



ARTIS REAL ESTATE INVESTMENT TRUST
NOTICE OF ANNUAL MEETING OF UNITHOLDERS

to be held on June 20, 2013

and

INFORMATION CIRCULAR

Dated May 13, 2013

NOTICE OF ANNUAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting (the “Meeting”) of the holders (the “Unitholders”) of trust units (“Units”) of Artis Real Estate Investment Trust (“Artis” or the “REIT”) will be held at the Main Floor Conference Centre, 360 Main Street, in Winnipeg, Manitoba on Thursday, the 20th day of June, 2013, at 11:00 a.m. C.T. for the following purposes:

1. to receive the annual consolidated financial statements of Artis for the year ended December 31, 2012, including the external auditor’s report;
2. to fix the number of Trustees to be elected or appointed at not more than seven (7);
3. to elect the Trustees who will hold office until the next annual meeting of the Unitholders: and
4. 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 30, 2013. 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 Unitholder may attend the Meeting, or any adjournment thereof, in person or may be represented by proxy. Unitholders who are unable to attend the Meeting, or any adjournment thereof, in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be received by the Chairman of Artis, c/o Canadian Stock Transfer Company Inc., by mail at P.O. Box 721, Agincourt, Ontario M1S 0A1, or by facsimile at (416) 368-2502, by 11:00 a.m. C.T. on Tuesday, June 18, 2013 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 13th day of May, 2013.

ON BEHALF OF THE BOARD OF TRUSTEES

“Armin Martens” (signed)
Trustee

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

Unless otherwise specified, all information in this Information Circular is current as of May 13, 2013.

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 to 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 13, 2013 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 Conference Centre, 360 Main Street in Winnipeg, Manitoba on Thursday, the 20th day of June, 2013 at 11:00 a.m. C.T., and any adjournment thereof.

This proxy solicitation is made by the management of Artis.

Solicitations of proxies will be primarily by mail, but may also be solicited personally or by telephone, fax or other electronic means, in person, by Trustees or officers or regular employees of Artis. The costs of solicitation will be borne by Artis.

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

APPOINTMENT AND REVOCATION OF PROXIES

Appointment of Proxies

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

A Unitholder has the right to designate a person (who need not be a Unitholder) other than the Management Nominees to represent the Unitholder at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the enclosed instrument of proxy the name of the person to be designated and striking out the names of the Management Nominees, or by completing another proper instrument of proxy. Such Unitholders should notify the designated person of the appointment, obtain the consent of such designated person to act as proxy and should provide instructions on how the 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 certified notarial copy thereof with Artis' transfer agent, CIBC Mellon Trust Company, by mail at Proxy Dept., Canadian Stock Transfer Company Inc., P.O. Box 721, Agincourt, Ontario, M1S 0A1, or by facsimile at (416) 368-2502, by 11:00 a.m. C.T. on Tuesday, June 18, 2013 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 Unitholder who has given a form of proxy may revoke it as to any matter on which a vote has not already been held, pursuant to its authority, by an instrument in writing executed by the Unitholder or by the Unitholders' attorney duly authorized in writing or, if the Unitholder is a corporation, by an officer or attorney thereof duly authorized and deposited at either the above mentioned office of Canadian Stock Transfer Company Inc. or at Artis' head office, Attention: Chairman, by no later than 4:00 p.m. C.T. on or before the last business day preceding the day of the Meeting or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof. 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 125,748,040 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. to receive the annual consolidated financial statements of Artis for the year ended December 31, 2012, including the external auditor's report;
2. to fix the number of Trustees to be elected or appointed at not more than seven (7);
3. to elect the Trustees who will hold office until the next annual meeting of the Unitholders; and
4. 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.

1. RECEIVING THE CONSOLIDATED FINANCIAL STATEMENTS

Our annual consolidated financial statements for the year ended December 31, 2012, together with the auditors' report thereon, are included in our 2012 Annual and Financial 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 and on our website at www.artisreit.com.

2. FIX NUMBER OF TRUSTEES

Pursuant to the Declaration of Trust, there are to be no fewer than three nor more than ten 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).

3. ELECTION OF TRUSTEES

Each Unitholder is entitled to vote for each nominee on an individual basis. Each Trustee should be elected by the vote of a majority of the Units represented in person or proxy at the Meeting that are voted in respect of that Trustee. If any nominee for election as Trustee receives, from the Units voted at the Meeting in person or by proxy, a greater number of votes "withheld" than votes "for" his or her election, the Trustee will be expected to promptly tender his or her resignation to the Chairman of the Board of Trustees following the Meeting, to take effect upon acceptance by the Board of Trustees. In such circumstances, the Governance and Nominating Committee would expeditiously consider such Trustee's offer to resign and would make a recommendation to the Board of Trustees whether or not to accept such offer to resign. Within 90 days of the meeting of Unitholders, the Board of Trustees would make a final decision concerning the acceptance of such Trustee's resignation and would announce that decision by way of a news release. Any Trustee who tenders his or her resignation would not participate in the deliberations of the Board of Trustees or any of its committees pertaining to the resignation.

All of the nominees, with the exception of Patrick Ryan, are currently Trustees of the Trust. The table below sets forth, for each Trustee, their current position(s) with Artis, the period of time they have served as a Trustee, their meeting attendance record, their principal occupation during the past five years, and the number of Voting Units they have advised Artis they beneficially owned, directly or indirectly, or that are subject to that individual's control or direction, as at May 13, 2013.

Allan McLeod has served as a Trustee of Artis since June 9, 2006, but is not standing for re-election at the Meeting.



Armin Martens, P.Eng., M.B.A. President
 East St. Paul, Manitoba Chief Executive Officer
 Trustee Since November 8, 2004 Trustee and Nominee

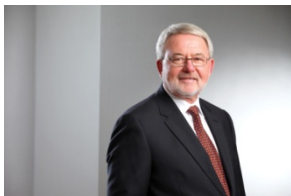
Mr. Armin Martens has been actively involved in the construction, development and management of commercial real estate for over 25 years. He is the founding President and Chief Executive Officer of Artis REIT, a position he has held since 2005. Mr. Martens obtained a Bachelor of Science (Civil Engineering) degree from the University of Manitoba. He is a registered professional engineer and holds an M.B.A. 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
10 of 10	17 of 17	27 of 27

At May 13, 2013

Units Beneficially Owned or Controlled ⁽¹⁾	Closing Price of Units	Value
481,226 ^{(2) (3)}	\$16.75	\$8,060,536



Edward Warkentin, B.A., LL.B. Independent Trustee and Nominee ⁽⁴⁾
 East St. Paul, Manitoba Chair of the Board of Trustees
 Trustee Since November 8, 2004 Chair of Governance and Compensation Committee
 Member of Investment Committee

Mr. Warkentin of Winnipeg, Manitoba, holds an undergraduate degree from the University of Winnipeg, a law degree from the University of Manitoba and has been a member of the Bars of Ontario and Manitoba for more than 35 years. Mr. Warkentin is a former Managing Partner of Aikins, MacAulay & Thorvaldson LLP whose practice is 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
14 of 14	23 of 23	37 of 37

At May 13, 2013

Units Beneficially Owned or Controlled	Closing Price of Units	Value
39,075 ⁽³⁾	\$16.75	\$654,506



Delmore Crewson, FCA Independent Trustee and Nominee ⁽⁴⁾
 Winnipeg, Manitoba Chair of Audit Committee
 Trustee Since June 9, 2006 Member of Investment Committee

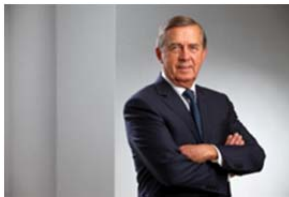
Mr. Crewson is a former senior partner and Vice-Chair of Deloitte and Touche LLP. He is a member of the Institute of Chartered Accountants of Manitoba and has been elected as a “Fellow” of the Institute. Mr. Crewson serves on the Board of Directors and as Chair of the Audit Committee of the Wawanesa 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
11 of 11	22 of 22	33 of 33

At May 13, 2013

Units Beneficially Owned or Controlled	Closing Price of Units	Value
6,804 ⁽³⁾	\$16.75	\$113,967



Cornelius Martens, P.Eng. Trustee and Nominee
 East St. Paul, Manitoba
 Trustee Since November 8, 2004

Mr. C. Martens graduated from the University of Manitoba with a Bachelor of Science degree in Civil Engineering in 1965. In 1968, together with his father, he incorporated the company that is today known as the Marwest Group of Companies. Marwest is engaged in the development, construction and management of income-producing properties including office buildings, shopping centers, residential and mixed use properties. Since its incorporation, Mr. C. Martens has served as President and CEO of the various Marwest companies and is currently the President and CEO of Marwest Management Canada Ltd. He is the co-founder and past Executive Vice-President of Artis Real Estate Investment Trust. He is currently 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
6 of 6	17 of 17	23 of 23

At May 13, 2013

Units Beneficially Owned or Controlled	Closing Price of Units	Value
348,512 ⁽³⁾	\$16.75	\$5,837,576



Victor Thielmann, FEC, P.Eng. Independent Trustee and Nominee ⁽⁴⁾
 Winnipeg, Manitoba Member of Audit Committee
 Trustee Since November 8, 2004 Member of Governance and Compensation Committee

Mr. Thielmann is the President and Chief Executive Officer of Nova 3 Engineering Ltd. and has over 36 years of 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
14 of 14	18 of 18	32 of 32

At May 13, 2013

Units Beneficially Owned or Controlled	Closing Price of Units	Value
47,108 ⁽³⁾	\$16.75	\$789,059



Wayne Townsend, CFP Independent Trustee and Nominee ⁽⁴⁾
 Winnipeg, Manitoba Chair of Investment Committee
 Trustee Since: November 8, 2004 Member of Audit Committee

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
10 of 10	22 of 22	32 of 32

At May 13, 2013

Units Beneficially Owned or Controlled	Closing Price of Units	Value
20,476 ⁽³⁾	\$16.75	\$342,973



Patrick Ryan
Minneapolis, Minnesota

Independent Nominee ⁽⁴⁾

Patrick Ryan is the President and Chief Executive Officer of Ryan Companies US, Inc., a 75 year old company actively involved in the construction, development and management of commercial real estate in the United States. He is also a substantial owner in Ryan Companies US, Inc. Mr. Ryan graduated from the University of St. Thomas, St. Paul, Minnesota with a Bachelor of Arts Degree in Business Finance in 1975. In 1980, Mr. Ryan received a JD Degree from William Mitchell College of Law in St. Paul, Minnesota. Ryan Companies US, Inc. has eight offices throughout the United States which engages in the construction, design, development and operation of commercial real estate. Mr. Ryan sits on a number of nonprofit boards and is currently a member of the board of Mate, Inc., a privately held manufacturing company.

- (1) See section “*Trustees Ownership Policy*” for further details on Artis’ Trustees ownership requirements.
- (2) Information regarding Unit ownership has been furnished to management of the Trust by the Trustees.
- (3) Mr. Armin Martens is the Director of the Armin and Denise Martens Foundation, which beneficially owns 29,009 Units of Artis, included in the table above.
- (4) “Independent” refers to the Board’s determination of whether a Trustee or Nominee is independent, as set out in section “*Board of Trustees – Independence*”.

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 Unitholder has specified in the proxy that the Voting Units are to be withheld from voting on such resolution.

4. APPOINTMENT OF EXTERNAL AUDITOR

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

Artis’ external auditor for the fiscal years ended December 31, 2012 and 2011 is Deloitte and Touche, LLP. The aggregate fees billed by Artis’ external auditors for audit services in the last two fiscal years for audit services is as follows: 2012 – \$506,930; 2011 - \$456,175.

Artis may retain its current external auditor to provide advisory and consulting services.

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: 2012 – \$185,610; 2011 - \$52,440.

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: 2012 – \$492,375; 2011 - \$514,130.

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: 2012 – \$nil; 2011 - \$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 as at the date of this Information Circular are independent for the purposes of NI 58-101 and National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). The Independent Trustees are Delmore Crewson, Allan McLeod, Victor Thielmann, Wayne Townsend and Edward Warkentin. The Board has also determined that Patrick Ryan, Trustee Nominee, is independent for the purposes of NI 58-101 and NI 52-110. 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.

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.

Other Boards of Reporting Issuers

As at the date hereof, Delmore Crewson is a director and the chair of the audit committee of Pollard Banknote Limited, an issuer listed on the TSX. Each of Cornelius Martens, 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. 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 “*Part II – Particulars of Matters to be Acted Upon – 3. Election of Trustees*”.

Board and Committee Attendance

The table below shows the record of attendance by trustees at meeting of the Board and its Committees, as well as the number of Board and Committee meetings held during the year ended December 31, 2012.

Name	Board	Audit	Governance and Compensation	Disclosure	Investment	Asset Management Special	Attendance Record
Armin Martens, President and CEO	23/23	n/a	n/a	4/4	n/a	n/a	100%
Edward Warkentin, Chair	23/23	n/a	4/4	4/4	5/5	1/1	100%
Delmore Crewson	23/23	4/4	n/a	n/a	5/5	1/1	100%
Cornelius Martens	23/23	n/a	n/a	n/a	n/a	n/a	100%
Allan McLeod ⁽¹⁾	21/23	2/4	2/4	n/a	n/a	1/1	81%
Victor Thielmann	23/23	4/4	4/4	n/a	n/a	1/1	100%
Wayne Townsend	23/23	4/4	n/a	n/a	5/5	n/a	100%

⁽¹⁾ Not standing for re-election at the meeting.

Trustees and Nominees Skill Sets

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

The Trustees and Nominees possess the following skills:

Name	Business Leadership	Real Estate	Legal	Accounting / Financial Literacy	Other Public Company Boards
Armin Martens, President and CEO	X	X		X	X
Edward Warkentin, Chair	X	X	X		X
Delmore Crewson	X			X	X
Cornelius Martens	X	X			X
Allan McLeod ⁽¹⁾	X			X	X
Patrick Ryan	X	X	X	X	
Victor Thielmann	X	X		X	X
Wayne Townsend	X	X		X	X

⁽¹⁾ Not standing for re-election at the meeting.

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 sessions on an "as needed" basis. The Board receives presentations from external consultants and advisers with a particular focus on (i) real estate investment markets in Canada and the U.S.; (ii) capital and debt markets in Canada and the U.S; and (iii) in-depth analysis focused on leasing markets in which Artis owns and operates properties. On an annual basis, the Board holds two-day strategic planning

sessions where the Trustees visit a number of Artis' properties, receive educational presentations from external consultants and advisers. Artis also holds planning meetings with respect to the strategic direction and corporate governance practices of Artis. The Board additionally encourages Trustees to attend continuing education seminars and corporate governance conferences.

Ethical Business Conduct

The Board has adopted a written code of conduct. The code of conduct strives to create a culture in Artis that values high ethical standards, honesty and compliance with laws, rules and regulations. Among other things, the code of conduct contains provisions that require the Trustees and executive officers of Artis to avoid situations where their personal interests conflict, or appear to conflict, with the interests of Artis. 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, Manitoba 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, is responsible for the review of the adequacy and form of compensation to Trustees and executive officers of Artis. The Governance and Compensation Committee considers the time, commitment, risks and responsibilities of the Trustees and executive officers and takes into account the types of compensation and the amounts paid to the Trustees and executive officers of comparable publicly traded Canadian issuers.

Board Committees

The Board has three Committees: (i) the Audit Committee; (ii) the Governance and Compensation Committee; and (iii) the Investment Committee. The Disclosure Committee is a sub-committee of the Governance and Compensation Committee. Each Committee has a charter, a summary of which is included in the Annual Information Form.

The Board struck an Asset Management Special Committee in 2007, whose purpose was to review the asset management arrangements between Artis and Marwest. Effective January 1, 2012, Artis fully internalized the asset management function and the Asset Management Special Committee was disbanded in 2012.

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 2012 strategic planning session, the Board undertook a self-evaluation.

Policy Restricting Hedging by Trustees and Executive Officers

Effective May 7, 2013, Artis has adopted a policy restricting its Trustees from purchasing financial instruments that are designed to hedge or offset a decrease in market value of Units or Options granted as compensation or held by the Trustee or executive officer.

Majority Voting Policy

Artis' Unitholders vote for each nominee on an individual basis. The Board has also adopted a policy requiring that each Trustee should be elected by the vote of a majority of the Units represented in person or proxy at any meeting for the election of Trustees. If any nominee for election as Trustee receives, from the Units voted at the meeting in person or by proxy, a greater number of votes "withheld" than votes "for" his or her election, the Trustee will be expected to promptly tender his or her resignation to the Chairman of the Board following the meeting, to take effect upon acceptance by the Board. The Board will then have 90 days to accept the resignation, during which time an alternate Board member may be appointed. The Board, however, may reject the resignation under extenuating circumstances.

PART IV – TRUSTEES COMPENSATION AND OWNERSHIP

General

The Trustees, other than Armin Martens, who was the Chief Executive Officer of Artis during the year ended December 31, 2012, are entitled to compensation for services rendered to Artis in their capacities as Trustees. The Chief Executive Officer’s compensation is not included in the following tables as all compensation paid to the Chief Executive Officer has been set forth in “*Part V – Executive Compensation Discussion and Analysis*” together with the compensation of the other Named Executive Officers of Artis.

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 organizations.

Trustees’ compensation may be comprised of cash compensation as well as unit- or option-based awards, pursuant to Artis’ Equity Incentive Plan, see “*Part V – Executive Compensation Discussion and Analysis, Artis’ Equity Incentive Plan*” for more details.

In 2012, the fee schedule for services provided by the Trustees to Artis was as follows:

Item	Fee
Annual base retainer	\$50,000
Annual retainer – Audit Committee members	Plus \$7,000
Annual retainer – Committee members other than Audit Committee	Plus \$4,500
Annual retainer – Chair of Board of Trustees	Plus \$40,000
Annual retainer – Chair of Audit Committee	Plus \$25,000
Annual retainer – Chair of Governance and Compensation Committee	Plus \$5,000
Annual retainer – Chair of Investment Committee	Plus \$5,000

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

Trustee Compensation Table

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

Name	Fees Earned (\$)	Unit-Based Awards (\$)	Option-Based Awards (\$) ⁽¹⁾	All Other Compensation (\$)	Total Compensation (\$)
Edward Warkentin, Chair	150,500	-	-	-	150,500
Delmore Crewson	127,000	-	-	-	127,000
Cornelius Martens ⁽²⁾	77,500	-	-	120,000	197,500
Allan McLeod ⁽³⁾	94,000	-	-	-	94,000
Victor Thielmann	102,500	-	-	-	102,500
Wayne Townsend	105,500	-	-	-	105,500

- (1) One series of Unit options (“Options”) was granted in the year to acquire Units at a price of \$16.36 per Unit, expiring April 13, 2017. 25% of such Options vested on April 13, 2013; 25% of such Options will vest on each of April 13, 2014, April 13, 2015, and June 17, 2016. As the exercise price of the Option is \$16.36, 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.
- (2) Prior to January 1, 2012, Cornelius Martens was also the Executive Vice-President of Artis. Effective January 1, 2012, Artis entered into a consulting services agreement with Cornelius Martens, which is more fully described under “Part V – Executive Compensation Discussion and Analysis - Internalization of Asset Management Agreement and Property Management Agreement”.
- (3) Not standing for re-election at the meeting.

Equity Incentive Plan – Awards Outstanding

The following table sets forth all option-based awards and unit-based awards held by the Trustees as at the end of the most recently completed financial year of Artis.

Name	Option-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$) ⁽¹⁾	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽²⁾
Edward Warkentin, Chair	6,000	11.28	Feb 25, 2015	26,160
	12,000	13.30	Sep 10, 2015	28,080
	16,000	13.44	Oct 15, 2015	35,200
	20,000	14.10	Jun 17, 2016	30,800
	45,000	16.36	Apr 13, 2017	-
Delmore Crewson	8,000	11.28	Feb 25, 2015	34,880
	14,000	13.30	Sep 10, 2015	32,760
	14,000	13.44	Oct 15, 2015	30,800
	15,000	14.10	Jun 17, 2016	23,100
	40,000	16.36	Apr 13, 2017	-
Cornelius Martens ⁽³⁾	25,000	11.28	Feb 25, 2015	109,000
	45,000	13.30	Sep 10, 2015	105,300
	45,000	13.44	Oct 15, 2015	99,000
	165,000	14.10	Jun 17, 2016	254,100
	40,000	16.36	Apr 13, 2017	-
Allan McLeod ⁽⁴⁾	10,000	11.28	Feb 25, 2015	43,600
	14,000	13.30	Sep 10, 2015	32,760
	14,000	13.44	Oct 15, 2015	30,800
	15,000	14.10	Jun 17, 2016	23,100
	40,000	16.36	Apr 13, 2017	-
Victor Thielmann	10,000	11.28	Feb 25, 2015	43,600
	14,000	13.30	Sep 10, 2015	32,760
	14,000	13.44	Oct 15, 2015	30,800
	15,000	14.10	Jun 17, 2016	23,100
	40,000	16.36	Apr 13, 2017	-
Wayne Townsend	10,000	11.28	Feb 25, 2015	43,600
	14,000	13.30	Sep 10, 2015	32,760
	14,000	13.44	Oct 15, 2015	30,800
	15,000	14.10	Jun 17, 2016	23,100
	40,000	16.36	Apr 13, 2017	-

(1) Options with an exercise price of \$16.36 were granted April 13, 2012. No other Options were granted in 2012.

(2) Value of unexercised in-the-money Options is calculated as the amount by which the exercise price of the Option was less than \$15.64, which was the closing price of Artis Units on December 31, 2012.

- (3) Prior to January 1, 2012, Cornelius Martens was a Trustee and the Executive Vice-President of Artis. The Options awarded to Cornelius Martens prior to January 1, 2012, reflect his service to Artis in both capacities.
- (4) Not standing for re-election at the meeting.

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

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

Name	Option-Based Awards Value Vested During the Year (\$) ^{(1) (2)}	Unit-Based Awards Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation Value Earned During the Year (\$)
Edward Warkentin, Chair	47,730	-	-
Delmore Crewson	39,650	-	-
Cornelius Martens ⁽³⁾	240,100	-	-
Allan McLeod ⁽⁴⁾	39,650	-	-
Victor Thielmann	39,650	-	-
Wayne Townsend	39,650	-	-

- (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, 2012, June 17, 2012, September 10, 2012, and October 15, 2012, multiplied by the number of Options that vested during the year. The closing price of Artis Units was \$15.89 on February 25, 2012; \$16.56 on June 17, 2012; \$16.15 on September 10, 2012; and \$15.99 on October 15, 2012.
- (3) Prior to January 1, 2012, Cornelius Martens was a Trustee and the Executive Vice-President of Artis. The Options awarded to Cornelius Martens prior to January 1, 2012, reflect his service to Artis in both capacities.
- (4) Not standing for re-election at the meeting.

Trustee Ownership Policy

In 2010, the Board instituted a policy such that the Trustees would be required to hold directly or indirectly a minimum number of Artis units, such minimum requirement being set at twice the annual base retainer to be accumulated over a five-year period. Individual Trustee ownership is set out for each Nominee under “Part II – *Particulars of Matters to be Acted Upon – 3. Election of Trustees.*”

All incumbent Trustee nominees meet the minimum requirement.

As at the date hereof, the Trustee nominees of Artis beneficially own or exercise control or direction over, as a group, 943,201 representing approximately 0.75% of the issued and outstanding Voting Units on the date hereof on a non-diluted basis.

PART V – EXECUTIVE COMPENSATION DISCUSSION AND ANALYSIS

General

For purposes of the Compensation Discussion and Analysis, a “**Named Executive Officer**” or “**NEO**” means the following individuals: (a) the Chief Executive Officer of Artis; (b) the Chief Financial Officer of Artis; (c) the Chief Administrative Officer of Artis; (d) each of Artis’ two most highly compensated executive officers (or persons acting in a similar capacity), other than the Chief Executive Officer, Chief Financial Officer and Chief Administrative 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, 2012, there were five Named Executive Officers of Artis: (i) Armin Martens, President and Chief Executive Officer (“CEO”); (ii) James Green, Chief Financial Officer (“CFO”); (iii) Kirsty Stevens, Chief Administrative Officer (“CAO”); (iv) Dennis Wong, Senior Vice-President – Asset Management, Western Region (“SVP – Western Region”); (v) Frank Sherlock, Senior Vice-President – Property Management (“SVP – Property Management”).

Internalization of Asset Management Agreement and Property Management Agreement

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

Pursuant to 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. Pursuant to the Property Management Agreement, Marwest Management was entitled to earn property management fees equal to four percent (4%) of gross rents, leasing commission fees and tenant improvement fees for all properties owned by Artis. Both the Asset Management Agreement and the Property Management Agreement provided that, in the event of termination of the agreements following a change of control, Marwest or Marwest Management, as the case may be, was entitled to a fee equal to the fees anticipated to be received by it during the remainder of the term expiring February 1, 2025, plus reimbursement of severance costs for terminating its employees.

Artis incurred advisory fees and acquisitions fees pursuant to the Asset Management Agreement in an aggregate amount of \$9,398,175 in 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.

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

Each of the Asset Management Agreement and the Property Management Agreement further provided that, in the event of the internalization of the asset management or property management services, as the case may be, the officers who provide management services to Artis pursuant to such agreement shall be entitled to be employed by Artis and hold a similar office with similar responsibilities on terms and conditions mutually acceptable to Artis and such officers, acting reasonably.

The NEOs of Artis at December 31, 2011, the date of termination of the Asset Management Agreement and the assignment of the Property Management Agreement, were: Armin Martens, CEO; James Green, CFO; Cornelius Martens, Executive Vice-President; and Kirsty Stevens, CAO.

Effective January 1, 2012, Cornelius Martens resigned from his role as Executive Vice-President of Artis. Artis entered into a three-year consulting services agreement with Cornelius Martens.

Effective January 1, 2012, Artis entered into employment agreements or assumed the employment agreements with certain staff employed by Marwest Management Canada Ltd., including the following NEOs:

Armin Martens	-	CEO
James Green	-	CFO
Kirsty Stevens	-	CAO
Dennis Wong	-	SVP – Western Region
Frank Sherlock	-	SVP – Property Management

In conjunction with the internalization of the Asset Management Agreement and the Property Management Agreement, the Governance and Compensation Committee was responsible to review and approve the employment agreements for the CEO and the CFO of Artis. The Governance and Compensation Committee engaged the services of a consultant, AON, to provide a report on the cash compensation, benefits, pension and ancillary compensation elements paid to the executive officers of comparable publicly traded Canadian issuers. The Governance and Compensation Committee also considered other factors including the long-term nature of the Asset Management Agreement and the Property Management Agreement which were terminated and the desire of Artis to secure the services of its executive management team, with its proven track record, on a long-term basis.

The internalization of the Asset Management Agreement and Property Management Agreement impacts significantly on the disclosures within *Part V - Executive Compensation and Discussion and Analysis*. Up to and including December 31, 2011, Artis did not have any employees other than the Trustees of Artis. Artis did not employ the NEOs or pay any direct compensation to the NEOs, other than Unit options (“**Options**”) granted under the securities-based compensation plans of Artis. Up to and including December 31, 2011, the NEOs were compensated by Marwest and/or Marwest Management for their services to Marwest or Marwest Management, as the case may be, which were not exclusively related to the operations and management of Artis. The compensation tables that follow reflect the compensation paid by Marwest and/or Marwest Management to the NEOs for Artis in the comparative years of 2011 and 2010 for their services rendered to Artis in those respective years. For 2012, the compensation tables reflect the compensation paid by Artis to the NEOs.

The Role of the Governance and Compensation Committee

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

Compensation Philosophy and Objectives

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

- link compensation with Artis’ annual and long-term strategic business objectives;
- align executive officers’ financial interests with those of Unitholders with the goal to improve the performance of Artis;
- ensure that Artis’ compensation is appropriate and taking into account compensation paid by other real estate investment trusts or companies of comparable size;

- attract, motivate and retain high quality, key senior executives needed to support Artis' strategic growth and success;
- customize executive compensation to provide recognition and reward executive officers' performance, responsibilities, experience, skill, value and contribution to Artis; and
- to the extent appropriate, to ensure fairness while having regard to the terms of the previous compensation arrangements between the executive officer and Marwest Management Canada Ltd. under the prior external management arrangements.

The Governance and Compensation Committee reviews and determines all elements of the CEO and CFO compensation on an annual basis. In performing this review, the Governance and Compensation Committee may engage outside consultants from time to time. As noted above, the Governance and Compensation Committee retained AON in connection with the internalization of the Asset Management Agreement and the Property Management Agreement.

Managing Compensation and Risk

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

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

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

Total Compensation Components

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

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

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

Base Salaries

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

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

Short-Term Incentive Compensation

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

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

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

Position	Annual Short-Term Incentive Compensation As a Percentage of Base Salary Or Prescribed Dollar Amount
CEO	50% - 150% ⁽¹⁾
CFO	25% - 75% ⁽¹⁾
CAO	40% - 50% ⁽²⁾
SVP – Western Region	Up to \$60,000 ⁽³⁾
SVP – Property Management	Up to \$30,000

⁽¹⁾ The short-term incentive compensation of the CEO and the CFO is comprised of an annual cash incentive bonus and the premiums payable on a whole life insurance policy. The threshold percentages in the table above represent the minimum and maximum ranges of these two components on an aggregate basis.

⁽²⁾ The bonus of the CAO is paid quarterly in a minimum amount of \$20,000. The CAO is also entitled to receive a one-time retention bonus of \$100,000 after being continuously employed by Artis during the entire term of her employment agreement expiring December 31, 2016.

⁽³⁾ The SVP – Western Region is also entitled to receive a one-time retention bonus of \$60,000 after being continuously employed by Artis during the entire term of his employment agreement expiring December 31, 2014.

Long-Term Incentive Compensation

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

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

Up to April 13, 2012, Artis granted Options as a form of securities-based long-term incentive compensation. Artis' intention from that date and forward is to grant Restricted Units ("RUs") and Deferred Units ("DUs") as the preferred form of securities-based long-term incentive compensation. For more information regarding the Equity Incentive Plan and the securities-based compensation which is issuable thereunder, see "*Artis' Equity Incentive Plan*".

All eligible employees of Artis, including all NEOs, with the exception of the CEO and the CFO, may participate in the company's Retirement Savings Plan ("RSP") / Deferred Profit Sharing Plan ("DPSP"). In accordance with the RSP / DPSP plan, Artis matches each participant's contribution, up to 3% of the participant's annual base salary. The CEO and the CFO are entitled to a pension plan as described under "*Artis' Pension Plans*".

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

Position	Annual Long-Term Incentive Compensation As a Percentage of Base Salary Or Prescribed Dollar Amount
CEO	50% - 150% ⁽¹⁾
CFO	25% - 75% ⁽¹⁾
CAO	5% minimum ⁽²⁾
SVP – Western Region	n/a ⁽³⁾
SVP – Property Management	n/a ⁽³⁾

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

⁽²⁾ The CAO is entitled to a minimum award of RUs with a total value to be not less than 5% of her annual base salary. The CAO is entitled to participate in Artis' group RSP / DPSP, with Artis matching the CAO's contributions up to 5% of her annual base salary.

⁽³⁾ The SVP – Western Region and the SVP – Property Management are eligible for Unit-based compensation awards on a discretionary basis.

Employee Benefits and Perquisites

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

Artis has established a group insurance plan pursuant to which Artis will pay the premium (or a portion thereof). Other employee benefits and perquisites include a health care spending account, critical illness insurance, a medical reimbursement plan, a disability insurance top up (to a prescribed amount of base salary) in the event of a short-term or long-term disability, and contingency insurance. These benefits and perquisites shall not exceed 20% of base salary.

Evaluating Performance and Determination of Compensation of NEOs

Overall Performance of Artis

In determining the compensation of the CEO and CFO, the Governance and Compensation Committee and the Board considered and assessed the following goals for Artis in 2012:

- total Unitholder return, including a comparison to an index of its peers;
- improvement in the calibre of Artis' real estate portfolio;
- improvement in Artis' debt to gross book value ratio;
- improvement in Artis' funds from operations ("FFO") and adjusted funds from operation ("AFFO"). FFO and AFFO are non-IFRS financial measures used by most Canadian real estate investment trusts. While FFO and AFFO do not have any standardized meanings prescribed by IFRS, the Real Property Association of Canada ("REALpac") established a standardized definition of FFO in its White Paper on FFO dated November 30, 2004. As computed by Artis, AFFO may differ from similar computations reported by other Canadian real estate investment trusts and, accordingly, may not be comparable to similar computations reported by such organizations. See "Non-GAAP Measures" in Artis' latest management discussion and analysis, a copy of which is available on SEDAR at www.sedar.com and on the company's web site at www.artisreit.com.
- improvement in market capitalization and liquidity;
- improvements to capital structure to authorize and issue Preferred Units;
- expansion and implementation of U.S. diversification strategy; and
- development of an internal human resource management function.

Individual Performance of NEOs

Armin Martens, CEO

In determining the compensation of Mr. A. Martens, CEO, the Governance and Compensation Committee considered the overall performance of Artis, including the criteria set out in the section "*Overall Performance of Artis*" as well as his individual performance, individual contributions to Artis' success, his experience and competitive industry pay practices. The specific performance goals for Mr. A. Martens for 2012 were:

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

The Governance and Compensation Committee granted Mr. A. Martens his maximum annual cash incentive bonus on the basis of excelling at his individual performance goals and the satisfaction of Artis' overall performance goals.

James Green, CFO

In determining the compensation of Mr. Green, CFO, the Governance and Compensation Committee also considered the overall performance of Artis, including the criteria set out in the section “*Overall Performance of Artis*” as well as his individual performance, individual contributions to Artis’ success, his experience as well as competitive industry pay practices. The specific performance goals for Mr. Green for 2012 were:

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

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

Kirsty Stevens, CAO

Considerations in determining the compensation of Ms. Stevens, CAO, included the overall performance of Artis, including the criteria set out in the section “*Overall Performance of Artis*” as well as her individual performance, individual contributions to Artis’ success, her experience as well as competitive industry pay practices. The specific performance goals for Ms. Stevens for 2012 were:

- to oversee the overall administration of Artis;
- to oversee public disclosure and stock exchange compliance of Artis;
- to oversee investor relations of Artis;
- to oversee communications with Trustees;
- to demonstrate leadership internally, as well as externally with outside constituents of Artis’ business.

Ms. Stevens was awarded her maximum annual cash incentive bonus on the basis of excelling at her individual performance goals and the satisfaction of Artis’ overall performance goals.

Dennis Wong, SVP – Western Region

Considerations in determining the compensation of Mr. Wong, SVP – Western Canada, included the overall performance of Artis, including the criteria set out in the section “*Overall Performance of Artis*” as well as his individual performance, individual contributions to Artis’ success, his experience as well as competitive industry pay practices. The specific performance goals of Mr. Wong for 2012 are:

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

Mr. Wong was awarded his maximum annual cash bonus on the basis of excelling at his individual performance goals and the satisfaction of Artis’ overall performance goals.

Frank Sherlock, SVP – Property Management

Considerations in determining the compensation of Mr. Sherlock, SVP – Property Management, included the overall performance of Artis, including the criteria set out in the section “*Overall Performance of Artis*” as well as his

individual performance, individual contributions to Artis' success, his experience as well as competitive industry pay practices. The specific performance goals of Mr. Sherlock for 2012 are:

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

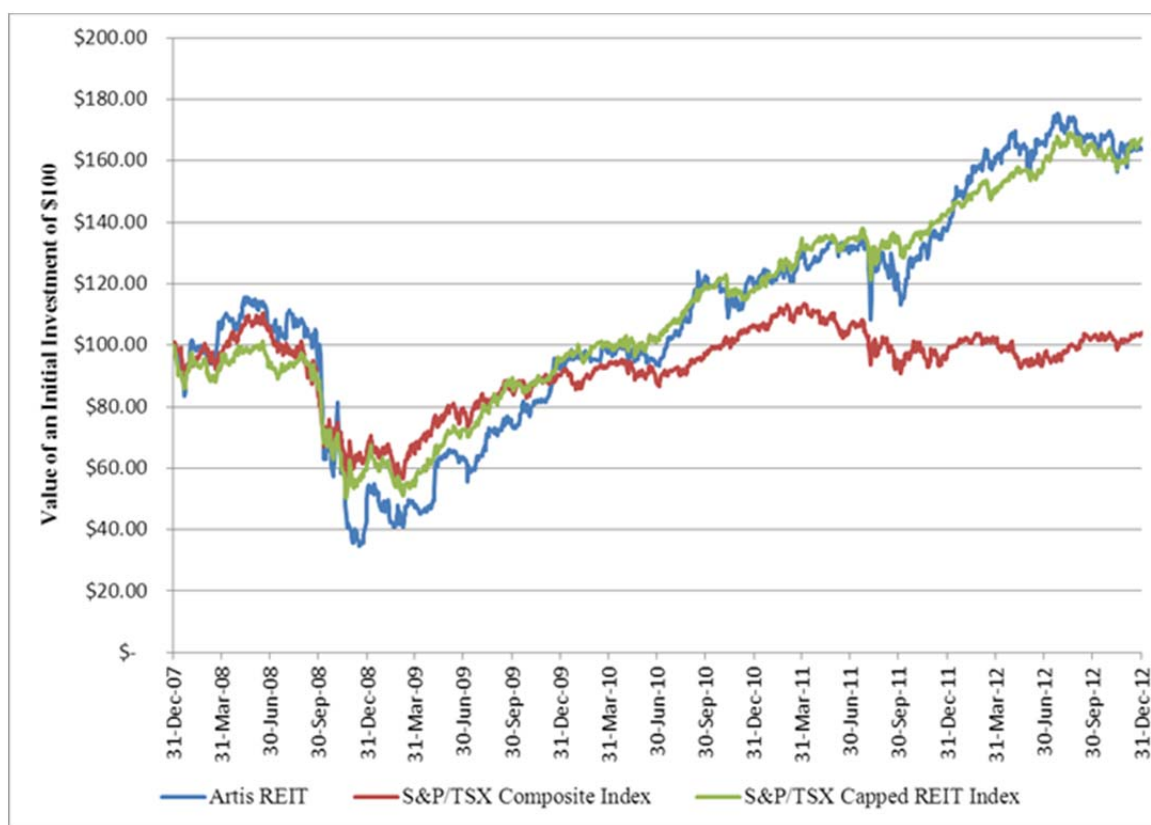
Mr. Sherlock was awarded his maximum annual cash bonus on the basis of excelling at his individual performance goals and the satisfaction of Artis' overall performance goals.

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, 2008, and reinvestment of distributions during those periods.

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

Index	1-Jan-08	31-Dec-08	31-Dec-09	31-Dec-10	31-Dec-11	31-Dec-12
Artis Units	\$100.00	\$53.50	\$94.87	\$119.56	\$137.06	\$163.84
S&P/TSX Capped REIT Index	\$100.00	\$61.72	\$95.83	\$117.50	\$142.96	\$167.22
S&P/TSX Composite Index	\$100.00	\$67.00	\$90.48	\$106.41	\$97.14	\$104.13



Summary Compensation Table

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

Name and Principal Position	Year	Salary (\$)	Unit-Based Awards (\$) ⁽³⁾	Option-Based Awards (\$) ⁽⁴⁾	Annual Non-Equity Incentive Plan Compensation (\$) ⁽⁵⁾	Pension Value (\$) ⁽⁷⁾	All Other Compensation (\$) ⁽⁸⁾⁽⁹⁾⁽¹¹⁾	Total Compensation (\$) ⁽⁶⁾
Armin Martens, President and CEO	2012	750,000 ⁽¹⁾	395,000	-	975,000 ⁽⁵⁾	692,972	146,124 ⁽⁸⁾⁽⁹⁾⁽¹¹⁾	2,959,096
	2011	750,000 ⁽²⁾	-	-	1,250,000 ⁽⁶⁾	-	-	2,000,000
	2010	750,000 ⁽²⁾	-	-	750,000 ⁽⁶⁾	-	-	1,500,000
James Green, CFO	2012	300,000 ⁽¹⁾	79,750	-	170,000 ⁽⁵⁾	218,183	101,587 ⁽⁸⁾⁽⁹⁾⁽¹¹⁾	869,520
	2011	300,000 ⁽²⁾	-	-	220,000 ⁽⁶⁾	-	-	520,000
	2010	300,000 ⁽²⁾	-	-	150,000 ⁽⁶⁾	-	-	450,000
Kirsty Stevens, CAO	2012	200,000 ⁽¹⁾	41,140	-	100,000 ⁽⁵⁾	-	12,081 ⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾	353,221
	2011	170,000 ⁽²⁾	-	-	90,000 ⁽⁶⁾	-	-	260,000
	2010	164,000 ⁽²⁾	-	-	82,000 ⁽⁶⁾	-	-	246,000
Dennis Wong, SVP - Western Region	2012	240,000 ⁽¹⁾	16,025	-	60,000 ⁽⁵⁾	-	7,733 ⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾	323,758
	2011	212,000 ⁽²⁾	-	-	40,000 ⁽⁶⁾	-	-	252,000
	2010	212,000 ⁽²⁾	-	-	40,000 ⁽⁶⁾	-	-	252,000
Frank Sherlock, SVP - Property Management ⁽¹²⁾	2012	225,447 ⁽¹⁾	16,025	-	23,750 ⁽⁵⁾	-	7,115 ⁽⁹⁾⁽¹⁰⁾⁽¹¹⁾	272,337
	2011	30,600 ⁽²⁾	-	-	-	-	-	30,600
	2010	-	-	-	-	-	-	-

- ⁽¹⁾ On January 1, 2012, in conjunction with the internalization of the Asset Management Agreement and the Property Management Agreement, Artis entered into employment agreements with its NEOs. The salary figures set forth in the table above for 2012 reflect compensation paid by Artis to the NEOs.
- ⁽²⁾ Prior to January 1, 2012, the NEOs were employed by Marwest and the salary figures set forth in the table above for 2011 and 2010 represent an estimate of only that portion of the aggregate compensation paid by Marwest to the NEOs during the relevant period that is directly attributable to services rendered to Artis.
- ⁽³⁾ Unit-based awards are calculated as the fair value of RUs awarded, as at the award dates, which were June 29, 2012 and December 24, 2012.
- ⁽⁴⁾ One series of Options was granted in the year to acquire Units at a price of \$16.36 per Unit, expiring April 13, 2017. 25% of such Options vested on April 13, 2013; 25% of such Options will vest on each of April 13, 2014, April 13, 2015, and June 17, 2016. As the exercise price of the Option is \$16.36, 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.
- ⁽⁵⁾ On January 1, 2012, in conjunction with the internalization of the Asset Management Agreement and the Property Management Agreement, Artis entered into employment agreements with its NEOs. The Annual Incentive Plan figures set forth in the table above for 2012 reflect cash bonuses paid by Artis to the NEOs.
- ⁽⁶⁾ Prior to January 1, 2012, the NEOs were employed by Marwest and the Annual Incentive Plan figures set forth in the table above for 2011 and 2010 represent an estimate of only that portion of the aggregate cash bonus paid by Marwest to the NEOs during the relevant period that is directly attributable to services rendered to Artis.
- ⁽⁷⁾ Pension value includes employer contributions to the NEOs pension plan. See "Artis' Pension Plans" for full descriptions of the pension plans. Preliminary actuarial calculations supporting employer contributions were used in aggregating and calculating long-term incentive awards in 2012 for the CEO and CFO. Final actuarial calculations, which were available in early 2013, are included in the above table.
- ⁽⁸⁾ Other compensation includes premiums paid on whole life insurance policies.

- (9) Other compensation includes the cash equivalent of the value of distributions on the RUs held throughout their vesting period. The distributions on the RUs are calculated at the same rate as distributions on Units. See “*Artis’ Equity Incentive Plan*” for full description of the RUs.
- (10) Other compensation includes employer contributions to Artis’ RSP / DPSP.
- (11) Perquisites and other personal benefits, in the aggregate, do not exceed the lesser of \$50,000 or 10% of the total of the total salary for the NEOs.
- (12) Mr. Sherlock was hired on November 1, 2011.

Equity Incentive Plan – Awards Outstanding

The following table sets forth all option-based awards and unit-based awards held by the NEOs as at the end of the most recently completed financial year of Artis. These awards are issued pursuant to the Equity incentive Plan 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 and Principal Position	Option-Based Awards				Unit-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$) ⁽¹⁾	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽²⁾	Number of Units that Have Not Vested (#)	Market or Payout Value of Unit-Based Awards That Have Not Vested (\$) ⁽³⁾	Market or Payout Value of Unit-Based Awards Not Paid Out or Distributed (\$)
Armin Martens, President and CEO	25,000	11.28	Feb 25, 2015	109,000	25,169	393,648	-
	60,000	13.30	Sep 10, 2015	140,400			
	60,000	13.44	Oct 15, 2015	132,000			
	250,000	14.10	Jun 17, 2016	385,000			
	500,000	16.36	Apr 13, 2017	-			
James Green, CFO	28,000	11.28	Feb 25, 2015	122,080	5,068	79,259	-
	40,000	13.30	Sep 10, 2015	93,600			
	40,000	13.44	Oct 15, 2015	88,000			
	160,000	14.10	Jun 17, 2016	246,400			
	200,000	16.36	Apr 13, 2017	-			
Kirsty Stevens, CAO	10,000	11.28	Feb 25, 2015	43,600	2,620	40,982	-
	18,750	13.30	Sep 10, 2015	43,875			
	18,750	13.44	Oct 15, 2015	41,250			
	110,000	14.10	Jun 17, 2016	169,400			
	150,000	16.36	Apr 13, 2017	-			
Dennis Wong, SVP - Western Region	8,000	11.28	Feb 25, 2015	34,880	1,017	15,905	-
	15,000	13.30	Sep 10, 2015	35,100			
	15,000	13.44	Oct 15, 2015	33,000			
	60,000	14.10	Jun 17, 2016	92,400			
	60,000	16.36	Apr 13, 2017	-			
Frank Sherlock, SVP - Property Management	60,000	16.36	Apr 13, 2017	-	1,017	15,905	-

(1) Options with an exercise price of \$16.36 were granted April 13, 2012. No other Options were granted in 2012.

(2) Value of unexercised in-the-money Options is calculated as the amount by which the exercise price of the Option was less than \$15.64, which was the closing price of Artis Units on December 31, 2012.

(3) Market value of unit-based awards that have not vested is calculated as the number of unvested unit-based awards multiplied by \$15.64, which was the closing price of Artis Units on December 31, 2012.

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

Name and Principal Position	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, President and CEO	292,375	-	-
James Green, CFO	186,975	-	-
Kirsty Stevens, CAO	124,450	-	-
Dennis Wong, SVP – Western Region	66,370	-	-
Frank Sherlock, SVP – Property Management	-	-	-

(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, 2012, June 17, 2012, September 10, 2012, and October 15, 2012, multiplied by the number of Options that vested during the year. The closing price of Artis Units was \$15.89 on February 25, 2012; \$16.56 on June 17, 2012; \$16.15 on September 10, 2012 and \$15.99 on October 15, 2012.

Artis' Pension Plans

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

In the case of the CEO, the agreement will be funded by way of Retirement Compensation Arrangement, as defined by the Canada Revenue Agency.

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

Name and Principal Position	Number of years credited service (#)	Annual benefits payable (\$)		Accrued obligation at start of year (\$)	Compensatory change (\$)	Non-compensatory change (\$)	Accrued obligation at year end (\$)
		At year end	At age 65				
Armin Martens, President and CEO ⁽¹⁾	1	36,720	337,450	-	692,972	72,790	765,762
James Green, CFO ⁽¹⁾	1	12,240	129,071	-	218,183	22,918	241,101
James Green, CFO ⁽²⁾	21.40 ⁽³⁾	60,794	128,179	-	-	681,524	681,524

- (1) The actuarial assumptions on which the above is based are: (a) interest rate of 6.00%; (b) salary increase at 2.00%; (c) mortality as set out in uninsured pensioner 94 with projections of future mortality improvements on a generational basis using Scale AA and (d) retirement at age 67.
- (2) The actuarial assumptions on which the above is based are: (a) interest rate of 7.50%; (b) salary increase at 5.50%; (c) mortality based on 80% of GAM83 and (d) retirement at age 65.
- (3) Mr. Green had his pension plan from his previous employer, Marwest Realty, transferred to the REIT effective January 1, 2012.

Employment Agreements

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

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

Each of the Asset Management Agreement and the Property Management Agreement provided that, in the event of the internalization of the services provided thereunder, the officers who provide management services to Artis pursuant to such agreement shall be entitled to be employed by Artis and hold a similar office with similar responsibilities on terms and conditions mutually acceptable to Artis and such officers, acting reasonably. Accordingly, the employment agreements were negotiated and entered into in that context.

Each of the Asset Management Agreement and the Property Management Agreement (which terminated effective January 1, 2012) provided that, in the event of termination of the agreements following a change of control, Marwest or Marwest Management, as the case may be, was entitled to a fee equal to the fees anticipated to be received by it during the remainder of the term expiring February 1, 2025, plus reimbursement of severance costs for terminating its employees. During the year ended December 31, 2011, Artis paid to Marwest total fees of \$9,398,175 under the Asset Management Agreement. During the year ended December 31, 2011, Artis paid Marwest Management total fees of \$13,975,479 under the Property Management Agreement. In the event that those agreements were terminated following a change of control in Artis on January 1, 2012, Marwest and Marwest Management may have been entitled to receive a termination payment equal to such aggregate annual fees multiplied by the number of years remaining in the term of such agreement, which may have resulted in a termination fee of approximately \$305.7 million.

Termination and Change of Control Benefits

Armin Martens, CEO

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

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

Benefits due to Mr. A. Martens in the event of a termination following a change of control or other termination for any reason other than cause include: (i) payment of any accrued benefits; (ii) severance pay calculated based on total

annual compensation multiplied by the number of years remaining in the term; (iii) long-term and short-term incentive compensation based on the number of years remaining in the term; and (iv) full capitalization of the pension plan established for Mr. A. Martens.

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.

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

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

James Green, CFO

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

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

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

Change of control for the purposes of Mr. Green's employment agreement has the same meaning as that term in Mr. A. Martens' employment agreement.

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

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

Kirsty Stevens, CAO

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

Ms. Stevens is entitled to receive certain benefits that would be payable in the event of her termination, including termination which could occur following or as a consequence of a change of control in the ownership of Artis. The change of control payment under Ms. Stevens' employment contract is structured in a manner similar to the change of control payment under the Asset Management Agreement and the Property Management Agreement which were internalized effective January 1, 2012, in that the change of control payment is calculated based upon the number of years remaining in the term of the contract, subject to Ms. Stevens right to receive a minimum change of control payment based upon two years of annual compensation.

Benefits due to Ms. Stevens in the event of a termination following a change of control or other termination for any reason other than cause include: (i) payment of any accrued benefits; (ii) severance pay calculated based on total annual compensation multiplied by the number of years remaining in the term (subject to a minimum of two years); and (iii) long-term and short-term incentive compensation based on the number of years remaining in the term.

Change of control for the purposes of Ms. Stevens' employment agreement has the same meaning as that term in Mr. A. Martens' and Mr. Green's employment agreement.

The quantification of the payment to which Ms. Stevens would be entitled upon a change of control will depend upon the number of years remaining in the term of her employment agreement, however, would not be less than the minimum of \$782,280.

Dennis Wong, SVP – Western Region

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

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

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

If a change of control of Artis were to have occurred effective December 31, 2012, Mr. Wong would have been entitled to receive a payment of \$600,000.

Frank Sherlock, SVP – Property Management

Pursuant to an employment agreement assumed effective January 1, 2012, Mr. Sherlock is a full-time employee of Artis. Mr. Sherlock's employment agreement is for a period of two years from the effective date, being November 1, 2013.

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

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

If a change of control of Artis were to have occurred effective December 31, 2012, Mr. Sherlock would have been entitled to receive a payment of \$498,394.

Artis' Equity Incentive Plan

On May 19, 2011, Artis' Unitholders approved the adoption of 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 the Incentive Plan. No Participant will be granted Incentive Plan awards ("**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.

At the time Artis adopted the Incentive Plan, the amended Unit option plan (the "Unit Option Plan") was terminated. The Options previously granted pursuant to the Unit Option Plan remained outstanding and are exercisable in accordance with their terms.

At December 31, 2012, 3,689,875 Options (with a weighted-average exercise price of \$14.92 and 45,060 Restricted Units are outstanding and 4,306,978 Awards remain available for issuance pursuant to the Incentive Plan.

The number of Awards available for future issuance pursuant to the Incentive Plan at any time is reduced by the number of Units underlying outstanding Awards (including those Options outstanding pursuant to grants made under the Unit Option Plan) at the time. The expiry, exercise, redemption or other issuance of Units underlying an Award (including those Options granted pursuant to the Unit Option Plan) will result in further Units being available for issuance 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.

Awards granted under the Incentive Plan may consist of Unit options (or Options), Restricted Units (or RUs), Deferred Units (or DUs) and Installment Units and together with the options, RUs and DUs, 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.

Administration

The Incentive Plan will be administered and interpreted by the Governance and Compensation Committee, on behalf of the Board of Trustees. The Governance and Compensation Committee 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 RUs. An RU 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. RUs 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 RU will vest on different dates and to determine at any time after the time of grant that a particular RU will vest at an earlier or later time. In addition, vesting of RUs may be subject to performance criteria at the discretion of the Board of Trustees.

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

Deferred Units

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

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

- (i) one-third of the DUs will vest on the first anniversary of the date of grant;
- (ii) one-third of the DUs will vest on the second anniversary of the date of grant; and
- (iii) one-third of the DUs 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 DU 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”.

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.

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 \$60,000. 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, 2012 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, 2012 until October 31, 2013 was \$50,375. The aggregate limit of liability applicable to insured Trustees and officers of Artis under the policy is \$20,000,000.

AUDITOR

The auditor of Artis for the fiscal year ended December 31, 2012, is Deloitte, LLP. Deloitte, LLP was appointed the auditor of Artis commencing for the fiscal year dated December 31, 2009.

AUDIT COMMITTEE MATTERS

The Audit Committee is responsible for (i) reviewing the engagement of the 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, 2012. 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, Manitoba, R3C 3Z3, and Attention: Investor Relations.

CERTIFICATE OF THE ISSUER

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

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 28, 2013 for the year ended December 31, 2012;

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

“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 13, 2013;

“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;

“Meeting” means the annual meeting of Unitholders to be held on June 20, 2013 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 30, 2013;

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

“**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
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