



**WESTFIELD**  
Real Estate Investment Trust

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF UNITHOLDERS**

to be held on June 9, 2006

and

**INFORMATION CIRCULAR**

**MAY 8, 2006**

## TABLE OF CONTENTS

NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS.....	I
GLOSSARY .....	1
MANAGEMENT INFORMATION CIRCULAR.....	1
DISCLOSURE OF THE ISSUER AND MATTERS TO BE ACTED UPON.....	1
APPOINTMENT AND REVOCATION OF PROXIES .....	1
DOCUMENTS INCORPORATED BY REFERENCE.....	3
VOTING SECURITIES AND PRINCIPAL HOLDERS OF SECURITIES.....	3
EXECUTIVE COMPENSATION.....	3
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS .....	5
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS .....	7
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS .....	7
AUDITOR .....	7
MANAGEMENT CONTRACTS.....	7
AUDIT COMMITTEE MATTERS.....	7
EXTERNAL AUDIT SERVICE FEES .....	7
CORPORATE GOVERNANCE DISCLOSURE.....	8
PARTICULARS OF MATTERS TO BE ACTED UPON .....	9
ELECTION OF TRUSTEES .....	9
APPOINTMENT OF AUDITORS AND AUTHORIZING TRUSTEES TO FIX REMUNERATION .....	11
APPROVAL OF AMENDMENT TO DECLARATION OF TRUST .....	11
APPROVAL OF AMENDED UNIT OPTION PLAN.....	11
APPROVAL OF PARTIAL REMUNERATION OF TRUSTEES IN UNITS .....	13
CERTIFICATE OF THE ISSUER	
APPENDIX “A” AUDIT COMMITTEE CHARTER	

## NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual general and special meeting (the “**Meeting**”) of the holders (the “**Unitholders**”) of trust units (“**Units**”) of Westfield Real Estate Investment Trust (“**Westfield**”) will be held at the Oxford Conference Centre, Main Floor, 360 Main Street, Winnipeg, Manitoba on Friday, the 9th day of June, 2006, at 2 p.m. (Winnipeg time) for the following purposes:

1. to receive the annual financial statements of Westfield for the year ended December 31, 2005;
2. to consider and, if deemed advisable, pass a resolution fixing the number of trustees (“**Trustees**”) of Westfield at seven (7) and electing the five (5) persons named in the accompanying management information circular dated May 8, 2006 (the “**Information Circular**”) as Trustees to hold office, together with Armin Martens and Cornelius Martens who are appointed as Trustees by Marwest Management Canada Ltd., until the next annual meeting of the Unitholders or their earlier resignation or replacement;
3. to consider and, if deemed advisable, pass a resolution appointing the auditors of Westfield for the ensuing year;
4. to consider and, if deemed advisable, pass a resolution, the full text of which is set forth in the Information Circular, to amend the declaration of trust of Westfield dated November 8, 2004 (the “**Declaration of Trust**”) to provide the Independent Trustees (as defined in the Declaration of Trust) with the power to at any time increase the number of Trustees up to the maximum number of Trustees permitted under the Declaration of Trust and to provide the Independent Trustees with the power to appoint additional Independent Trustees to serve as Trustees until the next annual meeting of Westfield;
5. to consider and, if deemed advisable, pass a resolution approving the adoption of an amended unit option plan for Westfield;
6. to consider and, if deemed advisable, pass a resolution approving the partial payment of remuneration of the Trustees in Units; and
7. to transact such other or further business as may properly come before the Meeting or any other adjournment thereof.

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

The record date for determination of Unitholders entitled to receive notice of and to attend and vote at the Meeting is May 9, 2006. Only Unitholders whose names have been entered in the register of Unitholders at the close of business on that date and holders of Units issued by Westfield after such date and prior to the Meeting will be entitled to receive notice of and to vote at the Meeting.

**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 Westfield, c/o CIBC Mellon Trust Company, 200 Queens Quay, Unit 6, Toronto, Ontario M5A 4K9, Attention: Proxy Department by 4 p.m. (Winnipeg time) on Thursday, June 8, 2006 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. Unregistered 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 8<sup>th</sup> day of May, 2006.

ON BEHALF OF THE BOARD OF TRUSTEES

“*Armin Martens*” (signed)

Trustee

## GLOSSARY

**“Amended Unit Option Plan”** means the amended unit option plan proposed to be adopted by Westfield as more particularly described in this Information Circular;

**“Annual Information Form”** means the annual information form of Westfield dated April 19, 2006 for the year ended December 31, 2005;

**“Asset Management Agreement”** means the asset management agreement made effective February 1, 2005 between Westfield and Marwest, as amended effective August 1, 2005, and as may be further amended from time to time;

**“Declaration of Trust”** means the declaration of trust of Westfield dated as of November 8, 2004 pursuant to which Westfield was formed under the laws of the Province of Manitoba, as may be amended, supplemented and/or restated from time to time;

**“GAAP”** means Canadian generally accepted accounting principles, consistently applied;

**“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 8, 2006 in respect of the Meeting;

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

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

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

**“Meeting”** means the annual and special meeting of Unitholders to be held on June 9, 2006 at the time and place set forth in the Notice of Meeting and, where the context requires, includes any adjournment thereof;

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

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

**“Property Management Agreement”** means the property management agreement dated effective February 1, 2005 between Westfield and Marwest, as amended from time to time;

**“Record Date”** means May 9, 2006;

**“Tax Act”** means the *Income Tax Act* (Canada), as amended;

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

**“TSX”** means the Toronto Stock Exchange;

**“TSXV”** means the TSX Venture Exchange Inc.;

**“Unit”** means a trust unit in Westfield;

**“Unit Consolidation”** means the consolidation of Units on a fifteen-for-one (15:1) basis which was completed on February 1, 2006;

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

**“Unit Option Plan”** means the Unit Option Plan dated December 20, 2004 adopted by Westfield; and

**“Westfield”**, the **“Issuer”** or the **“Trust”** means Westfield Real Estate Investment Trust, an unincorporated closed-end trust formed under the laws of the Province of Manitoba on November 8, 2004 pursuant to the Declaration of Trust and includes, where the context requires, Westfield’s subsidiaries.

## MANAGEMENT INFORMATION CIRCULAR

### DISCLOSURE OF THE ISSUER AND MATTERS TO BE ACTED UPON

#### Management Solicitation

**This Information Circular is furnished in connection with the solicitation of proxies by the management of the Issuer for use at the Meeting to be held at the Oxford Conference Centre, Main Floor, 360 Main Street, Winnipeg, Manitoba on Friday, June 9, 2006 at 2 p.m. (Winnipeg time), and any adjournment thereof.**

**This proxy solicitation is made by the management of the Issuer.**

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

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

### APPOINTMENT AND REVOCATION OF PROXIES

#### Appointment of Proxies

The persons named in the accompanying instrument of proxy, Armin Martens and Wayne Townsend (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 him or her 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 Unitholder should notify the nominee of the appointment, obtain his or her consent to act as proxy and should provide instructions on how the Unitholder's Units are to be voted. In any case, an instrument of proxy should be dated and executed by the Unitholder 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, except to the extent such Unitholder transfers any of such Unitholder's Units after the Record Date and the transferee of those Units establishes that the transferee owns the Units and demands, not later than ten days before the Meeting, that the transferee's name be included in the list of Unitholders entitled to vote, in which case the transferee shall be entitled to vote the Units at the Meeting.

Unitholders unable to attend the Meeting in person are requested to read the accompanying Information Circular and form of proxy and to complete, sign and date the proxy together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof with the Issuer's transfer agent, CIBC Mellon Trust Company, 200 Queens Quay, Unit 6, Toronto, Ontario M5A 4K9. To be effective, proxies must be received by CIBC Mellon Trust Company not later than 4 p.m. (Winnipeg time) on Thursday, June 8, 2006 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 CIBC Mellon Trust Company or at the Issuer's head office, Attention: Chairman, by no later than 4:00 p.m. (Winnipeg time) on or before the last business day preceding the day of the Meeting or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof. 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 the Issuer is Westfield Real Estate Investment Trust, 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 name appears on the record of Westfield as the registered holder 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 Westfield. 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 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 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 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 Unitholder should enter their own names in the blank space on the form of proxy provided to them by their broker and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or 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 Unitholder 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, management of Westfield does 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.

## DOCUMENTS INCORPORATED BY REFERENCE

The Annual Information Form, which has been filed with applicable securities regulatory authorities, is specifically incorporated by reference into and form an integral part of this Information Circular.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF SECURITIES

The Issuer is authorized to issue an unlimited number of Units. As of the date of hereof, there are 11,851,813 Units issued and outstanding as fully paid and non-assessable. All issued and outstanding Units carry the right to one vote.

To the knowledge of Westfield, as of the date hereof, no person beneficially owns, directly or indirectly, or exercises control or direction over, more than 10 percent of the issued and outstanding Units, except that accounts managed by SoundVest Capital Management Ltd. own, in the aggregate, 1,974,018 Units, or approximately 16.7% of the issued and outstanding Units on a non-diluted basis.

## EXECUTIVE COMPENSATION

In this section entitled “Executive Compensation”:

“**Executive Officer**” means an individual who at any time during the year was the president and any vice-president in charge of a principal business unit such as sales, finance or production, any officer of the Issuer or a subsidiary who performs a policy-making function of the Issuer whether or not that person is also a director of the Issuer or the subsidiary, and the chairman and any vice-chairman of the board of directors of the Issuer if that person performs the functions of that office on a full-time basis. There are currently three Executive Officers of the Issuer: Armin Martens, President and Chief Executive Officer, Cornelius Martens, Executive Vice-President and James Green, Chief Financial Officer;

“**SAR**” or “**stock appreciation right**” means a right, granted by the Issuer or any of its subsidiaries, as compensation for services rendered or otherwise in connection with office or employment, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of its securities; and

“**LTIP**” or “**long term incentive plan**” means any plan which provides compensation intended to serve as an incentive for performance to occur over a period longer than one financial year, but does not include option or stock appreciation right plans.



## Summary Compensation Table

The following table is a summary of the compensation paid to Executive Officers of the Issuer in total salary and bonus from the inception of the Issuer until the end of the Issuer's last completed financial year.

Name and Principal Position	Annual Compensation				Long Term Compensation			
	Year	Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards	Payouts		
					Securities Under Options/SARs (#)	Restricted Units or Restricted Unit Units (\$)	LTIP Payouts (\$)	Other (\$)
Armin Martens President, CEO	2005	Nil (1)	Nil	Nil	56,878 (1) (4)	Nil	Nil	Nil
	2004	Nil (1)	Nil	Nil	36,000 (3) (4)			
Cornelius Martens Executive Vice-President	2005	Nil (1)	Nil	Nil	56,878 (2) (4)	Nil	Nil	Nil
	2004	Nil (1)	Nil	Nil	30,000 (3) (4)			
James Green CFO	2005	Nil (1)	Nil	Nil	35,549 (2) (4)	Nil	Nil	Nil
	2004	Nil (1)	Nil	Nil	6,000 (3) (4)			

### Notes:

- (1) The services of the Executive Officers are provided to Westfield by Marwest pursuant to the Asset Management Agreement. For a summary of fees to which Marwest is entitled under the Asset Management Agreement, see "Management Contracts" below.
- (2) Options to acquire Units at a price of \$11.25 per Unit, expiring December 8, 2010.
- (3) Options to acquire Units at a price of \$6.00 per Unit, expiring December 20, 2009. Armin Martens and Cornelius Martens have exercised these options in full. In addition to the options that Westfield granted to the Executive Officers on December 20, 2004, on February 12, 2004, Westfield Properties Ltd., the predecessor to Westfield, granted to the Executive Officers options to acquire common shares as follows: Armin Martens – 72,000 (pre-Unit Consolidation); Cornelius Martens – 60,000 (pre-Unit Consolidation); and James Green – 12,000 (pre-Unit Consolidation). Such options were granted in connection with the initial public offering by Westfield Properties Ltd., had a term of five years, and had an exercise price of \$0.20 per share (pre-Unit Consolidation), which was the price of the common shares under the initial public offering by Westfield Properties Ltd. The options granted by Westfield Properties Ltd. were exercised in full immediately prior to the completion of the plan of arrangement on December 20, 2004 pursuant to which Westfield Properties Ltd. was reorganized into Westfield.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Equity Compensation Plan Table

To date, the Issuer has not adopted any LTIP or issued any SARs. The issuer has adopted the Unit Option Plan and the table below summarizes the number of Units underlying the options granted under the Unit Option Plan, the weighted-average exercise price of such options and the number of Units remaining available for future issuance under the Unit Option Plan.

<b>Plan Category</b>	<b>A</b> <b>Number of Units to be issued upon exercise of outstanding options, warrants and rights (2)</b>	<b>B</b> <b>Weighted-average exercise price of outstanding options, warrants and rights (2)</b>	<b>C</b> <b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A) (2)(3)</b>
Unit Option Plan (1)	318,393	\$10.69	274,197

#### Notes:

- (1) The Unit Option Plan is proposed to be replaced by the Amended Unit Option Plan. See “Particulars of Matters to be Acted Upon – Approval of Amended Unit Option Plan”.
- (2) Figure is post-Unit Consolidation.
- (3) Based upon 11,851,813 Units issued and outstanding as at May 8, 2006.

#### Unit Option Plan

The Issuer has adopted the Unit Option Plan. For details regarding the Unit Option Plan, see “Description of Capital Structure – Unit Option Plan” in the Annual Information Form, which is incorporated by reference herein. The Unit Option Plan is proposed to be replaced by the Amended Unit Option Plan. See “Particulars of Matters to be Acted Upon – Approval of Amended Unit Option Plan”.

The following table sets out the options granted to Trustees, officers and management company employees during the most recently completed financial year.

Name	Date of Grant	Securities Under Options/SARs Granted (#) (1)	Percentage of Total Options/SARs Granted to Employees in Financial Year	Exercise or Base Price (\$/Security) (1)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security) (1)	Expiration Date
Armin Martens	12/08/05	56,878	20%	\$11.25	\$11.70	12/08/10
Cornelius Martens	12/08/05	56,878	20%	\$11.25	\$11.70	12/08/10
Edward Warkentin	12/08/05	34,127	12%	\$11.25	\$11.70	12/08/10
Victor Thielmann	12/08/05	26,562	9.3%	\$11.25	\$11.70	12/08/10
Wayne Townsend	12/08/05	26,533	9.3%	\$11.25	\$11.70	12/08/10
James Green	12/08/05	35,549	12.5%	\$11.25	\$11.70	12/08/10
Allan McLeod	12/08/05	26,533	9.3%	\$11.25	\$11.70	12/08/10
Kirsty Stevens	12/08/05	21,329	7.5%	\$11.25	\$11.70	12/08/10

**Note:**

(1) Figures are post-Unit Consolidation.

**Compensation and Governance Committee**

The Governance and Compensation Committee is responsible for negotiating and finalizing and otherwise dealing with all compensation agreements between the Trust and any Trustee or senior officer of the Trust or between any affiliate of the Trust and any Trustee or senior officer of the Trust. Any member of the Governance and Compensation Committee may call a meeting of the Governance and Compensation Committee. Any member of the Governance and Compensation Committee who is party to a matter brought before the Committee shall not participate in any discussions or vote in respect thereto.

As at December 31, 2005, the members of the Compensation and Governance Committee were Armin Martens, Victor Thielmann, Wayne Townsend and Edward Warkentin. Mr. Martens resigned as a member of the Compensation and Governance Committee in February, 2006. The Governance and Compensation Committee made a recommendation to the Trustees with respect to the granting of options to the Trustees, officers and management company employees on December 8, 2005 as reflected in the table set forth above. Compensation arrangements which required independent Trustee approval, including the terms of the Asset Management Agreement and the Property Management Agreement, were approved unanimously by all of the Independent Trustees at the time such arrangements were entered into. See "Management Contracts" below.

**Compensation of Trustees**

The Trustees are entitled to compensation for services rendered to Westfield in their capacities as Trustees. Compensation for the Trustees, other than the Marwest Appointees (who are also senior officers of Westfield and are compensated through the Asset Management Agreement), is currently set at \$12,000 per year (\$6,000 of which is to be paid in Units, subject to regulatory approval), plus an additional \$1,000 for each meeting of Trustees or committee meeting attended and an additional annual fee of \$2,500 for the chairman of each committee of the board of the Trustees. The Chairman of the board of Trustees currently receives additional compensation of \$6,000 per year. The Trustees are also entitled to reasonable travel and other expenses properly incurred by them in attending meetings of the Trustees or any committee thereof in connection with their services as Trustees.

The current compensation for Trustees began effective October 1, 2005. In 2004, Westfield did not pay any cash consideration to its Trustees in consideration for their acting in such capacity. From January 1, 2005 to September 30, 2005, the Issuer paid each of its Trustees a fee of \$100 per month. The Issuer has also granted incentive Unit options to its Trustees and officers as noted in the preceding table.

Unitholders will be asked to approve the payment of \$6,000 of the \$12,000 base fee to Trustees through the payment of Units.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at the date hereof, no Trustee, officer or proposed nominee for election as a Trustee, or their respective Associates, is or has been indebted to the Issuer or 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 the Issuer 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 Westfield since the beginning of Westfield's most recently completed financial year or in any transaction which will be considered at the meeting.

## **AUDITOR**

The auditor of the Issuer is KPMG LLP. KPMG LLP has been the auditor of the Issuer since its inception on November 8, 2004.

## **MANAGEMENT CONTRACTS**

The services of the officers of Westfield are provided by Marwest pursuant to the Asset Management Agreement. The property management of Westfield is also provided by Marwest. For details regarding the Asset Management Agreement and the Property Management Agreement, see "Management of Westfield" in the Annual Information Form.

## **AUDIT COMMITTEE MATTERS**

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

The Audit Committee held meetings or executed resolutions as necessary during the year ended 2005.

The text of Westfield's audit committee charter is attached to this Information Circular as Appendix "A". As at December 31, 2005, the members of Westfield's audit committee were Wayne Townsend, Victor Thielmann and Alan McLeod, each of whom is "independent" and "financially literate" within the meaning of Multilateral Instrument 52-110 *Audit Committees* (the "**Audit Committee Rule**").

## **EXTERNAL AUDIT SERVICE FEES**

### **Audit Fees**

In 2005, Westfield incurred \$143,356 in audit fees. In 2004, Westfield incurred \$6,250 in audit fees.

### **Audit Related Fees**

In 2005, Westfield incurred \$26,281 in audit related fees. In 2004, Westfield incurred \$11,350 in audit related fees.

## Tax Fee

In 2005, Westfield incurred \$41,549 in fees for tax compliance and advice. In 2004, Westfield did not incur any such fees. Westfield did not incur any other fees of its external auditor in the financial year ended December 31, 2005 other than as set forth above.

## CORPORATE GOVERNANCE DISCLOSURE

### Board of Trustees

The board of Trustees facilitates its exercise of independent supervision over management through its Independent Trustees. The Independent Trustees are responsible for reviewing and approving matters involving conflicts of interest between the Trust and Marwest and/or individual Trustees and officers of the Trust and any other matters requiring Independent Trustee approval under applicable securities laws, requirements of the TSXV and/or TSX, as applicable, and the Declaration of Trust.

Andre Kuzmicki, Allan McLeod, Victor Thielmann, Wayne Townsend and Edward Warkentin are considered Independent Trustees, except that Edward Warkentin is not considered independent for the purposes of the Audit Committee.

Armin Martens and Cornelius Martens are not Independent Trustees by virtue of the fact that they are the President and Chief Executive Officer, and the Executive Vice-President of Westfield, respectively, and each is director and officer of Marwest and is appointed as a Trustee by virtue of being the Marwest Appointees.

### Directorships

As at the date of this Information Circular, the Trustees (or proposed Trustees) are directors or trustees of other reporting issuers as set forth in the table below.

Name	Name of Reporting Issuer	Position Held	Period Served
Armin Martens	All in West! Capital Corporation	Director	2005 to present
Cornelius Martens	All in West! Capital Corporation	Director	2005 to present
Allan McLeod	Exchange Industrial Income Fund	Trustee	2004 to present
Victor Thielmann	All in West! Capital Corporation	Director	2005 to present
Wayne Townsend	All in West! Capital Corporation	Director	2005 to present
Edward Warkentin	All in West! Capital Corporation	Director	2005 to present

### Orientation and Continuing Education

When initially joining the board of Trustees, the Trustees are provided with copies of the Trust's audit committee charter, audit committee whistleblowing policy, compensation and governance committee charter and disclosure committee charter.

### Ethical Business Conduct

The Trustees, or committees thereof, have adopted the audit committee charter attached as Appendix "A" to this Information Circular, an audit committee whistleblowing policy, a compensation and governance committee charter and a disclosure committee charter. To date, the Trustees have not adopted a formal code of conduct in addition to the foregoing.

## **Compensation**

Westfield pays its Trustees the compensation described above under “*Executive Compensation – Compensation of Trustees*” above.

## **Other Board Committees**

As at December 31, 2005, the committees of the board of Trustees were:

1. the audit committee described above under “*Audit Committee Matters*”; and
2. the compensation and governance committee described under “*Executive Compensation – Compensation and Governance Committee*”.

The compensation and governance committee has appointed a disclosure committee comprised of Armin Martens, James Green and Edward Warkentin for the purposes of dealing with certain timely disclosure matters.

## **Assessments**

In late 2005, the board of Trustees assessed the number of Trustees and determined that it would be more effective if the size of its board of Trustees was increased and additional Independent Trustee was added. Accordingly, Westfield held a special meeting of Unitholders on January 28, 2006 at which Unitholders authorized an increase in the size of the board of Trustees from six (6) to seven (7) and elected Andre Kuzmicki as an additional Independent Trustee.

The board of Trustees continues to assess its effectiveness. See “*Particulars of Matters to be Acted Upon – Election of Trustees*” below.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **ELECTION OF TRUSTEES**

It is proposed that the number of Trustees be fixed at seven (7) and that the five (5) persons named in the Information Circular be elected as Trustees for the ensuing year.

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

**BE IT RESOLVED THAT** the number of Trustees be fixed at seven (7) and the persons named in the management information circular of Westfield Real Estate Investment Trust dated May 8, 2006 as nominees for election as Trustees, being Andre Kuzmicki, Allan McLeod, Victor Thielmann, Wayne Townsend and Edward Warkentin be and are hereby elected as Trustees, and to hold such office, together with Armin Martens and Cornelius Martens, who are appointed as Trustees by Marwest Management Ltd., from the close of this Meeting until the close of the next annual meeting of Unitholders.

The table below sets forth, for each Trustee, their current position(s) with Westfield, the period of time they have served as a Trustee and their principal occupation.

<b>Name and Municipality of Residence</b>	<b>Current Office Held with Westfield (1)</b>	<b>Principal Occupation During the Past Five Years</b>
Armin Martens East St. Paul, MB	Trustee, President and Chief Executive Officer	President of Marwest Development Corporation and senior officer of Marwest and Marwest Construction Ltd., located in Winnipeg, Manitoba.
Cornelius Martens East St. Paul, MB	Trustee and Executive Vice- President	President of various companies comprising the Marwest Group of Companies, including Marwest and Marwest Construction Ltd, located in Winnipeg, Manitoba
Edward Warkentin (2) East St. Paul, MB	Trustee and Chair	Partner at the law firm of Aikins, MacAulay & Thorvaldson LLP, Winnipeg, Manitoba.
Victor Thielmann (2) (3) Winnipeg, MB	Trustee	President of Nova 3 Engineering Ltd., an engineering firm located in Winnipeg, Manitoba
Wayne Townsend (2) (3) Winnipeg, MB	Trustee	Partner at Lawton Partners Financial Planning Services Limited, a financial planning services firm located in Winnipeg, Manitoba
Allan McLeod (3) Winnipeg, MB	Trustee (since June 10, 2005)	Chief Executive Officer, Tribal Councils Investment Group of Manitoba Ltd.
Andre Kuzmicki Toronto, Ontario	Trustee (since January 28, 2006)	Executive Director, Program in Real Property at Schulich School of Business, York University

**Notes:**

- (1) All offices held with Westfield since inception of Westfield November 8, 2004, except that: (i) Allan McLeod was elected as a Trustee on June 10, 2005; (ii) Edward Warkentin was appointed as the Chair of the board of Trustees on October 27, 2005; and (iii) Andre Kuzmicki was elected as a Trustee on January 28, 2006.
- (2) Member of the Governance and Compensation Committee as at December 31, 2005.
- (3) Member of the Audit Committee as at December 31, 2005.

As at the date hereof, the Trustees of Westfield own, as a group, 305,942 Units, representing approximately 2.6% of the issued and outstanding Units on the date hereof on a non-diluted basis.

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.**

## **APPOINTMENT OF AUDITORS AND AUTHORIZING TRUSTEES TO FIX REMUNERATION**

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

**BE IT RESOLVED THAT** KPMG LLP be and is hereby appointed as the auditors of Westfield for the ensuing year and that the Trustees be and are hereby authorized to fix the remuneration of the auditors.

**It is intended on any vote or ballot that may be called relating to the appointment of auditors of the Trust and the authorization of the Trustees to fix the remuneration of the auditors, 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 withheld from voting on such resolution.**

## **APPROVAL OF AMENDMENT TO DECLARATION OF TRUST**

At the Meeting, Unitholders will be asked to vote on the following resolution:

**BE IT RESOLVED THAT** the Declaration of Trust be amended by adding the following sentence to the Declaration of Trust:

The number of Trustees may be changed at any time by the Independent Trustees to increase the number of Trustees up to a maximum of ten (10) and the Independent Trustees shall have the right to appoint additional Independent Trustees (up to the maximum) to serve as Trustees until the next annual meeting of the Trust.

**It is intended on any vote or ballot relating to amending the Declaration of Trust to permit the Independent Trustees to increase the number of 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 voted against such resolution.**

## **APPROVAL OF AMENDED UNIT OPTION PLAN**

It is proposed that the terms of the Amended Unit Option Plan be approved for adoption by Westfield.

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

**BE IT RESOLVED** that Westfield adopt a unit option plan (the “Amended Unit Option Plan”) for the trust in the form of the unit option plan dated December 20, 2004, with the following amendments:

1. an amendment to provide the maximum number of Units which may be reserved for issuance under options granted under the Amended Option Plan is five (5%) of the issued and outstanding Units from time to time; and
2. an amendment to provide that the minimum exercise price per Unit under an option granted under the Amended Unit Option Plan is the current market price of the Units determined by the Trustees in accordance with the requirements of the Toronto Stock Exchange.

The reason for adopting the Amended Unit Option Plan is to amend the provisions of the Unit Option Plan which no longer apply to Westfield. Westfield has publicly disclosed that the maximum number of Units that it will reserve for issuance under options is five (5%) percent of the issued and outstanding Units from time to time. In addition, as a condition of its graduation to the TSX, Westfield represented to the TSX that it would not issue any options except in accordance with the policies of the TSX. The TSX does not permit options to be granted at a discount to the current market price of the Units. The Unit Option Plan currently provides that the maximum number of Units which may be reserved for issuance under options is ten (10%) percent of the issued and outstanding Units and permits the exercise price of an option to be below the market price of the Units.



To be effective, the resolution approving the adoption of the Amended Unit Option Plan must be passed by an ordinary resolution

The Unit Option Plan is summarized under “Securities Authorized for Issuance under Equity Compensation Plans” above. Except for the amendments noted in the paragraph above, the Amended Unit Option Plan will be identical to the Unit Option Plan.

**It is intended that on any vote or ballot relating to the adoption of the Amended Unit Option Plan, 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 voted against such resolution.**

## **APPROVAL OF PARTIAL REMUNERATION OF TRUSTEES IN UNITS**

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

**BE IT RESOLVED** that Westfield Real Estate Investment Trust be and is hereby authorized to satisfy the payment of Trustees' remuneration, in whole or in part, through the issuance of Units at the current market price of such Units at the time of issuance and, subject to regulatory approval, this resolution shall be effective until revoked, amended or replaced by a further resolution of Unitholders.

Westfield intends to pay \$6,000 of each Trustee's base compensation through the issuance of Units. For a summary of Trustees' compensation, see "Securities Authorized for Issuance under Equity Compensation Plans – Compensation of Trustees".

To be effective, the resolution approving the payment of Trustees' remuneration, in whole or in part, in Units must be passed by an ordinary resolution

**It is intended on any vote or ballot relating to a resolution approving the payment of Trustees' compensation in whole or in part in Units, 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 voted against such resolution.**

## **GENERAL MATTERS**

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

**CERTIFICATE OF THE ISSUER**

May 8, 2006

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

*“Armin Martens”* (signed)

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Armin Martens  
President and Chief Executive Officer

*“James Green”* (signed)

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James Green  
Chief Financial Officer

## **APPENDIX "A"**

### **WESTFIELD REAL ESTATE INVESTMENT TRUST AUDIT COMMITTEE CHARTER**

#### **Role and Objective**

The Audit Committee (the "Committee") is a committee of the board of trustees (the "Board") of Westfield Real Estate Investment Trust ("REIT") to which the Board has delegated its responsibility for oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for Board approval, the audited financial statements and other mandatory disclosure releases containing financial information. The objectives of the Committee are as follows:

1. To assist directors in meeting their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of REIT and related matters;
2. To provide better communication between directors and external auditors;
3. To enhance the external auditors' independence; and
4. To increase the credibility and objectivity of financial reports.

#### **Membership of Committee**

1. The Committee shall be comprised of at least three (3) trustees of REIT, each of which shall be "independent" as such term is used in Multilateral Instrument 52-110 – Audit Committees ("MI 52-110") and an "unrelated" trustee within the meaning of the TSX Company Manual.
2. The Board shall have the power to appoint the Committee Chairman.

#### **Meetings**

1. At all meetings of the Committee every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chairman of the meeting shall not be entitled to a second or casting vote.
2. A quorum for meetings of the Committee shall be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board.
3. Meetings of the Committee should be scheduled to take place at least four times per year. Minutes of all meetings of the Committee shall be taken.
3. The Committee shall forthwith report the results of meetings and reviews undertaken and any associated recommendations to the Board.
4. The Committee shall meet with the external auditors at least once per year (in connection with the preparation of the year end financial statements) and at such other times as the external auditors and the Committee consider appropriate.

### **Mandate and Responsibilities of Committee**

1. It is the responsibility of the Committee to oversee the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting.
2. It is the responsibility of the Committee to satisfy itself on behalf of the Board with respect to REIT's internal control system:
  - identifying, monitoring and mitigating business risks; and
  - ensuring compliance with legal, ethical and regulatory requirements.
3. It is a responsibility of the Committee to review the annual financial statements of REIT prior to their submission to the Board for approval. The process should include but not be limited to:
  - reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;
  - reviewing significant accruals or other estimates such as the ceiling test calculation;
  - reviewing accounting treatment of unusual or non-recurring transactions;
  - ascertaining compliance with covenants under loan agreements;
  - reviewing disclosure requirements for commitments and contingencies;
  - reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
  - reviewing unresolved differences between management and the external auditors; and
  - obtaining explanations of significant variances within comparative reporting periods.
4. The Committee is to review the financial statements (and make a recommendation to the Board with respect to their approval), prospectuses, management discussion and analysis and all public disclosure containing audited or unaudited financial information before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of REIT's disclosure of all other financial information and shall periodically assess the accuracy of those procedures.
5. With respect to the appointment of external auditors by the Board, the Committee shall:
  - recommend to the Board the appointment of the external auditors;
  - recommend to the Board the terms of engagement of the external auditors, including the compensation of the external auditors and a confirmation that the external auditors shall report directly to the Committee; and
  - when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change.
6. The Committee shall review with external auditors (and the internal auditor if one is appointed by REIT) their assessment of the internal controls of REIT, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee shall also review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of REIT and its subsidiaries.

7. The Committee must pre-approve all non-audit services to be provided to REIT or its subsidiaries by the external auditors. The Committee may delegate to one or more members the authority to pre-approve non-audit services, provided that the member(s) report to the Committee at the next scheduled meeting such pre-approval and the member(s) comply with such other procedures as may be established by the Committee from time to time.
8. The Committee shall review risk management policies and procedures of REIT (i.e. hedging, litigation and insurance).
9. The Committee shall establish a procedure for:
  - the receipt, retention and treatment of complaints received by REIT regarding accounting, internal accounting controls or auditing matters; and
  - the confidential, anonymous submission by employees and agents of REIT of concerns regarding questionable accounting or auditing matters.
10. The Committee shall review and approve REIT's hiring policies regarding employees and former employees of the present and former external auditors of REIT.
11. The Committee shall have the authority to investigate any financial activity of REIT. All employees and agents of REIT are to cooperate as requested by the Committee.
12. The Committee may retain any person having special expertise and/or obtain independent professional advice to assist in satisfying their responsibilities at the expense of REIT without any further approval of the Board.