or "**Board of Trustees**") has fixed April 10, 2017 as the record date (the "**Record Date**") for the determination of Unitholders entitled to receive notice of and vote at the Meeting. Unitholders of record at the close of business on that date will be entitled to one (1) vote at the Meeting for each Unit held as provided herein.

The Trust will prepare or cause to be prepared a list of Unitholders of record as at the close of business on the Record Date. Unitholders named on that list will be entitled to vote the Units then registered in their names, except to the extent that (a) the holder has transferred the ownership of any of his/her/its Units after that date, and (b) the transferee of those Units produces a properly endorsed unit certificate, or otherwise establishes that he/she/it owns the Units, and demands not later than the close of business, ten (10) days before the Meeting, that his/her/its name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his/her/its Units at the Meeting.

Holders of Special Voting Units (as hereinafter defined) as at the close of business on the Record Date will also be entitled to receive notice of the Meeting and be entitled to one (1) vote per Special Voting Unit held (see *Voting Units and Principal Holders Thereof, Authorized Capital, Special Voting Units* below for further information on Special Voting Units).

### **APPOINTMENT OF PROXIES**

In order to determine how to vote at the Meeting, Unitholders must first determine whether they are “Registered Unitholders” or “Beneficial Unitholders”.

### **Registered Unitholders**

Unitholders who hold their Units in their own names (i.e. whose names appear on their Unit certificates) are “**Registered Unitholders**”.

Registered Unitholders may vote in person at the Meeting. If unable to attend the Meeting in person, they can authorize another person, called a proxyholder, to attend the Meeting and vote on their behalf by completing and returning the accompanying form of proxy. The persons designated in the form of proxy are trustees and officers of the Trust (hereinafter referred to as “**management designees**”). **Registered Unitholders have the right to appoint a person other than a management designee (who need not be a Unitholder) as proxyholder to attend the Meeting and vote on their behalf.** They may exercise this right by inserting the name of such person in the blank space provided on the form of proxy. **If a Registered Unitholder appoints a management designee as proxyholder and does not direct the said management designee to vote in favour of or withhold from voting on, as the case may be, any matter or matters with respect to which an opportunity was given to specify how the Units registered in the name of such Unitholder may be voted, the proxy shall be voted in favour of such matter or matters.**

Registered Unitholders unable to attend the Meeting in person are requested to complete, date, sign and return the form of proxy for use at the Meeting or any adjournment thereof to the attention of CST Trust Company, Proxy Dept. in one of the following manners: (i) by mail to P.O. Box 721, Agincourt, Ontario, M1S 0A1 in the envelope provided, (ii) by email at [proxy@canstockta.com](mailto:proxy@canstockta.com) or (iii) by facsimile to 416-368-2502 (Toll Free:1-866-781-3111 Canada & US) at any time up to and including **Tuesday, May 23, 2017 until 5:00 pm (AT)**. A proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and received by CST Trust Company by this time.

## **Beneficial Unitholders**

A substantial number of Unitholders do not hold their Units in their own names, rather they are held through a broker, dealer, bank, trust company or other nominee (such Unitholders are referred to as “**Beneficial Unitholders**”). If Units are listed in an account statement provided to a Unitholder by a broker, then in almost all cases those units will not be registered in the Unitholder’s own name on the records of the Trust maintained by CST Trust Company. Such Units will more likely be registered in the name of the Unitholder’s broker or an agent of that broker. In Canada, the vast majority of units or shares (as applicable) are registered in the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Units held by brokers or their agents or nominees can only be voted upon the instructions of the Beneficial Unitholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Units for the brokers’ clients. **Therefore, each Beneficial Unitholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Applicable Canadian regulatory policy requires brokers or other nominees to seek voting instructions from Beneficial Unitholders in advance of unitholders’ or shareholders’ meetings, as applicable, by forwarding a voting instruction form (Form 54-101F7 *Request for Voting Instructions made by Intermediary* under NI 54-101). Brokers and other nominees have their own mailing and delivery procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Unitholders in order to ensure that their Units are voted at the Meeting. In Canada, many brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). In most cases, Broadridge mails a scannable voting instruction form and asks Beneficial Unitholders to return the form to Broadridge. Alternatively, Beneficial Unitholders can either call Broadridge’s toll free telephone number (1-800-474-7493) to provide voting instructions, or access Broadridge’s dedicated voting website at [www.proxyvote.com](http://www.proxyvote.com) to deliver their voting instructions. Broadridge must receive voting instructions at least one (1) business day in advance of the proxy deposit date noted in the voting instruction form. Broadridge tabulates the results of all instructions received and provides appropriate instructions to the Trust or its transfer agent, CST Trust Company, respecting the voting of Units to be represented at the Meeting.

**A Beneficial Unitholder will not be recognized directly at the Meeting for the purposes of voting Units in person which are registered in the name of his/her/its broker or other intermediary;** however, a Beneficial Unitholder may attend the Meeting as proxyholder for the registered holder (i.e. the broker or other intermediary) and vote the Units in that capacity. **Beneficial Unitholders who want to attend the Meeting in person and vote as proxyholder can enter their own names or the names of their appointees in the place provided for that purpose in the voting instruction form provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.** Subject to the basic requirements described below, brokers and other intermediaries do have flexibility as to the specific method used to appoint Beneficial Unitholders as proxyholders, and Beneficial Unitholders should carefully follow all instructions they receive.

A broker or other intermediary who is the registered holder of, or holds a proxy in respect of, securities owned by a Beneficial Unitholder must arrange, without expense to the Beneficial Unitholder, to appoint the Beneficial Unitholder or a nominee of the Beneficial Unitholder as a proxyholder in respect of those securities if the Beneficial Unitholder has instructed the broker or other intermediary to do so using either of the following methods: (a) the Beneficial Unitholder

filled in and submitted the voting instruction form previously sent to the Beneficial Unitholder by the broker or other intermediary; or (b) the Beneficial Unitholder submitted any other document in writing that requests that the Beneficial Unitholder or a nominee of the Beneficial Unitholder be appointed as a proxyholder. If a broker or other intermediary appoints a Beneficial Unitholder or a nominee of the Beneficial Unitholder as a proxyholder as aforesaid, the Beneficial Unitholder or nominee of the Beneficial Unitholder, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of the broker or other intermediary in respect of all matters that may come before the Meeting and any adjournment or continuance thereof, unless applicable law does not permit the giving of that authority. A broker or other intermediary who appoints a Beneficial Unitholder as proxyholder as aforesaid must deposit the proxy within the timeframe specified above, if it obtains the instructions at least one (1) business day before the termination of that time.

Beneficial Unitholders fall into two categories - those who object to their identity being made known to the issuers of securities which they own (“**Objecting Beneficial Owners**” or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**” or “**NOBOs**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from intermediaries. Pursuant to NI 54-101, issuers may obtain and use the NOBO list in connection with any matters relating to the affairs of the issuer, including the distribution of proxy-related materials directly to NOBOs. The Trust is not sending Meeting materials directly to NOBOs; the Trust uses and pays intermediaries and agents to send the Meeting materials. The Trust also intends to pay for intermediaries to deliver the Meeting materials to OBOs. As more particularly outlined below under *Notice-and-Access*, Meeting materials will be sent to Unitholders using notice-and-access.

**Beneficial Unitholders should contact their broker or other intermediary if they have any questions regarding the voting of Units held through that broker or intermediary.**

## **REVOCATION OF PROXIES**

### **Registered Unitholders**

Proxies given by Registered Unitholders for use at the Meeting may be revoked at any time prior to their use. Subject to compliance with the requirements described in the following paragraph, the giving of a proxy will not affect the right of a Registered Unitholder to attend and vote in person at the Meeting.

In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Unitholder or his/her/its attorney duly authorized in writing, or, if the Unitholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, and deposited with CST Trust Company, in a manner provided above under *Appointment of Proxies, Registered Unitholders*, at any time up to and including 5:00 pm (AT) on the last business day preceding the day of the Meeting, or any adjournment thereof, as applicable, or, with the Chair of the Meeting on the day of the Meeting or any adjournment thereof, and upon any such deposit, the proxy is revoked.

### **Beneficial Unitholders**

Beneficial Unitholders should contact their brokers or other intermediaries for instructions on how to revoke their voting instructions.

## **VOTING OF PROXIES**

The management designees named in the accompanying form of proxy have indicated their willingness to represent as proxyholder the Unitholder who appointed them. Each Unitholder may instruct his/her/its proxyholder how to vote his/her/its Units by completing the blanks on the form of proxy.

Units will be voted for or withheld from voting (as the case may be) by the persons designated, in accordance with the instructions given on the form of proxy. In the absence of such instructions, the Units will be voted **“FOR”** the election as a trustee of the Trust each nominee of management listed in this Management Information Circular and **“FOR”** the re-appointment of KPMG LLP as auditor of the Trust at a remuneration to be fixed by the trustees.

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As at March 24, 2017, management of the Trust knows of no such amendments, variations or other matters to come before the Meeting.

## **ADVANCE NOTICE POLICY**

Plaza’s declaration of trust dated November 1, 2013 (the **“Declaration of Trust”**) contains an advance notice provision. In the case of an annual meeting of Unitholders, the advance notice provision requires a nominating Unitholder to provide notice to the Board of Trustees of proposed trustee nominations not less than 30 days, but not more than 60 days, prior to the date of the applicable annual meeting; provided, however, that in the event the annual meeting is to be held on a date that is less than 50 days after the date that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the annual meeting was made, notice by the nominating Unitholder may be made not later than the close of business on the 10<sup>th</sup> day following the notice date.

The advance notice provision is intended to facilitate orderly and efficient annual meetings; ensure that all Unitholders receive adequate notice of the trustee nominations and sufficient information with respect to all nominees; and allow Unitholders to register an informed vote. A copy of the Declaration of Trust may be viewed on Plaza’s website at [www.plaza.ca](http://www.plaza.ca) under Investor Relations / Declaration of Trust or under the Trust’s profile on the System for Electronic Document Analysis and Retrieval (**“SEDAR”**) at [www.sedar.com](http://www.sedar.com).

## **VOTING UNITS AND PRINCIPAL HOLDERS THEREOF**

### **REIT Conversion**

On November 1, 2013, Plazacorp Retail Properties Ltd. (**“Plazacorp”**) and the Trust entered into an arrangement agreement whereby they agreed to reorganize the affairs of Plazacorp pursuant to a plan of arrangement under Section 128 of the *Business Corporations Act* (New Brunswick) to, among other things, convert Plazacorp from a corporate structure to a real estate investment trust structure effective January 1, 2014 (the **“REIT Conversion”**). The REIT Conversion was approved by the

shareholders of Plazacorp at a special meeting held on December 11, 2013. On closing of the REIT conversion, common shares of Plazacorp were exchanged for Units on a one-for-one basis.

### **Authorized Capital**

The Declaration of Trust authorizes the issuance of an unlimited number of two classes of units, namely Units and “special voting units” as hereinafter defined.

In addition, preferred units may from time to time be created and issued in one or more classes (each of which may be made up of unlimited series) in accordance with the Declaration of Trust. Before the issuance of a series of preferred units, the Board of Trustees must execute an amendment to the Declaration of Trust containing a description of such series, including the designations, rights, privileges, restrictions and conditions determined by the Board, and the class of preferred units of which such series is a part. The creation or issuance of preferred units is also subject to the prior written consent of the Toronto Stock Exchange (“TSX”). As at March 24, 2017, there are no preferred units outstanding.

### ***Units***

Each Unit represents a Unitholder’s proportionate undivided beneficial ownership interest in the Trust. Each Unit confers the right to one (1) vote at any meeting of Unitholders and to participate *pro rata* in any distributions by the Trust and, in the event of termination or winding-up of the Trust, in the net assets of the Trust remaining after satisfaction of all liabilities. The Units are listed for trading on the TSX under the symbol “PLZ.UN”.

As at March 24, 2017, the Trust has a total of 101,017,657 Units issued and outstanding.

### ***Special Voting Units***

Special voting units (“**Special Voting Units**”) are only issued in tandem with the issuance of securities exchangeable into Units and are evidenced only by the certificates representing such securities. Upon the exchange or surrender of securities exchangeable into Units, the Special Voting Units attached to such exchangeable securities will automatically be redeemed and cancelled for no consideration, and the former holder of such Special Voting Units will cease to have any rights with respect thereto. Special Voting Units have no economic entitlement or beneficial interest in the Trust or in the distribution of assets in the Trust, but entitle the holder to one (1) vote per Special Voting Unit at any meeting of Unitholders.

As at March 24, 2017, the Trust has a total of 1,319,000 Special Voting Units issued and outstanding which were issued to vendors, as partial consideration, in connection with property acquisitions.

### **Principal Holders**

The following table lists those persons of record who own or are known to the Trust to own beneficially, directly or indirectly, more than 10% of the issued and outstanding Units of the Trust as at March 24, 2017:



Name	Number of Units owned	Percentage of Total Units Outstanding
Michael Zakuta (1)	12,053,599	11.93%

(1) Michael Zakuta, President & Chief Executive Officer (“CEO”) of the Trust, directly or indirectly, beneficially owns or controls these Units, including through his controlling interest in other Unitholders of the Trust.

### **QUORUM**

Pursuant to the Declaration of Trust, the quorum for the Meeting is two (2) Unitholders present in person or represented by proxy holding in aggregate not less than ten percent (10%) of the total number of outstanding Units.

### **NOTICE-AND-ACCESS**

Notice-and-access allows issuers to post electronic versions of proxy-related materials and annual financial statements online, via SEDAR and one other website, rather than mailing paper copies of such materials to security holders. Electronic copies of this Management Information Circular and Plaza’s 2016 Annual Report (containing the comparative consolidated financial statements of the Trust for the year ended December 31, 2016 and management’s discussion and analysis of the Trust’s results of operations and financial condition for 2016) may be found under Plaza’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and also on Plaza’s website under Investor Relations / Financial Reports, the direct link to which is <http://plaza.ca/financial-reports/>. Unitholders may obtain paper copies of the Management Information Circular and 2016 Annual Report free of charge by contacting Plaza toll-free at +1 (855) 460-8294, CST Trust Company toll-free at +1 (888) 433-6443 or by e-mailing CST Trust Company at [fulfilment@canstockta.com](mailto:fulfilment@canstockta.com).

Unitholders with questions about notice-and-access can call Plaza or CST Trust Company at the same toll-free numbers, respectively.

### **Unitholders are reminded to review the Management Information Circular before voting.**

Although this Management Information Circular and Plaza’s 2016 Annual Report will be posted electronically online as noted above, Unitholders will receive paper copies of a “notice package” via prepaid mail containing the accompanying Notice of Meeting with information prescribed by NI 54-101 and form of proxy (in the case of Registered Unitholders) or voting instruction form (in the case of Beneficial Unitholders). Beneficial Unitholders will also receive a form to request they be included in Plaza’s supplementary mailing list for receipt of the Trust’s financial statements for the 2017 fiscal year.

A request for paper copies which are required in advance of the Meeting should be sent so that it is received by Plaza or CST Trust Company, as applicable, by Friday, May 12, 2017 in order to allow

sufficient time for Unitholders to receive the paper copies and to return, as applicable, their form of proxy to CST Trust Company (in the case of Registered Unitholders) or voting instruction forms to intermediaries (in the case of Beneficial Unitholders) by their due date.

Plaza anticipates that notice-and-access will directly benefit the Trust through a substantial reduction in both postage and material costs and promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. Plaza believes this method of delivery will also expedite Unitholders' receipt of proxy materials.

## **MATTERS TO BE ACTED UPON AT THE MEETING**

### **ELECTION OF TRUSTEES**

Pursuant to the Declaration of Trust, there are to be a minimum of three (3) and a maximum of ten (10) trustees. The number of trustees to be elected at the Meeting is seven (7). Each trustee elected will hold office until the next annual meeting of Unitholders or until his/her successor is elected or appointed, subject to the provisions of the Declaration of Trust.

The Declaration of Trust requires that a majority of the trustees be "independent" within the meaning of applicable securities laws. Five (5) of the seven (7) proposed trustees are independent. For additional information regarding the Board of Trustees' determination of which trustees are independent, please refer to the disclosure set out below under *Statement of Governance Practices, Proposed Board of Trustees and Independence*.

### **Majority Voting Policy**

The Board has adopted a majority voting policy, which was recently updated on March 24, 2017. Pursuant to this policy, in an uncontested election of trustees, if the number of proxy votes withheld for a particular nominee is greater than the votes in favour of such nominee, the nominee shall be required to immediately submit his or her resignation to the Chair of the Board following the applicable meeting of the Trust's unitholders. The Corporate Governance and Compensation Committee will consider the offer of resignation and, except in special circumstances that would warrant the continued service of the individual, will accept and recommend that the Board accept, the resignation. In considering whether or not to accept the resignation, the Committee will consider all factors deemed relevant by members of the Committee including, the effect that such resignation may have on the Trust's ability to comply with the Declaration of Trust or securities law requirements, applicable regulations or commercial agreements regarding the composition of the Board as a result of accepting the trustee's resignation; if the trustee is a key member of an established, active special committee which has a defined term or mandate, whether accepting the resignation of such trustee would jeopardize the achievement of the special committee's mandate; and if majority voting was used for a purpose inconsistent with the objectives of the policy.

The Board will make its decision to accept or reject the resignation within ninety (90) days following the meeting and promptly disclose its decision via press release (a copy of which shall be provided to the TSX), including the reasons for rejecting the resignation, if applicable. The resignation will be effective when accepted by the Board. A trustee who tenders his or her resignation pursuant to the

majority voting policy shall not be permitted to participate in any meeting of the Board and/or the Corporate Governance and Compensation Committee at which his or her resignation is to be considered.

### **Voting on Individual Basis**


Unitholders will be asked to vote for each nominee on an individual basis.


### **Trustees Nominated for Election**


All of the nominees are currently trustees of Plaza and have been since the dates indicated in the charts set forth below. The below information relating to nominees is based partly on the Trust's records and partly on information received by the Trust from the nominees.


It is the intention of the management designees, if named as proxy, to vote for the re-election to the Board of each person hereinafter set out unless otherwise directed. The Board does not contemplate that any of the nominees will be unable to serve as trustee, however, if for any reason any of them do not stand for election or are unable to serve as such, the management designees, if named as proxy, reserve the right to vote for any other nominee in their sole discretion unless the Unitholder has specified in his or her proxy that his or her Units are to be withheld from voting on the election of one (1) or more trustees.


**Unless the Unitholder specifies in the accompanying form of proxy that the Units represented by the proxy are to be withheld from voting in the election of one (1) or more trustees, the person named in the form of proxy shall vote the Units represented by the proxy in favour of the election of each person whose name is set forth below.**

 <p><b>EDOUARD BABINEAU</b></p> <p><b>Trustee</b></p> <p>Charlottetown, Prince Edward Island, Canada</p> <p>Board Member since: April 21, 2004</p> <p><b>INDEPENDENT</b></p>		<p><b>Principal Occupation during the Past 5 Years and Experience</b></p> <p>Edouard Babineau is the President and CEO of Babineau Holdings Ltd.</p> <p>Mr. Babineau's extensive business experience also includes President of Babineau Fisheries Ltd., Souris Seafoods Ltd., International Seafoods Ltd. and Northumberland Seafoods Ltd. (an international marketing company) and President and CEO of PEI Capital Inc. (a venture capital company). He also served two terms of three years each as President of the Seafood Processors Association of Prince Edward Island. Mr. Babineau was a Governor on the board of Holland College in Prince Edward Island for six years, where he was a member of the Finance Committee and the Pension Committee, and was also a director of the Holland College Foundation for six years.</p>
<b>2016 Annual Meeting Votes in Favour</b>		<b>Other Public Board Membership</b>
99.93%		N/A
<b>Plaza Securities held as at March 24, 2017</b>		<b>Committee Membership</b>
<b>Units</b>	<b>Deferred Units</b>	<ul style="list-style-type: none"> <li>○ Member of Corporate Governance and Compensation Committee</li> <li>○ Member of Audit Committee</li> </ul>
1,116,170	4,638	


 <p><b>ROBERT BOUDREAU</b></p> <p><b>Trustee</b></p> <p>Bedford, Nova Scotia, Canada</p> <p>Board Member since: May 22, 2014</p> <p><b>INDEPENDENT</b></p>		<p><b>Principal Occupation during the Past 5 Years &amp; Experience</b></p> <p>Robert Boudreau was President &amp; CEO of J. Robert Boudreau &amp; Assoc. from 1993 to 2012. He has over 30 years of commercial real estate experience in debt, equity, brokerage, valuation and consulting. Mr. Boudreau undertakes occasional contract consulting when requested and currently assists Public Works and Government Services Canada with real estate valuation matters.</p> <p>Mr. Boudreau served as Advisory Counsel/Senior Consultant to Altus Group – Real Estate Advisory Services from 1998 to 2008. He was Vice President and Director for DS Marcil Inc. until 1993 and also held various positions within Maritime Life’s Real Estate Investment Department until 1987. Mr. Boudreau holds a Bachelor of Commerce degree from Saint Mary’s University.</p>
<b>2016 Annual Meeting Votes in Favour</b>		<b>Other Public Board Membership</b>
99.92%		N/A
<b>Plaza Securities held as at March 24, 2017</b>		<b>Committee Membership</b>
<b>Units</b>	<b>Deferred Units</b>	○ Member of Audit Committee
13,315	4,638	


 <p><b>EARL BREWER</b></p> <p><b>Chair of the Board and Trustee</b></p> <p>Fredericton, New Brunswick, Canada</p> <p>Board Member since: February 2, 1999</p> <p><b>NOT INDEPENDENT</b></p>		<p><b>Principal Occupation during the Past 5 Years and Experience</b></p> <p>Earl Brewer is the Chair of the Board of Plaza and Plaza Group Management Limited, and was also Chair of the Board of Plazacorp.</p> <p>Prior to assuming the role of Chair of the Board of Plazacorp, Mr. Brewer was President and CEO commencing in 1999 to 2002. He was also Chair of the Board of Greenarm Corporation and Greenarm Management, principally involved in office building development. Mr. Brewer has extensive experience in the real estate business commencing in 1984. He has served the public in many capacities with organizations including Board of Governors, University of New Brunswick; Director, Atlantic Salmon Federation; Director, New Brunswick Investment Management Corporation; and Honorary Consul for Sweden. Mr. Brewer currently serves on the board of the Atlantic Salmon Conservation Foundation and the Board of Governors of the Beaverbrook Art Gallery.</p>
<b>2016 Annual Meeting Votes in Favour</b>		<b>Other Public Board Membership</b>
99.97%		N/A
<b>Plaza Securities held as at March 24, 2017</b>		<b>Committee Membership</b>
<b>Units</b>	<b>Deferred Units</b>	N/A
7,418,398	NIL	

 <p><b>STEPHEN JOHNSON</b></p> <p><b>Trustee</b></p> <p>Toronto, Ontario, Canada</p> <p>Board Member since: February 2, 1999</p> <p><b>INDEPENDENT</b></p>		<p><b>Principal Occupation during the Past 5 Years &amp; Experience</b></p> <p>Stephen Johnson is the Chief Executive Officer of Canadian Real Estate Investment Trust (“<b>CREIT</b>”). He joined CREIT as CEO in September 1996. With over 37 years in the real estate industry, Mr. Johnson has extensive experience in real estate corporate finance, property and asset management, leasing, real estate valuation and property development.</p> <p>Prior to joining CREIT, Mr. Johnson served as the President and Chief Executive Officer of DS Marcil Inc. (now RBC Capital Markets Real Estate Group), and concurrently Mr. Johnson served as a Vice President and director of RBC Dominion Securities Inc. He is a past director of Royal Bank Realty and a past member of the Real Estate Advisory Panels for both Canada Post Corporation and the Canada Deposit Insurance Corporation.</p>
<b>2016 Annual Meeting Votes in Favour</b>		<b>Other Public Board Membership</b>
99.96%		Trustee of CREIT (TSX)
<b>Plaza Securities held as at March 24, 2017</b>		<b>Committee Membership</b>
<b>Units</b>	<b>Deferred Units</b>	<ul style="list-style-type: none"> <li>Member of Corporate Governance and Compensation Committee</li> </ul>
538,324	12,230	

 <p><b>DENIS LOSIER</b></p> <p><b>Trustee</b></p> <p>Moncton, New Brunswick, Canada</p> <p>Board Member since: April 5, 2007</p> <p><b>INDEPENDENT</b></p>		<p><b>Principal Occupation during the Past 5 Years &amp; Experience</b></p> <p>Denis Losier is the former President and Chief Executive Officer of Assumption Mutual Life Insurance Company of Moncton and former Chair of Assumption Life's subsidiaries and Louisbourg Investments (September 1, 1994 to April 1, 2013).</p> <p>Mr. Losier is a director and Chair of the Corporate Governance and Nominating Committee of Canadian National Railway Company ("CN"), as well as a member of the Audit Committee (and former Chair), Human Resources and Compensation Committee, Strategic Planning Committee and Investment Committee of CN's Pension Trust Funds. He is also a director of Enbridge Gas New Brunswick Limited Partnership. He is a former director and Chair of the Board of Capital DGM Inc., former Chair of Invest NB and a former board member of the Security and Intelligence Review Committee, Canadian Blood Services and NAV Canada. Mr. Losier previously served as a Member on the New Brunswick Legislative Assembly and held several cabinet positions during his tenure. He was appointed a Member of the Order of Canada in 2011.</p>
<b>2016 Annual Meeting Votes in Favour</b>		<b>Other Public Board Membership</b>
99.93%		Director of Canadian National Railway Company (TSX; NYSE)
<b>Plaza Securities held as at March 24, 2017</b>		<b>Committee Membership</b>
<b>Units</b>	<b>Deferred Units</b>	<ul style="list-style-type: none"> <li>○ Chair and Member of Corporate Governance and Compensation Committee</li> <li>○ Member of Audit Committee</li> <li>○ Independent trustee contact</li> </ul>
147,921	4,638	



 <p><b>BARBARA TRENHOLM</b></p> <p><b>Trustee</b></p> <p>Fredericton, New Brunswick, Canada</p> <p>Board Member since: March 1, 2005</p> <p><b>INDEPENDENT</b></p>		<p><b>Principal Occupation during the Past 5 Years &amp; Experience</b></p> <p>Barbara Trenholm, BComm, MBA, FCPA (FCA), ICD.D, is a professor emerita at the University of New Brunswick (“<b>UNB</b>”) and President of Tantramar Management Ltd.</p> <p>Ms. Trenholm is currently serving on the NB Power Board of Directors and International Development Research Centre Board of Governors. She previously served as a member of the Board of Directors of Atomic Energy of Canada Ltd., the Board of Directors of the Canadian Institute of Chartered Accountants (now known as CPA Canada) and co-chair of the UNB Board of Pension Trustees. Ms. Trenholm is also a past president of the New Brunswick Institute of Chartered Accountants (now known as CPA New Brunswick) and past Acting Dean of the Faculty of Administration at UNB.</p>
<b>2016 Annual Meeting Votes in Favour</b>		<b>Other Public Board Membership</b>
99.93%		N/A
<b>Plaza Securities held as at March 24, 2017</b>		<b>Committee Membership</b>
<b>Units</b>	<b>Deferred Units</b>	<ul style="list-style-type: none"> <li>○ Chair and Member of Audit Committee</li> <li>○ Member of Corporate Governance and Compensation Committee</li> </ul>
198,002	16,750	

 <p><b>MICHAEL ZAKUTA</b></p> <p><b>President &amp; CEO and Trustee</b></p> <p>Montreal, Quebec, Canada</p> <p>Board Member since: February 2, 1999</p> <p><b>NOT INDEPENDENT</b></p>		<p><b>Principal Occupation during the Past 5 Years &amp; Experience</b></p> <p>Michael Zakuta is the President &amp; CEO of Plaza and Plaza Group Management Limited and was also President &amp; CEO of Plazacorp.</p> <p>Mr. Zakuta entered the real estate development business on a full time basis after obtaining his law degree from the University of Montreal and a business degree from McGill University. Mr. Zakuta is a co-founder of the Plaza Group and has been involved in every aspect of shopping centre development, acquisitions and management in Quebec and Atlantic Canada since 1986.</p>
<b>2016 Annual Meeting Votes in Favour</b>		<b>Other Public Board Membership</b>
99.96%		<ul style="list-style-type: none"> <li>○ Trustee of Fronsac Real Estate Investment Trust (TSXV)</li> <li>○ Trustee of Inovalis Real Estate Investment Trust (TSX)</li> </ul>
<b>Plaza Securities held as at March 24, 2017</b>		<b>Committee Membership</b>
<b>Units</b>	<b>Deferred Units</b>	N/A
12,053,599	NIL	

## **Qualifications and Areas of Expertise**

The Corporate Governance and Compensation Committee annually reviews the qualifications of persons proposed for election to the Board and assesses their skills and competencies against those that the Board, as a whole, should possess. It also considers other characteristics of each nominee including, independence, background, reputation for business ethics, geographical representation, diversity and availability of service to Plaza, as well as the opportunities, risks and strategic direction of the Trust, before submitting its recommendations to the Board for approval. The persons proposed for nominations are, in the opinion of the Board, well qualified to act as trustees for the ensuing year. The eligibility and willingness of each nominee to serve as trustee has been established.

The table below indicates the skills and experience on the part of the seven (7) trustee nominees in categories important to Plaza's business (in which each trustee should have experience in three (3) or more).

Nominee	Real Estate	Retail	Accounting / Finance	Executive Comp / Human Resources	Risk Management	Executive / Business Leadership	Other Board/ Committee Membership Experience	Corp Gov	Regulatory
Edouard Babineau	√	√	√	√	√	√	√	√	
Robert Boudreau	√		√	√	√	√			
Earl Brewer	√	√	√	√	√	√	√	√	√
Stephen Johnson	√		√	√	√	√	√	√	√
Denis Losier			√	√	√	√	√	√	√
Barbara Trenholm			√	√	√		√	√	√
Michael Zakuta	√	√	√	√	√	√	√	√	

## **APPOINTMENT OF AUDITOR**

The Board of Trustees and management of Plaza propose that the firm KPMG LLP ("**KPMG**") be re-appointed as external auditor of the Trust to hold office until the close of the next annual meeting of Unitholders, at a remuneration to be fixed by the Board of Trustees, on recommendation of the Audit Committee. KPMG has been the auditor of Plazacorp (and now Plaza) since its appointment at Plazacorp's annual shareholder meeting held on April 21, 2004.

## **Auditor Evaluation**

Pursuant to the Trust's Audit Committee Charter, the Audit Committee, *inter alia*, recommends to the Board the appointment of the auditor with such appointment to be confirmed by the Trust's Unitholders at each annual meeting. The Board of Trustees has adopted all recommendations of the Audit Committee on the appointment and compensation of the auditor.

The Audit Committee Charter can be found on the Trust's website at [www.plaza.ca](http://www.plaza.ca) under Investor Relations / Corporate Governance or under the Trust's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and is incorporated herein by reference. The Trust will promptly provide a copy of this Charter free of

charge to a Unitholder upon request to the Corporate Secretary.

Following the completion of the 2016 audit, the Audit Committee and management completed annual performance evaluations of KPMG. The Audit Committee believes that annually evaluating the external auditor assists the Committee in making informed recommendations to the Board on auditor appointment. The evaluations encompassed an assessment of the quality of services and sufficiency of resources provided by the auditor; quality and candor of communication and interaction with the auditor; and the auditor's independence, objectivity and professional skepticism. The evaluation results indicated that KPMG is meeting expectations and, therefore, were an important factor considered in the Audit Committee's recommendation to appoint KPMG as external auditor of the Trust.

### **Audit Fees**

The Audit Committee (through management) negotiates with the auditor on an arm's length basis in determining the fees to be paid to the auditor. Such fees have been based upon, among other things, the complexity of the matters in question and the time incurred by the auditor. Management believes that the fees negotiated have been reasonable in the circumstances and would be comparable to fees charged by auditors providing similar services to similar issuers.

The Audit Committee also reviews the nature of, and fees for, non-audit services provided by the auditor to ensure they are consistent with maintaining the auditor's independence.

Further information on the Audit Committee and fees paid to the auditor for the fiscal years ending December 31, 2016 and December 31, 2015 can be found in the Trust's Annual Information Form Schedule A – Form 52-110F1, Audit Committee Information Required in an AIF, a copy of which can be found on the Trust's website at [www.plaza.ca](http://www.plaza.ca) under Investor Relations / Financial Reports, or under the Trust's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**Unless the Unitholder specifies in the accompanying form of proxy that the Units represented by such proxy are to be withheld from voting for the appointment of the auditor, the persons named in the accompanying form of proxy shall vote the Units represented by the proxy in favour of the re-appointment of KPMG LLP as auditor of the Trust and to authorize the Board of Trustees to fix the auditor's remuneration.**

### **OTHER MATTERS COMING BEFORE THE MEETING**

Management knows of no matters to come before the Meeting other than those referred to in the accompanying Notice of Meeting. Should any other matters properly come before the Meeting, the Units represented by proxy solicited hereby will be voted on such matters in accordance with the best judgment of the person voting such proxy.

## STATEMENT OF EXECUTIVE COMPENSATION

This Statement of Executive Compensation describes the compensation programs of Plaza in respect of its named executive officers (“NEOs”), in accordance with the definition thereof contained in Form 51-102F6 – Statement of Executive Compensation, for the year ended December 31, 2016.

For 2016, the NEOs of the Trust were:

- Earl Brewer (Chair of the Board);
- Michael Zakuta (President & CEO);
- Floriana Cipollone (Chief Financial Officer);
- James Petrie (Executive Vice-President & Chief Operating Officer); and
- Kevin Salsberg (Executive Vice-President & Chief Investment Officer).<sup>1</sup>

<sup>1</sup>Mr. Salsberg resigned as an officer of the Trust effective June 3, 2016.

### **COMPENSATION DISCUSSION AND ANALYSIS**

#### **Objectives**

Plaza’s primary goal is to deliver a reliable and growing yield to Unitholders from a diversified portfolio of retail properties. The objectives of executive compensation for NEOs are: (a) to attract, retain and motivate qualified individuals to pursue this goal, (b) to motivate them to act in the best interests of Unitholders and (c) align their interests with those of Unitholders.

#### **Elements of Compensation and Decision Making**

The primary elements of Plaza’s executive compensation for NEOs are: (a) base salary, (b) annual incentive cash bonuses and (c) equity-based incentives in the form of RSUs granted in accordance with the RSU Plan (each as hereinafter defined). Plaza feels each of these elements assists in achieving one or more of its compensation objectives and serves the interests of Unitholders by ensuring that compensation addresses both short-term and longer-term interests of Unitholders.

#### ***Base Salary***

Base salaries are intended to provide NEOs with an appropriate level of fixed compensation that will assist in retention and recruitment. Base salaries for 2016, and annual salary raises, were determined on an individual basis, taking into consideration the NEO’s past, current and potential contribution to the success of Plaza as well as the role the NEO was expected to play in the upcoming period; the overall expertise, position and responsibilities of the NEO; and salaries anticipated in the markets in which Plaza operates.

Base salaries for NEOs (other than the Chair of the Board and President & CEO) are recommended by the Chair of the Board and the President & CEO on an annual basis and are reviewed and approved by the Corporate Governance and Compensation Committee, for recommendation of approval to the Board. The base salaries paid to the said NEOs for the last three (3) fiscal years are outlined below in the *Summary Compensation Table*.

The base salaries of the Chair of the Board and President & CEO are also reviewed and approved by the Corporate Governance and Compensation Committee, for recommendation of approval to the Board, on an annual basis. The base salaries paid for the roles of Chair of the Board and President & CEO did not increase in the 2014, 2015 or 2016 fiscal years and are also outlined below in the *Summary Compensation Table*.

#### ***Annual Incentives – Cash Bonuses***

Plaza pays annual cash bonuses to its NEOs. Plaza feels the payment of annual bonuses helps ensure that NEO goals are aligned with those of Unitholders. In addition to having a retention aspect, the annual cash bonus is important for recruitment purposes, as it enables the Trust to attract executives who expect their talents to contribute to the continued success of Plaza and wish to be rewarded for their contributions. The annual cash bonus also provides a financial incentive to enhance the self-motivation of NEOs to perform at their peak throughout each compensation assessment period.

To and including 2016, discretionary annual cash bonuses were paid to reward a NEO based on the performance of the Trust and/or the NEO individually. The determination of the performance of the Trust could vary from year to year depending on economic conditions and conditions in the real estate industry. Individual performance factors would include completion of specific projects or transactions and the execution of day-to-day responsibilities.

The performance of NEOs (other than the Chair of the Board and President & CEO) is evaluated annually by the Chair of the Board and President & CEO. The payment of bonuses to these NEOs is made upon the recommendation of the President & CEO and Chair of the Board and bonuses are reviewed and approved by the Corporate Governance and Compensation Committee annually, for recommendation of approval to the Board. The annual bonuses paid to the Chief Financial Officer, Executive Vice-President & Chief Operating Officer and former Executive Vice-President & Chief Investment Officer for the last three (3) fiscal years are outlined below in the *Summary Compensation Table*.

Each year, the Corporate Governance and Compensation Committee reviews the performance of the President & CEO. Prior to the performance review, the Committee informally reviews the responsibilities of the President & CEO as listed in his employment agreement (see *Statement of Governance Practices, Position Descriptions* below) and considers if any significant issues should be raised during the performance review. Any significant issues would be brought forward to the Board of Trustees for its information and discussion.

The payment of any annual cash bonuses to the Chair of the Board and President & CEO, as applicable, would also be reviewed and approved by the Corporate Governance and Compensation Committee, for recommendation of approval to the Board. Neither the Chair of the Board nor the President & CEO received a cash bonus as part of his compensation for the 2014, 2015 or 2016 fiscal years.

### ***Equity-based Incentives – RSU Plan***

Longer-term compensation for NEO's is reflected in the granting of RSUs pursuant to the RSU Plan. The RSU Plan is designed to align the interests of officers and employees of the Trust or subsidiaries of the Trust with those of Unitholders; to reward senior management and employees of the Trust for their sustained contributions to the Trust; and to assist in attracting, retaining and motivating senior management and employees of the Trust. The granting of RSUs is not based on specific performance goals.

As is described under *Unit-based Awards, RSU Plan* below, unless otherwise determined by the Corporate Governance and Compensation Committee, RSUs have three (3) year vesting periods which promotes the retention of key personnel. Unvested awards are forfeited in the event of voluntary resignation. The granting of RSUs also assists in aligning the interests of NEOs with Unitholders as the value of these awards is directly tied to the market price of Units and the vesting periods help to ensure NEOs will be focused on the longer-term performance of Units.

In granting RSUs to NEOs under the RSU Plan, the President & CEO and Chair of the Board first make a recommendation to the Corporate Governance and Compensation Committee of the number of RSUs to be granted. Before making any recommendation for the granting of any new RSUs, the President & CEO and Chair of the Board will take into account previous RSUs granted to any one individual. Any RSU grants will be reviewed by the Corporate Governance and Compensation Committee and approved in its discretion, and recommended to the Board for approval.

The number and value at grant date of RSUs that have been granted to NEOs (other than the Chair of the Board and President & CEO) in the last three (3) fiscal years, as applicable, are summarized below in the *Summary Compensation Table* and footnotes thereto. No RSUs have been granted to the Chair of the Board or the President & CEO to date.

For more information on the RSU Plan, see *Unit-based Awards, RSU Plan* below.

### **Benchmarking**

Plaza currently does not engage compensation consultants for the purposes of performing benchmarking, nor does it currently benchmark compensation levels against a specific group of peers; Plaza does not have a policy in respect of the level at which base salary or total compensation must be in relation to any other entity. To provide context for compensation decisions, however, Plaza considers general industry information available for comparable real estate businesses and real estate investment trusts.

### **Compensation Review**

The above discussion focusses primarily on the Trust's compensation framework for 2016. As part of the Corporate Governance and Compensation Committee's ongoing mandate to ensure Plaza's compensation program aligns the interests of executives and Unitholders and meets the other compensation objectives identified above, it has conducted a review of Plaza's executive compensation framework. The primary elements of Plaza's executive compensation for NEOs (base salary, annual incentive cash bonuses and equity-based incentives in the form of RSUs) will remain, however, the review will result in a number of positive changes intended to be introduced in 2017, including:

- performance-based annual incentive bonuses for NEOs, a portion of which will be related to individual performance and a portion of which will be related to Trust performance, against pre-set goals and targets;
- the introduction of minimum equity ownership requirements for NEOs.

Plaza feels such modifications will create greater alignment between executive pay and Trust performance and are consistent with corporate governance best practices. Plaza continues its commitment to implement compensation practices that will attract, retain and further motivate executives to drive the Trust's growth and increase Unitholder value over the long-term.

### **Employment Agreements**

As at December 31, 2016, the Trust had employment agreements with the President & CEO, the Chief Financial Officer and the Executive Vice-President & Chief Operating Officer.

#### ***President & CEO***

From November 1, 2005 to June 30, 2011, Michael Zakuta freely and voluntarily provided his services without salary, bonuses, benefits or any other form of compensation from the Trust's predecessor, Plazacorp. The annual compensation of Michael Zakuta was paid by Plaza Group Management Limited, which was an external property manager from March 30, 2009 to June 30, 2011. Effective July 1, 2011, Plazacorp purchased the shares of Plaza Group Management Limited at net book value. As a result of that transaction, property management and corporate management were internalized.

Mr. Zakuta's employment agreement (effective January 1, 2014) provides for an annual base salary (see *Summary Compensation Table* below for base salary paid for the last three (3) fiscal years) and such bonuses or further compensation as may be approved by the Corporate Governance and Compensation Committee and recommended to the Board. As noted above under *Annual Incentives – Cash Bonuses*, Mr. Zakuta did not receive a cash bonus as part of his compensation for the 2014, 2015 or 2016 fiscal years. Mr. Zakuta's employment agreement contains non-solicitation and confidentiality covenants consistent with industry standards.

Mr. Zakuta's employment agreement also provides for reimbursement of reasonable expenses incurred by him as a result of his work on behalf of the Trust upon presentation of supporting documentation. The expense claims of the President & CEO (and the Chair of the Board) are reviewed annually by the Chair of the Audit Committee. Any expense that the Chair of the Audit Committee deems is not a valid business expense of the Trust would have to be reimbursed. All expense claims submitted have been in compliance with Trust policy and no reimbursement has been required to date.

#### ***Chief Financial Officer***

Floriana Cipollone has been employed as Chief Financial Officer of Plazacorp (prior to the REIT Conversion) and the Trust, respectively, since September 1, 2010. Ms. Cipollone entered into a new employment agreement effective March 1, 2015 which provides for an annual base salary (see *Summary Compensation Table* below for base salary paid for the last three (3) fiscal years) and eligibility to receive annual salary raises and bonuses following annual review (see *Elements of Compensation and Decision Making* above for considerations in determining salary raises and



bonuses). Ms. Cipollone's employment agreement also provides for reimbursement of all approved expenses incurred as a result of her work on behalf of Plaza upon presentation of satisfactory supporting documentation. The agreement contains non-solicitation and confidentiality covenants consistent with industry standards.

***Executive Vice-President & Chief Operating Officer***

James Petrie has been employed as Executive Vice-President & Chief Operating Officer since May 21, 2015. He was previously Executive Vice-President & General Counsel of Plazacorp (prior to the REIT Conversion) and the Trust, respectively, since May 13, 2013; Vice-President & General Counsel from August 20, 2009 and, prior to that, Secretary & Corporate Counsel since March 1, 2004. Mr. Petrie also entered into a new employment agreement effective March 1, 2015 which provides for an annual base salary (see *Summary Compensation Table* below for base salary paid for the last three (3) fiscal years) and eligibility to receive annual salary raises and bonuses following annual review (see *Elements of Compensation and Decision Making* above for considerations in determining salary raises and bonuses). Mr. Petrie's employment agreement also provides for reimbursement of all approved expenses incurred as a result of his work on behalf of Plaza upon presentation of satisfactory supporting documentation. The agreement contains non-competition, non-solicitation and confidentiality covenants consistent with industry standards.

**Other NEO Employment Agreements**

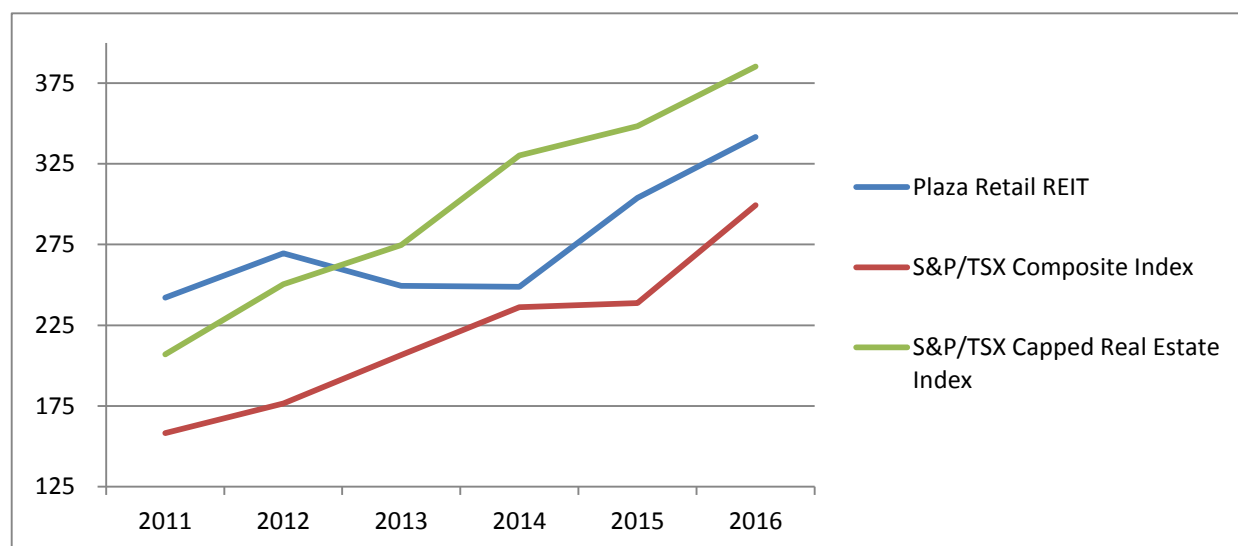
Kevin Salsberg, former Executive Vice-President & Chief Investment Officer, entered into an employment agreement with Plaza effective May 17, 2013. As previously noted, Mr. Salsberg resigned as an officer of the Trust effective June 3, 2016; non-competition and non-solicitation covenants continue for twelve (12) months following termination of his employment agreement and confidentiality covenants continue to apply unless waived in writing by the Trust.

Plaza has entered into an employment agreement with Peter Mackenzie, its current Executive Vice-President & Chief Investment Officer, however, Mr. Mackenzie's employment with Plaza did not commence until January 1, 2017.

## **PERFORMANCE GRAPH**

Plazacorp graduated from the TSX Venture Exchange, and its common shares commenced trading on the TSX, on July 2, 2013. The following graph shows the cumulative total shareholder return for Plazacorp's common shares and the Trust's Units compared to the S&P/TSX Composite Index and the S&P/TSX Capped Real Estate Index for a five year period ending December 31, 2016. The graph assumes all Plazacorp dividends and Trust distributions were reinvested.

### **Comparison of 5 Year Total Return on \$100 Invested**



	2011	2012	2013	2014	2015	2016
Plaza Retail REIT (and its predecessor Plazacorp)	242	270	249	249	304	342
S&P/TSX Composite Index	158	177	207	236	239	299
S&P/TSX Capped Real Estate Index	207	250	275	330	348	385

The compensation of NEOs for 2016 was not directly tied to the total return to Unitholders over a five (5) year period. However, as noted above under *Equity-based Incentives, RSU Plan*, part of the compensation of NEOs is paid in RSUs. The value of RSU awards is directly tied to the market price of Units and assists in aligning the interests of NEOs with Unitholders.

## **UNIT-BASED AWARDS – RSU PLAN**

The fixed amount restricted share unit plan (the “**Original Plan**”) was originally approved at Plazacorp's annual and special meeting of shareholders on April 18, 2012, at which time the Original Plan received disinterested shareholder approval. The Original Plan replaced Plazacorp's stock option plan.

In connection with the REIT Conversion, the right to be issued common shares of Plazacorp pursuant to the Original Plan was exchanged for the right to be issued Units, on the basis of one (1) Unit for each common share having equivalent terms. The Original Plan was amended such that participants were entitled to receive Units in lieu of common shares of Plazacorp in accordance with the vesting schedule that existed prior to completion of the REIT Conversion, and the Trust adopted an amended

and restated restricted share unit plan accordingly (the “**RSU Plan**”). The material features of the Original Plan did not change and, as such, security holder approval of the amendments was not required.

## **RSUs**

The RSU Plan is administered by the Corporate Governance and Compensation Committee. Under the RSU Plan, the Corporate Governance and Compensation Committee may grant restricted share units (“**RSUs**”) to such officers or employees of the Trust or subsidiary of the Trust as it may determine from time to time (each an “**Eligible Person**” herein, and when such an Eligible Person is granted RSUs and has delivered a participation agreement to the Trust in the form required under the RSU Plan, herein a “**Participant**”). No person is entitled as of right to participate in the RSU Plan; the decision as to who will have the opportunity to participate, and the extent of such participation, will be made by the Corporate Governance and Compensation Committee upon the recommendation of the President & CEO and Chair of the Board.

Each RSU notionally represents one (1) Unit. A RSU account is maintained by the Trust for each Participant and shows the RSUs credited to such Participant from time to time.

## **Vesting of RSUs**

Except as otherwise determined by the Corporate Governance and Compensation Committee, RSUs vest as follows: one-third (1/3) of a given award of RSUs under the RSU Plan (an “**RSU Award**”) on the first anniversary of the grant date, one-third (1/3) of such RSU Award on the second anniversary of the grant date and the balance of such RSU Award on the third anniversary of the grant date (each, a “**Vesting Date**”). The Corporate Governance and Compensation Committee may accelerate the Vesting Date for any or all RSUs for any Participant at any time. Not later than fifteen (15) business days prior to a Vesting Date, each Participant must execute and deliver to the Trust an Election Form (in the form required under the RSU Plan) to request how the Trust is to redeem the vested portion of such Participant’s RSUs. Elections are not permitted to be made during any blackout periods established by the Trust from time to time, in accordance with the RSU Plan. A Participant can elect to redeem vested RSUs by receiving either or any combination of: one (1) Unit for each vested RSU; and/or a lump-sum cash payment calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Unit (as hereinafter defined).

If the employment of a Participant is terminated by Retirement (as defined in the RSU Plan) or death, any unvested RSUs will vest on the date of Retirement or the date of death of the Participant, as the case may be. If the employment of a Participant is terminated without Cause (as defined in the RSU Plan), any unvested RSUs will vest on the date of termination. If the employment of a Participant is terminated due to Incapacity to Work (as defined in the RSU Plan), subject to the discretion of the Corporate Governance and Compensation Committee, any unvested RSUs will vest on the date of termination. In the event a Change of Control (as defined in the RSU Plan) occurs or is reasonably expected to occur and employment is terminated, subject to the discretion of the Corporate Governance and Compensation Committee, any unvested RSUs shall vest on the earlier of (i) such date as may be determined by the Committee in its sole discretion, and (ii) the applicable Vesting Dates.

If a Participant resigns or the employment of a Participant is terminated by the Trust for Cause, subject to the discretion of the Corporate Governance and Compensation Committee, any unvested

RSUs will terminate automatically without payment on the date of resignation or termination.

For provisions regarding the vesting of RSUs to NEOs on termination without cause or in the event of a change of control under their employment agreements, see *Termination and Change of Control Benefits* below.

### **Distribution RSUs**

Each RSU credited to a Participant's RSU account receives a distribution of additional RSUs equal to the amount of distributions paid per Unit ("**Distribution RSUs**"). The number of Distribution RSUs to be issued for each distribution payment will be equal to the aggregate amount of such distribution payable to a Participant on his or her RSUs divided by, on any applicable day, the volume weighted average closing price of Units for the five (5) trading days immediately preceding such applicable day (the "**Market Price per Unit**") determined on the applicable day on which a distribution is paid on the Units (a "**Distribution Payment Date**").

Upon submitting to the Trust a participation agreement in respect of a Participant's first grant of RSUs, each Participant must also execute and deliver to the Trust a distribution election form in the form required under the RSU Plan to request how the Trust is to redeem Distribution RSUs. Such election indicates whether the Distribution RSUs granted will be redeemed for cash or Units. Each year thereafter, each Participant will be entitled to change his or her election regarding Distribution RSUs within a period of fifteen (15) days from the anniversary date of the RSU Award by submitting a further election form within said period of the applicable year, subject to any blackout periods established by the Trust from time to time.

Distribution RSUs are granted immediately following any Distribution Payment Date, vest immediately upon grant and are redeemed by the Trust in accordance with the instructions provided by the Participant in his or her distribution election form. If a Participant elects to have his or her Distribution RSUs redeemed for cash, the amount payable is calculated by multiplying the number of Distribution RSUs to be redeemed by the Market Price per Unit on the Distribution Payment Date net of any applicable withholding taxes. If a Participant elects to have his or her Distribution RSUs redeemed for Units, the Participant will receive one (1) Unit for each Distribution RSU net of any applicable withholding taxes. In the event a Participant fails to submit a distribution election form, he or she will receive Units on the redemption of Distribution RSUs in accordance with the RSU Plan.

### **Units Subject to Issuance under the RSU Plan**

The maximum number of Units that may be issued under the RSU Plan upon the redemption of RSUs and Distribution RSUs is 5,879,261 Units (representing approximately 5.75% of Plaza's issued and outstanding Units and Special Voting Units as at March 24, 2017). The number of Units that may be issued under the RSU Plan is subject to increase or decrease by reason of consolidations or reverse consolidations or as may otherwise be permitted by the TSX. No RSUs or Distribution RSUs may be granted under the RSU Plan if such grant would cause the total number of Units issuable upon redemption of the of RSUs and Distribution RSUs under the RSU Plan and any other unit-based compensation arrangements of the Trust to exceed ten percent (10%) of the number of Units issued and outstanding at such time.

As at March 24, 2017, a total of 90,309 Units have been issued on the redemption of vested RSUs and Distribution RSUs (representing approximately 0.09% of Plaza's issued and outstanding Units and Special Voting Units). The remaining available reserve is 5,788,952 (representing approximately 5.66% of Plaza's issued and outstanding Units and Special Voting Units as at March 24, 2017).

### **Limits on Issuance of Units under RSU Plan**

The aggregate number of Units reserved for issuance under RSUs and Distribution RSUs to any one individual must not exceed one percent (1%) (at the time of the grant) or two percent (2%) (in any twelve (12) month period) of the issued and outstanding Units. The aggregate number of Units issued pursuant to the redemption of RSUs and Distribution RSUs to any one individual in any twelve (12) month period must not exceed five percent (5%) of the Units then issued and outstanding.

The number of Units issuable to insiders, at any time, under the RSU Plan pursuant to the redemption of RSUs and Distribution RSUs and any other unit-based compensation arrangements of the Trust, must not exceed ten percent (10%) of Units then issued and outstanding. The number of Units issued to insiders, within any one-year period, under the RSU Plan pursuant to a redemption of RSUs and Distribution RSUs and any other unit-based compensation arrangements of the Trust, must not exceed ten percent (10%) of Units then issued and outstanding.

### **Non-Transferability**

RSUs are non-transferable other than for normal estate settlement purposes.

### **Amendments to RSU Plan**

The Corporate Governance and Compensation Committee will be permitted to amend the RSU Plan without the consent of Participants provided that such amendment does not operate to materially affect any rights already acquired by a Participant under the RSU Plan, including the Units previously issued thereunder (subject to regulatory approval and in certain instances more particularly described below, Unitholder approval). Any significant changes to the RSU Plan will typically be first identified by management or by the Corporate Governance and Compensation Committee. Unitholder approval is required for any amendment to remove or exceed the participation limits of insiders (see *Limits on Issuance of Units under RSU Plan* above), for any amendment to increase the maximum number of Units issuable under the RSU Plan, any amendments which would permit RSUs to be transferable other than for normal estate settlement purposes, and amendments to an amending provision of the RSU Plan.

Without amending the RSU Plan, the Corporate Governance and Compensation Committee may also, with the consent of the applicable Participant, approve any variation in terms, including the acceleration of redemption of RSUs which have not vested.

On March 24, 2017, the Corporate Governance and Compensation Committee and Board of Trustees approved minor amendments to the RSU Plan to clarify the date range within which a Participant is entitled to annually change his or her election regarding Distribution RSUs (see *Distribution RSUs* above for further information). In addition, as noted below under *Trustee Compensation, Unit-Based Awards - Deferred Unit Plan*, since the Deferred Unit Plan (as hereinafter defined) was approved by

Unitholders at the annual and special meeting of Unitholders held on May 21, 2015, as described in the management information circular for that meeting, it effectively replaced the RSU Plan as the Unit-based incentive compensation plan for non-employee trustees, such that they are no longer eligible to participate under the RSU Plan. This was also reflected in the RSU Plan.

These are not amendments that require Unitholder approval in the circumstances described above. There have been no other amendments to the RSU Plan since it was adopted by the Trust in connection with the REIT Conversion.

## **COMPENSATION GOVERNANCE**

### **Composition and Role of Corporate Governance & Compensation Committee**

The Trust has established the Corporate Governance and Compensation Committee comprised of the following four (4) members: Denis Losier (Chair), Edouard Babineau, Stephen Johnson and Barbara Trenholm. All members of the Corporate Governance and Compensation Committee are trustees and are independent within the meaning of National Instrument 58-101 *Disclosure of Corporate Governance Practices*. None provide services to Plaza other than in connection with his or her services as a trustee and/or Committee chair/member.

Each member of the Corporate Governance and Compensation Committee has direct experience that is relevant to his or her responsibilities in executive compensation as further described in this Management Information Circular. Members have significant experience as senior leaders and board members of organizations, including varied experience in human resources and compensation. This experience enables the Corporate Governance and Compensation Committee as a whole to make decisions with respect to the Plaza's compensation. For more details on the specific functions performed by the Corporate Governance and Compensation Committee in relation to NEO compensation, see *Compensation Discussion and Analysis* above.

The following table highlights the relevant experience of the Committee members:

Committee Member	Relevant Education and/or Experience
Denis Losier, Chair	Mr. Losier is the former President and CEO of Assumption Mutual Life Insurance Company of Moncton and former Chair of Assumption Life's subsidiaries and Louisbourg Investments (September 1, 1994 to April 1, 2013). He is a director and Chair of the Corporate Governance and Nominating Committee of CN (TSX; NYSE), as well as a member of the Audit Committee (and former Chair), Human Resources and Compensation Committee, Strategic Planning Committee and Investment Committee of CN's Pension Trust Funds. Mr. Losier is also a director of Enbridge Gas New Brunswick Limited Partnership. He is a former director and Chair of the Board of Capital DGMC Inc., former Chair of Invest NB and a former board member of the Security and Intelligence Review Committee, Canadian Blood Services and NAV Canada.

Edouard Babineau	Mr. Babineau is President and CEO of Babineau Holdings Ltd. His extensive business experience also includes President of Babineau Fisheries Ltd., Souris Seafoods Ltd., International Seafoods Ltd. and Northumberland Seafoods Ltd. (an international marketing company) and President and CEO of PEI Capital Inc. (a venture capital company). He also served two terms of three years each as President of the Seafood Processors Association of Prince Edward Island. Through his overall leadership roles, Mr. Babineau has developed extensive human resources experience, including responsibility for compensation. Mr. Babineau was also a Governor on the board of Holland College in Prince Edward Island for six years, where he was a member of the Finance Committee and the Pension Committee.
Stephen Johnson	Mr. Johnson is currently the CEO of CREIT (TSX), a publicly traded real estate investment trust. Mr. Johnson has also been a member of the Board of Trustees of CREIT since September, 1996.
Barbara Trenholm	Ms. Trenholm is a Professor Emerita at the University of New Brunswick. She holds a Bachelor of Commerce (Mount Allison University), MBA (University of Maine), FCPA (FCA) (CPA New Brunswick), and an ICD.D (Institute of Corporate Directors). She also currently sits on the board of directors of NB Power and Board of Governors of the International Development Research Centre, in addition to serving other boards in the past.

### **Compensation Consultant**

No compensation consultant or advisor was retained in the Trust's most recently completed financial year to assist the Corporate Governance and Compensation Committee in determining compensation for any of Plaza's trustees or NEOs.

### **Compensation Risk Management**

The Board of Trustees, in consultation with the President & CEO and/or Chief Financial Officer, identifies, on at least an annual basis, the principal risks of the Trust's business and ensures the implementation of appropriate systems to manage these risks. This would include risks associated with the Trust's compensation practices, if any. The Trust does not feel that its compensation practices would encourage any NEO to take inappropriate or excessive risks, and no particular risks have been identified as arising from the Trust's compensation practices that are reasonably likely to have a material adverse effect on the Trust.

## Anti-Hedging

The Trust prohibits NEOs and trustees from purchasing financial instruments designed to hedge or offset a decrease in the market value of equity securities of the Trust granted as compensation or held, directly or indirectly, by the NEO or trustee.

## SUMMARY COMPENSATION TABLE

Name and principal position	Year	Salary (\$)	Unit-based awards (\$) Awards under RSU Plan	Non-equity incentive plan compensation (\$) Annual incentive bonus	Other	Total compensation (\$)
Earl Brewer, Chair of the Board (1), (2)	2016 2015 2014	200,000 200,000 200,000	- - -	- - -	- - -	200,000 200,000 200,000
Michael Zakuta, President & CEO (1), (2)	2016 2015 2014	400,000 400,000 400,000	- - -	- - -	- - -	400,000 400,000 400,000
Floriana Cipollone, Chief Financial Officer (1), (3), (4), (8)	2016 2015 2014	343,388 320,000 291,058	29,400 - -	75,000 75,000 75,000	- - -	447,788 395,000 366,058
James Petrie, Executive Vice-President & Chief Operating Officer (1), (3), (4), (8)	2016 2015 2014	343,388 320,000 291,058	29,400 - -	75,000 75,000 75,000	- - -	447,788 395,000 366,058
Kevin Salsberg, Former Executive Vice - President & Chief Investment Officer (1), (5), (6), (7), (8)	2016 2015 2014	121,920 272,933 241,058	- - -	60,000 50,000 50,000	6,564 15,600 15,600	188,484 338,533 306,658

(1) NEOs receive their compensation from Plaza Group Management Limited, the internalized property manager of the Trust and a wholly-owned subsidiary thereof.



- (2) Earl Brewer and Michael Zakuta receive no compensation for their roles as trustees.
- (3) Each of Floriana Cipollone and James Petrie were granted 6,000 RSUs on December 16, 2016. The value of the RSUs shown in the Summary Compensation Table above is based on the volume weighted average closing price of Units for the five (5) trading days immediately preceding the grant date, being \$4.90.
- (4) Plaza's annual performance reviews occur in April of each year, with any salary increase effective May 1st. Since May, 2016, Floriana Cipollone's annual base salary is \$350,000; James Petrie's annual base salary is \$350,000. The amounts shown in the Summary Compensation Table are the amounts earned in fiscal 2016.
- (5) Kevin Salsberg resigned as an officer of the Trust effective June 3, 2016.
- (6) Mr. Salsberg was granted 10,000 RSUs on December 17, 2013, one third of which (3,334 RSUs) had not vested at the time of his departure and were cancelled in accordance with the RSU Plan.
- (7) Other compensation for Kevin Salsberg consisted of amounts received for a car allowance and club membership.
- (8) The aggregate amount of perquisites and other personal benefits received by any NEO was not greater than the lesser of \$50,000 or 10% of the total salary and bonus paid to the NEO.

## **INCENTIVE PLAN AWARDS**

### **Outstanding Unit-Based Awards - Unvested RSU Awards**

<b>NEO (1), (2), (3)</b>	<b>Number of RSUs that have not vested at December 31, 2016</b>	<b>Value of Unvested RSUs at December 31, 2016</b>	<b>Vesting Dates</b>	<b>Number of RSUs that will vest on each Vesting Date</b>
Floriana Cipollone	6,000	\$30,000	December 16, 2017 December 16, 2018 December 16, 2019	2,000 2,000 2,000
James Petrie	6,000	\$30,000	December 16, 2017 December 16, 2018 December 16, 2019	2,000 2,000 2,000

- (1) NEOs can elect to redeem RSUs for cash or Units, or a combination of both. They are also entitled to a distribution of additional RSUs equal to the amount of distributions paid per Unit, known as Distribution RSUs, which the NEO can annually elect to redeem for cash or Units. Distribution RSUs are granted immediately following each Distribution Payment Date and vest immediately upon grant. See *Unit-based Awards, RSU Plan* above for further information on RSUs and Distribution RSUs.
- (2) The value set out in this column is based on the closing price of Units at December 30, 2016, which was \$5.00.
- (3) As at the date of Kevin Salsberg's departure, 3,334 RSUs (which would otherwise have vested during 2016) were cancelled in accordance with the RSU Plan.

### **Value Vested or Earned During the Year – Equity and Non-Equity**

The following RSUs owned by NEOs vested during the 2016 fiscal year and non-equity incentive awards were earned:

<b>Name</b>	<b>Equity incentive plan – RSU Plan Value vested during the year</b>	<b>Non-equity incentive plan – Value earned during the year</b>
Floriana Cipollone	-	\$75,000
James Petrie	-	\$75,000
Kevin Salsberg (1), (2), (3)	-	\$60,000

- (1) As noted in the Summary Compensation Table above, Kevin Salsberg resigned as an officer of the Trust effective June 3, 2016.
- (2) Mr. Salsberg was granted 10,000 RSUs on December 17, 2013, one third of which (3,334 RSUs) had not vested at the time of his departure and were cancelled in accordance with the RSU Plan.
- (3) This table shows the annual incentive bonus Mr. Salsberg received from Plaza during the 2016 financial year. He also received amounts for a car allowance and club membership as indicated in the *Summary Compensation Table* above.

### **PENSION PLAN BENEFITS**

The Trust has no retirement plans, pension plans or other forms of funded or unfunded retirement compensation and none are proposed at this time.

### **TERMINATION AND CHANGE OF CONTROL BENEFITS**

#### **Employment Agreements**

##### ***President & CEO***

Under Michael Zakuta's employment agreement, Plaza is not obligated to make any payments in the event of a termination of employment, resignation or retirement, or following a change of control of the Trust or change in responsibilities resulting from a change of control.

##### ***Chief Financial Officer and Executive Vice-President & Chief Operating Officer***

The following chart provides an estimate of the amount payable to the Chief Financial Officer and Executive Vice-President & Chief Operating Officer under their employment agreements assuming that termination (i) as a result of a change of control or (ii) without cause unrelated to a change of control, occurred at December 31, 2016:

<b>Change of control (1), (3), (4), (5)</b>	<b>Floriana Cipollone</b>	<b>James Petrie</b>
Lump-sum payment	\$600,381	\$600,381
Value (#) of RSUs that vest	\$30,000	\$30,000
Total	\$630,381	\$630,381
<b>Termination without cause unrelated to change of control (2), (3), (4), (5)</b>	<b>Floriana Cipollone</b>	<b>James Petrie</b>
Lump-sum payment	\$600,381	\$600,381
Value (#) of RSUs that vest	\$30,000	\$30,000
Total	\$630,381	\$630,381

- (1) The employment agreements of Floriana Cipollone and James Petrie have similar change of control provisions. If employment is terminated at any time within 12 months before, on or after a change of control, they will be paid a lump-sum payment equivalent to the greater of (i) 12 months or (ii) 1 month per year of service, of total compensation in lieu of notice of termination, calculated on the basis of (i) annual salary; (ii) annual bonus equal to the greater of 40% of annual base salary and the average of the two most recent annual bonuses (determined on an annualized rate if any bonus was pro-rated for a partial year of service); (iii) a payout in lieu of a RSU grant equal to the greater of 3,333 RSUs or 1/3 of prior year's grant; and (iv) benefits continued for 12 months.
- (2) The employment agreements also have similar provisions governing termination without cause unrelated to a change of control. If employment was terminated without cause, they would be paid a lump sum payment equivalent for a period equal to the greater of: (i) the notice period contained in the change of control clause identified above or (ii) 1 month for every year of service in lieu of notice of termination.
- (3) In the event of termination before, on or after a change of control or without cause as described above, Plaza will also pay a pro-rated bonus to each NEO for the period from the first day of the fiscal year in which employment was terminated to the termination date calculated at the greater of 40% of annual base salary and the average of the two most recent annual bonuses (determined on an annualized rate if any bonus was pro-rated for a partial year of service), payment of outstanding wages, reimbursement of outstanding business expenses and payment of any outstanding accrued vacation pay.
- (4) In the case of termination due to a change of control or without cause unrelated to a change of control, all outstanding RSUs immediately vest.
- (5) RSUs are valued at the closing price of Units at December 30, 2016, which was \$5.00.

## TRUSTEE COMPENSATION

### TRUSTEE COMPENSATION COMPONENTS

The compensation program for non-employee trustees is generally designed to reflect market best practices; compensation payable to independent board members in organizations similar in size and type to Plaza are considered in setting such compensation.

The Corporate Governance and Compensation Committee annually reviews and approves, and recommends the Board approve, the compensation of non-employee trustees and any changes thereto. The Committee may receive a recommendation from the Chair of the Board or the President & CEO for any changes in fees. All changes must be approved by the Corporate Governance and Compensation Committee, for recommendation of approval to the Board.

The below table shows the compensation payable to non-employee trustees in fiscal 2016:

<b>Element of Compensation (1), (2)</b>	<b>Amount of Compensation (\$)</b>	<b>Fees Earned for In-Person Attendance at Meeting (\$ (2))</b>	<b>Fees Earned for Conference Call Attendance at Meeting (\$ (2))</b>
Annual Retainer	\$15,000		
Annual Deferred Unit Award	\$10,000		
Annual Audit Committee Chair Fee	\$12,500		
Annual Corporate Governance and Compensation Committee Chair Fee	\$7,500		
Board Meeting		\$750	\$500
Audit Committee Meeting		\$750	\$500
Corporate Governance and Compensation Committee Meeting		\$750	\$500

(1) Reasonable travel and out-of-pocket expenses relating to meetings or Board business were also payable.

(2) Effective March 24, 2017: (i) the annual retainer was increased to \$16,500; (ii) fees for in-person attendance at meetings were increased to \$1,000; (iii) fees for attendance at meetings via conference call were increased to \$750; and (iv) the Trust will pay an allowance of \$750 for travel in excess of two (2) hours.

## **SUMMARY COMPENSATION TABLE – TRUSTEES**

For the fiscal year 2016, each non-employee trustee earned fees and were granted Deferred Units outlined in the chart below.

Name	Fees earned (1), (2)	Unit-based Awards (3)		Total	% of cash fees elected to be received in Deferred Units (4)
		(#)	(\$)		
Edouard Babineau	\$24,500	1,988	\$10,000	\$34,500	0%
Robert Boudreau	\$21,250	1,988	\$10,000	\$31,250	0%
Stephen Johnson	\$20,000	1,988	\$10,000	\$30,000	100%
Denis Losier	\$31,500	1,988	\$10,000	\$41,500	0%
Barbara Trenholm	\$37,000	1,988	\$10,000	\$47,000	100%

(1) Reflects annual retainer, fees for chairing a Committee (as applicable) and meeting attendance fees earned in 2016. For further information on the amounts of fees payable, please see discussion above under *Trustee Compensation Components*. All non-employee trustees receive their annual fees in quarterly installments.

(2) Earl Brewer and Michael Zakuta receive no compensation for their roles as trustees.

(3) Amounts in these columns reflect the number and value of Deferred Units granted to each non-employee trustee on August 15, 2016. Each such trustee was granted \$10,000 in Deferred Units on that date, or 1,988 Deferred Units each. The number of Deferred Units received was determined by dividing the amount awarded by the volume weighted average price of Units traded on the TSX for the five trading days immediately preceding the award date, which was \$5.03.

(4) Trustees may elect to receive up to 100% of cash fees earned in the form of Deferred Units. Stephen Johnson and Barbara Trenholm elected to receive 100% of their fees in Deferred Units, which elections became effective for quarterly fees paid in and after August, 2015.

## **EQUITY OWNERSHIP REQUIREMENTS**

For the 2016 fiscal year, each non-employee, or independent, trustee was required to make an investment in Units of the Trust equal to three (3) times the annual base Board retainer (totaling \$45,000) within three (3) years of becoming a Trustee. Equity ownership is calculated based on the greater of cost of Unit purchases or market value. Deferred Units count towards these ownership requirements as prescribed from time to time by the Board. As at December 31, 2016, each non-employee trustee met this requirement.

On March 24, 2017, the equity ownership requirement was increased by the Board, such that non-employee trustees are now required to make an investment equal to five (5) times the annual base Board retainer (totaling \$82,500) within three (3) years of becoming a Trustee. As of March 24, 2017, each non-employee trustee meets the requirement, as summarized in the chart below.

Name	Number of Units	Number of Deferred Units	Total Value of Units and Deferred Units (1)	Meets Equity Ownership Requirement (Y / N)
Edouard Babineau	1,116,170	4,638	\$5,458,335	Y
Robert Boudreau	13,315	4,638	\$87,431	Y
Stephen Johnson	538,324	12,230	\$2,681,198	Y
Denis Losier	147,921	4,638	\$742,962	Y
Barbara Trenholm	198,002	16,750	\$1,045,842	Y

(1) Units and Deferred Units are valued at the closing price on March 24, 2017 which was \$4.87.

#### **UNIT-BASED AWARDS – DEFERRED UNIT PLAN**

The deferred unit plan (the “**Deferred Unit Plan**”) was approved by Unitholders at Plaza’s annual and special meeting on May 21, 2015 and is administered by the Corporate Governance and Compensation Committee. Prior to the implementation of the Deferred Unit Plan, non-employee trustees were eligible to participate under the RSU Plan, although no RSUs had been granted to trustees. The Deferred Unit Plan effectively replaced the RSU Plan as the Unit-based incentive compensation plan for non-employee trustees, such that they are no longer eligible to participate under the RSU Plan. Deferred Units (as defined below) reflect an equity-like ownership interest equivalent to Unit ownership on a tax efficient basis, allow non-employee trustees to participate in the long-term success of the Trust and serve to better align the interests of non-employee trustees with those of Unitholders.

#### **Deferred Units**

Non-employee trustees may be awarded deferred units (“**Deferred Units**”), each of which are economically equivalent to one Unit, from time to time at the discretion of the Corporate Governance and Compensation Committee, in accordance with the terms of Deferred Unit Plan. Generally, a recommendation will be made by the Chair of the Board and President & CEO to the Corporate Governance and Compensation Committee of the number or value of Deferred Units to be granted, which will be recommended to the Board for approval. Grants will take into account previous grants of Deferred Units. Non-employee trustees can also, subject to the terms of the Deferred Unit Plan, elect to receive up to 100% of his or her annual Board retainer, meeting fees and additional compensation paid by the Trust to a trustee in a calendar year for service on the Board or for chairing a Committee of the Board (“**Trustee Fees**”), otherwise payable in cash, in the form of Deferred Units.

The number of Deferred Units (including fractional Deferred Units) granted at any particular time pursuant to the Deferred Unit Plan will be equal to (i) the elected amount in respect of Trustee Fees, as determined by a trustee, divided by the Market Value of a Unit on the award date, plus (ii) the Deferred Units, if any, granted to such trustee. “**Market Value**” of a Unit means the volume weighted average price of all Units traded on the TSX for the five (5) trading days immediately preceding such date (or, if the Units are not listed and posted for trading on the TSX, on such stock exchange on which the Units are listed and posted for trading as may be selected for such purpose by the Board). In the event that the Units are not listed and posted for trading on any stock exchange, the

market value shall be the fair market value of the Units as determined by the Board in its sole discretion.

Under no circumstances shall Deferred Units be considered Units nor entitle the holder to any rights as a Unitholder, including, without limitation, voting rights, distribution entitlements (other than as set out below) or rights on liquidation. As noted above, one (1) Deferred Unit is economically equivalent to one (1) Unit. Fractional Deferred Units are permitted under the Deferred Unit Plan.

Deferred Units credited to non-employee trustees count towards their Unit ownership requirements as prescribed from time to time by the Board (see above under *Equity Ownership Requirements*).

### **Cash Distributions**

Whenever cash distributions are paid on Units, additional Deferred Units will be credited to the non-employee trustee's Deferred Unit account ("**Additional Deferred Units**"). The number of such Additional Deferred Units to be credited in respect of a cash distribution paid on Units is calculated by dividing (i) the amount determined by multiplying (a) the aggregate number of Deferred Units held on the relevant distribution record date by (b) the amount of distributions paid by the Trust on each Unit, by (ii) the Market Value of a Unit on the distribution payment date.

### **Vesting and Redemption of Deferred Units**

Deferred Units granted to non-employee trustees vest immediately upon grant. They are redeemable by the non-employee trustee (or, where the trustee has died, by his or her estate) on or after the date on which the individual ceases to be a trustee, provided that any such redemption date is not later than two (2) years following the date he or she ceased to be a trustee. For greater certainty, in the event a non-employee trustee (or his or her estate) has not redeemed his or her Deferred Units prior to the date that is two (2) years following the date the individual ceases to be a trustee, such Deferred Units shall be automatically redeemed for Units issued from treasury on the date that is two (2) years following the date the individual ceases to be a trustee without any action required on the part of the non-employee trustee (or his or her estate).

For non-employee trustees that are Canadian residents and are not U.S. taxpayers, the Deferred Units credited may be redeemed in whole or in part for Units issued from treasury or cash, as elected by the non-employee trustee, on the date on which he or she files a written notice of redemption with the Chief Financial Officer of the Trust.

The administration of the Deferred Unit Plan is subject to, and must be performed in conformity with, all applicable laws, regulations, orders of governmental or regulatory authorities and the requirements of any stock exchange on which the Units are listed. Should the Corporate Governance and Compensation Committee determine that it is not desirable or feasible to provide for the redemption of Deferred Units for Units, including by reason of any such laws, regulations, rules, orders or requirements, it shall notify the non-employee trustees of such determination and on receipt of such notice each non-employee trustee shall have the option of electing that such redemption obligations be satisfied by means of a cash payment by the Trust equal to the Market Value of the Units that would otherwise be delivered to a non-employee trustee in settlement of Deferred Units on the redemption date (less any applicable withholding taxes). Each non-employee trustee shall comply with all such laws, regulations, rules, orders and requirements, and shall furnish the Trust with any and all information and undertakings, as may be required to ensure compliance therewith.

### **Units Subject to Issuance under the Deferred Unit Plan**

The maximum number of Units reserved for issuance under the Deferred Unit Plan is 750,000 (representing approximately 0.73% of the Trust's issued and outstanding Units and Special Voting Units as at March 24, 2017). If any Deferred Unit granted under the Deferred Unit Plan is terminated, expired or is cancelled with no Units being issued, new Deferred Units may thereafter be granted covering such Units, subject to any required prior approval by the TSX or other stock exchange upon which the Units are listed. At all times, the Trust will reserve and keep available a sufficient number of Units to satisfy the requirements of all outstanding Deferred Units granted under the Deferred Unit Plan.

As at March 24, 2017, 42,896 Deferred Units (including fractions) have been issued to non-executive trustees (representing approximately 0.04% of the Trust's issued and outstanding Units and Special Voting Units), none of which have been redeemed.

### **Limits on Issuance of Units under Deferred Unit Plan**

The maximum aggregate number of Units that may be subject to grants of Deferred Units under the Deferred Unit Plan to any one Participant during any 12-month period shall be no greater than 5% of the issued and outstanding Units. In addition, the maximum aggregate number of Units issuable under the Deferred Unit Plan to insiders (as defined in the TSX Company Manual) at any time, including those Units issuable under any other security based compensation arrangement, shall not exceed 10% of the issued and outstanding Units on a non-diluted basis as of the award date of such Deferred Units and the maximum aggregate number of Units that may be issued pursuant to Deferred Units to such insiders during any 12-month period, including those Units issuable under any other security based compensation arrangement, shall not exceed 10% of the issued and outstanding Units on a non-diluted basis.

In addition, the value of any Deferred Units granted to a non-employee trustee in any one fiscal year shall not exceed \$150,000.

### **Non-Transferability**

The rights or interests of a non-employee trustee under the Deferred Unit Plan may not be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a trustee, by will or as required by law.

### **Amendments to Deferred Unit Plan**

The Deferred Unit Plan provides that the Corporate Governance and Compensation Committee may review and confirm the terms of the Deferred Unit Plan from time to time and may, subject to applicable stock exchange rules, amend or suspend the Deferred Unit Plan in whole or in part as well as terminate the Deferred Unit Plan without prior notice as it deems appropriate; however, Unitholder approval is required for any amendment to the Deferred Unit Plan that would:

- (i) result in any increase in the number of Units that may be reserved for issuance from time to time under the Deferred Unit Plan or in the maximum number of Units issuable thereunder;



- (ii) permit Deferred Units granted under the Deferred Unit Plan to be transferable or assignable other than for normal estate settlement purposes;
- (iii) increase the value of grants to a non-employee trustee in any one fiscal year to exceed \$150,000;
- (iv) change the individuals eligible to participate under the Deferred Unit Plan; or
- (v) amend the amendment provisions set out in the Deferred Unit Plan.

Subject to the foregoing, the Corporate Governance and Compensation Committee may, without obtaining the approval of Unitholders, but subject to the rules of the TSX, make changes:

- (i) to correct errors, immaterial inconsistencies or ambiguities in the Deferred Unit Plan;
- (ii) necessary or desirable to comply with applicable laws or regulatory requirements, rules or policies (including stock exchange requirements);
- (iii) to the vesting provisions applicable to Deferred Units issued under the Deferred Unit Plan; and
- (iv) any other amendment that does not require Unitholder approval under applicable laws or rules of the TSX.

However, subject to the terms of the Deferred Unit Plan, no amendment may adversely affect the Deferred Units previously granted without the consent of the affected non-employee trustee.

#### **INCENTIVE PLAN AWARDS**

##### **Outstanding Unit-Based Awards and Value Vested during the Year**

Deferred Units outstanding to non-employee trustees as at December 31, 2016 were:

<b>Name</b>	<b>Number of Deferred Units not paid out or redeemed (1)</b>	<b>Value of Deferred Units not paid out or redeemed (2)</b>
Edouard Babineau	4,578	\$22,890
Robert Boudreau	4,578	\$22,890
Stephen Johnson (3)	11,155	\$55,775
Denis Losier	4,578	\$22,890
Barbara Trenholm (3)	15,377	\$76,885

(1) Reflects the cumulative number of Deferred Units granted and credited, which remain held and have not been redeemed, particularly (i) \$10,000 in Deferred Units granted on June 17, 2015, or 2,353 Deferred Units each; (ii) \$10,000 in Deferred Units granted on August 15, 2016, or 1,988 Deferred Units each (iii) the number of Deferred Units credited in respect of monthly cash distributions paid in respect of Units of the Trust; and (iv) Deferred Units credited to non-employee trustees who elected to receive fees in Deferred Units (refer to note 3 below). Deferred Units vest immediately upon grant, however, cannot be redeemed until the non-employee trustee ceases to be a trustee of the Trust and, as such, will be settled at that time.

(2) Deferred Units are valued at the closing price of Units at December 30, 2016, which was \$5.00.

- (3) Stephen Johnson and Barbara Trenholm elected to receive 100% of their fees in Deferred Units, which elections became effective for quarterly fees paid in and after August, 2015.

#### **TRUSTEES AND OFFICERS LIABILITY INSURANCE**

The Trust annually renews and purchases liability insurance for the benefit of the trustees and officers of the Trust. The annual limit for claims under the policy is \$15,000,000, subject to specified retention amounts. The coverage under the current policy continues in effect until December 31, 2017 and the total annual premium paid under the policy was \$37,500. All premiums are paid entirely by the Trust.

#### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

Subject to the assumptions made below, the following table sets out the number of Units that could be issued under the RSU Plan and the Deferred Unit Plan in respect of the total number of RSUs and Deferred Units outstanding, respectively, as at December 31, 2016:

<b>Plan category</b>	<b>Number of securities that could be issued upon redemption</b>	<b>Number of securities remaining available for future issuance under equity compensation plan</b>
Equity compensation plan approved by security holders – RSU Plan (1), (2), (3), (4)	108,750	5,680,965
Equity compensation plan approved by security holders – Deferred Unit Plan (5), (6)	40,265	709,735

- (1) The total number of RSUs outstanding under the RSU Plan as at December 31, 2016 which have not vested or been cancelled was 98,600. Of this amount, 97,400 RSUs were granted on December 16, 2016.
- (2) Since the implementation of the RSU Plan on April 18, 2012 (following approval by Plazacorp shareholders), a total of 281,400 RSUs have been granted. Of this total, 171,266 have vested and 11,534 have been cancelled in accordance with the RSU Plan (including on employee departures). A total of 78,273 Units were issued in connection therewith on redemption (for greater certainty, this number does not include Units issued on the redemption of Distribution RSUs, described in note 3 below). Accordingly, the balance of RSUs remaining which have not vested or been cancelled is 98,600.
- (3) Each RSU notionally represents one (1) Unit. Participants can elect to redeem RSUs for cash or Units, or a combination of both. This figure assumes that all Participants elect to redeem all RSUs for Units. Each RSU also receives Distribution RSUs (in number equal to the aggregate amount of such distribution payable to a Participant on their RSUs divided by the Market Price per Unit determined on the applicable Distribution Payment Date). Participants can also annually elect to redeem Distribution RSUs for cash or Units. This figure also assumes all Participants elect to redeem all Distribution RSUs to which they would be entitled for Units, applying the annual distribution rate of \$0.27 per Unit and Market Price per Unit on March 15, 2017 (the last Distribution Payment Date as at March 24, 2017) of \$4.99.

- (4) The RSU Plan is a fixed amount plan. The maximum number of Units that may be issued under the RSU Plan upon the redemption of RSUs and Distribution RSUs is 5,879,261 Units. The remaining reserve of Units as at December 31, 2016 (prior to excluding the number of securities remaining available for future issuance as noted above) was 5,789,715.
- (5) The Deferred Unit Plan is also a fixed amount plan. The maximum number of Units that may be issued under the Deferred Unit Plan upon the redemption of Deferred Units is 750,000 Units.
- (6) Each Deferred Unit is economically equivalent to one (1) Unit. The total number of Deferred Units granted under the Deferred Unit Plan as at December 31, 2016 was 40,265, including additional Deferred Units credited in respect of cash distributions paid on Units up to such date. Deferred Units vest immediately upon grant and cannot be redeemed (for Units or cash) until the holder ceases to be a trustee of the Trust. No Deferred Units have been redeemed to date, however, the above chart assumes that all outstanding Deferred Units as at December 31, 2016 were redeemed.

## **INDEBTEDNESS OF TRUSTEES AND EXECUTIVE OFFICERS**

There was no indebtedness owed to the Trust by any trustee or NEO in fiscal 2016.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person or proposed trustee of Plaza, or any associate or affiliate of such persons, has any material interest in any transaction that has or would materially affect Plaza other than:

1. Trustees and officers of Plaza own certain mortgage bonds and unsecured debentures of Plaza;
2. Plaza is a party to various land leases on nine parcels of land with TC Land LP, an entity indirectly owned and controlled by Earl Brewer and Michael Zaktua;
3. Plaza has notes payable of \$261 thousand (December 31, 2015 - \$261 thousand) that are owed to parties controlled directly or indirectly by Michael Zakuta. The non-interest bearing notes existed at the time of acquisition of properties in September 2000 and are repayable on sale or refinancing of the related asset; and
4. In October 2016, Plaza sold land in Fredericton, NB for gross proceeds of \$760 thousand. The land was sold to an entity controlled by Earl Brewer and Michael Zakuta for a residential project. The independent Trustees of Plaza reviewed and approved this transaction.

## STATEMENT OF GOVERNANCE PRACTICES

The Board of Trustees recognizes that its investors and other stakeholders significantly value effective governance and that good governance contributes to effective and efficient decision-making. The Board, through the Corporate Governance and Compensation Committee, reviews its governance practices annually to make certain they are appropriate for the Trust.

The following describes the Trust's practices with reference to National Policy 58-201, *Corporate Governance Guidelines* and National Instrument 58-101, *Disclosure of Corporate Governance Practices* (collectively, the "**Governance Guidelines**").

### **PROPOSED BOARD OF TRUSTEES AND INDEPENDENCE**

The Corporate Governance and Compensation Committee performs an annual review and analysis of the independent status of each Board member, and reports the results of that analysis to the Board. The number of trustees to be elected at the Meeting is seven (7), of whom the Board considers five (5) to be independent. This means that more than two-thirds (or approximately 71%) of the members of the Board are independent trustees. Accordingly, the Trust complies with the Governance Guidelines, which provide that a board should have a majority of independent members. In addition, no non-independent trustee is a member of any Committee of the Board.

The trustees nominated for election are as follows:

<b>Proposed Trustees</b>	<b>Independence Status</b>
Edouard Babineau	Independent
Robert Boudreau	Independent
Earl Brewer	Non-independent
Stephen Johnson	Independent
Denis Losier	Independent
Barbara Trenholm	Independent
Michael Zakuta	Non-independent

Earl Brewer is considered to be a non-independent trustee because he is a member of executive management in the Trust, in addition to chairing the Board.

Michael Zakuta is considered to be a non-independent trustee because he holds an executive officer position in the Trust as President & CEO.

## **OTHER PUBLIC ENTITY DIRECTORSHIPS & BOARD INTERLOCKS**

The Board has determined that trustees can sit as directors for other public issuers where there is no inherent conflict of interest and where such other directorship does not unreasonably impact the availability and time such trustee can commit to the Trust. No resources of the Trust shall be used for such other directorships. Trustees must follow the process for approval of public directorships approved by the Corporate Governance and Compensation Committee, which provides that trustees will request the approval of the Chair of the Board and the Chair of the Corporate Governance & Compensation Committee prior to accepting an invitation to serve as a director/trustee. The Chair of the Board and the Chair of the Corporate Governance & Compensation Committee will review the request, and depending on the circumstances, may seek the input and approval of the Corporate Governance & Compensation Committee.

Michael Zakuta is currently a trustee of Fronsac Real Estate Investment Trust (TSXV) and Inovalis Real Estate Investment Trust (TSX). Stephen Johnson is currently a trustee of CREIT (TSX). Denis Losier is currently a director of Canadian National Railway Company (TSX; NYSE).

As of March 24, 2017, no members of the Board of Trustees served together on the boards of other public companies.

## **MEETINGS OF INDEPENDENT TRUSTEES**

At least twice a year, the Corporate Governance and Compensation Committee holds *in camera* conferences immediately following its meetings, to which all of the Trust's independent trustees are invited. The purpose of the *in camera* sessions is to facilitate open and candid discussion by all independent trustees without participation from members of management and non-independent trustees. Additional meetings of independent trustees may be held throughout the year as necessary and at such other time as any independent trustee may request. Meetings of the independent trustees are chaired by the Chair of the Corporate Governance and Compensation Committee who ensures all independent trustees have an opportunity to comment and provide their input.

The Audit Committee also holds *in camera* conferences at least quarterly.

## **CHAIR OF THE BOARD AND INDEPENDENT TRUSTEE CONTACT**

The Chair of the Board is Earl Brewer and as previously noted, Mr. Brewer is not an independent trustee. Denis Losier, in his capacity as Chair of the Corporate Governance and Compensation Committee (a trustee who is considered to be independent), currently acts as the Trust's independent trustee contact. This helps facilitate the functioning of the Board independently of management and provides trustees with an independent person to bring comments or requests to. He also provides direction in respect of matters required to be considered by the independent trustees.

## **BOARD MEETINGS AND ATTENDANCE RECORDS**

One of the responsibilities of the Board is to ensure regular attendance by all trustees at Board and Committee meetings (where applicable) and that all trustees arrive well-informed and have had a reasonable opportunity for advance review of any materials to be discussed at such meetings.

The following table summarizes the attendance of each Plaza nominee at Board and Committee meetings held during 2016:

	<b>Board Meetings</b>	<b>Audit Committee Meetings</b>	<b>Corporate Governance and Compensation Committee Meetings</b>	<b>Meetings of Independent Trustees (1)</b>	<b>Overall Attendance # (%)</b>
Edouard Babineau	5 of 5	5 of 5	5 of 5	2 of 2	17 / 17 (100%)
Robert Boudreau	5 of 5	5 of 5	N/A	2 of 2	12 / 12 (100%)
Earl Brewer (2)	5 of 5	N/A	N/A	N/A	5 / 5 (100%)
Stephen Johnson	5 of 5	N/A	5 of 5	2 of 2	12 / 12 (100%)
Denis Losier	5 of 5	5 of 5	5 of 5 (Chair)	2 of 2	17 / 17 (100%)
Barbara Trenholm	5 of 5	5 of 5 (Chair)	5 of 5	2 of 2	17 / 17 (100%)
Michael Zakuta (2)	5 of 5	N/A	N/A	N/A	5 / 5 (100%)

- (1) The two independent trustee meetings were held in conjunction with Corporate Governance and Compensation Committee meetings. During these meetings Earl Brewer, Michael Zakuta and other members of management excused themselves.
- (2) Earl Brewer and Michael Zakuta are not members of the Audit Committee or the Corporate Governance and Compensation Committee, however, they attended the meetings of each (100%) as guests, at the invitation of each Committee. Earl Brewer and Michael Zakuta excused themselves from any Committee member-only *in camera* conferences which were held during or after these meetings.

### **BOARD MANDATE**

The board of directors of Plazacorp adopted a Board Mandate (originally as part of its Corporate Governance Committee Charter) on February 10, 2006. It was adopted by the Board of Trustees on January 1, 2014 and it was most recently updated on March 24, 2017. As noted in the Board Mandate, the Board of Trustees is responsible for overseeing the management of the business and affairs of the Trust and generally discharges its responsibilities either directly or through the Audit Committee or the Corporate Governance and Compensation Committee.

The Board Mandate is available under the Trust's profile on SEDAR at [www.sedar.com](http://www.sedar.com) or the Trust's website at [www.plaza.ca](http://www.plaza.ca) under Investor Relations / Corporate Governance and is incorporated herein by reference. A copy may also be obtained free of charge upon request from the Corporate Secretary.

### **POSITION DESCRIPTIONS**

Position descriptions for the Chair of the Board and each Committee Chair were originally approved by the board of directors of Plazacorp on April 5, 2007. They have been adopted by the Board of Trustees and most recently reviewed on August 11, 2016. Copies of the Chair of the Board Terms of Reference and Chair of a Committee Terms of Reference are available under the Trust's profile on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Trust's website at [www.plaza.ca](http://www.plaza.ca) under Investor Relations / Corporate Governance and are incorporated herein by reference. Copies may also be obtained free of charge upon request from the Corporate Secretary.

The Trust has also developed a written position description for the President & CEO in Michael Zakuta's employment agreement, which outlines in general terms the duties and responsibilities of the President & CEO. In particular, the primary responsibility of the President & CEO is to achieve maximum value for the Trust's stakeholders (Unitholders and employees). More specifically, the President & CEO is to:

- provide vision and leadership, enabling the management team and employees to achieve their maximum potential;
- develop a strategic plan for the Trust with the management team and Board of Trustees spanning: business development strategies; core competences of management and staff; distinctive advantages and competitive differentiation; priority markets; organizational structure, processes and controls; the Trust's culture and values; and supporting incentive systems;
- attract and retain talent for the management team and the Board of Trustees;
- ensure that all corporate decisions and actions are ethical and in compliance with applicable laws, regulations, obligations and the Trust's own values;
- oversee and coordinate the timely implementation of the strategic plan and its modification in response to changes in the environment of the Trust; and
- where necessary and useful, represent the Trust in communications with unitholders, capital markets, customers/tenants, allies, major suppliers and vendors.

### **ORIENTATION AND CONTINUING EDUCATION**

The Board believes that it is critical that trustees have an understanding of the Trust's business and have a reasonable familiarity with the Trust's day-to-day operations and key personnel. The Board also believes that new trustees should experience a proper and effective orientation process. The Corporate Governance and Compensation Committee maintains the responsibility for orientation and continuing education for new and existing Board members.

New trustees will meet with the Chair of the Board and President & CEO to discuss the various aspects of the Trust's business. This will provide new trustees with an opportunity to ask any questions they may have on the nature and operations of the business. Each new trustee will also

meet with the Chair of each Committee he or she will be joining. If the new trustee is joining the Audit Committee, he or she will meet with the Chief Financial Officer and the Trust's auditors.

New trustees will be provided with a reference binder containing documents material to the Trust to provide an understanding of the underlying principles governing the Trust's operations as well as the role of the Board and its Committees. The binder includes documents such as the Trust's most recent Annual Report, Annual Information Form, Declaration of Trust, Management Information Circular, Board Mandate, Committee Charters, Code of Business Conduct and Ethics and Disclosure Policy. These documents, as well as all other policies adopted by the Board and its Committees, are also maintained and updated as necessary for each trustee's reference.

Each Board and Committee has a standing agenda for each regularly scheduled meeting. Prior to each Board and Committee meeting, a formal package will be distributed to all Board and Committee members which will include the agenda and supporting documents that are used to educate and inform trustees of matters to be acted upon or discussed at the meeting.

The President & CEO advises the Board on a quarterly basis of deals under contract, projects under construction and projects owned and under development by the Trust. The Board is also provided, on a quarterly basis, with descriptions of all purchases, sales and financings related to the business approved by the Chair of the Board and the President & CEO and occurring within the previous quarter (see *Delegation of Authority for Investing and Financing* below). The Chair of the Board and the President & CEO also informally keep Board members advised of any significant business deals being transacted between Board meetings. Trustees are also given an opportunity, prior to quarterly Board and Committee meetings, to meet with other Board members on an informal basis.

The Board is regularly educated in new developments in governance and financial reporting matters by the Corporate Governance and Compensation Committee, the Audit Committee, the Trust's auditor and certain other designated officers or employees of the Trust.

Management also provides trustees with industry research reports on the Trust for the recent quarter and year-end. These reports provide new Trustees with an understanding of the Trust's market position from the perspective of public company analysts.

### **ETHICAL BUSINESS CONDUCT**

On February 10, 2006, the board of directors of Plazacorp adopted a written Code of Business Conduct and Ethics. This Code was adopted by the Board of Trustees and most recently reviewed on August 11, 2016. A copy of the Code of Business Conduct and Ethics is available under the Trust's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Trust's website at [www.plaza.ca](http://www.plaza.ca) under Investor Relations / Corporate Governance, or may be obtained free of charge upon request from the Corporate Secretary.

Monitoring compliance with the Code of Business Conduct and Ethics is the responsibility of the Corporate Governance and Compensation Committee. The Committee carries out this responsibility by, *inter alia*, annually receiving a report from the Executive Vice President & Chief Operating Officer of the Trust advising if there have been any complaints received or violations reported under the Code of Business Conduct and Ethics during the prior year. Employees are to report to any executive officer, as well as the Executive Vice-President & Chief Operating Officer (if he is not the



person to which the report is made in the first instance) any violations or imminent violations of the Code of Business Conduct and Ethics or other Plaza policies, or any other illegal or unethical behaviour at Plaza and, when in doubt, to confer about the best course of action in a particular situation. If employees are reluctant to make such reports to an executive officer, they can make reports through the Audit Committee via a confidential e-mail address or confidentially to the attention of the Audit Committee chair by other means, as set out in the Code of Business Conduct and Ethics. Management is to report any such matters to the Chair of the Board or the Chair of the Corporate Governance and Compensation Committee. If a person's concerns or complaints require confidentiality, including keeping the person's identity secret, then this confidentiality will be protected to the extent permitted by and subject to applicable law.

Each year, trustees, officers and employees are asked to review the Code of Business Conduct and Ethics and sign an acknowledgement form confirming that they have read and understand its terms.

In addition to Plaza's complaints procedure (or "whistleblower" program) for employees or others described in the Code of Business Conduct and Ethics, any Unitholder or other stakeholder wishing to provide feedback to the Board can send the communication in writing to Plaza's Investor Relations contact as identified on Plaza's website at [www.plaza.ca](http://www.plaza.ca), who will deliver material communications to the Chair of the Board.

### **CONFLICTS OF INTEREST**

Trustees and officers are governed by the conflict of interest provisions in the Code of Business Conduct and Ethics and the Declaration of Trust when considering material contracts or transactions, or proposed material contracts or transactions, in which he or she has a material interest. The Code of Business Conduct and Ethics provides that all trustees, officers and employees must be scrupulous in avoiding conflicts of interests. Conflicts of interest are prohibited as a matter of Plaza policy, except under guidelines approved by the Board or Committees of the Board.

Under the Declaration of Trust, if a trustee or officer (i) is a party to a material contract or transaction or proposed material contract or transaction with the Trust (or an affiliate thereof), including a material contract or transaction involving the making or disposition of any investment in real property or a joint venture agreement or (ii) is a director or 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 Trust (or an affiliate thereof), such trustee or officer must disclose in writing to the Board the nature and extent of such interest and is not entitled to vote on any resolution to approve the said material contract or transaction, except as permitted under the terms of the Declaration of Trust.

At each Board and Committee meeting, Trustees and Committee members are asked if they have any actual or potential conflicts of interest to declare with any item on the agenda.

The Trust has also adopted a related party transaction policy and procedure. If a board member, nominee for election to the Board, or executive officer of the Trust had, has or may have an interest in a related party transaction, which includes a purchase or sale of an asset or lease of property to or from a related party to the Trust, this must be reported to the Chair of the Corporate Governance and Compensation Committee and the Committee will determine if the transaction is a related party transaction under the policy and, if so, will either approve, disapprove or ratify such transaction.

## **EVALUATION OF THE COMPOSITION OF THE BOARD OF TRUSTEES**

The Trust annually reviews the composition of the Board of Trustees and, through the Corporate Governance and Compensation Committee, reviews and assesses the skills, characteristics and competencies of the Board and its members. There is also discussion regarding diversity and trustees' skills and areas of expertise, and whether collectively, there is an appropriate balance.

## **NOMINATION OF TRUSTEES**

The Corporate Governance and Compensation Committee, which is comprised entirely of independent trustees, acts as the nominating committee for the Trust. It will receive recommendations for nomination(s) from the Trust's executive officers or trustees, review the proposed name(s) and consider the skill set, expertise and background, reputation for business ethics, geographical representation, diversity and availability of service to the Trust, as well as the current and future needs of the Trust.

The Chair of the Board, the President & CEO and the Chair of the Corporate Governance and Compensation Committee will meet with candidate(s) who have expressed their willingness to sit on the Board. The Committee will, in accordance with the provisions of the Declaration of Trust, recommend the final candidate(s) to the Board for approval and nomination for election by Unitholders.

## **COMPENSATION**

The Board has appointed the Corporate Governance and Compensation Committee, comprised entirely of independent trustees, to carry out compensation activities with respect to NEOs as described in this Management Information Circular. For further information on the role of the Corporate Governance and Compensation Committee in this regard, see *Statement of Executive Compensation, Compensation Discussion and Analysis* and *Statement of Executive Compensation, Compensation Governance* above.

For further information on the Corporate Governance and Compensation Committee's compensation activities with respect to non-employee trustees, please refer to the *Trustee Compensation, Trustee Compensation Components* above.

## **SUCCESSION PLANNING**

The Corporate Governance and Compensation Committee is responsible for examining succession planning for the CEO and other NEOs of the Trust on at least an annual basis. As part of this mandate, members of the Committee meet with the President & CEO and Chair of the Board to review and discuss succession priorities and also discuss such matters *in camera*, outside of the presence of management.

The President & CEO and Chair of the Board have been working collaboratively with the Corporate Governance and Compensation Committee, particularly the Chair, to further enhance succession management processes at Plaza. They are continuing to work to identify potential succession candidates for executive positions, including initiating a process to outline requirements of a future president or chief executive officer. The Committee has also developed a process which sets out the

steps that will be taken to transition from the current to a new CEO in the case of planned and unplanned departures, and continues to play an active role in respect of succession management processes at Plaza.

## **BOARD COMMITTEES**

The Board has two (2) Committees: the Audit Committee and the Corporate Governance and Compensation Committee (each a “**Committee**” in this Management Information Circular”).

The Board has established the Audit Committee to assist the Board in fulfilling its oversight responsibility relating to: (1) the financial reporting process, (2) systems of internal accounting and financial controls, (3) identifying and monitoring the management of principal risks that could affect the integrity of the Trust’s financial reporting, (4) the appointment of and communication with the external auditor, including oversight of its work and monitoring its independence, (5) the Trust’s compliance with legal and regulatory requirements with respect to financial reporting matters, and (6) any other responsibilities that may be delegated from time to time by the Board. For further information on the Audit Committee’s mandate, please refer to the Audit Committee Charter.

The Board has established the Corporate Governance and Compensation Committee to assist the Board in establishing the governance guidelines within which the Trust carries out its responsibilities, and with the Trust’s overall approach to governance. In doing so, the Committee will develop, define and evaluate the process and structure used to supervise the business and affairs of the Trust. For further information on the Corporate Governance and Compensation Committee’s mandate, please refer to the Corporate Governance and Compensation Committee Charter.

The Charters for the Audit Committee and the Corporate Governance and Compensation Committee can be found under the Trust’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Trust’s website at [www.plaza.ca](http://www.plaza.ca) under Investor Relations / Corporate Governance, or copies may be obtained free of charge upon request to the Corporate Secretary.

## **DELEGATION OF AUTHORITY FOR INVESTING AND FINANCING**

The Trust also believes in delegating purchase, sale and financing authority to certain executive officers under the following parameters (as outlined in the Board Mandate):

- (1) The Board has delegated the authority to the Chair of the Board and the CEO to purchase or sell properties and enter into financing arrangements for the Trust’s existing and new properties, and to pass related resolutions thereto, provided the transactions meet the following criteria:
  - (a) developments, on completion, must earn a minimum cash yield (unlevered return) equal to 100 basis points above the mortgage constant for a 10 year mortgage at prevailing rates over a 25 year amortization period;
  - (b) the value of any purchase or sale must not exceed three percent (3%) of the Trust’s asset base based on its preceding published financial statements; and

- (c) the value of any financing must not exceed three percent (3%) of the Trust's asset base based on its preceding published financial statements.
- (2) Any purchase, sale or financing not meeting the above criteria or any transaction involving a related party must continue to be approved by the Board in accordance with the Declaration of Trust.

### **ASSESSMENTS**

The Trust believes that the Board and its Committees should be assessed on at least an annual basis to ensure they are performing effectively.

The Corporate Governance and Compensation Committee reviews with the Board the appropriate skills and characteristics required of Board members. In performing this function, the Committee seeks input from the Chair of the Board and takes into consideration the characteristics of independence, experience, background, reputation for business ethics, geographical representation, diversity and availability of service to the Trust of its members, as well as the opportunities, risks and strategic direction of the Trust. The Corporate Governance and Compensation Committee also annually reviews the qualifications of persons proposed for election to the Board and assesses their skills and competencies against those that the Board, as a whole, should possess. The Chair of the Board also assesses the contribution and competencies of individual trustees on a regular basis.

Each Board member annually performs an assessment questionnaire containing his/her views regarding the structure, functionality, effectiveness and contribution of the Board and any Committee during the previous year. The questionnaire allows trustees to comment on areas for improvement to ensure the continued effectiveness of the Board and its Committees. Trustees may also comment on their access to the President & CEO and Chair of the Board, the manner in which the Chair conducts Board meetings and their satisfaction with the frequency and amount of time for discussion among independent trustees without the presence of management, among other things. These forms are reviewed annually (as is the template of the questionnaire) by the Chair of Corporate Governance and Compensation Committee, who brings the results to the Corporate Governance and Compensation Committee for discussion and also provides a summary of same to the Board. If necessary, the Corporate Governance and Compensation Committee will bring forward to the Board any further action or recommendation resulting from the assessments.

### **TENURE OF TRUSTEES**

The Board believes that existing trustees provide valuable perspective into the operations of the Trust based on their experience and understanding of the Trust's history, policies and objectives. The Board does recognize however, the benefit of new approaches and ideas that a new trustee may introduce.

Accordingly, effective for 2015, the Board determined that the limit of the tenure for newly elected trustees will be three years with Board discretion to renew, subject to annual election by Unitholders. To facilitate succession planning, this policy does not apply to existing trustees.

## **DIVERSITY**

Plaza recognizes the benefits of diversity, both within the Trust and at the level of the Board of Trustees. The ability to draw on a range of viewpoints, backgrounds, skills, and experience is important to Plaza's success.

### *The Board*

The Board believes that diversity is an important attribute of a well-functioning board. Accordingly, it adopted written guiding principles on March 25, 2015 for promoting gender diversity on the Board. The primary objectives of the guidelines are to help ensure that the Board, as a whole, reflects a range of perspectives, backgrounds, skills and experience and to provide opportunities for individuals with diverse backgrounds to join the Board which will be further achieved through the Trustee tenure policy set out herein.

The key guiding principles with respect to gender diversity are as follows:

1. In identifying potential Board candidates to fill a vacancy, search criteria will specifically include female candidates.
2. In filling the next vacancy that may arise on the Board, preference will be given to female candidates who possess the skills and other characteristics the Board considers necessary for trustees.

Currently, one of the five (5) independent trustees (20%) is female; that trustee is also Chair of the Audit Committee and a member of the Corporate Governance and Compensation Committee. The Board believes that its current composition and size of seven (7) trustees is appropriate and effective and has not adopted a target for female representation to be met by a specific date *per se*. It is the Board's goal, however, to fill the next vacancy with a female candidate and to maintain female representation on the Board to at least its current level (20% of independent trustees).

As noted above under *Evaluation of the Composition of the Board of Trustees*, the Corporate Governance and Compensation Committee annually reviews the skills and characteristics required of trustees of the Trust, generally, including principles with respect to gender diversity. As described under *Nomination of Trustees* above, the Committee considers diversity and other factors in its review of proposed nominees and is responsible to ensure the guidelines are implemented and consider their effectiveness in connection with the nomination process. As no vacancies have arisen on the Board this year, there has not been sufficient opportunity to measure the progress of the guidelines.

### *Executive Officers*

The Board is comfortable that the Trust has an appropriate approach to encouraging workplace diversity, in particular gender diversity. Through the operation of employment policies and codes, including its employment policy handbook and the Code of Business Conduct and Ethics, Plaza promotes an environment and culture of inclusiveness and equality, which is evident in current levels of female representation both at the executive officer level and in senior management. One (20%) of Plaza's executive officers, as that term is defined in National Instrument 58-101, is female, being the Chief Financial Officer. Although not specifically included in the definition of executive officer as aforesaid, a significant percentage of Plaza's senior managers are also female (approximately 45%). Plaza plans to continue to encourage leadership opportunities for women in the workplace.

Plaza feels the current composition of executive management is also appropriate and effective and no target for female representation has been adopted to be met by a specific date. Similar to the Board guidelines noted above, however, in filling the next executive officer position that may become available, preference will be given to female candidates who possess the skills and experience required for the position.

## **ADDITIONAL INFORMATION**

Additional information relating to the Trust can be found under the Trust's profile on SEDAR at [www.sedar.com](http://www.sedar.com), including financial information provided in the Trust's 2016 Annual Report containing the comparative consolidated financial statements of the Trust for the year ended December 31, 2016 and management's discussion and analysis of the Trust's results of operations and financial condition for 2016. Any Unitholders who do not receive this document and wish to do so may obtain it by (i) accessing the SEDAR website listed above or the Plaza website under Investor Relations / Financial Reports, the direct link to which is <http://plaza.ca/financial-reports/>; (ii) contacting the Trust toll-free at +1 (855) 460-8294; (iii) contacting CST Trust Company toll-free at +1 (888) 433-6443 or at [fulfilment@canstockta.com](mailto:fulfilment@canstockta.com) or (iv) upon request to the Corporate Secretary at (506) 451-1826.





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