



**ARTIS REAL ESTATE INVESTMENT TRUST**  
**NOTICE OF ANNUAL MEETING OF UNITHOLDERS**  
**to be held on June 18, 2015**  
**and**  
**MANAGEMENT INFORMATION CIRCULAR**  
**Dated May 1, 2015**

## NOTICE OF ANNUAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting (the “**Meeting**”) of the holders (the “**Unitholders**”) of trust units (“**Units**”) of Artis Real Estate Investment Trust (“**Artis**” or the “**REIT**”) will be held at the Main Floor Conference Centre, 360 Main Street, in Winnipeg, Manitoba on Thursday, the 18th day of June, 2015, at 11:00 a.m. C.T. for the following purposes:

1. to receive the annual consolidated financial statements of Artis for the year ended December 31, 2014, including the external auditor’s report;
2. to fix the number of trustees of Artis (“**Trustees**”) to be elected or appointed at eight (8);
3. to elect the Trustees who will hold office until the next annual meeting of the Unitholders;
4. to appoint the external auditor of Artis for the ensuing year and authorize the Trustees to fix the remuneration of the external auditor; and
5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

As of the date of this Notice, management is not aware of any changes to these items and does not expect any other items to be brought forward at the Meeting. If there are changes or new items, you or your proxyholder can vote your Units on these items as you, he or she sees fit.

The specific details of the matters proposed to be put before the Meeting are set forth in the accompanying Management Information Circular in “*Part II – Particulars of Matters to be Acted Upon*”.

**Unitholders are encouraged to access and review all information contained in the accompanying Management Information Circular before voting.**

### *Notice-and-Access*

Under recent changes to Canadian securities laws, we are no longer required to distribute physical copies of the Management Information Circular and our 2014 Annual Report (which includes management’s discussion and analysis and consolidated financial statements for the fiscal year ended December 31, 2014), (collectively, the “**Meeting Materials**”) to our investors. Instead we are posting electronic versions of such materials on a website for investor review – a process known as “notice-and-access”. The use of this alternative means of delivery will help reduce paper use and also reduce the cost of printing and mailing materials to Unitholders.

The REIT has determined that those beneficial Unitholders with existing instructions on their account to receive paper material and those beneficial Unitholders with addresses outside of Canada will receive a paper copy of the Management Information Circular with this Notice.

Electronic copies of the Meeting Materials may be accessed on our website at [www.artisreit.com/investor-link/annual-meeting-materials](http://www.artisreit.com/investor-link/annual-meeting-materials) or on Artis’ SEDAR profile at [www.sedar.com](http://www.sedar.com).

### *Requesting Paper Copies of Meeting Materials*

Should you wish to receive paper copies of the Meeting Materials prior to the Meeting, or have any questions regarding the use of notice-and-access by Artis, please contact us toll free at 1-800-941-4751 or by e-mail at [investorinquiries@artisreit.com](mailto:investorinquiries@artisreit.com) and we will send them within three business days of your request. We must receive your request no later than 5:00 p.m. C.T. on June 5, 2015 to ensure you will receive paper copies in advance of the deadline to submit your vote.

### *Record Date*

The record date for determination of Unitholders entitled to receive notice of and to attend and vote at the Meeting is April 29, 2015. Only Unitholders whose names have been entered in the register of Unitholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting.

*Information for Registered Unitholders*

A Unitholder may attend the Meeting, or any adjournment thereof, in person or may be represented by proxy. 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 CST Trust Company, by mail at P.O. Box 721, Agincourt, Ontario M1S 0A1, or by facsimile at (416) 368-2502, by 11:00 a.m. C.T. on June 16, 2015 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.

*Information for Non-registered Unitholders*

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 this Notice. Non-registered 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 1<sup>st</sup> day of May, 2015.

**ON BEHALF OF THE BOARD OF TRUSTEES**

"Armin Martens" (signed)  
Trustee

**ARTIS REAL ESTATE INVESTMENT TRUST  
MANAGEMENT INFORMATION CIRCULAR  
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## **ABOUT THIS MANAGEMENT INFORMATION CIRCULAR**

Unless otherwise specified, all information in this Management Information Circular (referred to herein as “**Information Circular**”) is current as of May 1, 2015.

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

Unitholders should not construe the contents of this 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.

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 to this Information Circular.

### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements included in this Information Circular constitute “forward-looking statements”. All statements, other than statements of historical fact, included in this 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 this Information Circular speak only as of May 1, 2015, 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.

### **DISCLAIMER**

The statements made in this 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 this Information Circular may be obtained without charge on request of Artis at 300 - 360 Main Street, Winnipeg, Manitoba, R3C 3Z3 Attention: Investor Relations (telephone: 1-800-941-4751 or email: [investorinquiries@artisreit.com](mailto:investorinquiries@artisreit.com)).

## **PART I – VOTING INFORMATION**

### **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 Conference Centre, 360 Main Street in Winnipeg, Manitoba on Thursday, the 18<sup>th</sup> day of June, 2015 at 11:00 a.m. C.T., 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, fax or other electronic means, in person, by Trustees or officers or regular employees of Artis. The costs of solicitation will be borne by Artis.

Except as otherwise stated, the information contained herein is given as of the date of this Information Circular. All financial information in this Information Circular is in Canadian dollars, unless otherwise indicated.

### **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 Unitholders who appoint them as their proxy for the Meeting.

A Unitholder has the right to designate a person (who need not be a Unitholder) other than the Management Nominees to represent the 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 Unitholders 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 Units are to be voted. In any case, an instrument of proxy should be dated and executed by the Unitholders or an attorney authorized in writing, with proof of such authorization attached where an attorney has executed the instrument of proxy.

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.

Unitholders unable to attend the Meeting in person are requested to read this Information Circular and the accompanying 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 certified notarial copy thereof with Artis' transfer agent, CST Trust Company, by mail at Proxy Dept., CST Trust Company, P.O. Box 721, Agincourt, Ontario, M1S 0A1, or by facsimile at (416) 368-2502, by 11:00 a.m. C.T. on Tuesday, June 16, 2015 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. Unregistered 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 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 Unitholder or by the Unitholder's attorney duly authorized in writing or, if the Unitholder is a corporation, by an officer or attorney thereof duly authorized and deposited at either the above mentioned office of CST Trust Company or at Artis' head office, Attention: Chairman, by no later than 4:00 p.m. C.T. 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. Notwithstanding the foregoing, if a registered Unitholder attends personally at the Meeting, such Unitholder may revoke the proxy and vote in person. The head office of Artis is located at 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 Unitholders, as a substantial number of Unitholders do not hold Units in their own name. Unitholders who do not hold Units in their names (referred to herein as “**Beneficial Unitholders**”) should note that only proxies deposited by Unitholders whose names appear on the records of Artis as registered holders of Units can be recognized and acted upon at the Meeting. If Units are listed in an account statement provided to a Unitholder by a broker, then in almost all cases, those Units will not be registered in the Unitholder’s name on the records of Artis. Such Units will more likely be registered under the name of the Unitholder’s broker or the agent of that broker. 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 Units for their clients. **Therefore, Beneficial Unitholders should ensure that instructions respecting the voting of their 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 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 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 Unitholders; however, its purpose is limited to instructing the registered 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 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 Units voted.

Although a Beneficial Unitholder may not be recognized directly at the Meeting for the purposes of voting the Units registered in the name of the Unitholder’s broker (or an agent of the broker), a Beneficial Unitholder may attend at the Meeting as proxyholder for the registered Unitholder to vote Units in that capacity. Beneficial Unitholders who wish to attend the Meeting and indirectly vote their Units as proxyholder for the registered Unitholders 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 Unitholders in this Information Circular and the accompanying proxy and Notice of Meeting are to Unitholders of record unless specifically stated otherwise.

## VOTING OF PROXIES

**The persons named in the accompanying form of proxy will vote the Units in respect of which they are appointed in accordance with the direction of the Unitholders appointing them.** In the absence of such direction, those 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 April 27, 2015, there are 137,164,350 Units issued and outstanding. All issued and outstanding Units carry the right to one vote.

Management understands that a significant number of the Units are registered in the name of CDS & Co. and that such Units 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 the Trustees and executive officers of Artis, as at April 27, 2015 no person beneficially owns, directly or indirectly, or exercises control or direction over, more than 10 percent of the issued and outstanding Units.



## **PART II – PARTICULARS OF MATTERS TO BE ACTED UPON**

The following items will be addressed at the Meeting:

1. to receive the annual consolidated financial statements of Artis for the year ended December 31, 2014, including the external auditor's report;
2. to fix the number of Trustees to be elected or appointed at eight (8);
3. to elect the Trustees who will hold office until the next annual meeting of the Unitholders;
4. to appoint the external auditor of Artis for the ensuing year and authorize the Trustees to fix the remuneration of the external auditor; and
5. to transact such other business as may properly come before the Meeting or any adjournment thereof.

As of the date of this Information Circular, management is not aware of any changes to these items and does not expect any other items to be brought forward at the Meeting. If there are changes or new items, you or your proxyholder can vote your Units on these items as you, he or she sees fit.

### **1. RECEIVING THE CONSOLIDATED FINANCIAL STATEMENTS**

Our annual consolidated financial statements for the year ended December 31, 2014, together with the auditor's report thereon, are included in our 2014 Annual and Financial Report and will be presented to Unitholders at the Meeting. A copy of such financial statements and auditor's report are also available on our profile at [www.sedar.com](http://www.sedar.com) and on our website at [www.artisreit.com](http://www.artisreit.com).

### **2. FIX NUMBER OF TRUSTEES**

Pursuant to the Declaration of Trust, there are to be no fewer than three nor more than 10 Trustees. At the Meeting, Unitholders will be asked to consider and, if deemed advisable, pass a resolution which provides that the number of Trustees be fixed at eight.

### **3. ELECTION OF TRUSTEES**


Each Unitholder is entitled to vote for each nominee on an individual basis. Each Trustee should be elected by the vote of a majority of the Units represented in person or by proxy at the Meeting that are voted in respect of that Trustee.

### **Majority Voting Policy**

If any nominee for election as Trustee receives, from the Units voted at the Meeting in person or by proxy, a greater number of votes "withheld" than votes "for" his or her election, the Trustee will be expected to promptly tender his or her resignation to the Chairman of the Board following the Meeting, to take effect upon acceptance by the Board. In such circumstances, the Governance and Compensation Committee shall expeditiously consider such Trustee's offer to resign and shall make a recommendation to the Board whether or not to accept such offer to resign. Within 90 days of the Meeting, the Board shall make a final decision concerning the acceptance of such Trustee's resignation and shall announce that decision by way of a news release. Any Trustee who tenders his or her resignation shall not participate in the deliberations of the Board or any of its committees pertaining to his or her resignation.

## Trustees Nominated for Election

All of the nominees are currently Trustees of the Trust. The table below sets forth, for each Trustee, their current position(s) with Artis, the period of time they have served as a Trustee, their meeting attendance record, their principal occupation during the past five years, as well as their equity ownership, as at April 27, 2015.

		<p><b>Armin Martens, P. Eng., MBA</b> <b>Trustee and Nominee</b> Chief Executive Officer</p>		<p>Armin Martens has been actively involved in the construction, development and management of commercial real estate for over 25 years. He is the founding President and Chief Executive Officer of Artis REIT, a position he has held since 2005.</p> <p>Armin Martens obtained a Bachelor of Science (Civil Engineering) degree from the University of Manitoba. He is a registered professional engineer and holds an MBA degree from the International Institute for Management Development (IMD) in Lausanne, Switzerland.</p> <p>Armin Martens is a past director of Fortress Paper Ltd. (TSX:FTP), as well as the Bank of Canada, Canada's central bank.</p>	
<p>Age: 60 East St. Paul, Manitoba, Canada Trustee Since: November 8, 2004</p>					
<b>Board and Committee Meetings</b>		<b>Meeting Attendance</b>		<b>Meeting Attendance Total</b>	
<b>Full Board Meetings</b>		6/6		10/10	
<b>Disclosure Committee Meetings</b>		4/4			
<b>Equity Ownership <sup>(1)</sup></b>				<b>Ownership Requirements <sup>(2)</sup></b>	
<b>Year</b>	<b>Units</b>	<b>Restricted Units</b>	<b>Value of Equity Holdings</b>	<b>Minimum Ownership Requirements</b>	<b>Meets Requirements</b>
As at April 28, 2014	541,226	119,302	\$10,535,422	3x Annual Base Salary	Yes
					100%
As at April 27, 2015	568,726	144,657	\$10,715,013	3x Annual Base Salary	Yes
					100%

<sup>(1)</sup> Information regarding Unit ownership has been furnished to management of the Trust by the Trustees and includes Units beneficially owned, directly or indirectly, or that are subject to that individual's control or direction.

<sup>(2)</sup> See "Part IV – Trustees Compensation and Ownership - Chief Executive Officer and Chief Financial Officer Ownership Policy" for further information.



**Edward Warkentin, B.A., LL.B.**

**Independent Trustee and Nominee**

Chair of the Board

Chair of Governance and Compensation Committee

Member of Investment Committee

Edward 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 35 years.

Edward Warkentin is the former Managing Partner of Aikins, MacAulay & Thorvaldson LLP, practicing 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.

Edward Warkentin 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.

Age: 65  
 East St. Paul, Manitoba, Canada  
 Trustee Since: November 8, 2004

Board and Committee Meetings	Meeting Attendance	Meeting Attendance Total
Full Board Meetings	6/6	20/20
Disclosure Committee Meetings	4/4	
Governance & Compensation Committee Meetings	5/5	
Investment Committee Meetings	5/5	

Equity Ownership <sup>(1)</sup>				Ownership Requirements <sup>(2)</sup>	
Year	Units	Deferred Units	Value of Equity Holdings	Minimum Ownership Requirements	Meets Requirements?
As at April 28, 2014	39,075	-	\$623,246	3x Annual Base Retainer	Yes
					100%
As at April 27, 2015	39,075	-	\$586,907	3x Annual Base Retainer	Yes
					100%

<sup>(1)</sup> Information regarding Unit ownership has been furnished to management of the Trust by the Trustees and includes Units beneficially owned, directly or indirectly, or that are subject to that individual's control or direction.

<sup>(2)</sup> See "Part IV – Trustees Compensation and Ownership - Trustee Ownership Policy" for further information.



**Delmore Crewson, FCA**  
**Independent Trustee and Nominee**  
 Chair of Audit Committee

Delmore Crewson is a former senior partner and Vice-Chair of Deloitte LLP. He is a member of the Institute of Chartered Accountants of Manitoba and has been elected as a “Fellow” of the Institute.

Delmore 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.

Delmore 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.


Delmore 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.

Age: 72  
 Winnipeg, Manitoba, Canada  
 Trustee Since: June 9, 2006

Board and Committee Meetings	Meeting Attendance	Meeting Attendance Total			
Full Board Meetings	6/6	11/11			
Audit Committee Meetings	4/4				
Investment Committee Meetings	1/1				
Equity Ownership <sup>(1)</sup>				Ownership Requirements <sup>(2)</sup>	
Year	Units	Deferred Units	Value of Equity Holdings	Minimum Ownership Requirements	Meets Requirements?
As at April 28, 2014	10,462	-	\$166,869	3x Annual Base Retainer	Yes
					100%
As at April 27, 2015	16,375	-	\$245,953	3x Annual Base Retainer	Yes
					100%


<sup>(1)</sup> Information regarding Unit ownership has been furnished to management of the Trust by the Trustees and includes Units beneficially owned, directly or indirectly, or that are subject to that individual’s control or direction.

<sup>(2)</sup> See “Part IV – Trustees Compensation and Ownership - Trustee Ownership Policy” for further information.

		<p><b>Cornelius Martens, P. Eng.</b> <b>Trustee and Nominee</b></p>		<p>Cornelius Martens graduated from the University of Manitoba with a Bachelor of Science degree in Civil Engineering in 1965.</p> <p>In 1968, together with his father, he incorporated the company that is today known as the Marwest Group of Companies. Marwest is engaged in the development, construction and management of income producing properties including office buildings, shopping centers, residential and mixed use properties.</p> <p>Since its incorporation, Cornelius Martens has served as President and Chief Executive Officer of the various Marwest companies and is currently the Chief Executive Officer of Marwest Management Canada Ltd. He is also the co-founder and past Executive Vice President of Artis and a director/trustee and Chief Executive Officer of All in West! Capital Corporation, a TSX Venture Exchange-listed issuer.</p>	
<p>Age: 73 East St. Paul, Manitoba, Canada Trustee Since: November 8, 2004</p>					
<p><b>Board and Committee Meetings</b></p>		<p><b>Meeting Attendance</b></p>		<p><b>Meeting Attendance Total</b></p>	
<p><b>Full Board Meetings</b></p>		<p>6/6</p>		<p>6/6</p>	
<p><b>Equity Ownership <sup>(1)</sup></b></p>				<p><b>Ownership Requirements <sup>(2)</sup></b></p>	
<p><b>Year</b></p>	<p><b>Units</b></p>	<p><b>Deferred Units</b></p>	<p><b>Value of Equity Holdings</b></p>	<p><b>Minimum Ownership Requirements</b></p>	<p><b>Meets Requirements?</b></p>
<p>As at April 28, 2014</p>	<p>361,012</p>	<p>-</p>	<p>\$5,758,141</p>	<p>3x Annual Base Retainer</p>	<p>Yes</p>
<p>As at April 27, 2015</p>	<p>406,012</p>	<p>-</p>	<p>\$6,098,300</p>	<p>3x Annual Base Retainer</p>	<p>100%</p>
<p>As at April 27, 2015</p>	<p>406,012</p>	<p>-</p>	<p>\$6,098,300</p>	<p>3x Annual Base Retainer</p>	<p>Yes</p>
<p>As at April 27, 2015</p>	<p>406,012</p>	<p>-</p>	<p>\$6,098,300</p>	<p>3x Annual Base Retainer</p>	<p>100%</p>

<sup>(1)</sup> Information regarding Unit ownership has been furnished to management of the Trust by the Trustees and includes Units beneficially owned, directly or indirectly, or that are subject to that individual's control or direction.


<sup>(2)</sup> See "Part IV – Trustees Compensation and Ownership - Trustee Ownership Policy" for further information.

		<p><b>Ronald Rimer, CA-CPA</b></p> <p><b>Independent Trustee and Nominee</b></p> <p>Member of Audit Committee</p> <p>Member of Investment Committee</p>		<p>Ronald Rimer is Managing Director and co-founder of CSC Asset Management Inc., a company focusing on the management of student apartments in Canada. Previously Executive Director and Vice Chairman for Macquarie Capital Markets (Canada), Ronald Rimer was primarily responsible for developing and executing the investment banking and principal investing strategies for its Real Estate and Diversified Industries groups. He also held other senior positions while at Macquarie including Head of the company's Equity Capital Markets and Private Capital Markets groups.</p> <p>Prior to joining Macquarie, Ronald Rimer held various senior positions over 11 years including six years as a top ranked real estate equity research analyst at BMO Capital Markets. Ronald Rimer also worked in the real estate industry over a 10 year period in senior finance roles at both Brookfield and The Lehndorff Group.</p> <p>Ronald Rimer was a member of the board of the Children's Aid Foundation and served on the board of a private real estate company engaged in the ownership of manufactured communities. He has also been active in lecturing accounting and real estate valuation sessions at local colleges in Toronto, including being a co-lecturer at the Schulich School of Business focusing on real estate valuations and more recently having developed and instructed a real estate capital markets course for REALpac.</p> <p>Ronald Rimer holds an undergraduate degree in business from McGill University, a graduate Diploma in Public Accounting, and is a Chartered Accountant.</p>	
<p>Age: 54 Toronto, Ontario, Canada Trustee Since: February 27, 2014</p>					
<p><b>Board and Committee Meetings</b></p>		<p><b>Meeting Attendance</b></p>		<p><b>Meeting Attendance Total</b></p>	
<p><b>Full Board Meetings</b></p>		<p>6/6</p>		<p>13/13</p>	
<p><b>Audit Committee Meetings</b></p>		<p>3/3</p>			
<p><b>Investment Committee Meetings</b></p>		<p>4/4</p>			
<p><b>Equity Ownership <sup>(1)</sup></b></p>				<p><b>Ownership Requirements <sup>(2)</sup></b></p>	
<p><b>Year</b></p>	<p><b>Units</b></p>	<p><b>Deferred Units</b></p>	<p><b>Value of Equity Holdings</b></p>	<p><b>Minimum Ownership Requirements</b></p>	<p><b>Meets Requirements?</b></p>
<p>As at April 28, 2014</p>	<p>5,000</p>	<p>-</p>	<p>\$79,750</p>	<p>3x Annual Base Retainer</p>	<p>Must meet requirement by February 27, 2019<sup>(3)</sup></p> <p>53%</p>
<p>As at April 27, 2015</p>	<p>10,000</p>	<p>-</p>	<p>\$150,200</p>	<p>3x Annual Base Retainer</p>	<p>Yes</p> <p>100%</p>

<sup>(1)</sup> Information regarding Unit ownership has been furnished to management of the Trust by the Trustees and includes Units beneficially owned, directly or indirectly, or that are subject to that individual's control or direction.

<sup>(2)</sup> See "Part IV – Trustees Compensation and Ownership - Trustee Ownership Policy" for further information.

<sup>(3)</sup> Ronald Rimer was appointed to the Board on February 27, 2014. On February 27, 2014, the Trustees adopted the 3 x annual base retainer ownership policy and Ronald Rimer has until February 27, 2019 to meet the policy requirement.

		<p><b>Patrick Ryan, JD</b></p> <p><b>Independent Trustee and Nominee</b></p> <p>Member of Audit Committee</p> <p>Member of Investment Committee</p>		<p>Patrick Ryan is the Chief Executive Officer and President of Ryan Companies US, Inc., a 76 year old company actively involved in the construction, development and management of commercial real estate in the United States. He is also a substantial owner of Ryan Companies US, Inc.</p> <p>Patrick Ryan graduated from the University of St. Thomas, St. Paul, Minnesota with a Bachelor of Arts Degree in Business Finance in 1975. In 1980, Patrick Ryan received a JD Degree from William Mitchell College of Law in St. Paul, Minnesota.</p> <p>Ryan Companies US, Inc. has 10 offices throughout the United States which engage in the construction, design, development and operation of commercial real estate.</p> <p>Patrick Ryan sits on a number of nonprofit boards and is currently a member of the board of directors of Mate, Inc., a privately held manufacturing company.</p>	
<p>Age: 62  Minneapolis, Minnesota, U.S.  Trustee Since: June 20, 2013</p>					
<p><b>Board and Committee Meetings</b></p>		<p><b>Meeting Attendance</b></p>		<p><b>Meeting Attendance Total</b></p>	
<p><b>Full Board Meetings</b></p>		<p>6/6</p>		<p>14/14</p>	
<p><b>Audit Committee Meetings</b></p>		<p>4/4</p>			
<p><b>Investment Committee Meetings</b></p>		<p>4/4</p>			
<p><b>Equity Ownership <sup>(1)</sup></b></p>				<p><b>Ownership Requirements <sup>(2)</sup></b></p>	
<p><b>Year</b></p>	<p><b>Units</b></p>	<p><b>Deferred Units</b></p>	<p><b>Value of Equity Holdings</b></p>	<p><b>Minimum Ownership Requirements</b></p>	<p><b>Meets Requirements?</b></p>
<p>As at April 28, 2014</p>	<p>6,400</p>	<p>-</p>	<p>\$102,080</p>	<p>3x Annual Base Retainer</p>	<p>Must meet requirement by February 27, 2019<sup>(3)</sup></p> <p>68%</p>
<p>As at April 27, 2015</p>	<p>6,400</p>	<p>4,936</p>	<p>\$170,267</p>	<p>3x Annual Base Retainer</p>	<p>Yes</p> <p>100%</p>

<sup>(1)</sup> Information regarding Unit ownership has been furnished to management of the Trust by the Trustees and includes Units beneficially owned, directly or indirectly, or that are subject to that individual's control or direction.

<sup>(2)</sup> See "Part IV – Trustees Compensation and Ownership - Trustee Ownership Policy" for further information.

<sup>(3)</sup> Patrick Ryan was elected to the Board on June 20, 2013. On February 27, 2014, the Trustees adopted the 3 x annual base retainer ownership policy and Patrick Ryan has until February 27, 2019 to meet the policy requirement.



**Victor Thielmann, FEC, P. Eng.**

**Independent Trustee and Nominee**

Member of Audit Committee

Member of Governance and Compensation Committee

Victor Thielmann is the President and Chief Executive Officer of Nova 3 Engineering Ltd. and has over 37 years of experience in the electrical construction and professional consulting industry.

Victor 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 and has received the Fellow designation from Engineers Canada. Victor Thielmann has obtained the title of Chartered Engineer from Engineers Ireland.

Victor Thielmann is an active member of several international code and standard setting associations, including NFPA, SFPE and IEEE. He is a member of the Institute of Corporate Directors, Manitoba Chapter, and he is a former director of the Forks North Portage, a Canadian crown corporation owned by the municipal, provincial, and federal government.

Victor Thielmann is a founding and current independent trustee of TSX-listed issuer Artis REIT.

Age: 60  
Winnipeg, Manitoba, Canada  
Trustee Since: November 8, 2004

Board and Committee Meetings		Meeting Attendance	Meeting Attendance Total		
Full Board Meetings	6/6		15/15		
Audit Committee Meetings	4/4				
Governance & Compensation Committee Meetings	5/5				
Equity Ownership <sup>(1)</sup>				Ownership Requirements <sup>(2)</sup>	
Year	Units	Deferred Units	Value of Equity Holdings	Minimum Ownership Requirements	Meets Requirements?
As at April 28, 2014	47,108	-	\$751,373	3x Annual Base Retainer	Yes
					100%
As at April 27, 2015	57,108	-	\$857,762	3 x Annual Base Retainer	Yes
					100%

<sup>(1)</sup> Information regarding Unit ownership has been furnished to management of the Trust by the Trustees and includes Units beneficially owned, directly or indirectly, or that are subject to that individual's control or direction.

<sup>(2)</sup> See "Part IV – Trustees Compensation and Ownership - Trustee Ownership Policy" for further information.





**Wayne Townsend, CFP**  
**Independent Trustee and Nominee**

Chair of Investment Committee

Member of Governance and Compensation Committee

Wayne Townsend is a Partner at Lawton Partners Financial Planning Services Limited and has over 35 years of experience in the wealth management and insurance industry.

Wayne 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.

Wayne Townsend is a founding partner of Value Partners Investments Inc. Past board activities include Vice-Chair of St. John's-Ravenscourt School, Past Chairman at Misericordia General Hospital Foundation and Past Vice-Chair at Misericordia General Hospital.

Wayne 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.

Age: 60  
 Winnipeg, Manitoba, Canada  
 Trustee Since: November 8, 2004

Board and Committee Meetings	Meeting Attendance	Meeting Attendance Total			
Full Board Meetings	6/6				
Governance & Compensation Committee Meetings	5/5	16/16			
Investment Committee Meetings	5/5				
Equity Ownership <sup>(1)</sup>				Ownership Requirements <sup>(2)</sup>	
Year	Units	Deferred Units	Value of Equity Holdings	Minimum Ownership Requirements	Meets Requirements?
As at April 28, 2014	20,476	-	\$326,592	3x Annual Base Retainer	Yes
					100%
As at April 27, 2015	30,476	-	\$457,750	3x Annual Base Retainer	Yes
					100%

<sup>(1)</sup> Information regarding Unit ownership has been furnished to management of the Trust by the Trustees and includes Units beneficially owned, directly or indirectly, or that are subject to that individual's control or direction.

<sup>(2)</sup> See "Part IV – Trustees Compensation and Ownership - Trustee Ownership Policy" for further information.

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 Units represented by proxies in favour of Management Nominees will be voted for such resolution, unless a Unitholder has specified in the proxy that the Units are to be withheld from voting on such resolution.**

#### **4. APPOINTMENT OF EXTERNAL AUDITOR**

At the Meeting, Unitholders will be asked to consider and, if deemed advisable, pass a resolution which provides that Deloitte LLP be reappointed as the external auditor of Artis for the ensuing year and that the Trustees be authorized to fix the remuneration of the external auditor.

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

In addition to audit and audit-related fees, Artis may retain its external auditor to provide advisory and consulting services.

#### **Audit Fees**

Artis' external auditor for the fiscal years ended December 31, 2014 and 2013 was Deloitte LLP. The aggregate fees billed by Artis' external auditor for audit services in the last two fiscal years are as follows: 2014 – \$603,900; 2013 - \$490,850.

#### **Audit-Related Fees**

The aggregate fees billed by Artis' external auditor in each of the last two fiscal years for assurance and related services that are reasonably related to the performance of the audit or review of Artis' financial statements, including prospectus related review, and are not reported under "Audit Fees" above are as follows: 2014 – \$146,200; 2013 - \$156,600.

#### **Tax Fees**

The aggregate fees billed by Artis' external auditor in each of the last two fiscal years for professional services for tax compliance, tax advice and tax planning are as follows: 2014 – \$323,811; 2013 - \$268,555.

#### **All Other Fees**

The aggregate fees billed by Artis' external auditor in each of the last two fiscal years for products and services, other than services reported above, are as follows: 2014 – \$nil; 2013 - \$nil.

## PART III – STATEMENT OF GOVERNANCE PRACTICES

### Introduction

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”) has issued National Policy 58-201 – *Corporate Governance Guidelines*. The CSA has 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 judgment.

The Board has determined that six out of eight Trustees as at the date of this Information Circular are independent for the purposes of NI 58-101 and National Instrument 52-110 – *Audit Committees* (“NI 52-110”). The Independent Trustees are Delmore Crewson, Ronald Rimer, Patrick Ryan, Victor Thielmann, Wayne Townsend and Edward Warkentin.

Armin Martens is not an Independent Trustee by virtue of the fact that he is an executive officer of Artis. Cornelius Martens is not an Independent Trustee by virtue of the fact that he has a consulting contract with Artis.

In determining the independence of Edward Warkentin, the Board considered the fact that, effective January 31, 2013, Edward Warkentin retired as managing partner of Aikins, MacAulay & Thorvaldson LLP, which serves as legal counsel to Artis.

In determining the independence of Patrick Ryan, the Board considered that Artis has acquired properties from the Ryan Group of Companies, in which Patrick Ryan has a beneficial ownership interest, but not a controlling interest.

#### *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.

The Chair of the Board will not cast a second vote in the event of a tied vote in respect of any matter.

#### *Independent Trustee Meetings*

Effective February 27, 2014, the Board has established a policy requiring that a meeting of Independent Trustees, without the attendance of non-Independent Trustees or management, be held at every regular and non-regular meeting of the Board and its committees.

The Independent Trustees hold regularly scheduled quarterly meetings and at such other times as may be considered necessary by the Independent Trustees. In 2014, the Independent Trustees held six meetings without the attendance of non-Independent Trustees or management.

The Audit Committee, Investment Committee and Governance and Compensation Committee each held four meetings – one at each quarterly meeting, without the attendance of non-Independent Trustees or management.

## Other Boards of Reporting Issuers

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

The Trustees serve or have served on the boards of a number of prominent private issuers and other organizations as set forth above under the heading “*Part II – Particulars of Matters to be Acted Upon – 3. Election of Trustees*”.

## Board and Committee Attendance

The table below shows the record of attendance by Trustees at meetings of the Board and its committees, as well as the number of Board and committee meetings held during the year ended December 31, 2014.

Name	Board	Audit	Governance and Compensation	Disclosure	Investment	Overall Attendance	
Armin Martens	6/6	n/a	n/a	4/4	n/a	10/10	100%
Edward Warkentin	6/6	n/a	5/5	4/4	5/5	20/20	100%
Delmore Crewson <sup>(1)</sup>	6/6	4/4	n/a	n/a	1/1	11/11	100%
Cornelius Martens	6/6	n/a	n/a	n/a	n/a	6/6	100%
Ronald Rimer <sup>(2)</sup>	6/6	3/3	n/a	n/a	4/4	13/13	100%
Patrick Ryan <sup>(3)</sup>	6/6	4/4	n/a	n/a	4/4	14/14	100%
Victor Thielmann	6/6	4/4	5/5	n/a	n/a	15/15	100%
Wayne Townsend	6/6	n/a	5/5	n/a	5/5	16/16	100%

<sup>(1)</sup> Delmore Crewson resigned from the Investment Committee subsequent to the Board meeting held on February 27, 2014.

<sup>(2)</sup> Ronald Rimer was appointed to the Audit Committee and Investment Committee subsequent to the Board meeting held on February 27, 2014.

<sup>(3)</sup> Patrick Ryan was appointed to the Audit Committee and Investment Committee subsequent to the Board meeting held on February 27, 2014.

## Trustees and Nominees Skill Sets

The Board is comprised of individuals that have demonstrated skills in one or more of the following areas: (i) business leadership; (ii) real estate; (iii) legal; (iv) accounting/financial literacy; and (v) other public company board experience. The Trustees and nominees possess the following skills:

Name	Business Leadership	Real Estate	Legal	Accounting & Financial Literacy	Other Public Company Boards
Armin Martens, President and CEO	X	X		X	X
Edward Warkentin, Chair	X	X	X		X
Delmore Crewson	X			X	X
Cornelius Martens	X	X		X	X
Ronald Rimer	X	X		X	
Patrick Ryan	X	X	X	X	
Victor Thielmann	X	X		X	X
Wayne Townsend	X	X		X	X

## 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 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.

A copy of the Board of Trustees Mandate is attached as Schedule A hereto.

## Position Descriptions

The Board has developed written position descriptions for the Chair of the Board as well as for Trustees generally. The Board has also developed a written position description for the President and Chief Executive Officer.

## **Orientation and Continuing Education**

The Board has established a formal orientation program for new Trustees, so that new Trustees understand the role of the Board, the role of its committees and the requirements of individual Trustees. All new Trustees are provided with a handbook which contains the following governance documents:

- (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 Whistleblower Policy;
- (vi) the Governance and Compensation Committee Charter;
- (vii) the Investment Committee Charter; and
- (viii) the Disclosure Policy of Artis.

Prior to a new Trustee joining the Board, one-on-one meetings with the Chair of the Board (and other committee chairs, if appropriate) are arranged. These meetings provide an opportunity for the new Trustee to ask questions about the charters and mandates as well as be apprised of matters of importance to the Board and/or the particular committee. In addition, the new Trustee will be provided with Artis' most recent Annual Information Form, Annual Report and interim financial reports. One-on-one meetings are arranged with each of the Chief Executive Officer and Chief Financial Officer; these meetings provide an opportunity for the new Trustee to develop an understanding of Artis' operations, finances and future prospects.

Artis provides Trustees with ongoing education and information sessions in order to ensure that they remain current with respect to the business and operations of Artis, including Artis' financial condition and other matters related to the success of Artis and the implementation of Artis' primary objectives and strategies.

- At each quarterly Board meeting and at the strategic planning meeting, the Chief Executive Officer makes a detailed presentation to the Trustees providing a comprehensive explanation with respect to Artis' operating performance and financial results. The Chief Executive Officer also provides a review of Artis' anticipated future financial results and overall market trends.
- Members of Artis' senior management team make presentations on operations, acquisitions, dispositions, development activity, specific local market trends, future initiatives and Artis' performance in relation to its peers.
- The Trustees meet annually for a strategic planning meeting, which includes members of Artis' senior management and industry experts.
- Education on topics affecting Artis, including changes to compensation disclosure requirements, governance practices and accounting standards, are provided on an ongoing basis.
- Trustees participate in property tours with senior management of Artis on a periodic basis.
- Trustees attend various Real Estate Forums and Conferences throughout every year.

## **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 executive officers of Artis to avoid situations where their personal interests conflict, or appear to conflict, with the interests of Artis. A copy of the Code of Conduct is available at [www.sedar.com](http://www.sedar.com) and may also be obtained on written request addressed to Artis Real Estate Investment Trust, 300 – 360 Main Street, Winnipeg, Manitoba, R3C 3Z3, Attention: Investor Relations.

The Board satisfies itself that its Trustees, executive officers and employees are in compliance with the Code of Conduct by requiring them to confirm compliance with the code on an annual basis. During the 2014 year, the Board became aware of conduct by an officer that the Board concluded constituted a departure from the Code of Conduct. The Board believes that appropriate disciplinary action was taken and the officer whose conduct was in question is no longer employed by Artis.

### **Nomination of Trustees**

The Board, through its Governance and Compensation Committee, is responsible for 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 of Artis is comprised entirely of Independent Trustees.

The Board annually considers what additional skills and competencies would be helpful to the Board. The Governance and Compensation Committee is responsible for identifying specific candidates for consideration, guided by the findings of the Board in relation to competencies and skills. The Independent Trustees make recommendations with respect to the appointment of additional Independent Trustees, and the Board as a whole makes decisions with respect to the appointment of Independent Trustees or the nomination of Trustees for election.

### **Compensation**

The Board, through its Governance and Compensation Committee, is responsible for the review of the adequacy and form of compensation to Trustees of Artis. The Governance and Compensation Committee of Artis is comprised entirely of Independent Trustees, all of whom have significant experience in compensation matters as senior business leaders.

The mandate of the Governance and Compensation Committee includes, among others things, responsibility for making recommendations to the Board in respect of Trustees' remuneration, direct and indirect compensation, benefits and perquisites, incentive compensation and equity based plans generally. The full text of this committee's Charter is available on Artis' website, at [www.artisreit.com/about-us/corporate-governance](http://www.artisreit.com/about-us/corporate-governance).

The Governance and Compensation Committee considers the time, commitment, risks and responsibilities of the Trustees and takes into account the types of compensation and the amounts paid to the Trustees. The Governance and Compensation Committee reviews comparative data for its peers when determining compensation and seeks to align the interests of Trustees with those of the Unitholders when making its recommendations on compensation to the Board.

### **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. Each committee has a charter, a summary of which is included in the Annual Information Form.

### **Board Assessments**

The Board assesses its effectiveness on a continual basis.

The self-evaluation process is done by way of a confidential survey. The survey questions are customized for the Board and each of its committees, so that the Board and each committee are evaluated against its own mandate or charter. All surveys consider the effectiveness of the Chair, the adequacy and timeliness of materials and the sufficiency and time allowed for discussions of relevant issues at the Board or committee level. The survey additionally provides for confidential and subjective comment on areas for improvement or issues that are relevant or notable for the Board or committee under evaluation.

The survey results are returned to the Chair of the Governance and Compensation Committee, and all lower marks as well as all subjective comments are flagged for discussion with the Trustees at the next scheduled strategic planning meeting. The most recent self-evaluation was completed and reviewed in conjunction with the strategic planning meeting of the Board held in October of 2014.

On February 27, 2014, the Board adopted an expanded policy that requires an annual assessment of individual Trustee performance. Pursuant to this policy, each Trustee shall complete and submit to the Chair a questionnaire that will evaluate his or her own performance and effectiveness as a Trustee. The questionnaire is followed by individual meetings between the Chair and each Trustee and then a report from the Chair to the Board. In addition, every three years, Trustees will conduct a peer review process. The peer review process will be accomplished by having each Trustee complete and submit to the Chair a questionnaire that will evaluate each other's performance and effectiveness, followed by individual meetings between the Chair and each Trustee and a report from the Chair to the Board.

### **Diversity Policy Disclosure**

Artis believes that diversity is essential to its success. Artis has adopted a policy relating to diversity as provided in the Artis Employee Handbook, which states:

“Artis strives to provide a fair and equitable workplace whereby all employees are treated with respect regardless of their race, ethnic background, age, gender, sexual orientation, disability, religion, political affiliation, etc. Discrimination on the basis of any of the above characteristics is absolutely not tolerated and will result in disciplinary action. Artis is committed to a culture of inclusion by way of hiring, promoting, and developing employees with a diverse array of skills, backgrounds, and experiences.”

The Board of Trustees values diversity of expertise, skills and competencies amongst its members. The diversity policy of Artis does not contain specific provisions relating to (i) the identification and nomination of women for election to the Board of Trustees; or (ii) a target regarding the representation of women on the Board of Trustees.

The Board is of the view that it is in the best interests of Artis to evaluate the skills and competencies of individual nominees and the Board as a whole, without regard to the gender of the individual. Currently, none of the eight members of the Board are women.

Women hold a number of management positions at Artis and its major subsidiaries, including: (i) Vice President – Acquisitions and Due Diligence; (ii) Vice President – Asset Management – US Region; (iii) Legal Counsel/Debt Finance Manager; (iv) Director – Treasury; (v) Director – Investor Relations; (vi) Director – Human Resources; (vii) Director – Corporate Accounting; (viii) Director – Financial Reporting; and (ix) Director – Property Management.

“Executive officer” is defined under applicable securities laws as an individual who is: (i) a Chair, Vice-Chair or President; (ii) a Chief Executive Officer or Chief Financial Officer; (iii) a Vice-President in charge of a principal business unit, division or function including sales, finance or production; or (iv) performing a policy-making function.

The Board values diversity of expertise, skills and competencies among Artis' executive officers. The diversity policy of Artis does not contain specific provisions relating to: (i) the identification of women as candidates to serve as executive officers of Artis; or (ii) a target regarding the representation of women as executive officers of Artis. The Board believes that it is in the best interests of Artis to evaluate the skills and competencies of individual candidates, without regard to the gender of the individual.



The following summarizes Artis' management structure and the number of women who occupy positions within such management structure:

1. Chief Officers. Since its inception until 2014, Artis had three chief officer positions, being the Chief Executive Officer, the Chief Financial Officer and the Chief Administrative Officer, which were held by a total of three individuals, one (33.3%) of which was held by a woman. As at January 1, 2015, there were two (2) individuals holding executive positions, being the Chief Executive Officer and the Chief Financial Officer, none (0%) of which were women.
2. Senior Vice-Presidents and Vice-Presidents. As at January 1, 2015, 10 individuals held a position as Senior Vice-President or Vice-President, two (20%) of which were women.
3. Directors. As at January 1, 2015, 12 individuals held a position as Director, six (50%) of which were women.

As at January 1, 2015, there were a total of 24 individuals holding senior management positions at Artis and its major subsidiaries, nine (37.5%) of which were women. Assuming that Directors are excluded from the definition of "executive officer" (as defined under applicable securities legislation), as at January 1, 2015, there were a total of 12 individuals holding executive officer positions, two (16.7%) of which were women.

### **Succession Planning**

The Board of Trustees Mandate provides that the Board is responsible for succession planning, including appointing, training and monitoring senior management, and the Governance and Compensation Committee has been tasked with the responsibility for making recommendations on same to the Board. The Governance and Compensation Committee reviews and discusses succession planning issues for the senior executives of Artis with the Chief Executive Officer on at least an annual basis. Discussions include prospects for high performing executives, replacement scenarios for unexpected events and cross training and development opportunities for the senior management team.

In addition, the Board, the Governance and Compensation Committee and Armin Martens have developed a procedure for managing the succession of the Chief Executive Officer, should that position become vacant for any reason. During the most recent review of succession by the Governance and Compensation Committee, Armin Martens confirmed his commitment to his role at Artis. Based upon this, and the length of term remaining on Armin Martens' employment agreement, the succession plan is currently focused on the potential event of an unexpected departure. In this regard, both Armin Martens and the Board are satisfied that the current senior management group could comfortably carry the company through such an unexpected event, until a permanent solution is established.

### **Policy on Retirement and Term Limits and Other Mechanisms of Board Renewal**

The Board has adopted a policy relating to retirement and term limits. The Board believes that the ability of a Trustee is not limited by age or length of service. In addition, the Board believes that Trustees who have served on the Board for a period of time may possess valuable insight and perspective into the operations and business strategy of Artis based on their experience and knowledge of Artis. Accordingly, the policy adopted by the Board does not require a Trustee to retire upon reaching a certain age, nor does it impose specific term limits on Trustees.

## PART IV – TRUSTEES COMPENSATION AND OWNERSHIP

### General

The Trustees, other than Armin Martens, who was the Chief Executive Officer of Artis during the year ended December 31, 2014, are entitled to compensation for services rendered to Artis in their capacities as Trustees. The Chief Executive Officer's compensation is not included in the following tables as all compensation paid to the Chief Executive Officer has been set forth in "*Part V – Executive Compensation Discussion and Analysis*".

The Board, through the Governance and Compensation Committee, reviews compensation paid to Trustees. Edward Warkentin, Wayne Townsend and Victor Thielmann, all of whom are considered Independent Trustees, were members of the Governance and Compensation Committee in 2014. Factors considered when determining Trustee compensation include the complexity of Artis' operations, risks and responsibilities of being a Trustee, time commitment required, and compensation paid by comparable organizations. No outside compensation consultants were engaged by Artis or the Governance and Compensation Committee in 2014.

Trustee compensation may be comprised of cash compensation as well as Unit- or Option-based awards, pursuant to Artis' securities based compensation plan in effect from time to time, see "*Part VI – Other Information – Securities Authorized for Issuance Pursuant to Artis' Equity Incentive Plan - Artis' Equity Incentive Plan*" for more details.

In 2014, the fee schedule for services provided by the Trustees to Artis was as follows:

<b>Item</b>	<b>Fee</b>
Annual base retainer	\$50,000
Annual retainer – Audit Committee members	Plus \$7,000
Annual retainer – Committee members other than Audit Committee	Plus \$4,500
Annual retainer – Chair of Board of Trustees	Plus \$60,000
Annual retainer – Chair of Audit Committee	Plus \$25,000
Annual retainer – Chair of Governance and Compensation Committee	Plus \$5,000
Annual retainer – Chair of Investment Committee	Plus \$5,000

Meeting fees were paid at a rate of \$1,000 to \$3,000 per meeting, dependent upon the location of the meeting and whether it was attended in person or by teleconference, and in the event that the Board was required to pass a resolution. The Trustees are also entitled to reasonable travel and other expenses incurred by them in attending meetings of the Trustees or any committee thereof in connection with their services as Trustees. For additional information about meetings held and attendance by Trustees, see "*Part III – Statement of Governance Practices – Board and Committee Attendance*".

## Trustee Compensation Table

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

Name	Annual Base Retainer (\$)	Committee Chair Fees (\$)	Committee Member Fees (\$)	Meeting Attendance Fees (\$)	Other Compensation (\$) <sup>(1)</sup>	Total Compensation (\$)
Edward Warkentin	50,000	65,000	9,000	48,500	-	172,500
Delmore Crewson	50,000	25,000	7,000	31,000	-	113,500
Cornelius Martens	50,000	-	-	20,500	120,000	190,500
Ronald Rimer	50,000	-	11,500	36,500	-	98,000
Patrick Ryan <sup>(2)</sup>	50,000	-	11,500	37,000	-	98,500
Victor Thielmann	50,000	-	11,500	40,000	-	101,500
Wayne Townsend	50,000	5,000	9,000	35,500	-	99,500

<sup>(1)</sup> Prior to January 1, 2012, Cornelius Martens was also the Executive Vice-President of Artis. Effective January 1, 2012, Artis entered into a consulting services agreement with Cornelius Martens, which is more fully described under “Part V – Executive Compensation Discussion and Analysis - Internalization of Asset Management Agreement and Property Management Agreement”.

<sup>(2)</sup> During 2014, \$46,250 of Patrick Ryan’s total compensation was payable in cash, and \$52,250 of his total compensation was payable in Deferred Units. See “Part VI – Other Information – Securities Authorized for Issuance Pursuant to Artis’ Equity Incentive Plan” for a description of the Deferred Units.

## Equity Incentive Plan – Awards Outstanding

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	Option-Based Awards				Unit-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) <sup>(1)</sup>	Number of Units that Have Not Vested (#)	Market or Payout Value of Unit-Based Awards that Have Not Vested (\$)	Market or Payout Value of Unit-Based Awards not Paid Out or Distributed (\$) <sup>(3)</sup>
Edward Warkentin, Chair	-	11.28	Feb 25, 2015	-	-	-	-
	8,000	13.30	Sep 10, 2015	7,040			
	16,000	13.44	Oct 15, 2015	11,840			
	20,000	14.10	Jun 17, 2016	1,600			
Delmore Crewson	45,000	16.36	Apr 13, 2017	-	-	-	-
	4,000	11.28	Feb 25, 2015	11,600			
	14,000	13.30	Sep 10, 2015	12,320			
	14,000	13.44	Oct 15, 2015	10,360			
	15,000	14.10	Jun 17, 2016	1,200			
	40,000	16.36	Apr 13, 2017	-			

Name	Option-Based Awards				Unit-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) <sup>(1)</sup>	Number of Units that Have Not Vested (#)	Market or Payout Value of Unit-Based Awards that Have Not Vested (\$)	Market or Payout Value of Unit-Based Awards not Paid Out or Distributed (\$) <sup>(3)</sup>
Cornelius Martens <sup>(2)</sup>	-	11.28	Feb 25, 2015	-			
	45,000	13.30	Sep 10, 2015	39,600			
	45,000	13.44	Oct 15, 2015	33,300	-	-	-
	165,000	14.10	Jun 17, 2016	13,200			
	40,000	16.36	Apr 13, 2017	-			
Ronald Rimer	-	11.28	Feb 25, 2015	-			
	-	13.30	Sep 10, 2015	-			
	-	13.44	Oct 15, 2015	-	-	-	-
	-	14.10	Jun 17, 2016	-			
	-	16.36	Apr 13, 2017	-			
Patrick Ryan	-	11.28	Feb 25, 2015	-			
	-	13.30	Sep 10, 2015	-			
	-	13.44	Oct 15, 2015	-	-	-	50,598
	-	14.10	Jun 17, 2016	-			
	-	16.36	Apr 13, 2017	-			
Victor Thielmann	10,000	11.28	Feb 25, 2015	29,000			
	14,000	13.30	Sep 10, 2015	12,320			
	14,000	13.44	Oct 15, 2015	10,360	-	-	-
	15,000	14.10	Jun 17, 2016	1,200			
	40,000	16.36	Apr 13, 2017	-			
Wayne Townsend	-	11.28	Feb 25, 2015	-			
	14,000	13.30	Sep 10, 2015	12,320			
	14,000	13.44	Oct 15, 2015	10,360	-	-	-
	15,000	14.10	Jun 17, 2016	1,200			
	40,000	16.36	Apr 13, 2017	-			

<sup>(1)</sup> Value of unexercised in-the-money Options is calculated as the amount by which the exercise price of the Option was less than \$14.18, which was the closing price of the Units on December 31, 2014.

<sup>(2)</sup> Prior to January 1, 2012, Cornelius Martens was a Trustee and the Executive Vice-President of Artis. The Options awarded to Cornelius Martens prior to January 1, 2012, reflect his service to Artis in both capacities.

<sup>(3)</sup> Market or payout value of Unit-based awards not paid out or distributed is calculated as the number of vested Unit-based awards payable multiplied by \$14.18, which was the closing price of the Units on December 31, 2014.

No Options were re-priced during the most recently completed financial year of Artis.

## Equity Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-Based Awards Value Vested During the Year (\$) <sup>(1) (2)</sup>	Option-Based Awards Value Gained from Exercises During the Year (\$) <sup>(3)</sup>	Unit-Based Awards Value Vested During the Year (\$) <sup>(4)</sup>	Non-Equity Incentive Plan Compensation Value Earned During the Year (\$)
Edward Warkentin	37,820	14,160	-	-
Delmore Crewson	31,580	9,530	-	-
Cornelius Martens <sup>(5)</sup>	182,300	54,500	-	-
Ronald Rimer	-	-	-	-
Patrick Ryan	-	-	52,561	-
Victor Thielmann	31,580	-	-	-
Wayne Townsend	31,580	44,600	-	-

<sup>(1)</sup> Options vest 25% on each of the first, second, third, and fourth anniversaries of the date of grant.

<sup>(2)</sup> Value vested during the year is calculated as the amount by which the exercise price of the Options was less than the closing price of the Units on the vesting dates of February 25, 2014, June 17, 2014, September 10, 2014, and October 15, 2014, multiplied by the number of Options that vested during the year. The closing price of the Units was \$15.58 on February 25, 2014; \$15.66 on June 17, 2014; \$15.75 on September 10, 2014; and \$15.27 on October 15, 2014.

<sup>(3)</sup> Value gained from exercises during the year is calculated as the amount by which the exercise price of the Options exercised in the year was less than the fair value of the Units on the dates the Options were exercised.

<sup>(4)</sup> Value vested during the year is calculated as the number of vested Unit-based awards multiplied by the closing price of the Units on the last day of the quarter prior to the vesting of such Unit-based awards, as well as the cash equivalent of the value of distributions on the Deferred Units held. The distributions on the Deferred Units are calculated at the same rate as distributions on the Units. Vested Unit-based awards are redeemable within a specified time frame after a Trustee ceases to be a Trustee.

<sup>(5)</sup> Prior to January 1, 2012, Cornelius Martens was a Trustee and the Executive Vice-President of Artis. The Options awarded to Cornelius Martens prior to January 1, 2012, reflect his service to Artis in both capacities.

### Policy Restricting Hedging by Trustees and Executive Officers

Artis has adopted a policy restricting its Trustees and executive officers from purchasing financial instruments that are designed to hedge or offset a decrease in the market value of Units or Options granted as compensation to or held by a Trustee or executive officer.

### Trustee Ownership Policy

Effective February 27, 2014, the Board adopted an ownership policy requiring each Trustee to acquire and maintain an equity interest in Artis at a value equal to three times their annual base retainer. The policy requires that each Trustee meet this minimum ownership requirement within five years of becoming subject to it. The value of Deferred Units and Units count towards meeting the ownership requirement and is determined by multiplying the number of Deferred Units and Units by the closing price of the Units on the TSX on the date of valuation. For the purposes of the ownership policy, the Board may, in its discretion, calculate the value of Units using the greater of the closing price on: (i) the date of valuation and (ii) the acquisition date, and may, in its discretion, calculate the value of Deferred Units and Restricted Units using the greater of the closing price on: (i) the date of valuation and (ii) the grant date.

The following table sets out the ownership of Units by the Trustees as at April 27, 2015, relative to the policy adopted February 27, 2014.

<b>Name</b>	<b>Number of Units (#) <sup>(1)</sup></b>	<b>Deferred Units</b>	<b>Dollar Value (\$) <sup>(2)</sup></b>	<b>Minimum Ownership: Policy Adopted February 27, 2014</b>	<b>Percentage of Ownership Requirement</b>
Edward Warkentin	39,075	-	586,907	Yes	100%
Delmore Crewson	16,375	-	245,953	Yes	100%
Cornelius Martens	406,012	-	6,098,300	Yes	100%
Ronald Rimer	10,000	-	150,200	Yes	100%
Patrick Ryan	6,400	4,936	170,267	Yes	100%
Victor Thielmann	57,108	-	857,762	Yes	100%
Wayne Townsend	30,476	-	457,750	Yes	100%

<sup>(1)</sup> Information regarding Unit ownership has been furnished to management of the Trust by the Trustees and includes Units beneficially owned, directly or indirectly, or that are subject to that individual's control or direction.

<sup>(2)</sup> Based on the closing price of the Units on the TSX on April 27, 2015.

As at April 27, 2015, the Trustee nominees of Artis, excluding the Chief Executive Officer, beneficially own or exercise control or direction over, as a group, 565,446 Units, representing approximately 0.4% of the issued and outstanding Units as at April 27, 2015 on a non-diluted basis.

### **Chief Executive Officer and Chief Financial Officer Ownership Policy**

Effective February 27, 2014, the Board adopted an ownership policy requiring the Chief Executive Officer of Artis to acquire and maintain an equity interest in Artis at a value equal to three times his annual base salary. The policy requires that the Chief Executive Officer meet the minimum ownership requirement within three years of his or her appointment to the position. The value of Deferred Units, Restricted Units and Units count towards meeting the ownership requirement and is determined by multiplying the number of Deferred Units, Restricted Units and Units by the closing price of the Units on the TSX on the date of valuation. For the purposes of the ownership policy, the Board may, in its discretion, calculate the value of Units using the greater of the closing price on: (i) the date of valuation and (ii) the acquisition date, and may, in its discretion, calculate the value of Deferred Units and Restricted Units using the greater of the closing price on: (i) the date of valuation and (ii) the grant date. As at April 27, 2015, Armin Martens, Chief Executive Officer of Artis, meets the ownership requirements.

Equity Ownership				Ownership Requirements	
Year	Units <sup>(1)</sup>	Restricted Units	Value of Equity Holdings	Minimum Ownership Requirements	Meets Requirements
As at April 28, 2014	541,226	119,302	\$10,535,422	3x Annual Base Salary (\$2,250,000)	Yes 100%
As at April 27, 2015	568,726	144,657	\$10,715,013	3x Annual Base Salary (\$2,250,000)	Yes 100%
Increase Over the Period	27,500	25,355	\$179,591		

<sup>(1)</sup> Information regarding Unit ownership has been furnished to management of the Trust by the Chief Executive Officer and includes units beneficially owned, directly or indirectly, or that are subject to that individual's control or direction.

Armin Martens exercised 27,500 Options at exercise prices of \$11.28 and \$13.30 between April 28, 2014 and April 27, 2015, for a cost of \$340,500.

In addition, the Board adopted an ownership policy requiring the Chief Financial Officer of Artis to acquire and maintain an equity interest in Artis at a value equal to one times his annual base salary. The policy requires that the Chief Financial Officer meet the minimum ownership requirement within three years of his or her appointment to the position. The value of Restricted Units and Units count towards meeting the ownership requirement, with the value determined by multiplying the number of Restricted Units and Units by the closing price of the Units on the TSX on the value date. As at April 27, 2015, James Green, Chief Financial Officer of Artis meets the ownership requirements.

Equity Ownership				Ownership Requirements	
Year	Units <sup>(1)</sup>	Restricted Units	Value of Equity Holdings	Minimum Ownership Requirements	Meets Requirements
As at April 28, 2014	43,000	25,801	\$1,097,376	1x Annual Base Salary (\$300,000)	Yes 100%
As at April 27, 2015	63,000	33,932	\$1,455,919	1x Annual Base Salary (\$300,000)	Yes 100%
Increase Over the Period	20,000	8,131	\$358,543		

<sup>(1)</sup> Information regarding Unit ownership has been furnished to management of the Trust by the Chief Financial Officer and includes units beneficially owned, directly or indirectly, or that are subject to that individual's control or direction.

James Green exercised 20,000 Options at an exercise price of \$11.28 between April 28, 2014 and April 27, 2015, for a cost of \$225,600.

## PART V – EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS

### General

For the purposes of this Part V, a “**Named Executive Officer**” or “**NEO**” means the following individuals: (a) the Chief Executive Officer of Artis; (b) the Chief Financial Officer of Artis; (c) each of Artis’ three most highly compensated executive officers (or persons acting in a similar capacity), other than the Chief Executive Officer and Chief Financial Officer at the end of the most recently completed financial year of Artis whose total compensation was, individually, more than \$150,000; and (d) any additional individual who would be a Named Executive Officer under (c) 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, 2014, there were five Named Executive Officers of Artis: (i) Armin Martens, President and Chief Executive Officer; (ii) James Green, Chief Financial Officer; (iii) Dennis Wong, Senior Vice-President – Asset Management, Western Region (“**SVP – Western Region**”); (iv) Frank Sherlock, Senior Vice-President – Property Management (“**SVP – Property Management**”) and (v) David Johnson, Senior Vice President – Asset Management, Central Region (“**SVP – Central Region**”).

### Internalization of Asset Management Agreement and Property Management Agreement

Up to and including December 31, 2011, Artis was provided asset management services by Marwest Realty Advisory Services Inc. (“**Marwest**”) pursuant to a long-term asset management agreement expiring on February 1, 2025 (the “**Asset Management Agreement**”) and property management services by Marwest Management Canada Ltd. (“**Marwest Management**”) pursuant to a long-term property management agreement expiring February 1, 2025 (the “**Property Management Agreement**”).

Each of the Asset Management Agreement and the Property Management Agreement further provided that, in the event of the internalization of the asset management or property management services, as the case may be, the officers who provided management services to Artis pursuant to such agreement 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.

Effective January 1, 2012, Artis internalized its asset and property management functions. The Asset Management Agreement, which was scheduled to expire February 1, 2025, was terminated pursuant to mutual agreement with Marwest. No fees or penalties were paid to Marwest upon termination of this agreement. Effective January 1, 2012, the Property Management Agreement, which was scheduled to expire February 1, 2025, was assigned to Artis from Marwest Management.

Prior to January 1, 2012, Cornelius Martens was Executive Vice-President of Artis. Effective January 1, 2012, Cornelius Martens resigned from this role. Artis entered into a three year consulting services agreement with Cornelius Martens. This agreement was renewed in 2014 and currently expires June 30, 2017.

In conjunction with the internalization of the Asset Management Agreement and the Property Management Agreement, the Governance and Compensation Committee was responsible for reviewing and approving the employment agreements for the Chief Executive Officer and the Chief Financial Officer of Artis. In 2012, the Governance and Compensation Committee engaged the services of a consultant, Aon Consulting Inc., to provide a report on the cash compensation, benefits, pension and ancillary compensation elements paid to the executive officers of comparable publicly traded Canadian issuers. Aon Consulting Inc. was paid a fee of \$16,800 for the report (no other fees were paid to Aon Consulting Inc. for other services rendered in 2012). The Governance and Compensation Committee also considered other factors including the long-term nature of the Asset Management Agreement and the Property Management Agreement which were terminated and the desire of Artis to secure the services of its executive management team, with its proven track record, on a long-term basis. 10 year employment contracts were entered into between Artis and the Chief Executive Officer and Chief Financial Officer in recognition of these factors.

The internalization of the Asset Management Agreement and Property Management Agreement impacts significantly on the disclosures within this “*Part V - Executive Compensation Discussion and Analysis*”.



## **The Role of the Governance and Compensation Committee**

The Board, through its Governance and Compensation Committee, is responsible for making recommendations for approval by the Trustees with respect to the remuneration of Trustees and the Chief Executive Officer and Chief Financial Officer of Artis.

### **Compensation Philosophy and Objectives**

Artis' executive compensation policy is intended to encourage and reward executive officers on the basis of individual and business performance. The Governance and Compensation Committee adheres to the following compensation philosophy and policies to meet the foregoing objective:

- link compensation with Artis' annual and long-term strategic business objectives;
- align executive officers' financial interests with those of Unitholders with the goal to improve the performance of Artis;
- ensure that Artis' compensation is appropriate, taking into account compensation paid by other real estate investment trusts or companies of comparable size;
- attract, motivate and retain high quality, key senior executives needed to support Artis' strategic growth and success;
- customize executive compensation to provide recognition and reward executive officers' performance, responsibilities, experience, skill, value and contribution to Artis; and
- to the extent appropriate, ensure fairness while having regard to the terms of the previous compensation arrangements between the executive officers and Marwest and Marwest Management under the prior external management arrangements.

The Governance and Compensation Committee reviews and determines all elements of Chief Executive Officer and Chief Financial Officer compensation on an annual basis. In performing this review, the Governance and Compensation Committee may engage outside consultants from time to time. No outside compensation consultant was engaged by Artis or the Governance and Compensation Committee in 2014.

### **Managing Compensation and Risk**

The Governance and Compensation Committee considers the implications of the risks associated with its compensation policies and practices. The Governance and Compensation Committee believes it has effective risk management and regulatory compliance relating to its compensation policies used in determining executive compensation. Risks related to compensation are taken into consideration as part of the general review and determination of executive compensation by the Governance and Compensation Committee, including the review of salaries of comparable companies and the annual review and approval of executive base and long-term incentive compensation.

The Board, on recommendation of the Governance and Compensation Committee, has adopted a balanced approach to compensation which incorporates immediate, short-term and long-term incentives. Immediate and short-term incentives are primarily cash-based and long-term incentives are primarily securities-based. The Board believes that this balanced compensation approach mitigates the inherent risk of securities-based performance awards.

In mitigating risks, the Governance and Compensation Committee relies on, in part, (i) the limits on management's discretion to undertake material business transactions without the input and/or consent of the Board (or a committee of the Board); and (ii) the role of the Investment Committee and/or the Board, in its review and approval of all major acquisitions and development proposals and financings, to ensure the same are in the best interests of Artis. The Governance and Compensation Committee does not believe that the executive compensation policies of Artis encourage an executive officer or other individual to take inappropriate or excessive risks, or that there are any risks arising from Artis' compensation policies and practices that are reasonably likely to have a material adverse effect on Artis.

## Total Compensation Components

Artis' agreements with its NEOs are structured such that target total compensation typically comprises the following compensation elements:

- base salary;
- short-term incentive compensation, comprised of a performance-based annual incentive bonus, and in certain cases includes premiums paid for whole life insurance policies;
- long-term incentive compensation, comprised of performance-based periodic grants of Unit-based incentive awards and in certain cases, pension contribution amounts; and
- employee benefits and perquisites, including those more particularly described below.

The specific practices regarding each element of the compensation program are described in the following sections.

### *Base Salaries*

Base salaries are determined at the time of entering into employment agreements based on an assessment of a particular NEO's past performance and contribution to Artis' success (on an individual basis and with respect to the business of Artis as a whole), experience, tenure in the job, level of responsibility and importance of the position to Artis, importance of the individual to achieving Artis' business objectives, retention considerations, internal equities among positions and taking into consideration previous compensation terms. Base salaries are not based on a specific relationship to the performance of Artis. In the case of the Chief Executive Officer and the Chief Financial Officer, base salaries are typically reviewed by the Governance and Compensation Committee on an annual basis and/or in accordance with the terms of the existing employment contract.

The base salaries of the NEOs are set forth in the table under the heading "*Summary Compensation Table*".

### *Short-Term Incentive Compensation*

Artis uses annual cash incentive bonuses to motivate and reward the NEOs for the achievement of specified levels of performance by the individual and Artis. Award opportunities may vary based on the individual's position and contribution to Artis' overall performance.

In the case of the Chief Executive Officer and the Chief Financial Officer, annual cash incentive bonus awards are made at the discretion of the Governance and Compensation Committee, and calculated as a percentage of each NEO's base salary based on the extent to which performance goals for the fiscal year were satisfied. The Chief Executive Officer and the Chief Financial Officer are entitled to elect to have a whole life insurance policy established and, in such event, the annual cash incentive bonus award and the premiums payable in the year to maintain such insurance policy are aggregated. Both the total value of such cash and premiums are included in the range of percentages of base salary that can be allocated as short-term incentives as per the NEOs' agreements. In the case of other NEOs, annual cash incentive bonus awards are calculated at the discretion of the Chief Executive Officer, as a percentage of each NEO's base salary, based on the extent to which performance goals for the fiscal year were satisfied.

Unless otherwise determined, the total aggregate short-term incentive compensation for the NEOs is as follows:

<b>Position</b>	<b>Annual Short-Term Incentive Compensation As a Percentage of Base Salary Or Prescribed Dollar Amount</b>
CEO	50% - 150% <sup>(1)</sup>
CFO	25% - 75% <sup>(1)</sup>
SVP – Western Region	Up to \$60,000 <sup>(2)</sup>
SVP – Property Management	Up to \$30,000
SVP – Central Region	Up to \$40,000

- <sup>(1)</sup> The short-term incentive compensation of the CEO and the CFO is comprised of an annual cash incentive bonus and the premiums payable on a whole life insurance policy. The threshold percentages in the table above represent the minimum and maximum ranges of these two components on an aggregate basis.
- <sup>(2)</sup> The SVP – Western Region was also entitled to receive a one-time retention bonus of \$60,000 after being continuously employed by Artis during the entire term of his employment agreement expiring December 31, 2014.

### *Long-Term Incentive Compensation*

Long-term incentive compensation is considered an important part of Artis’ total compensation strategy, and may include performance-based periodic grants of Unit-based compensation awards pursuant to Artis’ fixed Equity Incentive Plan, and pension contribution amounts. The awarding of Unit-based compensation is designed to encourage Artis’ NEOs to own and hold Units, as well as to align their long-term interests directly with those of the Unitholders.

Unit-based compensation awards are determined at the discretion of the Board, upon recommendation of the Governance and Compensation Committee, and are based on its assessment of the degree to which the business objectives of Artis have been achieved, as well as subjective criteria such as leadership, professionalism, demonstration of positive business and community values, contribution to the Board and its processes and consideration of specific initiatives and business challenges which may have emerged since the last review.

Up to April 13, 2012, Artis granted Options as a form of securities-based long-term incentive compensation. Artis’ intention from that date and forward is to grant Restricted Units (or “RUs”) and Deferred Units (or “DUs”) as the preferred form of securities-based long-term incentive compensation. For more information regarding the Equity Incentive Plan and the securities-based compensation which is issuable thereunder, see “Part VI – Other Information – Securities Authorized for Issuance Pursuant to Artis’ Equity Incentive Plan - Artis’ Equity Incentive Plan”.

All eligible employees of Artis, including all NEOs, with the exception of the Chief Executive Officer and the Chief Financial Officer, may participate in Artis’ Retirement Savings Plan (“RSP”) / Deferred Profit Sharing Plan (“DPSP”). In accordance with the RSP / DPSP plan, Artis matches each participant’s contribution, up to 3% of the participant’s annual base salary, or 4% once the participant has been employed with Artis for three or more years. The Chief Executive Officer and the Chief Financial Officer are entitled to a pension plan as described under “Artis’ Pension Plans”.

Unless otherwise determined, the total aggregate long-term incentive compensation for the NEOs is as follows:

<b>Position</b>	<b>Annual Long-Term Incentive Compensation As a Percentage of Base Salary Or Prescribed Dollar Amount</b>
CEO	50% - 150% <sup>(1)</sup>
CFO	25% - 75% <sup>(1)</sup>
SVP – Western Region	discretionary
SVP – Property Management	discretionary
SVP – Central Region	discretionary

- <sup>(1)</sup> The threshold percentages for the CEO and CFO represent the minimum and maximum ranges of all elements of long-term incentive compensation on an aggregate basis, including long-term incentive awards and pension plan costs.

### *Chief Executive Officer and Chief Financial Officer Claw-Back Policy*

Artis' Chief Executive Officer and Chief Financial Officer have agreed to a compensation claw-back policy for Restricted Unit awards made under Artis' Equity Incentive Plan. Under this policy, the Board may require reimbursement of all or a portion of the Restricted Unit compensation received by the Chief Executive Officer and Chief Financial Officer. The Board may seek such reimbursement on a full or partial basis from the Chief Executive Officer or Chief Financial Officer in the event that:

- the amount of incentive compensation received by the executive was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently the subject of, or affected by, a restatement of all or a portion of Artis' financial statements; and
- the executive engaged in gross negligence, intentional misconduct or fraud that caused or partially caused the need for the restatement; and
- the incentive compensation payment received would have been lower had the financial results been properly reported.

### *Employee Benefits and Perquisites*

Employee benefit plans are available to all Artis employees and are established in order to assist in the retention of qualified employees. Eligibility to participate in employee benefit plans and the level of such participation are determined at the discretion of Artis.

Artis has established a group insurance plan pursuant to which Artis will pay the premium (or a portion thereof). Other employee benefits and perquisites include a health care spending account, critical illness insurance, a medical reimbursement plan, a disability insurance top up (to a prescribed amount of base salary) in the event of a short-term or long-term disability, and contingency insurance.

## **Evaluating Performance and Determination of Compensation of NEOs**

### *Overall Performance of Artis*

In determining the compensation of the Chief Executive Officer and the Chief Financial Officer, the Governance and Compensation Committee and the Board considered and assessed the following goals for Artis in 2014:

- total Unitholder return, including a comparison to an index of its peers;
- improvement in the caliber of Artis' real estate portfolio;
- improvement in Artis' debt to gross book value ratio;
- improvement in Artis' funds from operations ("**FFO**") and adjusted funds from operation ("**AFFO**"). FFO and AFFO are non-IFRS (International Financial Reporting Standards) financial measures used by most Canadian real estate investment trusts. While FFO and AFFO do not have any standardized meanings prescribed by IFRS, the Real Property Association of Canada ("**REALpac**") established a standardized definition of FFO in its White Paper on FFO dated April 2014. As computed by Artis, AFFO may differ from similar computations reported by other Canadian real estate investment trusts and, accordingly, may not be comparable to similar computations reported by such organizations. See "Non-GAAP Measures" in Artis' latest management discussion and analysis, a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the company's website at [www.artisreit.com](http://www.artisreit.com);
- improvement in market capitalization and liquidity;
- ongoing implementation of U.S. diversification strategy;
- ongoing improvement in investor relations materials and marketing efforts; and
- ongoing development of best-in-class human resource management function.

### *Benchmarking to Peer Groups*

A comparator group of real estate businesses was selected to benchmark executive compensation target levels using data made public for the 2014 year. The businesses in the comparator group were selected based on a number of factors, including high caliber businesses, scale of operations and similarity of operations.

The comparator group was comprised of the following public companies: Allied Properties Real Estate Investment Trust, Canadian Real Estate Investment Trust, Cominar Real Estate Investment Trust, Crombie Real Estate Investment Trust, Dream Office Real Estate Investment Trust, Granite Real Estate Investment Trust, H&R Real Estate Investment Trust, and RioCan Real Estate Investment Trust. Manitoba Telecom Services and the North West Company were also included in the peer group, notwithstanding that they are not real estate investment trusts, as they have a similar market capitalization and are headquartered in Manitoba. Based on the foregoing comparator group, the compensation of the Named Executive Officers is competitive with the comparator group.

### *Individual Performance of NEOs*

#### Armin Martens, Chief Executive Officer

In determining the compensation of Armin Martens, the Governance and Compensation Committee considered the overall performance of Artis, including the criteria set out in the section “*Overall Performance of Artis*” as well as his individual performance, individual contributions to Artis’ success, experience and competitive industry pay practices. The specific performance goals for Armin Martens in 2014 were:

- to keep Artis on the path of continued improvement and, in particular, to oversee the execution of the overall business strategy of Artis and the performance of Artis’ overall objectives, as more particularly described above under “*Overall Performance of Artis*”;
- to demonstrate leadership internally by (i) promoting corporate culture; (ii) articulating the mission of Artis and setting core values for the business; (iii) working with the Board to establish short-term and long-term goals for the business; and (iv) overseeing the development of Artis’ internal human resource management function; and
- to demonstrate leadership externally with outside constituents of Artis’ business.

The Governance and Compensation Committee granted Armin Martens his maximum annual cash incentive bonus on the basis that he met or exceeded his individual performance goals and Artis’ overall performance goals were satisfied.

#### James Green, Chief Financial Officer

In determining the compensation of James Green, the Governance and Compensation Committee also considered the overall performance of Artis, including the criteria set out in the section “*Overall Performance of Artis*” as well as his individual performance, individual contributions to Artis’ success, experience as well as competitive industry pay practices. The specific performance goals for James Green in 2014 were:

- to oversee financial reporting and internal controls procedures, including compliance with IFRS;
- to oversee issues relating to compliance with rules relating to specified investment flow throughs (SIFTs) and other tax-related matters in connection with Artis’ U.S. diversification strategy and changes to Artis’ capital structure to authorize and issue preferred units;
- to strengthen the depth and capacity of the finance and accounting team; and
- to demonstrate leadership internally, as well as externally with outside constituents of Artis’ business.

The Governance and Compensation Committee granted James Green his maximum annual cash incentive bonus on the basis of excelling at his individual performance goals and the satisfaction of Artis’ overall performance goals.

#### Dennis Wong, SVP – Western Region

Considerations in determining the compensation of Dennis Wong included the overall performance of Artis, including the criteria set out in the section “*Overall Performance of Artis*” as well as his individual performance,

individual contributions to Artis' success, experience as well as competitive industry pay practices. The specific performance goals for Dennis Wong in 2014 were:

- to assist with the evaluation of investment opportunities within his region;
- to oversee performance of Artis' property portfolio located in his region; and
- to demonstrate leadership internally, as well as externally with outside constituents of Artis' business.

Dennis Wong was awarded his maximum annual cash incentive bonus on the basis that he met or exceeded his individual performance goals and Artis' overall performance goals were satisfied.

#### Frank Sherlock, SVP – Property Management

Considerations in determining the compensation of Frank Sherlock included the overall performance of Artis, including the criteria set out in the section "*Overall Performance of Artis*" as well as his individual performance, individual contributions to Artis' success, experience as well as competitive industry pay practices. The specific performance goals for Frank Sherlock in 2014 were:

- to oversee and contribute to the improvement of the quality of property management throughout Artis' property portfolio;
- to manage the transition of property management operations from third-party managers to the internal property management team as appropriate; and
- to demonstrate leadership internally, as well as externally with outside constituents of Artis' business.

Frank Sherlock was awarded his maximum annual cash incentive bonus on the basis that he met or exceeded his individual performance goals and Artis' overall performance goals were satisfied.

#### David Johnson, SVP – Central Region

Considerations in determining the compensation of David Johnson included the overall performance of Artis, including the criteria set out in the section "Overall Performance of Artis" as well as his individual performance, individual contributions to Artis' success, experience as well as competitive industry pay practices. The specific performance goals for David Johnson in 2014 were:

- to assist with the evaluation of investment opportunities within his region;
- to oversee performance of Artis' property portfolio located in his region; and
- to demonstrate leadership internally, as well as externally with outside constituents of Artis' business.

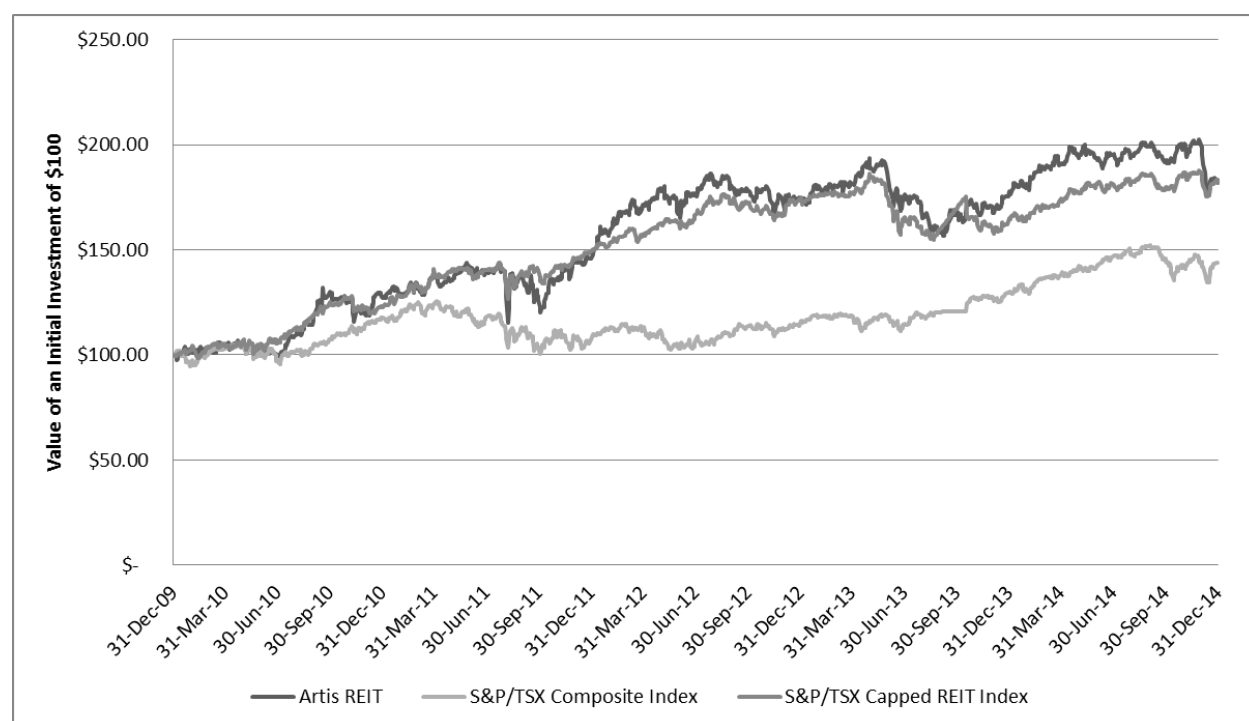
David Johnson was awarded his maximum annual cash incentive bonus on the basis that he met or exceeded his individual performance goals and Artis' overall performance goals were satisfied.

## Performance Graph

The following graph compares the total cumulative return to Unitholders of \$100 invested in Units to the total cumulative return 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, 2010, and reinvestment of distributions during those periods.

The compensation paid to the NEOs is not based upon the market price of Units or the total return to Unitholders.

Index	01-Jan-10	31-Dec-10	31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14
Artis Units	\$100.00	\$127.01	\$145.60	\$174.04	\$177.66	\$181.76
S&P/TSX Composite Index	\$100.00	\$117.61	\$107.36	\$115.08	\$130.03	\$143.75
S&P/TSX Capped REIT Index	\$100.00	\$122.61	\$149.18	\$174.49	\$164.85	\$181.93



## Summary Compensation Table

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

Name and Principal Position	Year	Salary (\$)	Unit-Based Awards (\$) <sup>(1)</sup>	Option-Based Awards (\$) <sup>(2)</sup>	Annual Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$) <sup>(3)</sup>	All Other Compensation (\$) <sup>(4)(5)(6)</sup>	Total Compensation (\$)
Armin Martens, President and CEO	2014	750,000	240,960	-	980,000	893,570	276,577	3,141,107
	2013	750,000	1,306,823	-	980,000	813,518	174,663	4,025,004
	2012	750,000	395,000	-	975,000	692,972	146,124	2,959,096
James Green, CFO	2014	300,000	90,360	-	170,000	279,743	131,290	971,393
	2013	300,000	288,449	-	170,000	267,103	108,831	1,134,383
	2012	300,000	79,750	-	170,000	218,183	101,587	869,520
Dennis Wong, SVP - Western Region	2014	252,144	23,820	-	120,000	-	12,317	408,281
	2013	247,200	17,826	-	60,000	-	8,879	333,905
	2012	240,000	16,025	-	60,000	-	7,733	323,758
Frank Sherlock, SVP - Property Management	2014	244,800	18,072	-	37,500	-	12,044	312,416
	2013	240,000	17,826	-	42,500	-	8,663	308,989
	2012	225,447	16,025	-	23,750	-	7,115	272,337
David Johnson, SVP – Central Region	2014	168,096	18,072	-	40,000	-	7,953	234,121
	2013	164,800	17,826	-	40,000	-	6,407	229,033
	2012	156,308	16,025	-	40,000	-	4,890	217,223

<sup>(1)</sup> The amount represents the dollar value of RUs awarded, based on the closing price of the Units on the award dates, which were \$14.37 on December 28, 2014; \$15.75 on June 30, 2014; \$14.60 on December 20, 2013; \$15.11 on June 28, 2013; \$15.65 on December 24, 2012; and \$16.40 on June 29, 2012.

<sup>(2)</sup> No Options were granted in 2014 or 2013. In 2012, one series of Options was granted in the year to acquire Units at a price of \$16.36 per Unit, expiring April 13, 2017. As the exercise prices of the Options on the grant date were equivalent to the closing price of the Units on the date of the grant, the fair value of the award on the date of grant was \$nil.

<sup>(3)</sup> Pension value includes employer contributions to the NEOs pension plan. See “Artis’ Pension Plans” for descriptions of the pension plans. Other compensation for the CEO and CFO includes premiums paid on whole life insurance policies.

<sup>(4)</sup> Other compensation includes the cash equivalent of the value of distributions on the RUs held throughout their vesting period. The distributions on the RUs are calculated at the same rate as distributions on Units. See “Part VI – Other Information – Securities Authorized for Issuance Pursuant to Artis’ Equity Incentive Plan - Artis’ Equity Incentive Plan” for a description of the RUs.

<sup>(5)</sup> Other compensation includes employer contributions to Artis’ RSP / DPSP for NEOs other than the CEO and CFO.

<sup>(6)</sup> Other perquisites and other personal benefits, in the aggregate, do not exceed the lesser of \$50,000 or 10% of the total of the total salary for the NEOs.



## Equity Incentive Plan – Awards Outstanding

The following table sets forth all Option-based awards and Unit-based awards held by the NEOs as at the end of the most recently completed financial year of Artis. These awards are issued pursuant to the Equity Incentive Plan, which was approved by the Unitholders of Artis at the June 19, 2014 annual and special meeting, and which replaced the unit option plan of Artis that was previously in effect.

Name and Principal Position	Option-Based Awards				Unit-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) <sup>(1)</sup>	Number of Units that Have Not Vested (#)	Market or Payout Value of Unit-Based Awards That Have Not Vested (\$) <sup>(2)</sup>	Market or Payout Value of Unit-Based Awards Not Paid Out or Distributed (\$)
Armin Martens, President and CEO	-	11.28	Feb 25, 2015	-	141,245	2,002,854	-
	15,000	13.30	Sep 10, 2015	13,200			
	45,000	13.44	Oct 15, 2015	33,300			
	250,000	14.10	Jun 17, 2016	20,000			
	500,000	16.36	Apr 13, 2017	-			
James Green, CFO	15,000	11.28	Feb 25, 2015	43,500	33,131	469,798	-
	40,000	13.30	Sep 10, 2015	35,200			
	40,000	13.44	Oct 15, 2015	29,600			
	160,000	14.10	Jun 17, 2016	12,800			
	200,000	16.36	Apr 13, 2017	-			
Dennis Wong, SVP - Western Region	-	11.28	Feb 25, 2015	-	4,103	58,181	-
	15,000	13.30	Sep 10, 2015	13,200			
	15,000	13.44	Oct 15, 2015	11,100			
	60,000	14.10	Jun 17, 2016	4,800			
	60,000	16.36	Apr 13, 2017	-			
Frank Sherlock, SVP - Property Management	-	11.28	Feb 25, 2015	-	3,703	52,509	-
	-	13.30	Sep 10, 2015	-			
	-	13.44	Oct 15, 2015	-			
	-	14.10	Jun 17, 2016	-			
	60,000	16.36	Apr 13, 2017	-			
David Johnson, SVP – Central Region	-	11.28	Feb 25, 2015	-	3,703	52,509	-
	-	13.30	Sep 10, 2015	-			
	-	13.44	Oct 15, 2015	-			
	-	14.10	Jun 17, 2016	-			
	60,000	16.36	Apr 13, 2017	-			

<sup>(1)</sup> Value of unexercised in-the-money Options is calculated as the amount by which the exercise price of the Option was less than \$14.18, which was the closing price of the Units on December 31, 2014.

<sup>(2)</sup> Market value of Unit-based awards that have not vested is calculated as the number of unvested Unit-based awards multiplied by \$14.18, which was the closing price of the Units on December 31, 2014.

## Equity Incentive Plan Awards – Value Vested or Earned During the Year

Name and Principal Position	Option-Based Awards Value Vested During the Year (\$) <sup>(1) (2)</sup>	Option-Based Awards Value Gained from Exercises During the Year (\$) <sup>(3)</sup>	Unit-Based Awards Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation Value Earned During the Year (\$)
Armin Martens, President and CEO	215,450	59,500	-	-
James Green, CFO	137,450	31,810	-	-
Dennis Wong, SVP – Western Region	48,050	33,600	-	-
Frank Sherlock, SVP – Property Management	-	-	-	-
David Johnson, SVP – Central Region	-	-	-	-

<sup>(1)</sup> Options vest 25% on each of the first, second, third, and fourth anniversaries of the date of grant.

<sup>(2)</sup> Value vested during the year is calculated as the amount by which the exercise price of the Options was less than the closing price of the Units on the vesting dates of February 25, 2014, June 17, 2014, September 10, 2014, and October 15, 2014, multiplied by the number of Options that vested during the year. The closing price of the Units was \$15.58 on February 25, 2014; \$15.66 on June 17, 2014; \$15.75 on September 10, 2014 and \$15.27 on October 15, 2014.

<sup>(3)</sup> Value gained from exercises during the year is calculated as the amount by which the exercise price of the Options exercised in the year was less than the fair value of the Units on the dates the Options were exercised.

### Artis' Pension Plans

In accordance with the employment agreements for the Chief Executive Officer and the Chief Financial Officer, the REIT has set up defined benefit retirement agreements. The benefit to be provided at retirement will be based on 2% of the average of the executive's three highest compensation years during the term, multiplied by his years of service from the commencement of the agreement.

The Chief Executive Officer's pension agreement will be funded by way of a Retirement Compensation Arrangement, as defined by the Canada Revenue Agency.

The Chief Financial Officer had a previous defined benefit pension plan established by Marwest, his previous employer. This plan is a registered plan under the Tax Act. It was considered to be actuarially fully funded as at December 31, 2011 and was transferred to the REIT during 2012. A Retirement Compensation Arrangement was also established, as defined by the Canada Revenue Agency, and will be used to provide benefits to the Chief Financial Officer in accordance with his employment agreement.

Name and Principal Position	Number of years credited service (#)	Annual benefits payable (\$)		Accrued obligation at start of year (\$)	Compensatory change (\$)	Non-compensatory change (\$)	Accrued obligation at year end (\$)
		At year end	At age 65				
Armin Martens, President and CEO <sup>(1)</sup>	3	121,964	359,100	1,501,830	893,570	121,922	2,517,322
James Green, CFO <sup>(1)</sup>	3	36,345	122,791	428,458	244,860	35,941	709,259
James Green, CFO <sup>(2)</sup>	23.40 <sup>(3)</sup>	68,388	118,473	864,794	34,883	(22,127)	877,550

<sup>(1)</sup> The actuarial assumptions on which the above is based are: (a) interest rate of 6.00%; (b) salary increase of 2.00%; (c) mortality as set out in uninsured pensioner 94 with projections of future mortality improvements on a generational basis using Scale AA for the accrued obligations at the start of the year; (d) mortality as set out in CPM 2014 Private Sector Mortality Table with generational improvements projected using Scale B for the accrued obligations at year end; and (e) retirement at age 67.

<sup>(2)</sup> The actuarial assumptions on which the above is based are: (a) interest rate of 7.50%; (b) salary increase of 5.50%; (c) mortality based on 80% of GAM83 and (d) retirement at age 65.

<sup>(3)</sup> James Green had his pension plan from his previous employer, Marwest, transferred to the REIT effective January 1, 2012.

The fair value of plan assets as at December 31, 2014 is \$4,324,878 and exceeds the accrued obligation at year end.

### Employment Agreements

Each of the NEOs is a party to an employment agreement with Artis which sets out the terms of their employment, including the compensation to which they are entitled to receive, as well as the terms on which such employment can be terminated by either party and any associated payments.

As noted above, under “*Internalization of Asset Management Agreement and Property Management Agreement*”, Artis internalized its asset management and property management functions effective January 1, 2012.

Each of the Asset Management Agreement and the Property Management Agreement provided that, in the event of the internalization of the services provided thereunder, the officers who provided management services to Artis pursuant to such agreement 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. Accordingly, the employment agreements were negotiated and entered into in that context.

## Termination and Change of Control Benefits

*Armin Martens, Chief Executive Officer*

Pursuant to an employment agreement entered into effective January 1, 2012, Armin Martens is a full-time employee of Artis. Armin Martens' employment agreement is for a period of 10 years from the effective date.

Armin Martens is entitled to receive certain benefits that would be payable in the event of his termination, including termination which could occur following or as a consequence of a change of control in the ownership of Artis. The change of control payment under Armin Martens' contract is structured in a manner similar to the change of control payment under the Asset Management Agreement and the Property Management Agreement which were internalized effective January 1, 2012, in that the change of control payment is calculated based upon the number of years remaining in the term of the contract such that there is no change of control payment if the change of control and termination occurs in the final year of the contract. Armin Martens' employment contract expires more than three years earlier than the expiry date of the Asset Management Agreement and the Property Management Agreement.

Benefits due to Armin Martens in the event of a termination following a change of control or other termination for any reason other than cause include: (i) payment of any accrued benefits; (ii) severance pay calculated based on total annual compensation multiplied by the number of years remaining in the term; (iii) long-term and short-term incentive compensation based on the number of years remaining in the term; and (iv) full capitalization of the pension plan established for Armin Martens.

A change of control includes any person taking over 50% or more of the issued and outstanding Units; a change in the composition of the Board, as a result of which, fewer than a majority of the Trustees are incumbent Trustees; the solicitation of a dissident proxy, the purpose of which is to change the composition of the Board with the result, or potential result, that fewer than a majority of the Trustees will be incumbent Trustees; a merger, amalgamation or consolidation of Artis with or into another entity where at least fifty percent (50%) of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, amalgamation, or consolidation are owned by persons who were not Unitholders immediately prior to such merger, amalgamation, or consolidation; the commencement of a tender offer, an exchange offer or any other offer or bid for at least fifty percent (50%) of the Units; the commencement of any proceeding by or against Artis seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, wind-up, reorganization, arrangement adjustment, protection, relief or composition of Artis or its debts, under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or for the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property; or the approval by the Unitholders of a plan of complete liquidation or dissolution of Artis.

The quantification of the payment to which Armin Martens would be entitled upon a change of control will depend upon the number of years remaining in the term of his employment agreement.

Upon termination of the employment agreement other than for cause, Armin Martens is entitled to receive a lump-sum payment equal to three years of total annual compensation.

*James Green, Chief Financial Officer*

Pursuant to an employment agreement entered into effective January 1, 2012, James Green is a full-time employee of Artis. James Green's employment agreement is for a period of 10 years from the effective date.

James Green is entitled to receive certain benefits that would be payable in the event of his termination, including termination which could occur following or as a consequence of a change of control in the ownership of Artis. The change of control payment under James Green's employment contract is structured in a manner similar to the change of control payment under the Asset Management Agreement and the Property Management Agreement which were internalized effective January 1, 2012, in that the change of control payment is calculated based upon the number of years remaining in the term of the contract such that there is no change of control payment if the change of control and termination occurs in the final year of the contract.

Benefits due to James Green in the event of a termination following a change of control or other termination for any reason other than cause include: (i) payment of any accrued benefits; (ii) severance pay calculated based on total annual compensation multiplied by the number of years remaining in the term; (iii) long-term and short-term incentive compensation based on the number of years remaining in the term; and (iv) full capitalization of the pension plan established for James Green.

A change of control for the purposes of James Green's employment agreement has the same meaning as that term does in Armin Martens' employment agreement.

The quantification of the payment to which James Green would be entitled upon a change of control will depend upon the number of years remaining in the term of his employment agreement.

Upon termination of the employment agreement, other than for cause, James Green is entitled to receive a lump-sum payment equal to three years of total annual compensation.

*Dennis Wong, SVP – Western Region*

Pursuant to an employment agreement entered into effective January 1, 2015, Dennis Wong is a full-time employee of Artis. Dennis Wong's employment agreement is for a period of two years from the effective date.

Dennis Wong is entitled to receive certain benefits in the event of the termination of his employment agreement, including termination which results from a change of control of Artis. Benefits due to Dennis Wong upon termination of his employment agreement (other than for cause) are comprised of a payment of one year's annual base salary and bonus. In the event of a change of control, Dennis Wong is entitled to a payment of two times the annual base salary and bonus.

A change of control means either of the following (provided that the individuals in senior executive positions with Artis immediately before such event no longer exercise control over the day-to-day operations of Artis): (a) any person acquiring, or having sole or shared voting or dispositive power over, not less than 51% of the outstanding Units; or (b) the consummation of a merger, amalgamation or consolidation of Artis or other reorganization, if at least 51% of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such transaction are owned by persons who were not Unitholders immediately prior to such transaction.

If a change of control of Artis were to have occurred effective December 31, 2014, Dennis Wong would have been entitled to receive a payment of \$600,000.

*Frank Sherlock, SVP – Property Management*

Pursuant to an employment agreement assumed effective January 1, 2015, Frank Sherlock is a full-time employee of Artis. Frank Sherlock's employment agreement is for a period of two years from the effective date.

Frank Sherlock is entitled to receive certain benefits in the event of the termination of his employment agreement, including termination which results from a change of control of Artis. Benefits due to Frank Sherlock upon termination of his employment agreement (other than for cause) are comprised of a payment of one year's annual base salary and bonus. In the event of a change of control, Frank Sherlock is entitled to a payment of two times the annual base salary and bonus.

A change of control means either of the following (provided that the individuals in senior executive positions with Artis immediately before such event no longer exercise control over the day-to-day operations of Artis): (a) any person acquiring, or having sole or shared voting or dispositive power over, not less than 51% of the outstanding Units; or (b) the consummation of a merger, amalgamation or consolidation of Artis or other reorganization, if at least 51% of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such transaction are owned by persons who were not Unitholders immediately prior to such transaction.

If a change of control of Artis were to have occurred effective December 31, 2014, Frank Sherlock would have been entitled to receive a payment of \$540,000.

*David Johnson, SVP – Central Region*

Pursuant to an employment agreement entered into effective January 1, 2015, David Johnson is a full-time employee of Artis. David Johnson's employment agreement is for a period of two years from the effective date.

David Johnson is entitled to receive certain benefits in the event of the termination of his employment agreement, including termination which results from a change of control of Artis. Benefits due to David Johnson upon termination of his employment agreement (other than for cause) are comprised of a payment of 12 month's annual base salary. In the event of a change of control, David Johnson is entitled to a payment of the annual base salary and bonus.

A change of control means either of the following (provided that the individuals in senior executive positions with Artis immediately before such event no longer exercise control over the day-to-day operations of Artis): (a) any person acquiring, or having sole or shared voting or dispositive power over, not less than 51% of the outstanding Units; or (b) the consummation of a merger, amalgamation or consolidation of Artis or other reorganization, if at least 51% of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such transaction are owned by persons who were not Unitholders immediately prior to such transaction.

If a change of control of Artis were to have occurred effective December 31, 2014, David Johnson would have been entitled to receive a payment of \$208,096.

## PART VI – OTHER INFORMATION

### SECURITIES AUTHORIZED FOR ISSUANCE PURSUANT TO ARTIS' EQUITY INCENTIVE PLAN

#### Equity Compensation Plan Information

The information set out below is as of December 31, 2014.

Plan Category	(a) Number of Units to be issued upon exercise of outstanding Options, warrants and rights <sup>(1)</sup> (#)	(b) Weighted-average exercise price of outstanding Options, warrants and rights (\$)	(c) Number of Options, warrants and rights exercised subsequent to June 19, 2014 (#)	(d) Number of Units remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (#)
Equity compensation plans approved by Unitholders	3,141,478	13.82	94,855	5,263,667
Equity compensation plans not approved by Unitholders	n/a	n/a	n/a	n/a
<b>Total</b>	<b>3,141,478</b>	<b>13.82</b>	<b>94,855</b>	<b>5,263,667</b>

<sup>(1)</sup> Includes all Units underlying Options, Restricted Units and Deferred Units awarded pursuant to the Equity Incentive Plan.

#### Artis' Equity Incentive Plan

On June 19, 2014, Unitholders approved the adoption of the Equity Incentive Plan. Prior to the Equity Incentive Plan, Artis had a different equity incentive plan pursuant to which it granted awards thereunder. Equity Incentive Plan Awards granted under the Equity Incentive Plan may consist of Options, Restricted Units, Deferred Units and Installment Units. Each Award is subject to the terms and conditions set forth in the Equity Incentive Plan and to those other terms and conditions specified by the Board.

The number of Units subject to or related to Awards granted under the Equity Incentive Plan is limited to 8,500,000, inclusive of outstanding Options and Restricted Units on June 19, 2014, the date the Equity Incentive Plan was adopted. The number of Units subject to or related to Options granted or related to the Equity Incentive Plan is limited to 4,000,000, inclusive of outstanding Options on June 19, 2014, the date the Equity Incentive Plan was adopted.

As at April 27, 2015, 2,675,000 Units are issuable upon exercise of outstanding Options, 280,470 Units are underlying outstanding RUs and 4,936 Units are underlying outstanding DUs, representing 2.2% of Artis' issued and outstanding Units. As at April 27, 2015, 5,273,576 Units remain available for issuance under the Equity Incentive Plan, representing 3.8% of the total number of issued and outstanding Units of Artis.

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 Equity Incentive Plan further provides that (i) the number of Units issuable to insiders of Artis, at any time, pursuant to the Equity 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 Equity Incentive Plan and any other security-based compensation arrangement adopted by Artis cannot exceed 10% of the issued and outstanding Units.

Since the listing of the Units on the TSX, 1,230,643 Units have been issued pursuant to the exercise of Options, representing 0.9% of the issued and outstanding Units as at April 27, 2015.

### *Administration*

The Equity Incentive Plan is administered and interpreted by the Governance and Compensation Committee, on behalf of the Board. The Governance and Compensation Committee has full authority, subject to the terms of the Equity Incentive Plan, to grant Awards under the Equity 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 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, 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 Equity Incentive Plan. However, Trustees who are not employees, officers or service providers are not entitled to be granted options. In addition, only Trustees are entitled to receive Deferred Units. Finally, non-management Trustees are only eligible to receive Deferred Units.

### *Options*

The Equity Incentive Plan provides that the Board may grant Options. Any Options granted under the Equity Incentive Plan will have a maximum term of 10 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 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.

Notwithstanding the foregoing, the Equity Incentive Plan provides that in the event that the term of an Option expires during or within 10 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 10 business days following the end of the blackout period. The Blackout Expiration Date will not be subject to the discretion of the Board.

As at April 27, 2015, 2,675,000 Units are issuable on exercise of Options, representing 2.0% of the issued and outstanding Units on such date.

No Options were granted pursuant to the Equity Incentive Plan in 2014.



### *Restricted Units*

The Equity Incentive Plan provides that the Board may grant Awards of RUs. A RU is a contractual promise to issue Units and/or cash in an amount equal to the “fair market value” (as defined in the Equity Incentive Plan and as determined at the time of distribution) of the Units subject to the Award, at a specified future date. RUs 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 RU will vest on different dates and to determine at any time after the time of grant that a particular RU will vest at an earlier or later time. In addition, vesting of RUs may be subject to performance criteria at the discretion of the Board.

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

As at April 27, 2015, 280,470 Units are underlying outstanding RUs, representing 0.2% of the issued and outstanding Units on such date.

### *Deferred Units*

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

As at April 27, 2015, 4,936 Units are underlying outstanding DUs, representing less than 0.1% of the issued and outstanding Units on such date.

### *Installment Units*

The Equity Incentive Plan provides that the Board 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 10 years. Installment payments in respect of Installment Receipts (as defined below) may be accelerated in certain circumstances.

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 10-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 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 Equity 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 holder 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, except under certain circumstances.

#### *Amendment and Termination of the Equity Incentive Plan*

The Board may, in its sole discretion, amend, suspend or terminate the Equity 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 that materially prejudices the rights of any holder under any Award.

For example, the Board may:

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

provided that:

- any required approval of any regulatory authority or stock exchange is obtained;
- if the amendments would reduce the exercise price of Options or extend the expiry date of Awards granted to insiders of Artis (other than in the event of a recapitalization, reorganization, arrangement, split or combination, distribution or other similar event or transaction), approval of the Unitholders must be obtained;
- the Board would have had the authority to initially grant the Award under the terms as so amended; and
- the consent or deemed consent of the holder of the Award is obtained if the amendment would materially prejudice the rights of such holder.

Notwithstanding the foregoing, the Board may not, without approval of the Unitholders, make amendments to the Equity Incentive Plan for any of the following purposes:

- to increase the maximum number of Units that may be issued pursuant to Awards granted thereunder;
- 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 Equity Incentive Plan.

## *Assignment of Awards*

### Options

Except as may otherwise be specifically determined by the Board with respect to a particular Option, no Option will be transferable by a 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.

### Restricted Units

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.

### Deferred Units

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.

### Installment Receipts

Installment Receipts issued pursuant to the Equity Incentive 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.

## *Change in Control*

Upon or in anticipation of any change in control of Artis, 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 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, the Board 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 Equity Incentive Plan). The treatment of Installment Units shall be determined by the Board at its discretion at that time.

A change in control means, for the purposes of the Equity 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 to constitute a change in control for the purposes of the Equity Incentive Plan.

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

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, 2014 or in any transaction which will be considered at the Meeting.

## **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, 2014 until October 31, 2015 was \$75,066. The aggregate limit of liability applicable to insured Trustees and officers of Artis under the policy is \$30,000,000.

## **AUDITOR**

The auditor of Artis for the fiscal year ended December 31, 2014, is Deloitte LLP. Deloitte LLP was appointed the auditor of Artis commencing for the fiscal year dated December 31, 2009.

## **AUDIT COMMITTEE MATTERS**

The Audit Committee is responsible for (i) reviewing the engagement of the auditor 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 "Trustees and Officers - Audit Committee Matters" in the Annual Information Form, which is incorporated by reference in this Information Circular.

## **ADDITIONAL INFORMATION**

Financial information regarding Artis is provided in the audited annual financial statements and management's discussion and analysis for the year ended December 31, 2014. Copies of the foregoing, and of the Annual Information Form, are available on the SEDAR website at [www.sedar.com](http://www.sedar.com) and may also be obtained on written request addressed to Artis Real Estate Investment Trust, 300 – 360 Main Street, Winnipeg, Manitoba, R3C 3Z3, Attention: Investor Relations.

## **BOARD APPROVAL**

The contents and delivery of this Information Circular have been approved by the Board of Trustees.

DATED at the City of Winnipeg, Manitoba this 1<sup>st</sup> day of May, 2015.

## **ON BEHALF OF THE BOARD OF TRUSTEES**

"Armin Martens" (signed)

Trustee

## 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 6, 2015 for the year ended December 31, 2014;

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

“**Award(s)**” means a grant of Options, Restricted Units, Deferred Units or the right to subscribe for Installment Units pursuant to the provisions of the Equity Incentive Plan;

“**Board of Trustees**” or the “**Board**” means the board of Trustees of Artis;

“**Chief Executive Officer**” or the “**CEO**” means the Chief Executive Officer of Artis;

“**Chief Financial Officer**” or the “**CFO**” means the Chief Financial Officer of Artis;

“**Declaration of Trust**” means the declaration of trust of Artis, which was most recently amended pursuant to the fourth amended and restated declaration of trust dated as of August 2, 2012, and supplemented by the certificates of preferred unit terms approved by the Trustees effective August 2, 2012 respecting the Series A Units and the Series B Units, the certificates of preferred unit terms approved by the Trustees effective September 18, 2012 respecting the Series C Units and the Series D Units, and the certificates of preferred unit terms approved by the Trustees effective March 21, 2013 respecting the Series E Units and the Series F Units, respectively, pursuant to which Artis is governed under the laws of the Province of Manitoba, as may be further amended, supplemented and/or restated from time to time;

“**Deferred Unit**” or “**DU**” means a contractual promise to issue Units and/or cash in an amount equal to the fair market value of the Units subject to the Award, at a specified future date (as determined at the time of distribution) in accordance with the Equity Incentive Plan;

“**Equity Incentive Plan**” means the fixed equity incentive plan of Artis dated June 19, 2014;

“**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 May 1, 2015;

“**Installment Unit**” means a Unit subscribed for by a Participant, for a purchase price equal to not less than the fair market value of the Unit, which price will be payable in cash installments (as determined at the time of distribution) in accordance with the Equity Incentive Plan;

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

“**Meeting**” means the annual meeting of Unitholders to be held on June 18, 2015 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;

“**Option**” means an option to acquire a Unit;

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

“**Participant**” means a Trustee, or an employee or officer of Artis or any of its affiliates or of a designated service provider, to whom an Award is granted;

“**Record Date**” means April 29, 2015;

**“Restricted Unit”** or **“RU”** means a contractual promise to issue Units and/or cash in an amount equal to the fair market value of the Units subject to the Award, at a specified future date (determined at the time of distribution) in accordance with the Equity Incentive Plan;

**“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) of Artis, but does not include preferred units of Artis; and

**“Unitholder(s)”** means holder(s) of Units.

## SCHEDULE A – BOARD OF TRUSTEES MANDATE

The Board of Trustees (the “Board”) of Artis Real Estate Investment Trust (the “REIT”) has determined that it would be appropriate for the Board to adopt a written mandate describing its responsibilities and duties in relation to oversight of the business and affairs of the REIT and Committees of the Board.

The Board has adopted this Mandate which reflects the REIT’s commitment to high standards of corporate governance, to assist the Board in supervising the management of the business and affairs of the REIT as required under the REIT’s Declaration of Trust.

### A. PROCEDURAL MATTERS

1. Members of the Board shall serve at the pleasure of the Unitholders of the REIT and the Unitholders of the REIT shall elect the Board annually (except to the extent set forth in the REIT’s Declaration of Trust).
2. The Board may appoint such Committees from time to time as it considers appropriate in compliance with the REIT’s Declaration of Trust to act on behalf of the Board or make recommendations to the Board with respect to matters to be decided by the Board. If such Committees are intended as permanent Committees, they shall have a mandate document that defines their responsibilities in relation to the Board and the extent of delegated powers to such Committees. The functions of the Board, subject to applicable laws and the Declaration of Trust of the REIT, may be delegated to its Committees except where provided otherwise in the Declaration of Trust.
3. At least a majority in number of the Trustees shall be Independent as defined by the REIT’s Declaration of Trust and in accordance with applicable regulatory and stock exchange requirements.
4. The Board shall choose a Trustee to act as Chair of the Board. The Board shall provide the Chair with a written mandate.
5. Members of the Board shall be entitled to receive such remuneration for acting as members of the Board as may be determined from time to time by the Board on the recommendations of the Governance and Compensation Committee of the Board.
6. The Board shall, from time to time, evaluate its effectiveness and the effectiveness of its Committees with respect to its (and their) contribution to the REIT and the Board’s representation of the REIT’s Unitholders. The Board shall meet in camera on a regular basis for such purpose and related purposes.
7. The Board shall consider from time to time its resources including the adequacy of the information provided to it with respect to oversight of the management of the REIT and shall confer with management with respect to its findings.
8. The functions referred to in sections B1(a), (c), (d), (e), (g), (j), 2 and 4(a) and (b) shall not be delegated.

### B. FUNCTIONS

1. General Responsibilities
  - (a) The Board shall exercise general stewardship responsibilities with respect to the REIT. Without limitation, stewardship shall include the specific responsibilities and duties outlined in this Mandate.
  - (b) The Board shall oversee the management of the REIT. In doing so, the Board shall establish a productive working relationship with the Chief Executive Officer, Chief Financial Officer, and other officers of the REIT to create a culture of integrity.
  - (c) The officers of the REIT, headed by the Chief Executive Officer, shall be responsible for general day-to-day management of the REIT and for making recommendations to the Board with respect to long-term strategic, financial, organizational and related objectives.
  - (d) The roles and responsibilities of the Board are intended to primarily focus on the formulation of long-term strategic, financial and organizational goals for the REIT 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 the REIT, on at least an annual basis;
    - (ii) identifying the principal risks of the REIT’s business and ensuring the implementation of appropriate systems to manage these risks;

- (iii) succession planning (including appointing, training and monitoring senior management);
  - (iv) ensuring the integrity and adequacy of the REIT's 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 the REIT;
  - (vii) assessing the performance of management;
  - (viii) reviewing the REIT's 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.
- (e) The Board shall review and approve the REIT's financial objectives, short and long-term business plans for the REIT's businesses and monitor performance in accordance with such plans. The Board shall also approve, without limitation to its obligations and duties as set out in the Declaration of Trust:
- (i) significant capital allocations and expenditures;
  - (ii) review and approve all material transactions;
  - (iii) all matters that would be expected to have a major impact on Unitholders, creditors or employees;
  - (iv) on advice from the Governance and Compensation Committee, the appointment any person who is to hold an officer position of the REIT;
  - (v) the REIT's strategic plan; and
  - (vi) any proposed changes in compensation to be paid to members of the Board on the recommendation of the Governance and Compensation Committee.
- (f) The Board has established a Governance and Compensation Committee which establishes the Board's approach to corporate governance, including developing a set of principles and guidelines applicable to the REIT.
- (g) The Board shall annually consider what additional skills and competencies would be helpful to the Board. The identification of specific candidates for consideration shall be the responsibility of the Governance and Compensation Committee which shall be guided by the findings of the Board in relation to competencies and skills.
- (h) The Board will oversee ethical behaviour and compliance with laws and regulations (which includes overseeing the choice of critical accounting principles on recommendations from the Audit Committee of the Board).
- (i) With respect to significant risks and opportunities affecting the REIT, the Board may impose such limits on the activities of the REIT as may be in the interests of the REIT and its Unitholders.
- (j) The Board will adopt prudent financial standards with respect to the affairs of the REIT and periodically will approve target levels of debt in relation to the REIT's consolidated capitalization and other similar financial prudence standards.
- (k) The Board shall perform such other functions as are prescribed by law, as are assigned to the Board in the REIT's Declaration of Trust and as it may from time to time determine in accordance with the plenary powers of the Board.
- (l) The Board shall receive the following reports on a regular basis:
- (i) periodic reports from its Committees following Committee meetings and, annually, a report from each Committee as to the work undertaken by the Committee and the Committee's recommendations, if any, for change with respect to its responsibilities and effectiveness; and
  - (ii) regular reports from the Chief Executive Officer and Chief Financial Officer on the REIT's financial and operating performance.

## 2. Relationship with Committees

- (a) The Board shall annually assess the mandates of its Committees.
- (b) The Board shall annually appoint a member of each Committee to act as Chair of the Committee on the advice of the Chair of the Board and Governance and Compensation Committee.



### 3. Senior Management

- (a) The Board will review with the Governance and Compensation Committee and approve the objectives set for the Chief Executive Officer and performance in relation to such objectives.
- (b) The Board appoints and supervises the Chief Executive Officer and other members of senior management, approves their compensation (on the advice of the Governance and Compensation Committee) and, as permitted by the Declaration of Trust and applicable law, delegates to senior management responsibility for the day-to-day operations of the Trust.
- (c) The Board will, to the extent feasible, satisfy itself as to the integrity of the Chief Executive Officer and the other members of senior management and that the Chief Executive Officer and other members of senior management create a culture of integrity throughout the Trust.

### 4. Financial Statements and Significant Disclosure Documents

- (a) The Board will review on an ongoing basis the financial and underlying operational performance of the REIT.
- (b) The Board will review and approve the REIT's annual information form as well as its annual report and related financial statements and annual management discussion and analysis disclosure. In doing so, the Board will consider the quality and usefulness of the information from the perspective of its Unitholders.
- (c) The Board has responsibility for reviewing and approving for release quarterly financial statements and related disclosure.
- (d) The Board will periodically review the means by which Unitholders can communicate with the REIT including the opportunity to do so at the annual meeting, communications interfaces through the REIT's website and the adequacy of resources available within the REIT to respond to Unitholders.

## C. RESOURCES, MEETINGS AND REPORTS

1. The Board shall have adequate resources to discharge its responsibilities. The Chair shall be empowered to engage advisers as may be appropriate from time to time to advise the Chair or the Board with respect to duties and responsibilities.
2. The Board shall meet not less than four times per year.
3. The meetings of the Board shall ordinarily include the Chief Executive Officer (if not a Trustee) and shall periodically include other senior officers as may be appropriate and as may be desirable to enable the Board to become familiar with the REIT's management team.
4. The Chair shall act as, or appoint a, Secretary who shall keep minutes of its meetings in which shall be recorded all actions taken by the Board. Such minutes shall be made available to Board members at their request and all such minutes shall be approved by the Board for entry in the records of the REIT.
5. Each Trustee is expected to be diligent in preparing for attending meetings of the Board and any Committee of which he is a member. Preparation for meetings includes advance review of the meeting materials. In addition, each Trustee is expected to attend each annual meeting of Unitholders. A Trustee who is unable to attend a Board or Committee meeting may participate by teleconference.
6. Members of the Board shall have the right, for the purposes of discharging their respective powers and responsibilities, to inspect any relevant records of the REIT and its subsidiaries.
7. Members of the Board, subject to approval of the Chair of the Governance and Compensation Committee, may retain separate counsel to deal with issues relating to their responsibilities as members of the Board.

## D. FEEDBACK

The Board welcomes input and comments from Unitholders of the REIT. You may contact the Board at:

Chairman of the Board of Trustees  
Artis Real Estate Investment Trust  
300 – 360 Main Street  
Winnipeg, MB R3C 3Z3