



ARTIS REAL ESTATE INVESTMENT TRUST
NOTICE OF ANNUAL MEETING OF UNITHOLDERS
to be held on June 20, 2012
and
INFORMATION CIRCULAR

May 9, 2012

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") will be held at the Main Floor, 360 Main Street on Thursday, the 20th day of June, 2012, at 10:00 a.m. (Winnipeg time) for the following purposes:

1. to receive the annual consolidated financial statements of Artis for the year ended December 31, 2011, including the external auditor's report;
2. to elect Trustees who will hold office until the next annual meeting of the Unitholders;
3. to appoint the external auditor of Artis for the ensuing year and authorize the Trustees to fix the remuneration of the external auditor;

We will also consider other business that may properly come before the meeting. 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.

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

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

The record date for determination of Unitholders entitled to receive notice of and to attend and vote at the Meeting is April 27, 2012. 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.

A Unitholders 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 Canadian Stock Transfer Company Inc., by mail at P.O. Box 721, Agincourt, Ontario M1S 0A1, or by facsimile at (416) 368-2502, by 10:00 a.m. Central Standard Time on Monday, June 18, 2012 or, in the case of an adjourned Meeting, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned Meeting. Canadian Stock Transfer Company Inc. acts as the Administrative Agent for CIBC Mellon Trust Company. Unregistered 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 9th day of May, 2012.

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 INFORMATION CIRCULAR

Unless otherwise specified, all information in this Information Circular is current as of May 9, 2012.

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

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

Unless otherwise defined or unless the context otherwise requires, capitalized terms used in the meeting materials have the meanings given to them by the Glossary of Terms attached at the end of this Information Circular.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included in the Information Circular constitute “forward-looking statements”. All statements, other than statements of historical fact, included in the Information Circular that address future activities, events, developments, or financial performance, are forward-looking statements. These forward-looking statements can be identified by the use of forward-looking words such as “may”, “should”, “will”, “could”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “future”, or “continue” or the negative thereof or similar variations. Unitholders are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties, assumptions, and other factors, many of which are outside the control of Artis. Such uncertainties, assumptions, and other factors could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, among other things, general and local economic and business conditions and changes in government regulations or in tax laws. Although the forward-looking statements contained in this Information Circular are based upon what Artis believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain assumptions made in preparing forward-looking information and Artis’ objectives include the assumptions that there will be no material changes in government regulations or in tax laws. Such forward-looking statements should, therefore, be construed in light of such factors. All forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth above. Forward-looking statements contained in the Information Circular speak only as of May 9, 2012 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 the Information Circular are the responsibility of the Trustees of Artis in their capacity as Trustees and not in their personal capacity and in no event shall the Trustees be personally liable for any statements contained herein nor shall resort be had to, or redress, recourse or satisfaction result from, the private and/or personal property of the Trustees.

ADDITIONAL COPIES OF INFORMATION CIRCULAR

Additional copies of the Information Circular may be obtained without charge on request of Artis at 300-360 Main Street, Winnipeg, Manitoba R3C 3Z3 Attention: Investor Relations (telephone: 204-947-1250 or email: 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, 360 Main Street in Winnipeg, Manitoba on Wednesday, June 20, 2012 at 10:00 a.m. (Winnipeg time), and any adjournment thereof.

This proxy solicitation is made by the management of Artis.

Solicitations of proxies will be primarily by mail, but may also be solicited personally or by telephone, 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 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 Unitholders has the right to designate a person (who need not be a Unitholders) other than the Management Nominees to represent the Unitholders 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 Voting 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 the accompanying Information Circular and form of proxy and to complete, sign and date the proxy together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof with Artis' transfer agent, CIBC Mellon Trust Company, by mail at Proxy Dept., Canadian Stock Transfer Company Inc., P.O. Box 721, Agincourt, Ontario M1S 0A1, or by facsimile at (416) 368-2502, 10:00 a.m. Central Standard Time on Monday, June 18, 2012 or, if the Meeting is adjourned, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned Meeting, or any further adjournment thereof. Canadian Stock Transfer Company Inc. acts as the Administrative Agent for CIBC Mellon Trust Company. Unregistered 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 Unitholders 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 Unitholders or by the Unitholders's attorney duly authorized in writing or, if the Unitholders is a corporation, by an officer or attorney thereof duly authorized and deposited at either the above mentioned office of Canadian Stock Transfer Company Inc. or at Artis' head office, Attention: Chairman, by no later than 4:00 p.m. (Winnipeg time) on or before the last business day preceding the day of the Meeting or any adjournment thereof, or with the Chairman of the Meeting on the day of the

Meeting or any adjournment thereof. Canadian Stock Transfer Company Inc. acts as the Administrative Agent for CIBC Mellon Trust Company. Notwithstanding the foregoing, if a registered Unitholders attends personally at the Meeting, such Unitholders may revoke the proxy and vote in person. The head office of Artis is 300 - 360 Main Street, Winnipeg, Manitoba, R3C 3Z3, Attention: Chairman.

ADVICE TO BENEFICIAL UNITHOLDERS

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

Applicable laws and policy require intermediaries and brokers to send voting instructions from Beneficial Unitholders in advance of meetings of Unitholders. Every intermediary and broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Unitholders in order to ensure that their Voting Units are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Unitholder by its broker is identical to the form of proxy provided to registered 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 Voting Units directly at the Meeting; rather, the proxy must be returned to the intermediary or broker well in advance of the Meeting in order to have the Voting Units voted.

Although a Beneficial Unitholder may not be recognized directly at the Meeting for the purposes of voting the Voting Units registered in the name of the Unitholders’ broker (or an agent of the broker), a Beneficial Unitholder may attend at the Meeting as proxyholder for the registered Unitholders to vote Units in that capacity. Beneficial Unitholders who wish to attend the Meeting and indirectly vote their Voting Units as proxyholder for the registered 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 Voting 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 Voting Units will be voted in favour of (“For”) each of the matters identified in the Notice of Meeting.**

EXERCISE OF DISCRETION OF PROXY

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

VOTING SECURITIES AND PRINCIPAL HOLDERS OF SECURITIES

Artis is authorized to issue an unlimited number of Units. As of the date hereof, there are 101,746,923 Units issued and outstanding. All issued and outstanding Units carry the right to one vote. There are no special voting units outstanding as at the date hereof.

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

PART II – PARTICULARS OF MATTERS TO BE ACTED UPON

The following items will be addressed at the Meeting:

1. Receiving the annual financial statements of Artis for the year ended December 31, 2011, including the external auditor’s report;
2. Electing Trustees who will hold office until the next annual meeting of the Unitholders; and
3. Appointing the external auditor of Artis for the ensuing year and authorizing the Trustees to fix the remuneration of the external auditors.

We will also consider other business that may properly come before the meeting. 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, 2011, together with the auditors’ report thereon, are included in our 2011 Annual Report and will be presented to unitholders at the meeting. A copy of such financial statements and auditors’ report are also available on our profile at www.sedar.com.

2. ELECTION OF 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 seven (7) and that the seven (7) persons named in the Information Circular as nominees, being Delmore Crewson, Armin Martens, Cornelius Martens, Allan McLeod, Victor Thielmann, Wayne Townsend and Edward Warkentin, be elected as Trustees for the ensuing year and shall hold such office, from the close of the meeting until the close of the next annual meeting of Unitholders.

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

Delmore Crewson, FCA		Chair of Audit Committee
Winnipeg, Manitoba		Member of Investment Committee
Trustee Since: June 9, 2006		
Mr. Crewson is a former senior partner and Vice-Chair of Deloitte and Touche LLP. He is a member of the Institute of Chartered Accountants of Manitoba and has been elected as a “Fellow” of the Institute. Mr. Crewson serves on the Board of Directors and as Chair of the Audit Committee of the Wawanesa Group of Companies and Pollard Banknote Limited. He also chairs the Audit and Evaluations Committee for the Department of Finance, Canada, as well as the Audit Committee of the Canadian Grain Commission. Mr. Crewson is a member of the Institute of Corporate Directors and a member of the Manitoba Chapter Advisory Board. He is the past President of the Institute of Chartered Accountants of Manitoba and is a former Canadian Institute of Chartered Accountants Board and Executive Committee member. Mr. Crewson has also served on numerous community boards and has held leadership positions in a number of organizations including the Manitoba Museum of Man and Nature, and the Associates of the Faculty of Management, University of Manitoba. He also served as a Director on the Board of Management and chaired the Audit Committee of Canada Customs and Revenue Agency.		
Meeting Attendance		
Regularly Scheduled Board and Committee Meetings	Non-Regularly Scheduled Board and Committee Meetings	Total Meetings Attended
12 of 12	13 of 13	25 of 25
At May 9, 2012		
Units Beneficially Owned or Controlled	Closing Price of Units	Value
4,443	\$16.51	\$73,353.93

Armin Martens, P.Eng., M.B.A.		President
East St. Paul, Manitoba		Chief Executive Officer
Trustee Since: November 8, 2004		
Mr. 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, a position he has held since 2004. Mr. Martens holds a Bachelor of Science (Civil Engineering) degree from the University of Manitoba. He is a registered professional engineer and holds an M.B.A. degree from the International Institute for Management Development (IMD) in Lausanne, Switzerland. Mr. Martens is a past director of Fortress Paper Ltd. (TSX: FTP), as well as the Bank of Canada, Canada's central bank.		
Meeting Attendance		
Regularly Scheduled Board and Committee Meetings	Non-Regularly Scheduled Board and Committee Meetings	Total Meetings Attended
8 of 8	13 of 13	21 of 21
At May 9, 2012		
Units Beneficially Owned or Controlled	Closing Price of Units	Value
456,226 ⁽¹⁾	\$16.51	\$7,532,291.26

⁽¹⁾ Mr. Martens is the Director of the Armin and Denise Martens Foundation, which beneficially owns 14,009 Units of Artis, included in the Trust Units above.

Cornelius Martens, P.Eng.		
East St. Paul, Manitoba		
Trustee Since: November 8, 2004		
Mr. Martens graduated from the University of Manitoba with a Bachelor of Science degree in Civil Engineering in 1965. Mr. Martens began his career in the field of commercial real estate development, construction and property management in 1968, when he, together with his father, incorporated what today is known as The Marwest Group of Companies. In his capacity as President of various companies within the Marwest Group of Companies during the last 35 years, Mr. Martens has acquired extensive and valuable business experience, particularly in the field of real estate and is currently President and Chief Executive Officer of numerous companies including Marwest Construction Ltd. and Marwest Management Canada Ltd., all based in Winnipeg, Manitoba. Mr. Martens is also the President and Chief Executive Officer and a director of All in West! Capital Corporation, a TSX Venture Exchange-listed issuer.		
Meeting Attendance		
Regularly Scheduled Board and Committee Meetings	Non-Regularly Scheduled Board and Committee Meetings	Total Meetings Attended
8 of 8	13 of 13	21 of 21
At May 9, 2012		
Units Beneficially Owned or Controlled	Closing Price of Units	Value
293,512	\$16.51	\$4,845,883.12

Allan McLeod		Member of Audit Committee
Winnipeg, Manitoba		Member of Governance and Compensation Committee
Trustee Since: June 10, 2005		
Allan McLeod is the President and Chief Executive Officer of Tribal Councils Investment Group of Manitoba Ltd. (TCIG), and its group of wholly-owned subsidiaries, including Arctic Beverages Limited, First Canadian Health Management Corporation, Rupertsland Holdings Inc., First Nations Financial Services Inc., First Canadian Fuels Ltd., First Canadian Infrastructure Inc., Precambrian Wholesale (2010) Limited, First Canadian Transportation Inc., First Canadian Hospitality Inc., and Famous Ribs of Canada Ltd. Allan also serves as a Director or Trustee for several other TCIG private and public companies, including All in West Capital Corporation, a TSX Venture Exchange-listed issuer. In 2004, Allan was honoured with the Top 40 under 40 awards for Canada.		
Meeting Attendance		
Regularly Scheduled Board and Committee Meetings	Non-Regularly Scheduled Board and Committee Meetings	Total Meetings Attended
14 of 16	8 of 9	22 of 25
At May 9, 2012		
Units Beneficially Owned or Controlled	Closing Price of Units	Value
338,571 ⁽¹⁾	\$16.51	\$5,589,807.21

⁽¹⁾ Mr. McLeod is the President and Chief Executive Officer of Tribal Councils Investment Group of Manitoba Ltd., which beneficially owns 328,571 Trust Units, included in the Trust Units above.

Victor Thielmann, FEC, P.Eng.	Member of Audit Committee	
Winnipeg, Manitoba	Member of Governance and Compensation Committee	
Trustee Since: November 8, 2004		
Mr. Thielmann is the President and Chief Executive Officer of Nova 3 Engineering Ltd. and has over 35 years experience in the electrical construction and professional consulting industry. Mr. Thielmann holds a Bachelor of Science in Electrical Engineering from the University of Manitoba and is a practicing member of the Association of Professional Engineers and Geoscientists of Manitoba as well as most Canadian provincial professional engineering associations and has received the Fellow designation from Engineers Canada. He is an active member of several international code and standard setting associations, including NFPA, SFPE and IEEE. He is a former director of the Forks North Portage, a Canadian crown corporation owned by the municipal, provincial, and federal government. He currently serves as a director of All in West! Capital Corporation, a TSX Venture Exchange-listed issuer.		
Meeting Attendance		
Regularly Scheduled Board and Committee Meetings	Non-Regularly Scheduled Board and Committee Meetings	Total Meetings Attended
16 of 16	9 of 9	25 of 25
At May 9, 2012		
Units Beneficially Owned or Controlled	Closing Price of Units	Value
47,108	\$16.51	\$777,753.08

Wayne Townsend, CFP	Chair of Investment Committee	
Winnipeg, Manitoba	Member of Audit Committee	
Trustee Since: November 8, 2004		
Mr. Townsend is a Partner at Lawton Partner Financial Planning Services Limited and has over 35 years of experience in the wealth management and insurance industry. Mr. Townsend holds a Bachelor of Arts from the University of Manitoba, the Certified Financial Planner (CFP) designation, the Chartered Life Underwriter (C.L.U.) designation, the Chartered Financial Consultants (Ch.F.C.) designation, Society of Trust and Estate Practitioners (TEP) and is a graduate of the Canadian Securities Course. He is a founding partner of Value Partners Investments Inc. Past board activities include Vice-Chair of St. John's-Ravenscourt School, a Past Chairman at Misericordia General Hospital Foundation and Past Vice-Chair at Misericordia General Hospital. Mr. Townsend currently serves as a director/trustee of Cardinal Capital Management, Lawton Partners and All in West! Capital Corporation, a TSX Venture Exchange-listed issuer.		
Meeting Attendance		
Regularly Scheduled Board and Committee Meetings	Non-Regularly Scheduled Board and Committee Meetings	Total Meetings Attended
8 of 8	13 of 13	21 of 21
At May 9, 2012		
Units Beneficially Owned or Controlled	Closing Price of Units	Value
20,476	\$16.51	\$338,058.76

Edward Warkentin, B.A., LL.B.	Chair of the Board of Trustees	
East St. Paul, Manitoba	Chair of Governance and Compensation Committee	
Trustee Since: November 8, 2004		
Mr. Warkentin holds an undergraduate degree from the University of Winnipeg, a law degree from the University of Manitoba and has been a member of the Bars of Ontario and Manitoba for more than 30 years. Mr. Warkentin is the Managing Partner of Aikins, MacAulay & Thorvaldson LLP and practices in the area of corporate and commercial law. He is a former director and Chair of Youth for Christ (Winnipeg) Inc., former director of Manitoba Mineral Resources Ltd. and former director of Grace Hospital Board of Management. He is currently a director of Exchange Income Corporation, a TSX-listed issuer and a director of All in West! Capital Corporation, a TSX Venture Exchange-listed issuer. He is also a director or officer of several private corporations, foundations and public partnerships.		
Meeting Attendance		
Regularly Scheduled Board and Committee Meetings	Non-Regularly Scheduled Board and Committee Meetings	Total Meetings Attended
16 of 16	15 of 15	31 of 31
At May 9, 2012		
Units Beneficially Owned or Controlled	Closing Price of Units	Value
35,075	\$16.51	\$579,088.25

As at the date hereof, the Trustees of Artis beneficially own or exercise control or direction over, as a group, 1,195,411 Voting Units, representing approximately 1.2% of the issued and outstanding Voting 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 Voting Units represented by proxies in favour of Management Nominees will be voted for such resolution, unless a Unitholders has specified in the proxy that the Voting Units are to be withheld from voting on such resolution.

3. APPOINTMENT OF EXTERNAL AUDITOR

At the Meeting, Unitholders will be asked to consider, and if deemed advisable, pass a resolution which provides that Deloitte & Touche 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 auditors.

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

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

Audit Fees

The aggregate fees billed by Artis' external auditors in each of the last two fiscal years for audit services, including services rendered for the audit of the consolidated financial statements, the audit of internal control over financial reporting, quarterly review of financial statements included in our interim quarterly reports and review of filings with securities commissions, is as follows: 2011 - \$456,175; 2010 - \$376,850.

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: 2011 - \$52,440; 2010 - \$304,400.83.

Tax Fees

The aggregate fees billed by Artis' external auditors in each of the last two fiscal years for professional services for tax compliance, tax advice and tax planning is as follows: 2011 - \$514,130; 2010 - \$70,193.

All Other Fees

The aggregate fees billed by Artis' external auditors in each of the last two fiscal years for products and services, other than services reported above, are as follows: 2011 - \$nil; 2010 - \$nil.

PART III – STATEMENT OF GOVERNANCE PRACTICES

Introduction

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

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

Board of Trustees

Independence

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

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

Other Boards of Reporting Issuers

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

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

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.

Independent Trustee Meetings

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

Board Mandate

The Board is responsible for the stewardship of Artis. The Board supervises management of Artis with the goal of enhancing long-term Unitholder value. Management, in turn, is responsible for the day-to-day management of the

business and affairs of Artis and its subsidiaries. Management is also responsible for establishing strategic planning initiatives for Artis. The Board ultimately approves the strategic plan, taking into account the risks and opportunities of the business of Artis. The Board approves all significant decisions that affect Artis before they are implemented, supervises the implementation and reviews the results.

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

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

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

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

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

Ethical Business Conduct

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

Nomination of Trustees

The Governance and Compensation Committee is responsible for, among other things, reviewing the effectiveness of the Board, including its size and composition. The Board does not have a separate nominating committee

responsible for identifying new candidates for nomination for election to the Board. The Governance and Compensation Committee is comprised entirely of Independent Trustees. The Board as a whole makes decisions with respect to the nomination of Trustees for election.

Compensation

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

In connection with the internalization of the Asset Management and Property Management agreements, and the employment agreements entered into with Named Executive Officers on January 1, 2012. AON was engaged as a consultant to provide a report on the types of compensation and the amounts paid to the Trustees and executive officers of comparable publicly traded Canadian issuers. See the below section “*Update on Internalization of Asset Management Agreement and Property Management Agreement*” for further details.

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 Board recognizes that on-going evaluation of Board performance is an important governance practice and in conjunction with the 2011 strategic planning session, the Board undertook a self-evaluation.

PART IV – REPORT ON TRUSTEE COMPENSATION AND OWNERSHIP

Compensation of Trustees

The Trustees, other than Armin Martens and Cornelius Martens, who up until December 31, 2011 were excluded as Marwest Appointees, are entitled to compensation for services rendered to Artis in their capacities as Trustees.

The Board of Trustees, through the Governance and Compensation Committee, reviews compensation paid to Trustees. Factors considered include the complexity of Artis’ operations, risks and responsibilities of being a trustee, the time commitment required, and compensation paid to comparable companies.

Trustees’ compensation may be comprised of cash compensation as well as unit- or option-based awards, pursuant to Artis’ Equity Incentive Plan, a summary of which is set forth under “*Securities Authorized for Issuance under Compensation Plans.*”

Compensation of Trustees who are also Named Executive Officers is not included in the following tables as all compensation paid to such individuals has been set forth in “*Part V – Report on Executive Compensation*”.

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

Name	Fees Earned (\$)	Unit-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
				Annual incentive plans	Long-term incentive plans			
Delmore Crewson	\$100,500	n/a	Nil	Nil	Nil	Nil	Nil	\$105,500
Allan McLeod	\$87,000	n/a	Nil	Nil	Nil	Nil	Nil	\$87,000
Victor Thielmann	\$88,000	n/a	Nil	Nil	Nil	Nil	Nil	\$88,000
Wayne Townsend	\$82,500	n/a	Nil	Nil	Nil	Nil	Nil	\$82,500
Edward Warkentin	\$118,500	n/a	Nil	Nil	Nil	Nil	Nil	\$118,500

⁽¹⁾ One series of options was granted in the year to acquire Units at a price of \$14.10 per Unit, expiring June 17, 2016. 25% of such options vested on June 17, 2012; 25% of such options will vest on each of June 17, 2013, June 17, 2014, and June 17, 2015. As the exercise price of the Option is \$14.10, which was 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.

In 2011, each Trustee was paid a base compensation at a rate of \$45,000 per year, plus a base committee fee at a rate of \$2,000 per year. Meeting fees were paid at a rate of \$1,000 to \$3,000 per meeting, dependent upon the location of meeting and whether it was attended in person or by teleconference. The Chair of the Board of Trustees was paid an additional fee at a rate of \$20,000 per year, (ii) the Chair of the Audit Committee was paid an additional fee at a rate of \$15,000 per year, the Chairs of the Compensation and Governance Committee and the Investment Committee were each paid an additional fee of at a rate of \$5,000 per year.

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

Equity Incentive Plan Awards

Outstanding Unit-Based Awards and Option-Based Awards

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. These awards are issued pursuant to the Equity Incentive Plan of Artis, which was approved by the Unitholders of Artis at the May 19, 2011 annual and special meeting, and which replaced the unit option plan of Artis that was previously in effect.

Name	Option-Based Awards				Unit-Based Awards	
	Number of securities underlying unexercised options (#) ⁽¹⁾⁽²⁾	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of Units that have not vested (#)	Market or payout value of Unit-based awards that have not vested (\$)
Delmore Crewson	10,000	11.28	February 25, 2015	\$27,100	n/a	n/a
	14,000	13.30	September 10, 2015	\$9,660		
	14,000	13.44	October 15, 2015	\$7,700		
	15,000	14.10	June 17, 2016	Nil		
Allan McLeod	10,000	11.28	February 25, 2015	\$27,100	n/a	n/a
	14,000	13.30	September 10, 2015	\$9,660		
	14,000	13.44	October 15, 2015	\$7,700		
	15,000	14.10	June 17, 2016	Nil		
Victor Thielmann	10,000	11.28	February 25, 2015	\$27,100	n/a	n/a
	14,000	13.30	September 10, 2015	\$9,660		
	14,000	13.44	October 15, 2015	\$7,700		
	15,000	14.10	June 17, 2016	Nil		
Wayne Townsend	10,000	11.28	February 25, 2015	\$27,100	n/a	n/a
	14,000	13.30	September 10, 2015	\$9,660		
	14,000	13.44	October 15, 2015	\$7,700		
	15,000	14.10	June 17, 2016	Nil		
Edward Warkentin	9,000	11.28	February 25, 2015	\$24,390	n/a	n/a
	16,000	13.30	September 10, 2015	\$11,040		
	16,000	13.44	October 15, 2015	\$8,800		
	20,000	14.10	June 17, 2016	Nil		

(1) Options with an exercise price of \$14.10 were granted June 17, 2011. No other options were granted in 2011.

(2) Value of unexercised in-the-money options is calculated as the amount by which the exercise price of the option was less than \$13.99, which was the closing price of Artis Units on December 31, 2011.

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

Name	Option-Based Awards - Value vested during the year (\$) ⁽¹⁾⁽²⁾	Unit-Based Awards - Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Delmore Crewson	\$5,800	n/a	n/a
Allan McLeod	\$5,800	n/a	n/a
Victor Thielmann	\$5,800	n/a	n/a
Wayne Townsend	\$5,800	n/a	n/a
Edward Warkentin	\$6,960	n/a	n/a

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

(2) 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 Artis Units on the vesting dates of February 25, 2011, September 10, 2011, and October 15, 2011, multiplied by the number of Options that vested during the year. The closing price of Artis Units was \$13.60 on February 25, 2011; \$12.98 on September 10, 2011; and \$12.65 on October 15, 2011.

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

PART V – REPORT ON EXECUTIVE COMPENSATION

For purposes of the Compensation Discussion and Analysis, a “**Named Executive Officer**” means the following individuals: (a) the Chief Executive Officer of Artis; (b) the Chief Financial Officer of Artis; (c) the Chief Administrative Officer of Artis; (d) each of Artis’ three most highly compensated executive officers (or persons acting in a similar capacity), other than the Chief Executive Officer 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 (e) any additional individual who would be a Named Executive Officer under (d) but for the fact that the individual was neither an executive officer of Artis nor acting in a similar capacity as at the end of the most recently completed financial year. As at December 31, 2011, there were four Named Executive Officers of Artis: (i) Armin Martens, President and Chief Executive Officer; (ii) James Green, Chief Financial Officer; (iii) Kirsty Stevens, Chief Administrative Officer; and (iv) Cornelius Martens, Executive Vice-President.

Compensation Discussion and Analysis

Up to and including December 31, 2011, Artis was provided asset management services by Marwest pursuant to the Asset Management Agreement and property management services by Marwest Management Canada Ltd. pursuant to the Property Management Agreement then in effect.

The services of the four Named Executive Officers identified above were provided by Marwest pursuant to the Asset Management Agreement. Under the Asset Management Agreement and the Property Management Agreement, Artis did not pay any direct compensation to the Named Executive Officers. Artis paid fees to Marwest which are calculated based on the formulae set forth in such agreements.

Under the Asset Management Agreement, Marwest was entitled to: (i) an annual advisory fee payable monthly equal to 0.25% of the adjusted cost base of Artis’ assets; and (ii) an acquisition fee equal to 0.5% of the cost of the property acquired.

Artis did not pay any direct compensation to the Named Executive Officers. The compensation tables that follow reflect the compensation paid by Marwest to the Named Executive Officers of Artis for their services to Artis.

Artis may also grant unit- or option-based awards, pursuant to the Equity Incentive Plan, a summary of which is set forth under “*Securities Authorized for Issuance under Compensation Plans.*” Details of option-based awards granted to the Named Executive Officers during 2011 are disclosed in this part.

Artis has not adopted a policy permitting or restricting its Named Executive Officers or Trustees from purchasing financial instruments that are designed to hedge or offset a decrease in market value of Units or Option granted as compensation or held by the Named Executive Officer or Trustee.

Option-Based Awards

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

Unit-Based Awards

The Incentive Plan provides that the Trustees may grant awards of Deferred Units and/or Restricted Units to Trustees and officers of Artis. No such awards were granted as at December 31, 2011. The Governance and Compensation Committee is of the view that such awards may further accomplish the objective of aligning the interests of Trustees, officers, and employees of Artis with those of Unitholders.

Summary Compensation Table

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

Name and principal position	Year	Salary (\$) ⁽¹⁾	Unit-based awards (\$)	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽³⁾	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Armin Martens President, Chief Executive Officer	2011	750,000	n/a	Nil	Nil	Nil	Nil	1,250,000	2,000,000
	2010	750,000	n/a	Nil	Nil	Nil	Nil	750,000	1,500,000
	2009	600,000	n/a	Nil	Nil	Nil	Nil	300,000	900,000
James Green Chief Financial Officer	2011	300,000	n/a	Nil	Nil	Nil	Nil	220,000	520,000
	2010	300,000	n/a	Nil	Nil	Nil	Nil	150,000	450,000
	2009	280,000	n/a	Nil	Nil	Nil	Nil	80,000	360,000
Kirsty Stevens Chief Administrative Officer	2011	170,000	n/a	Nil	Nil	Nil	Nil	90,000	260,000
	2010	164,000	n/a	Nil	Nil	Nil	Nil	82,000	244,000
	2009	144,000	n/a	Nil	Nil	Nil	Nil	72,000	216,000
Cornelius Martens Executive Vice-President	2011	420,000	n/a	Nil	Nil	Nil	Nil	230,000	650,000
	2010	420,000	n/a	Nil	Nil	Nil	Nil	210,000	630,000
	2009	420,000	n/a	Nil	Nil	Nil	Nil	180,000	600,000

(1) The salary figures set forth in the table above represent an estimate of the aggregate compensation paid by Marwest to the Named Executive Officers during the relevant period that is attributable to services rendered to Artis.

(2) One series of options was granted in the year to acquire Units at a price of \$14.10 per Unit, expiring June 17, 2016. 25% of such options vested on June 17, 2012; 25% of such options will vest on each of June 17, 2013, June 17, 2014, and June 17, 2015. As the exercise price of the Option is \$14.10, which was 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.

(3) Other compensation set forth above represents an estimate of aggregate cash bonuses paid by Marwest to the Named Executive officers during the relevant period that is attributable to services rendered to Artis.

Incentive Plan Awards

Outstanding Unit-Based Awards and Option-Based Awards

The following table sets forth all Option-Based Awards and Unit-Based Awards held by the Named Executive Officers as at the end of the most recently completed financial year of Artis. These awards are issued pursuant to the Equity incentive Plan of Artis, which was approved by the Unitholders of Artis at the May 19, 2011 annual and special meeting, and which replaced the unit option plan of Artis that was previously in effect.

Name	Option-Based Awards				Unit-Based Awards	
	Number of securities underlying unexercised options (#) (1)(2)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of Units that have not vested (#)	Market or payout value of Unit-based awards that have not vested (\$)
Armin Martens President, Chief Executive Officer	37,500	11.28	February 25, 2015	\$101,625	n/a	n/a
	60,000	13.30	September 10, 2015	\$41,400		
	60,000	13.44	October 15, 2015	\$33,000		
	250,000	14.10	June 17, 2016	Nil		
James Green Chief Financial Officer	30,000	11.28	February 25, 2015	\$81,300	n/a	n/a
	40,000	13.30	September 10, 2015	\$27,600		
	40,000	13.44	October 15, 2015	\$22,000		
	160,000	14.10	June 17, 2016	Nil		
Kirsty Stevens Chief Administrative Officer	20,000	11.28	February 25, 2015	\$54,200	n/a	n/a
	25,000	13.30	September 10, 2015	\$17,250		
	25,000	13.44	October 15, 2015	\$13,750		
	110,000	14.10	June 17, 2016	Nil		
Cornelius Martens Executive Vice-President	37,500	11.28	February 25, 2015	\$101,625	n/a	n/a
	60,000	13.30	September 10, 2015	\$41,400		
	60,000	13.44	October 15, 2015	\$33,000		
	165,000	14.10	June 17, 2016	Nil		

(1) Options with an exercise price of \$14.10 were granted June 17, 2011. No other options were granted in 2011.

(2) Value of unexercised in-the-money options is calculated as the amount by which the exercise price of the option was less than \$13.99, which was the closing price of Artis Units on December 31, 2011.

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-Based Awards - Value vested during the year (\$) ⁽¹⁾⁽²⁾	Unit-Based Awards - Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Armin Martens	\$29,000	n/a	n/a
James Green	\$17,400	n/a	n/a
Kirsty Stevens	\$11,600	n/a	n/a
Cornelius Martens	\$29,000	n/a	n/a

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

(2) 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 Artis Units on the vesting dates of February 25, 2011, September 10, 2011, and October 15, 2011, multiplied by the number of Options that vested during the year. The closing price of Artis Units was \$13.60 on February 25, 2011; \$12.98 on September 10, 2011; and \$12.65 on October 15, 2011.

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

Update on Internalization of Asset Management Agreement and Property Management Agreement

Effective January 1, 2012, Artis internalized its asset and property management functions. The Asset Management Agreement with Marwest, which would have expired in 2025, was terminated effective December 31, 2011. No fees or penalties were paid to Marwest upon termination of this agreement. On December 31, 2011, the Property Management Agreement, which would have expired in 2025, was assigned to Artis from Marwest Management Canada Ltd. No fees or penalties were paid to Marwest Management Canada Ltd. upon assignment of this agreement.

Prior to the termination of the Asset Management Agreement, Marwest was entitled to an annual advisory fee equal to 0.25% of the adjusted cost base of Artis' assets and an acquisition fee equal to 0.5% of the cost of each property acquired. Prior to the assignment of the Property Management Agreement, Marwest Management Canada Ltd. was entitled to earn property management fees, leasing commission fees and tenant improvement fees for all properties owned by Artis.

Termination and Change of Control Benefits

As at December 31, 2011, none of the Named Executive Officers of Artis had employment contracts with Artis, as they were employed by Marwest and provided services to the Trust pursuant to the Asset Management Agreement.

While the Asset Management Agreement and Property Management Agreement were in effect, Artis had no obligation to pay any direct severance or other termination benefits to the Named Executive Officers in the event of termination of either agreement, or on termination of their employment with Marwest.

Pursuant to the Asset Management Agreement and Property Management Agreement, should termination have occurred following a change of control resulting from a take-over bid of Artis, Marwest would have been entitled to receive a termination fee equal to the anticipated fees which would have been payable in respect of its services under the Asset Management Agreement or Property Management Agreement, during the balance of the term of such agreement, plus any severance costs related to the resulting termination of any employees of Marwest or Marwest Management Canada Ltd.

In connection with the termination of the Asset Management Agreement by Artis, effective January 1, 2012, Artis entered into new employment agreements with Named Executive Officers as follows: Armin Martens, Chief Executive Officer, expiring December 31, 2021; Jim Green, Chief Financial Officer, expiring December 31, 2021; and Kirsty Stevens, Chief Administrative Officer, expiring December 31, 2016.

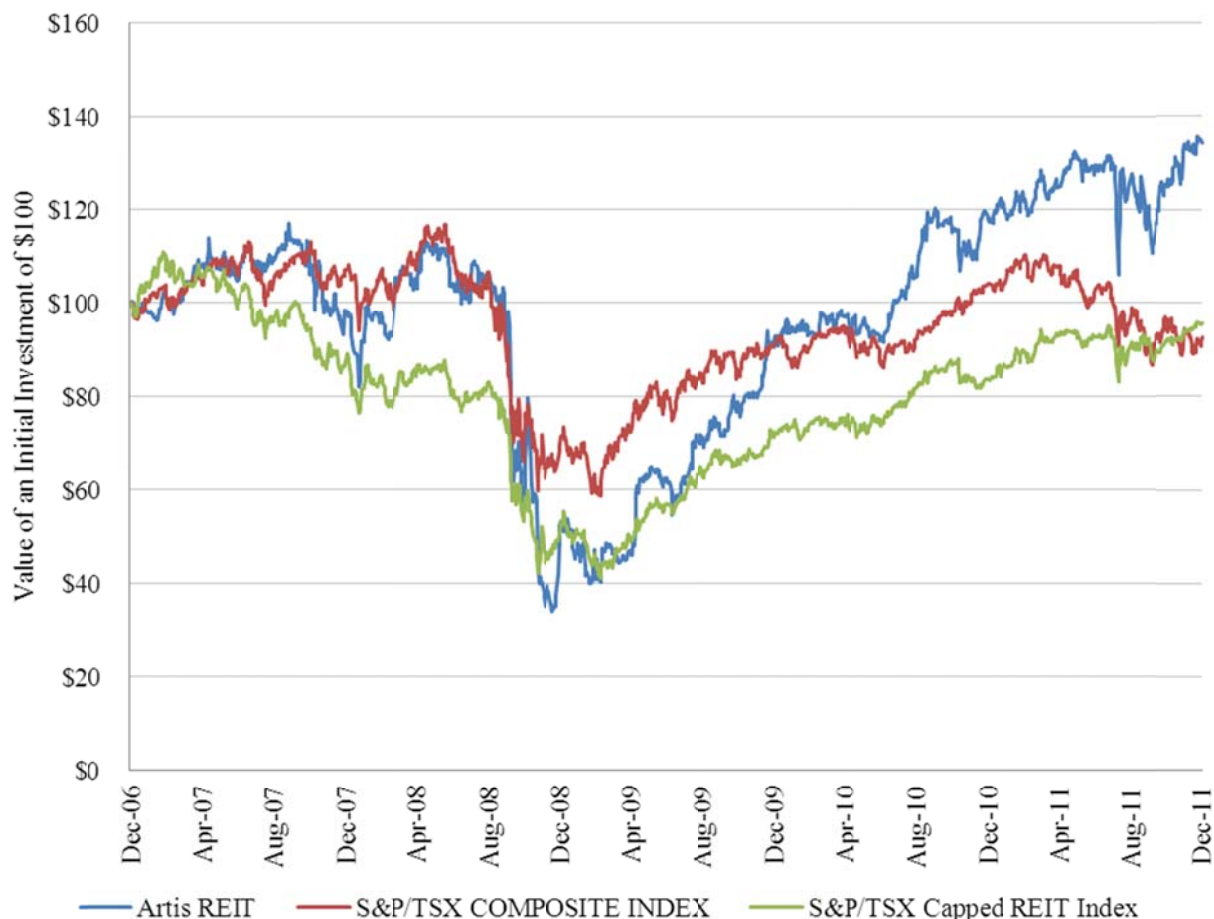
Pursuant to the employment agreements, the above-noted Named Executive Officers are dedicated, full-time employees of Artis and these agreements provide for certain benefits to be payable to the Named Executive Officers in the event of their termination, including termination which should occur following or as a consequence of a change of control in the ownership of Artis. Benefits due to a Named Executive Officer in the event of a termination following a change of control would include severance pay, calculated based on total annual compensation multiplied by the number of years remaining in the term.

Change of control includes any person taking over 50% or more Units of Artis' 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, consolidation or reorganization are owned by persons who were not shareholders of Artis immediately prior to such merger, amalgamation, consolidation or reorganization; the commencement of a tender offer, an exchange offer or any other offer or bid for at least fifty percent (50%) of the Units; or 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 shareholders of Artis of a plan of complete liquidation or dissolution of Artis.

Performance Graph

The following graph compares the total cumulative return to Unitholders for \$100 invested in Units with the total cumulative returns of the S&P/TSX Composite Index and the S&P/TSX Capped REIT Index for the last five completed fiscal periods of Artis, assuming a \$100 investment on January 1, 2007, and reinvestment of distributions during those periods.



Index	December 31, 2006	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011
Artis	\$100.00	\$98.07	\$52.47	\$93.04	\$117.26	\$134.42
S&P/TSX Capped REIT Index	\$100.00	\$89.17	\$50.78	\$72.33	\$83.23	\$95.78
S&P/TSX Composite Index	\$100.00	\$107.16	\$69.63	\$91.00	\$104.14	\$92.61

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

Securities Authorized for Issuance under Equity Compensation Plan

Artis has adopted the Equity Incentive Plan and the table below summarizes the number of Units underlying the options granted under the Equity Incentive Plan, the weighted-average exercise price of such options and the number of Units remaining available for future issuance under the Equity Incentive Plan as at December 31, 2011.

Plan Category	A Number of Units to be issued upon exercise of outstanding options	B Weighted-average exercise price of outstanding options	C Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A) (1)
Equity Incentive Plan	2,164,250	\$13.52	4,056,853

Summary of Equity Incentive Plan

Awards

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

Units Subject to the Incentive Plan

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

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

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

Administration

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

Eligibility

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

Unit Options

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

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

Restricted Units

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

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

Deferred Units

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

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

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

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

Installment Units

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

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

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

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

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

Effects of Termination of Service

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

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

Assignability

Awards may not be assigned or transferred by a Participant, other than to a permitted assign or, in the case of a deceased Participant, by will or by the laws of descent or distribution. A "permitted assign" is an assign as determined by the Trustees. Notwithstanding the foregoing, the Incentive Plan Permits a Participant to assign or transfer any Options, Restricted Units or Deferred Units to which such Participant is entitled to a personal holding company wholly-owned by such Participant.

Amendment and Termination of the Incentive Plan

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

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

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

Without limiting the generality of the foregoing, the Board of Trustees may, in accordance with the Incentive Plan and subject to the receipt of the required regulatory approval, where required, in its sole discretion, make amendments to the Incentive Plan including, but not limited to:

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

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

Change in Control

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

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

- any person acquires beneficial ownership within the meaning of applicable securities law, directly or indirectly, of securities of Artis representing more than 50% of the voting power of Artis’ then outstanding Units for the election of Trustees;
- a consolidation, securities exchange, reorganization, arrangement or amalgamation of Artis resulting in the Unitholders immediately prior to such event not owning at least a majority of the voting power of the resulting entity’s securities outstanding immediately following such event;
- the sale or other disposition of all or substantially all the assets of Artis;
- a liquidation or dissolution of Artis; or
- any similar event deemed by the Board of Trustees to constitute a change in control for the purposes of the Incentive Plan.

PART VI – OTHER INFORMATION

INDEBTEDNESS OF TRUSTEES, EXECUTIVE OFFICERS AND EMPLOYEES

As at the date hereof, Kirsty Stevens, Chief Administrative Officer of Artis, is indebted to Artis in the amount of \$100,000. The loan was advanced pursuant to her employment agreement, and is repayable in full at the date of termination of the employment agreement. Interest on the loan is charged at the rate of prime plus one (1) percent per annum and interest is paid quarterly. As at the date hereof, no other 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, 2011 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, 2011 until October 31, 2012 was \$20,000,000. The aggregate limit of liability applicable to insured Trustees and officers of Artis under the policy is \$50,375.

AUDITOR

The auditor of Artis for the fiscal year ended December 31, 2011, is Deloitte & Touche LLP. Deloitte & Touche LLP was appointed the auditor of Artis commencing for the fiscal year dated December 31, 2009.

MANAGEMENT CONTRACTS

Until December 31, 2011, the services of the officers of Artis were provided by Marwest pursuant to the Asset Management Agreement and the property management of Artis was provided by Marwest Management Canada Ltd., an affiliate of Marwest, pursuant to the Property Management Agreement. Prior to the termination of the Asset Management Agreement, Marwest was entitled to an annual advisory fee equal to 0.25% of the adjusted cost base of Artis' assets and an acquisition fee equal to 0.5% of the cost of each property acquired. Prior to the assignment of the Property Management Agreement, Marwest was entitled to earn property management fees, leasing commission fees and tenant improvement fees for all properties owned by Artis.

Artis incurred advisory fees and acquisitions fees pursuant to the Asset Management Agreement in an amount of \$6,037,377 and \$3,360,798 million respectively in 2011; \$567,308 was payable at December 31, 2011. Artis incurred property management fees, recoverable property management salaries and wages, leasing commission fees, and tenant improvement fees pursuant to the Property Management Agreement in an aggregate amount of \$13,975,479; \$1,949,452 was payable at December 31, 2011.

AUDIT COMMITTEE MATTERS

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

The text of Artis' Audit Committee charter is attached as Appendix "A" to the Annual Information Form. For additional information concerning the composition of the Audit Committee, including the relevant education and

experience of each member of the Audit Committee, see “Audit Committee Matters” in the Annual Information Form, which is incorporated by reference in this Information Circular.

BOARD APPROVAL

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

ADDITIONAL INFORMATION

Financial information regarding Artis is provided in the audited annual financial statements and management discussion and analysis for its financial year ended December 31, 2011. Copies of the foregoing, and of the Annual Information Form, are available on the SEDAR website at www.sedar.com and may also be obtained on written request addressed to Artis Real Estate Investment Trust, 300 – 360 Main Street, Winnipeg, MB R3C 3Z3, and Attention: Investor Relations.

CERTIFICATE OF THE ISSUER

May 9, 2012

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

“Armin Martens” (signed)

Armin Martens
President and Chief Executive Officer

“James Green” (signed)

James Green
Chief Financial Officer

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 30, 2012 for the year ended December 31, 2011;

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

“Asset Management Agreement” means the asset management agreement made effective February 1, 2005 between Artis and Marwest Management Canada Ltd., as amended effective August 1, 2005, as further amended effective January 31, 2007 to add the Partnership as a party, which agreement was assigned from Marwest Management Canada Ltd. to Marwest effective November 1, 2009, and which was terminated by mutual agreement on December 31, 2011;

“Declaration of Trust” means the third amended and restated declaration of trust of Artis dated as of May 19, 2011 pursuant to which Artis is governed under the laws of the Province of Manitoba;

“Incentive Plan” means the Equity Incentive Plan described under “Securities Authorized to be Issued under Compensation Plans”;

“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 9, 2012;

“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;

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

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

“Meeting” means the annual and special meeting of Unitholders to be held on June 20, 2012 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 Artis and Marwest, as amended effective January 31, 2007 to add the Partnership as a party, and as further amended effective August 1, 2009, and which was terminated by mutual agreement on December 31, 2011;

“Record Date” means April 27, 2012;

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

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

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

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

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

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

“**Unit Option Plan**” means the amended unit option plan of Artis dated May 14, 2009, which was terminated upon adoption of the Incentive Plan on May 19, 2011;

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

“**Voting Unit(s)**” means Unit(s)

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 of Trustees, 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 of Trustees 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