



ARTIS REAL ESTATE INVESTMENT TRUST

NOTICE OF ANNUAL AND SPECIAL MEETING OF HOLDERS OF UNITS

to be held on May 19, 2011

and

INFORMATION CIRCULAR

March 23, 2011

NOTICE OF ANNUAL AND SPECIAL MEETING OF VOTING UNITHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the holders (the “**Voting Unitholders**”) of trust units (“**Units**”) and special voting units (“**Special Voting Units**”) of Artis Real Estate Investment Trust (“**Artis**”) will be held at the Main Floor, 360 Main Street on Thursday, the 19th day of May, 2011, at 4:00 p.m. (Winnipeg time) for the following purposes:

1. to receive the annual financial statements of Artis for the year ended December 31, 2010;
2. to consider and, if deemed advisable, pass a resolution fixing the number of trustees (“**Trustees**”) of Artis at seven (7) and electing the five (5) persons named in the accompanying management information circular dated March 23, 2011 (the “**Information Circular**”) as Trustees to hold office, together with Armin Martens and Cornelius Martens who are appointed as Trustees by Marwest Realty Advisors Inc. until the next annual meeting of the Voting Unitholders or their earlier resignation or replacement;
3. to consider and, if deemed advisable, pass a resolution appointing the auditors of Artis for the ensuing year and authorizing the Trustees to fix the remuneration of the auditors;
4. to consider and, if deemed advisable, pass a resolution approving the renewal of Artis’ unitholder rights plan, with such amendments to Artis’ unitholder rights plan as described in the Information Circular;
5. to consider and, if deemed advisable, pass a resolution approving amendments to the Second Amended and Restated Declaration of Trust of Artis, dated May 14, 2010, to delete the definition of “Distributable Income” and to make certain other consequential or ancillary changes;
6. to consider and, if deemed advisable, pass a resolution approving the adoption of an equity incentive plan, in the form attached as Appendix “C” to the Information Circular, which will, if adopted, replace the existing unit option plan of Artis; and
7. to transact such other or further business as may properly come before the Meeting or any other adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular.

If you are a non-registered holder of units of Artis (for example, if you hold your units in an account with a broker, dealer, or other intermediary), whether or not you plan to attend the Meeting in person you should follow the voting procedures described in the voting instruction form or other document accompanying the Circular or call your broker, dealer, or other intermediary for information on how you can vote your units.

The record date for determination of Voting Unitholders entitled to receive notice of and to attend and vote at the Meeting is March 21, 2011. Only Voting Unitholders whose names have been entered in the register of Voting Unitholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting.

A Voting Unitholder may attend the Meeting, or any adjournment thereof, in person or may be represented by proxy. Voting Unitholders who are unable to attend the Meeting, or any adjournment thereof, in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be received by the Chairman of Artis, c/o Canadian Stock Transfer Company Inc., by mail at P.O. Box 721, Agincourt, Ontario M1S 0A1, or by facsimile at (416) 368-2502, by 4:00 p.m. (Winnipeg time) on Tuesday, May 17, 2011 or, in the case of an adjourned Meeting, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned Meeting. Canadian Stock Transfer Company Inc. acts as the Administrative Agent for CIBC Mellon Trust Company. Unregistered Voting Unitholders who received the proxy through an intermediary must deliver the proxy in accordance with the instructions given by such intermediary.

DATED at the City of Winnipeg, Manitoba this 23rd day of March, 2011.

ON BEHALF OF THE BOARD OF TRUSTEES

“*Armin Martens*” (signed), Trustee

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GLOSSARY

Unless otherwise defined or unless the context otherwise requires, capitalized terms used in the Meeting Materials have the meanings given to them by the Glossary of Terms attached as Appendix "A" at the end of this Circular.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included in the Information Circular constitute "forward-looking statements". All statements, other than statements of historical fact, included in the Information Circular that address future activities, events, developments, or financial performance, are forward-looking statements. These forward-looking statements can be identified by the use of forward-looking words such as "may", "should", "will", "could", "expect", "intend", "plan", "estimate", "anticipate", "believe", "future", or "continue" or the negative thereof or similar variations. Unitholders are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties, assumptions, and other factors, many of which are outside the control of Artis. Such uncertainties, assumptions, and other factors could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, among other things, general and local economic and business conditions and changes in government regulations or in tax laws. Although the forward-looking statements contained in this Information Circular are based upon what Artis believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain assumptions made in preparing forward-looking information and Artis' objectives include the assumptions that there will be no material changes in government regulations or in tax laws. Such forward-looking statements should, therefore, be construed in light of such factors. All forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth above. Forward-looking statements contained in the Information Circular speak only as of March 23, 2011 and Artis is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

ABOUT THIS INFORMATION CIRCULAR

Unless otherwise specified, all information in this Information Circular is current as of March 23, 2011.

No person has been authorized to give information or to make any representations in connection with matters to be considered at the Meeting other than those contained in the Information Circular and, if given or made, any such information or representations should not be relied upon in making a decision as to how to vote on the matters described in the Information Circular or be considered to have been authorized by Artis or the board of trustees of Artis.

Unitholders should not construe the contents of the Information Circular as legal, tax, or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial and other matters in connection therewith as these apply to their particular circumstances.

DISCLAIMER

The statements made in the Information Circular are the responsibility of the Trustees of Artis in their capacity as Trustees and not in their personal capacity and in no event shall the Trustees be personally liable for any statements contained herein nor shall resort be had to, or redress, recourse or satisfaction result from, the private and/or personal property of the Trustees.

ADDITIONAL COPIES OF INFORMATION CIRCULAR

Additional copies of the Information Circular may be obtained without charge on request of Investor Relations of Artis at 300-360 Main Street, Winnipeg, Manitoba R3C 3Z3 (telephone: 204-947-1250 or email: investorinquiries@artisreit.com)

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of Artis for use at the Meeting to be held at the Main Floor, 360 Main Street in Winnipeg, Manitoba on Thursday, May 19, 2011 at 4 p.m. (Winnipeg time), and any adjournment thereof.

This proxy solicitation is made by the management of Artis.

Solicitations of proxies will be primarily by mail, but may also be solicited personally or by telephone, telegraph, oral communication or in person by Trustees or officers of Artis, at a nominal cost. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of Voting Units held of record by such persons and Artis may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by Artis.

Except as otherwise stated, the information contained herein is given as of the date of this Information Circular.

APPOINTMENT AND REVOCATION OF PROXIES

Appointment of Proxies

The persons named in the accompanying instrument of proxy, the Management Nominees, have been selected by the Trustees and have indicated their willingness to represent Voting Unitholders who appoint them as their proxy for the Meeting.

A Voting Unitholder has the right to designate a person (who need not be a Voting Unitholder) other than the Management Nominees to represent the Voting Unitholder at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the enclosed instrument of proxy the name of the person to be designated and striking out the names of the Management Nominees, or by completing another proper instrument of proxy. Such Voting Unitholder should notify the designated person of the appointment, obtain the consent of such designated person to act as proxy and should provide instructions on how the Voting Units are to be voted. In any case, an instrument of proxy should be dated and executed by the Voting Unitholder or an attorney authorized in writing, with proof of such authorization attached where an attorney has executed the instrument of proxy.

Voting Unitholders of record at the close of business on the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting and any adjournment thereof.

Voting Unitholders unable to attend the Meeting in person are requested to read the accompanying Information Circular and form of proxy and to complete, sign and date the proxy together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof with Artis' transfer agent, CIBC Mellon Trust Company, by mail at Proxy Dept., Canadian Stock Transfer Company Inc., P.O. Box 721, Agincourt, Ontario M1S 0A1, or by facsimile at (416) 368-2502, by 4:00 p.m. (Winnipeg time) on Tuesday, May 17, 2011 or, if the Meeting is adjourned, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned Meeting, or any further adjournment thereof. Canadian Stock Transfer Company Inc. acts as the Administrative Agent for CIBC Mellon Trust Company. Unregistered Voting Unitholders who received the proxy through an intermediary must deliver the proxy in accordance with the instructions given by such intermediary.

Revocation of Proxies

A Voting Unitholder who has given a form of proxy may revoke it as to any matter on which a vote has not already been held pursuant to its authority by an instrument in writing executed by the Voting Unitholder or by the Voting Unitholder's attorney duly authorized in writing or, if the Voting Unitholder is a corporation, by an officer or attorney thereof duly authorized and deposited at either the above mentioned office of Canadian Stock Transfer

Company Inc. or at Artis' head office, Attention: Chairman, by no later than 4:00 p.m. (Winnipeg time) on or before the last business day preceding the day of the Meeting or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof. Canadian Stock Transfer Company Inc. acts as the Administrative Agent for CIBC Mellon Trust Company. Notwithstanding the foregoing, if a registered Voting Unitholder attends personally at the Meeting, such Voting Unitholder may revoke the proxy and vote in person. The head office of Artis is 300 - 360 Main Street, Winnipeg, Manitoba, R3C 3Z3, Attention: Chairman.

ADVICE TO BENEFICIAL UNITHOLDERS

The information set forth in this section is of significant importance to many Voting Unitholders, as a substantial number of Voting Unitholders do not hold Voting Units in their own name. Voting Unitholders who do not hold Voting Units in their names (referred to herein as “**Beneficial Unitholders**”) should note that only proxies deposited by Voting Unitholders whose name appears on the record of Artis as the registered holder of Voting Units can be recognized and acted upon at the Meeting. If Voting Units are listed in an account statement provided to a Voting Unitholder by a broker, then in almost all cases, those Voting Units will not be registered in the Voting Unitholder's name on the records of Artis. Such Voting Units will more likely be registered under the name of the Voting Unitholder's broker or the agent of that broker. Voting Units held by brokers or their agents can only be voted (for or against resolutions) upon the instructions of the Beneficial Unitholder. Without specific instructions, brokers or agents for that broker are prohibited from voting any Voting Units for their clients. **Therefore, Beneficial Unitholders should ensure that instructions respecting the voting of their Voting Units are properly communicated to the appropriate person.**

Applicable laws and policy require intermediaries and brokers to send voting instructions from Beneficial Unitholders in advance of meetings of Voting Unitholders. Every intermediary and broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Unitholders in order to ensure that their Voting Units are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Unitholder by its broker is identical to the form of proxy provided to registered Voting Unitholders; however, its purpose is limited to instructing the registered Voting Unitholders how to vote on behalf of Beneficial Unitholders. A Beneficial Unitholder receiving a proxy from an intermediary or broker cannot use that proxy to vote the Voting Units directly at the Meeting; rather, the proxy must be returned to the intermediary or broker well in advance of the Meeting in order to have the Voting Units voted.

Although a Beneficial Unitholder may not be recognized directly at the Meeting for the purposes of voting the Voting Units registered in the name of the Voting Unitholder's broker (or an agent of the broker), a Beneficial Unitholder may attend at the Meeting as proxyholder for the registered Voting Unitholder to vote Units in that capacity. Beneficial Unitholders who wish to attend the Meeting and indirectly vote their Voting Units as proxyholder for the registered Voting Unitholder should enter their own names in the blank space on the form of proxy provided to them by their broker and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or such broker's agent) well in advance of the Meeting.

All references to Voting Unitholders in this Information Circular and the accompanying proxy and Notice of Meeting are to Voting Unitholders of record unless specifically stated otherwise.

VOTING OF PROXIES

The persons named in the accompanying form of proxy will vote the Voting Units in respect of which they are appointed in accordance with the direction of the Voting Unitholder appointing them. **In the absence of such direction, those Voting Units will be voted in favour of (“For”) each of the matters identified in the Notice of Meeting.**

EXERCISE OF DISCRETION OF PROXY

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to any amendments or variations to matters identified in the Notice of Meeting and this Information Circular and with respect to matters that may properly come before the Meeting. At the date of this Information Circular, the Trustees and officers of Artis do not know of any amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting and this Information Circular.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF SECURITIES

Artis is authorized to issue an unlimited number of Units. As of the date hereof, there are 75,724,780 Units issued and outstanding. All issued and outstanding Units carry the right to one vote.

Management understands that the Units registered in the name of CDS & Co. are beneficially owned through various dealers and other intermediaries on behalf of their clients and other parties. The names of the beneficial owners of such Units are not known to Artis.

To the knowledge of Artis, on the date hereof no person beneficially owns, directly or indirectly, or exercises control or direction over, more than 10 percent of the issued and outstanding Voting Units.

PARTICULARS OF MATTERS TO BE ACTED UPON

ELECTION OF TRUSTEES

It is proposed that the number of Trustees be fixed at seven (7) and that the five (5) persons named in the Information Circular be elected as Trustees for the ensuing year, together with Armin Martens and Cornelius Martens, who are appointed as Trustees by Marwest.

At the Meeting, Voting Unitholders will be asked to vote on the following resolution, with or without variation:

BE IT RESOLVED THAT the number of Trustees be fixed at seven (7) and the persons named in the management information circular of Artis Real Estate Investment Trust dated March 23, 2011 as nominees for election as Trustees, being Delmore Crewson, Allan McLeod, Victor Thielmann, Wayne Townsend and Edward Warkentin be and are hereby elected as Trustees, and to hold such office, together with Armin Martens and Cornelius Martens, who are appointed as Trustees by Marwest Realty Advisors Inc., from the close of the meeting until the close of the next annual meeting of Voting Unitholders.

The table below sets forth, for each Trustee, their current position(s) with Artis, the period of time they have served as a Trustee, the number of Voting Units beneficially owned by them, directly or indirectly, or over which they exercise control or direction, and their principal occupation during the past five years.

Name, Municipality of Residence and Position with Artis	Trustee Since	Number of Voting Units Beneficially Owned or Over Which Control or Direction is Exercised	Principal Occupation During the Past Five Years
Armin Martens East St. Paul, MB Trustee, President and C.E.O.	November 8, 2004	443,726	President of Marwest and Marwest Development Corporation and senior officer of Marwest Construction Ltd., located in Winnipeg, Manitoba.
Cornelius Martens East St. Paul, MB Trustee, Executive Vice-President	November 8, 2004	277,412	President of various companies comprising the Marwest Group of Companies, including Marwest Management Canada Ltd. and Marwest Construction Ltd., located in Winnipeg, Manitoba.
Edward Warkentin ⁽¹⁾⁽³⁾ East St. Paul, MB Trustee and Chair of the Board of Trustees	November 8, 2004	15,075	Partner at the law firm of Aikins, MacAulay & Thorvaldson LLP, Winnipeg, Manitoba.
Victor Thielmann ⁽¹⁾⁽²⁾ Winnipeg, MB Trustee	November 8, 2004	47,107	President of Nova 3 Engineering Ltd., an engineering firm located in Winnipeg, Manitoba.

Name, Municipality of Residence and Position with Artis	Trustee Since	Number of Voting Units Beneficially Owned or Over Which Control or Direction is Exercised	Principal Occupation During the Past Five Years
Wayne Townsend ⁽²⁾⁽³⁾ Winnipeg, MB Trustee	November 8, 2004	20,476	Partner at Lawton Partners Financial Planning Services Limited, a financial planning services firm located in Winnipeg, Manitoba.
Allan McLeod ⁽¹⁾⁽²⁾ Winnipeg, MB Trustee	June 10, 2005	10,000 ⁽⁴⁾	Chief Executive Officer, Tribal Councils Investment Group of Manitoba Ltd.
Delmore Crewson ⁽²⁾⁽³⁾ Winnipeg, MB Trustee	June 9, 2006	4,044	Corporate Director. Former senior partner and Vice-Chair of Deloitte & Touche LLP.

Notes:

- (1) Member of the Governance and Compensation Committee as at December 31, 2010. Edward Warkentin is the Chair of the Governance and Compensation Committee.
- (2) Member of the Audit Committee as at December 31, 2010. Delmore Crewson is the Chair of the Audit Committee.
- (3) Member of the Investment Committee as at December 31, 2010. Wayne Townsend is the Chair of the Investment Committee.
- (4) Allan McLeod is the President and Chief Executive Officer of Tribal Councils Investment Group of Manitoba Ltd., which beneficially owns 328,571 Voting Units.

As at the date hereof, the Trustees of Artis beneficially own or exercise control or direction over, as a group, 1,146,411 Voting Units, representing approximately 1.5% of the issued and outstanding Voting Units on the date hereof on a non-diluted basis.

Trustees' Biographies

Armin Martens, P.Eng., M.B.A., President and Chief Executive Officer and Trustee

A long time resident of Manitoba, Mr. Martens graduated from the University of Manitoba with a Bachelor of Science degree in Civil Engineering in 1977. Thereafter, he began to work in the construction and real estate development field and became a member of the Association of Professional Engineers & Geologists of Manitoba (APEGM) in 1979. Mr. Martens continued his career in the field of commercial real estate development which encompassed taking a leave in 1983-1984 to complete his Master of Business Administration (M.B.A.) degree at the International Institute for Management Development (IMD) in Lausanne, Switzerland. Mr. Martens currently serves as a director on the board of Fortress Paper Ltd., trading under the symbol FTP on the TSX. With operating plants in Germany and Switzerland, Fortress Paper Ltd., is a major producer of wallpaper and security paper products in the pan European and Asian Markets. Mr. Martens is also a director of All in West! Capital Corporation, a TSX Venture Exchange-listed issuer. Mr. Martens has also had the privilege of serving as a director of the Bank of Canada, Canada's central bank. In addition to Mr. Martens' position as Chief Executive Officer of Artis, he is President and Chief Executive Officer of Marwest and Marwest Development Corporation, based in Winnipeg, Manitoba. The Marwest Group of Companies is engaged in the development, construction and management of income-producing properties, including office buildings, shopping centres, residential and mixed-use properties both in Canada and the United States.

Cornelius Martens, P.Eng., Executive Vice-President and Trustee

A long time resident of Manitoba, Mr. Martens graduated from the University of Manitoba with a Bachelor of Science degree in Civil Engineering in 1965. He became a member of the Association of Professional Engineers & Geologists of Manitoba (APEGM) in 1967. Mr. Martens began his career in the field of commercial real estate development, construction and property management in 1968, when he, together with his father, incorporated what

today is known as The Marwest Group of Companies. The Marwest Group of Companies is engaged in the development, construction and management of income-producing properties, including office buildings, shopping centres, residential and mixed-use properties both in Canada and the United States. In his capacity as President of various companies within the Marwest Group of Companies during the last 35 years, Mr. Martens has acquired extensive and valuable business experience, particularly in the field of real estate. From 1996 to 2001, Mr. Martens was a director of Consolidated Properties Ltd., a publicly traded company previously listed on the TSX. Mr. Martens is currently President and Chief Executive Officer of numerous companies including Marwest Construction Ltd. and Marwest Management Canada Ltd., all based in Winnipeg, Manitoba. Mr. Martens is also the President and Chief Executive Officer and a director of All in West! Capital Corporation, a TSX Venture Exchange-listed issuer.

Delmore Crewson, FCA, Trustee

Mr. Crewson is a former senior partner and Vice-Chair of Deloitte and Touche LLP. He is a member of the Institute of Chartered Accountants of Manitoba and has been elected as a “Fellow” of the Institute. Mr. Crewson serves on the Board of Directors and as Chair of the Audit Committee of the Wawanesa Group of Companies and Pollard Banknote Limited. He also chairs the Audit and Evaluations Committee for the Department of Finance, Canada, as well as chairs the Audit Committee of the Canadian Grain Commission. Mr. Crewson is a member of the Institute of Corporate Directors and a member of the Manitoba Chapter Advisory Board. He is the past President of the Institute of Chartered Accountants of Manitoba and is a former Canadian Institute of Chartered Accountants Board and Executive Committee member. Mr. Crewson has also served on numerous community boards and has held leadership positions in a number of organizations including the Manitoba Museum of Man and Nature, and the Associates of the Faculty of Management, University of Manitoba. He also served as a Director on the Board of Management and chaired the Audit Committee of Canada Customs and Revenue Agency.

Allan McLeod, Trustee

Mr. McLeod is the President and Chief Executive Officer of Tribal Councils Investment Group of Manitoba Ltd. and its group of wholly-owned subsidiaries, including Arctic Beverages Limited, First Canadian Health Management Corporation, Rupertsland Holdings Inc. and First Nations Financial Services Inc. Mr. McLeod also holds this position for the Radisson Hotel Winnipeg Downtown, First Canadian Fuels Ltd., and First Canadian Water & Infrastructure Inc. He is also a director of Big Freight Systems Inc., Bieber Securities Inc. and Exchange Income Corporation, a TSX-listed issuer. In 2004, Mr. McLeod was honoured with Canada’s Top 40 under 40 Award.

Victor Thielmann, P.Eng., Trustee

Mr. Thielmann is the President and Chief Executive Officer of Nova 3 Engineering Ltd. and has over 32 years experience in the electrical construction and professional consulting industry. Mr. Thielmann holds a Bachelor of Science in Electrical Engineering from the University of Manitoba and is a practicing member of the Association of Professional Engineers and Geoscientists of Manitoba as well as most Canadian provincial professional engineering associations. He is an active member of several international code and standard setting associations, including NFPA and IEEE. He is a former director of the Forks North Portage, a Canadian crown corporation owned by the municipal, provincial, and federal government. He currently serves as a director/trustee of Artis, a TSX-listed issuer and All in West! Capital Corporation, a TSX Venture Exchange-listed issuer.

Wayne Townsend, CFP, Trustee

Mr. Townsend is a Partner at Lawton Partner Financial Planning Services Limited and has over 34 years of experience in the financial planning industry. Mr. Townsend holds a Bachelor of Arts from the University of Manitoba, the Certified Financial Planner (CFP) designation, the Chartered Life Underwriter (C.L.U.) designation, the Chartered Financial Consultants (Ch.F.C.) designation, Society of Trust and Estate Practitioners (TEP) and is a graduate of the Canadian Securities Course. Past board activities include Vice-Chair of St. John’s-Ravenscourt School, a Past Chairman at Misericordia General Hospital Foundation and Past Vice-Chair at Misericordia General Hospital. Mr. Townsend currently serves as a director/trustee of Cardinal Capital Management, Lawton Partners, Artis and All in West! Capital Corporation, a TSX Venture Exchange-listed issuer.

Edward Warkentin, B.A., LL.B., Trustee

Mr. Warkentin of Winnipeg, Manitoba, holds an undergraduate degree from the University of Winnipeg, a law degree from the University of Manitoba and has been a member of the Bars of Ontario and Manitoba for more than 30 years. Mr. Warkentin is the Managing Partner of Aikins, MacAulay & Thorvaldson LLP and practices in the area of corporate and commercial law. He is a former director and Chair of Youth for Christ (Winnipeg) Inc., former director of Manitoba Mineral Resources Ltd. and former director of Grace Hospital Board of Management. He is currently a director of Exchange Income Corporation, a TSX-listed issuer and a director of All in West! Capital Corporation, a TSX Venture Exchange-listed issuer. He is also a director or officer of several private corporations, foundations and public partnerships.

To be effective, the resolution electing the Trustees must be passed by an ordinary resolution.

It is intended on any vote or ballot that may be called relating to the election of the persons named above as Trustees, that the Voting Units represented by proxies in favour of Management Nominees will be voted for such resolution, unless a Voting Unitholder has specified in the proxy that the Voting Units are to be withheld from voting on such resolution.

APPOINTMENT OF AUDITORS AND AUTHORIZING TRUSTEES TO FIX REMUNERATION

At the Meeting, Voting Unitholders will be asked to vote on the following resolution, with or without variation:

BE IT RESOLVED THAT Deloitte & Touche LLP be and is hereby appointed as the auditors of Artis for the ensuing year and that the Trustees be and are hereby authorized to fix the remuneration of the auditors.

It is intended on any vote or ballot that may be called relating to the appointment of auditors of Artis and the authorization of the Trustees to fix the remuneration of the auditors, that the Voting Units represented by proxies in favour of Management Nominees will be voted for such resolution, unless a Voting Unitholder has specified in the proxy that the Voting Units are to be withheld from voting on such resolution.

APPROVAL OF AMENDED AND RESTATED UNITHOLDER RIGHTS PLAN

At the Meeting, Voting Unitholders will be asked to vote on the following resolution, with or without variation:

BE IT RESOLVED THAT:

- (a) the Unitholder Rights Plan of Artis dated May 16, 2008 be and is hereby renewed for a period commencing on May 19, 2011 and ending on the date of Artis' annual meeting of Unitholders to be held in 2014, with such amendments set forth in the management information circular of Artis dated March 23, 2011; and
- (b) any one Trustee or officer of Artis be and is hereby authorized and directed to execute and deliver, on behalf of Artis, all such agreements and documents, and to do all such acts and things, as in the opinion of such Trustee or officer may be necessary or desirable to give effect to the foregoing.

The resolution approving the adoption of the Rights Plan must be approved by an ordinary resolution and by a majority of votes cast by Independent Unitholders (as defined below) at the Meeting. To the knowledge of Artis, all of the Voting Unitholders are Independent Unitholders (as defined below) and, accordingly, Artis expects that no Voting Units will be excluded from voting on the resolution approving the adoption of the Rights Plan.

It is intended on any vote or ballot that may be called relating to the approval of the renewal of the Rights Plan, that the Voting Units represented by proxies in favour of Management Nominees will be voted for such resolution, unless a Voting Unitholder has specified in the proxy that the Voting Units are to be voted against such resolution.

Proposed Amendments to the Unitholder Rights Plan

It is proposed that the Unitholder Rights Plan agreement dated May 16, 2008 be amended and restated to amend the definition of “Exercise Price” from \$100 to (i) until the Separation Time (as defined in the Unitholder Rights Plan), an amount equal to three times the market price per Unit, and (ii) after the Separation Time, an amount equal to three times the market price (determined in accordance with the Unitholder Rights Plan) as at the Separation Time, per Unit. Artis has reviewed the Rights Plan for conformity with current practices of Canadian reporting issuers. Artis believes that the Rights Plan, as amended by the proposed amendments, will preserve the fair treatment of Unitholders, be consistent with current best Canadian practices and address institutional investor guidelines.

Background

On May 16, 2008, Voting Unitholders approved the adoption of the Unitholder Rights Plan dated May 16, 2008 (the “Original Rights Plan”) for a three year period commencing on the date thereof. The adoption of the Original Rights Plan by Artis was not undertaken in response to or in anticipation of any pending or threatened take-over bid for the Units.

The Trustees have concluded that the adoption of the Rights Plan is in the best interests of Artis and its Unitholders and unanimously recommend that Voting Unitholders vote FOR this resolution. Artis is not currently aware of any pending or threatened take-over bid for the Units.

Description of Unitholder Rights Plan

The Rights Plan reflects the “current generation” of rights plans designed to meet the proxy voting guidelines of institutional investors. The Unitholder Rights Plan utilizes the mechanism of a Permitted Bid (as described below) to ensure that a person seeking control of Artis provides Unitholders and the Trustees with sufficient time to evaluate the bid, negotiate with the initial bidder and encourage competing bids to emerge. The purpose of the Unitholder Rights Plan is to protect Unitholders by requiring all potential bidders to comply with the conditions specified in the Permitted Bid provisions or risk being subject to the dilutive features of the Unitholder Rights Plan. Generally, to qualify as a Permitted Bid, a bid must be made to all Unitholders and must be open for 60 days after the bid is made. If more than 50% of the Units held by Independent Unitholders (as defined below) are deposited or tendered to the bid and not withdrawn, the take-over bid must then be extended for a further period of ten days on the same terms to allow those Unitholders who did not initially tender their Units to tender to the take-over bid if they so choose. Units may be taken up and paid for after this additional ten day period. Thus, there is no coercion to tender during the initial 60 day period because the bid must be open for acceptance for at least ten days after the expiry of the initial tender period. The Unitholder Rights Plan is designed to make it impractical for any person to acquire more than 20% of the outstanding Units without the approval of the Trustees except pursuant to the Permitted Bid procedures or pursuant to certain other limited exemptions outlined below. The Trustees believe that the Unitholder Rights Plan taken as a whole should not be an unreasonable obstacle to a serious bidder willing to make a *bona fide* and financially fair offer to all Unitholders.

If approved at the Meeting, the Rights Plan is subject to re-confirmation every three years.

The following is a summary of the principal terms of the Unitholder Rights Plan, and is qualified in its entirety by reference to the text of the Unitholder Rights Plan which has been filed with the applicable securities regulatory authorities and is available at www.sedar.com and is also available on Artis’ website at www.artisreit.com.

Issuance of Rights

On the Effective Date, one right (a “**Right**”) will be issued and attached to each outstanding Unit. One Right will also be issued and attach to each Unit (and certain other securities entitling the holder thereof to vote for the election of Trustees) (for the purposes of this Unitholder Rights Plan summary, “**Voting Units**”) issued thereafter, subject to the limitations set forth in the Rights Plan. The Original Rights Plan provided that the exercise price of each Right is \$100, subject to appropriate anti-dilution adjustments. The Rights Plan will amend the definition of “Exercise Price” to be (i) until the Separation Time (as defined in the Rights Plan), an amount equal to three times the market price per Unit, and (ii) after the Separation Time, an amount equal to three times the market price (determined in accordance with Rights Plan) as at the Separation Time, per Unit (the “**Exercise Price**”).

Until a Right is exercised, the holder thereof, as such, will have no rights as a Unitholder.

Rights Exercise Privilege

The Rights will separate from the Voting Units to which they are attached and will become exercisable at (the “**Separation Time**”) the close of business on the tenth trading day after the earlier of: (i) the first date of public announcement by Artis or an Acquiring Person (as hereinafter defined) of facts indicating that a person has become an Acquiring Person, and (ii) the date of the commencement of, or first public announcement of, the intent of any person (other than Artis or any subsidiary of Artis) to commence, a take-over bid (other than a Permitted Bid or Competing Permitted Bid (as described below)), or two days following the date on which a Permitted Bid ceases to qualify as such, or, in either case, such later date as may be determined by the Trustees.

The acquisition by a person (an “**Acquiring Person**”), including persons acting jointly or in concert, of 20% or more of the Voting Units, other than by way of a Permitted Bid in certain circumstances, is referred to as a “**Flip-in Event**”. Any Rights held by an Acquiring Person on or after the earlier of the Separation Time or the first date of public announcement by Artis or by an Acquiring Person that an Acquiring Person has become such, will become void upon the occurrence of a Flip-in Event. Ten trading days after the occurrence of the Flip-in Event, the Rights (other than those held by the Acquiring Person) will permit the holder to purchase, for example, Units equal to two times the Exercise Price upon payment of the Exercise Price (i.e., at a 50% discount).

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

Certificates and Transferability

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

Permitted Bid Requirements

The requirements of a Permitted Bid include the following:

- (a) the take-over bid must be made by way of a take-over bid circular;
- (b) the take-over bid must be made to all holders of Voting Units, other than the bidder;
- (c) the take-over bid must not permit Voting Units tendered pursuant to the take-over bid to be taken up prior to the expiry of a period of not less than 60 days from the date of the bid and then only if at such time more than 50% of the Voting Units held by Unitholders other than the bidder, its affiliates and persons acting jointly or in concert with the bidder (the “**Independent Unitholders**”) have been tendered pursuant to the take-over bid and not withdrawn; and
- (d) if more than 50% of the Voting Units held by Independent Unitholders are tendered to the take-over bid within the 60 day period, the bidder must make a public announcement of that fact and the take-over bid must remain open for deposits of Voting Units for an additional ten business days from the date of such public announcement.

The Unitholder Rights Plan allows a competing Permitted Bid (a “**Competing Permitted Bid**”) to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid except that, provided it is outstanding for a minimum period of 35 days, it may expire on the same date as the Permitted Bid.

Waiver and Redemption

The Trustees may, prior to a Flip-in Event, with the approval of holders of Voting Units, waive the dilutive effects of the Unitholder Rights Plan in respect of a particular Flip-in Event. At any time prior to the occurrence of a Flip-in Event, with the approval of Rights holders, the Trustees may redeem all, but not less than all, of the outstanding Rights at a price of \$0.00001 each.

Waiver of Inadvertent Flip-in Event

The Trustees may, prior to the close of business on the tenth day after a person has become an Acquiring Person, waive the application of the Rights Plan to an inadvertent Flip-in Event, on the condition that such person reduces its beneficial ownership of Voting Units such that it is not an Acquiring Person within 14 days of the determination of the Trustees.

Portfolio Managers and Trust Companies

The provisions of the Rights Plan relating to portfolio managers are designed to prevent the occurrence of a Flip-in Event solely by virtue of the customary activities of such portfolio managers, including trust companies and other persons, where a portion of the ordinary business of such person is the management of funds for unaffiliated investors, so long as any such person does not propose to make a take-over bid either alone or jointly with others.

Supplement and Amendments

Following Unitholder approval of the Rights Plan, Artis may, without the approval of the holders of Voting Units or Rights, make amendments (i) to correct clerical or typographical errors, (ii) to maintain the validity and effectiveness of the Rights Plan as a result of any change in applicable law, rule or regulatory requirement, and (iii) as otherwise specifically contemplated therein. Any amendment referred to in (iii) must, if made before the Separation Time, be submitted for approval to the holders of Voting Units and, if made after the Separation Time, must be submitted to the holders of Rights for approval.

At any time before the Separation Date, Artis may with prior approval of a majority of the Independent Unitholders received at the special meeting called and held for such purpose, amend, vary or rescind any of the provisions of the Rights Plan or the Rights, whether or not such action would materially adversely affect the interests of the holders of Rights generally.

Income Tax Consequences

The following summary presents the principal Canadian federal income tax considerations generally applicable to Unitholders who, for the purposes of the *Income Tax Act* (Canada), are resident in Canada, deal at arm's length with Artis and who hold their Units as capital property.

Provided that the Rights have no value at the time of their acquisition, Unitholders should not be considered to have received the Rights from Artis as a benefit and should not be required to include any amount in income. Artis is of the view that, having regard to the remoteness of the possibility that a Flip-in Event under the Rights Plan will occur such that the Rights will become exercisable, the Rights will have no value at the time of their acquisition by any Unitholder. If the Rights have value at the time of their acquisition, the holder will be required to include in computing its income for the year of acquisition the value of the benefit received from Artis in the year.

Although a holder of Rights will be required to recognize income if the Rights were to become exercisable or be exercised, the occurrence of such an event is considered by Artis to be a remote possibility. In the unlikely event that Rights are disposed of separately for proceeds of disposition greater than zero, a holder thereof will realize a capital gain.

APPROVAL OF AMENDMENTS TO DECLARATION OF TRUST

At the Meeting, Voting Unitholders will be asked to vote on the following resolution, with or without variation:

BE IT RESOLVED THAT:

The Trustees be and are hereby authorized to further amend the second amended and restated declaration of trust of Artis dated May 14, 2010 as follows:

- (a) to delete the definition of “Distributable Income”;
- (b) to delete Section 9.1 which requires that Artis calculate Distributable Income; and
- (c) to make such other consequential or ancillary amendments to Article IX – Distributions of Income and Capital Gains as the Trustees consider necessary or advisable in connection with the changes referred to in paragraph (a) and (b) above.

Artis no longer considers Distributable Income (as defined in the Declaration of Trust) as a key financial metric and is of the view that the requirement to calculate “Distributable Income” should be deleted from the Declaration of Trust.

To be effective, the special resolution must be passed by two-thirds of the votes cast by Voting Unitholders present in person or represented by proxy at the Meeting. It is intended on any vote or ballot that may be called relating to the approval of the amendments to the Declaration of Trust, that the Voting Units represented by proxies in favour of Management Nominees will be voted for such resolution, unless a Voting Unitholder has specified in the proxy that the Voting Units are to be withheld from voting on such resolution.

APPROVAL OF EQUITY INCENTIVE PLAN

At the Meeting, Voting Unitholders will be asked to vote on the following resolution, with or without variation:

BE IT RESOLVED THAT:

- (a) the equity incentive plan (the “**Incentive Plan**”), in the form attached as Appendix “C” to Artis’ management information circular dated March 23, 2011, be and is hereby approved for adoption by Artis effective on the date hereof;
- (b) Units equal to 7% of the issued and outstanding Units from time to time shall be reserved for issuance pursuant to the Incentive Plan, provided that the 1,070,250 Units underlying outstanding Unit options granted under the amended unit option plan of Artis dated June 9, 2006 shall be included in the number of Units underlying the Incentive Plan;
- (c) the Trustees of Artis be and are hereby authorized and approved to grant or issue awards of unit options, restricted units, deferred units and/or installment units in accordance with the terms of, and subject to the restrictions set forth in, the Incentive Plan; and
- (d) any one Trustee or officer of Artis be and is hereby authorized and directed to do all such acts and things and to execute and deliver on behalf of Artis or otherwise all such deeds, documents, instruments and assurances as in the opinion of such Trustee or officer may be necessary or desirable to give effect to the foregoing resolutions and to complete all transactions in connection with the implementation of the Incentive Plan.

The resolution approving the adoption of the Equity Incentive Plan (the “**Incentive Plan**”) must be approved by a majority of votes cast by Voting Unitholders at the Meeting.

Background

Voting Unitholders are being asked to consider the approval of the adoption of the proposed Incentive Plan which will enable Artis to grant awards of unit option, restricted units, deferred units and installment units. It is proposed that, if approved, the Incentive Plan will become effective immediately and the 2006 Unit Option Plan will be terminated. Artis believes that the Incentive Plan will better equip Artis to attract, retain and motivate prospective employees and other personnel over the long term.

The Incentive Plan would be made available to (i) the officers and employees of Artis or any of its affiliates or of designated service providers, (ii) the Trustees, and (iii) designated service providers who spend a significant amount of time and attention on the affairs and business of Artis, all as selected by the Board of Trustees or a committee appointed by the Board of Trustees (the “**Participants**”).

The objective of creating the Incentive Plan is to encourage increased long-term equity participation in Artis by Participants. The Incentive Plan is intended to facilitate long term ownership of Units by Participants and to provide Participants with additional incentives by increasing their interest, as owners, in Artis. As well, the Trustees believe that the Incentive Plan will encourage Participants to remain with Artis, and will also attract new employees to Artis.

Summary of the Incentive Plan

The following is a summary of the Incentive Plan and is qualified in its entirety by the text of the Incentive Plan which is attached hereto as Appendix “C”.

Awards

Awards granted under the Incentive Plan may consist of unit options (“**Options**”), restricted units (“**Restricted Units**”), deferred units (“**Deferred Units**”) and installment units (“**Installment Units**” and together with the Options, Restricted Units and Deferred Units, the “**Awards**”). Each Award is subject to the terms and conditions set forth in the Incentive Plan and to those other terms and conditions specified by the Board of Trustees and memorialized in a written award agreement.

Units Subject to the Incentive Plan

Subject to adjustment in certain circumstances as discussed below, the Incentive Plan authorizes the issuance of up to 7% of Artis’ issued and outstanding Units from time to time pursuant to the terms of such Incentive Plan. The Trustees will from time to time reserve for the purposes of the Plan, out of its authorized and unissued Units, such number of Units. The expiry, exercise, redemption or other issuance of Units underlying an Award will result in further Units being available for issuance under the Plan. The Units underlying options granted under Artis’ amended unit option plan dated June 9, 2006 (which plan will terminate upon the adoption of the Incentive Plan) shall remain outstanding following the adoption of the Incentive Plan and shall be exercisable in accordance with their terms. The Units underlying such options shall be included in the calculation of the number of Units that are issuable to Participants under the Plan. The exercise or expiry of the 2006 Option Plan Option will result in further Units being available for issuance under the Plan.

No Participant will be granted Awards with respect to more than 5% of Artis’ issued and outstanding Units. In accordance with the rules of the TSX, the Incentive Plan further provides that (i) the number of Units issuable to insiders of Artis, at any time, pursuant to the Incentive Plan and any other security-based compensation arrangement adopted by Artis, cannot exceed 10% of the issued and outstanding Units; and (ii) the number of Units issued to insiders of Artis, within any one year period, under the Incentive Plan and any other security-based compensation arrangement adopted by Artis cannot exceed 10% of the issued and outstanding Units. If, and to the extent, Awards granted under the Incentive Plan expire, terminate, are cancelled, or are forfeited for any reason without having been exercised in full, the Units associated with those Awards will again become available for grant under the Incentive Plan. Additionally, if and to the extent an Award is settled for cash, the Units subject thereto will again become available for grant under the Incentive Plan.

In the event of any recapitalization, reorganization, arrangement, amalgamation, split or combination, distribution or other similar event or transaction, substitutions or adjustments will be made by the Board of Trustees in its

discretion to: (i) the aggregate number, class and/or issuer of the securities reserved for issuance under the Incentive Plan; (ii) the number, class and/or issuer of securities subject to outstanding Awards; and (iii) the exercise price of outstanding Options, in each case in a manner that reflects equitably the effects of such event or transaction. In addition, the appropriate adjustments in the number of Units under an Award and the other terms and conditions thereunder, may be made by the Board of Trustees in its discretion to give effect to the adjustments in the number of Units of Artis resulting from the implementation and operation of Artis' Unitholder Rights Plan.

The maximum number of Units issuable under the Incentive Plan is 7% of the issued and outstanding Units from time to time. Accordingly, as of March 23, 2011, there are an aggregate of 75,724,780 Units issued and outstanding, of which 7% is 5,300,734 Units. As of March 23, 2011, there are 1,070,250 Units underlying the options outstanding under the Unit Option Plan, representing approximately 1.4% of the issued and outstanding Units as at March 23, 2011. Accordingly, based on the foregoing, if the Incentive Plan were adopted as of the date hereof, then an additional 4,230,484 Units (representing approximately 5.6% of the issued and outstanding Units) would be reserved for issuance under the Incentive Plan. Changes in the number of outstanding Units of Artis from time to time will result in a corresponding change in the maximum number of Units issuable under the Incentive Plan. In the event of the expiry, exercise, redemption or issuance of Units underlying Awards or the options outstanding under the Unit Option Plan, additional Units will be available for issuance under the Incentive Plan.

Administration

The Incentive Plan will be administered and interpreted by the Board of Trustees or a committee designated by the Board of Trustees, which initially shall be the Compensation and Governance Committee. The Board of Trustees or appointed committee, if applicable, will have full authority to grant Awards under the Incentive Plan and determine the terms of such Awards, including the persons to whom Awards are to be granted, the type and number of Awards to be granted and the number of Units to be covered by each Award. The Board of Trustees will also have full authority to specify the time(s) at which Awards will be exercisable or settled.

Eligibility

Trustees, officers or employees of Artis or any of its affiliates, Trustees, and designated employees of certain service providers who provide management services to Artis or any of its affiliates and who spend a significant amount of time and attention on the affairs and business of Artis are eligible to participate in the Incentive Plan.

Unit Options

The Incentive Plan provides that the Board of Trustees may grant Options. Any Options granted under the Incentive Plan will have a maximum term of ten years, and will be exercisable at a price not less than the volume weighted-average trading price of the Units for the five trading days immediately preceding such date on the TSX. Initially, Options will be time-vested 25% annually over four years, subject to the right of the Board of Trustees to determine at the time of grant that a particular Option will be exercisable in whole or in part on a different date and to determine at any time after the time of grant that a particular Option will be exercisable in whole or in part on an earlier date for any reason. In addition, vesting of Options may be subject to performance tests at the discretion of the Board of Trustees.

Notwithstanding the foregoing, the Incentive Plan provides that in the event that the term of an Option expires during or within ten days after the last day of a "blackout period" imposed by Artis, the Option shall expire on the date (the "**Blackout Expiration Date**") that is ten business days following the end of the blackout period. The Blackout Expiration Date will not be subject to the discretion of the Board of Trustees.

Restricted Units

The Incentive Plan provides that the Board of Trustees may grant Awards of Restricted Units. A Restricted Unit is a contractual promise to issue Units and/or cash in an amount equal to the "fair market value" (as defined in the Incentive Plan and as determined at the time of distribution) of the Units subject to the Award, at a specified future date. Restricted Units will vest on and after the third anniversary of the date of grant, subject to the right of the Board of Trustees to determine at the time of grant that a particular Restricted Unit will vest on different dates and to determine at any time after the time of grant that a particular Restricted Unit will vest at an earlier or later time. In

addition, vesting of Restricted Units may be subject to performance criteria at the discretion of the Board of Trustees.

An Award of Restricted Units may be settled in Units, cash, or in any combination of Units and/or cash, at the election of the recipient.

Deferred Units

The Incentive Plan provides that the Board of Trustees may grant Awards of Deferred Units. A Deferred Unit is a contractual promise to issue Units and/or cash in an amount equal to the “fair market value” (as defined in the Incentive Plan and as determined at the time of distribution) of the Units subject to the Award, at a specified future date.

Deferred Units granted on a particular date will vest in accordance with the following schedule:

- (i) one-third of the Deferred Units will vest on the first anniversary of the date of grant;
- (ii) one-third of the Deferred Units will vest on the second anniversary of the date of grant; and
- (iii) one-third of the Deferred Units will vest on the third anniversary of the date of grant,

subject to the right of the Board of Trustees to determine at the time of grant that a particular Deferred Unit will vest in whole or in part on different dates (including an earlier or later date) and to determine at any time after the time of grant that a particular Deferred Unit will vest in whole or in part on earlier or later dates for any reason.

Installment Units

The Incentive Plan provides that the Board of Trustees may grant Awards of Installment Units. Eligible Participants may subscribe for Installment Units pursuant to a subscription agreement, for a purchase price equal to not less than the “fair market value” of the Units (the “**Subscription Price**”), which Subscription Price will be payable in cash Installments. The terms of the Award may include the requirement for payment of not less than 5% of the Subscription Price for such Installment Units. The “fair market value” of the Units will be the volume weighted-average trading price on the TSX of the Units for the five trading days immediately preceding the grant of any such Installment Units. All Installment payments must be made over a period of not more than ten years. Installment payments in respect of Installment Receipts may be accelerated in certain circumstances. See “Effects of Termination of Service” below.

Prior to payment in full of all Installments (including interest thereon, as described below) relating to Installment Units, beneficial ownership of Installment Units will be represented by Installment receipts issued by Artis (the “**Installment Receipts**”) to Participants. Participants will be required to pay interest to Artis on the outstanding balance of the remaining Installments at a ten-year fixed rate, which interest rate shall not be less than the rate prescribed under the Tax Act at the time such Installment Units are granted or at such other rate determined by the Board of Trustees at that time. Pursuant to an Installment receipt and pledge agreement to be entered into between Artis and each applicable Participant upon acceptance by Artis of the Participant’s subscription agreement for Installment Units (the “**Installment Receipt and Pledge Agreement**”), the subject Participant will be required to apply all distributions paid on Installment Units to pay such interest and to pay the remaining Installments, such that, following all such payments, the Participant will have paid the full fair market value of the Installment Units.

Installment Units will be registered in the name of a custodian and pledged to Artis as security for payment by the subject Participant of the remaining Installments. Under the Installment Receipt and Pledge Agreement, legal title to the Installment Units will be registered in the name of the custodian and held as security for the payment of obligations of the subject Participant until all Installments have been fully paid. If payment of any Installments from a subject Participant is not received by the custodian when due, any Installment Units then remaining held as security may, unless otherwise provided for by Artis and subject to applicable law, be sold by the custodian in the market and that portion of the proceeds equal to the remaining Installments owing delivered to Artis.

Under the Incentive Plan, holders of Installment Receipts will be the beneficial owners of the Installment Units from the date of issue, subject to their obligation to make the remaining installment payments. Holders of Installment Receipts will have the same rights and privileges, and will be subject to the same limitations, as registered holders of Units, except for certain rights and privileges that are limited under the Installment Receipt and Pledge Agreement to protect the value of Artis' security interest in the Installment Units. In particular, Participants holding Installment Receipts will be entitled to receive any distributions paid on such Installment Units. Such Participants will be required to apply any distributions received by them in respect of the Installment Units to make payments of interest and the remaining Installments. A Participant will not be entitled to vote the Installment Units, unless there is no outstanding amount owed to the Trust by such Participant.

Upon due payment of all Installments, the Installment Units will be released to the subject Participant and such Participant will become the registered holders of the Installment Units. Until all Installment payments have been made, such Participant will not be allowed to transfer or dispose of his or her Installment Units or the associated Installment Receipts, other than to a "permitted assign" as defined below under "Assignability".

Effects of Termination of Service

Generally, unless provided otherwise in the applicable award agreement or individual employment agreement, Options, Restricted Units or Deferred Units granted under the Incentive Plan will expire at the earlier of the expiration date and the following: (i) within 12 months following death of a Participant (with full vesting occurring on death); (ii) three years after the date of the Participant's retirement as an employee or a service provider (or 30 days after the date such Participant ceases to be retired and is employed by a competitor of Artis)(and with such Awards continuing to vest during such period); (iii) 30 days after the Participant's resignation as an officer or employee of Artis or natural termination of a service provider contract, as applicable (with all unvested Awards terminating on the date of resignation or termination); (iv) 12 months after the date of a disability, as defined in the Incentive Plan (with respect to Awards which has vested on the date of disability); (v) 30 days after the termination of the Participant's employment or service without cause or a Participant's contract as a service provider is terminated by Artis before its normal termination date without cause, provided that any unvested Options, Restricted Units or Deferred Units will vest immediately and be exercisable (or otherwise entitle the Participant to receive the underlying cash and/or Units in accordance with its terms; (vi) immediately upon the termination of the Participant's employment or service with cause (as defined in the Incentive Plan); and (vii) notwithstanding paragraphs (i) through (vi), 90 days after the date that a Participant who is a Trustee (and who is not also an employee or designated service provider who has been terminated for cause or without constructive dismissal) ceases to hold office as a trustee of Artis, other than in respect of a voluntary resignation and provided that any such Options, Restricted Units or Deferred Units will immediately vest and be exercisable (or otherwise entitled the Participant to receive the underlying cash and/or Units in accordance with its terms), within such 90 day period. The Incentive Plan also calls for accelerated vesting in certain circumstances, as more particularly set forth in Section 8 of the Incentive Plan.

With respect to Installment Units, unless provided otherwise in the applicable Installment Receipt and Award Agreement, in the event of the death or disability of a Participant or on termination of their employment or service with Artis, the Participant shall be required to pay all outstanding Installments within six months of the event giving rise to the loss of eligible status, failing which, the Installment Units may, at the option of Artis and subject to applicable law: (i) be acquired by Artis for cancellation; or (ii) be sold by the custodian in the market in accordance with the Incentive Plan and the applicable Installment Receipt and Award Agreement. In the event that any non-executive Trustee who is a Participant should retire, resign or otherwise cease to be a Trustee prior to payment in full of the Installments, then: (i) at the election of the Trustee, the Trustee may pay all outstanding Installments in full and thereupon receive the Installment Units in accordance with the Incentive Plan and the applicable Installment Receipt and Award Agreement; or (ii) at the election of Artis, either: (a) the Trustee may pay the Installments in the ordinary course in accordance with the terms of the grant of such Installment Units; or (b) Artis may direct the custodian to sell the Installment Units in the market in accordance with the Incentive Plan and the applicable Installment Receipt and Award Agreement.

Assignability

Awards may not be assigned or transferred by a Participant, other than to a permitted assign or, in the case of a deceased Participant, by will or by the laws of descent or distribution. A "permitted assign" is an assign as

determined by the Trustees. Notwithstanding the foregoing, the Incentive Plan Permits a Participant to assign or transfer any Options, Restricted Units or Deferred Units to which such Participant is entitled to a personal holding company wholly-owned by such Participant.

Amendment and Termination of the Incentive Plan

The Board of Trustees may, in its sole discretion, amend, suspend or terminate the Incentive Plan at any time without the approval of Unitholders, provided that no such amendment, suspension, or termination may be made without obtaining any required approval of any regulatory authority or stock exchange or materially prejudice the rights of any holder under any Award.

The Board of Trustees may not, without approval of the Unitholders, make amendments to the Incentive Plan for any of the following purposes:

- to increase the maximum number of Units that may be issued;
- to reduce the exercise price of Options (other than a reduction resulting from a change made at the discretion of the Trustees in the event of a recapitalization, reorganization, arrangement, split or combination, distribution or other similar event or transaction);
- to extend the expiry date of Awards for the benefit of any Participant (including an insider of Artis);
- to increase the maximum number of Units issuable to insiders of Artis; and
- to amend the amending provisions of the Incentive Plan.

The Board of Trustees may, in accordance with the Incentive Plan and subject to the receipt of the required regulatory approval, where required, in its sole discretion, make amendments to the Incentive Plan including, but not limited to:

- amendments of a technical, clerical, or “housekeeping” nature, or to clarify any provision of the Incentive Plan;
- termination of the Incentive Plan;
- amendments to respond to changes in legislation, regulations, stock exchange rules or accounting or auditing requirements;
- amendments in respect of the vesting provisions of any Awards; and
- amendments to the termination provisions of Awards granted under the Incentive Plan that do not entail an extension beyond the original expiry date,

and provided that: (i) if the amendments would reduce the exercise price of Options or extend the expiry date of Awards granted to Insiders, other than as authorized under the Incentive Plan, approval of Unitholders must be obtained; (ii) the Board of Trustees would have had the authority to initially grant the Award under the terms as so amended; and (iii) the consent or deemed consent of the holder of the Award is obtained if the amendment would materially prejudice the rights of such holder.

Change in Control

Upon or in anticipation of any change in control of Artis, the Board of Trustees may, in its sole and absolute discretion and without the need for the consent of any Participant, cancel any Award in exchange for a substitute award of a successor entity. Substitute awards shall have no less economic value, no more stringent performance conditions, and similar vesting schedules as existing Awards. If such exchange for substitute awards is not effected by the Board of Trustees, the Board of Trustees has the discretion to accelerate the vesting of Options, Restricted Units and Deferred Units, provided that the Participant’s employment, service or term of office with Artis, is terminated without cause (as defined in the Incentive Plan). The treatment of Installment Units shall be determined by the Board of Trustees at its discretion at that time.

A change in control means, for the purposes of the Incentive Plan the occurrence of any of the following, in one transaction or a series of related transactions:

- any person acquires beneficial ownership within the meaning of applicable securities law, directly or indirectly, of securities of Artis representing more than 50% of the voting power of Artis’ then outstanding

Units for the election of Trustees;

- a consolidation, securities exchange, reorganization, arrangement or amalgamation of Artis resulting in the Unitholders immediately prior to such event not owning at least a majority of the voting power of the resulting entity's securities outstanding immediately following such event;
- the sale or other disposition of all or substantially all the assets of Artis;
- a liquidation or dissolution of Artis; or
- any similar event deemed by the Board of Trustees to constitute a change in control for the purposes of the Incentive Plan.

It is intended on any vote or ballot that may be called relating to the adoption of the Incentive Plan that the Voting Units represented by proxies in favour of Management Nominees will be voted for such resolution, unless a Voting Unitholder has specified in the proxy that the Voting Units are to be voted against such resolution.

GENERAL MATTERS

The Trustees are not aware of any other matters which may come before the Meeting.

BOARD APPROVAL

The Trustees have approved the contents of this Information Circular and its delivery to Voting Unitholders and the auditors of the Artis and to its filing with applicable securities regulatory authorities.

ADDITIONAL INFORMATION

Financial information regarding Artis is provided in the audited annual financial statements and management discussion and analysis for its financial year ended December 31, 2010. Copies of the foregoing, and of the Annual Information Form, are available on the SEDAR website at www.sedar.com and may also be obtained on written request addressed to Artis Real Estate Investment Trust, 300 – 360 Main Street, Winnipeg, MB R3C 3Z3, Attention: Investor Relations.

EXECUTIVE COMPENSATION

For purposes of the Compensation Discussion and Analysis, a “**Named Executive Officer**” means the following individuals: (a) the Chief Executive Officer of Artis; (b) the Chief Financial Officer of Artis; (c) the Executive Vice-President of Artis; (d) each of Artis’ three most highly compensated executive officers (or persons acting in a similar capacity), other than the Chief Executive Officer, Chief Financial Officer and the Executive Vice-President, at the end of the most recently completed financial year of Artis whose total compensation was, individually, more than \$150,000; and (e) any additional individual who would be a Named Executive Officer under (d) but for the fact that the individual was neither an executive officer of Artis nor acting in a similar capacity as at the end of the most recently completed financial year. As at December 31, 2010, there were four Named Executive Officers of Artis: Armin Martens, President and Chief Executive Officer, Cornelius Martens, Executive Vice-President, James Green, Chief Financial Officer and Kirsty Stevens, Chief Administrative Officer.

Compensation Discussion and Analysis

The services of the Named Executive Officers (including Armin Martens, President and Chief Executive Officer, Cornelius Martens, Executive Vice-President, James Green, Chief Financial Officer and Kirsty Stevens, Chief Administrative Officer) are provided by Marwest pursuant to the Asset Management Agreement. Marwest is also the property manager of Artis pursuant to the Property Management Agreement. Under the Asset Management Agreement and the Property Management Agreement, Artis does not pay any direct compensation to the Named

Executive Officers. Artis pays fees to Marwest which are calculated based on the formulae set forth in such agreements.

Under the Asset Management Agreement, Marwest is entitled to: (i) an annual advisory fee payable monthly equal to 0.25% of the adjusted cost base of Artis' assets; and (ii) an acquisition fee equal to 0.5% of the cost of the property acquired. The services provided by Marwest pursuant to the Asset Management Agreement are more particularly described under the heading "Management of Artis" in the Annual Information Form, which is incorporated by reference in this Information Circular. The Governance and Compensation Committee is of the view that the fee structure under the Asset Management Agreement is appropriate for Artis, which is a growth-oriented real estate investment trust (see Update on Internalization of Asset Management Agreement for further information). Acquisitions by Artis are approved by the Investment Committee of Artis or, in certain circumstances, by the Board of Trustees.

Artis also grants options to the Named Executive Officers from time to time. See "Option-Based Awards" and "Incentive Plan Awards" below.

For a summary of the compensation paid by Marwest to the Named Executive Officers of Artis for their services to Artis, see "Summary Compensation Table" below.

Option-Based Awards

The Governance and Compensation Committee is of the view that the grant of options under the Unit Option Plan assists in aligning the interest of Trustees, Named Executive Officers and certain Marwest employees with those of Unitholders, thereby preserving and enhancing Unitholder value in the long term. The Governance and Compensation Committee recommends to the Trustees the individuals who shall be granted options. The recommendation of the Governance and Compensation Committee is made after consultation with management of Artis and after taking into account the amount and terms of outstanding options.

Summary Compensation Table

The following table summarizes the compensation paid to Named Executive Officers of Artis for the last three completed financial years.

Name and principal position	Year	Salary (\$)	Unit-based awards (\$)	Option-based awards (\$) ⁽³⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Armin Martens President, Chief Executive Officer	2010	750,000 ⁽¹⁾	n/a	Nil ⁽²⁾⁽⁵⁾	Nil	Nil	Nil	750,000 ⁽¹⁾⁽⁶⁾⁽⁷⁾	1,500,000
	2009	600,000 ⁽¹⁾	n/a	Nil ⁽³⁾⁽⁵⁾	Nil	Nil	Nil	300,000 ⁽¹⁾⁽⁶⁾⁽⁷⁾	900,000
	2008	480,000 ⁽¹⁾	n/a	Nil ⁽⁴⁾⁽⁵⁾	Nil	Nil	Nil	240,000 ⁽¹⁾⁽⁶⁾⁽⁷⁾	720,000
Cornelius Martens Executive Vice-President	2010	420,000 ⁽¹⁾	n/a	Nil ⁽²⁾⁽⁵⁾	Nil	Nil	Nil	210,000 ⁽¹⁾⁽⁶⁾⁽⁷⁾	630,000
	2009	420,000 ⁽¹⁾	n/a	Nil ⁽³⁾⁽⁵⁾	Nil	Nil	Nil	180,000 ⁽¹⁾⁽⁶⁾⁽⁷⁾	600,000
	2008	360,000 ⁽¹⁾	n/a	Nil ⁽⁴⁾⁽⁵⁾	Nil	Nil	Nil	120,000 ⁽¹⁾⁽⁶⁾⁽⁷⁾	480,000
James Green Chief Financial Officer	2010	300,000 ⁽¹⁾	n/a	Nil ⁽²⁾⁽⁵⁾	Nil	Nil	Nil	150,000 ⁽¹⁾⁽⁶⁾⁽⁷⁾	450,000
	2009	280,000 ⁽¹⁾	n/a	Nil ⁽³⁾⁽⁵⁾	Nil	Nil	Nil	80,000 ⁽¹⁾⁽⁶⁾⁽⁷⁾	360,000

	2008	240,000 ⁽¹⁾	n/a	Nil ⁽⁴⁾⁽⁵⁾	Nil	Nil	Nil	60,000 ⁽¹⁾⁽⁶⁾⁽⁷⁾	300,000
Kirsty Stevens Chief Administrative Officer	2010	164,000	n/a	Nil ⁽²⁾⁽⁵⁾	Nil	Nil	Nil	82,000 ⁽¹⁾⁽⁶⁾⁽⁷⁾	244,000
	2009	144,000	n/a	Nil ⁽³⁾⁽⁵⁾	Nil	Nil	Nil	72,000 ⁽¹⁾⁽⁶⁾⁽⁷⁾	216,000
	2008	132,000	n/a	Nil ⁽⁴⁾⁽⁵⁾	Nil	Nil	Nil	66,000 ⁽¹⁾⁽⁶⁾⁽⁷⁾	198,000

Notes:

- (1) The services of the Named Executive Officers are provided to Artis by Marwest pursuant to the Asset Management Agreement. Artis does not pay any direct compensation to the Named Executive Officers, other than the grant of options to purchase Units as set forth in the table above. For a summary of fees to which Marwest is entitled under the Asset Management Agreement (and the Property Management Agreement), see "Management of Artis" in the Annual Information Form, which is incorporated by reference in this Information Circular. The salary figures set forth in the table above represent an estimate of the aggregate compensation paid by Marwest to the Named Executive Officers during the relevant period that is attributable to services rendered to Artis.
- (2) Three series of options were granted in the year: (i) options to acquire Units at a price of \$11.28 per Unit, expiring February 25, 2015. 25% of such options vested on February 25, 2011; 25% of such options will vest on each of February 25, 2012, February 25, 2013, and February 25, 2014; (ii) options to acquire Units at a price of \$13.30 per Unit, expiring September 10, 2015. 25% of such options will vest on each of September 10, 2011, September 10, 2012, September 10, 2013, and September 10, 2014; and (iii) options to acquire Units at a price of \$13.44 per Unit, expiring October 15, 2015. 25% of such options will vest on each of October 15, 2011, October 15, 2012, October 15, 2013, and October 15, 2014.
- (3) No options were granted in the year. Effective August 21, 2009, Artis and the holders of options to acquire Units agreed to cancel an aggregate of 1,212,800 options to acquire Units. The exercise prices of the options surrendered ranged from \$14.40 to \$17.75 per Unit. The weighted-average exercise price with respect to the cancelled options was \$16.26 per Unit. The options were surrendered voluntarily and no agreements or commitments have been made to holders with respect to the granting of new options in the future.
- (4) No options were granted in the year.
- (5) The methodology used by Artis in calculating the fair value of options on the date of grant is to value the options by the amount by which the exercise price of the option exceeded the closing price of the Units on the trading day immediately prior to the date of grant.
- (6) All non-equity incentive plan compensation was paid during the financial year ended December 31, 2010.
- (7) Represents a bonus paid by Marwest to the Named Executive Officers during the relevant period that is attributable to services rendered to Artis.

Incentive Plan Awards

Outstanding Unit-Based Awards and Option-Based Awards

During 2010, options with exercise prices of \$11.28 per Unit, \$13.30 per Unit and \$13.44 per Unit were granted.

The following table sets forth all Option-Based Awards and Unit-Based Awards held by the Named Executive Officers as at the end of the most recently completed financial year of Artis.

Name	Option-Based Awards				Unit-Based Awards	
	Number of securities underlying unexercised option (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money option (\$) ⁽¹⁾	Number of Units that have not vested (#)	Market or payout value of Unit-based awards that have not vested (\$)
Armin Martens	50,000	11.28	February 25, 2015	\$96,500	n/a	n/a

Name	Option-Based Awards				Unit-Based Awards	
	Number of securities underlying unexercised option (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money option (\$) ⁽¹⁾	Number of Units that have not vested (#)	Market or payout value of Unit-based awards that have not vested (\$)
President, Chief Executive Officer	60,000	13.30	September 10, 2015	Nil		
	60,000	13.44	October 15, 2015	Nil		
Cornelius Martens Executive Vice-President	50,000	11.28	February 25, 2015	\$96,500	n/a	n/a
	60,000	13.30	September 10, 2015	Nil		
James Green Chief Financial Officer	60,000	13.44	October 15, 2015	Nil		
	30,000	11.28	February 25, 2015	\$57,900	n/a	n/a
Kirsty Stevens Chief Administrative Officer	40,000	13.30	September 10, 2015	Nil		
	40,000	13.44	October 15, 2015	Nil		
Kirsty Stevens Chief Administrative Officer	20,000	11.28	February 25, 2015	\$38,600	n/a	n/a
	25,000	13.30	September 10, 2015	Nil		
	25,000	13.44	October 15, 2015	Nil		

Note:

- ⁽¹⁾ For the purposes of calculating the value of unexercised “in the money” options, for each option the exercise price was subtracted from the closing price per Unit on the TSX on December 31, 2010, the last trading day of the most recently completed financial year.

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-Based Awards - Value vested during the year (\$)	Unit-Based Awards - Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Armin Martens	Nil	n/a	n/a
Cornelius Martens	Nil	n/a	n/a
James Green	Nil	n/a	n/a
Kirsty Stevens	Nil	n/a	n/a

No options were repriced during the most recently completed financial year of Artis.

The outstanding options referenced above are issued pursuant to the Unit Option Plan of Artis. For a summary of the terms of the Unit Option Plan, see “*Securities Authorized for Issuance Under Equity Compensation Plans – Unit Option Plan*” below.

Termination and Change of Control Benefits

None of the Named Executive Officers of Artis have employment contracts with Artis as they are currently employed by Marwest and provide services to the Trust pursuant to the Asset Management Agreement. Marwest Management Canada Ltd., an affiliate of Marwest, is the property manager of Artis pursuant to the Property Management Agreement. Artis has no obligation to pay any direct severance or other termination benefits to the Named Executive Officers in the event that the Asset Management Agreement or the Property Management Agreement is terminated, or their employment with Marwest is terminated. The Asset Management Agreement and/or the Property Management Agreement may be terminated by Artis upon 120 days’ notice in the event that Artis determines to internalize its asset management or property management, as the case may be, provided that the officers who provide services to Artis pursuant to the Asset Management Agreement or Property Management Agreement, as the case may be, shall be entitled to be employed by Artis and hold a similar office with similar responsibilities on terms and conditions mutually acceptable to Artis and such officers, acting reasonably. No termination fee is payable by Artis to Marwest or Marwest Management Canada Ltd. upon termination of the Asset Management Agreement or the Property Management Agreement, as the case may be, unless such termination occurs following a take-over bid of Artis, in which case Marwest is entitled to receive a termination fee equal to the anticipated fees which would have been payable in respect of its services under the Asset Management Agreement or Property Management Agreement, as the case may be, during the balance of the term of such agreement, plus any severance costs related to employees of Marwest or Marwest Management Canada Ltd., as the case may be. The material terms and conditions of the Asset Management Agreement and the Property Management Agreement are

set forth under “*Management of Artis*” in the Annual Information Form, which is incorporated by reference in this Information Circular.

Update on Internalization of Asset Management Agreement

The Asset Management Agreement and the Property Management Agreement are long-term agreements which expire in 2025.

The Trustees formed a special committee (the “**Asset Management Special Committee**”) to consider the timing and terms of the internalization of the asset management functions provided pursuant to the Asset Management Agreement. The Asset Management Special Committee is comprised entirely of Independent Trustees. A primary objective of the Asset Management Special Committee is to assist the Board of Trustees in ensuring quality and cost-effective management of the assets of Artis that will result in maintaining and enhancing Unitholder value. The mandate of the Asset Management Special Committee includes reviewing the existing Asset Management Agreement between Artis and Marwest, and considering the financial and non-financial impacts of internalization.

The Asset Management Special Committee conducted reviews consistent with its mandate throughout 2007, 2008, 2009 and 2010.

On November 9, 2010, Artis announced that it and Marwest had agreed to negotiate in good faith the terms and conditions upon which the asset management of Artis would be internalized, with a view to completing such internalization no later than December 31, 2011.

Composition of the Governance and Compensation Committee

As at December 31, 2010, the Governance and Compensation Committee was comprised of Edward Warkentin, Allan McLeod and Victor Thielmann, each of whom is an Independent Trustee.

Compensation of Trustees

The following table is a summary of the compensation payable to Trustees for the most recently completed financial year of Artis.

Name ⁽¹⁾	Fees Earned (\$)	Unit-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
				Annual incentive plans	Long-term incentive plans			
Delmore Crewson	\$106,500	n/a	Nil ⁽²⁾⁽³⁾	Nil	Nil	Nil	Nil	\$106,500
Allan McLeod	\$87,000	n/a	Nil ⁽²⁾⁽³⁾	Nil	Nil	Nil	Nil	\$87,000
Victor Thielmann	\$93,000	n/a	Nil ⁽²⁾⁽³⁾	Nil	Nil	Nil	Nil	\$93,000
Wayne Townsend	\$91,500	n/a	Nil ⁽²⁾⁽³⁾	Nil	Nil	Nil	Nil	\$91,500
Edward Warkentin	\$123,500	n/a	Nil ⁽²⁾⁽³⁾	Nil	Nil	Nil	Nil	\$123,500

Note:

- (1) Compensation of Trustees who are also Named Executive Officers is not included in the foregoing table as all compensation paid to such individuals has been set forth in “*Executive Compensation – Summary Compensation Table*” above.
- (2) Three series of options were granted in the year: (i) options to acquire Units at a price of \$11.28 per Unit, expiring February 25, 2015. 25% of such options vested on February 25, 2011; 25% of such options will vest on each of February 25, 2012, February 25, 2013, and February 25, 2014; (ii) options to acquire Units at a price of \$13.30 per Unit, expiring September 10, 2015. 25% of such options will vest on each of September 10, 2011, September 10, 2012, September 10, 2013, and September 10, 2014; and (iii) options to acquire Units at a price of \$13.44 per Unit, expiring

October 15, 2015. 25% of such options will vest on each of October 15, 2011, October 15, 2012, October 15, 2013, and October 15, 2014.

- (3) The methodology used by Artis in calculating the fair value of options on the date of grant is to value the options by the amount by which the exercise price of the option exceeded the closing price of the Units on the trading day immediately prior to the date of grant.

The Trustees (other than the Marwest Appointees) are entitled to compensation for services rendered to Artis in their capacities as Trustees.

In 2010, each Trustee was paid a base compensation at a rate of \$45,000 per year, plus a base committee fee at a rate of \$2,000 per year. Meeting fees were paid at a rate of \$1,000 to \$3,000 per meeting, dependent upon the location of meeting and whether it was attended in person or by teleconference. The Chair of the Board of Trustees was paid an additional fee at a rate of \$20,000 per year, (ii) the Chair of the Audit Committee was paid an additional fee at a rate of \$15,000 per year, the Chairs of the Compensation and Governance Committee and the Investment Committee were each paid an additional fee of at a rate of \$5,000 per year.

The Trustees are also entitled to reasonable travel and other expenses properly incurred by them in attending meetings of the Trustees or any committee thereof in connection with their services as Trustees.

In 2010, the Board instituted a policy such that the Trustees would be required to hold directly or indirectly a minimum number of Units, such minimum requirement being set at twice the annual retainer to be accumulated over a 5 year period.

Incentive Plan Awards

Outstanding Unit-Based Awards and Option-Based Awards

During 2010, options were granted to Trustees as follows:

Trustee	Date of Grant	Number of Options	Exercise Price	Expiry Date ⁽¹⁾
Delmore Crewson	February 25, 2010	10,000	\$11.28	February 25, 2015
	September 10, 2010	14,000	\$13.30	September 10, 2015
	October 15, 2010	14,000	\$13.44	October 15, 2015
Armin Martens	February 25, 2010	50,000	\$11.28	February 25, 2015
	September 10, 2010	60,000	\$13.30	September 10, 2015
	October 15, 2010	60,000	\$13.44	October 15, 2015
Cornelius Martens	February 25, 2010	50,000	\$11.28	February 25, 2015
	September 10, 2010	60,000	\$13.30	September 10, 2015
	October 15, 2010	60,000	\$13.44	October 15, 2015
Allan McLeod	February 25, 2010	10,000	\$11.28	February 25, 2015
	September 10, 2010	14,000	\$13.30	September 10, 2015
	October 15, 2010	14,000	\$13.44	October 15, 2015
Victor Thielmann	February 25, 2010	10,000	\$11.28	February 25, 2015
	September 10, 2010	14,000	\$13.30	September 10, 2015
	October 15, 2010	14,000	\$13.44	October 15, 2015
Wayne Townsend	February 25, 2010	10,000	\$11.28	February 25, 2015
	September 10, 2010	14,000	\$13.30	September 10, 2015
	October 15, 2010	14,000	\$13.44	October 15, 2015
Edward Warkentin	February 25, 2010	12,000	\$11.28	February 25, 2015
	September 10, 2010	16,000	\$13.30	September 10, 2015
	October 15, 2010	16,000	\$13.44	October 15, 2015

Note:

- ⁽¹⁾ The options set forth in the table above vest 25% on each of the first, second, third and fourth anniversaries of the date of grant.

The following table sets forth all Option-Based Awards and Unit-Based Awards held by the Trustees as at the end of the most recently completed financial year of Artis.

Name ⁽¹⁾	Option-Based Awards				Unit-Based Awards	
	Number of securities underlying unexercised option (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money option (\$) ⁽¹⁾	Number of Units that have not vested (#)	Market or payout value of Unit-based awards that have not vested (\$)
Delmore Crewson	10,000	11.28	February 25, 2015	\$19,300	n/a	n/a
	14,000	13.30	September 10, 2015	Nil		
	14,000	13.44	October 15, 2015	Nil		
Allan McLeod	10,000	11.28	February 25, 2015	\$19,300	n/a	n/a
	14,000	13.30	September 10, 2015	Nil		
	14,000	13.44	October 15, 2015	Nil		
Victor Thielmann	10,000	11.28	February 25, 2015	\$19,300	n/a	n/a
	14,000	13.30	September 10, 2015	Nil		
	14,000	13.44	October 15, 2015	Nil		
Wayne Townsend	10,000	11.28	February 25, 2015	\$19,300	n/a	n/a
	14,000	13.30	September 10, 2015	Nil		
	14,000	13.44	October 15, 2015	Nil		
Edward Warkentin	12,000	11.28	February 25, 2015	\$23,160	n/a	n/a
	16,000	13.30	September 10, 2015	Nil		
	16,000	13.44	October 15, 2015	Nil		

Note:

⁽¹⁾ Awards to Trustees who are also Named Executive Officers are not included in the foregoing table as all awards granted to such individuals have been set forth in “*Executive Compensation – Incentive Plan Awards– Outstanding Unit-Based Awards and Option-Based Rewards*” above.

Incentive Plan Awards – Value Vested or Earned During the Year

Name ⁽¹⁾	Option-Based Awards -Value vested during the year (\$)	Unit-Based Awards - Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Delmore Crewson	Nil	n/a	n/a
Allan McLeod	Nil	n/a	n/a
Victor Thielmann	Nil	n/a	n/a
Wayne Townsend	Nil	n/a	n/a
Edward Warkentin	Nil	n/a	n/a

Note:

⁽¹⁾ Awards to Trustees who are also Named Executive Officers are not included in the foregoing table as all awards granted to such individuals have been set forth in “*Executive Compensation – Incentive Plan Awards – Value Vested or Earned During the Year*” above.

The outstanding options referenced above are issued pursuant to the Unit Option Plan of Artis. For a summary of the terms of the Unit Option Plan, see “*Securities Authorized for Issuance Under Equity Compensation Plans – Unit Option Plan*” below.

Trustee and Officer Liability Insurance

In addition to the indemnity provided under the Declaration of Trust, the Trustees and officers of Artis are covered under a liability insurance policy. The aggregate premium for such insurance for the period from October 31, 2010 until October 31, 2011 was \$35,000. The aggregate limit of liability applicable to insured Trustees and officers of Artis under the policy is \$10,000,000.

Performance Graph

The following graph compares the total cumulative return to Unitholders for \$100 invested in Units with the total cumulative returns of the S&P/TSX Composite Index and the S&P/TSX Capped REIT Index for the last five

completed fiscal periods of Artis, assuming a \$100 investment on January 1, 2005, and reinvestment of distributions during those periods.



Index	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010
Artis	\$100.00	\$130.27	\$127.76	\$68.36	\$121.20	\$153.95
S&P/TSX Capped REIT Index	\$100.00	\$123.97	\$117.67	\$72.63	\$112.77	\$138.26
S&P/TSX Composite Index	\$100.00	\$117.27	\$128.79	\$86.28	\$116.53	\$137.05

The compensation paid to Marwest under the Asset Management Agreement is not based upon the market price of the Units or the total return to Unitholders.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Table

Artis has adopted the Unit Option Plan and the table below summarizes the number of Units underlying the options granted under the Unit Option Plan, the weighted-average exercise price of such options and the number of Units remaining available for future issuance under the Unit Option Plan as at December 31, 2010.

Plan Category	A	B	C
	Number of Units to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities

			reflected in column A) ⁽¹⁾
Unit Option Plan	1,070,250	\$12.84	2,703,615

Note:

⁽¹⁾ The Unit Option Plan is a “rolling” plan which permits Artis to grant options to purchase Units in an amount of up to 5% of the issued and outstanding Units from time to time.

Unit Option Plan

Artis adopted the Unit Option Plan under which the Trustees may from time to time, and in accordance with TSX requirements, grant to Trustees, officers, investor relations consultants and technical consultants to Artis, non-transferable and non-assignable options to purchase Units, provided that the number of Units reserved for issuance under options will not exceed 5% of the issued and outstanding Units, exercisable for a period of up to 5 years from the date of grant. The number of Units reserved for issuance under options to any individual Trustee or officer will not exceed 5% of the issued and outstanding Units and the number of Units reserved for issuance to all investor relations consultants and technical consultants will not exceed 2% of the issued and outstanding Units. Pursuant to the Plan, no options shall be granted that would result in insiders of Artis receiving, within a 12 month period, options exceeding 10% of the total number of issued and outstanding Units (calculated on a non-diluted basis). Options may be exercised no later than 90 days following cessation of the optionee's position with Artis, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. The Unit Option Plan provides that, for an investor relations consultant, no option shall be exercisable for a period exceeding 12 months from the date the option is granted, with no more than ¼ of the options vesting in any three month period. Any option granted to an investor relations consultant expires 30 days after the date that such person ceases to carry on investor relations activities on behalf of Artis. The exercise price of options granted under the Unit Option Plan must not be less than the last daily closing price of the Units on or before the date of grant of options. The Unit Option Plan may not be amended without the approval of Unitholders.

The Unit Option Plan will terminate upon the adoption of the Incentive Plan, if approved by Unitholders.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date hereof, no Trustee or officer of Artis, or any of their respective associates, is or has been indebted to Artis or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in the Annual Information Form and this Information Circular, no informed person (within the meaning of applicable securities laws) of Artis and no proposed nominee for election as a Trustee, or any of their respective associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction involving Artis during the year ended December 31, 2010 or in any transaction which will be considered at the meeting.

AUDITOR

The auditor of Artis for the fiscal year ended December 31, 2010, is Deloitte & Touche LLP.

MANAGEMENT CONTRACTS

The services of the officers of Artis are provided by Marwest pursuant to the Asset Management Agreement. The property management of Artis is provided by Marwest Management Canada Ltd., an affiliate of Marwest, pursuant to the Property Management Agreement. For details regarding the Asset Management Agreement and the Property

Management Agreement, see “Management of Artis” in the Annual Information Form, which is incorporated by reference in this Information Circular.

AUDIT COMMITTEE MATTERS

The Audit Committee is responsible for (i) reviewing the engagement of the auditors of Artis; (ii) reviewing and recommending to the Trustees for approval the annual and quarterly financial statements of Artis; (iii) assessing the financial and accounting personnel of Artis; and (iv) reviewing any significant transaction outside the scope of Artis’ ordinary course of business and reviewing all pending litigation, if any.

The text of Artis’ Audit Committee charter is attached as Appendix “A” to the Annual Information Form. For additional information concerning the composition of the Audit Committee, including the relevant education and experience of each member of the Audit Committee, see “Audit Committee Matters” in the Annual Information Form, which is incorporated by reference in this Information Circular.

CORPORATE GOVERNANCE PRACTICES

The Statement of Governance Practices of Artis is attached to this Information Circular as Appendix “B” and has been approved by the Trustees.

CERTIFICATE OF THE ISSUER

March 23, 2011

The foregoing contains no untrue statement of a material fact in respect of Artis Real Estate Investment Trust and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

“Armin Martens” (signed)

Armin Martens
President and Chief Executive Officer

“James Green” (signed)

James Green
Chief Financial Officer

APPENDIX “A”

GLOSSARY

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them below.

“**Annual Information Form**” means the annual information form of Artis dated March 31, 2011 for the year ended December 31, 2010;

“**Artis**” means Artis Real Estate Investment Trust, a trust governed by the Declaration of Trust;

“**Asset Management Agreement**” means the asset management agreement made effective February 1, 2005 between Artis and Marwest Management Canada Ltd., as amended effective August 1, 2005, as further amended effective January 31, 2007 to add the Partnership as a party, which agreement was assigned from Marwest Management Canada Ltd. to Marwest effective November 1, 2009;

“**Declaration of Trust**” means the second amended and restated declaration of trust of Artis dated as of May 14, 2010 pursuant to which Artis is governed under the laws of the Province of Manitoba;

“**Incentive Plan**” has the meaning ascribed thereto under “Particulars of Matters to be Acted on – Approval of Equity Incentive Plan”;

“**Independent Trustees**” means those Trustees who are independent within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices*;

“**Information Circular**” means this management information circular dated March 23, 2011;

“**Management Nominees**” means Armin Martens and Wayne Townsend, the individuals selected by Artis to represent Voting Unitholders who complete the form of proxy accompanying this Information Circular;

“**Marwest**” means Marwest Realty Advisors Inc., a corporation incorporated under the laws of the Province of Manitoba, and which is indirectly owned and controlled by related parties of Armin Martens and Cornelius Martens and other members of the Martens family;

“**Marwest Appointees**” means the two persons appointed by Marwest to serve as Trustees, currently being Armin Martens and Cornelius Martens;

“**Meeting**” means the annual and special meeting of Voting Unitholders to be held on May 19, 2011 at the time and place set forth in the Notice of Meeting and, where the context requires, includes any adjournment thereof;

“**Notice of Meeting**” means the notice of the Meeting accompanying this Information Circular;

“**ordinary resolution**” means the affirmative vote of not less than a majority of votes cast by Voting Unitholders with respect to a particular matter;

“**Original Rights Plan**” has the meaning ascribed thereto under “Particulars of Matters to be Acted on – Approval of Amended and Restated Unitholders Rights Plan”

“**Property Management Agreement**” means the property management agreement dated effective February 1, 2005 between Artis and Marwest, as amended effective January 31, 2007 to add the Partnership as a party, and as further amended effective August 1, 2009, as may be further amended from time to time;

“**Record Date**” means March 21, 2011;

“**special resolution**” means the affirmative vote of not less than two-thirds of the votes cast by Voting Unitholders with respect to a particular matter;

“Rights Plan” means the Unitholder rights plan of Artis dated May 16, 2008 and ending on the date of the annual meeting of Unitholders in 2014, unless terminated earlier in accordance with its terms, as amended pursuant to the proposed amended and restated rights plan agreement between Artis and CIBC Mellon;

“Special Voting Unit(s)” means special voting interest(s) in Artis;

“Tax Act” means the *Income Tax Act* (Canada), R.S.C. 1985 (5th Supp.), c.1, as amended;

“Trustee” means a trustee of Artis and **“Trustees”** means all of the trustees of Artis;

“TSX” means the Toronto Stock Exchange;

“Unit(s)” means participating voting trust unit(s) in Artis;

“Unit Option Plan” means the amended unit option plan of Artis dated May 14, 2009;

“Unitholder(s)” means holder(s) of Units;

“Voting Unitholder(s)” means, collectively, Unitholders and holders of Special Voting Units; and

“Voting Unit(s)” means Units and/or Special Voting Units.

APPENDIX “B”

STATEMENT OF GOVERNANCE PRACTICES

Introduction

The Board of Trustees (the “**Board**”) believes that sound governance practices are essential to achieve the best long-term interests of Artis and the enhancement of value for all of its security holders. The Board recognizes that proper and effective corporate governance is a significant concern of and priority for investors and other stakeholders and, accordingly, the Board has instituted a number of procedures and policies in an effort to ensure appropriate governance practices.

The Canadian Securities Administrators (the “**CSA**”) have issued National Policy 58-201 – *Corporate Governance Guidelines*. The CSA have also adopted National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) which requires Canadian reporting issuers to annually disclose their corporate governance practices. Regulatory changes to governance practices are continually monitored by the Board and the Board has taken, or will take, appropriate action as regulatory changes occur. Below is a discussion on the current composition of the Board and the current governance practices of Artis.

Board of Trustees

Independence

The principal factor underlying the determination of Trustee “independence” is whether or not a particular Trustee has a “material relationship” with Artis, which is a relationship which could be reasonably expected to interfere with the exercise of the Trustee’s independent judgement.

The Board has determined that five out of seven Trustees are independent for the purpose of NI 58-101. The Independent Trustees as at the date of this Information Circular are Delmore Crewson, Allan McLeod, Victor Thielmann, Wayne Townsend and Edward Warkentin. Armin Martens and Cornelius Martens are not Independent Trustees by virtue of the fact that they are officers of Artis and of Marwest and are appointed as Trustees by Marwest.

Other Boards of Reporting Issuers.

As at the date hereof, each of Armin Martens, Cornelius Martens, Allan McLeod, Victor Thielmann, Wayne Townsend and Edward Warkentin are directors of All in West! Capital Corporation, an issuer listed on the TSX Venture Exchange. Armin Martens is also a director of Fortress Paper Ltd., an issuer listed on the TSX. Delmore Crewson is a trustee and the chair of the audit committee of Pollard Banknote Limited, an issuer listed on the TSX. Allan McLeod and Edward Warkentin are directors of Exchange Income Corporation, an issuer listed on the TSX.

The directors serve or have served on a number of boards of prominent private issuers and other organizations as set forth above under the heading “Particulars of Matters to be Acted Upon – Election of Trustees – Trustees’ Biographies”.

Independent Chairs

The Chair of the Board and of each committee of the Board is an Independent Trustee. Delmore Crewson is the Chair of the Audit Committee. Edward Warkentin is the Chair of the Board and the Chair of the Governance and Compensation Committee. Wayne Townsend is the Chair of the Investment Committee. Each Board committee meets independently of management, unless management is requested to be present.

Attendance at Board Meetings

Since the commencement of the 2010 fiscal year, the Board has held 22 regularly scheduled Board and/or committee meetings and 19 non-regularly scheduled Board or committee meetings. The following table summarizes the attendance of each of the Trustees at such Board meetings.

Name of Trustee	Regularly Scheduled Board and Committee Meetings Attended	Non-Regularly Scheduled Board and Committee Meetings Attended	Total Board and Committee Meetings Attended
Armin Martens	10/10	13/13	23
Cornelius Martens	6/6	13/13	19
Delmore Crewson	13/13	17/17	30
Allan McLeod	13/15	15/15	28
Victor Thielmann	15/15	15/15	30
Wayne Townsend	11/11	17/17	28
Edward Warkentin	17/17	19/19	36

It should be noted that the summary of attendance of Trustees at meetings of the Board and committees of the Board is not strictly indicative of the contribution made by each Trustee and absence from a meeting may result from a variety of factors or causes, including the rescheduling of meetings. Where meeting attendance was not possible, Trustees provided comments in advance.

Independent Trustee Meetings

The Independent Trustees hold regularly scheduled quarterly meetings and at such other times as may be considered necessary by the Independent Trustees.

Board Mandate

The Board is responsible for the stewardship of Artis. The Board supervises management of Artis with the goal of enhancing long-term Unitholder value. Management, in turn, is responsible for the day-to-day management of the business and affairs of Artis and its subsidiaries. Management is also responsible for establishing strategic planning initiatives for Artis. The Board ultimately approves the strategic plan, taking into account the risks and opportunities of the business of Artis. The Board approves all significant decisions that affect Artis before they are implemented, supervises the implementation and reviews the results.

The roles and responsibilities of the Board are intended to primarily focus on the formulation of long-term strategic, financial and organizational goals for Artis and on the monitoring of management performance. Without limitation, the Board is responsible for: (i) participating in the development of and approving a strategic plan for Artis, on at least an annual basis; (ii) identifying the principal risks of Artis' business and ensuring the implementation of appropriate systems to monitor these risks; (iii) succession planning regarding management; (iv) ensuring the integrity and adequacy of Artis' internal controls and management information systems; (v) defining the roles and responsibilities of management; (vi) reviewing and approving the business and investment objectives to be set by management of Artis; (vii) assessing the performance of management; (viii) reviewing Artis' debt management strategy; (ix) ensuring effective and adequate communication with the Unitholders and other stakeholders as well as the public at large; and (x) establishing committees of the Board, where required or prudent, and, where appropriate, defining their mandate.

Position Descriptions

The Board has developed written position descriptions for the Chair of the Board as well as for Trustees generally. The Board has not developed a written position description for the President and Chief Executive Officer, as the services required to be provided to Artis by Marwest are set forth in the Asset Management Agreement.

Orientation and Continuing Education

All Trustees are provided with the following documents relating to Artis:

- (i) the position description for Trustees generally;
- (ii) the position description for the Chair;
- (iii) the code of conduct of Artis;
- (iv) the Audit Committee Charter;
- (v) the Audit Committee whistle-blowing policy;
- (vi) the Governance and Compensation Committee Charter;
- (vii) the Investment Committee Charter; and
- (viii) the disclosure policy of Artis.

The Board has not established a formal orientation and education program for new Trustees and new committee members. The Board holds separate orientation and strategic planning sessions on an “as needed” basis and encourages Trustees to attend continuing education seminars and corporate governance conferences. On an annual basis, the Board holds two-day orientation and strategic planning sessions where the Trustees visit a substantial number of Artis’ properties and hold planning meetings with respect to the strategic direction and corporate governance practices of Artis.

Ethical Business Conduct

The Board has adopted a written code of conduct. The code of conduct strives to create a culture in Artis that values high ethical standards, honesty and compliance with laws, rules and regulations. Among other things, the code of conduct contains provisions that require the Trustees and officers of Artis to avoid situations where their personal interests conflict, or appear to conflict, with the interests of Artis. Copies of the code of conduct of Artis may be obtained on written request addressed to Artis Real Estate Investment Trust, 300 – 360 Main Street, Winnipeg, MB R3C 3Z3, Attention: Investor Relations.

Nomination of Trustees

The Governance and Compensation Committee is responsible for, among other things, reviewing the effectiveness of the Board, including its size and composition. The Board does not have a separate nominating committee responsible for identifying new candidates for nomination for election to the Board. The Governance and Compensation Committee is comprised entirely of Independent Trustees. The Board as a whole makes decisions with respect to the nomination of Trustees for election.

Compensation

The Board, through its Governance and Compensation Committee, periodically reviews the adequacy and form of compensation to Trustees and senior officers of Artis. The Governance and Compensation Committee considers the time, commitment, risks and responsibilities of the Trustees and senior officers and takes into account the types of compensation and the amounts paid to the Trustees and executive officers of comparable publicly traded Canadian issuers.

Board Committees

The Board has three committees: (i) the Audit Committee; (ii) the Governance and Compensation Committee; and (iii) the Investment Committee. The Disclosure Committee is a sub-committee of the Governance and Compensation Committee.

Audit Committee

Pursuant to the Declaration of Trust, the Board is required to have an audit committee consisting of at least three Trustees. While the Declaration of Trust provides that a majority of the Audit Committee members must be Independent Trustees, National Instrument 52-110 – *Audit Committees* (the “**Audit Committee Rule**”) requires that each member of the Audit Committee must be “independent” within the meaning of the Audit Committee Rule. Subject to the delegation to the Audit Committee of such other responsibilities as are determined by the Trustees from time to time and subject to such changes in its form and function as may be mandated by any relevant regulatory authorities, the Audit Committee shall, among other things:

- (a) oversee the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting;
- (b) satisfy itself on behalf of the Board with respect to Artis’ internal control system, including (i) to identify, monitor and assess business risks; and (ii) to ensure compliance with legal, ethical and regulatory requirements;
- (c) review the annual financial statements of Artis prior to their submission to the Board for approval. The process should include but not be limited to:
 - reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;
 - reviewing significant accruals or other estimates;
 - reviewing accounting treatment of unusual or non-recurring transactions;
 - ascertaining compliance with covenants under loan agreements;
 - reviewing disclosure requirements for commitments and contingencies;
 - reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
 - reviewing unresolved differences between management and the external auditors; and
 - obtaining explanations of significant variances within comparative reporting periods;
- (d) review the financial statements (and make a recommendation to the Board with respect to their approval), prospectuses, management discussion and analysis and all public disclosure containing audited or unaudited financial information before release and prior to Board approval, and to satisfy itself that adequate procedures are in place for the review of Artis’ disclosure of all other financial information and to periodically access the accuracy of those procedures;
- (e) with respect to the appointment of external auditors by the Board:
 - recommend to the Board the appointment of the external auditors;
 - recommend to the Board the terms of engagement of the external auditors, including the compensation of the external auditors and a confirmation that the external auditors shall report directly to the Audit Committee; and
 - when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;

- (f) review with external auditors (and the internal auditor if one is appointed by Artis) their assessment of the internal controls of Artis, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses, and to review annually with the external auditors their plan for the audit and, upon completion of the audit, their reports upon the financial statements of Artis;
- (g) pre-approve all non-audit services to be provided to Artis or its subsidiaries by the external auditors; and
- (h) review risk management policies and procedures of Artis.

Governance and Compensation Committee

Pursuant to the Declaration of Trust, the Board is required to have a governance and compensation committee. The Governance and Compensation Committee is comprised of three Independent Trustees. Subject to the delegation to the Governance and Compensation Committee of such other responsibilities as are determined by the Trustees from time to time and subject to such changes in its form and function as may be mandated by any relevant regulatory authorities, the Governance and Compensation Committee is responsible for:

- (a) developing the system of, and overall approach to, governance generally, monitoring compliance with applicable governance requirements, assessing the Board's effectiveness in governance matters and making recommendations to the Board with respect to corporate governance of Artis as a whole, including without limitation:
 - the stewardship role of the Board in respect of management of Artis;
 - Board size and composition;
 - Trustees' remuneration; and
 - such processes and procedures as may be reasonably necessary to allow the Board to function independently of management;
- (b) generally review and make recommendations to the Board with respect to all direct and indirect compensation, benefits and perquisites for the management of Artis;
- (c) review and make recommendations to the Board regarding incentive compensation and equity based plans generally;
- (d) administer those functions delegated to the Governance and Compensation Committee pursuant to the Unit Option Plan; and
- (e) generally review and make recommendations to the Board with respect to succession planning for the management of Artis.

With respect to compensation, the Governance and Compensation Committee is responsible for, among other things:

- (a) evaluating management performance, including in respect of any established goals and objectives, and reviewing and making recommendations to the Board with respect to all direct and indirect compensation, benefits and perquisites (cash and non-cash) for management based on such evaluation;
- (b) reviewing and making recommendations to the Board with respect to incentive compensation; and
- (c) reviewing and making recommendations to the Board with respect to policies regarding management benefits and perquisites, if any.

The Governance and Compensation Committee is also responsible for administering the Unit Option Plan, including, where consistent with the general purpose and intent of the Unit Option Plan and subject to the specific provisions of the Unit Option Plan:

- (a) selecting the persons who will receive a grant of Unit options;
- (b) determining the exercise price of each Unit option; and
- (c) determining the time or times when Unit options will be granted and exercisable and the conditions applicable thereto.

Disclosure Committee

The Governance and Compensation Committee established a sub-committee called the Disclosure Committee, which is comprised of the President and Chief Executive Officer of Artis, the Chairman of Artis and the Chief Financial Officer of Artis. The composition of the Disclosure Committee will be determined from time to time by the Governance and Compensation Committee.

The Disclosure Committee has adopted a disclosure policy addressing, among other things, the following matters:

- (a) the timely and accurate public dissemination of material information regarding Artis;
- (b) the protection of the confidential information regarding Artis;
- (c) the persons who are authorized spokespersons of Artis;
- (d) prohibitions on selective disclosure and other prohibited uses of material information regarding Artis which has not been generally disclosed; and
- (e) requirements with respect to the use of forward-looking information.

Investment Committee

The Trustees have established the Investment Committee comprised of three Trustees, each of whom is an Independent Trustee. Subject at all times to the provisions of the Declaration of Trust, and to any other regulations or resolutions that the Trustees may adopt, the Investment Committee is responsible for:

- (a) reviewing all proposals regarding investments, dispositions and financings of Artis;
- (b) making recommendations to the Board; and
- (c) to the extent authorized by the Board, to authorize proposed transactions and make investments on behalf of Artis.

The Board has delegated authority to the Investment Committee to approve transactions in an amount of \$75 million per quarter and the Board receives quarterly updates with respect to Artis' transaction activities. Transactions by Artis in excess of \$75 million per quarter must be approved by the Board as a whole.

The Investment Committee is required to carry out these responsibilities with a view to achieving the strategic objective of acquiring a portfolio of quality assets and delivering the benefits of such asset ownership to Unitholders.

The Declaration of Trust contains detailed investment and operating policies which are binding on the Investment Committee at all times.

Asset Management Special Committee

The Trustees have established an Asset Management Special Committee comprised of four Trustees, each of whom is an Independent Trustee. Subject to the delegation to the Asset Management Special Committee of such other responsibilities as are determined by the Trustees from time to time, the Asset Management Special Committee is responsible for:

- (a) reviewing the existing asset management arrangements between Artis and Marwest including the Asset Management Agreement with consideration given to:
 - the termination provisions of the Asset Management Agreement and contingent costs;
 - the relative cost savings available to Artis (both immediate and long-term) as a result of the cessation of the Asset Management Agreement with Marwest;
 - the effect that any proposed internalization would have on Artis' net asset value and projected cash available for distribution in future years;
 - the effect that internalization would have on Artis' corporate governance structure;
 - the effect that any proposed internalization would have on the attractiveness of the units of Artis to potential investors; and
 - the effect that internalization may have in any other way;
- (b) determining and evaluating various alternative transactions for the internalization of the asset management functions of Artis that would be consistent with the objects and purposes stated herein;
- (c) recommending to the Board non-binding proposed courses of action with respect to the internalization of asset management following the evaluation of such alternatives including proposed terms of agreement between Marwest and Artis; and
- (d) retaining any person having special expertise and/or obtaining independent professional advice to assist in satisfying their responsibilities at the expense of Artis without any further approval of the Board.

Board Assessments

The Board assesses its effectiveness on a continual basis. The Board recognizes that on-going evaluation of Board performance is an important governance practice and in conjunction with the 2010 strategic planning session, the Board undertook a self-evaluation.

APPENDIX “C”

EQUITY INCENTIVE PLAN

SECTION 1 Purpose; Definitions.

- (a) Purpose. The purposes of the Artis Real Estate Investment Trust Equity Incentive Plan (the “**Plan**”) are to enable Artis Real Estate investment Trust (the “**Trust**”) and its Affiliates (as defined herein) to:
- (i) recruit and retain highly qualified personnel;
 - (ii) provide those personnel with an incentive for productivity;
 - (iii) provide an opportunity to those personnel to earn competitive total compensation; and
 - (iv) provide those personnel with an opportunity to share in the growth and value of the Trust.
- (b) Definitions. For purposes of the Plan, the following initially capitalized words and phrases will be defined as set forth below, unless the context clearly requires a different meaning:
- (i) “**Affiliate**” means any Person that is a Subsidiary of the Trust, or directly or indirectly controls, or is controlled by, or is under common control with, the Trust (or their successors).
 - (ii) “**Award**” means a grant of Options, Restricted Units, Deferred Units or the right to subscribe for Installment Units pursuant to the provisions of the Plan.
 - (iii) “**Award Agreement**” means, with respect to (A) Options, Restricted Units and Deferred Units, the written document that sets forth the terms of that particular Award; and (B) Installment Units, the Subscription Form and the Installment Receipt and Pledge Agreement.
 - (iv) “**Black Out Period**” means any period during which a policy of the Trust prevents an Insider from trading in the Units.
 - (v) “**Board**” means the Board of Trustees of the Trust, as constituted from time to time; provided, however, that if the Board appoints a Committee to perform some or all of the Board’s administrative functions hereunder pursuant to Section 2, references in the Plan to the “Board” will be deemed to also refer to that Committee in connection with matters to be performed by that Committee.
 - (vi) “**Business Day**” means a day, other than a Saturday, a Sunday or a statutory holiday in Winnipeg.
 - (vii) “**Cash Distributions**” means distributions declared and paid in cash (or in additional Units) on any Units, whether pursuant to regular monthly or other periodic distributions or special distributions;
 - (viii) “**Cause**” means (A) conviction of, or the entry of a plea of guilty or no contest to a crime that causes the Trust or its Affiliates public disgrace or disrepute, or adversely affects the Trust’s or its Affiliates’ operations or financial performance or the relationship the Trust has with its Affiliates, (B) negligence or willful misconduct with respect to the Trust or

any of its Affiliates, including, without limitation fraud, embezzlement, theft or proven dishonesty in the course of his or her employment or service; (C) refusal, failure or inability to perform any material obligation or fulfill any duty (other than any duty or obligation of the type described in clause (E) below) to the Trust or any of its Affiliates (other than due to a Disability), which failure, refusal or inability is not cured within ten days after delivery of notice thereof; (D) material breach of any agreement with or duty owed to the Trust or any of its Affiliates; (E) any breach of any obligation or duty to the Trust or any of its Affiliates (whether arising by statute, common law, contract or otherwise) relating to confidentiality, non-competition, non-solicitation or proprietary rights; or (F) any other conduct that constitutes “cause” at common law.

Notwithstanding the foregoing, if a Participant and the Trust (or any of its Affiliates) have entered into an employment agreement or other agreement that specifically defines “cause,” then with respect to such Participant, “Cause” shall have the meaning defined in that employment agreement or other agreement.

- (ix) “**C.E.O.**” means the chief executive officer of the Trust;
- (x) “**Change in Control**” means, the occurrence of any of the following, in one transaction or a series of related transactions: (A) any Person acquires beneficial ownership within the meaning of applicable securities law, directly or indirectly, of securities of the Trust representing more than 50% of the voting power of the Trust’s then outstanding Units and/or Special Voting Units for the election of Trustees; (B) a consolidation, securities exchange, reorganization, arrangement or amalgamation of the Trust resulting in the unitholders of the Trust immediately prior to such event not owning at least a majority of the voting power of the resulting entity’s securities outstanding immediately following such event; (C) the sale or other disposition of all or substantially all the assets of the Trust (other than a transfer of financial assets made in the ordinary course of business for the purpose of securitization); (D) a liquidation or dissolution of the Trust; or (E) any similar event deemed by the Board to constitute a Change in Control for purposes of the Plan.

Notwithstanding the foregoing provisions, a transaction or a series of related transactions will not constitute a Change in Control if such transaction(s) result(s) in the Trust, any successor to the Trust, or any successor to the Trust’s business, being controlled, directly or indirectly, by the same Person or Persons who controlled the Trust, directly or indirectly, immediately before such transaction(s).

- (xi) “**Collateral**” has the meaning ascribed to such term in Section 9(e)(i) hereof.
- (xii) “**Committee**” means a committee appointed by the Board in accordance with Section 2 of the Plan.
- (xiii) “**Custodian**” means the custodian appointed by the Board in accordance with Section 9(k)(i) hereof.
- (xiv) “**Defaulting Participant**” has the meaning ascribed to such term in Section 9(f)(iii) hereof.
- (xv) “**Deferred Unit**” means a right granted under and subject to restrictions pursuant to Section 7 hereof.
- (xvi) “**Deferred Unit Account**” has the meaning ascribed to such term in Section 7(e) hereof.

- (xvii) **“Disability”** means the mental or physical state of a Participant such that the Participant has been unable as a result of illness, disease, mental or physical incapacity or similar cause to fulfill the material and substantial duties and obligations of such Participant to the Trust or the Affiliates, as the case may be, either for any consecutive six month period or for any period of 12 months (whether or not consecutive) in any consecutive 24 month period.
- (xviii) **“Fair Market Value”** means, as of any date: (i) if the Units are not then publicly traded, the fair market value of such Units on the day immediately preceding such date, as determined by the Board in its sole and absolute discretion; or (ii) if the Units are publicly traded, the volume weighted average trading price of the Units for the five trading days immediately preceding such date on the TSX or the principal securities exchange on which the majority of the trading in the Units occurs or, if the Units are not then listed and posted for trading on the TSX or any securities exchange, but are traded in the over-the-counter market, the volume weighted average trading price of the Units for the five trading days immediately preceding such date;
- (xix) **“Final Installment Date”** has the meaning ascribed to such term in Section 9(c)(i) hereof.
- (xx) **“Initial Installment Date”** means the date on which a Participant subscribes for Installment Units pursuant to a Subscription Form.
- (xxi) **“Insider”** means an insider as defined under applicable securities laws, other than a Person who would be deemed an “insider” only by virtue of being a trustee, director or senior officer of a Subsidiary.
- (xxii) **“Installment Receipts”** means Installment receipts in the form of a duplicate copy of a Subscription Form countersigned by the Custodian evidencing payment of the initial Installment in respect of the Installment Units on the initial Installment Date and beneficial ownership of such Installment Units, subject to its terms and the terms and conditions of the Plan.
- (xxiii) **“Installment Receipt and Pledge Agreement”** means the written agreement to be entered into between the Trust, the Custodian and each Participant upon the issuance of a corresponding Installment Receipt, governing, among other things, the payment of Installments in respect of Installment Receipts, the pledge of Installment Units to the Trust as security for payment, and the rights and privileges of the subject Participant with respect to Installment Units, pursuant to each Award thereof.
- (xxiv) **“Installment Units”** means Units subscribed for by a Participant pursuant to Section 9(b) hereof.
- (xxv) **“New Employment”** has the meaning ascribed to such term in Section 8(b) hereof.
- (xxvi) **“Obligations”** has the meaning ascribed to such term in Section 9(c)(ii) hereof.
- (xxvii) **“Option”** means any option to purchase Units granted pursuant to Section 5 hereof
- (xxviii) **“Participant”** means a Trustee, or an employee or officer of the Trust or any of its Affiliates or of a designated Service Provider, to whom an Award is granted.
- (xxix) **“Person”** means an individual, partnership, limited partnership, corporation, limited liability company, trust, joint venture, unincorporated association, or other entity or association.

- (xxx) “**Plan**” has the meaning ascribed to such term in Section 1(a).
- (xxxi) “**Plan Substitution**” has the meaning ascribed to such term in Section 4(d)(i).
- (xxxii) “**Register**” means the register of holders of Installment Receipts that is to be kept by the Custodian pursuant to Section 9(k)(iii) hereof.
- (xxxiii) “**Restricted Unit**” means a right granted under and subject to restrictions pursuant to Section 6 hereof.
- (xxxiv) “**Restricted Unit Settlement Date**” means the date on which Units are issued to a Participant (or cash is paid in lieu thereof, in accordance with Section 6 hereof) following the vesting of such Participant’s Restricted Units, such date being as soon as practicable after the vesting of such Restricted Units.
- (xxxv) “**Service Provider**” means a Person, other than a Trustee, an employee or officer of the Trust or of an Affiliate, that:
- (A) is engaged to provide management services (including property management or property development services) to the Trust or an Affiliate, other than services provided in relation to a “distribution” (as defined in under applicable securities law);
 - (B) provides the services under a written contract with the Trust or an Affiliate; and
 - (C) spends or will spend a significant amount of time and attention on the affairs and business of the Trust or an Affiliate,
- and includes, for an individual service provider, a corporation of which the individual service provider is an employee or shareholder, and a partnership of which the individual service provider is an employee or partner.
- (xxxvi) “**Special Voting Unit(s)**” means special voting interest(s) in Artis;
- (xxxvii) “**Subscription Form**” means the written agreement to be entered into between the Trust and each Participant governing the subscription for Installment Units pursuant to each Award thereof.
- (xxxviii) “**Subscription Price**” has the meaning ascribed to such term in Section 9(a) hereof.
- (xxxix) “**Subsidiary**” means any partnership, corporation or trust that is a subsidiary of the Trust, as such term is defined under subsection 2(5) of the *Canada Business Corporations Act*, read as if the word “body corporate” includes a trust, partnership, limited liability company or other form of business organization.
- (xl) “**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time.
- (xli) “**Trust**” has the meaning ascribed to such term in Section 1(a).
- (xlii) “**Trustee**” means a member of the Board.
- (xlili) “**TSX**” means the Toronto Stock Exchange.
- (xliv) “**Units**” mean participating voting units in the capital of the Trust subject to substitution or adjustment as provided in Section 4(c) hereof.

- (xlv) “**Unitholder Rights Plan**” means any unitholder right plan adopted by the Trust from time to time.

SECTION 2 Administration.

- (a) The Plan will be administered by the Board; provided however, that the Board may at any time appoint a Committee to perform some or all of the Board’s administrative functions hereunder; and provided further, that the authority of any Committee appointed pursuant to this Section 2 will be subject to such terms and conditions as the Board may prescribe and will be coextensive with, and not in lieu of, the authority of the Board hereunder.
- (b) Trustees who are eligible for Awards or have received Awards may vote on any matters affecting the administration of the Plan or the grant of Awards, except that no such member will act upon the grant of an Award to himself or herself, but any such member may be counted in determining the existence of a quorum at any meeting of the Board during which action is taken with respect to the grant of Awards to himself or herself.
- (c) The Board will have full authority to grant Awards under the Plan. In particular, subject to the terms of the Plan, the Board will have the authority:
- (i) to select the Participants to whom Awards may from time to time be granted hereunder (consistent with the eligibility conditions set forth in Section 3);
 - (ii) to determine the type of Award to be granted to any Participant hereunder;
 - (iii) to determine the number of Units, if any, to be covered by each Award; and
 - (iv) to establish the terms and conditions of each Award Agreement.
- (d) The Board will have the authority to establish, amend and rescind such administrative rules, guidelines and practices governing the Plan as it, from time to time, deems advisable; to interpret the terms and provisions of the Plan, any Award issued under the Plan, and any Award Agreement; and to otherwise supervise the administration of the Plan. The Board may correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award in the manner and to the extent it deems necessary to carry out the intent of the Plan.
- (e) All decisions made by the Board pursuant to the provisions of the Plan will be final and binding on all Persons, including the Trust and Participants. No Trustee will be liable for any good faith determination, act or omission in connection with the Plan or any Award.

SECTION 3 Eligibility.

- (a) Trustees, officers and employees of the Trust or of an Affiliate or of designated Service Providers, and designated Service Providers, are eligible to be granted Awards under the Plan.
- (b) The C.E.O. may from time to time recommend to the Board employees of the Trust or its Affiliates, for participation in the Plan, the extent and terms of their participation and the performance measures, if any, applicable thereto.

SECTION 4 Units Subject to the Plan.

- (a) Units Subject to the Plan. The Units to be subject to or related to Awards under the Plan will be authorized and unissued Units of the Trust. The maximum number of Units that are issuable to Participants that may be subject to Awards under the Plan is 7% of the number of outstanding

Units from time to time. The expiry, exercise, redemption or other issuance of Units underlying an Award will result in further Units being available for issuance under the Plan. The Trust will from time to time reserve for the purposes of the Plan, out of its authorized and unissued Units, such number of Units. For greater certainty, the Units underlying the options (the “**2006 Option Plan Options**”) granted under the amended unit option plan of the Trust dated June 9, 2006 (which amended unit option plan terminates upon the adoption of the Plan) shall remain outstanding following the adoption of the Plan and shall be exercisable in accordance with their terms. The Units underlying the 2006 Option Plan Options shall be included in the calculation of the number of Units that are issuable to Participants under the Plan. The expiry or exercise of the 2006 Option Plan Options will result in further Units being available for issuance under the Plan.

No Participant may be granted Awards with respect to more than 5% of the issued and outstanding Units. In addition, (i) the number of Units issuable to Insiders, at any time, pursuant to the Plan and any other security-based compensation arrangement adopted by the Trust, cannot exceed 10% of the issued and outstanding Units; and (ii) the number of Units issued to Insiders, within any one year period, under the Plan and any other security-based compensation arrangement adopted by the Trust cannot exceed 10% of the issued and outstanding Units.

- (b) Effect of the Expiration or Termination of Awards. If and to the extent that an Option expires, terminates or is cancelled or forfeited for any reason without having been exercised in full, the Units associated with that Option will again become available for grant under the Plan. Similarly, if and to the extent a Restricted Unit, Deferred Unit or Installment Unit is cancelled or forfeited for any reason, the Units subject to that Restricted Unit or Installment Unit will again become available for grant under the Plan. In addition, if and to the extent an Award is settled for cash, the Units subject thereto will again become available for grant under the Plan.
- (c) Other Adjustment. In the event of any recapitalization, reorganization, arrangement, amalgamation, split or combination, distribution or other similar event or transaction, substitutions or adjustments will be made by the Board in its discretion: (i) to the aggregate number, class and/or issuer of the securities reserved for issuance under the Plan; (ii) to the number, class and/or issuer of securities subject to outstanding Awards; and (iii) to the exercise price of outstanding Options, in each case in a manner that reflects equitably the effects of such event or transaction.

The appropriate adjustments in the number of Units under an Award and the other terms and conditions thereunder, may be made by the Board in its discretion and in order to give effect to the adjustments in the number of Units of the Trust resulting from the implementation and operation of the Unitholder Rights Plan.

- (d) Change in Control.
 - (i) Notwithstanding anything to the contrary set forth in the Plan, upon or in anticipation of any Change in Control of the Trust, the Board may, in its sole and absolute discretion and without the need for the consent of any Participant, cancel any Award in exchange for a substitute award with respect to the capital successor entity or its parent contingent upon the occurrence of that Change in Control (a “**Plan Substitution**”). Substitute awards shall have no less economic value, no more stringent performance conditions, and similar vesting schedules as existing Awards.
 - (ii) If a Plan Substitution is not effected by the Board, the Board may cause any or all outstanding Options, Restricted Units and Deferred Units to become vested and immediately exercisable (or otherwise entitled the holder to receive the underlying cash or Units in accordance with its terms), provided that the Participant’s employment, service or term of office with the Trust or an Affiliate, or the contract of the designated Service Provider with which a Participant is an officer or employee is terminated without Cause. In such instance, the treatment of Installment Units shall be determined by the Board at its discretion.

- (e) Not a Unitholder. Under no circumstances shall Options, Restricted Units or Deferred Units be considered Units, nor shall the holder thereof be entitled to any rights a Unitholder, including, without limitation, any exercise of voting rights, right to receive distributions or the exercise of any other rights attaching to ownership of Units.

SECTION 5 Options.

Any Option granted under the Plan will be in such form as the Board may at the time of such grant approve. The Award Agreement evidencing any Option will incorporate the following terms and conditions and will contain such additional terms and conditions (including that vesting may be subject to performance tests at the discretion of the Board), not inconsistent with the terms of the Plan, as the Board deems appropriate in its sole and absolute discretion:

- (a) Option Price. The exercise price per Unit purchasable under an Option will be determined by the Board and will not be less than 100% of the Fair Market Value of a Unit on the date of the grant.
- (b) Option Term. The term of each Option will be fixed by the Board, *provided, however*, that no Option will be exercisable more than ten years after the date the Option is granted. No Option may be exercised by any Person after expiration of the term of the Option.

If the term of an Option of any Participant under the Plan expires during or within ten days after the last day of a Black Out Period, then such Option shall expire on the date that is ten Business Days following the end of the Black Out Period. The Black Out Period shall not be subject to the discretion of the Board.

- (c) Exercisability. Options will vest and be exercisable as follows:
 - (i) on and after the first anniversary of the date of grant, as to 25% of the Options awarded to a Participant;
 - (ii) on and after the second anniversary of the date of grant, as to 50% of the Options awarded to a Participant;
 - (iii) on and after the third anniversary of the date of grant, as to 75% of the Options awarded to a Participant; and
 - (iv) on and after the fourth anniversary of the date of grant, as to 100% of the Options awarded to a Participant.

subject to the right of the Board to determine at the time of grant that a particular Option will be exercisable in whole or in part on different dates and to determine at any time after the time of grant that a particular Option will be exercisable in whole or in part on earlier dates for any reason.

- (d) Method of Exercise. Subject to the exercisability and termination provisions set forth herein and in the applicable Award Agreement, Options may be exercised in whole or in part at any time and from time to time during the term of the Option, by the delivery of written notice of exercise by the Participant to the Trust specifying the number of Units to be purchased. Such notice shall be accompanied by payment in full of the purchase price, either by (i) cash, certified cheque or bank draft, or (ii) by such other method as the Committee may approve or accept.

No Units will be issued upon exercise of an Option until full payment therefor has been made. A Participant will not have the right to Cash Distributions or any other rights of a unitholder with respect to Units subject to the Option until the Participant has given written notice of exercise, has paid in full for such Units, if requested, has given the representation described in Section 11(a) hereof and fulfills such other conditions as may be set forth in the applicable Award Agreement.

- (e) Termination of Service. Unless otherwise specified in the Award Agreement, Options will be subject to the terms of Section 8 with respect to exercise upon or following termination of employment or other service of the Participant.
- (f) Transferability of Options. Except as may otherwise be specifically determined by the Board with respect to a particular Option, no Option will be transferable by the Participant other than by will or by the laws of descent and distribution; provided however, that a Participant may assign or transfer any Options such Participant is entitled to, to a personal holding company wholly owned by such Participant. All Options will be exercisable, during the Participant's lifetime, only by the Participant.

SECTION 6 **Restricted Units.**

- (a) General. Restricted Units may be granted hereunder, subject to such terms and conditions as the Board may impose. Each Restricted Unit shall initially have a value equal to the Fair Market Value of a Unit when the subject Award is made. Each Restricted Unit will represent the right to receive from the Trust, subject to fulfillment of any applicable conditions (including, at the discretion of the Board, performance-based conditions) on the Restricted Unit Settlement Date, a distribution from the Trust of either (i) one Unit, or (ii) an amount in cash equal to the Fair Market Value of one Unit on the Restricted Unit Settlement Date. Distributions on the Restricted Unit Settlement Date may be made in cash and/or Units at the election of the Participant prior to the Restricted Unit Settlement Date. The issuance of Units or payment of cash to the Participant shall be made by the Trust as soon as practicable (and in any event not later than thirty days) after vesting of the Restricted Unit and the fulfillment of any applicable conditions, including any performance-based conditions. Unless otherwise determined by the Board, Restricted Units may not be sold, pledged, assigned, hypothecated, gifted, transferred or disposed of in any manner, either voluntarily or involuntarily by operation of law, other than by will or by the laws of descent or distribution; provided however, that a Participant may assign or transfer any Restricted Units such Participant is entitled to, to a personal holding company wholly owned by such Participant. All other terms governing Restricted Units, such as vesting, performance criteria, Cash Distribution rights, time and form of payment and termination of Restricted Units shall be set forth in the applicable Award Agreement.
- (b) Vesting. Restricted Units will vest on and after the third anniversary of the date of grant, subject to the right of the Board to determine at the time of grant that a particular Restricted Unit will vest on different dates and to determine at any time after the time of grant that a particular Restricted Unit will vest at an earlier or later time.
- (c) Settlement. Following vesting, and subject to the Participant's satisfaction of any conditions, restrictions or limitations imposed by the Board, each Restricted Unit granted to a Participant shall entitle the Participant to receive on the Restricted Unit Settlement Date (i) one Unit, or (ii) an amount in cash equal to the Fair Market Value of one Unit. As of the Restricted Unit Settlement Date, the Restricted Units in respect of which such Units are issued shall be cancelled and no further payments shall be made to the Participant under the Plan in relation to such Restricted Units.
- (d) Distributions.
 - (i) Whenever a Cash Distribution is paid on the Units, additional Restricted Units, the number of which will be computed pursuant to Section 6(d)(ii), shall accrue in respect of each Participant who has, prior to such Cash Distribution, been granted Restricted Units (whether or not such Restricted Units are vested on the date of such Cash Distribution). Restricted Units granted pursuant to this Section 6(d) will be credited to the applicable Participant and vest on the same terms and time (and subject to vesting) as the Restricted Units in respect of which the additional Restricted Units were accrued.

- (ii) The number of additional Restricted Units which shall accrue in respect of each applicable Participant under Section 6(d)(i) shall be calculated by dividing: (a) the amount determined by multiplying: (x) the number Restricted Units credited to the Participant on the record date for the payment of such Cash Distribution; by (y) the Cash Distribution paid per Unit; by (b) the Fair Market Value of a Unit on the Cash Distribution payment date for such Cash Distribution, in each case, with fractions computed to two decimal places.
- (e) Certificate and Records. Certificates need not be issued with respect to Restricted Units. The Trust shall maintain records showing the number of Restricted Units granted pursuant to the terms hereof.

SECTION 7 Deferred Units.

- (a) General. Deferred Units may be granted hereunder and credited to a Participant's Deferred Unit Account, subject to such terms and conditions as the Board may impose. Each Deferred Unit shall initially have a value equal to the Fair Market Value of a Unit when the subject Award is made. Each Deferred Unit will represent, subject to vesting and following such vesting and the date the Participant ceases to be Trustee (or otherwise eligible as a Participant), the right to receive from the Trust on the date designated by the Participant in a written notice to the Trust, a distribution from the Trust of either (i) one Unit, or (ii) an amount in cash equal to the Fair Market Value of one Unit. Unless otherwise determined by the Board, Deferred Units may not be sold, pledged, assigned, hypothecated, gifted, transferred or disposed of in any manner, either voluntarily or involuntarily by operation of law, other than by will or by the laws of descent or distribution; provided however, that a Participant may assign or transfer any Deferred Units such Participant is entitled to, to a personal holding company wholly owned by such Participant. All other terms governing Deferred Units, such as vesting, time and form of payment and termination of Deferred Units shall be set forth in the applicable Award Agreement.
- (b) Vesting. Deferred Units granted on a particular date will vest in accordance with the following schedule:
 - (i) one-third of the Deferred Units will vest on the first anniversary of the date of grant;
 - (ii) one-third of the Deferred Units will vest on the second anniversary of the date of grant; and
 - (iii) one-third of the Deferred Units will vest on the third anniversary of the date of grant,subject to the right of the Board to determine at the time of grant that a particular Deferred Unit will vest in whole or in part on different dates (including an earlier or later date) and to determine at any time after the time of grant that a particular Deferred Unit will vest in whole or in part on earlier or later dates for any reason.
- (c) Redemption. Each Participant who has Deferred Units credited to their Deferred Unit Account shall be entitled receive, after the Participant ceases to be Trustee for any reason and after the Deferred Units credited to the Participant's Deferred Unit Account have vested in accordance with Section 7(b) hereof, on a day designated by the Participant and communicated to the Board by the Participant in writing at least 15 days prior to the designated day (or such earlier date after the Participant ceases to be a Trustee and after the Participant's Deferred Units have vested, as the Participant and the Trust may agree, which date shall be no later than the later of the end of the calendar year following the year in which (i) the Participant ceases to be a Trustee, or (ii) the Participant's Deferred Units vest) and if no such notice is given, then on the first anniversary of the effective date the Participant ceases to be a Trustee, at the sole discretion of the Board, either:

- (i) That number of Units equal to the number of Deferred Units credited to the Participant's Deferred Unit Account, such Units to be issued from treasury of the Trust; or
 - (ii) An amount in cash equal to the Fair Market Value on the next trading day after the date designated by the Participant in the Participant's notice to the Trust.
- (d) Distributions.
- (i) Whenever a Cash Distribution is paid on the Units, additional Deferred Units, the number of which will be computed pursuant to Section 7(d)(ii), shall accrue in respect of each Participant who has, prior to such Cash Distribution, been granted Deferred Units (whether or not such Deferred Units have vested). Deferred Units granted pursuant to this Section 7(d) will be credited to the Deferred Unit Account of the applicable Participant and vest on the same terms and time as the Deferred Units in respect of which the additional Deferred Units were accrued
 - (ii) The number of additional Deferred Units which shall accrue in respect of each applicable Participant under Section 7(d)(i) shall be calculated by dividing: (a) the amount determined by multiplying: (x) the number Deferred Units credited to the Participant on the record date for the payment of such Cash Distribution; by (y) the Cash Distribution paid per Unit; by (b) the Fair Market Value of a Unit on the Cash Distribution payment date for such Cash Distribution, in each case, with fractions computed to two decimal places.
- (e) Deferred Unit Account. Certificates need not be issued with respect to Deferred Units. An account, to be known as a "**Deferred Unit Account**" shall be maintained by the Trust for each Participant granted Deferred Units and will be credited with notional grants of Deferred Units received by a Participant from time to time.

SECTION 8 Termination of Service.

Unless otherwise specified by the Board with respect to a particular Option, Restricted Unit or Deferred Unit, any Option, Restricted Unit or Deferred Units will expire in accordance with the terms of this Section 8.

- (a) Termination by Reason of Death. If a Participant's service with the Trust or any Affiliate or with any Service Provider terminates by reason of death, any Option, Restricted Unit or Deferred Unit held by such Participant will be immediately fully vested and:
 - (i) in the case of an Option, such Option shall only be exercisable by the legal representative of the estate or by the legatee of the Participant under the will of the Participant, for a period ending 12 months following the date of death (or, if sooner, on the last day of the stated term of such Option);
 - (ii) in the case of a Restricted Units, the Restricted Unit Settlement Date in respect of such Restricted Units shall be accelerated, such that, subject to the fulfillment of any applicable conditions, including performance-based conditions relating to such Restricted Units, the cash and/or Units underlying such Restricted Units shall be paid or issued as soon as practicable (and in any event not later than thirty days) after such acceleration; and
 - (iii) in the case of a Deferred Unit, the Deferred Unit Redemption Date in respect of such Deferred Units shall occur in accordance with its terms.
- (b) Termination by Reason of Retirement. In the event of the retirement of the Participant from employment by the Trust, by an Affiliate or by a Service Provider, the Options, Restricted Units

and Deferred Units will thereafter continue to vest and remain exercisable (or otherwise entitled the holder to receive the underlying cash or Units in accordance with its terms), subject to a maximum period of three years after the date of such retirement (or, if sooner, on the last day of the stated term of such Option, Restricted Unit and Deferred Unit, as applicable). At the end of the three year (or shorter) period, such Options, Restricted Units and Deferred Units will expire and terminate and all rights will be forfeited. In the event such Participant ceases to be retired and becomes employed or associated with a competitor of the Trust, determined in the sole discretion of the Board in good faith (“**New Employment**”), the Options, Restricted Units and Deferred Units will thereafter continue to vest and be exercisable (or otherwise entitled the holder to receive the underlying cash or Units in accordance with its terms), subject to a maximum period of 30 days from the date of New Employment (or, if sooner, on the last day of the stated term of such Option, Restricted Unit or Deferred Units, as applicable).

- (c) Termination by Reason of Resignation or Natural Termination of Service Provider Contract. In the event of the resignation of the Participant from employment by the Trust or any Affiliate or Service Provider, or a Service Provider’s contract terminates at its normal termination date, any unvested portion of the Options, Restricted Units and Deferred Units will expire and terminate on the date of resignation or the normal termination or cessation date in the case of a Service Provider, as applicable, and any vested portion of such Options, Restricted Units and Deferred Units will be exercisable (or otherwise entitled the holder to receive the underlying cash or Units in accordance with its terms) for a maximum period ending 30 days following the date of resignation or the normal termination date or cessation date, as applicable (or, if sooner, on the last day of the stated term of such Options, Restricted Units or Deferred Units, as applicable).
- (d) Termination by Reason of Disability. If a Participant’s service with the Trust or any Affiliate or Service Provider terminates by reason of Disability, any Options, Restricted Units and Deferred Units held by such Participant that have vested as of the date of Disability of the Participant may thereafter be exercised by the Participant or his or her personal representative, to the extent it was exercisable (or otherwise entitled the holder to receive the underlying cash or Units in accordance with its terms) at the time of termination, for a maximum period ending 12 months following the date of termination by reason of Disability (or, if sooner, on the last day of the stated term of such Options, Restricted Units or Deferred Units, as applicable).
- (e) Termination of Employment or Service Without Cause. If a Participant’s service as an employee with the Trust or any Affiliate or Service Provider is terminated without Cause (other than a termination pursuant to Section 8(a), (b), (c) or (d)), or a Participant’s contract as a Service Provider is terminated by the Trust before its normal termination date without Cause, any unvested portion of the Options, Restricted Units and Deferred Units will vest immediately and remain outstanding on the date of termination, and any such Options, Restricted Units and/or Deferred Units will remain exercisable (or otherwise entitle the holder to receive the underlying cash or Units in accordance with its terms) for a maximum period ending 30 days following the date of termination (or, if sooner, on the last day of the stated term of such Option, Restricted Unit or Deferred Unit, as applicable). For the purposes of this section only, “date of termination” refers to the later of: (i) the actual last day worked by the employee or the Service Provider and, (ii) the last date of the period that the Participant is in receipt of or is eligible to receive any statutory, contractual or common law notice or pay in lieu thereof.
- (f) Cause. If a Participant’s service with the Trust or any Affiliate or Service Provider is terminated for Cause, or a Participant’s contract as a Service Provider is terminated before its normal termination date for Cause: (i) any Options, Restricted Units and Deferred Units held by the Participant, whether vested or unvested, will immediately and automatically expire as of the date of such termination, and (ii) any Units for which the Trust has not yet delivered unit certificates will be immediately and automatically forfeited and, in the case of Options, the Trust will refund to the Participant the exercise price paid for such Units, if any.

- (g) Ceasing to Hold Office. Notwithstanding paragraphs (a) through (f), in the event that a Participant who is a Trustee (but is not an employee, officer or Service Provider whose employment or contract has been terminated for cause or has been constructively dismissed) ceases to hold office as a Trustee of the Trust, any Options, Restricted Units and Deferred Units held by such Participant will immediately vest and be fully exercisable (or otherwise entitle the holder to receive the underlying cash or Units in accordance with its terms) for a maximum period ending 90 days following the date of ceasing to hold office (or, if sooner, on the last day of the stated term of such Option, Restricted Unit or Deferred Unit, as applicable).

SECTION 9 **Installment Units.**

- (a) Price of Installment Units. The purchase price (the “**Subscription Price**”) for Installment Units under each Award therefor shall be fixed by the Board on the date of the subject Award and shall be not less than the Fair Market Value of the Units calculated on the trading day immediately prior to the date of the subject Award.
- (b) Subscription Procedures.
- (i) Each subscription for Installment Units pursuant to an Award hereunder shall be evidenced by a Subscription Form and an Installment Receipt and Pledge Agreement.
 - (ii) On the date on which an Award for Installment Units is made to a Participant, the Participant shall be entitled to subscribe for the number of Installment Units at the price and on the other terms and conditions specified in such Award and such Participant may accept such Award and subscribe for such Installment Units by executing and delivering to the Trust a Subscription Form. The terms of the Award may include the requirement for payment (by cheque or bank draft) of not less than 5% of the aggregate Subscription Price (the “**Initial Installment**”) for such Installment Units.
 - (iii) The Installment Units subscribed for by a Participant pursuant to Section 9(b)(ii) above shall be issued from treasury upon receipt by the Trust of a duly completed Subscription Form and the completion of such other terms and conditions of the Award as the Board may require. Notwithstanding the foregoing, the Board may, in its sole discretion, deem the date of issuance of Installment Units to a Participant. Such Installment Units shall not be issued as fully paid Units until such time as the Trust has received payment from the Participant of the Final Installment in respect of such Installment Units.
 - (iv) The Participant shall direct and provide such other directions and/or stock transfer powers as are necessary to enable the Trust to cause the Installment Units to be registered in the name of the Custodian pending the payment by the Participant of the Final Installment. Subject to the terms of the Plan, beneficial ownership of the subject Installment Units shall be vested in the Participant from the Initial Installment Date and represented by Installment Receipts that shall be held by the Participant and legal title to each of the Installment Units shall be held by the Custodian.
- (c) Payment.
- (i) The Board may establish rules in the Installment Receipt and Pledge Agreement providing payment terms under the Installment Receipts issued in connection with an Award of Installment Units hereunder, including rules with respect to the date (the “**Final Installment Date**”) by which the Subscription Price for Installment Units awarded pursuant to the Plan shall be paid in full by Participants, provided, however, that such Final Installment Date shall be no later than the date that is ten years following the date on which an Award for the subject Installment Units is made.

- (ii) The unpaid balance of the Subscription Price for Installment Units (the “**Obligations**”) shall bear interest at a ten year fixed rate, which interest rate shall not be less than the rate prescribed under the Tax Act at the time such Installment Units are granted or at such other rate determined by the Board at such time.
- (iii) By acquiring and holding an Installment Receipt, the Participant shall acknowledge and agree and will be conclusively deemed to have acknowledged and agreed (A) to be bound by the terms and conditions of the Plan and to observe and comply with the terms hereof, (B) that the Participant has assumed and is bound, subject to the terms of the Plan, to pay the Obligations outstanding at the date of such acquisition in respect of the Installment Units represented by an Installment Receipt, (C) that such Installment Units are at the time of such acquisition and will continue to be pledged to the Trust pursuant to the Plan to secure the Obligations in respect of the Installment Units, and (D) that the Participant’s rights in respect of such Installment Units are and will continue to be subject to the provisions of the Plan.
- (iv) Upon payment in full by the Participant of the Obligations in respect of the Installment Units represented by Installment Receipts, the Trust shall deliver to the Participant a certificate confirming receipt by the Trust of such payment. Concurrently with the delivery of such certificate to the Participant, the pledge contained in Section 9(e) hereof shall be released and discharged without any further action, instrument or formality.
- (d) Prepayment. Participants shall be entitled to pre-pay the Obligations in respect of Installment Units in whole or in part at any time prior to the Final Installment Date without penalty or bonus. Any such payment shall be made by certified cheque or bank draft payable to the Trust.
- (e) Pledge of Units.
 - (i) As continuing security for the due and punctual payment of the Obligations in respect of the Installment Units, the Participant agrees to pledge to the Trust, and agrees to grant to the Trust a fixed and specific security interest in, each of the Installment Units purchased pursuant to the Subscription Form referred to in Section 9(b)(ii) above, all proceeds, accretions thereto and substitutions therefor and all property from time to time received, receivable or otherwise issued or distributed in respect thereof, including, without limitation, all Cash Distributions, in each case paid or payable on or after the date of such Subscription Form until the Final Installment Date, or paid or payable after the Final Installment Date if the Final Installment in respect of such Installment Units has not then been paid in full, all as provided for herein (all such property and assets being collectively referred to herein as the “**Collateral**”). Such security interest in the Installment Units shall attach contemporaneously with the Participant first acquiring rights in the Installment Units and shall be conclusively deemed for all purposes to continue until full performance of the Obligations with respect to the Installment Units. The Participant will be deemed to represent and warrant to the Trust, to the best of its knowledge, information and belief, that all Installment Units pledged pursuant to this Section 9(e)(i) are not subject to any adverse claims other than the pledge herein contained.
 - (ii) Each Participant shall, by the act of so becoming and without further instrument or formality, be conclusively deemed for all purposes to have acknowledged and confirmed the pledge contained in Section 9(e)(i) hereof as continuing security for the Obligations.
- (f) Non-Payment.
 - (i) The Custodian shall promptly notify the Trust of all Participants who hold Installment Receipts who have failed to effect payment in full of the Final Installment by the Final Installment Date. if the Custodian has not received payment of the Final Installment by

such time from a Participant, subject to applicable law, such Participant shall have no further right to pay such Final Installment and the rights and obligations of the Trust and such Participant shall be only those set forth in this Section 9(f). The Trust shall not exercise any of its rights under this Section 9(f)(i) or otherwise that relate to the Installment Units and the Collateral until after the close of business (local time) on the fifth Business Day following the Final Installment Date.

- (ii) If pursuant to Section 9(f)(i), the Custodian notifies the Trust that the Final Installment in respect of any Installment Units have, for any reason, not been duly paid in full by the Final Installment Date, then, subject to receiving a notice to the contrary from the Trust within five Business Days after the notice is given pursuant to Section 9(f)(i), the Trust shall be deemed to have advised (and may, at any time within the said five Business Days, actually advise) the Custodian, as agent for the Trust and on its behalf:
 - (A) to give such notices to the defaulting Participant who holds Installment Receipts representing any of such Installment Units; and
 - (B) as soon as practicable and in a commercially reasonable manner, to cause the sale of the Collateral, or such part or parts thereof as the case may be, free and clear of the Pledge.
 - (iii) As soon as reasonably practicable after the sale of the Collateral as required hereby at any particular time to be sold, the Custodian shall pay to the Trust, out of and to the extent of the proceeds of sale of such Collateral, an amount equal to the aggregate of the unpaid Installments and the costs of sale in respect of such Installment Units. If such proceeds and interest exceed the aggregate amount of such payments to the Trust, the Custodian shall (subject to the requirements of applicable law) then as soon as reasonably practicable, pay the amount of such excess to the subject Participant (each, a **“Defaulting Participant”**). All other terms with respect to Defaulting Participants shall be set out in the applicable Installment Receipt and Pledge Agreement.
 - (iv) The Trust shall not, in any event, and the Custodian shall not, except in case of fraudulent or reckless conduct or as provided by applicable law, be liable or responsible for any delay or failure to effect realization, for any inability to obtain the best or most favourable price for any Installment Units or (except as required by applicable law) for any accounting to Defaulting Participants on realization. The Custodian shall, if so requested in writing, provide any Defaulting Participant or the Trust with a statement of (A) the proceeds of sale of the Installment Units sold as required by Section 9(f)(iii); (B) the interest, if any, earned on or with respect to such proceeds; and (C) the costs of sale of such Installment Units, which statement, absent manifest error and subject to applicable law, shall be determinative of the sums referred to therein.
 - (v) Any payments to be made to a Defaulting Participant under Section 9(f)(iii) shall be made by sending by prepaid mail, a cheque to the Defaulting Participant.
 - (vi) The procedures, rights and remedies set out in this Section 9(f) shall be in addition to, and not in derogation of, any right or remedy that is available to the Trust under the Plan or under applicable law if the proceeds from the sale of any Installment Units is less than the unpaid Installments with respect thereto, and the exercise of or failure to exercise any right or remedy either in whole or in part shall not affect the exercise of any other right or remedy.
- (g) Cash Distributions.
- (i) All Cash Distributions, the record date for which is prior to the Final Installment Date, shall, forthwith after receipt thereof by the Custodian, be remitted by the Custodian to or

be held on behalf of the Trust in accordance with the Trust's written instructions.

- (ii) The Custodian and the Participant irrevocably direct the Trust to deliver to the Trust all Cash Distributions that would otherwise be delivered to the Custodian, from time to time, in its capacity as registered holder of the Installment Units, until such time as the Obligations payable by the Participant in respect of the Installment Units have been paid in full and this shall be the Trust's good and sufficient authority to do so. Such Cash Distributions shall be applied by the Trust against and shall reduce the balance payable by the Plan Participant in respect of the Obligations. The Trust hereby acknowledges such direction and agrees to act in accordance with the foregoing. If at any time, notwithstanding such direction, the Custodian receives any Cash Distributions contrary to the direction herein contained, the Custodian shall forthwith remit or deliver the same to the Trust, and for such purpose the Custodian hereby agrees that during the period such property is in its possession, it shall hold the same as agent for the Trust and not as agent for the Participants or any other Person.
- (h) Entitlement to Vote. Participants will not be entitled to vote the Installment Units until such time as all amounts owing to the Trust in respect of such Installment Units have been paid in full. If entitled to vote and the Units remain held by the Custodian for any reason, the Participant shall be entitled to deliver voting instructions to the Custodian and the Custodian shall forward to the Participant any and all proxy and other materials sent by the Trust to unitholders.
- (i) Loss of Eligible Status.
 - (i) In the event of the death or Disability of a Participant or on termination of their employment or service with the Trust, the Participant shall be required to pay all Obligations within six months of the event giving rise to the loss of eligible status. If the Participant fails to pay the outstanding Obligations in full within the accelerated period, the Installment Units may, at the option of the Trust and subject to applicable law:
 - (A) be acquired by the Trust for cancellation; or
 - (B) be sold by the Custodian in the market in accordance with Section 9(f).
 - (ii) In the event than any non-executive Trustee of the Trust who is a Participant should retire, resign or otherwise cease to be a Trustee prior to payment in full of the Obligations, then the following provisions shall apply:
 - (A) at the election of the Trustee, the Trustee may pay all outstanding Obligations in full and thereupon receive the Installment Units in accordance with Section 9(c)(iv); or
 - (B) at the election of the Trust, either: (x) the Trustee may pay the Obligations in the ordinary course in accordance with the terms of the issuance of such Installment Units; or (y) the Trust may direct the Custodian to sell the Installment Units in the market in accordance with Section 9(f).
- (j) Installment Receipts Not Transferable. Installment Receipts issued pursuant to the Plan shall be non-assignable and non-transferable, and shall not be encumbered, except with the prior written consent of the Board and subject to the approval of the TSX,
- (k) Custodian.
 - (i) Prior to the Award of any Installment Units, the Trust will appoint a Custodian under and for the purposes of the Plan. The person who is acting from time to time as Chairman of the Trustees of the Trust and the C.E.O. of the Trust shall also be entitled to carry out and

execute the duties of the Custodian hereunder in its capacity as Custodian. The Trust may at any time, and shall within 60 days after the receipt by the Trust of written notice from the Custodian that the Custodian wishes its appointment terminated, terminate such appointment. The Trust shall, concurrently with any such termination of the appointment of the Custodian, appoint a new Custodian.

- (ii) Notice of any change of the Custodian shall be given by the successor Custodian to the Participants within 30 days after the appointment of such successor Custodian.
- (iii) The Custodian shall act and is hereby appointed as transfer agent and registrar of the Installment Receipts and shall cause a register (the “**Register**”) to be kept at its securities service centre in Winnipeg and shall ensure that the following particulars are entered therein:
 - (A) the names and addresses of the Participants who hold Installment Units;
 - (B) a statement of each holding of Installment Units represented by Installment Receipts;
 - (C) the date on which each Participant was entered in the Register as a holder of Installment Receipts in respect of each holding;
 - (D) the date on which each Participant ceased to be the holder of Installment Receipts in respect of each holding; and
 - (E) the amount of Obligations outstanding from time to time with respect to all Installment Receipts held by such Participant.
- (iv) The Custodian shall, as regards all the powers, authorities and discretions hereby vested in it, have reasonable discretion as to the exercise thereof and it shall not be responsible for any loss, costs, damages, expenses or inconvenience that may result from the exercise or non-exercise thereof in the absence of gross negligence, bad faith or wilful misconduct.
- (v) The Trust shall indemnify the Custodian out of the assets of the Trust only from and against all losses, liabilities, claims, proceedings, actions, demands and damages and all costs and expenses in connection therewith that the Custodian may incur or that may be made or brought against it solely as a result of the execution or purported execution of its duties or obligations under or pursuant to the Plan; provided that this indemnity applies only to the extent that such losses, liabilities, claims, proceedings, actions, demands, damages, costs or expenses in connection therewith do not result from the bad faith, wilful misconduct or gross negligence of, the Custodian. The indemnity contained in this Section 9(k) shall not extend to any losses, liabilities, claims, proceedings, actions, demands or damages that may result from the settlement or compromise of any action or claim brought against the Custodian made or effected without the prior written consent of the Trust.

SECTION 10 Amendment and Termination.

- (a) The Board may, in its sole discretion, at any time and from time to time, amend, suspend or terminate the Plan at any time without the approval of Unitholders, provided that no such amendment, suspension or termination may be made without obtaining any required approval of any regulatory authority or stock exchange or materially prejudice the rights of any holder under any Award.

- (b) Notwithstanding the provisions of Section 9(a), the Board may not, without the approval of the unitholders of the Trust, make amendments to the Plan for any of the following purposes:
 - (i) to increase the maximum number of Units that may be issued pursuant to Awards granted under the Plan as set out in Section 4(a);
 - (ii) to reduce the exercise price of Options (other than pursuant to section 4(c));
 - (iii) to extend the expiry date of Awards for the benefit of any Participant (including Insiders);
 - (iv) to increase the maximum number of Units issuable to Insiders pursuant to Section 4(a); and
 - (v) to amend the provisions of this Section 10(b).
- (c) In addition to the changes that may be made pursuant to Section 4(c), the Board may, at any time and from time to time, without the approval of the unitholders of the Trust, make amendments to the Plan including, but not limited to:
 - (i) amendments of a technical, clerical or “housekeeping” nature, or to clarify any provision of the Plan;
 - (ii) termination of the Plan;
 - (iii) amendments to respond to changes in legislation, regulations, stock exchange rules or accounting or auditing requirements;
 - (iv) amendments in respect of the vesting provisions of any Awards; and
 - (v) amendments to the termination provisions of Awards granted under the Plan that do not entail an extension beyond the original expiry date.

provided that:

- (vi) any required approval of any regulatory authority or stock exchange is obtained;
- (vii) if the amendments would reduce the exercise price of Options or extend the expiry date of Awards granted to Insiders, other than as authorized pursuant to Section 4(c), approval of the unitholders of the Trust must be obtained;
- (viii) the Board would have had the authority to initially grant the Award under the terms as so amended; and
- (ix) the consent or deemed consent of the holder of the Award is obtained if the amendment would materially prejudice the rights of such holder.

SECTION 11 General Provisions.

- (a) The Board may require each Participant to represent to and agree with the Trust in writing that the Participant is acquiring securities of the Trust for investment purposes and without a view to distribution thereof and as to such other matters as the Board believes are appropriate.
- (b) Units shall not be issued hereunder unless, in the judgment of counsel for the Trust, the issuance complies with the requirements of any stock exchange or quotation system on which the Units are then listed or quoted, all rules and regulations promulgated thereunder and all other applicable laws.

- (c) All certificates for Units or other securities delivered under the Plan will be subject to such unit transfer orders and other restrictions as the Board may deem advisable under the rules, regulations, and other requirements of any stock exchange upon which the Units are then listed and any applicable laws, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.
- (d) Neither the adoption of the Plan nor the execution of any document in connection with the Plan will: (i) confer upon any employee of the Trust or an Affiliate or a Service Provider any right to continued employment or engagement with the Trust or such Affiliate, or (ii) interfere in any way with the right of the Trust or such Affiliate to terminate the employment of any of its employees at any time or to terminate the service of any Service Provider.
- (e) With respect to any Award, the Participant will pay to the Trust, or make arrangements satisfactory to the Board regarding the payment of, taxes of any kind required by law to be withheld with respect to any amount includible in the gross income of the Participant as required by applicable law. The obligations of the Trust under the Plan will be conditioned on such payment or arrangements and the Trust will have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant.

SECTION 12 Effective Date of Plan.

Subject to the approval of the Plan by the Trust's Unitholders within 12 months of the Plan's adoption by the Board, the Plan will become effective on the date that it is approved by the Board (or such later date as is then specified by the Board).

SECTION 13 Term of Plan.

The Plan will continue in effect until terminated in accordance with Section 10.

SECTION 14 Invalid Provisions.

In the event that any provision of the Plan is found to be invalid or otherwise unenforceable under any applicable law, such invalidity or unenforceability will not be construed as rendering any other provisions contained herein as invalid or unenforceable, and all such other provisions will be given full force and effect to the same extent as though the invalid or unenforceable provision was not contained herein.

SECTION 15 Governing Law.

The Plan and all Awards granted hereunder will be governed by and construed in accordance with the laws of the Province of Manitoba.

SECTION 16 Board Action.

Notwithstanding anything to the contrary set forth in the Plan, any and all actions of the Board or Committee, as the case may be, taken under or in connection with the Plan and any agreements, instruments, documents, certificates or other writings entered into, executed, granted, issued and/or delivered pursuant to the terms hereof, will be subject to and limited by any and all votes, consents, approvals, waivers or other actions of all or certain unitholders of the Trust or other Persons required by the Trust's constating documents and any other agreement, instrument, document or writing now or hereafter existing, between or among the Trust and its unitholders or other Persons (as the same may be amended from time to time).

SECTION 17 Notices.

Any notice to be given to the Trust pursuant to the provisions of the Plan shall be given by registered or certified mail, postage prepaid, and, addressed, if to the Trust to its principal executive office to the attention of its Chief

Financial Officer (or such other individual as the Trust may designate in writing from time to time), and, if to a Participant, to his or her address contained in the Trust's personnel records, or at such other address as such Participant may from time to time designate in writing to the Trust. Any such notice shall be deemed given or delivered three days after the date of mailing.