



SMARTCENTRES REAL ESTATE INVESTMENT TRUST
ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2017

Dated: February 14, 2018

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GLOSSARY

The following terms used in this annual information form have the meanings set out below. Unless the context otherwise requires, any reference in this annual information form to any agreement, instrument, indenture, declaration or other document shall mean such agreement, instrument, indenture or other document, as amended, supplemented and restated at any time and from time to time prior to the date hereof or in the future.

“5.45% Convertible Debentures” means the convertible unsecured debentures of SmartCentres assumed from OneREIT as part of the Arrangement due June 30, 2018 bearing interest at a rate of 5.45% per annum;

“5.50% Convertible Debentures” means the extendible convertible unsecured debentures of SmartCentres assumed from OneREIT as part of the Arrangement due June 30, 2020 bearing interest at a rate of 5.50% per annum;

“2005 Trust Indenture” means the trust indenture, made as of September 22, 2005, between SmartCentres and the Debenture Trustee;

“2013 Shelf Prospectus” means the base shelf prospectus of SmartCentres dated November 29, 2013 qualifying the issue of up to \$2,000,000,000 in debt or equity securities;

“2015 Property Transaction” has the meaning attributed thereto under the section of this annual information form entitled “Corporate Structure – General Development of the Business – 2015”;

“2015 Platform Transaction” has the meaning attributed thereto under the section of this annual information form entitled “Corporate Structure – General Development of the Business – 2015”;

“2015 Shelf Prospectus” means the base shelf prospectus of SmartCentres dated December 22, 2015 qualifying the issue of up to \$2,000,000,000 in debt or equity securities;

“2015 Transactions” has the meaning attributed thereto under the section of this annual information form entitled “Corporate Structure – General Development of the Business – 2015”;

“Adjusted Cashflow From Operations” is more specifically described in the management’s discussion and analysis of results of operations and financial condition issued by SmartCentres from time to time and, generally speaking, is used as a sustainable, economic cash flow metric. SmartCentres considers Adjusted Cashflow From Operations an input to determine the appropriate level of distributions to Unitholders as it adjusts cash flows from operations to better measure sustainable, economic cash flows;

“Adjusted Funds From Operations” is more specifically described in the management’s discussion and analysis of results of operations and financial condition issued by SmartCentres from time to time and, generally speaking, means the net income of SmartCentres plus non-cash items including, but not limited to, amortization of building, deferred costs, intangible assets, and gains on dispositions less sustaining recoverable and non-recoverable capital and leasing expenditures;

“Adjusted Unitholders’ Equity” means, at any time, the aggregate of the Carrying Value of Equity plus (i) the aggregate of the Carrying Values of the (a) earnout options, (b) deferred unit plan, (c) limited partnership units and (d) conversion feature of convertible debentures, to the extent such items are classified as liabilities; and (ii) current and deferred income tax provision, if any; less the difference between (a) the Carrying Value of investment properties included on the consolidated balance sheet and (b) the Cost Value of investment properties;

“Aggregate Assets” means, at any time, the aggregate of (i) the total Carrying Value of the assets of SmartCentres plus (ii) accumulated amortization on property, plant and equipment; less (iii) the Carrying Value of goodwill; less (iv) the excess/shortfall between (a) the Carrying Value of investment properties presented on the consolidated balance sheet and (b) the Cost Value of investment properties presented on the consolidated balance sheet;

“**Arrangement**” has the meaning attributed thereto under the section of this annual information form entitled “Corporate Structure – General Development of the Business – 2017”;

“**Board of Trustees**” means the board of trustees of SmartCentres;

“**Boxgrove LP**” means Smart Boxgrove Limited Partnership, a limited partnership formed under the laws of the Province of Ontario;

“**Boxgrove LP Class A Units**” means the Class A limited partnership units of Boxgrove LP;

“**Boxgrove LP Class B Units**” means the Class B limited partnership units of Boxgrove LP;

“**Boxgrove LP Class C Units**” means the Class C limited partnership units of Boxgrove LP;

“**Business Day**” means any day other than a Saturday, Sunday or a day on which the principal chartered banks located at Calgary, Alberta are not open for business during normal banking hours;

“**Canada Yield Price**” means a price equal to the price of the Series H 4.05% Debentures, the Series I 3.985% Debentures, the Series L 3.749% Debentures, the Series M 3.73% Debentures, the Series N 3.556% Debentures, the Series O 2.987% Debentures, the Series P 3.444% Debentures, the Series Q 2.876% Debentures or the Series S 3.834% Debentures, as applicable, calculated to provide a yield to maturity, compounded semi-annually and calculated in accordance with generally accepted financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the date on which SmartCentres gives notice of redemption of the applicable series of Debentures pursuant to the 2005 Trust Indenture, as supplemented by the applicable supplemental indentures governing each such series of Debentures plus:

- (a) 0.635% in the case of the Series H 4.05% Debentures,
- (b) 0.51% in the case of the Series I 3.985% Debentures,
- (c) 0.435% in the case of the Series L 3.749% Debentures;
- (d) 0.425% in the case of the Series M 3.73% Debentures;
- (e) 0.575% in the case of the Series N 3.556% Debentures;
- (f) 0.535% in the case of the Series O 2.987% Debentures;
- (g) 0.605% in the case of the Series P 3.444% Debentures;
- (h) 0.385% in the case of the Series Q 2.876% Debentures; and
- (i) 0.485% in the case of the Series S 3.834% Debentures;

“**Carrying Value**” means the amounts determined in accordance with GAAP;

“**Conversion Process**” has the meaning attributed thereto under the section of this annual information form entitled “Declaration of Trust and Description of Units – Exchange Procedure for Certain Exchangeable Securities”;

“**Cost Value**” of investment properties means the sum of (a) the original cost of investment properties, (b) the additional costs recorded in respect of subsequent expenditures eligible for capitalization under GAAP, and (c) less the original and additional costs of parts of such investment properties disposed or otherwise derecognized, for investment properties included on the consolidated balance sheet; all determined on a consolidated basis in accordance with GAAP. For greater certainty, for purposes of this definition, the cost of investment properties includes initial direct leasing costs that are added to investment properties under GAAP;

“**DBRS**” means DBRS Limited;

“Debentures” means, collectively:

- (a) the Series H 4.05% Debentures,
- (b) the Series I 3.985% Debentures,
- (c) the Series L 3.749% Debentures,
- (d) the Series M 3.73% Debentures,
- (e) the Series N 3.556% Debentures;
- (f) the Series O 2.987% Debentures;
- (g) the Series P 3.444% Debentures;
- (h) the Series Q 2.876% Debentures;
- (i) the Series R Floating Rate Debentures; and
- (j) the Series S 3.834% Debentures;

“Debenture Trustee” means Computershare Trust Company of Canada, in its capacity as trustee for the Debentures;

“Declaration of Trust” means the declaration of trust dated December 4, 2001, as amended and restated as of October 24, 2002, October 31, 2003, January 16, 2004, July 7, 2005, May 16, 2006, September 14, 2009, May 10, 2012, December 29, 2014, May 28, 2015, July 3, 2015, May 11, 2017 and October 20, 2017;

“Distribution Date” means, with respect to a distribution by SmartCentres, a Business Day determined by the Trustees for any calendar month to be on or about the 15th day of the following month;

“Equity” means, the residual between total assets and total liabilities determined in accordance with GAAP;

“Equity Value” means the fair market value of the Units;

“Exchange Agreement” means an exchange, option and support agreement, as amended from time to time respecting the exchange of Class B units and Class D units of the SmartCentres subsidiary limited partnerships for Units;

“Exchangeable Securities” means any securities of any trust, limited partnership or corporation other than SmartCentres that are convertible or exchangeable directly for Units without the payment of additional consideration therefore;

“fair market value” means at any time, at the option of the Trustees either: (i) the fair market value of assets of SmartCentres at such time, as determined by the Trustees; or (ii) the fair market value of SmartCentres calculated as the aggregate outstanding indebtedness of SmartCentres at such time plus the value obtained when the aggregate number of Units and Exchangeable Securities outstanding at such time is multiplied by the weighted average trading price of the Units on the TSX, or such other exchange upon which the Units may be listed for trading, for the ten trading days immediately preceding such time;

“GAAP” means, at any date of determination, generally accepted accounting principles in effect in Canada as of the date thereof that are applicable to SmartCentres;

“Governance and Investor Rights Agreement” has the meaning attributed thereto under the section of this annual information form entitled “Declaration of Trust and Description of Units – Committees of Trustees – Executive Committee”;

“Government of Canada Yield” on any date means the yield to maturity on such date, compounded semi-annually and calculated in accordance with generally accepted financial practice, which a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date

with a term to maturity equal to the remaining term to maturity of the Debentures, calculated as of the redemption date of the Debentures, such yield to maturity being the average of the yields provided by two major Canadian investment dealers selected by SmartCentres;

“**LP I**” means Smart Limited Partnership, a limited partnership formed under the laws of the Province of Alberta;

“**LP II**” means Smart Limited Partnership II, a limited partnership formed under the laws of the Province of Alberta;

“**LP III**” means Smart Limited Partnership III, a limited partnership formed under the laws of the Province of Alberta;

“**LP IV**” means Smart Limited Partnership IV, a limited partnership formed under the laws of the Province of Ontario;

“**LP I Class A Units**” means the Class A limited partnership units of LP I;

“**LP I Class B Units**” means the Class B limited partnership units of LP I;

“**LP I Class C Units**” means the Class C limited partnership units of LP I;

“**LP I Class D Units**” means the Class D limited partnership units of LP I;

“**LP I Class E Units**” means the Class E limited partnership units of LP I;

“**LP I Class F Units**” means the Class F limited partnership units of LP I;

“**LP II Class A Units**” means the Class A limited partnership units of LP II;

“**LP II Class B Units**” means the Class B limited partnership units of LP II;

“**LP III Class A Units**” means the Class A limited partnership units of LP III;

“**LP III Class B Units**” means the Class B limited partnership units of LP III;

“**LP III Class C Units**” means the Class C limited partnership units of LP III;

“**LP IV Class A Units**” means the Class A limited partnership units of LP IV;

“**LP IV Class B Units**” means the Class B limited partnership units of LP IV;

“**LP IV Class C Units**” means the Class C limited partnership units of LP IV;

“**MG Entities**” means (i) Mitchell Goldhar, (ii) any heir(s), executor(s), administrator(s) or legal representative(s) of Mitchell Goldhar; (iii) any individual who is the child, spouse, common law spouse, father, mother, brother, sister, niece or nephew of Mitchell Goldhar, or is married to any such individual; (iv) any trust(s) in respect of which all of the beneficiaries shall be solely one or more of those persons referred to in clause (iii) above; (v) any combination of persons referred to in clauses (i), (ii), (iii) or (iv) above; and (vi) any person who is controlled by any person referred to in clauses (i), (ii), (iii) or (iv) above or any combination thereof;

“**MG Entities Representative**” means (i) while Mitchell Goldhar remains alive, Mitchell Goldhar or such other individual as may from time to time be designated in writing by Mitchell Goldhar and (ii) if Mitchell Goldhar is not alive, such individual as may from time to time be designated in writing by the MG Entities;

“**Non-Resident**” means any person that is either (i) not resident in Canada for purposes of the Tax Act, or (ii) not a Canadian partnership for the purposes of the Tax Act;

“**Oshawa South LP**” means Smart Oshawa South Limited Partnership, a limited partnership formed under the laws of the Province of Ontario;

“**Oshawa South LP Class A Units**” means the Class A limited partnership units of Oshawa South LP;

“**Oshawa South LP Class B Units**” means the Class B limited partnership units of Oshawa South LP;

“**Oshawa South LP Class C Units**” means the Class C limited partnership units of Oshawa South LP;

“**Oshawa South LP Class D Units**” means the Class D limited partnership units of Oshawa South LP;

“**Oshawa South LP Class E Units**” means the Class E limited partnership units of Oshawa South LP;

“**Oshawa Taunton LP**” means Smart Oshawa Taunton Limited Partnership, a limited partnership formed under the laws of the Province of Ontario;

“**Oshawa Taunton LP Class A Units**” means the Class A limited partnership units of Oshawa Taunton LP;

“**Oshawa Taunton LP Class B Units**” means the Class B limited partnership units of Oshawa Taunton LP;

“**Oshawa Taunton LP Class C Units**” means the Class C limited partnership units of Oshawa Taunton LP;

“**Oshawa Taunton LP Class D Units**” means the Class D limited partnership units of Oshawa Taunton LP;

“**Oshawa Taunton LP Class E Units**” means the Class E limited partnership units of Oshawa Taunton LP;

“**Penguin Group**” means, collectively, Mitchell Goldhar, the group of companies controlled by Mitchell Goldhar formerly referred to as the SmartCentres group of companies and related and affiliated parties;

“**person**” means any individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government, regulatory authority or other entity;

“**Plans**” means trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts under the Tax Act;

“**Property Portfolio**” means, collectively, the retail, office, mixed-use and residential rental properties owned by SmartCentres and its subsidiaries;

“**Real Property**” means property which in law is real property and includes, whether or not the same would in law be real property, leaseholds, mortgages, undivided joint interests in real property (whether by way of tenancy-in-common, joint tenancy, co ownership, joint venture or otherwise), any interests in any of the foregoing and securities of corporations, trusts, limited partnerships or other legal entities whose sole or principal purpose and activity is to invest in, hold and deal in real property;

“**REIT Exception**” has the meaning attributed thereto under the section of this annual information form entitled “Risk Factors – Risks Relating to the Units – Tax Related Risk Factors – SIFT Rules”;

“**Series B 5.37% Debentures**” means the Series B senior unsecured debentures of SmartCentres due October 12, 2016 bearing interest at a rate of 5.37% per annum;

“**Series F 5.00% Debentures**” means the Series F senior unsecured debentures of SmartCentres due February 1, 2019 bearing interest at a rate of 5.00% per annum;

“**Series G 4.70% Debentures**” means the Series G senior unsecured debentures of SmartCentres due August 22,

2018 bearing interest at a rate of 4.70% per annum;

“**Series H 4.05% Debentures**” means the Series H senior unsecured debentures of SmartCentres due July 27, 2020 bearing interest at a rate of 4.05% per annum;

“**Series I 3.985% Debentures**” means the Series I senior unsecured debentures of SmartCentres due May 30, 2023 bearing interest at a rate of 3.985% per annum;

“**Series J 3.385% Debentures**” means the Series J senior unsecured debentures of SmartCentres due December 1, 2017 bearing interest at a rate of 3.385% per annum;

“**Series L 3.749% Debentures**” means the Series L senior unsecured debentures of SmartCentres due February 11, 2021 bearing interest at a rate of 3.749% per annum;

“**Series M 3.73% Debentures**” means the Series M senior unsecured debentures of SmartCentres due July 22, 2022 bearing interest at a rate of 3.73% per annum;

“**Series N 3.556% Debentures**” means the Series N senior unsecured debentures of SmartCentres due February 6, 2025 bearing interest at a rate of 3.556% per annum;

“**Series O 2.987% Debentures**” means the Series O senior unsecured debentures of SmartCentres due August 28, 2024 bearing interest at a rate of 2.987% per annum;

“**Series P 3.444% Debentures**” means the Series P senior unsecured debentures of SmartCentres due August 28, 2026 bearing interest at a rate of 3.444% per annum;

“**Series Q 2.876% Debentures**” means the Series Q senior unsecured debentures of SmartCentres due March 21, 2022 bearing interest at a rate of 2.876% per annum;

“**Series R Floating Rate Debentures**” means the Series R floating rate senior unsecured debentures of SmartCentres due December 21, 2020;

“**Series S 3.834% Debentures**” means the Series S senior unsecured debentures of SmartCentres due December 21, 2027 bearing interest at a rate of 3.834% per annum;

“**SIFT Rules**” has the meaning attributed thereto under the section of this annual information form entitled “Risk Factors – Risks Relating to the Units – Tax Related Risk Factors – SIFT Rules”;

“**SmartCentres**” means SmartCentres Real Estate Investment Trust (formerly Smart Real Estate Investment Trust), an unincorporated open-end trust established under the Declaration of Trust and governed by the laws of the Province of Alberta and, where the context requires, includes its subsidiaries;

“**Special Voting Unit**” means a special voting unit of SmartCentres which may be issued by SmartCentres from time to time. See “Declaration of Trust and Description of Units – Special Voting Units”;

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

“**Transfer Agent**” means Computershare Trust Company of Canada at its principal offices in Toronto, Ontario and Calgary, Alberta;

“**Trustees**” means the trustees from time to time of SmartCentres;

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

“**Unit**” means a variable voting unit of SmartCentres, each such unit representing an equal undivided beneficial

interest therein;

“**Unitholders**” means the holders from time to time of Units;

“**VMC**” means the Vaughan Metropolitan Centre;

“**Voting Top-Up Right**” has the meaning attributed thereto under the section of this annual information form entitled “Declaration of Trust and Description of Units – Special Voting Units”;

“**Voting Units**” means collectively, the Units and Special Voting Units;

“**Voting Unitholders**” means collectively, the holders from time to time of Units and the holders from time to time of Special Voting Units; and

“**Walmart**” means Wal-Mart Canada Corporation.

In this annual information form, a person or company is considered to be an “**affiliate**” of another person or company if one is a subsidiary of the other, or if both are subsidiaries of the same person or company, or if each of them is controlled by the same person or company.

In this annual information form, the term “**associate**”, when used to indicate a relationship with a person or company, means:

- (a) an issuer or company of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling the person or company to more than 10% of the voting rights attached to outstanding securities of the issuer or company;
- (b) any partner of the person or company;
- (c) any trust or estate in which the person or company has a substantial beneficial interest or as to which the person or company serves as trustee or in a similar capacity;
- (d) in the case of a person, a relative of that person who resides in the same home as that person;
- (e) in the case of a person, a person who resides in the same home as that person and to whom that person is married or with whom that person is living in a conjugal relationship outside marriage; or
- (f) in the case of a person, a relative of a person mention in paragraph (e) who has the same home as that person.

In this annual information form, a person or company is considered to be “**controlled**” by a person or company if:

- (a) in the case of a person or company:
 - (i) voting securities of the first-mentioned person or company carrying more than 50 percent of the votes for the election of directors or trustees are held, otherwise than by way of security only, by or for the benefit of the other person or company, and
 - (ii) the votes carried by the securities are entitled, if exercised, to elect a majority of the directors or trustees of the first-mentioned person or company;
- (b) in the case of a partnership that does not have directors, other than a limited partnership, the second-mentioned person or company holds more than 50 percent of the interests in the partnership; or

- (c) in the case of a limited partnership, the general partner is the second-mentioned person or company.

In this annual information form, a person or company is considered to be a “**subsidiary**” of another person or company if:

- (a) it is controlled by:
 - (i) that other, or
 - (ii) that other and one or more persons or companies each of which is controlled by that other, or
 - (iii) two or more persons or companies, each of which is controlled by that other; or
- (b) it is a subsidiary of a person or company that is the other’s subsidiary.

INFORMATION

Unless otherwise specified, information in this annual information form is presented as at December 31, 2017, being the last day of the most recently completed financial year of SmartCentres.

Unless otherwise specified, all references to “**dollars**” or “**\$**” are to Canadian dollars.

FORWARD LOOKING STATEMENTS

Certain statements in this annual information form are “forward looking statements” that reflect management’s expectations regarding SmartCentres’ future growth, results of operations, performance and business prospects and opportunities. More specifically, certain statements contained in this annual information form in the sections “Corporate Structure – Overview and Strategic Direction” and “Risk Factors” regarding SmartCentres’ ability to continue to execute its growth strategy, make additional accretive acquisitions, build a geographically diversified portfolio and obtain additional debt or equity financing are forward looking statements. All statements other than statements of historical fact contained in this annual information form are forward looking statements including, without limitation, statements that contain words such as “could”, “should”, “would”, “can”, “anticipate”, “expect”, “believe”, “plan”, “schedule”, “estimate”, “intend”, “project”, “will”, “may”, “might” and similar expressions or statements. These forward looking statements are presented for the purpose of assisting SmartCentres’ investors and financial analysts in understanding SmartCentres’ operating environment, and may not be appropriate for other purposes. Such forward looking statements reflect management’s current beliefs and are based on information currently available to management.

Forward looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements including, but not limited to, risks associated with real property ownership, debt financing, interest and financing, capital requirements, credit risk, general uninsured losses, developments, future property acquisitions, competition for real property investments, environmental matters, land leases, potential conflicts of interest, governmental regulations and taxation and reliance on key personnel. These risks, and others, are more fully discussed under the “Risk Factors” section of this annual information form. SmartCentres has attempted to identify important factors that could cause actual results, performance or achievements to be other than as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. These factors are not intended to represent a complete list of the factors that could affect SmartCentres. Although the forward looking statements contained in this annual information form are based upon what management believes to be reasonable assumptions, SmartCentres cannot assure investors that actual results will be consistent with these forward looking statements. For example, certain of these statements are made on the assumption that SmartCentres will be able to obtain new and replacement debt or equity financing on acceptable terms in order to fund certain of its capital requirements and on the expectation that Walmart will continue to be the dominant anchor tenant in the portfolio and that its presence

will continue to attract other retailers and consumers (see “– Interest and Financing Risk”, “– Liquidity Risk”, “– Capital Requirements” and “– Credit Risk”). The forward looking statements contained herein are expressly qualified in their entirety by this cautionary statement and readers should not place undue reliance on such forward looking statements. These forward looking statements are made as at the date of this annual information form and SmartCentres assumes no obligation to update or revise them to reflect new events or circumstances unless otherwise required by applicable securities legislation.

NON-GAAP MEASURES

In this annual information form, there are references to “Adjusted Funds From Operations” and “Adjusted Cashflow From Operations”. See the definitions of “Adjusted Funds From Operations” and “Adjusted Cashflow From Operations” in the Glossary.

Adjusted Funds From Operations is a supplemental measure historically used by Canadian real estate investment trusts to measure operating cash flow generated from the business. Management uses Adjusted Funds From Operations to analyze operating performance. As one of the factors that may be considered relevant by prospective investors is the cash distributed by SmartCentres relative to the price of the Units, management believes Adjusted Funds From Operations of SmartCentres is a useful supplemental measure that may assist prospective investors in assessing an investment in Units. SmartCentres considers Adjusted Funds From Operations to be a meaningful additional measure of cash flow performance as it more clearly measures normalized and stabilized cash flow as opposed to cash flow from operating activities calculated in accordance with GAAP, which reflects seasonal fluctuations in working capital and other items. SmartCentres analyzes its cash distributions against Adjusted Funds From Operations to assess the stability of its monthly cash distributions to its Unitholders.

Adjusted Cashflow From Operations is a supplemental measure intended to be used as a sustainable, economic cash flow metric. SmartCentres considers Adjusted Cashflow From Operations an input to determine the appropriate level of distributions to Unitholders as it adjusts cash flows from operations to better measure sustainable, economic cash flows. SmartCentres calculates Adjusted Cashflow From Operations in accordance with the Real Property Association of Canada’s “White Paper on Adjusted Cashflow from Operations (ACFO)” for IFRS issued in February 2017. Prior to the usage of Adjusted Cashflow From Operations, there was no industry standard to calculate a sustainable, economic cash flow metric. SmartCentres’ interpretation and use may still differ from other reporting issuers because of variances in interpretation and adoption of the Real Property Association of Canada’s guidelines.

Adjusted Funds From Operations and Adjusted Cashflow From Operations are not measures recognized by GAAP and do not have a standardized meaning prescribed by GAAP. Therefore, Adjusted Funds From Operations and Adjusted Cashflow From Operations may not be comparable to similar measures presented by other issuers. Adjusted Funds From Operations and Adjusted Cashflow From Operations are not intended to represent operating profits for the period nor should they be viewed as alternatives to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with GAAP.

CASH DISTRIBUTIONS

A return on an investment in Units is not comparable to the return on an investment in a fixed-income security. The recovery of an investment in Units is at risk, and any anticipated return on an investment in Units is based on many performance assumptions.

Although SmartCentres intends to make distributions of a significant percentage of its available cash to its Unitholders, these cash distributions are not assured and may be reduced or suspended. The ability of SmartCentres to make cash distributions and the actual amount distributed will be dependent upon, among other things, the financial performance of the properties in its Property Portfolio, its debt covenants and obligations, its working capital requirements, its future capital requirements and the impact on SmartCentres of the SIFT Rules. In addition, the market value of the Units may decline for a variety of reasons, including if SmartCentres is unable to meet its cash distribution targets in the future, and that decline may be significant.

It is important for a person making an investment in Units to consider the particular risk factors that may affect both SmartCentres and the real estate industry in which SmartCentres operates and which may therefore affect the stability of the cash distributions on the Units. See the section of this annual information form entitled “Risk Factors”, which describes SmartCentres’ assessment of those risk factors, as well as the potential consequences to a Unitholder if a risk should occur. Also see the section of this annual information form entitled “Ratings on Securities”.

The after-tax return from an investment in Units to Unitholders subject to Canadian federal income tax will depend, in part, on the composition for Canadian income tax purposes of distributions paid by SmartCentres on its Units, which may be fully or partially taxable or tax-deferred. That composition may change over time, thus affecting a Unitholder’s after-tax returns. The adjusted cost base of any Units held by a Unitholder will be reduced by the non-taxable portion of distributions made to the Unitholder other than the portion thereof attributable to the non-taxable portion of any capital gains realized by SmartCentres. Distributions to a Unitholder who is a Non-Resident may be subject to Canadian withholding tax. Unitholders should consult their own tax advisors with respect to the Canadian income tax considerations in their own circumstances.

RATINGS ON SECURITIES

DBRS provides credit ratings of debt securities for commercial entities. Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities and generally provide an indication of the risk that the borrower will not fulfill its full obligations in a timely manner with respect to both interest and principal commitments. Rating categories range from highest credit quality (generally AAA) to very highly speculative (generally C). DBRS has provided SmartCentres with a credit rating of BBB with a stable trend relating to all senior unsecured obligations of SmartCentres, including the Series H 4.05% Debentures, the Series I 3.985% Debentures, the Series L 3.749% Debentures, the Series M 3.73% Debentures, the Series N 3.566% Debentures, the Series O 2.987% Debentures, the Series P 3.44% Debentures, Series Q 2.876% Debentures, the Series R Floating Rate Debentures and the Series S 3.834% Debentures. A credit rating of BBB is generally an indication of adequate credit quality as defined by DBRS, where protection of interest and principal is considered acceptable but the issuing entity is susceptible to adverse changes in financial and economic conditions, or there may be other adverse conditions present which reduce the strength of the entity and its rated securities.

Payments were made by SmartCentres to DBRS in connection with the ratings of the Debentures. No payments were made to DBRS in respect of any other service provided to SmartCentres by DBRS during the last three years.

The ratings accorded to SmartCentres are not recommendations to purchase, hold or sell SmartCentres’ securities in as much as such ratings do not comment as to market price or suitability for a particular investor. There can be no assurance that any rating will remain in effect for any given period of time or that any rating will not be withdrawn or revised by a rating agency at any time. Real or anticipated changes in the ratings on SmartCentres’ securities may affect the market value of such securities.

CORPORATE STRUCTURE

Declaration of Trust

SmartCentres is an unincorporated “open-end” trust constituted in accordance with the laws of the Province of Alberta pursuant to the Declaration of Trust. SmartCentres is focused on the development and ownership of high quality retail properties and is also pursuing mixed-use development and intensification opportunities including residential, retirement homes, office and self-storage primarily on properties already owned by SmartCentres. The principal and head office of SmartCentres is located at 700 Applewood Crescent, Suite 200, Vaughan, Ontario L4K 5X3.

SmartCentres was initially settled pursuant to the Declaration of Trust on December 4, 2001 and is now subsisting under the twelfth amended and restated Declaration of Trust dated October 20, 2017.

At the meetings of Unitholders held on May 7, 2009 and May 19, 2011, the Unitholders gave the Trustees the

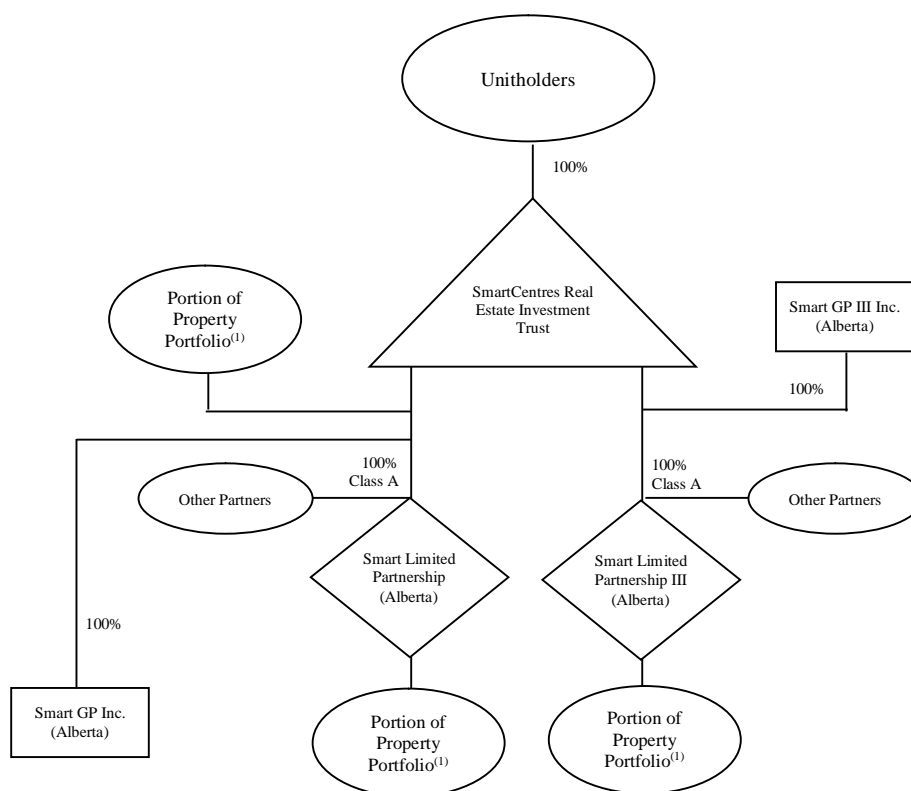
authority to make such further amendments to the Declaration of Trust that the Trustees determine to be necessary or desirable in order to facilitate changing SmartCentres from an open-end mutual fund trust to a closed-end mutual fund trust, in each case as per the Tax Act, including but not limited to the elimination of the redemption features attached to the Units. The Trustees have not yet implemented such amendments.

Although SmartCentres is a “mutual fund trust” as defined in the Tax Act, SmartCentres is not a “mutual fund” and is not subject to the requirements of Canadian mutual fund policies and regulations under Canadian securities legislation.

SmartCentres is not a trust company and, accordingly, is not registered under the *Trust and Loan Companies Act* (Canada) or the trust company legislation of any province as it does not carry on, nor does it intend to carry on, the business of a trust company.

Structure of SmartCentres

The following diagram illustrates the simplified organizational structure of SmartCentres (excluding subsidiaries with total assets or revenues that collectively do not exceed 20%, and individually do not exceed 10%, of the assets or revenues, as applicable, of SmartCentres and its subsidiaries considered on a consolidated basis):



Notes:

(1) Freehold and leasehold title to the assets in the Property Portfolio is held by a variety of nominee companies, all of which are controlled by SmartCentres (including its subsidiaries). These nominees do not conduct any business other than the holding of legal title to the assets for the benefit of SmartCentres (including its subsidiaries).

General Development of the Business

2015

On February 6, 2015, SmartCentres issued \$160,000,000 aggregate principal amount of the Series N 3.556% Debentures. The offering was made under the 2013 Shelf Prospectus and a supplement to that prospectus dated

February 3, 2015.

On February 11, 2015, SmartCentres completed the acquisition of a property located in Barrie, Ontario from bcIMC Realty Corporation for a total purchase price of approximately \$25.3 million pursuant to a purchase agreement entered into on December 18, 2014. The property is an unenclosed shopping centre comprised of approximately 105,000 square feet and anchored by a 35,000 square foot Food Basics. The property is 94% leased with a weighted average lease term remaining of approximately 5.0 years. SmartCentres financed the acquisition with existing cash resources. On February 26, 2015, SmartCentres completed a \$12,700,000 financing of the property at an interest rate of 3.14% for a ten year term.

On March 9, 2015, SmartCentres redeemed all of its Series B 5.37% Debentures in the aggregate principal amount of \$150,000,000 at a redemption price of \$1,072.07 per \$1,000 of Series B 5.37% Debentures plus accrued and unpaid interest of \$21.774246 per \$1,000 of Series B 5.37% Debenture up to but excluding the redemption date. The aggregate redemption price for the Series B 5.37% Debentures was \$164,076,636.99.

On April 27, 2015, SmartCentres issued 8,015,000 subscription receipts at a price of \$28.70 per subscription receipt for gross proceeds of \$230,044,850, including the exercise, in full, of the over-allotment option. The offering was made under the 2013 Shelf Prospectus and a supplement to that prospectus dated April 20, 2015. The net proceeds of the offering were used to finance the 2015 Transactions.

On May 28, 2015, SmartCentres, through certain subsidiary limited partnerships, completed the acquisition of the SmartCentres development platform from Mitchell Goldhar for consideration of approximately \$55.1 million (the “**2015 Platform Transaction**”), which transformed SmartCentres into a fully integrated real estate provider with a full suite of capabilities from origination of development opportunities to construction, leasing and operations. As part of the 2015 Platform Transaction, SmartCentres, through a subsidiary limited partnership, acquired the right from the Penguin Group to use the “SmartCentres” brand, which represents a family and value-oriented shopping experience. SmartCentres also acquired the “Smart Urban” brand that SmartCentres intends to use in the future in connection with mixed-use development in urban settings.

Also on May 28, 2015, SmartCentres and certain subsidiary limited partnerships completed a transaction to acquire a significant portfolio of real estate from a number of vendors, including Mitchell Goldhar and certain members of the Penguin Group (the “**2015 Property Transaction**” and together with the 2015 Platform Transaction, the “**2015 Transactions**”). The 2015 Property Transaction consisted of the acquisition of 22 open format shopping centres and two retail development properties totalling approximately 3.6 million square feet of leasable space for an aggregate purchase price of approximately \$1.1 billion.

Following the closing of the 2015 Transactions and to reflect its enhanced capabilities and the considerable brand recognition of “SmartCentres”, SmartCentres changed its name from Calloway Real Estate Investment Trust to Smart Real Estate Investment Trust. In connection with the name change, SmartCentres also changed its TSX ticker symbol from “CWT.UN” to “SRU.UN”.

Following the 2015 Transactions, Peter Forde and Mauro Pambianchi joined the SmartCentres executive team as Chief Operating Officer and Chief Development Officer, respectively.

On June 30, 2015, SmartCentres redeemed all of its convertible unsecured subordinated debentures of SmartCentres due June 30, 2017 bearing interest at an annual rate of 5.75% per annum at a redemption price of \$1,000 plus accrued and unpaid interest of \$28.75 up to but excluding the redemption date, both per \$1,000 principal amount. As of the close of trading on June 29, 2015, the aggregate principal amount of the 5.75% convertible debentures was \$3,312,000.

As a result of the extension for an additional five years of the existing Voting Top-Up Right that provides Mitchell Goldhar and the MG Entities with the right to 25% of the total voting rights in SmartCentres and at the request of the TSX, SmartCentres re-designated its trust units as “Variable Voting Units” effective as of July 8, 2015. Such designation will cease on the termination of the Voting Top-Up Right in 2020.

On July 8, 2015, SmartCentres announced the appointment of Gregory Howard to its Board of Trustees, effective July 2, 2015. Mr. Howard replaced Peter Forde who stepped down as a Trustee when he was appointed Chief Operating Officer of SmartCentres following the 2015 Transactions.

On July 30, 2015, SmartCentres completed the acquisition of Haney Place Mall in Maple Ridge, British Columbia for aggregate consideration of \$59.4 million which was funded with existing cash. Haney Place Mall is an enclosed shopping centre totalling 227,000 square feet and includes a 111,000 square foot Walmart.

On September 25, 2015, SmartCentres completed the acquisition of a 60% interest in a property in Orleans, Ontario, from Walmart Canada Realty Inc., totalling 132,154 square feet of lands with potential for future development. The remaining 40% is owned by the Penguin Group. The total purchase price of this acquisition was \$8.8 million, which was satisfied by the assumption of a mortgage of \$8.7 million, adjusted for costs of acquisition and other working capital amounts.

On October 16, 2015, \$100,000,000 aggregate principal amount of Series K floating rate senior unsecured debentures of SmartCentres matured and were settled by SmartCentres with existing cash and its credit facilities.

On November 30, 2015, SmartCentres entered into an agreement to provide a loan facility of \$20.0 million to the Penguin Group pursuant to a development management agreement. The loan bears interest at 10 basis points plus the lower of: (i) the Canadian prime rate plus 45 basis points; and (ii) the Canadian dealer offer rate (CDOR) plus 145 basis points. The loan facility matures in 2020, however repayment of the pro rata share of the outstanding loan amount is due upon the completion of each Earnout event. As at December 31, 2017, the outstanding amount under the loan was \$10.2 million.

On December 7, 2015, SmartCentres completed the acquisition of a 100% interest in a property in Jonquiere, Quebec, from Walmart Canada Realty Inc., totalling 170,274 square feet of leasable area. The total purchase price of this acquisition including adjustments on closing was \$9.0 million, which was funded by existing cash.

2016

On July 21, 2016, SmartCentres announced the promotion of Peter Forde to the role of President of SmartCentres, reporting to Huw Thomas, SmartCentres' Chief Executive Officer.

On August 16, 2016, SmartCentres acquired an investment property in Lethbridge, Alberta totalling 53,392 square feet of leasable area for a purchase price of \$15.3 million for which SmartCentres assumed an existing mortgage totalling \$9.2 million with a term of 3.9 years and an interest rate of 2.73%.

On August 2, 2016, SmartCentres announced the commencement of the second phase of office development at the VMC. The next phase of development is expected to be completed in 2019 and will feature a new 220,000 square foot Class A facility which will be the home to lead occupants, PwC, YMCA and a new library.

On August 30, 2016, SmartCentres issued \$100,000,000 aggregate principal amount of Series O 2.987% Debentures and \$250,000,000 aggregate principal amount of Series P 3.444% Debentures. The offering was made under the 2015 Shelf Prospectus and a supplement to that prospectus dated August 16, 2016.

On September 14, 2016, SmartCentres redeemed all of its Series F 5.00% Debentures in the aggregate principal amount of \$100 million at a redemption price of approximately \$1,091.35 per \$1,000 of Series F 5.00% Debentures plus accrued and unpaid interest of approximately \$6.03 per \$1,000 of Series F 5.00% Debenture up to but excluding the redemption date. The aggregate redemption price for the Series F 5.00% Debentures was \$109,737,441.73. On September 14, 2016, SmartCentres also redeemed all of its Series G 4.70% Debentures in the aggregate principal amount of \$90 million at a redemption price of approximately \$1,066.71 per \$1,000 of Series G 4.70% Debentures plus accrued and unpaid interest of approximately \$2.96 per \$1,000 of Series G 4.70% Debenture up to but excluding the redemption date. The aggregate redemption price for the Series G 4.70% Debentures was \$96,270,011.95.

On October 3, 2016, KPMG, the lead tenant, opened for business at the VMC.

On October 25, 2016, SmartCentres announced its acquisition of a mixed-use retail-office centre in Pointe Claire, Quebec. The 382,000 square foot mixed-use centre contains a Walmart Supercentre, Home Depot and a number of national retailers such as Dollarama, L'Equipeur (a Canadian Tire banner) and TD Canada Trust along with a fully leased 62,000 square foot six-storey office building. The purchase price of approximately \$62 million was funded by existing cash and the assumption of an existing mortgage totalling \$34.5 million with an interest rate of 2.87% that matures in 2017.

On October 28, 2016, SmartCentres entered into an agreement to extend a loan receivable in the amount of \$40.3 million issued to OneREIT for a period of one year that was due to mature on October 30, 2016 with an interest rate of 6.75%, resulting in a revised maturity date of October 30, 2017 with substantially the same terms except for a one-time prepayment option of \$10.0 million that was exercised by OneREIT on October 31, 2016.

On December 6, 2016, SmartCentres and Mitchell Goldhar announced that they had completed a lease transaction with Harley Davidson in the KPMG Tower at SmartCentres Place in Vaughan. The new premises opened in January 2017.

On December 8, 2016, SmartCentres and Mitchell Goldhar announced they would soon commence marketing and development of the first high-rise residential project of approximately 700 units at SmartCentres Place in Vaughan. The project is being developed in a joint venture with CentreCourt Developments Inc. which will have a 50% interest in the project.

On December 13, 2016, SmartCentres announced that it had entered into a letter of intent for a 50/50 joint-venture with Jadco Corporation, a Montreal area based residential developer, to build two 15-storey towers on a portion of SmartCentres' shopping centre lands at the corner of boul. St-Martin and boul. Daniel-Johnson in Laval. The two towers will contain approximately 330 units connected to a common podium structure that will contain streetfront retail units as well as service and leisure amenities for the residents. Total investment is expected to exceed \$75 million and, subject to normal approvals, construction is expected to begin in early 2018 with tenants taking occupancy in mid-2019.

On December 15, 2016, SmartCentres and Mitchell Goldhar announced they completed a 65,000 square foot, 11 year plus two 5 year extensions lease transaction with GFL Environmental Inc. for its new corporate head office in the KPMG Tower at SmartCentres Place in Vaughan.

2017

On January 11, 2017, SmartCentres and Mitchell Goldhar announced the signing of a 10 year plus two 5 year extensions lease transaction with the law firm Miller Thomson LLP in the KPMG Tower at SmartCentres Place in Vaughan. Miller Thomson LLP opened its Vaughan office in July 2017.

On January 25, 2017, Revival 629 Film Studios announced that it intends to build a new 7,500 square foot studio called Revival XP at the StudioCentre site located at 629 Eastern Avenue, which is owned jointly by SmartCentres and Mitchell Goldhar. Revival XP will lease space on a short term basis to those who require easily accessible space for a specific period. In addition, there will be 1,500 square feet of support space. It is expected that Revival XP will be available for lease by March 2018. SmartCentres received approval from Toronto City Council to upgrade and redevelop the 19-acre site to include 1.2 million square feet of mixed-use space, including office, retail and potentially a hotel to service the arts, film and media community.

On February 15, 2017, SmartCentres announced that it entered into a Letter of Intent to form a 50/50 joint venture partnership with SmartStop Asset Management LLC, a leading North American developer and operator of self-storage facilities, to build self-storage facilities in Canada.

On March 21, 2017, SmartCentres issued \$150,000,000 aggregate principal amount of the Series Q 3.876% Debentures. The offering was made under the 2015 Shelf Prospectus and a supplement to that prospectus dated March 15, 2017.

On April 12, 2017, SmartCentres announced along with its joint venture partners, Mitchell Goldhar and CentreCourt Developments, details of a planning application for the development of Transit City, the first 55 storey residential condominium tower in SmartCentres Place.

On April 13, 2017, SmartCentres redeemed all of its Series J 3.385% Debentures in the aggregate principal amount of \$150,000,000 at a redemption price of \$1,014.70613 per \$1,000 of Series J 3.385% Debentures plus accrued and unpaid interest of \$12.427123 per \$1,000 of Series J 3.385% Debenture up to but excluding the redemption date. The aggregate redemption price for the Series J 3.385% Debentures was \$154,069,987.95.

On May 10, 2017, SmartCentres announced a joint venture with Fieldgate to develop a 16 acre parcel of land adjacent to SmartCentres Vaughan (NW) Shopping Centre at Major Mackenzie Drive and Weston Road in Vaughan and build approximately 230 freehold townhomes.

On June 6, 2017, SmartCentres and Mitchell Goldhar announced that the first and second condominium towers of Transit City were substantially sold out. Construction commenced in early 2018.

On June 12, 2017, SmartCentres entered into an agreement with a syndicate of Canadian financial institutions led by The Toronto-Dominion Bank and Canadian Imperial Bank of Commerce for a new unsecured credit facility totalling \$500 million with an accordion option for up to an additional \$250 million. The credit facility has a term of five years maturing on May 31, 2022.

On July 7, 2017, SmartCentres and Mitchell Goldhar announced the signing of a 13 year (plus two 5 year extensions) lease transaction with FM Global for 48,100 square feet in the KPMG Tower at SmartCentres Place.

On July 26, 2017, SmartCentres and Mitchell Goldhar announced that the third condominium tower at Transit City was substantially sold out. Construction on the third tower is expected to begin in the spring of 2018.

On October 4, 2017, SmartCentres acquired a portfolio of 12 retail properties from OneREIT through the acquisition of OneREIT's ONR Limited Partnership as part of a plan of arrangement (the "**Arrangement**"). The Arrangement added 2.2 million square feet of gross leaseable area to SmartCentres' existing portfolio, with 10 of the 12 properties located in Ontario. The portfolio includes 11 food stores, inclusive of 6 Walmart Supercentres and a strong mix of national tenants. The portfolio has an average lease term to maturity of 7.2 years and is 93% leased. As consideration, SmartCentres issued a total of 2,357,162 Units and assumed approximately \$325 million in debt. For the OneREIT unitholders electing non-cash consideration, all were satisfied with SmartCentres issuing 833,053 Units. In addition, 1,524,104 Units have been reserved for issuance to the holders of exchangeable Class B LP units of ONR Limited Partnership. The assumed debt included obligations under two series of OneREIT convertible debentures, the 5.45% Convertible Debentures and the 5.50% Convertible Debentures, with an aggregate principal amount of \$76.25 million.

On October 20, 2017, SmartCentres changed its name from Smart Real Estate Investment Trust to SmartCentres Real Estate Investment Trust and is now commonly referred to as SmartCentres. The change is a recognition of the high level of brand awareness of the SmartCentres name and its iconic penguin logo, well known with consumers, tenants and municipalities across the country.

On November 6, 2017, SmartCentres redeemed all of its 5.45% Convertible Debentures in the aggregate principal amount of \$40,000,000 at a redemption price of \$1,000.00 plus accrued and unpaid interest of \$19.26 up to but excluding the redemption date, both per \$1,000 principal amount of 5.45% Convertible Debenture.

On December 21, 2017, SmartCentres issued \$250,000,000 aggregate principal amount of the Series R Floating Rate Debentures and \$250,000,000 aggregate principal amount of the Series S 3.834% Debentures. The offering was made under the 2015 Shelf Prospectus and a supplement to that prospectus dated December 15, 2017.

Subsequent Developments in 2018

On February 12, 2018, SmartCentres, the Penguin Group and Revera Inc., a leading owner, operator and investor in the senior living sector, announced that the three companies have agreed to enter into a joint venture to develop new retirement living residences across Canada. Under the terms of the agreement, sites currently owned by both SmartCentres and the Penguin Group have been selected for potential development along with additional future sites to be identified. Under the terms of the agreement, SmartCentres and the Penguin Group will act as the developer for sites that they contribute, and Revera will operate the Revera branded retirement living residences upon completion. The retirement living residences are expected to be co-owned 50/50 by each partner in landlord/tenant structures and in operating structures.

Additional Agreements with the Penguin Group

In addition to agreements and contracts with the Penguin Group described elsewhere in this annual information form, SmartCentres has the following agreements with the Penguin Group:

- (a) A development services agreement, under which certain subsidiary limited partnerships of SmartCentres (collectively, the “**SmartCentres Service Provider**”) have agreed to provide the Penguin Group with certain development, management, transition and support services (including, among other services, human resources and information technology services) for a period of five years from May 28, 2015 with automatic five year renewal periods thereafter (except in the case of the transition services which shall only be provided during the initial five years of the term). The SmartCentres Service Provider also provides development and management services for the VMC. Development, management and support service fees are payable to the SmartCentres Service Provider and the Penguin Group has also agreed to pay SmartCentres the following fees for transition services: (i) for a period of three years beginning on May 28, 2015, an annual amount equal to \$4 million; (ii) for a period of one year beginning on May 29, 2018, an annual amount equal to \$3 million; and (iii) for a period of one year beginning on May 29, 2019, an annual amount equal to \$2 million, with all amounts being paid in arrears in quarterly instalments.
- (b) A services agreement under which SmartCentres has appointed Penguin Investments Inc. to perform certain master planning services in connection with real property owned by SmartCentres and its subsidiaries, and consulting services with respect to certain potential tenants. SmartCentres has agreed to pay Penguin Investments Inc. (i) a quarterly fee of \$875,000 in respect of the master planning services; and (ii) specified amounts payable after entry into leases in respect of any applicable tenancy for which consulting services have been provided. In addition, in the event that SmartCentres or its subsidiaries complete an acquisition of real property where the opportunity to acquire such real property is sourced by Penguin Investments Inc. and which property is not (i) listed publically for sale or otherwise generally available for sale; (ii) contemplated at the time of acquisition to be a Walmart anchored site; and (iii) a real property in respect of which the opportunity to acquire had otherwise been brought to one or more SmartCentres entities by a third party prior to Penguin Investments Inc. or any of its affiliates bringing such opportunity to one or more SmartCentres entities, SmartCentres has agreed to pay Penguin Investments Inc. a fee equal to 3% of the purchase price payable for the real property. The term of the services agreement expires on the earlier of (a) May 28, 2020; and (b) the date Mitchell Goldhar is no longer involved on behalf of Penguin Investments Inc. in the provision of services under the agreement.
- (c) A trade-mark licence agreement, under which a subsidiary limited partnership of SmartCentres has granted certain members of the Penguin Group a perpetual royalty-free, non-exclusive, non-transferable license to use the SmartCentres trade-marks that such subsidiary limited partnership acquired as part of the 2015 Platform Transaction and any trade-marks subsequently registered by SmartCentres or its subsidiary limited partnerships that are similar to such trade-marks for use on signage and marketing materials (including websites) in connection with retail, recreational, office, residential and/or commercial purposes as well as for internal use of documents, software and systems. In addition, Smart Centres Realty Inc. has been granted a perpetual royalty free, non-exclusive, non-transferable license to use “SmartCentres” in its corporate name as long as Smart

Centres Realty Inc. remains a private company.

- (d) An office lease, under which SmartCentres rents its office premises from the Penguin Group for a term ending May 2025.

OVERVIEW AND STRATEGIC DIRECTION

SmartCentres' vision is to create exceptional places to shop, work and live. SmartCentres' purpose is to develop, lease, construct, own and manage both shopping centres that provide retailers with a platform to reach their customers through convenient locations, intelligent designs, and a desirable tenant mix and high quality office space for tenants to locate effective work spaces.

SmartCentres is also now commencing with opportunities to provide residential housing (in various forms), retirement homes and self-storage facilities primarily at its shopping centre properties across Canada, as well as developing certain of its urban properties to provide a mix of retail, residential, office and self-storage space. SmartCentres will focus on each of these areas to generate opportunities for future growth.

SmartCentres' shopping centres focus on value-oriented retailers and include strong national and regional names as well as strong neighbourhood merchants. It is expected that Walmart will continue to be the dominant anchor tenant in the portfolio and that its presence will continue to attract other retailers and consumers.

SmartCentres' strategic plan also includes maximizing the value of its centres by introducing mixed-use developments that include, in some cases, superior access to public transit and the regional highway network. SmartCentres is building its first high-rise residential developments at SmartCentres Place in the VMC and has commenced construction on two 15-storey residential towers on a portion of its shopping centre lands in Laval, Quebec with Montreal-based residential developer, Jadco Corporation as well as approximately 230 townhomes on a 16-acre parcel of land adjacent to its Weston and Major Mackenzie mixed-used centre with its joint venture partner, Fieldgate.

As at December 31, 2017, SmartCentres owned 154 shopping centres with total gross leasable area of approximately 33.9 million square feet, seven development properties, one office property and one mixed-use property located in communities across Canada. Generally, SmartCentres' centres are conveniently located close to major highways, which, along with the anchor stores, provide significant draws to SmartCentres' portfolio, attracting both value-oriented retailers and consumers.

The "SmartCentres" brand represents a family and value oriented shopping experience. In 2015, SmartCentres, through a subsidiary limited partnership, acquired the "SmartCentres" brand from the Penguin Group and has licensed the use of the brand to the Penguin Group. SmartCentres recently changed its name from Smart Real Estate Investment Trust to SmartCentres Real Estate Investment Trust in order to further streamline the recognition, branding, and goodwill associated with the SmartCentres' brand among stakeholders, including investors, retailers, municipal officials and consumers.

To the extent that opportunities exist, and to the extent that management and the Board of Trustees believe such opportunities are beneficial to Unitholders, SmartCentres will continue to invest in large format, unenclosed retail rental properties with strong tenant covenants, stable yields, low vacancy levels and growth potential and continue to build a geographically diversified portfolio of such properties.

SmartCentres' executive management has, in the aggregate, over 100 years of experience in the commercial real estate market, including real estate development, acquisitions, dispositions, financing and administration, property management, construction and renovation and marketing. Management's goal is to maximize cash flow and Unit value, while minimizing Unitholder risk. Management undertakes regular reviews of the Property Portfolio and, based on experience and market knowledge, assesses ongoing opportunities for the Property Portfolio. Where appropriate, capital improvement projects, renovations and remarketing initiatives are implemented.

Management is committed to maximizing income from SmartCentres' properties through sophisticated and prudent financial management. Management intends to optimize the leveraged returns from the Property Portfolio, while

remaining within the overall debt limits set by the Declaration of Trust. Subject to the ability to obtain financing on acceptable terms, SmartCentres intends to utilize fixed rate debt financing with terms that are appropriate for the nature of the leases and the properties being financed. SmartCentres intends to stagger debt maturities to reduce refinancing risk and to provide a source of additional capital when refinanced, and make use of operating lines or acquisition facilities to generate interim capital.

SmartCentres plans to achieve its objectives by employing the internal and external growth strategies discussed below.

Leasing

SmartCentres believes that opportunities exist to increase cash flow of the Property Portfolio through value added asset management and leasing activity. SmartCentres develops a leasing strategy for each property that reflects the nature of the property, its position within the marketplace, as well as prevailing and forecasted economic conditions. To assist in implementing this strategy, SmartCentres coordinates with its internal leasing group and the brokerage leasing community (if appropriate) for each of the assets. Management expects that this strategy will maximize expansion and renewal opportunities and will involve aggressive, proactive leasing programs.

SmartCentres recognizes that renewal of existing tenant leases, as opposed to tenant replacement, often provides the best operating results as renewals minimize transaction costs associated with marketing, leasing and tenant improvements and avoids costs of renovation and interruptions in rental income resulting from periods of vacancy. Where existing tenants choose not to renew their lease, SmartCentres proactive leasing function is designed to quickly identify replacement tenants at the best available market terms and lowest possible transaction costs.

SmartCentres' leasing strategy has extended to include residential developments with its first high-rise residential project in Laval, Quebec.

Developments, Earnouts and Mezzanine Financing

SmartCentres developments, earnouts and mezzanine financing continue to be a significant component of SmartCentres' strategic plan. As at December 31, 2017, SmartCentres had approximately 4.0 million square feet of potential gross leasable area that could be developed, including 0.1 million square feet of gross leasable area for the VMC development (representing SmartCentres' 50% interest in two office towers). For its own account, assuming SmartCentres continues to successfully manage the development of leasable area and raise the capital required for such development, SmartCentres plans to develop approximately 3.5 million square feet of this gross leasable area ("**SmartCentres Developments**", including VMC), acquire approximately 0.5 million square feet of the space to be developed and leased to third parties on behalf of the Penguin Group and other vendors ("**Earnouts**") and acquire approximately 0.6 million square feet of the space to be developed under mezzanine financing purchase options. In addition, virtually all leasing and development work on behalf of the Penguin Group and other vendors is contracted to and completed by SmartCentres.

Earnouts occur where the vendors retain responsibility for managing certain developments on behalf of SmartCentres for additional proceeds calculated based on a predetermined, or formula based, capitalization rate, net of land and development costs incurred by SmartCentres. SmartCentres is responsible for managing the completion of Earnouts and SmartCentres Developments. Mezzanine financing purchase options are exercisable once a shopping centre is substantially complete and allows the lender to acquire 50% of the completed shopping centre.

Redevelopment

The strength and dynamic design of each of SmartCentres' properties provide an opportunity to accommodate the changing needs of SmartCentres' existing tenants, as well as an ability to add new tenancies to an already strong shopping centre. Whether the change is in adding a new banner, a second floor, a drive-thru or making other accommodations to SmartCentres' strong tenant mix, such redevelopments continue to drive further revenue growth. Redevelopment opportunities not only exist in adding additional retail square footage to a property, but in adding additional uses such as residential and office, as markets develop. With SmartCentres' portfolio being situated

within close proximity to the vast majority of the Canadian population, redevelopments will continue to assist SmartCentres in maintaining high occupancy levels and creating new sources of income.

Acquisitions

Subject to the availability of acquisition opportunities and to the extent that management and the Board of Trustees believe such opportunities are beneficial to Unitholders, SmartCentres strives to grow distributions, in part, through accretive acquisitions of property in its existing and adjacent markets and in new Canadian markets that present opportunities for accretive returns.

Throughout the acquisition process, SmartCentres' strategy is to identify potential property acquisitions using an investment criteria that focuses primarily on return on equity, security of cash flow, potential for capital appreciation and the potential to increase value by more efficient management of the assets being acquired, including accessing capital for expansion and development of those assets, which access might not otherwise be available to competitors and other property owners.

The current environment for acquisitions is very competitive with limited supply of quality properties coming to the market. SmartCentres explores acquisition opportunities as they arise but will only pursue acquisitions that are accretive relative to its long term cost of capital.

Premium Outlets

SmartCentres has established a joint venture relationship with Simon Properties in building Canada's first Premium Outlets Centre, the Toronto Premium Outlets Centre, and subsequently the Montreal Premium Outlets. High national and international tenant demand for outlet fashion-retail space has created a growth story for SmartCentres as it continues to look for suitable locations with Simon Properties. SmartCentres together with Simon Properties recently completed construction of a parking lot expansion at the Toronto Premium Outlets comprising a total of five storeys with approximately 1,800 total parking spaces and has now commenced a 145,000 square foot retail expansion which is expected to be completed in November 2018. Also, with SmartCentres' partner, Simon Properties, work continues on two potential additional premium outlet locations in Canada.

Vaughan Metropolitan Centre

The VMC is located near the intersection of Highways 400 and 7 in the City of Vaughan, only 25 km north of downtown Toronto. SmartCentres, together with the Penguin Group, each with a 50% interest, owns approximately 50 acres of land within the VMC, housing the VMC subway station and the York Regional Rapid Transit (YRRT) bus terminal. The lands are expected to include office, retail and residential developments in excess of 10 million square feet when completed. Management expects that the site will provide opportunities for business and industry, and will connect residents to downtown Toronto through the Toronto subway system.

The first development was a 365,000 square foot office complex that is home to the lead tenant, KPMG, which opened for business on October 3, 2016. The design features a 15 storey tower connected to a 2 storey podium with direct access to the VMC subway station, which opened on December 17, 2017, and the new Regional Bus Terminal, which is expected to open in the spring of 2018. The building was awarded LEED Gold Certification in July 2017. Construction is underway on the second phase of office development at the VMC and is expected to be completed in 2019. This next phase will feature a new 220,000 square foot Class A facility which will be the home to lead occupants, PwC, YMCA and a new library and studio space.

SmartCentres has a residential joint venture at the VMC with the Penguin Group and CentreCourt Developments to develop residential condominium towers at SmartCentres Place (known as Transit City). Construction on the first two residential towers has commenced with the third tower to follow in the spring of 2018. The first three residential towers are substantially sold out.

Professional Management

Through professional management of the Property Portfolio, SmartCentres intends to ensure its properties continue to attract consumers and provide preferred locations for its tenants. Well-managed properties enhance the shopping experience and ensure customers continue to visit the centres. Professional management of the Property Portfolio has contributed to a continuing high occupancy level of 98.2% at December 31, 2017 (December 31, 2016 – 98.3%).

Competitive Conditions

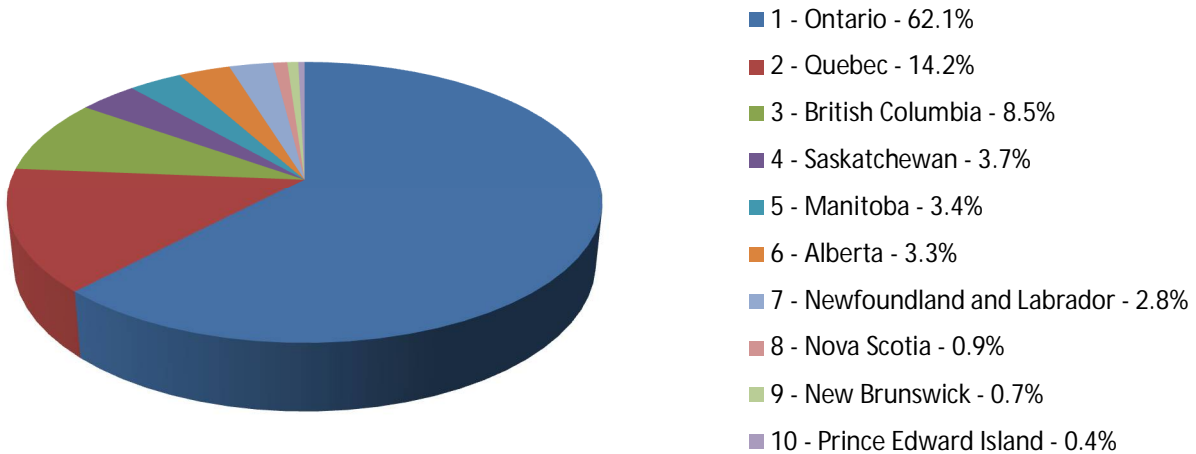
SmartCentres competes for real estate assets with other real estate investment trusts, corporations, life insurance companies and pension plans. Buyers include both international and domestic entities. An increase in the availability of investment capital and an increase in the demand for the stable yields realized from real estate has resulted in increased prices and lower yields. Should the availability of capital and demand for real estate decrease, there would be a negative impact on real estate prices. The low interest rates that the Canadian economy has experienced in recent years has resulted in an influx of buyers for all asset classes in the real estate industry. Increases in interest rates would result in increased costs of borrowing for SmartCentres, potentially reducing returns on investments, which can have a constraining effect on the real estate market as well as result in higher capitalization rates and consequently decreased real estate prices and values.

OVERVIEW OF PROPERTY PORTFOLIO

As of December 31, 2017, the Property Portfolio consisted of 163 properties located in all of the provinces of Canada including:

- a) 15 properties located in British Columbia;
- b) 7 properties located in Alberta;
- c) 5 properties located in Saskatchewan;
- d) 3 properties located in Manitoba;
- e) 98 properties located in Ontario;
- f) 25 properties located in Quebec;
- g) 2 properties located in New Brunswick;
- h) 2 properties located in Nova Scotia;
- i) 1 property located in Prince Edward Island; and
- j) 5 properties located in Newfoundland and Labrador.

Gross Revenues by Province of the Property Portfolio



The Property Portfolio is comprised almost exclusively of retail properties and developable lands for retail and mixed-use purposes. As at December 31, 2017, substantially all of the gross rental revenue was derived from retail properties containing an aggregate of 33,901,419 square feet. The occupancy rate for the Property Portfolio as at December 31, 2017 was 98.2%.

Most of the retail properties have been developed within the past 17 years. Each of the retail properties has been professionally managed and well-maintained. The retail properties enjoy the benefits of strong locations and professional management and leasing practices, resulting in low vacancy, stable income and controlled expenses.

As at December 31, 2017, there were also three properties operating under the SmartCentres banner that SmartCentres does not have any ownership interest in with an aggregate gross leasable area of 1,001,167 square feet.

The following table summarizes the Property Portfolio as a whole as at December 31, 2017.

	<u>Total</u>
Number of Properties	163
Net Rentable Area (square feet) (excluding Undeveloped Lands).....	34,157,085
Occupancy.....	98.2%
Average Non-Anchor Net Rent in Place	\$21.61
Average Net Rent in Place.....	\$15.28

Retail Properties

The following table sets forth certain summary information as at December 31, 2017, with respect to the retail properties in the Property Portfolio:

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area</u>⁽¹⁾	<u>Future Retail Area</u>⁽¹⁾	<u>Occupancy</u>	<u>Major Tenants</u>
Chilliwack Mall	Chilliwack	100%	126,625	24,850	100.0%	Safeway, Winners, Sport Chek
Courtenay SmartCentre	Courtenay	100%	273,289	0	97.7%	Walmart Supercentre, Winners, Staples, Best Buy, Sport Chek, Mark's Work Warehouse, Reitmans
Cowichan Commons East	Duncan	100%	249,677	0	93.7%	Walmart Supercentre*, RONA*, Canadian Tire, Home Depot, Best Buy, Bulk Barn
Cranbrook SmartCentre	Cranbrook	100%	164,025	0	100.0%	Walmart Supercentre, Real Canadian Superstore*, Home Hardware*, Sport Chek, Dollar Tree
Kamloops SmartCentre	Kamloops	100%	232,800	0	96.7%	Walmart Supercentre, Michaels, Lordco Auto Parts, Pier 1 Imports, Sleep Country
Langley SmartCentre	Langley	100%	351,224	0	99.3%	Walmart Supercentre, Home Depot*, Save-on-Foods*, London Drugs, Home Outfitters, Best Buy
Maple Ridge SmartCentre	Maple Ridge	100%	226,874	0	94.2%	Walmart Supercentre, Thrifty Foods, Westminster Savings Credit Union, Dollar Tree, Rexall
New Westminster SmartCentre	New Westminster	100%	409,249	26,106	94.0%	Walmart Supercentre, Home Outfitters, Tommy Hilfiger, The Gap, Carter's OshKosh
Peachtree Square	Penticton	100%	54,915	0	95.0%	Walmart Supercentre*, Sport Chek, Dollar Tree, Valley First Credit Union, Bulk Barn
Penticton Power Centre	Penticton	100%	202,322	0	98.6%	Real Canadian Superstore, Staples, Winners, PetSmart, Sleep Country, TD Canada Trust

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area</u> ⁽¹⁾	<u>Future Retail Area</u> ⁽¹⁾	<u>Occupancy</u>	<u>Major Tenants</u>
Prince George SmartCentre	Prince George	100%	313,390	23,053	97.3%	Walmart Supercentre, Home Depot*, Canadian Tire*, Michaels, Old Navy, Mark's Work Warehouse, Petland
Salmon Arm SmartCentre	Salmon Arm	50%	67,324	40,454	100.0%	Walmart Supercentre, Winners, Dollarama, Bulk Barn
Surrey West SmartCentre	Surrey	100%	188,264	4,149	99.4%	Walmart Supercentre, Dollar Tree, Ardene, Sleep Country, Reitmans, Carter's OshKosh
Vernon SmartCentre	Vernon	100%	259,302	0	95.1%	Walmart Supercentre, RONA*, Best Buy, Value Village, Mark's Work Warehouse, Petland, Sleep Country
Calgary Southeast SmartCentre	Calgary	100%	246,085	0	100.0%	Walmart Supercentre, London Drugs, Mark's Work Warehouse, Reitmans, Carter's OshKosh, Bulk Barn
Edmonton East SmartCentre	Edmonton	50%	180,100	0	100.0%	Walmart Supercentre, Safeway, Winners, Fit4Less, Petland, Dollarama
Edmonton Northeast SmartCentre	Edmonton	100%	274,353	0	97.1%	Walmart Supercentre, Your Dollar Store With More, Michaels, Bulk Barn, Moores, Penningtons
Lethbridge II SmartCentre	Lethbridge	100%	53,392	0	100.0%	Sobeys
Lethbridge SmartCentre	Lethbridge	100%	333,092	0	98.9%	Walmart Supercentre, Home Depot*, Best Buy, Ashley Furniture, Mark's Work Warehouse, Gap Outlet
St. Albert SmartCentre	St. Albert	100%	251,329	0	100.0%	Walmart Supercentre, Save-on-Foods*, RONA*, Dollarama, Canadian Western Bank
Sylvan Lake SmartCentre	Sylvan Lake	100%	131,983	112,878	100.0%	Walmart Supercentre, Canadian Tire*, Dollarama

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area</u> ⁽¹⁾	<u>Future Retail Area</u> ⁽¹⁾	<u>Occupancy</u>	<u>Major Tenants</u>
Golden Mile Shopping Centre	Regina	100%	237,636	21,516	93.3%	Loblaws, GoodLife Fitness, Rainbow Cinemas, Dollarama, RBC, Rexall
Regina East SmartCentre (I)	Regina	100%	364,681	33,322	100.0%	Walmart Supercentre, HomeSense, London Drugs, Best Buy, Michaels, Pier 1 Imports
Regina East SmartCentre (II)	Regina	100%	198,134	0	98.6%	RONA, Real Canadian Superstore*, Wholesale Sports, PetSmart, Old Navy, Petland
Regina North SmartCentre	Regina	100%	276,251	0	99.5%	Walmart Supercentre, IGA, Mark's Work Warehouse, Dollarama, TD Canada Trust, Reitmans, Bulk Barn
Saskatoon South SmartCentre	Saskatoon	100%	374,722	0	100.0%	Walmart Supercentre, Home Depot*, HomeSense, The Brick, Ashley Furniture, Golf Town
Kenaston Common SmartCentre	Winnipeg	100%	257,222	37,200	99.6%	RONA, Costco*, Indigo Books, Golf Town, Petland, Nygard, CIBC, HSBC, RBC
Winnipeg Southwest SmartCentre	Winnipeg	100%	528,192	0	97.0%	Walmart Supercentre, Home Depot*, Safeway, Home Outfitters, HomeSense, Urban Planet
Winnipeg West SmartCentre	Winnipeg	100%	354,679	0	98.0%	Walmart Supercentre, Canadian Tire*, Sobeys, Winners, Value Village, Sport Chek, Staples
401 & Weston Power Centre	North York	44%	109,640	56,598	99.1%	Real Canadian Superstore*, Canadian Tire, The Brick, Best Buy, LCBO, Mark's Work Warehouse, Dollar Tree

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Retail Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Major Tenants</u>
Alliston SmartCentre	Alliston	100%	170,770	114,959	100.0%	Walmart Supercentre, Dollarama, Tim Hortons
Ancaster SmartCentre	Ancaster	100%	264,833	8,000	100.0%	Walmart Supercentre, Canadian Tire*, Winners, GoodLife Fitness, Bouclair, Dollar Tree
Aurora North SmartCentre	Aurora	100%	508,567	6,264	98.9%	Walmart Supercentre, RONA, Best Buy, Golf Town, LCBO, Dollarama, RBC, TD Canada Trust
Aurora SmartCentre	Aurora	100%	51,186	0	100.0%	Winners, Healthy Planet, Bank of Nova Scotia
Barrie Essa Road Shopping Centre	Barrie	100%	104,906	0	93.6%	Food Basics, Pharma Plus, Dollarama, Anytime Fitness, Pet Valu, Tim Hortons
Barrie North SmartCentre	Barrie	100%	234,700	0	100.0%	Walmart Supercentre, Loblaws*, Old Navy, Carter's OshKosh, Addition-Elle, Reitmans
Barrie South SmartCentre	Barrie	100%	389,561	20,323	100.0%	Walmart Supercentre, Sobeys, Winners, La-Z-Boy, PetSmart, Stitches, Dollar Tree
Bolton SmartCentre	Bolton	100%	242,444	0	99.2%	Walmart Supercentre, LCBO, Mark's Work Warehouse, The Beer Store, Reitmans
Bracebridge SmartCentre	Bracebridge	100%	142,501	61,973	100.0%	Walmart Supercentre, Home Depot*, Dollar Tree, Boston Pizza, Bulk Barn
Bradford SmartCentre	Bradford	100%	241,701	183,142	100.0%	Walmart Supercentre, GoodLife Fitness, Dollarama, Bulk Barn, CIBC, RBC
Bramport SmartCentre	Brampton	100%	163,450	100,474	99.2%	LA Fitness, Value Village, LCBO, Dollarama, Swiss Chalet, CIBC, Bank of Montreal
Bramport SmartCentre (II)	Brampton	100%	37,857	0	100.0%	No Frills

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area</u> ⁽¹⁾	<u>Future Retail Area</u> ⁽¹⁾	<u>Occupancy</u>	<u>Major Tenants</u>
Brampton East SmartCentre	Brampton	100%	360,695	0	100.0%	Walmart Supercentre, The Brick, Winners, Staples, Mark's Work Warehouse, Dollar Tree, Carter's OshKosh
Brampton North SmartCentre	Brampton	100%	58,794	0	79.3%	Fortinos*, Shoppers Drug Mart, RBC
Brampton Northeast SmartCentre	Brampton	100%	234,036	13,353	100.0%	Walmart Supercentre, GoodLife Fitness, LCBO, Dollarama, CIBC, Bank of Nova Scotia, RBC
Brockville SmartCentre	Brockville	100%	144,084	0	100.0%	Walmart Supercentre*, Real Canadian Superstore*, Home Depot*, Winners, Michaels, LCBO
Burlington (Appleby) SmartCentre	Burlington	100%	151,115	12,940	100.0%	Toys R Us, LA Fitness, Shoppers Drug Mart, Golf Town, Bank of Montreal
Burlington North SmartCentre	Burlington	100%	226,451	0	100.0%	Walmart Supercentre, Dollar Tree, Reitmans, Moores, Bank of Nova Scotia
Burnhamthorpe SmartCentre	Mississauga	100%	199,970	0	86.0%	Swiss Chalet, Remax
Cambridge SmartCentre (I)	Cambridge	100%	744,417	8,000	95.5%	Walmart Supercentre, RONA, LA Fitness, Best Buy, Staples, Bed Bath & Beyond, Michaels
Cambridge SmartCentre (II)	Cambridge	100%	23,938	24,303	81.6%	Canadian Tire*, Home Depot*, Henry's Photography, Allstate Insurance
Carleton Place SmartCentre	Carleton Place	100%	148,885	0	100.0%	Walmart Supercentre, Dollarama, Mark's Work Warehouse, Bulk Barn
Centennial Parkway Plaza	Stoney Creek	100%	133,748	0	95.1%	Food Basics, JYSK, King's Buffet, Salvation Army Thrift Store

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area</u> ⁽¹⁾	<u>Future Retail Area</u> ⁽¹⁾	<u>Occupancy</u>	<u>Major Tenants</u>
Chatham SmartCentre	Chatham	50%	154,545	0	99.3%	Walmart Supercentre, Real Canadian Superstore*, Winners, Mark's Work Warehouse, PetSmart, Dollarama, LCBO
Cobourg SmartCentre	Cobourg	100%	197,935	25,820	98.9%	Walmart Supercentre, Home Depot*, Winners, Dollar Tree, Swiss Chalet
Cornwall SmartCentre	Cornwall	100%	171,176	68,091	100.0%	Walmart Supercentre, Dollar Tree, Bank of Montreal
Creekside Crossing	Mississauga	30%	120,017	7,934	100.0%	Walmart Supercentre, Costco, LCBO, Dollarama, The Beer Store, CIBC, TD Canada Trust, RBC
Etobicoke (Index) SmartCentre	Etobicoke	100%	188,059	3,898	99.5%	Sail, Marshalls, PetSmart, Party Packagers, Structube, Bouclair, Penningtons
Etobicoke SmartCentre	Etobicoke	100%	294,734	10,000	100.0%	Walmart Supercentre, Home Depot*, Best Buy, Winners, Old Navy, Mark's Work Warehouse, Urban Barn
Fergus SmartCentre	Fergus	100%	109,652	0	100.0%	Walmart Supercentre, LCBO
Fort Erie SmartCentre	Fort Erie	100%	12,738	19,555	100.0%	Walmart Supercentre*, No Frills*, LCBO, Bank of Nova Scotia
Guelph SmartCentre	Guelph	100%	296,116	26,450	99.5%	Walmart Supercentre, Home Depot*, HomeSense, Michaels, Dollarama, CIBC, RBC
Hamilton South SmartCentre	Hamilton	100%	241,795	4,667	100.0%	Walmart Supercentre, Shoppers Drug Mart, LCBO, Dollarama, The Beer Store, CIBC
Hartzel Plaza	St. Catharines	100%	67,972	0	100.0%	Food Basics, Provincial Government

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area</u> ⁽¹⁾	<u>Future Retail Area</u> ⁽¹⁾	<u>Occupancy</u>	<u>Major Tenants</u>
Huntsville SmartCentre	Huntsville	100%	126,436	0	100.0%	Walmart Supercentre, Your Independent Grocer*, Dollar Tree, Mark's Work Warehouse, Reitmans
Kanata SmartCentre	Kanata	100%	201,548	18,300	99.2%	Walmart Supercentre, Dollarama, Bulk Barn, CIBC, RBC
Kingspoint Shopping Centre	Brampton	100%	202,236	0	98.2%	Giant Tiger, GoodLife Fitness, Shoppers Drug Mart, The Beer Store
Laurentian Power Centre	Kitchener	100%	35,200	136,023	100.0%	RONA*, Zehrs*, Staples, CIBC
Leaside SmartCentre	East York	100%	257,919	0	98.0%	Home Depot*, Winners, Sobey's, Sport Chek, Best Buy, LCBO, Golf Town, RBC
Lincoln Value Centre	St. Catharines	100%	327,596	31,615	93.0%	Walmart Supercentre, Canadian Tire, No Frills, Dollarama
London East Argyle Mall	London	100%	424,986	0	98.4%	Walmart Supercentre, Toys R Us, No Frills, Winners, Staples, Sport Chek, GoodLife Fitness
London North SmartCentre	London	50%	250,118	0	99.3%	Walmart Supercentre, Canadian Tire*, Marshalls, Winners, Sport Chek, HomeSense, Old Navy
London Northwest SmartCentre	London	100%	36,214	147,160	100.0%	Lowe's*, Boston Pizza, Bank of Montreal, Montana's, Kelsey's, RBC
Markham East SmartCentre	Markham	40%	69,008	14,664	100.0%	Walmart Supercentre, Dollar Tree, CIBC
Markham Woodside SmartCentre	Markham	50%	179,950	0	100.0%	Home Depot, Longo's*, Winners, Staples, Chapters, Michaels, La-Z-Boy, LCBO

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area</u> ⁽¹⁾	<u>Future Retail Area</u> ⁽¹⁾	<u>Occupancy</u>	<u>Major Tenants</u>
Milton Walmart Centre	Milton	50%	116,602	0	94.1%	Walmart Supercentre*, Canadian Tire*, Sport Chek, Indigo, Michaels, Mark's Work Warehouse, Staples, RBC
Mississauga (Erin Mills) SmartCentre	Mississauga	100%	289,932	755	96.3%	Walmart Supercentre, No Frills, GoodLife Fitness, Shoppers Drug Mart, Dollarama
Mississauga (Go Lands) SmartCentre	Mississauga	100%	113,005	6,020	100.0%	Real Canadian Superstore*, Toys R Us, Marshalls, Dollarama, TD Canada Trust
Mississauga (Meadowvale) SmartCentre	Mississauga	100%	557,845	14,880	93.5%	Walmart Supercentre, RONA, Winners, Staples, Michaels, Mark's Work Warehouse, PetSmart, LCBO
Niagara Falls SmartCentre	Niagara Falls	100%	249,745	138,661	100.0%	Walmart Supercentre, PetSmart, Penningtons, Dollarama, LCBO, Sleep Country, Bulk Barn
Oakville SmartCentre	Oakville	100%	461,226	4,545	99.6%	Walmart Supercentre, Real Canadian Superstore, LCBO, The Beer Store, The Keg, CIBC, RBC
Orillia SmartCentre	Orillia	100%	241,659	59,125	100.0%	Walmart Supercentre, Winners, Staples, Michaels, Dollarama
Orleans SmartCentre (I)	Orleans	100%	384,015	0	94.8%	Walmart Supercentre, Canadian Tire*, Home Outfitters, Best Buy, Shoppers Drug Mart
Orleans SmartCentre (II)	Orleans	60%	13,203	121,085	100.0%	Indigo Books
Oshawa North SmartCentre	Oshawa	100%	558,159	40,984	100.0%	Walmart Supercentre, Real Canadian Superstore, Home Depot*, Marshalls, Sport Chek, Best Buy, Michaels

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area</u> ⁽¹⁾	<u>Future Retail Area</u> ⁽¹⁾	<u>Occupancy</u>	<u>Major Tenants</u>
Oshawa North SmartCentre (II)	Oshawa	100%	163,259	16,833	100.0%	Home Outfitters, Winners, PetSmart, Party Packagers, Boston Pizza, TD Canada Trust
Oshawa South SmartCentre	Oshawa	100%	536,707	10,000	100.0%	Walmart Supercentre, Lowe's, Sail, CIBC, Dollarama, Moores, Reitmans, RBC
Ottawa (Laurentian Place) SmartCentre	Ottawa	50%	128,939	7,633	100.0%	Walmart Supercentre, Stantec, CIBC
Ottawa South SmartCentre	Ottawa	50%	261,569	0	93.9%	Walmart Supercentre, Loblaws, Cineplex Odeon, Marshalls, Winners, Chapters
Owen Sound SmartCentre	Owen Sound	100%	163,101	4,900	100.0%	Walmart Supercentre, Home Depot*, Penningtons, Dollarama, Carter's OshKosh, Reitmans
Pickering SmartCentre	Pickering	100%	546,194	0	98.2%	Walmart Supercentre, Lowe's, Sobeys, Canadian Tire*, Toys R Us, Winners, PetSmart, LCBO
Port Elgin SmartCentre	Port Elgin	100%	115,524	0	100.0%	Walmart Supercentre
Port Perry SmartCentre	Port Perry	100%	138,789	53,916	100.0%	Walmart Supercentre, LCBO, Dollarama, Mark's Work Warehouse, Bulk Barn, Bank of Nova Scotia
Rexdale SmartCentre	Etobicoke	100%	35,174	0	100.0%	Walmart Supercentre*, Dollarama, Bank of Nova Scotia
Richmond Hill SmartCentre	Richmond Hill	50%	136,306	0	98.5%	Walmart Supercentre, Food Basics, Shoppers Drug Mart, HSBC, Bank of Montreal
Rockland SmartCentre	Rockland	100%	147,592	0	100.0%	Walmart Supercentre, RONA*, Dollarama, LCBO, Boston Pizza

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area</u> ⁽¹⁾	<u>Future Retail Area</u> ⁽¹⁾	<u>Occupancy</u>	<u>Major Tenants</u>
Rutherford Village Shopping Centre	Vaughan	100%	104,301	0	97.9%	Sobeys, TD Canada Trust, Rogers Video, Tim Hortons
Sarnia SmartCentre	Sarnia	100%	342,617	36,400	99.4%	Walmart Supercentre, Winners, Michaels, PetSmart, LCBO, Dollarama, Penningtons
Scarborough (1900 Eglinton) SmartCentre	Scarborough	100%	380,090	0	99.6%	Walmart Supercentre, Winners, Mark's Work Warehouse, LCBO, David's Bridal, Bank of Montreal
Scarborough East SmartCentre	Scarborough	100%	282,156	0	100.0%	Walmart Supercentre, Cineplex Odeon, LCBO, Reitmans, Boston Pizza, Sleep Country
Simcoe SmartCentre	Simcoe	100%	129,876	10,050	100.0%	Walmart Supercentre, LCBO, Dollar Tree
South Oakville Centre	Oakville	100%	189,379	131,318	97.0%	Metro, Winners, Shoppers Drug Mart, LCBO, The Beer Store, CIBC, TD Canada Trust
St. Catharines West SmartCentre (I)	St. Catharines	100%	370,106	32,022	100.0%	Walmart Supercentre, Real Canadian Superstore*, Canadian Tire*, Home Outfitters, Best Buy
St. Catharines West SmartCentre (II)	St. Catharines	100%	120,438	0	95.8%	The Brick, Michaels, Shoppers Drug Mart, Golf Town, Bouclair
St. Thomas SmartCentre	St. Thomas	100%	224,291	0	96.3%	Walmart Supercentre, Real Canadian Superstore*, Canadian Tire*, Staples, Dollar Tree
Stoney Creek SmartCentre	Stoney Creek	100%	257,064	124,358	99.0%	Walmart Supercentre, Toys R Us, Dollar Tree
Stouffville SmartCentre	Stouffville	100%	162,968	121,742	100.0%	Walmart Supercentre*, Canadian Tire, Winners, Staples, Dollarama, Bouclair, Bulk Barn

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area</u> ⁽¹⁾	<u>Future Retail Area</u> ⁽¹⁾	<u>Occupancy</u>	<u>Major Tenants</u>
Sudbury South SmartCentre	Sudbury	100%	233,046	0	100.0%	Walmart Supercentre, LCBO, Mark's Work Warehouse, Dollarama, Bouclair
Toronto Premium Outlets	Halton Hills	50%	179,333	72,548	100.0%	Saks Fifth Avenue OFF 5TH, Polo Ralph Lauren, Restoration Hardware, Nike, Columbia, Coach
Toronto Stockyards SmartCentre	Toronto	100%	8,615	0	100.0%	Walmart Supercentre*, Bank of Montreal, CitiFinancial
Vaughan (400 & 7) SmartCentre	Vaughan	100%	216,342	36,608	100.0%	Sail, The Brick, Home Depot*, Value Village, GoodLife Fitness, Fabricland
Vaughan Northwest SmartCentre	Vaughan	100%	172,170	51,476	95.9%	Walmart Supercentre, CIBC
Waterloo SmartCentre	Waterloo	100%	181,623	75,970	100.0%	Walmart Supercentre, Value Village, Mark's Work Warehouse, Dollarama
Welland SmartCentre	Welland	100%	240,663	41,864	100.0%	Walmart Supercentre, Canadian Tire*, RONA, Mark's Work Warehouse, Dollar Tree
Westside Mall	Toronto	100%	144,405	0	95.8%	Canadian Tire, FreshCo, Dollar Tree, Rogers, CIBC
Whitby North SmartCentre	Whitby	100%	279,153	0	100.0%	Walmart Supercentre, Real Canadian Superstore*, Mark's Work Warehouse, LCBO, Bank of Nova Scotia
Whitby Northeast SmartCentre	Whitby	100%	39,249	19,068	100.0%	Boston Pizza, Swiss Chalet, RBC, Popeyes
Whitby Shores Shopping Centre	Whitby	100%	85,602	0	100.0%	Metro, LCBO, Bank of Nova Scotia, Lovell Drugs, Pet Valu, Tim Hortons

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Retail Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Major Tenants</u>
Windsor South SmartCentre	Windsor	100%	231,110	0	97.6%	Walmart Supercentre, Part Source, Dollarama, PetSmart, Moores, The Beer Store, CIBC
Woodbridge SmartCentre	Woodbridge	50%	216,983	0	98.1%	Canadian Tire*, Fortinos*, Winners, Best Buy, Toys R Us, Chapters, Michaels, Sport Chek
Woodstock SmartCentre	Woodstock	100%	257,220	0	97.9%	Walmart Supercentre, Canadian Tire*, Staples, Mark's Work Warehouse, Carter's OshKosh, CIBC, Reitmans
Yorkgate Shopping Centre	Toronto	100%	214,684	0	94.0%	No Frills, City of Toronto, Planet Fitness, Seneca College, Dollarama
Blainville SmartCentre	Blainville	100%	197,812	21,265	100.0%	Walmart Supercentre, Winners, Dollarama, Bulk Barn, Bank of Nova Scotia, RBC
Hull SmartCentre	Hull	50%	161,239	0	97.5%	Walmart Supercentre, Loblaws*, RONA*, Famous Players*, Super C*, Winners, Staples
Kirkland SmartCentre	Kirkland	100%	207,216	0	100.0%	Walmart Supercentre, The Brick
Lachenaie SmartCentre	Lachenaie	50%	141,292	33,066	100.0%	Walmart Supercentre, HomeSense, Michaels, SAQ, Bouclair, Structube
Laval Centre	Laval	100%	159,779	114,036	100.0%	Walmart Supercentre, Leon's*
Laval East SmartCentre	Laval	100%	540,056	136,735	97.4%	Walmart Supercentre, Canadian Tire, IGA, Winners, Michaels, Bouclair, Dollarama, SAQ
Laval West SmartCentre	Laval	100%	577,678	8,532	97.3%	Walmart Supercentre, RONA, Canadian Tire*, IGA*, Archambault, Marshalls, Michaels

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area</u> ⁽¹⁾	<u>Future Retail Area</u> ⁽¹⁾	<u>Occupancy</u>	<u>Major Tenants</u>
Mascouche North SmartCentre	Mascouche	100%	62,539	49,071	92.2%	RONA*, Jean Coutu, Structube, SAQ, McDonald's, Bulk Barn
Mascouche SmartCentre	Mascouche	100%	407,799	0	100.0%	Walmart Supercentre, IGA, Home Outfitters, Winners, Staples, Best Buy, Bouclair, Mark's Work Warehouse
Montreal (Decarie) SmartCentre	Montreal	50%	132,434	0	96.4%	Walmart, Toys R Us, Ardene, Baton Rouge, Suzy Shier, P.F. Chang's, Bulk Barn
Montreal North SmartCentre	Montreal	100%	267,713	15,747	96.9%	Walmart Supercentre, IGA, Winners, Dollarama, Sleep Country, Bulk Barn, TD Canada Trust
Montreal Premium Outlets	Mirabel	50%	182,976	50,000	100.0%	The Bay Outlet, Polo Ralph Lauren, Old Navy, Nike, Urban Planet, Tommy Hilfiger, Coach
Place Bourassa Mall	Montreal	100%	266,173	26,505	83.5%	Canadian Tire, Super C, Pharmaprix, L'Aubainerie, Yellow, Urban Depot, Ardene
Pointe Claire SmartCentre	Pointe Claire	100%	384,915	0	98.4%	Walmart Supercentre, Home Depot, Marks, Dollarama, Baron Sports, Pier 1 Imports
Rimouski SmartCentre	Rimouski	100%	243,740	0	100.0%	Walmart Supercentre, Tanguay*, Super C*, Winners, Best Buy, SAQ, Dollarama, Clement, Scores
Saint-Constant SmartCentre	Saint-Constant	100%	361,610	0	97.4%	Walmart Supercentre, Home Depot*, Super C, L'Aubainerie Concept Mode, Michaels
Saint-Jean SmartCentre	Saint-Jean	100%	249,981	0	97.7%	Walmart Supercentre, Maxi*, Michaels, Mark's Work Warehouse, Bouclair, Reitmans, TD Canada Trust

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area</u> ⁽¹⁾	<u>Future Retail Area</u> ⁽¹⁾	<u>Occupancy</u>	<u>Major Tenants</u>
Saint-Jerome SmartCentre	Saint-Jerome	100%	164,001	0	100.0%	Walmart Supercentre*, Home Depot*, IGA, Best Buy, Michaels, Bouclair, Dollarama
Sherbrooke SmartCentre	Sherbrooke	100%	243,804	0	99.2%	Walmart Supercentre, Canadian Tire*, Home Depot*, The Brick, Michaels, Mark's Work Warehouse
Valleyfield SmartCentre	Valleyfield	100%	188,252	16,000	100.0%	Walmart Supercentre, Dollarama, SAQ, Reitmans, Claire France, Yellow
Vaudreuil SmartCentre	Vaudreuil-Dorion	100%	16,941	10,720	100.0%	Walmart Supercentre*, Brunet, Coco Fruitti
Victoriaville SmartCentre	Victoriaville	100%	37,784	0	100.0%	Walmart Supercentre*, Home Depot*, Maxi*, Winners, Carter's OshKosh, Bulk Barn, Reitmans
Fredericton North SmartCentre	Fredericton	100%	11,390	39,950	100.0%	Walmart Supercentre*, Canadian Tire*, Kent*, Dollarama
Saint John SmartCentre	Saint John	100%	271,694	0	95.2%	Walmart Supercentre, Kent*, Canadian Tire*, Winners, Best Buy, Old Navy, Pier 1 Imports
Colby Village Plaza	Dartmouth	100%	152,633	0	97.1%	Walmart, Atlantic Superstore, Cleve's Source for Sports, Pharma Save, Bank of Nova Scotia
Halifax Bayers Lake Centre	Halifax	100%	167,921	0	96.4%	Atlantic Superstore*, Bed, Bath and Beyond, Winners, Cleve's Warehouse Sporting Goods
Charlottetown SmartCentre	Charlottetown	100%	225,057	5,000	100.0%	Walmart Supercentre, Toys R Us*, Michaels, Best Buy, Old Navy, Gap Outlet

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Retail Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Major Tenants</u>
Corner Brook SmartCentre	Corner Brook	100%	178,988	0	100.0%	Walmart, Canadian Tire*, Dominion (Loblaw)*, Staples, Mark's Work Warehouse, Buck or Two, Bulk Barn
Mount Pearl SmartCentre	Mount Pearl	100%	268,534	0	99.6%	Walmart, Dominion (Loblaw)*, Canadian Tire*, Staples, GoodLife Fitness, Mark's Work Warehouse, CIBC
Pearlgate Shopping Centre	Mount Pearl	100%	42,993	0	88.9%	Shoppers Drug Mart, Bulk Barn, TD Canada Trust
St. John's Central SmartCentre	St. John's	100%	157,773	0	100.0%	Walmart*, Home Depot*, Canadian Tire*, Sobeys, Staples, Mark's Work Warehouse, Dollarama, Moores
St. John's East SmartCentre	St. John's	100%	371,343	0	100.0%	Walmart, Dominion (Loblaw)*, Winners, Marshalls, Michaels, Sport Chek, Old Navy
Total			33,901,419	3,207,420		

Notes:

* Non-owned anchor

(1) Represents SmartCentres' interest in the net rentable area of the property. Future area may include existing area that requires further redevelopment.

Office Properties

The following table sets forth certain summary information as at December 31, 2017, with respect to the office properties in the Property Portfolio:

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Retail Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Major Tenants</u>
British Colonial Building	Toronto	100%	16,226	0	100.0%	Irish Embassy Pubs
Total			16,226	0		

Note:

(1) Represents SmartCentres' interest in the net rentable area of the property.

Mixed-Use Properties

The following table sets forth certain summary information as at December 31, 2017, with respect to the mixed-use properties in the Property Portfolio:

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Major Tenants</u>
Vaughan Metropolitan Centre ⁽²⁾	Vaughan	50%	239,440	82,595	100.0%	Walmart Supercentre, KPMG, GFL, Miller Thomson LLP, Harley Davidson
Total			239,440	82,595		

Note:

- (1) Represents SmartCentres' interest in the net rentable area of the property.
(2) Includes KPMG Tower, PwC-YMCA Tower and existing retail only.

Retail Development Lands

The following table sets forth certain summary information as at December 31, 2017, with respect to the retail development lands in the Property Portfolio:

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Area Upon Completion⁽¹⁾</u>	<u>Major Tenants</u>
Quesnel SmartCentre	Quesnel	100%	0	Walmart Supercentre*
Dunnville SmartCentre	Dunnville	100%	92,720	Canadian Tire*, Sobeys*
Innisfil SmartCentre	Innisfil	50%	69,872	-
StudioCentre	Toronto	50%	455,661	-
Jonquiere SmartCentre	Jonquiere	100%	0	-
Mirabel SmartCentre (I)	Mirabel	33%	85,333	-
Mirabel SmartCentre (II)	Mirabel	25%	44,517	-
Total			748,103	

Notes:

- * Non-owned anchor
(1) Represents SmartCentres' interest in the net rentable area of the property. Future area may include existing area that requires further redevelopment.

Tenant Mix

The following table illustrates the top ten tenants for the Property Portfolio as at December 31, 2017, in terms of their percentage contribution to gross rental revenues of the Property Portfolio:

<u>Tenant</u>	<u>% of Gross Rental Revenues</u>
Walmart	26.1%
Canadian Tire, Mark's Work Warehouse and FGL Sports	4.5%
Winners, HomeSense and Marshalls	3.9%
Loblaws and Shoppers Drug Mart	2.7%
Lowe's, RONA	2.4%
Sobeys	2.3%
Reitmans	2.1%
Best Buy	1.8%
Dollarama	1.7%
Michaels	1.5%
Total	49.0%

Occupancy Rates

The Property Portfolio has experienced high occupancy rates overall. The occupancy rate for the Property Portfolio was 98.2% as at December 31, 2017.

The following table summarizes the lease maturities for the Property Portfolio as at December 31, 2017:

<u>Expiries by Year</u>	<u>Area</u>	<u>% of Total Area</u>
Month-to-month and holdovers	481,671	1.4%
2018	1,581,285	4.6%
2019	3,286,761	9.6%
2020	3,696,997	10.8%
2021	3,747,205	11.0%
2022	4,294,993	12.6%
2023	3,606,725	10.6%
2024	2,090,279	6.1%
2025	1,571,499	4.6%
2026	1,488,538	4.4%
2027	2,243,629	6.6%
Beyond	5,441,963	15.9%
Vacant	625,540	1.8%
Total	34,157,085	100.0%

Financing

The following table summarizes the principal mortgage debt repayments (excluding capital lease obligations) on SmartCentres' portfolio of income producing properties (assuming debt is not renewed on maturity) as at December 31, 2017:

	Payments of Principal (\$)	Debt Maturing During Year (\$)	Total (\$)	% of Total	Weighted Average Interest Rate of Maturing Debt
Secured Debt					
2018	68,763,933	347,412,900	416,176,833	9.8%	4.14
2019	64,292,076	308,088,882	372,380,958	8.8%	3.09
2020	59,423,123	140,241,583	199,664,706	4.7%	5.16
2021	53,941,843	154,965,737	208,907,580	4.9%	4.29
2022	49,698,285	275,259,817	324,958,102	7.7%	3.54
2023	41,407,645	160,006,075	201,413,720	4.8%	4.70
2024	33,738,921	118,567,527	152,306,448	3.6%	3.63
2025	20,510,444	327,930,447	348,440,891	8.2%	3.37
2026	11,240,288	86,880,699	98,120,987	2.3%	3.86
2027	5,473,019	0	5,473,019	0.1%	0.00
2028	5,453,437	3,233,712	8,687,149	0.2%	3.90
2029	5,658,116	0	5,658,116	0.1%	0.00
2030	4,487,123	12,382,339	16,869,462	0.4%	3.85
2031	577,572	32,584,270	33,161,842	0.8%	5.31
Revolving Operating Facilities					
Operating facilities ⁽¹⁾	-	0	0	0.0%	2.81
Unsecured Debentures					
2020	-	400,000,000	400,000,000	9.4%	2.88
2021	-	150,000,000	150,000,000	3.5%	3.75
2022	-	300,000,000	300,000,000	7.1%	3.30
2023	-	200,000,000	200,000,000	4.7%	3.99
2024	-	100,000,000	100,000,000	2.4%	2.99
2025	-	160,000,000	160,000,000	3.8%	3.56
2026	-	250,000,000	250,000,000	5.9%	3.44
2027	-	250,000,000	250,000,000	5.9%	3.83
Convertible Debentures					
2020	-	36,250,000	36,250,000	0.9%	5.50
Total	424,665,825	3,813,803,988	4,238,469,813	100.0%	3.67
Mark-To-Market Adjustment			8,289,175		
			4,246,758,988		
Less: Deferred Financing Costs			-15,798,770		
Total Indebtedness			4,230,960,218		

(1) As at December 31, 2017, SmartCentres had one revolving operating facility with \$nil drawn on the line of credit and another \$16.9 million outstanding in letters of credit, resulting in an unused operating facility of \$483.1 million.

ASSETS OF SMARTCENTRES

A description of the existing use of each of the properties in the Property Portfolio as of December 31, 2017 is set out below:

British Columbia

Chilliwack Mall, 45610 Luckakuck Way, Chilliwack, British Columbia

Chilliwack Mall is a 127,000 square foot shopping centre located at the southwest corner of Luckakuck Way and Vedder Road in Chilliwack, British Columbia. A 47,000 square foot Safeway anchors the centre. Other national tenants include Winners and Sport Chek. The site is scheduled to undergo further development of the existing area and as such, 25,000 square feet are classified as future area.

Courtenay SmartCentre, 3199 Cliffe Avenue, Courtenay, British Columbia

Courtenay SmartCentre is a 273,000 square foot shopping centre that is situated on 23.47 acres at the northwest corner of Anfield Road and Cliffe Avenue in Courtenay, British Columbia. A 136,000 square foot Walmart Supercentre anchors the centre. Other national tenants include Winners, Staples, Best Buy, Sport Chek, Mark's Work Warehouse, Reitmans, Sleep Country, Penningtons and Bulk Barn.

Cowichan Commons East, 2980 Drinkwater Road, Duncan, British Columbia

Cowichan Commons East is a 250,000 square foot shopping centre that is situated on 18.14 acres at the southwest quadrant of Drinkwater Road and Trans Canada Island Highway in Duncan, British Columbia. The centre is anchored by a 104,000 square foot Canadian Tire and an 84,000 square foot Home Depot. Shadow anchors include a 173,000 square foot Walmart Supercentre and a 63,000 square foot RONA. Other national tenants include Best Buy, Bulk Barn, Sleep Country and Pet Valu.

Cranbrook SmartCentre, 2100 Willowbrook Drive, Cranbrook, British Columbia

Cranbrook SmartCentre is a 164,000 square foot shopping centre that is situated on 24.89 acres at the southeast quadrant of 22nd Street North and Theatre Road in Cranbrook, British Columbia. The centre is anchored by a 107,000 square foot Walmart Supercentre. Shadow anchors include a 143,000 square foot Real Canadian Superstore (Loblaws) and a 43,000 square foot Home Hardware. Other national tenants include Sport Chek, Dollar Tree and Mark's Work Warehouse.

Kamloops SmartCentre, 1055 Hillside Drive, Kamloops, British Columbia

Kamloops SmartCentre is a 233,000 square foot shopping centre that is situated on 20.54 acres at the southeast corner of McGill Road and Notre Dame Drive in Kamloops, British Columbia. A 144,000 square foot Walmart Supercentre anchors the centre. Other major tenants include Michaels, Lordco Auto Parts, Pier 1 Imports, Sleep Country, Montana's Cookhouse, Reitmans and Warehouse One.

Langley SmartCentre, 20202 66th Avenue, Langley, British Columbia

Langley SmartCentre is a 351,000 square foot shopping centre that is situated on 27.81 acres at the southwest corner of 66th Avenue and 203rd Street in Langley, British Columbia. The centre is anchored by a 153,000 square foot Walmart Supercentre, a 40,000 square foot Home Outfitters, a 38,000 square foot London Drugs and a 30,000 square foot Best Buy. Other major tenants include Old Navy, Envision Credit Union, Adidas, Reitmans, Moores, Carter's OshKosh, Wendy's and Payless Shoesource. Shadow anchors include a 130,000 square foot Home Depot and a 42,000 square foot Save-on-Foods store.

Maple Ridge SmartCentre, 11,900 Haney Place, Maple Ridge, British Columbia

Maple Ridge SmartCentre is a 227,000 square foot shopping centre that is located at the intersection of Lougheed Highway and 224th Street in Maple Ridge, British Columbia. The centre is anchored by a 112,000 square foot Walmart Supercentre and a 35,000 square foot Thrifty's. Other major tenants include Westminster Savings Credit Union, Dollar Tree and Rexall.

New Westminster SmartCentre, 800 Boyd Street, New Westminster, British Columbia

New Westminster SmartCentre is a 409,000 square foot shopping centre that is situated on 35.06 acres at the intersection of Boyd Street and Queensborough Bridge in New Westminster, British Columbia. A 159,000 square

foot Walmart Supercentre anchors the centre. Other national tenants include Home Outfitters, Tommy Hilfiger, Carter's OshKosh, The Gap, The Children's Place, Banana Republic, BCBG (Max Azria), Boston Pizza, Reebok, Moores, Le Chateau, Guess, Garage Clothing and Aldo. The site is scheduled to undergo further development of the existing area and as such, 26,000 square feet are classified as future area.

Peachtree Square, 251 Green Avenue West, Penticton, British Columbia

Located at Skaha Lake Road and Green Avenue West, Peachtree Square is a 55,000 square foot community centre situated on a 5.0 acre site. The property's tenants include Sport Chek, Dollar Tree, Bulk Barn and Valley First Credit Union and is shadow anchored by a Walmart Supercentre.

Penticton Power Centre, 2210 Main Street, Penticton, British Columbia

Penticton Power Centre is a 202,000 square foot shopping centre that is situated on Main Street and Dawson Avenue in Penticton, British Columbia. A 111,000 square foot Real Canadian Superstore anchors the centre. Other national tenants include Staples, Winners, PetSmart, Sleep Country and TD Canada Trust.

Prince George SmartCentre, 6565 Southridge Avenue, Prince George, British Columbia

Prince George SmartCentre is a 313,000 square foot shopping centre that is situated on 31.42 acres at the intersection of Yellowhead Highway 16 West and Domano Boulevard in Prince George, British Columbia. A 165,000 square foot Walmart Supercentre anchors the centre. Shadow anchors include a 96,000 square foot Canadian Tire store and a 108,000 square foot Home Depot. Other national tenants include Dollarama, Old Navy Michaels, Mark's Work Warehouse, Petland, Vision Electronics, Addition-Elle and Reitmans. An additional 18,500 square feet of development potential remain.

Quesnel SmartCentre, Quesnel, British Columbia

Quesnel SmartCentre is a development property that is situated on approximately 5.34 acres at Cariboo Highway and Maple Drive in Quesnel, British Columbia. The site has been zoned for commercial uses. An 82,000 square foot Walmart store is currently in operation on lands immediately adjacent to the site.

Salmon Arm SmartCentre, 2991 – 10th Avenue SW (Trans-Canada Highway), Salmon Arm, British Columbia

Salmon Arm SmartCentre is a 135,000 square foot retail centre that is situated on approximately 61.86 acres located at Trans-Canada Highway and 30th Street in Salmon Arm, British Columbia. A 97,000 square foot Walmart Supercentre anchors the site and 81,000 square feet of developable space remain. Other tenants include Winners, Dollarama, Bulk Barn and Tim Hortons. SmartCentres owns a 50% interest in this property.

Surrey West SmartCentre, 12549 - 88th Avenue, Surrey, British Columbia

Surrey West SmartCentre is a 188,000 square foot shopping centre that is situated on approximately 23.61 acres at the northeast corner of 88th Avenue and 124th Street in Surrey, British Columbia. The centre is anchored by a 134,000 square foot Walmart Supercentre. Other national tenants include Dollar Tree, Sleep Country, Reitmans, Carter's OshKosh, Ardene, Burger King, and Payless Shoesource. The site has 4,000 square feet of developable area remaining.

Vernon SmartCentre, 2200 58th Avenue, Vernon, British Columbia

Vernon SmartCentre is a 259,000 square foot shopping centre that is situated on 24.14 acres on the southeast quadrant of Highway 97 and 27th Street in Vernon, British Columbia. A 145,000 square foot Walmart Supercentre anchors the centre. Other tenants include Best Buy, Value Village, Mark's Work Warehouse, Petland, Sleep Country, Penningtons, Reitmans, and Tim Hortons. RONA shadow-anchors the centre, occupying a 50,300 square foot store adjacent to the site.

Alberta

Calgary Southeast SmartCentre, 4705 130th Avenue SE, Calgary, Alberta

Calgary Southeast SmartCentre is a 246,000 square foot shopping centre that is situated on 19.94 acres at the intersection of Deerfoot Trail and 130th Avenue Southeast in Calgary, Alberta. A 161,000 square foot Walmart Supercentre and a 39,000 square foot London Drugs anchor the centre. Other national tenants include Mark's Work Warehouse, Reitmans and Payless Shoesource.

Edmonton East (Capilano Mall), 5004-98 Avenue NW, Edmonton, Alberta

Capilano Mall is a 360,000 square foot shopping centre situated on 29.61 acres in eastern Edmonton on the southwest corner of Terrace Road and 50 Street NW. The project is anchored by a Walmart Supercentre and Safeway. Other national tenants include Winners, Reitmans, Dollarama and Ardene. SmartCentres has a 50% ownership interest in this property.

Edmonton Northeast SmartCentre, 13703 40th Street NW, Edmonton, Alberta

Edmonton Northeast SmartCentre is a 274,000 square foot shopping centre that is situated on 23.35 acres at 137th Avenue and 40th Street Northwest in Edmonton, Alberta. A 162,000 square foot Walmart Supercentre anchors the centre. Other national tenants include Michaels, Bulk Barn, Moores, Penningtons, Warehouse One, and Payless Shoesource.

Lethbridge II SmartCentre, 325 Bluefox Blvd. N, Lethbridge, Alberta

Lethbridge II SmartCentre is a 53,000 square foot shopping centre that is situated at the northeast corner of Bluefox Blvd N and 26 Avenue N in Lethbridge, Alberta. The centre is anchored by a 40,000 square foot Sobeys and offers a varied tenant mix including Macs, Pizza Hut and Original Joes.

Lethbridge SmartCentre, 3700 Mayor Magrath Drive S, Lethbridge, Alberta

Lethbridge SmartCentre is a 333,000 square foot shopping centre that is situated on 28.35 acres at the northwest corner of 28th Street South and Highway 5 in Lethbridge, Alberta. The centre is anchored by a 195,000 square foot Walmart Supercentre, and shadow-anchored by 95,000 square foot Home Depot. Other national tenants include Ashley Furniture, Best Buy, Mark's Work Warehouse, Gap Outlet, Tony Roma's, Addition-Elle, Sleep Country, Moores, State & Main Kitchen & Bar, Reitmans, Bank of Nova Scotia, and Bulk Barn.

St. Albert SmartCentre, 700 St. Albert Road, St. Albert, Alberta

St. Albert SmartCentre is a 251,000 square foot shopping centre that is situated on 21.28 acres at the northwest corner of St. Albert Road and Villeneuve Road in St. Albert, Alberta. It is anchored by a 197,000 square foot Walmart Supercentre. Other major tenants include Dollarama, Alberta Treasury Branch, Canadian Western Bank, Sleep Country, Tim Hortons, Warehouse One and Payless Shoesource. Shadow anchors include a 49,000 square foot Save on Foods store and a 43,000 square foot RONA.

Sylvan Lake SmartCentre, 3420 47th Avenue, Sylvan Lake, Alberta

Sylvan Lake SmartCentre is a 132,000 square foot shopping centre that is situated on 27.44 acres at Highway 20 and 47th Avenue in Sylvan Lake, Alberta. A 116,000 square foot Walmart Supercentre anchors the site. Other major tenants include Dollarama and Pet Valu. An additional 113,000 square feet of expected development potential remains on the site.

Saskatchewan

Regina Golden Mile SmartCentre, 15D-3806 Albert St S., Regina, Saskatchewan

Regina Golden Mile SmartCentre is a 238,000 square foot shopping centre situated at the southwest corner of Albert Street and 25th Avenue. The centre is anchored by a 92,000 square foot Real Canadian Superstore. Other national tenants include Royal Bank of Canada, Rexall Pharmacy, Goodlife Fitness and Dollarama. An additional 22,000 square feet of development potential remains on the site.

Regina East SmartCentre (I), 2150 Prince of Wales Drive, Regina, Saskatchewan

Regina East SmartCentre (I) is a 365,000 square foot shopping centre that is situated on 31.33 acres at the intersection of Quance Street and Prince of Wales Drive in Regina, Saskatchewan. A 156,000 square foot Walmart Supercentre, a 54,000 square foot HomeSense, and a 40,000 square foot London Drugs anchor the centre. Other national tenants include Best Buy, Michaels, Pier 1 Imports, Penningtons, Bulk Barn, Bowring, Reitmans, East Side Mario's, The Shoe Company, Hallmark, Warehouse One and Payless Shoesource. The site is scheduled to undergo further development of the existing area and as such, 33,000 square feet are classified as future area.

Regina East SmartCentre (II), 2810 - 2830, 3010 & 3110, 3115 & 3121, and 3710 Quance Street East, Regina, Saskatchewan

Regina East SmartCentres (II) is a 198,000 square feet retail shopping destination situated on 16.32 acres of land. Combined with Regina East SmartCentres (I), the entire Regina East Shopping Centre area spans over 47 acres with 596,000 square feet of retail shops and services. The centre, located within a retail node of approximately 700,000 square feet, is conveniently situated along the Trans-Canada Highway at Prince of Wales Drive and Quance Street. Regina East SmartCentres (II) is comprised of two separate parcels and is anchored by a 108,000 square foot RONA. Other national tenants include Wholesale Sports, Old Navy and PetSmart. It is shadow-anchored by Real Canadian Superstore.

Regina North SmartCentre, 3939 Rochdale Boulevard, Regina, Saskatchewan

Regina North SmartCentre is a 276,000 square foot shopping centre that is situated on 23.21 acres at the southeast corner of Rochdale Boulevard and Pasqua Road in Regina, Saskatchewan. The centre is anchored by a 164,000 square foot Walmart Supercentre and a 43,000 square foot IGA. Other national tenants include Mark's Work Warehouse, Dollarama, TD Canada Trust, Bulk Barn, Reitmans and Warehouse One.

Saskatoon South SmartCentre, 3035 Clarence Avenue S, Saskatoon, Saskatchewan

Saskatoon South SmartCentre is a 375,000 square foot shopping centre that is situated on approximately 40.89 acres at the northeast corner of Clarence Avenue South and Melville Street in Saskatoon, Saskatchewan. The centre is anchored by a 194,000 square foot Walmart Supercentre as well as being shadow-anchored by a 98,000 square foot Home Depot store. Other national tenants include HomeSense, The Brick, Ashley Furniture, Golf Town, Mark's Work Warehouse, Petland, Dollarama, Adidas, Tony Roma's, Sleep Country, Reitmans, Bank of Nova Scotia and TD Canada Trust.

Manitoba

Kenaston Common SmartCentre, 2255-2355 McGillivray Boulevard, Winnipeg, Manitoba

Kenaston Common SmartCentre is a 257,000 square foot shopping centre that is situated on 30.75 acres at the intersection of Kenaston Boulevard and McGillivray Boulevard in Winnipeg, Manitoba. A 99,000 square foot RONA anchors the site. Other national tenants include Indigo Books, Golf Town, Petland, Nygard, Moxie's Classic Grill, Joey's Restaurant, David's Bridal, Canadian Imperial Bank of Commerce, HSBC Bank Canada, Royal Bank of Canada, Bulk Barn and Henry's Photography. An additional 37,000 square feet of development potential remains. Shadow anchors include a 144,000 square foot Costco.

Winnipeg Southwest SmartCentre, 1665 Kenaston Boulevard, Winnipeg, Manitoba

Winnipeg Southwest SmartCentre is a 528,000 square foot shopping centre that is situated on 49.91 acres at the

intersection of Kenaston Boulevard and McGillivray Boulevard in Winnipeg, Manitoba. A 158,000 square foot Walmart Supercentre, a 47,000 square foot Safeway, and a 39,000 square foot Home Outfitters anchor the centre along with a 95,000 square foot Home Depot shadow anchor. Other national tenants include HomeSense, Urban Planet, Mark's Work Warehouse, Urban Barn, Addition-Elle, Tommy Hilfiger, Bowring, Reitmans, Tim Hortons, Roots, Ricki's, Le Chateau, Bank of Nova Scotia and Carter's OshKosh.

Winnipeg West SmartCentre, 3655 Portage Avenue, Winnipeg, Manitoba

Winnipeg West SmartCentre is a 355,000 square foot shopping centre that is situated on 41.48 acres on the northeast corner of Portage Avenue and Knox Boulevard in Winnipeg, Manitoba. The centre is anchored by a 128,000 square foot Walmart Supercentre and a 43,000 square foot IGA. A 75,000 square foot Canadian Tire store shadow-anchors the centre. Other national tenants include Winners, Value Village, Sport Chek, Staples, Shoppers Drug Mart, Dollar Tree, Mark's Work Warehouse, Reitmans, Sleep Country and Bulk Barn.

Ontario

401 & Weston Power Centre, 2625A Weston Road, North York, Ontario

401 & Weston Power Centre is a 247,000 square foot shopping centre that is situated on Highway 401 and Weston Road in Toronto, Ontario. A 59,000 square foot Canadian Tire store and a 40,000 square foot The Brick anchor the site along with a 180,000 square foot Real Canadian Superstore as a shadow anchor. Other national tenants include LCBO, Mark's Work Warehouse, Dollar Tree, Laura's Shoppe, Bulk Barn, Canadian Imperial Bank of Commerce, The Beer Store and Sleep Country. An additional 127,000 square feet of existing area that requires further development remains on the site. SmartCentres owns a 44.4% interest in this property.

Alliston SmartCentre, 30 Dunham Drive, Alliston, Ontario

Alliston SmartCentre is a 171,000 square foot shopping centre that is situated on approximately 37.84 acres at Highway 89 and Regional Road 10 in Alliston, Ontario. A 151,709 square foot Walmart Supercentre anchors the site. Other major tenants include Dollarama, A&W, and Tim Hortons. An additional 115,000 square feet of expected development potential remain on the site.

Ancaster SmartCentre, 1051 Garner Road W, Ancaster, Ontario

Ancaster SmartCentre is a 265,000 square foot shopping centre that is situated on 31.3 acres at the northwest corner of Highway 53 and Shaver Road in the City of Hamilton, Ontario. The centre is anchored by a 164,000 square foot Walmart Supercentre and shadow-anchored by a 74,000 square foot Canadian Tire store. Other national tenants include Good Life Fitness, Bouclair, Dollar Tree, Payless Shoesource, Pet Valu and Starbucks. An additional 8,000 square feet remain to be developed.

Aurora North SmartCentre, Aurora, Ontario

Aurora North SmartCentre is a 508,000 square foot shopping centre that is situated on approximately 72.43 acres at the northwest corner of Highway 404 and Wellington Street East in Aurora, Ontario. A 213,000 square foot Walmart Supercentre and a 98,000 square foot RONA anchor the site. Other national tenants include Best Buy, Golf Town, LCBO, Dollarama, The Keg, Boston Pizza, Reitmans, Royal Bank of Canada and TD Canada Trust. An additional 6,000 square feet of expected development potential remains on the site and are subject to an earn-out arrangement. SmartCentres owns a 50% freehold interest in this property and holds a 50% leasehold interest in this property with an option to acquire the remaining 50% freehold interest at the end of the term of the lease.

Aurora SmartCentre, 14760 Yonge Street, Aurora, Ontario

Aurora SmartCentre is a 51,000 square foot shopping centre that is situated at the southwest corner of Yonge Street and Murray Drive in Aurora, Ontario. National tenants include Winners and Bank of Nova Scotia.

Barrie Essa Road Shopping Centre, 555 Essa Road, Barrie, Ontario

Barrie Essa Road Shopping Centre is a 105,000 square foot shopping centre that is located at Essa Road and Mapleton Avenue in Barrie, Ontario. A 35,000 square foot Food Basics anchors the site. Other major tenants include Pharma Plus, Dollarama, Pet Valu and Tim Hortons.

Barrie North SmartCentre, 450 Bayfield Street, Barrie, Ontario

Barrie North SmartCentre is a 235,000 square foot shopping centre that is situated on 19.86 acres at the northwest corner of Livingstone Street West and Bayfield Street North in Barrie, Ontario. The centre is anchored by a 161,000 square foot Walmart Supercentre and shadow-anchored by an 81,000 square foot Loblaws. Other national tenants include Old Navy, Carter's OshKosh, Addition-Elle, McDonalds, Reitmans, Kelsey's and Payless Shoesource.

Barrie South SmartCentre, 35 Molson Park Drive, Barrie, Ontario

Barrie South SmartCentre is a 390,000 square foot shopping centre that is situated on 32.77 acres at Highway 400 and Mapleview Drive West in Barrie, Ontario. A 159,000 square foot Walmart Supercentre and a 53,000 square foot Sobeys anchor the centre. Other national tenants include Winners, La-Z-Boy Furniture Gallery, PetSmart, Stitches, Dollar Tree, The Shoe Company, Boston Pizza, Kelsey's, Reitmans, Bank of Nova Scotia, Bulk Barn and CIBC. The site is scheduled to undergo further development of the existing area and as such, 20,000 square feet are classified as future area.

Bolton SmartCentre, 150 McEwan Drive E, Bolton, Ontario

Bolton SmartCentre is a 242,000 square foot shopping centre that is situated on 18.87 acres at Highway 50 (Queen Street) and McEwan Drive East in Bolton, Ontario. A 162,000 square foot Walmart Supercentre anchors this site. Other national tenants include LCBO, Mark's Work Warehouse, Reitmans, Swiss Chalet, Kelsey's, Payless Shoesource and the Beer Store.

Bracebridge SmartCentre, 40 Depot Drive, Bracebridge, Ontario

Bracebridge SmartCentre is a 143,000 square foot shopping centre that is situated on 40.19 acres at Highway 11 and Taylor Road in Bracebridge, Ontario. An 116,000 square foot Walmart Supercentre anchors the site. A Home Depot also shadow-anchors the site. Other major tenants include Dollar Tree, Bulk Barn, Boston Pizza, A&W and Pet Valu. An additional 62,000 square feet of expected development potential remains on the site.

Bradford SmartCentre, 545 Holland Street West, Bradford, Ontario

Bradford SmartCentre is a 242,000 square foot shopping centre that is situated on 52.18 acres at 10th Sideroad and Highway 88 in Bradford, Ontario. A 169,000 square foot Walmart Supercentre anchors the site. Other major tenants include GoodLife Fitness, Dollarama, Bulk Barn, Canadian Imperial Bank of Commerce and Royal Bank of Canada. An additional approximately 183,000 square feet of expected development potential remains on the site.

Bramport SmartCentre, 9940-9980 Airport Road, Brampton, Ontario

Bramport SmartCentre is a 163,000 square foot shopping centre that is situated on approximately 28.44 acres at the intersection of Bovaird Drive and Airport Road in Brampton, Ontario. The site is anchored by a 46,000 square foot LA Fitness and shadow-anchored by a 38,000 square foot No Frills. National tenants include LCBO, Dollarama, Canadian Imperial Bank of Commerce, Bank of Montreal, Swiss Chalet, Bulk Barn, KFC, Wendy's, Value Village and Tim Hortons. The site has 100,000 square feet of remaining developable area.

Bramport SmartCentre (II), 9920 Airport Road, Brampton, Ontario

Bramport SmartCentre (II) is a 38,000 square foot Loblaws No Frills that is situated on approximately 4.22 acres at Bovaird Drive and Airport Road in Brampton, Ontario. The Loblaws No Frills is adjacent to a 163,000 square foot Bramport SmartCentre owned by SmartCentres.

Brampton East SmartCentre, 30 Coventry Road, Brampton, Ontario

Brampton East SmartCentre is anchored by a 199,000 square foot Walmart Supercentre and a 45,000 square foot The Brick. Other national tenants include Winners, Staples, Mark's Work Warehouse, Carter's OshKosh, Sleep Country, Alterna Savings, Burger King, Mr. Greek Express and Payless Shoesource.

Brampton North SmartCentre, 55 Mountainash Road, Brampton, Ontario

Brampton North SmartCentre is a 59,000 square foot shopping centre that is situated at the northeast corner of Bovaird Road and Mountainash Road in Brampton, Ontario. The centre is shadow-anchored by a 62,000 square foot Fortinos. Major tenants include Shoppers Drug Mart, Royal Bank of Canada and Brampton Urgent Care Center.

Brampton Northeast SmartCentre, 5085 Mayfield Road, Brampton, Ontario

Brampton Northeast SmartCentre is a 234,000 square foot shopping centre that is situated on 23.46 acres at Mayfield Road and Bramalea Road in Brampton, Ontario. A 153,000 square foot Walmart Supercentre anchors the site. Other major tenants include Bank of Nova Scotia, Royal Bank of Canada, CIBC, LCBO and Goodlife Fitness. An additional 13,000 square feet of expected development potential remains on the site.

British Colonial Building, 8 Wellington Street E, Toronto, Ontario

British Colonial Building is a 16,000 square foot predominantly office property that is situated at the intersection of Wellington Street East and Yonge Street in downtown Toronto, Ontario. The property is a heritage building, originally constructed in 1875. Tenants include The Irish Embassy Pub.

Brockville SmartCentre, 2057 Parkedale Avenue W, Brockville, Ontario

Brockville SmartCentre is a 144,000 square foot shopping centre that is situated on Parkedale Avenue West and North Augusta Road in Brockville, Ontario. The centre is shadow-anchored by a 190,000 square foot Walmart Supercentre, a 105,000 square foot Real Canadian Superstore and an 85,000 square foot Home Depot. Other national tenants include Winners, Michaels, LCBO, Mark's Work Warehouse, Sports Experts, Dollar Tree, Boston Pizza, La Vie en Rose, Reitmans, Carter's OshKosh, Hallmark and Payless Shoesource.

Burlington (Appleby) SmartCentre, Burlington, Ontario

Burlington (Appleby) SmartCentre is a 151,000 square foot shopping centre that is situated at the intersection of Appleby Line and Dundas Street in Burlington, Ontario. The site is anchored by a 55,000 square foot Toys R Us and a 46,000 LA Fitness. Other national tenants include Shoppers Drug Mart, Golf Town and Bank of Montreal. There is 13,000 square feet of development potential remaining on this site.

Burlington North SmartCentre, 4515 Dundas Street, Burlington, Ontario

Burlington North SmartCentre is a 226,000 square foot shopping centre that is situated on 25.83 acres at Appleby Line and Highway 5 in Burlington, Ontario. The centre is anchored by a 161,000 square foot Walmart Supercentre. National tenants include Dollar Tree, Reitmans, Boston Pizza, Moores, Bank of Nova Scotia, Kelsey's, Penningtons, Ricki's, Sleep Country and Payless Shoesource.

Burnhamthorpe SmartCentre, 1100 Burnhamthorpe Road West, Mississauga, Ontario

Burnhamthorpe SmartCentre is a 200,000 square foot shopping centre that is situated at the intersection of Burnhamthorpe Road West and Central Parkway. Major tenants include Remax and Swiss Chalet.

Cambridge SmartCentre (I), 22 Pinebush Road, Cambridge, Ontario

Cambridge SmartCentre (I) is a 744,000 square foot shopping centre that is situated at the intersection of Highway

401 and Hespeler Road (Highway 24) in Cambridge, Ontario. A 156,000 square foot Walmart Supercentre and a 125,000 square foot RONA anchor the site. Other national tenants include L.A. Fitness, Best Buy, Staples, Bed Bath & Beyond, Michaels, Winners, Old Navy, Laura's Shoppe, Mark's Work Warehouse, Urban Planet, Solutions, Chuck E. Cheese's, La Vie En Rose, Tommy Hilfiger, Carter's OshKosh, Dollarama, Gap Outlet, The Keg, Addition-Elle and Reitmans. An additional 8,000 square feet of development potential remain on the site.

Cambridge SmartCentre (II), 55 Pinebush Road, Cambridge, Ontario

Cambridge SmartCentre (II) is a 24,000 square foot shopping centre that is situated on 4.73 acres at the intersection of Hespeler Road and Pinebush Road (south side) in Cambridge, Ontario. Directly across Pinebush Road, on the north side, is SmartCentres' 738,000 square foot Cambridge SmartCentre (I). Shadow anchors include a 95,000 square foot Home Depot and a 130,000 square foot Canadian Tire. Major tenants include Henry's Photography and Sally Beauty Supply. An additional 24,000 square feet of development potential remain on the site, some of which is existing area that requires further development.

Carleton Place SmartCentre, 450 McNeely Avenue, Carleton Place, Ontario

Carleton Place SmartCentre is a 149,000 square foot shopping centre that is situated at the intersection of Highway 7 and McNeely Avenue in Carleton Place, Ontario. This centre is anchored by a 116,000 square foot Walmart Supercentre. Other national tenants include Dollarama, Mark's Work Warehouse, Bulk Barn and EB Games.

Centennial Parkway Plaza, 75 Centennial Parkway North, Stoney Creek, Ontario

Centennial Parkway Plaza is a 134,000 square foot centre located on the southeast corner of Centennial Parkway (Hwy. 20) and Barton Street. Parkway Plaza is a Food Basics anchored centre offering access and exposure to the retail node along Centennial Parkway. Other tenants in the centre include JYSK and Burger King.

Chatham SmartCentre, 801 St. Clair Street, Chatham, Ontario

Chatham SmartCentre is a 309,000 square foot shopping centre that is situated at the intersection of St. Clair Street and Pioneer Line. A 202,000 square foot Walmart Supercentre anchors the site. Other national tenants include Winners, Mark's Work Warehouse, Dollarama, LCBO, Bouclair, PetSmart, Bank of Montreal and Payless Shoesource. A 125,000 square foot Real Canadian Superstore shadow-anchors the site. SmartCentres owns a 50% interest in this property.

Cobourg SmartCentre, 73 Strathy Road, Cobourg, Ontario

Cobourg SmartCentre is a 198,000 square foot shopping centre that is situated at Highway 2 and Strathy Road in Cobourg, Ontario. A 143,000 square foot Walmart Supercentre anchors the site. Other national tenants include Winners, Dollar Tree, Swiss Chalet, East Side Mario's and EB Games. An additional 26,000 square feet of development potential remain on the site. An 85,000 square foot Home Depot shadow-anchors the site.

Cornwall SmartCentre, 420 Ninth Street, Cornwall, Ontario

Cornwall SmartCentre is a 171,000 square foot shopping centre that is situated on 18.63 acres at 9th Street West and Cumberland Street in Cornwall, Ontario. A 155,000 square foot Walmart Supercentre anchors the site. Other major tenants include Dollar Tree, Bank of Montreal and A&W. An additional 68,000 square feet of expected development potential remains on the site.

Dunnville SmartCentre, Dunnville, Ontario

Dunnville SmartCentre is a development property that is situated on approximately 15.64 acres at Taylor Road between the intersection of Main Street and Forkes Road in Dunnville, Ontario. The site has 93,000 square feet of developable area. The site has been rezoned for commercial use.

Etobicoke (Index) SmartCentre, Etobicoke, Ontario

Etobicoke (Index) SmartCentre is a 188,000 square foot shopping centre that is situated at the intersection of Index Road and North Queen Street in Etobicoke, Ontario. The site is anchored by a 70,000 square foot Sails and a 37,000 square foot Marshalls. Other national tenants include PetSmart, Bouclair, Bombay and Penningtons. There is 4,000 square feet of development potential remaining on this site.

Etobicoke SmartCentre, 165 North Queen Street, Etobicoke, Ontario

Etobicoke SmartCentre is a 295,000 square foot shopping centre that is situated at North Queen Street and The Queensway. A 132,000 square foot Walmart Supercentre and a 35,000 square foot Best Buy anchor the site. National tenants include Winners, Old Navy, Mark's Work Warehouse, Urban Barn, Addition-Elle, Reitmans, The Shoe Company, Bowring, Ricki's and Payless Shoesource. A 135,000 square foot Home Depot operates on lands adjacent to the site. There is 10,000 square feet of development potential remaining on this site.

Fergus SmartCentre, 801 St. David Street North, Fergus, Ontario

Fergus SmartCentre is an 110,000 square foot shopping centre that is situated at the intersection of Highway 6 and Woodhill Drive. The site is anchored by a 95,000 square foot Walmart Supercentre. LCBO is another major tenant.

Fort Erie SmartCentre, Fort Erie, Ontario

Fort Erie SmartCentre is a 13,000 square foot shopping centre that is situated on approximately 3.32 acres at the intersection of Garrison Road and Thompson Road in Fort Erie, Ontario. National tenants include LCBO and Bank of Nova Scotia. The site has 20,000 square feet of remaining developable area. A 108,000 square foot Walmart Supercentre and a 20,000 square foot No-Frills are currently operating on lands immediately adjacent to the site.

Guelph SmartCentre, Guelph, Ontario

Guelph SmartCentre is a 296,000 square foot shopping centre that is situated at Woodlawn Road and Highway 6. A 171,000 square foot Walmart Supercentre anchors the site. National tenants include HomeSense, Michaels, Dollarama, Bouclair, Canadian Imperial Bank of Commerce, Reitmans, Ricki's, Addition Elle and Bulk Barn. Home Depot operates on lands adjacent to the site. There is 26,000 square feet of remaining development potential at this centre.

Hamilton South SmartCentre, Hamilton, Ontario

Hamilton South SmartCentre is a 242,000 square foot shopping centre that is situated at Fennell Avenue West and Upper James Street. A 125,000 square foot Walmart Supercentre anchors the site. National tenants include Shoppers Drug Mart, LCBO, Dollarama, Canadian Imperial Bank of Commerce, Moores, Bulk Barn, The Beer Store and Reitmans. There is 5,000 square feet of remaining development potential at this centre.

Hartzel Plaza, 149-159 Hartzel Road, St. Catharines, Ontario

Hartzel Plaza is a 68,000 square foot shopping centre that is situated at Hartzel Road and Admiral Road. A 35,000 square foot Food Basics anchors the site. The provincial government is another major tenant.

Huntsville SmartCentre, 111 Howland Drive, Huntsville, Ontario

Huntsville SmartCentre is a 126,000 square foot shopping centre that is situated at the intersection of Highway 11 and Highway 60. An 85,000 square foot Walmart Supercentre anchors the site. Other national tenants include Dollar Tree, Mark's Work Warehouse, Kelsey's, East Side Mario's and Bulk Barn. Adjacent to the site is a 69,000 square foot Your Independent Grocer (a Loblaws-owned grocery chain).

Innisfil SmartCentre, Innisfil, Ontario

Innisfil SmartCentre is a development property that is situated on approximately 86.6 acres at Highway 400 and

Innisfil Beach Road in Innisfil, Ontario. The site has been zoned for commercial uses and has 140,000 square feet of developable area. SmartCentres owns a 50% interest in this property.

Kanata SmartCentre, 5357 Fernbank Road, Kanata, Ontario

Kanata SmartCentre is located southwest of the Ottawa city centre along Terry Fox Drive with considerable new residential development in the area. This centre comprises 202,000 square feet of retail space and is anchored by a 156,000 Walmart Supercentre. Other national retailers include Dollarama, Canadian Imperial Bank of Commerce and Royal Bank of Canada. Approximately 18,000 square feet of additional retail is planned for future development.

Kingspoint Shopping Centre, 370 Main Street, Ontario

Kingspoint Shopping Centre is a 202,000 square foot shopping centre that is located at the intersection of Main Street North and Vodden Street East. The site's major tenants include Giant Tiger, Goodlife Fitness, Shoppers Drug Mart and The Beer Store.

Laurentian Power Centre, 245 Strasburg Road, Kitchener, Ontario

Laurentian Power Centre is a 35,000 square foot centre that is situated on Strasburg Road and Ottawa Street in Kitchener, Ontario. Major tenants include Staples, Canadian Imperial Bank of Commerce, Fairway Dental Centre and EB Games. Shadow anchors include a 106,000 square foot RONA and an 115,000 square foot Zehrs located on adjoining lands. The site is scheduled to undergo further development of the existing area and as such, 136,000 square feet are classified as future area.

Leaside SmartCentre, 147 Laird Drive, East York, Ontario

Leaside SmartCentre is a 258,000 square foot centre that is situated on Laird Drive and Eglinton Avenue East in Toronto, Ontario. A 45,000 square foot Winners, a 39,000 square foot Sobeys, a 33,000 square foot Sport Chek and a 31,000 square foot Best Buy anchor the centre. Other national tenants include Golf Town, LCBO, Royal Bank of Canada, Bank of Montreal and Urban Barn. A 131,000 square foot Home Depot shadow-anchors the site.

Lincoln Value Centre, 525 Welland Avenue, St. Catharines, Ontario

Lincoln Value Centre is a 328,000 square foot shopping centre that is situated at the intersection of Welland Avenue and Bunting Road in St. Catharines, Ontario. The shopping centre is anchored by a 128,000 square foot Walmart Supercentre and an 86,000 square foot Canadian Tire. Other major tenants include No Frills and Dollarama. The site is scheduled to undergo further development of the existing area and as such, 32,000 square feet are classified as future area.

London East Argyle Mall, 1925 Dundas Street, London, Ontario

London East Argyle Mall is a 425,000 square foot shopping centre that is situated on the southeast corner of Clarke Road and Dundas Street in London, Ontario. Formerly an enclosed shopping centre, the centre has been converted into new open format retail space anchored by a 146,000 square foot Walmart store and a 33,000 square foot No Frills (Loblaws). Other national tenants include Toys R Us, Winners, Staples, Sport Chek, GoodLife Fitness, Party City, LCBO, Mark's Work Warehouse, Dollar Tree, East Side Mario's, Moores, Sleep Country, CIBC, Reitmans, Carter's OshKosh, Payless Shoesource, Hallmark and The Source.

London North SmartCentre, 1280 Fanshawe Park Road W, London, Ontario

London North SmartCentre is a 500,000 square foot shopping centre that is situated at the intersection of Hyde Park Road and Fanshawe Park Road in London, Ontario. A 202,000 square foot Walmart Supercentre and a 30,000 square foot Winners anchor the site. Other national tenants include Sport Chek, HomeSense, Old Navy, Golf Town, LCBO, Structube, Dollarama, Globo Shoes, La Vie en Rose, Carter's OshKosh, Reitmans, Ricki's, Bombay, Roots and Bulk Barn. SmartCentres owns a 50% interest in this property.

London Northwest SmartCentre, 1335 Fanshawe Park Road W, London, Ontario

London Northwest SmartCentre is a 36,000 square foot shopping centre that is situated on the northeast corner of Hyde Park Road and Fanshawe Park Road in London, Ontario. National tenants include Boston Pizza, Bank of Montreal, Montana's Cookhouse, Kelsey's, Royal Bank of Canada and Tim Hortons. The site has an additional 147,000 square feet of developable area remaining. This property is located across from the London North SmartCentre which is 50% owned by SmartCentres.

Markham East SmartCentre, 500 Copper Creek Drive, Markham, Ontario

Markham East SmartCentre is an approximately 173,000 square foot shopping centre that is situated on 29.73 acres at Highway 407 and Donald Cousens Parkway in Markham, Ontario. A 154,000 square foot Walmart Supercentre anchors the site. Other major tenants include Dollar Tree and Canadian Imperial Bank of Commerce. An additional 37,000 square feet of expected development potential remains on the site, which will be acquired on an earn-out basis. SmartCentres holds a 40% interest in this property.

Markham Woodside SmartCentre, 3075 & 3155 Highway 7 E, Markham, Ontario

Markham Woodside SmartCentre is a 360,000 square foot shopping centre that is situated at the intersection of Woodbine Avenue and Highway 7 East in Markham, Ontario. A 130,000 square foot Home Depot and a 30,000 square foot Winners anchor the centre. Other major tenants include Staples, Chapters, Michaels, Pier 1 Imports, La-Z-Boy Furniture, LCBO, Moores, Town Shoes, Roots and Kelsey's. A 38,000 square foot Longo's is operating on lands immediately adjacent to the site. SmartCentres owns a 50% interest in this property.

Milton Walmart Centre, 1280 Steeles Avenue East, Milton, Ontario

Milton Walmart Centre is a 233,000 square foot shopping centre that is situated at the intersection of Highway 401 & James Snow Parkway in Milton, Ontario. A 185,000 square foot Walmart Supercentre and a 78,000 square foot Canadian Tire store shadow-anchor the site. Other major tenants include Indigo, Staples, Sport Chek, Absolute Dollar, Mark's Work Warehouse, Bouclair, Royal Bank of Canada, Reitmans, Montana's Cookhouse, Roots, Carter's OshKosh and Tip Top Tailors. SmartCentres owns a 50% interest in this property.

Mississauga (Creekside Crossing), 1500 Dundas Street East, Mississauga, Ontario

Mississauga (Creekside Crossing) is a 408,000 square foot shopping centre that is situated at the intersection of Dundas and Dixie. The property is anchored by 155,000 square foot Walmart Supercentre and 149,000 square foot Costco. National tenants include LCBO, Dollarama, CIBC, The Beer Store, TD Canada Trust, Bulk Barn, Royal Bank of Canada and Starbucks. SmartCentres owns a 30% interest in this property.

Mississauga (Erin Mills) SmartCentre, 2150 Burnhamthorpe Road W, Mississauga, Ontario

Mississauga (Erin Mills) SmartCentre is a 290,000 square foot shopping centre that is situated on approximately 23.95 acres at Burnhamthorpe Road W and Erin Mills Parkway in Mississauga, Ontario. A 129,000 square foot Walmart Supercentre and a 43,000 square foot No Frills anchor the site. Other national tenants include GoodLife Fitness, Shoppers Drug Mart, Dollarama, Rogers, Bank of Montreal and TD Canada Trust. An additional 1,000 square feet of development potential remain on the site.

Mississauga (Go Lands) SmartCentre, 3150 Argentia Road, Mississauga, Ontario

Mississauga (Go Lands) SmartCentre is a 113,000 square foot shopping centre that is situated on Winston Churchill Boulevard and Highway 401 in Mississauga, Ontario. A 50,696 square foot Toys R Us anchors the site. An 115,000 square foot Real Canadian Superstore also shadow-anchors the site. Other national tenants include Marshalls, Dollarama, The Keg, TD Canada Trust and Tim Hortons. An additional 6,000 square feet of development potential remain on the site. This property is adjacent to Mississauga (Meadowvale) SmartCentre owned by SmartCentres which contains a 129,000 square foot Walmart Supercentre.

Mississauga (Meadowvale) SmartCentre, 3155 Argentia Road, Mississauga, Ontario

Mississauga (Meadowvale) SmartCentre is a 558,000 square foot shopping centre that is situated on Winston Churchill Boulevard and Highway 401 in Mississauga, Ontario. A 129,000 square foot Walmart Supercentre and a 30,000 square foot Winners anchor the site. Other national tenants include Staples, Michaels, Mark's Work Warehouse, PetSmart, Pier 1 Imports, Urban Barn, LCBO and Moores. An additional 15,000 square feet of development potential remain on the site.

Niagara Falls SmartCentre, 7481 Oakwood Dr., Niagara Falls, Ontario

The Niagara Falls SmartCentre is located off of the QEW at the McLeod Road exit in a retail node in close proximity to the city centre. The centre currently comprises 250,000 square feet of retail anchored by a Walmart Supercentre with other key tenants including LCBO and Dollarama. The property can accommodate a further 139,000 square feet of future retail uses.

Oakville SmartCentre, 234 Hays Boulevard, Oakville, Ontario

Oakville SmartCentre is an approximately 461,000 square foot shopping centre that is situated on approximately 52.16 acres at Highway 5 and Trafalgar Road in Oakville, Ontario. A 195,000 square foot Walmart Supercentre and a 120,000 square foot Real Canadian Superstore anchor the site. Other major tenants include LCBO, The Beer Store, Bulk Barn, Reitmans, Addition Elle, Payless Shoesource, EB Games, Ardene, Royal Bank of Canada and Canadian Imperial Bank of Commerce. An additional 5,000 square feet of expected development potential remains on the site. This property is being leased pursuant to a land lease and at the end of the term of the lease, SmartCentres will have the option to purchase the freehold interest of the property.

Orillia SmartCentre, 175 Murphy Road, Orillia, Ontario

Orillia SmartCentre is a 242,000 square foot shopping centre that is situated at the intersection of Highway 11 and Highway 12 in Orillia, Ontario. The centre is anchored by a 166,000 square foot Walmart Supercentre. Other national tenants include Winners, Staples, Michaels and Dollarama. An additional 59,000 square feet of expected development potential remains on the site.

Orleans SmartCentre, 3900 Innes Road, R.R. #2, Orleans, Ontario

Orleans SmartCentre is a 384,000 square foot shopping centre that is situated on approximately 33.57 acres at the southwest corner of Innes Road and Mer Bleue Road in Orleans, Ontario. The centre is anchored by a 200,000 square foot Walmart Supercentre and a 32,000 square foot Home Outfitters as well as being shadow-anchored by a 117,000 square foot Canadian Tire store. Other national tenants include Best Buy, Shoppers Drug Mart, PetSmart, Dollarama, Bouclair, Boston Pizza, Bank of Nova Scotia, Ricki's, Ardene, TD Canada Trust and Carter's OshKosh.

Orleans SmartCentre (II), 2025 Mer Bleue Road, Orleans, Ontario

Orleans SmartCentre (II) is a 22,000 square foot shopping centre that is situated on 20.44 acres at the intersection of Innes Road and Mer Bleue Road. The major tenant is Indigo. The site has approximately 202,000 square feet of expected development potential. It is located adjacent to Orleans SmartCentre, which is a 384,000 square foot shopping centre anchored by a 200,000 square foot Walmart Supercentre and a 32,000 square foot Home Outfitters. SmartCentres holds a 60% interest in this property.

Oshawa North SmartCentre, 1471 Harmony Road North, Oshawa, Ontario

Oshawa North SmartCentre is a 558,000 square foot shopping centre that is situated at the intersection of Taunton Road East and Harmony Road North in Oshawa, Ontario. A 192,000 square foot Walmart Supercentre and a 118,000 square foot Loblaws store anchor the site as well as being shadow-anchored by a 116,000 square foot Home Depot. Other national tenants include Marshalls, Sport Chek, Michaels, Mark's Work Warehouse, Pier 1 Imports, LCBO, Dollar Tree, Bouclair, Bowring, Swiss Chalet, Tim Hortons, Reitmans, Bank of Nova Scotia, East Side

Mario's, Montana's Cookhouse, and La Vie En Rose. An additional 41,000 square feet of development potential remain on the site.

Oshawa North SmartCentre (II), 991 Taunton Road East, Oshawa, Ontario

Oshawa North SmartCentre (II) is a 163,000 square foot shopping centre that is situated on 17.25 acres at Taunton Road East and Harmony Road North in Oshawa, Ontario, adjacent to Oshawa North SmartCentre. A 34,001 square foot Home Outfitters anchors the site. Other major tenants include Winners, PetSmart, Party Packagers, Boston Pizza, The Children's Place, Mastermind Toys, and Ardene. An additional approximately 17,000 square feet of expected development potential remains on the site and are subject to an earn-out arrangement.

Oshawa South SmartCentre, 680 Laval Drive, Oshawa, Ontario

Oshawa South SmartCentre is a 537,000 square foot shopping centre that is situated on approximately 47.94 acres at the north corner of Stevenson Road and Laval Drive in Oshawa, Ontario. A 221,029 square foot Walmart SuperCentre, a 142,000 square foot Lowe's, and a 68,000 square foot Sail anchor the site. Other national tenants include Dollarama, Canadian Imperial Bank of Commerce, La Vie en Rose, Moores, Swiss Chalet, Reitmans, Bulk Barn, Carter's OshKosh, Fairweather, Addition-Elle and Royal Bank of Canada. The site has approximately 10,000 square feet of expected development potential that are subject to an earn-out arrangement. SmartCentres owns a 50% freehold interest in this property and holds a 50% leasehold interest in this property with an option to acquire the remaining 50% freehold interest at the end of the term of the lease.

Ottawa (Laurentian Place) SmartCentre, 1375 Baseline Road, Ottawa, Ontario

The Laurentian Place centre is located at the northeast corner of Clyde Avenue and Baseline Road in an established urban market surrounded by a mix of low and medium-density residential dwellings. The centre is 258,000 square feet including a newly built Walmart Supercentre and a 5-storey, 100,000 square foot office building that is 75% occupied by a major tenant. Upon completion, the centre will comprise approximately 273,000 square feet of office and retail space. SmartCentres owns a 50% interest in this property.

Ottawa South SmartCentre, 2210 Bank Street, Ottawa, Ontario

Ottawa South SmartCentre is a 523,000 square foot shopping centre that is situated on approximately 56 acres at the intersection of Bank Street and Hunt Club Road in Ottawa, Ontario. A 160,000 square foot Walmart Supercentre, a 78,000 square foot Loblaws store and a 39,000 square foot Cineplex Odeon anchor the site. Other national tenants include Marshalls, Winners, Chapters, Michaels, Globo Shoes, Mark's Work Warehouse, Gap, CIBC, Bulk Barn and Royal Bank of Canada. SmartCentres owns a 50% interest in this property.

Owen Sound SmartCentre, 1555 18th Avenue E, Owen Sound, Ontario

Owen Sound SmartCentre is a 163,000 square foot shopping centre that is situated on 20.59 acres on the southeast corner of Highway 26 and 18th Avenue East in Owen Sound, Ontario. The centre is anchored by a 106,000 square foot Walmart Supercentre and is shadow-anchored by a 131,000 square foot Home Depot. Other national tenants include Dollarama, Carter's OshKosh, Penningtons, Montana's Cookhouse, Swiss Chalet, Reitmans, Warehouse One, and The Source. An additional 5,000 square feet of future development potential remain on undeveloped lands.

Pickering SmartCentre, 1899 Brock Road, Pickering, Ontario

Pickering SmartCentre is a 546,000 square foot shopping centre that is situated on 48.34 acres at Highway 401 and Brock Road in Pickering, Ontario. A 147,000 square foot Lowe's, a 128,000 square foot Walmart Supercentre, a 49,000 square foot Sobeys and a 40,000 square foot Toys R Us anchor the site. Other national tenants include PetSmart, LCBO, Mark's Work Warehouse, Tommy Hilfiger, Boston Pizza and Moores. An 82,000 square foot Canadian Tire store operates on lands immediately adjacent to the site.

Port Elgin SmartCentre, 5122 Highway 21, Port Eglin, Ontario

Port Elgin SmartCentre is an approximately 116,000 square foot shopping centre that is situated on approximately 17.10 acres at Highway 21 and County Road 25 in Port Elgin, Ontario. A 116,000 square foot Walmart Supercentre anchors the site.

Port Perry SmartCentre, 1535 Highway 7A, Port Perry, Ontario

The Port Perry centre, located northeast of Toronto and well-situated on Highway 7A, is a 139,000 square foot shopping centre anchored by a 92,000 square foot Walmart Supercentre. Other major tenants include Dollarama, LCBO, Mark's Work Warehouse, Bulk Barn and the Bank of Nova Scotia. The site has 54,000 square feet of developable area remaining.

Rexdale SmartCentre, 2267 Islington Avenue, Etobicoke, Ontario

Rexdale SmartCentre is a 35,000 square foot shopping centre that is situated on Islington Avenue in Rexdale, Ontario. The site is shadow-anchored by a 126,000 square foot Walmart Supercentre. National tenants include Dollarama, Bank of Nova Scotia, Payless Shoesource, Pet Valu, Sally Beauty Supply and EB Games.

Richmond Hill SmartCentre, 1070 Major Mackenzie Drive East, Richmond Hill, Ontario

Richmond Hill SmartCentre is a 273,000 square foot shopping centre that is situated on 28.12 acres at the northeast corner of Bayview Avenue & Major Mackenzie Drive East in Richmond Hill, Ontario. The centre is anchored by a 131,000 square foot Walmart Supercentre and a 58,000 square foot Food Basics. Other national tenants include Shoppers Drug Mart, Rogers, HSBC Bank Canada, Bank of Montreal, Carter's OshKosh, KFC and Payless Shoesource. SmartCentres has a 50% interest in this property.

Rockland SmartCentre, 3001 Richelieu Street, Rockland, Ontario

Rockland SmartCentre is a 148,000 square foot shopping centre located at the intersection of Highway 17 and Poupart Road in Rockland, Ontario. The centre is anchored by a 116,000 square foot Walmart Supercentre. Other national tenants include Dollarama, Boston Pizza and Bulk Barn.

Rutherford Village SmartCentre, 9200 Bathurst Street, Vaughan, Ontario

Rutherford Village SmartCentre is a 104,000 square foot retail shopping centre that is situated on 9.26 acres at the southwest corner of Bathurst Street and Rutherford Road in Vaughan, Ontario. A 49,000 square foot Sobeys anchors the site. Other national tenants include TD Canada Trust, Rogers, and Tim Hortons.

Sarnia SmartCentre, 1444 Quinn Drive, Sarnia, Ontario

Sarnia SmartCentre is a 343,000 square foot shopping centre at the intersection of Highway 402 and Rodeland Road in Sarnia, Ontario. A 215,000 square foot Walmart Supercentre anchors the site. Other major tenants include Winners, Michaels, PetSmart, LCBO, Penningtons, Dollarama, Bouclair, Moores, Reitmans and Carter's OshKosh. The centre has an additional 36,000 square feet of developable area remaining.

Scarborough (1900 Eglinton) SmartCentre, 1900 Eglinton Avenue East, Scarborough, Ontario

Scarborough (1900 Eglinton) SmartCentre is a 380,000 square foot shopping centre that is situated on approximately 28.40 acres at the northwest corner of Eglinton Avenue East and Warden Avenue in Scarborough, Ontario. The centre is anchored by a 214,000 square foot Walmart Supercentre and a 40,000 square foot Winners. Other major tenants include Mark's Work Warehouse, LCBO, David's Bridal, Bank of Montreal, The Gap, The Children's Place, Moores, Reitmans, Ardene, Bath & Body Works and Payless Shoesource.

Scarborough East SmartCentre, 799 Milner Ave. Scarborough, Ontario

Scarborough East SmartCentre is a 282,000 square foot shopping centre that is situated on 21.71 acres at

Morningside Avenue and Highway 401 in Scarborough, Ontario. An 181,000 square foot Walmart Supercentre and a 44,000 square foot Cineplex Odeon anchor the site. Other national tenants include LCBO, Meridian Credit Union, Reitmans, Boston Pizza, Sleep Country, Kelsey's and Payless Shoesource.

Simcoe SmartCentre, 160 Queensway East, Simcoe, Ontario

Simcoe SmartCentre is a 130,000 square foot shopping centre located at Queensway East and Ireland Road in Simcoe, Ontario. A 111,000 square foot Walmart Supercentre anchors the site. Other national tenants include LCBO and Dollar Tree. The site has 10,000 square feet of developable area remaining.

South Oakville Centre (Formerly Hopedale Mall), 1515 Rebecca Street, Oakville, Ontario

South Oakville Centre is a 189,000 square foot enclosed shopping mall that is situated on 21.13 acres at the northeast corner of 3rd Line and Rebecca Street in Oakville, Ontario. The mall is anchored by a 41,000 square foot Metro store. Other major tenants include Winners, Exclusively Women's Fitness Centre, Shoppers Drug Mart, LCBO, Canadian Imperial Bank of Commerce, TD Canada Trust, The Beer Store and Tim Hortons. The site is scheduled to undergo further development of the existing area and as such, 131,000 square feet are classified as under development.

St. Catharines West SmartCentre (I), 420 Vansickle Road, St. Catharines, Ontario

St. Catharines West SmartCentre (I) is a 370,000 square foot shopping centre that is situated on 44.24 acres on the southeast corner of Fourth Avenue and Vansickle Road in St. Catharines, Ontario. The centre is anchored by a 167,000 square foot Walmart Supercentre, a 32,000 square foot Home Outfitters, and a 31,000 square foot Best Buy. Also anchoring the centre as shadow anchors are a 75,000 square foot Canadian Tire store and a 107,000 square foot Real Canadian Superstore. Other national tenants include LCBO, Dollar Tree, Addition-Elle, Mark's Work Warehouse, Reitmans, Carter's OshKosh, Swiss Chalet, Moores, Hallmark and Sleep Country. The site is scheduled to undergo further development of some existing area and as such, 32,000 square feet are classified as future area.

St. Catharines West SmartCentre (II), 275 Fourth Avenue, St. Catharines, Ontario

St. Catharines West SmartCentre (II) is a 120,000 square foot shopping centre that is situated on 11.14 acres at the intersection of Fourth Avenue (north side) and Louth Street in St. Catharines, Ontario. The centre is anchored by a 35,000 square foot The Brick store. Other national tenants include Michaels, Shoppers Drug Mart, Golf Town, Bouclair and Wendy's. Directly across Fourth Avenue (on the south side) is St. Catharines West SmartCentre (I).

St. Thomas SmartCentre, 1063 Talbot Street, St. Thomas, Ontario

St. Thomas SmartCentre is a 224,000 square foot shopping centre that is situated on 48.46 acres at the intersection of First Avenue and Talbot Street in St. Thomas, Ontario. A 139,000 square foot Walmart Supercentre anchors the site. Other major tenants include Staples, Dollar Tree, Mark's Work Warehouse, Wendy's and The Source. Shadow anchors include a 117,000 square foot Real Canadian Superstore and a 72,000 square foot Canadian Tire store.

Stoney Creek SmartCentre, 510 Centennial Parkway North, Stoney Creek, Ontario

Stoney Creek SmartCentre is a 257,000 square foot shopping centre that is situated on 34.87 acres at the QEW and Centennial Parkway in Stoney Creek, Ontario. A 185,600 square foot Walmart Supercentre and a 43,000 square foot Toys R Us anchor the site. Dollar Tree is another major tenant. An additional 124,000 square feet of expected development potential remains on the site.

Stouffville SmartCentre, 1050 Hoover Park Drive, Stouffville, Ontario

Stouffville SmartCentre is a 163,000 square foot shopping centre that is situated at the main intersection of Highway 48 and Main Street in Stouffville, Ontario. A 69,000 square foot Canadian Tire store anchors the site. Adjacent to the property is a 163,000 square foot Walmart Supercentre. Other national tenants include Winners, Staples, Dollarama, Bouclair, Boston Pizza, Bulk Barn, Reitmans, and Tim Hortons. The site has 122,000 square feet of

developable area remaining.

StudioCentre, Toronto, Ontario

StudioCentre is a development property that is situated on approximately 18.47 acres at the intersection of Eastern Avenue and Leslie Street in Toronto, Ontario. The site has approximately 900,000 square feet of developable area. SmartCentres owns a 50% interest in this property.

Sudbury South SmartCentre, Sudbury, Ontario

Sudbury South SmartCentre is a 233,000 square foot shopping centre that is situated at Long Lake Road and Country Side Road. A 184,000 square foot Walmart Supercentre anchors the site. Major tenants include LCBO, Mark's Work Warehouse, Dollarama and Bouclair.

Toronto Premium Outlets (Halton Hills), 13850 Steeles Avenue, Halton Hills, Ontario

Toronto Premium Outlets (Halton Hills) is Ontario's first Premium Outlet Centre situated on 46 developable acres at the intersection of Highway 401 and Trafalgar Road in Halton Hills, Ontario. The site has 359,000 square feet with 85 outlet stores including Saks Off 5th, Burberry, Brooks Brothers, Coach, Cole Haan, Georgio Armani, Hugo Boss, J Crew, Kate Spade, Tory Burch and Restoration Hardware. There is an additional 145,000 square feet of developable area remaining, which is currently under construction. SmartCentres owns a 50% interest in this property.

Toronto Stockyards SmartCentre, 2471 St. Clair Avenue West, Toronto, Ontario

Toronto Stockyards SmartCentre is a 9,000 square foot retail centre that is situated at the intersection of St. Clair Avenue West and Runnymede Road in Toronto, Ontario. The site is shadow-anchored by a 128,000 square foot Walmart Supercentre. National tenants include Bank of Montreal, Fairstone Financial and EB Games.

Vaughan (400 & 7) SmartCentre, 101 Northview Boulevard, Vaughan, Ontario

Vaughan (400 & 7) SmartCentre is a 216,000 square foot shopping centre that is situated at the northwest corner of Highway 400 and Highway 7 in Vaughan, Ontario. A 76,000 square foot Sail and a 49,000 square foot The Brick anchor the site along with a 100,000 square foot Home Depot that shadow-anchors the site. Other major tenants include Value Village and GoodLife Fitness. An additional 37,000 square feet of existing area that requires further development remains on the site.

Vaughan Northwest SmartCentre, 3600 Major Mackenzie Drive West, Vaughan, Ontario

Vaughan Northwest SmartCentre is an approximately 172,000 square foot shopping centre located at Major MacKenzie Drive West and Weston Road in Vaughan, Ontario. A 129,000 square foot Walmart Supercentre anchors the site. Other major tenants include Canadian Imperial Bank of Commerce, Popeye's and Subway. An additional approximately 51,000 square feet of expected development potential remains on the site. In addition, on May 10, 2017, SmartCentres announced a joint venture with Fieldgate to develop a 16 acre parcel of land adjacent to Vaughan Northwest SmartCentre at Major Mackenzie Drive and Weston Road in Vaughan and build approximately 230 freehold townhomes.

Vaughan Metropolitan Centre, 101 Edgeley Boulevard, Vaughan, Ontario

Vaughan Metropolitan Centre represents a 53 acre development site on which SmartCentres plans to develop approximately 11 million square feet of mixed use space. The property is jointly owned by SmartCentres and the Penguin Group. The site currently has a 195,000 square foot Walmart Supercentre. In addition, the site includes the completed 365,000 square foot KPMG Tower and the PwC-YMCA Tower currently under construction. Construction is also currently underway on the first two 55 storey Transit City condominium towers and construction of a third 55 storey condominium tower is expected to begin in 2018. The subway terminal is now open

and operating. There is also additional existing area on the site that will undergo further development. SmartCentres owns a 50% interest in this property.

Waterloo SmartCentre, 335 Farmer's Market Road, Waterloo, Ontario

Waterloo SmartCentre is a 181,000 square foot shopping centre that is situated on 27.66 acres at Highway 85 and King Street North in Waterloo, Ontario. A 129,000 square foot Walmart Supercentre anchors the site. Other major tenants include Mark's Work Warehouse, Dollarama, Arby's, A&W and Value Village. An additional 76,000 square feet of expected development potential remains on the site.

Welland SmartCentre, 102 Primeway Drive, Welland, Ontario

Welland SmartCentre is a 241,000 square foot shopping centre that is situated on 26.31 acres at the intersection of Highway 406 and Woodlawn Road in Welland, Ontario. A 169,000 square foot Walmart Supercentre and a 53,000 square foot RONA anchor the site and a 99,000 square foot Canadian Tire store shadow-anchors the site. Other national tenants include Mark's Work Warehouse and Dollar Tree. Future development potential is an additional 42,000 square feet.

Westside Mall, 2400 Eglinton Avenue W, Toronto, Ontario

Westside Mall is a 144,000 square foot shopping centre that is situated on Eglinton Avenue West in Toronto, Ontario. A 75,000 square foot Canadian Tire store and a 35,000 square foot FreshCo anchor the site. Other national tenants include Dollar Tree, Rogers and Canadian Imperial Bank of Commerce.

Whitby North SmartCentre, 4100 Baldwin Street S, Whitby, Ontario

Whitby North SmartCentre is a 279,000 square foot shopping centre that is situated on 24.87 acres at the intersection of Baldwin Street South and Taunton Road West in Whitby, Ontario. A 179,000 square foot Walmart Supercentre anchors the site. Other national tenants include Mark's Work Warehouse, LCBO, Bank of Nova Scotia, East Side Mario's, 2001 Audio Video, Bulk Barn, TD Canada Trust, Wendy's, Tim Hortons, Payless Shoesource and The Source. A 149,000 square foot Real Canadian Superstore operates on lands immediately adjacent to the site.

Whitby Northeast SmartCentre, 4100 Baldwin Street S, Whitby, Ontario

Whitby Northeast SmartCentre is a 39,000 square foot shopping centre that is situated at the intersection of Baldwin Street and Taunton Road in Whitby, Ontario. Major tenants include Boston Pizza, Swiss Chalet and Royal Bank of Canada. An additional 19,000 square feet of development potential remain.

Whitby Shores Shopping Centre, 601-619 Victoria Street West, Whitby, Ontario

Whitby Shores Shopping Centre is an 86,000 square foot shopping centre. The centre is located at the intersection of Victoria Street West and Gordon Street. Located south of Highway 401 and Southwest of the Whitby GO Station, the shopping centre is anchored by a 40,000 square foot Metro supermarket. Its major tenants also include: LCBO, Bank of Nova Scotia, Lovell Drugs and The Royal Oak Pub.

Windsor South SmartCentre, 3120 Dougall Avenue, Windsor, Ontario

Windsor South SmartCentre is a 231,000 square foot shopping centre that is situated on 17.89 acres at the southeast quadrant of E.C. Row Expressway and Dougall Avenue in Windsor, Ontario. A 129,000 square foot Walmart Supercentre anchors the centre. Other national tenants include Part Source, Dollarama, PetSmart, Moores, The Beer Store, Canadian Imperial Bank of Commerce and Payless Shoesource.

Woodbridge SmartCentre, 3900 Highway 7, Woodbridge, Ontario

Woodbridge SmartCentre is a 434,000 square foot shopping centre that is situated on 37 acres at the intersection of Weston Road and Highway 7 in Woodbridge, Ontario. A 34,000 square foot Winners, a 31,000 square foot Best

Buy store and a 30,000 square foot Toys R Us anchor the site. Other national tenants include Chapters, Michaels, Sport Chek, Canadian Imperial Bank of Commerce, LCBO, Mark's Work Warehouse, Globo Shoes, Laura's Shoppe, Bouclair, Carter's OshKosh, Pier 1 Imports, Reitmans and Penningtons. Shadow anchors include a 75,000 square foot Canadian Tire store and a 67,000 square foot Fortinos. SmartCentres owns a 50% interest in this property.

Woodstock SmartCentre, 499 Norwich Avenue, Woodstock, Ontario

Woodstock SmartCentre is a 257,000 square foot shopping centre that is situated on 19.39 acres at the northeast corner of Norwich Avenue and Juliana Drive in Woodstock, Ontario. The centre is anchored by a 170,000 square foot Walmart Supercentre. Other national tenants include Staples, Mark's Work Warehouse, Carter's OshKosh, CIBC, Reitmans, Montana's Cookhouse, Penningtons, McDonald's and The Source. The centre is shadow-anchored by a 93,000 square foot Canadian Tire store.

Yorkgate Shopping Centre, 1 Yorkgate Boulevard, Toronto, Ontario

Yorkgate Shopping Centre is a 215,000 square foot shopping centre that is located at the intersection of Jane Street and Finch Avenue in Toronto, Ontario. The centre is anchored by a 44,000 square foot City of Toronto office building and a 31,000 square foot No Frills. Other major tenants include Planet Fitness, Seneca College, Dollarama and LCBO.

Quebec

Blainville SmartCentre, 1333 Boulevard Michele-Bohec, Blainville, Quebec

Blainville SmartCentre is a 198,000 square foot shopping centre that is situated on 19.17 acres at Autoroute des Laurentides and Chemin Notre-Dame in Blainville, Quebec. A 132,000 square foot Walmart Supercentre anchors the site. Other major tenants include Winners, Dollarama, Royal Bank of Canada, Bank of Nova Scotia, Bulk Barn, GNC, and Dairy Queen. An additional 21,000 square feet of expected development potential remain on the site.

Hull SmartCentre, 35 Boulevard du Plateau, Hull, Quebec

Hull SmartCentre is a 322,000 square foot shopping centre that is situated at Boulevard du Plateau and Rue de la Montagne in Hull, Quebec. A 132,000 square foot Walmart Supercentre and a 41,000 square foot Winners anchor the site. Other national tenants include Staples, Bouclair, L'Equipeur, Sleep Country, Penningtons, Reitmans, Moores, Bank of Nova Scotia and TD Canada Trust. Shadow anchors include a 100,000 square foot RONA, an 82,000 square foot Famous Players, a 100,000 square foot Loblaws and a 45,000 square foot Super C grocery store. SmartCentres owns a 49.9% interest in this property.

Jonquiere SmartCentre, 2380-2420 Rene-Levesque Boulevard, Jonquière, Quebec

Jonquière SmartCentre is a retail development property situated on approximately 35.18 acres at Boulevard Rene-Levesque and Autoroute 70 in Jonquiere, Quebec. The future developable area includes green field development as well as existing area that requires further developments.

Kirkland SmartCentre, 17000 Route Transcanadienne, Kirkland, Quebec

Kirkland SmartCentre is a 207,000 square foot shopping centre at the intersection of Boulevard St. Charles and Route Transcanadienne in Kirkland, Quebec. A 132,000 square foot Walmart store and a 70,000 square foot The Brick anchor the site.

Lachenaie Smart Centres, 1001 Rue Des Migrateurs, Lachenaie, Quebec

Lachenaie Smart Centres is a 283,000 square foot shopping centre situated at the intersection of Autoroute 40 and Autoroute 640 in Lachenaie, Quebec. Along with a number of national tenants, including, Winners, HomeSense, Michaels, Structube and Bulk Barn, a 157,000 square foot Walmart Supercentre anchors the site. An additional

66,000 square feet of development area remains. SmartCentres owns a 50% interest in this property.

Laval Centre SmartCentre, 2075 Boul Chomedey, Laval, Quebec

Laval Centre SmartCentre is a 160,000 square foot shopping centre that is situated on 43 acres at Boulevard St-Martin and Boulevard Daniel-Johnson in Laval, Quebec. A 160,000 square foot Walmart Supercentre anchors the site. An additional 114,000 square feet of retail development potential remains on the site in addition to parcels of land under consideration for retirement homes, hotel and office development. Construction will commence in 2018 on the first of two 15-storey residential rental towers totaling 338 units that SmartCentres and Jadco are jointly developing.

Laval East SmartCentre, 5205 Boulevard de Val-des-Brises, Laval, Quebec

Laval East SmartCentre is a 540,000 square foot shopping centre at the intersection of Autoroute 440 and Autoroute 19 in Laval, Quebec. A 163,000 square foot Walmart Supercentre, a 129,000 square foot Canadian Tire and a 49,000 square foot IGA anchor the site. Other national tenants include Winners, Michaels, Bouclair, Sports Experts, Dollarama, SAQ, Structube, Bank of Nova Scotia, Boston Pizza, Dormez-Vous, Carter's OshKosh, and TD Canada Trust. The centre has an additional 137,000 square feet of developable area remaining.

Laval West SmartCentre, 700 Autoroute Chomedey O, Laval, Quebec

Laval West SmartCentre is a 578,000 square foot shopping centre at the intersection of Autoroute Chomedey and Boulevard Samson in Laval, Quebec. A 155,000 square foot Walmart Supercentre and a 125,000 square foot RONA anchor the site. Shadow anchors include an 84,000 square foot Canadian Tire store and a 40,000 square foot IGA. Other major tenants include Marshalls, Michael's, Archambault, Uniprix, Caisse Populaire Desjardins, Bouclair, L'Equipeur, Nature Pet Centre, Dollarama, Pier 1 Imports, Globo Shoes and Moores. An additional 9,000 square feet of existing area that requires further development remains on the site.

Mascouche North SmartCentre, 185 Montee Masson, Mascouche, Quebec

Mascouche North SmartCentre is a 63,000 square foot shopping centre that is situated on 39.13 acres at Autoroute 25 and Autoroute 640 in Mascouche, Quebec. Major tenants include Jean Coutu, McDonald's, The Children's Place, Bulk Barn and Structube. An additional 49,000 square feet of expected development potential remains on the site. This is the second phase of development. The first phase (Mascouche SmartCentre) was previously purchased by SmartCentres in 2004.

Mascouche SmartCentre, 155 Montee Masson, Mascouche, Quebec

Mascouche SmartCentre is a 408,000 square foot shopping centre that is situated on 38.1 acres on the northwest interchange corner of Autoroute 640 and Autoroute 25 in the Montreal suburb of Mascouche, Quebec. The centre is anchored by a 147,000 square foot Walmart Supercentre, a 45,000 square foot IGA, a 40,000 square foot Home Outfitters and a 30,000 square foot Winners. A 120,000 square foot RONA also shadow-anchors the site. Other national tenants include Best Buy, Staples, Bouclair, L'Equipeur, La Vie en Rose, Reitmans, Dormez-Vous, Claire France, Marie Claire, Moores, Penningtons and Tim Hortons.

Mirabel SmartCentre (I), Mirabel, Quebec

Mirabel SmartCentre (I) is a development property that is situated on 50.1 acres at the intersection of Highway 15 and Chemin Notre Dame in Mirabel, Quebec. The site has 259,000 square feet of developable area. SmartCentres owns a 33.33% interest in this property.

Mirabel SmartCentre (II), Mirabel, Quebec

Mirabel SmartCentre (II) is a development property that is situated on 20.9 acres at the intersection of Highway 15 and Chemin Notre Dame in Mirabel, Quebec. The site has 178,000 square feet of developable area. SmartCentres owns a 25.0% interest in this property.

Montreal (Decarie) SmartCentre, 5400 Rue Jean Talon O, Montreal, Quebec

Montreal (Decarie) SmartCentre is a 265,000 square foot shopping centre that is situated on 24.54 acres at Rue Jean Talon and Boulevard Decarie in Montreal, Quebec. A 128,000 square foot Walmart store anchors the site. Other major tenants include Toys R Us, Baton Rouge, Carter's OshKosh, Tim Hortons and Sleep Country. The site can accommodate a 30,000 square foot expansion of the Walmart store. SmartCentres owns a 50% interest in this property.

Montreal North SmartCentre, 6140 Boulevard Henri Bourassa, Montreal, Quebec

Montreal North SmartCentre is a 268,000 square foot shopping centre that is situated on 23.24 acres at Boulevard Henri Bourassa and Boulevard Lacordaire in Montreal, Quebec. A 129,000 square foot Walmart Supercentre and a 45,000 square foot IGA anchor the site. Other national tenants include Winners, Dollarama, SAQ, Reitmans, TD Canada Trust, Burger King, Tim Hortons, and Payless Shoesource. An additional 16,000 square feet of development potential remain on the site.

Montreal Premium Outlets (Mirabel), Mirabel, Quebec

Montreal Premium Outlets (Mirabel) is an outlet centre located on 50.74 acres at the intersection of Highway 15 and Chemin Notre Dame in Mirabel, Quebec, just north of Montreal. The site currently consists of approximately 366,000 square feet, including tenants such as Hudson's Bay Outlet, Adidas, Bench, Calvin Klein, Coach, Max Mara, Nike, Old Navy and Polo. An additional approximately 100,000 square feet of expected development potential remains on this site and is partially subject to an earn-out arrangement. SmartCentres owns a 50% interest in this property and Simon Property Group owns the remaining 50%.

Place Bourassa Mall, 6000 boulevard. Henri Bourassa Est, Montreal, Quebec

Place Bourassa is a 266,000 square foot enclosed shopping centre that is situated at the intersection of Boulevard Henri-Bourassa Est and Boulevard Lacordaire in Montreal, Quebec. The site is anchored by an 86,000 square foot Canadian Tire and a 43,000 square foot Super C grocery store. Other major tenants include Pharmaprix, L'Aubainerie, Yellow and Ardene. There is a further 27,000 square feet of future developable area on the site.

Pointe Claire SmartCentre, 183-203 Boulevard Hymus, Pointe Claire, Quebec

Pointe Claire SmartCentre is a 385,000 square foot mixed-use retail and office centre that is situated at the intersection of Boulevard Hymus and Boulevard Saint-Jean in Pointe Claire, Quebec. The site is anchored by an 122,000 square foot Walmart and a 112,000 square foot Home Depot. The site also includes a 59,000 square foot office building. Other major tenants include Dollarama, L'Equipeur, Pier 1 Imports and TD Canada Trust. The site also includes in excess of 2 million square feet of future residential and retirement homes under consideration.

Rimouski SmartCentre, 415 Montee Industrielle-et-Commerciale, Rimouski, Quebec

Rimouski SmartCentre is a 244,000 square foot shopping centre that is situated on 35.28 acres at the intersection of Montee Industrielle-et-Commerciale and 2ieme Rue Est in Rimouski, Quebec. A 127,000 square foot Walmart store anchors the site. Other major tenants include Winners, SAQ, Dollarama, Clement, Scores, L'Equipeur, Reitmans, Penningtons, Yellow, Marie Claire, and Ardene. A 65,000 square foot expansion of the Walmart store can be accommodated. Shadow anchors include a 75,000 square foot Tanguay and a 44,000 square foot Super C grocery store.

Saint-Constant SmartCentre, 500 Voie de Desserte, rue NR 132, Saint-Constant, Quebec

Saint-Constant SmartCentre is a 362,000 square foot shopping centre that is situated on 40.76 acres at the intersection of Route 132 and Rue Macon in Saint-Constant, Quebec. A 156,000 square foot Walmart Supercentre and a 45,000 square foot Super C grocery store anchor the site. Other major tenants include L'Aubainerie Concept Mode, Michaels, L'Equipeur, Dollarama, Scores, Marie Claire, Royal Bank of Canada, Penningtons, Claire France,

Reitmans, and Le Grenier. A 95,000 square foot Home Depot operates on lands immediately adjacent to the site.

Saint-Jean SmartCentre, 100 Rue Omer-Marcil, Saint-Jean, Quebec

Saint-Jean SmartCentre is a 250,000 square foot shopping centre that is situated on 29.06 acres on the northeast corner of Rue Pierre-Caisse and Rue Bernier in Saint-Jean, Quebec. The centre is anchored by a 154,000 square foot Walmart Supercentre and shadow-anchored by an 80,000 square foot Maxi grocery store. Other national tenants include Michaels, L'Equipeur, Bouclair, Reitmans, Penningtons, Dormez-Vous, TD Canada Trust, The Children's Place, Yellow and Tim Hortons.

Saint-Jerome SmartCentre, 1030 Boulevard Du Grand-Heron, Saint-Jerome, Quebec

Saint-Jerome SmartCentre is a 164,000 square foot shopping centre that is situated on 17.70 acres at Boulevard Jean-Baptiste-Rolland & Rue Briere in Saint-Jerome, Quebec. A 45,000 square foot IGA anchors the site. Other national tenants include Michaels, Bouclair, Dollarama, La Cage Aux Sports, Boston Pizza, Addition-Elle, Bank of Nova Scotia, TD Canada Trust, Marie Claire, Claire France and Le Grenier. A 128,000 square foot Walmart Supercentre and a 119,000 square foot Home Depot operate on lands adjacent to the site.

Sherbrooke SmartCentre, 4050 Boulevard Josphat-Rancourt, Sherbrooke, Quebec

Sherbrooke SmartCentre is a 244,000 square foot shopping centre that is situated on approximately 28.40 acres at the northeast corner of Highway 10 and Highway 410 in Sherbrooke, Quebec. The centre is anchored by a 167,000 square foot Walmart Supercentre and a 30,000 square foot The Brick. A 95,000 square foot Home Depot and a 75,000 square foot Canadian Tire store also shadow-anchor the site. Other major tenants include Michaels and L'Equipeur.

Valleyfield SmartCentre, 2050 Boulevard Monseigneur-Langlois, Salaberry de Valleyfield, Quebec

Valleyfield SmartCentre is a 188,000 square foot shopping centre that is situated on 17.95 acres on the southwest corner of Boulevard Monseigneur-Langlois and Rue Fabre in the Montreal suburb of Salaberry de Valleyfield, Quebec. A 133,000 square foot Walmart Supercentre anchors the site. Other major tenants include Dollarama, Reitmans, Claire France, Marie Claire, Yellow, McDonald's, Lemercier, Tim Hortons and The Source.

Vaudreuil SmartCentre, 3051 Boulevard de la Gare, Vaudreuil-Dorion, Quebec

Vaudreuil SmartCentre is a 17,000 square foot shopping centre that is situated on approximately 9.69 acres at Autoroute 40 and Autoroute 540 in Vaudreuil-Dorion, Quebec. Major tenants include Brunet, Pizza Pizza and Popeye's. An additional 11,000 square feet of expected development potential remains on the site.

Victoriaville SmartCentre, Victoriaville, Quebec

Victoriaville SmartCentre is a 38,000 square foot shopping centre that is situated on approximately 4.93 acres at the northeast corner of Boulevard Jutras Est & Boulevard Bois-Francis Sud in Victoriaville, Quebec. A Winners, Carter's OshKosh, Bulk Barn and Reitmans are located on the site. Shadow anchors include a 127,000 square foot Walmart, an 85,000 square foot Home Depot and a 44,000 square foot Maxi grocery store.

New Brunswick

Fredericton North SmartCentre, Fredericton, New Brunswick

Fredericton North SmartCentre is an 11,000 square foot shopping centre situated at the intersection of Two Nations Crossing and St. Mary's Street in Fredericton, New Brunswick. There is a further 40,000 square feet of developable area. A 123,000 square foot Walmart store, a 72,000 square foot Canadian Tire store and a 40,000 square foot Kent Building Supplies store shadow-anchor the site. Other tenants include Dollarama and GNC.

Saint John SmartCentre, 450 Westmoreland Road, Saint John, New Brunswick

Saint John SmartCentre is a 272,000 square foot shopping centre that is situated on 24.66 acres at the northwest corner of Westmoreland Road and McAllister Drive in Saint John, New Brunswick. A 128,000 square foot Walmart Supercentre and a 45,000 square foot Winners anchor the site. Other national tenants include Old Navy, Pier 1 Imports, Swiss Chalet, Reitmans and Canadian Imperial Bank of Commerce. A 102,000 square foot Kent Building Supplies store and an 80,000 square foot Canadian Tire store shadow-anchor the centre.

Nova Scotia

Colby Village Plaza, 900-920 Cole Harbour Road, Dartmouth, Nova Scotia

Colby Village Plaza is a 153,000 square foot shopping centre that is situated on Cole Harbour Road in Dartmouth, Nova Scotia. A 67,000 square foot Walmart and a 41,000 square foot Atlantic Superstore anchor the site. Other major tenants include Cleve's Source for Sports, Pharma Save and Bank of Nova Scotia.

Halifax Bayers Lake Centre, 208 Chain Lake Drive, Halifax, Nova Scotia

Halifax Bayers Lake Centre is a 168,000 square foot shopping centre that is situated on Chain Lake Drive in Halifax, Nova Scotia. An 80,000 square foot Atlantic Superstore shadow-anchors the site. Other major tenants include Winners, Cleve's Warehouse Sporting Goods, Bouclair, The Shoe Company, Roots, Gap Outlet, Reitmans, Montana's Cookhouse and Moores.

Prince Edward Island

Charlottetown SmartCentre, 80 Buchanan Drive, Charlottetown, Prince Edward Island

Charlottetown SmartCentre is a 225,000 square foot shopping centre that is situated on 30.66 acres on University Avenue in Charlottetown, Prince Edward Island. A 127,000 square foot Walmart store anchors the centre. Other national tenants include Michaels, Old Navy, Gap Outlet, The Children's Place, and Hallmark. An additional 5,000 square feet of developable area remains. The shadow anchor is an 80,000 square foot Home Depot.

Newfoundland & Labrador

Corner Brook SmartCentre, 16 Murphy Square, Corner Brook, Newfoundland & Labrador

Corner Brook SmartCentre is a 179,000 square foot shopping centre that is situated on 14.92 acres on the northeast corner of St. Mark's Avenue and Lewin Parkway in Corner Brook, Newfoundland. The centre is anchored by a 106,000 square foot Walmart store. Other national tenants include Staples, Mark's Work Warehouse, Sun Life, Buck or Two, Bulk Barn, EasyHome and Tim Hortons. Shadow anchors include a 75,000 square foot Canadian Tire store and a 60,000 square foot Dominion grocery store.

Mount Pearl SmartCentre, 60 Merchant Drive, Mount Pearl, Newfoundland & Labrador

Mount Pearl SmartCentre is a 269,000 square foot shopping centre that is situated on 28.93 acres at the northwest corner of Pitts Memorial Drive and Ruby Line in St. John's, Newfoundland. A 131,000 square foot Walmart store and a 30,000 square foot Staples anchor the site. Other major tenants include GoodLife Fitness, Mark's Work Warehouse, Canadian Imperial Bank of Commerce, Reitmans, The Shoe Company, Penningtons, EasyHome, Hallmark, Tim Hortons and The Source. The site can accommodate a 30,000 square foot expansion of the Walmart store. Shadow anchors include an 83,000 square foot Canadian Tire store and an 82,000 square foot Dominion grocery store.

Pearlgate SmartCentre, 10 Gibson Drive, Mount Pearl, Newfoundland & Labrador

Pearlgate SmartCentre is a 43,000 square foot shopping centre that is situated on 4.17 acres at the southwest corner of Old Placentia Road and Ruby Line in Mount Pearl, Newfoundland & Labrador. National tenants include Shoppers Drug Mart, Bulk Barn, TD Canada Trust and Pet Valu. Adjacent to the site is SmartCentres' Mount Pearl

SmartCentre.

St. John's Central SmartCentre, 9 Kelsey Drive, St. John's, Newfoundland & Labrador

St. John's Central SmartCentre is a 158,000 square foot shopping centre that is situated on 17.28 acres at Kelsey Drive and Kenmount Road in St. John's, Newfoundland. A 48,000 square foot Sobeys anchors the centre. Other national tenants include Royal Bank, Staples, Mark's Work Warehouse, Dollarama, Sobeys Liquor Outlet, Boston Pizza, Moores and Pet Valu. Shadow anchors include a 134,000 square foot Walmart store, a 106,000 square foot Home Depot and a 71,000 square foot Canadian Tire store.

St. John's East SmartCentre, 90 Aberdeen Avenue, St. John's, Newfoundland & Labrador

St. John's East SmartCentre is a 371,000 square foot shopping centre that is situated on 31.27 acres at the intersection of Stavanger Drive and Torbay Road in St. John's, Newfoundland. A 128,000 square foot Walmart store anchors the site and an 80,000 square foot Dominion grocery store shadow-anchor the site. Other national tenants include Winners, Michaels, Old Navy, Sport Chek, Addition-Elle, Mark's Work Warehouse, Pier 1 Imports, Bowring, Reitmans, Swiss Chalet and The Shoe Company.

DECLARATION OF TRUST AND DESCRIPTION OF UNITS

General

SmartCentres' is an unincorporated open-end real estate investment trust established by the Declaration of Trust and governed by the laws of the Province of Alberta.

Authorized Capital

The Declaration of Trust authorizes the issuance of an unlimited number of two classes of units: Units and Special Voting Units. As of December 31, 2017, SmartCentres had 132,612,320 Units and 27,107,806 Special Voting Units outstanding for a total of 159,720,126 outstanding Voting Units.

Units

An unlimited number of Units may be created and issued pursuant to the Declaration of Trust. The Declaration of Trust provides that Units or rights to acquire Units may be issued at times, to the persons, for the consideration and on the terms and conditions that the Trustees determine. Each Unit represents an equal fractional undivided beneficial interest in any distributions from SmartCentres and in any net assets of SmartCentres in the event of termination or winding-up of SmartCentres. All Units are of the same class with equal rights and privileges, subject to the Voting Top-Up Right described below. Each Unit (i) is transferable, entitles the holder thereof to participate equally in distributions, including the distributions of net income and net realized capital gains of SmartCentres and distributions on liquidation, (ii) is fully paid and non-assessable and (iii) entitles the holder thereof to one vote at all meetings of Unitholders for each Unit held.

As a result of the extension for an additional five years of the existing Voting Top-Up Right and at the request of the TSX, SmartCentres re-designated its trust units as "Variable Voting Units" effective as of July 8, 2015. Such designation will cease on the termination of the Voting Top-Up Right.

The Units do not represent a traditional investment and should not be viewed by investors as "shares" in SmartCentres. As holders of Units in SmartCentres, the Unitholders do not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions.

The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that act or any other legislation. Furthermore, SmartCentres is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or

intend to carry on the business of a trust company.

Special Voting Units

An unlimited number of Special Voting Units may be created and issued pursuant to the Declaration of Trust. Special Voting Units shall only be issued by SmartCentres from time to time in connection with or in relation to Exchangeable Securities on such terms and conditions as may be determined by the Trustees. Each Special Voting Unit shall entitle the holder of a Special Voting Unit to such number of votes at meetings of Voting Unitholders as is equal to the number of Units into which the Exchangeable Security to which such Special Voting Unit relates (other than an Exchangeable Security owned by SmartCentres or any subsidiary of SmartCentres) is then exchangeable or convertible for. For greater certainty, holders of Special Voting Units shall not be entitled, by virtue of their holding of Special Voting Units, to distributions of any nature whatsoever from SmartCentres nor shall they have any beneficial interest in any assets of SmartCentres on termination or winding up of SmartCentres. Special Voting Units are not separately transferable from the Exchangeable Security to which they relate and are automatically redeemed and cancelled upon the exercise or conversion of such Exchangeable Security.

Notwithstanding the foregoing, if in any given 365 day period prior to July 1, 2020, the average weighted aggregate number of Special Voting Units plus Units held or controlled by Mitchell Goldhar (while he remains alive) or the MG Entities (if Mitchell Goldhar is not alive) (not including any additional Special Voting Units issued to the MG Entities as described below) is equal to or greater than the lesser of (i) 20% of the aggregate issued and outstanding Units plus Special Voting Units and (ii) 20,000,000 Units plus Special Voting Units provided that such securities represent no less than 10% of the voting rights attached to all of the issued and outstanding Units and Special Voting Units, then so long as Mr. Mitchell Goldhar or another individual appointed by the MG Entities remains a Trustee and the MG Entities directly or indirectly beneficially own or control less than 25% of the voting rights attached to all voting securities of SmartCentres, SmartCentres shall issue such number of additional Special Voting Units which will entitle Mitchell Goldhar (while he remains alive) or the MG Entities (if Mitchell Goldhar is not alive) to cast 25% of the votes eligible to be cast at a meeting of the holders of Units and Special Voting Units (the “**Voting Top-Up Right**”). Pursuant to the Voting Top-Up Right, SmartCentres issued to an entity controlled by Mitchell Goldhar 361,215 additional Special Voting Units on March 24, 2017. In addition, SmartCentres issued 29,443 Special Voting Units during 2017 in conjunction with the issuance of Class B limited partnership units of its subsidiary limited partnerships and 677,069 additional Special Voting Units on October 4, 2017 in connection with the Arrangement.

Exchangeable Securities and Other Convertible Securities

LP I

LP I, a subsidiary of SmartCentres, is a limited partnership formed under the laws of the Province of Alberta and governed by its limited partnership agreement.

LP I may issue an unlimited number of (i) LP I Class A Units, (ii) LP I Class B Units, (iii) LP I Class C Units, (iv) LP I Class D Units, (v) LP I Class E Units, and (vi) LP I Class F Units.

Holders of any series of LP I Class B Units and LP I Class C Units are considered to be general partners for the purposes of the *Partnership Act* (Alberta) while holders of all other classes of units are considered to be limited partners for the purposes of the *Partnership Act* (Alberta). There shall be no restriction on the number of partnership units that a partner may hold in LP I. No fractional partnership units will be issued and no person shall have any rights to receive fractional partnership units or to receive cash in lieu of the issue of a fraction of a partnership unit.

Holders of LP I Class A Units, LP I Class B Units, and LP I Class D Units are entitled to notice of, and to attend and vote at, meetings of partners of LP I. Holders of LP I Class C Units, LP I Class E Units, and LP I Class F Units are entitled to notice of, and to attend, meetings of partners of LP I but are not entitled to vote thereat. At meetings of partners of LP I, the holders of LP I Class A Units shall have 20 votes for each LP I Class A Unit held and the holders of LP I Class B Units and LP I Class D Units shall have 1 vote for each such partnership unit held.

Holders of LP I Class B Units and LP I Class D Units are entitled to exchange such units in consideration for Units pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing LP I and the applicable Exchange Agreements. Holders of the first two series of LP I Class C Units are entitled to exchange such LP I Class C Units in consideration for LP I Class B Units of the same series and/or cash pursuant to and subject to the terms and conditions set out in the applicable Exchange Agreements. Holders of the third series of LP I Class C Units are entitled to exchange such LP I Class C Units in consideration for LP I Class F Units of the same series and/or cash pursuant to and subject to the terms and conditions set out in the limited partnership agreement and the applicable Exchange Agreement. Holders of a particular series of LP I Class E Units are entitled to exchange such LP I Class E Units in consideration for LP I Class D Units of the same series and/or cash pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing LP I and the applicable Exchange Agreement. Holders of the LP I Class F Units are entitled to exchange their LP I Class F Units in consideration for the first series of LP I Class B Units and/or cash pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing LP I and the applicable Exchange Agreement.

Subject to the restrictions contained in the limited partnership agreement governing LP I and subject to the prior written consent of the majority general partner (i.e. Smart GP Inc., a subsidiary of SmartCentres), partnership units may be transferred by a partner. The majority general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non-Resident or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act and in certain of other circumstances.

The LP I Class B Units and LP I Class D Units are considered to be economically equivalent to Units and, accordingly, have been presented as equity in the consolidated financial statements of SmartCentres. A holder of a LP I Class B Unit or a LP I Class D Unit, of any series, is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding LP I Class B Unit or LP I Class D Unit is outstanding, to one vote at each meeting of Unitholders of SmartCentres.

As of December 31, 2017, there were (i) 75,062,169 LP I Class A Units, (ii) 16,353,564 LP I Class B Units, (iii) 7,243,397 LP I Class C Units, (iv) 311,022 LP I Class D Units, (v) 816,704 LP I Class E Units, and (vi) no LP I Class F Units issued and outstanding. As of December 31, 2017, SmartCentres owned all of the outstanding LP I Class A Units while others own all of the other outstanding LP I partnership units.

LP II

LP II, a subsidiary of SmartCentres, is a limited partnership formed under the laws of the Province of Alberta and governed by its limited partnership agreement.

LP II may issue an unlimited number of LP II Class A Units and LP II Class B Units. There shall be no restriction on the number of partnership units that a partner may hold in LP II. No fractional partnership units will be issued and no person shall have any rights to receive fractional partnership units or to receive cash in lieu of the issue of a fraction of a partnership unit.

Holders of LP II Class A Units and LP II Class B Units are entitled to notice, of and to attend and vote at, meetings of partners of LP II. At meetings of partners of LP II, the holders of LP II Class A Units shall have 5 votes for each LP II Class A Unit held and the holders of the LP II Class B Units shall have 1 vote for each LP II Class B Unit held.

Subject to the restrictions contained in the limited partnership agreement governing LP II and subject to the prior written consent of the general partner (i.e. Smart LP II Inc., a subsidiary of SmartCentres), partnership units may be transferred by a partner. The general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non-Resident or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act and in certain of other circumstances.

The LP II Class B Units are considered to be economically equivalent to Units and, accordingly, have been presented as equity in the consolidated financial statements of SmartCentres.

Holders of LP II Class B Units are entitled to exchange their LP II Class B Units in consideration for Units pursuant to and subject to the terms and conditions set out in the applicable Exchange Agreement.

As of December 31, 2017, there were 208,356 LP II Class A Units and 756,525 LP II Class B Units issued and outstanding. As of December 31, 2017, SmartCentres owned all of the outstanding LP II Class A Units while others own all of the other outstanding LP II Class B Units.

LP III

LP III, a subsidiary of SmartCentres, is a limited partnership formed under the laws of the Province of Alberta and governed by its limited partnership agreement.

LP III may issue an unlimited number of LP III Class A Units, LP III Class B Units and LP Class III Class C Units. There shall be no restriction on the number of partnership units that a partner may hold in LP III. No fractional partnership units will be issued and no person shall have any rights to receive fractional partnership units or to receive cash in lieu of the issue of a fraction of a partnership unit.

Holders of LP III Class A Units and LP III Class B Units are entitled to notice, of and to attend and vote at, meetings of partners of LP III. At meetings of partners of LP III, the holders of LP III Class A Units shall have 20 votes for each LP III Class A Unit held, and the holders of LP III Class B Units shall have 1 vote for each LP III Class B Unit held and the holders of LP III Class C Units shall have nil votes for each LP III Class C Unit held.

Subject to the restrictions contained in the limited partnership agreement governing LP III and subject to the prior written consent of the majority general partner (i.e. Smart GP III Inc., a subsidiary of SmartCentres), partnership units may be transferred by a partner. The general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non-Resident or a partnership that is not a "Canadian partnership" within the meaning of the Tax Act and in certain other circumstances.

The LP III Class B Units are considered to be economically equivalent to Units and, accordingly, have been presented as equity in the consolidated financial statements of SmartCentres. A holder of a LP III Class B Unit is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding LP III Class B Unit is outstanding, to one vote at each meeting of Unitholders of SmartCentres.

Holders of LP III Class B Units are entitled to exchange their LP III Class B Units in consideration for Units pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing LP III. Holders of a particular series of LP III Class C Units are entitled to exchange such LP III Class C Units in consideration for LP III Class B Units of the same series and/or cash pursuant to and subject to the terms and conditions set out in the applicable Exchange Agreement.

As of December 31, 2017, there were 12,556,688 LP III Class A Units, 3,802,262 LP III Class B Units and 2,089,013 LP III Class C Units issued and outstanding. As of December 31, 2017, SmartCentres owned all of the outstanding LP III Class A Units while others own all of the outstanding LP III Class B Units and LP III Class C Units.

LP IV

LP IV, a subsidiary of SmartCentres, is a limited partnership formed under the laws of the Province of Ontario and governed by its limited partnership agreement.

LP IV may issue an unlimited number of LP IV Class A Units, LP IV Class B Units and LP Class IV Class C Units. There shall be no restriction on the number of partnership units that a partner may hold in LP IV. No fractional partnership units will be issued and no person shall have any rights to receive fractional partnership units or to receive cash in lieu of the issue of a fraction of a partnership unit.

Holders of LP IV Class A Units and LP IV Class B Units are entitled to notice, of and to attend and vote at, meetings of partners of LP IV. At meetings of partners of LP IV, the holders of LP IV Class A Units shall have 20 votes for each LP IV Class A Unit held, and the holders of LP IV Class B Units shall have 1 vote for each LP IV Class B Unit held and the holders of LP IV Class C Units shall have nil votes for each LP IV Class C Unit held.

Subject to the restrictions contained in the limited partnership agreement governing LP IV and subject to the prior written consent of the majority general partner (i.e. Smart GP IV Inc., a subsidiary of SmartCentres), partnership units may be transferred by a partner. The general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non-Resident or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act and in certain other circumstances.

The LP IV Class B Units are considered to be economically equivalent to Units and, accordingly, have been presented as equity in the consolidated financial statements of SmartCentres. A holder of a LP IV Class B Unit is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding LP IV Class B Unit is outstanding, to one vote at each meeting of Unitholders of SmartCentres.

Holders of LP IV Class C Units are entitled to exchange their LP IV Class C Units in consideration for LP IV Class B Units and/or cash pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing LP IV. Holders of LP IV Class B Units are entitled to exchange their LP IV Class B Units in consideration for Units pursuant to and subject to the terms and conditions set out in the applicable Exchange Agreement.

As of December 31, 2017, there were 102,569 LP IV Class A Units, 3,046,121 LP IV Class B Units and 446,061 LP IV Class C Units issued and outstanding. As of December 31, 2017, SmartCentres owned all of the outstanding LP IV Class A Units while others own all of the outstanding LP IV Class B Units and LP IV Class C Units.

Oshawa South LP

Oshawa South LP, a subsidiary of SmartCentres, is a limited partnership formed under the laws of the Province of Ontario and governed by its limited partnership agreement.

Oshawa South LP may issue an unlimited number of (i) Oshawa South LP Class A Units, (ii) Oshawa South LP Class B Units, (iii) Oshawa South LP Class C Units, (iv) Oshawa South LP Class D Units and (v) Oshawa South LP Class E Units.

Holders of any series of Oshawa South LP Class B Units and Oshawa South LP Class C Units are considered to be general partners for the purposes of the *Limited Partnerships Act* (Ontario) while holders of all other classes of units are considered to be limited partners for the purposes of the *Limited Partnerships Act* (Ontario). There shall be no restriction on the number of partnership units that a partner may hold in Oshawa South LP. No fractional partnership units will be issued and no person shall have any rights to receive fractional partnership units or to receive cash in lieu of the issue of a fraction of a partnership unit.

Holders of Oshawa South LP Class A Units, Oshawa South LP Class B Units, and Oshawa South LP Class D Units are entitled to notice of, and to attend and vote at, meetings of partners of Oshawa South LP. Holders of Oshawa South LP Class C Units and Oshawa South LP Class E Units are entitled to notice of, and to attend, meetings of partners of Oshawa South LP but are not entitled to vote thereat. At meetings of partners of Oshawa South LP, the holders of Oshawa South LP Class A Units shall have 20 votes for each Oshawa South LP Class A Unit held and the holders of Oshawa South LP Class B Units and Oshawa South LP Class D Units shall have 1 vote for each such partnership unit held.

Subject to the restrictions contained in the limited partnership agreement governing Oshawa South LP and subject to the prior written consent of the majority general partner (i.e. Smart Oshawa South GP Inc., a subsidiary of SmartCentres), partnership units may be transferred by a partner. The majority general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non-Resident or a partnership that is

not a “Canadian partnership” within the meaning of the Tax Act and in certain of other circumstances.

The Oshawa South LP Class B Units and the Oshawa South LP Class D Units are considered to be economically equivalent to Units and, accordingly, have been presented as equity in the consolidated financial statements of SmartCentres. A holder of an Oshawa South LP Class B Unit or an Oshawa South LP Class D Unit, of any series, is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding Oshawa South LP Class B Unit or Oshawa South LP Class D Unit is outstanding, to one vote at each meeting of Unitholders of SmartCentres.

Holder of Oshawa South LP Class C Units are entitled to exchange their Oshawa South LP Class C Units in consideration for Oshawa South LP Class B Units and/or cash pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing Oshawa South LP. Holders of Oshawa South LP Class B Units are entitled to exchange their Oshawa South LP Class B Units in consideration for Units pursuant to and subject to the terms and conditions set out in the applicable Exchange Agreement. Holders of Oshawa South LP Class E Units are entitled to exchange their Oshawa South LP Class E Units in consideration for Oshawa South LP Class D Units and/or cash pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing Oshawa South LP. Holders of Oshawa South LP Class D Units are entitled to exchange their Oshawa South LP Class D Units in consideration for Units pursuant to and subject to the terms and conditions set out in the applicable Exchange Agreement.

As of December 31, 2017, there were (i) 138,680 Oshawa South LP Class A Units, (ii) 688,336 Oshawa South LP Class B Units, (iii) 45,000 Oshawa South LP Class C Units, (iv) 251,649 Oshawa South LP Class D Units, and (v) 15,000 Oshawa South LP Class E Units issued and outstanding. As of December 31, 2017, SmartCentres owned all of the outstanding Oshawa South LP Class A Units while others own all of the other outstanding Oshawa South LP partnership units.

Oshawa Taunton LP

Oshawa Taunton LP, a subsidiary of SmartCentres, is a limited partnership formed under the laws of the Province of Ontario and governed by its limited partnership agreement.

Oshawa Taunton LP may issue an unlimited number of (i) Oshawa Taunton LP Class A Units, (ii) Oshawa Taunton LP Class B Units, (iii) Oshawa Taunton LP Class C Units, (iv) Oshawa Taunton LP Class D Units and (v) Oshawa Taunton LP Class E Units.

Holder of any series of Oshawa Taunton LP Class B Units and Oshawa Taunton LP Class C Units are considered to be general partners for the purposes of the *Limited Partnerships Act* (Ontario) while holders of all other classes of units are considered to be limited partners for the purposes of the *Limited Partnerships Act* (Ontario). There shall be no restriction on the number of partnership units that a partner may hold in Oshawa Taunton LP. No fractional partnership units will be issued and no person shall have any rights to receive fractional partnership units or to receive cash in lieu of the issue of a fraction of a partnership unit.

Holder of Oshawa Taunton LP Class A Units, Oshawa Taunton LP Class B Units and Oshawa Taunton LP Class D Units are entitled to notice of, and to attend and vote at, meetings of partners of Oshawa Taunton LP. Holders of Oshawa Taunton LP Class C Units and Oshawa Taunton LP Class E Units are entitled to notice of, and to attend, meetings of partners of Oshawa Taunton LP but are not entitled to vote thereat. At meetings of partners of Oshawa Taunton LP, the holders of Oshawa Taunton LP Class A Units shall have 20 votes for each Oshawa Taunton LP Class A Unit held and the holders of Oshawa Taunton LP Class B Units and Oshawa Taunton LP Class D Units shall have 1 vote for each such partnership unit held.

Subject to the restrictions contained in the limited partnership agreement governing Oshawa Taunton LP and subject to the prior written consent of the majority general partner (i.e. Smart Oshawa Taunton GP Inc., a subsidiary of SmartCentres), partnership units may be transferred by a partner. The majority general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non-Resident or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act and in certain of other circumstances.

The Oshawa Taunton LP Class B Units and the Oshawa Taunton LP Class D Units are considered to be economically equivalent to Units and, accordingly, have been presented as equity in the consolidated financial statements of SmartCentres. A holder of an Oshawa Taunton LP Class B Unit or an Oshawa Taunton LP Class D Unit, of any series, is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding Oshawa Taunton LP Class B Unit or Oshawa Taunton LP Class D Unit is outstanding, to one vote at each meeting of Unitholders of SmartCentres.

Holders of Oshawa Taunton LP Class C Units are entitled to exchange their Oshawa Taunton LP Class C Units in consideration for Oshawa Taunton LP Class B Units and/or cash pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing Oshawa Taunton LP. Holders of Oshawa Taunton LP Class B Units are entitled to exchange their Oshawa Taunton LP Class B Units in consideration for Units pursuant to and subject to the terms and conditions set out in the applicable Exchange Agreement. Holders of Oshawa Taunton LP Class E Units are entitled to exchange their Oshawa Taunton LP Class E Units in consideration for Oshawa Taunton LP Class D Units and/or cash pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing Oshawa Taunton LP. Holders of Oshawa Taunton LP Class D Units are entitled to exchange their Oshawa Taunton LP Class D Units in consideration for Units pursuant to and subject to the terms and conditions set out in the applicable Exchange Agreement.

As of December 31, 2017, there were (i) 637,895 Oshawa Taunton LP Class A Units, (ii) 374,223 Oshawa Taunton LP Class B Units, (iii) 132,711 Oshawa Taunton LP Class C Units, (iv) no Oshawa Taunton LP Class D Units, and (v) 132,711 Oshawa Taunton LP Class E Units issued and outstanding. As of December 31, 2017, SmartCentres owned all of the outstanding Oshawa Taunton LP Class A Units while others own all of the other outstanding Oshawa Taunton LP partnership units.

Boxgrove LP

Boxgrove LP, a subsidiary of SmartCentres, is a limited partnership formed under the laws of the Province of Ontario and governed by its limited partnership agreement.

Boxgrove LP may issue an unlimited number of Boxgrove LP Class A Units, Boxgrove LP Class B Units and Boxgrove LP Class C Units. There shall be no restriction on the number of partnership units that a partner may hold in Boxgrove LP. No fractional partnership units will be issued and no person shall have any rights to receive fractional partnership units or to receive cash in lieu of the issue of a fraction of a partnership unit.

Holders of Boxgrove LP Class A Units and Boxgrove LP Class B Units are entitled to notice, of and to attend and vote at, meetings of partners of Boxgrove LP. At meetings of partners of Boxgrove LP, the holders of Boxgrove LP Class A Units shall have 20 votes for each Boxgrove LP Class A Unit held, and the holders of Boxgrove LP Class B Units shall have 1 vote for each Boxgrove LP Class B Unit held and the holders of Boxgrove LP Class C Units shall have nil votes for each Boxgrove LP Class C Unit held.

Subject to the restrictions contained in the limited partnership agreement governing Boxgrove LP and subject to the prior written consent of the majority general partner (i.e. Smart Boxgrove GP Inc., a subsidiary of SmartCentres), partnership units may be transferred by a partner. The general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non-Resident or a partnership that is not a "Canadian partnership" within the meaning of the Tax Act and in certain other circumstances.

The Boxgrove LP Class B Units are considered to be economically equivalent to Units and, accordingly, have been presented as equity in the consolidated financial statements of SmartCentres. A holder of a Boxgrove LP Class B Unit is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding Boxgrove LP Class B Unit is outstanding, to one vote at each meeting of Unitholders of SmartCentres.

Holders of Boxgrove LP Class C Units are entitled to exchange their Boxgrove LP Class C Units in consideration for Boxgrove LP Class B Units and/or cash pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing Boxgrove LP. Holders of Boxgrove LP Class B Units are entitled to exchange their

Boxgrove LP Class B Units in consideration for Units pursuant to and subject to the terms and conditions set out in the applicable Exchange Agreement.

As of December 31, 2017, there were 397,438 Boxgrove LP Class A Units, no Boxgrove LP Class B Units and 170,000 Boxgrove Class C Units issued and outstanding. As of December 31, 2017, SmartCentres owned all of the outstanding Boxgrove Class A Units while others own all of the outstanding Boxgrove LP Class C Units.

ONR Limited Partnership

ONR Limited Partnership, a subsidiary of SmartCentres as a result of the Arrangement, is a limited partnership formed under the laws of the Province of Ontario and governed by its limited partnership agreement.

ONR Limited Partnership may issue an unlimited number of Class A units and Class B units, each issuable in series. No fractional partnership units or other interests in ONR Limited Partnership may be issued by ONR Limited Partnership or transferred by its partners.

Holders of Class A units of ONR Limited Partnership are entitled to one vote for each Class A unit held on any ordinary resolution or extraordinary resolution of the partnership which is proposed by the general partner or as required by law. The holders of Class B units of ONR Limited Partnership generally shall not be entitled to receive notice of or attend any meeting of limited partners or to vote at any such meeting.

Subject to the restrictions and procedures contained in the limited partnership agreement governing ONR Limited Partnership and generally subject to the prior approval of the partners, partnership units may be transferred by a partner. The general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non-Resident, a partnership that is not a "Canadian partnership" within the meaning of the Tax Act and a trust governed by certain savings plans and tax-free savings accounts under the Tax Act, and in certain other circumstances. In addition to the requirements under the limited partnership agreement, Class B units may only be transferred in accordance with the terms of the unit exchange agreement which includes the exchange procedures for Class B units and the purchase and support agreement between ONR Limited Partnership, SmartCentres and certain limited partnerships.

The Class B units of ONR Limited Partnership are considered to be economically equivalent to Units and have been presented as a financial liability in the consolidated financial statements of SmartCentres. A holder of a Class B unit is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding Class B unit is outstanding, to one vote at each meeting of Unitholders of SmartCentres. Holders of Class B units are entitled to exchange their Class B units of ONR Limited Partnership in consideration for Units pursuant to and subject to the terms and conditions set out in the unit exchange agreement and Class B units may also be exchangeable on a compulsory bases by the partnership.

As of December 31, 2017, there were 3,912,943,532 Class A units of ONR Limited Partnership and 1,254,114 Class B units of ONR Limited Partnership issued and outstanding. As of December 31, 2017, SmartCentres owned, directly or indirectly, all of the outstanding Class A units while others owned all of the outstanding Class B units.

ONR Limited Partnership I

ONR Limited Partnership I, a subsidiary of SmartCentres as a result of the Arrangement, is a limited partnership formed under the laws of the Province of Ontario and governed by its limited partnership agreement.

ONR Limited Partnership I may issue an unlimited number of Class A units, Class B units and Class C units, each issuable in series, and an unlimited number of general partnership interests. There shall be no restriction on the number of limited partnership units that a partner may hold in the partnership.

Holders of Class A units of ONR Limited Partnership I are entitled to one vote for each Class A unit held. Class B units and Class C units of ONR Limited Partnership I are non-voting, except that holders of such units shall have the right to vote as a class with respect to certain matters requiring an extraordinary resolution of holders of such class

of units. In such circumstances, the holders of Class B units and Class C units, as applicable, shall have one vote for each Class B unit or Class C unit held.

Subject to the restrictions and procedures contained in the limited partnership agreement governing ONR Limited Partnership I, partnership units may be transferred by a partner. The general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non-Resident, a partnership that is not a “Canadian partnership” within the meaning of the Tax Act and a person that would acquire an interest in the partnership as a “tax shelter investment” for purposes of the Tax Act, and in certain other circumstances. In addition to the requirements under the limited partnership agreement, Class B units may only be transferred in accordance with the terms of the applicable Exchange Agreement.

The Class B units of ONR Limited Partnership I are considered to be economically equivalent to Units and have been presented as a financial liability in the consolidated financial statements of SmartCentres. A holder of a Class B unit is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding Class B unit is outstanding, to one vote at each meeting of Unitholders of SmartCentres. Holders of Class B units are entitled to exchange their Class B units of ONR Limited Partnership I in consideration for Units pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing ONR Limited Partnership I and the applicable Exchange Agreement.

Holders of Class C units of ONR Limited Partnership I are entitled to exchange their Class C units in consideration for Class B units of ONR Limited Partnership I and/or cash pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing ONR Limited Partnership I in connection with certain earn-out events or upon expiry of the earn-out periods.

As of December 31, 2017, there were 38,000,010 Class A units of ONR Limited Partnership I, 269,990 Class B units of ONR Limited Partnership I and 540,000 Class C units of ONR Limited Partnership I issued and outstanding. As of December 31, 2017, SmartCentres indirectly owned all of the outstanding Class A units while others owned all of the outstanding Class B units and Class C units.

Exchange Procedure for Certain Exchangeable Securities

The exchange procedure for certain of the Exchangeable Securities provides that SmartCentres shall have the option (the “**SmartCentres Option**”) to make a cash payment to the holder of certain Exchangeable Securities, in lieu of delivering Units, in an amount equal to the market value of the Units such holder would otherwise be entitled. The holder of the Exchangeable Securities shall have the right to accept or reject the determination by SmartCentres to make a cash payment to the holder in lieu of the delivery of Units. In the event that SmartCentres does not elect to exercise the SmartCentres Option, or the holder of the Exchangeable Securities rejects the determination by SmartCentres to pay cash in lieu of the delivery of Units, SmartCentres shall undertake all necessary and required actions, including of a regulatory nature, in order to effect a conversion from an open-end to a closed-end mutual fund trust (the “**Conversion Process**”). Such actions shall include, but are not limited to, obtaining the necessary approval from Unitholders and holders of Special Voting Units and obtaining an advanced tax ruling from the Canada Revenue Agency confirming that the conversion from an open-end to a closed-end mutual fund trust does not result in a disposition of Units. The exchange procedure shall be deferred until completion of the Conversion Process. In addition to the completion of the exchange of Exchangeable Securities for Units on the completion of the Conversion Process, SmartCentres may also be required to make a cash payment to the holder of the Exchangeable Securities in the event that the market value of Units falls over the time required to effect the Conversion Process. The SmartCentres Option provisions may be terminated by Mitchell Goldhar at any time. Upon receipt of a termination notice, SmartCentres shall immediately initiate a Conversion Process.

Redemption Right

Units are redeemable at any time on demand by the holders thereof. A Unitholder who holds Units in the name of an investment dealer and who wishes to exercise the redemption right will be required to obtain a redemption notice form from the Unitholder’s investment dealer who will be required to deliver the completed redemption notice form to CDS Clearing and Depository Services Inc. for delivery to SmartCentres. Upon receipt of the redemption request by SmartCentres, all rights to and under the Units tendered for redemption shall be surrendered and the holder

thereof shall be entitled to receive a price per Unit (the “**Redemption Price**”) equal to the lesser of: (i) 90% of the “market price” of the Units on the principal market on which the Units are quoted for trading during the 10 trading day period ending on the date on which the Units are surrendered for redemption (the “**Redemption Date**”); and (ii) 100% of the “closing market price” on the principal market on which the Units are quoted for trading on the Redemption Date.

For the purposes of this calculation, “**market price**” will be an amount equal to the weighted average of the closing price of the Units for each of the trading days on which there was a closing price; provided that, if the applicable exchange or market does not provide a closing price but only provides the highest and lowest prices of the Units traded on a particular day, the “market price” shall be an amount equal to the weighted average of the highest and lowest prices for each of the trading days on which there was a trade; and provided further that if there was trading on the applicable exchange or market for fewer than five of the 10 trading days, the market price shall be the weighted average of the following prices established for each of the 10 trading days: the weighted average of the last bid and last ask prices for each day on which there was no trading; the closing price of the Units for each day that there was trading if the exchange or market provides a closing price; and the weighted average of the highest and lowest prices of the Units for each day that there was trading, if the market provides only the highest and lowest prices of Units traded on a particular day. The “**closing market price**” shall be an amount equal to the closing price of the Units if there was a trade on the date and the exchange or market provides a closing price; an amount equal to the weighted average of the highest and lowest prices of the Units if there was trading and the exchange or other market provides only the highest and lowest prices of Units traded on a particular day; or the weighted average of the last bid and last ask prices if there was no trading on the date.

The aggregate Redemption Price payable by SmartCentres in respect of any Units surrendered for redemption during any calendar month shall be satisfied by way of a cash payment on or before the last day of the following month; provided that the entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the limitations that: (i) the total amount payable by SmartCentres in respect of such Units and all other Units tendered for redemption in the same calendar month shall not exceed \$50,000 (provided that the Trustees may, in their sole discretion, waive such limitation in respect of any calendar month); (ii) at the time such Units are tendered for redemption the outstanding Units shall be listed for trading on a stock exchange or traded or quoted on any other market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Units; and (iii) the normal trading of Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the Redemption Date or for more than five trading days during the 10 day trading period commencing immediately after the Redemption Date.

If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the foregoing limitations, then the Redemption Price for such Units shall be the fair market value thereof, as determined by the Trustees in the circumstances described in subparagraphs (ii) and (iii) above, and shall, subject to any applicable regulatory approvals, be paid and satisfied by way of the issuance and delivery by SmartCentres to each holder of Units tendered for redemption who is not entitled to receive cash in respect thereof on the Redemption Date of unsecured promissory notes with interest at a market rate to be determined by the Trustees, payable monthly, issued by SmartCentres (the “**Notes**”), each in the principal amount of \$1, on the basis of such number of Notes for such Units tendered for redemption equal to the product of (i) number of Units tendered for redemption multiplied by (ii) the Redemption Price per Unit specified above, which product will then be divided by \$1 on the date the Units were tendered for redemption. The Redemption Price payable pursuant to this alternative redemption method in respect of Units tendered for redemption during any month shall, subject to receipt of all necessary regulatory approvals, be paid by the transfer, to or to the order of the Unitholder who exercised the right of redemption, on the last day of the calendar month following the month in which the Units were tendered for redemption. Payments by SmartCentres of the Redemption Price are conclusively deemed to have been made upon the mailing of the Notes by registered mail in a postage prepaid envelope addressed to the former Unitholder. Upon such payment, SmartCentres shall be discharged from all liability to the former Unitholder in respect of the Units so redeemed. No fractional Notes in a principal amount less than \$1 will be distributed and where the number of Notes to be received by the former Unitholder includes a fraction or a principal amount less than a multiple of \$1, such number shall be rounded to the next lowest number or multiple of \$1, as the case may be.

It is anticipated that the redemption right will not be the primary mechanism for holders of Units to dispose of their

Units. Securities and/or obligations which may be distributed to Unitholders in connection with a redemption will not be listed on any stock exchange and no market is expected to develop in such securities and/or obligations and such securities and/or obligations may be subject to an indefinite “hold period” or other resale restrictions under applicable securities laws. Such securities and/or obligations may not be qualified investments for Plans, depending upon the circumstances at the time.

Unitholder Limited Liability

Certain provinces in Canada have passed legislation that creates a statutory limitation on the liability of unitholders of income trusts. The legislation provides that a Unitholder will not be, as a beneficiary, liable for any act, default, obligation or liability of the Trustees that arises after the legislation comes into effect. However, the legislation has not yet been judicially considered and it is possible that reliance upon the legislation by a Unitholder could be successfully challenged on jurisdictional or other grounds.

Further, the Declaration of Trust provides that no Unitholder will be subject to any liability in connection with SmartCentres or its obligations and affairs and, in the event that a court determines Unitholders are subject to any such liabilities, the liabilities will be enforceable only against, and will be satisfied only out of, the Unitholder’s share of SmartCentres’ assets. Pursuant to the Declaration of Trust, SmartCentres will reimburse each Unitholder for any cost, damages, liabilities, expenses, charges and losses suffered by a Unitholder resulting from or arising out of any payment of a SmartCentres obligation by a Unitholder.

Further, the Declaration of Trust provides that any written instrument that is a material obligation or that creates an obligation which is or includes the granting by SmartCentres of a mortgage signed by or on behalf of SmartCentres shall, if practicable, contain a provision to the effect that such obligation will not be binding upon Unitholders personally. Notwithstanding the terms of the Declaration of Trust, Unitholders may not be protected from liabilities of SmartCentres to the same extent as a shareholder is protected from the liabilities of a corporation. Personal liability may also arise in respect of claims against SmartCentres (to the extent that claims are not satisfied by SmartCentres) that do not arise under contracts, including claims in tort, claims for taxes and possibly certain other statutory liabilities.

The business of SmartCentres will be conducted, upon the advice of counsel, in such a way and in such jurisdictions as to avoid as far as possible any material risk of liability to the Unitholders for claims against SmartCentres including, where commercially reasonable, by obtaining appropriate insurance, where available, for the operations of SmartCentres and, where commercially reasonable, having written agreements signed by or on behalf of SmartCentres include a provision that such obligations are not binding upon Unitholders personally.

However, in conducting its affairs, SmartCentres will be acquiring, and has acquired, real property investments subject to existing contractual obligations, including obligations under mortgages and leases. The Trustees will use all reasonable efforts to have any such obligations under mortgages on its properties and material contracts, other than leases, modified so as not to have such obligations binding upon any of the Unitholders or annuitants personally. However, SmartCentres may not be able to obtain such modification in all cases. To the extent that claims are not satisfied by SmartCentres, there is a risk that a Unitholder or annuitant will be held personally liable for obligations of SmartCentres where the liability is not disavowed as described above.

Limitations on Non-Resident Unitholders

Certain provisions of the Tax Act require that SmartCentres not be established or maintained primarily for the benefit of Non-Residents. Accordingly, in order to comply with such provisions, the Declaration of Trust contains restrictions on the ownership of Units by Unitholders who are Non-Residents. At no time may Non-Residents be the beneficial owners of more than 49.9% of the Units, on a basic or fully-diluted basis (and for greater certainty, including Units into which Exchangeable Securities may be converted or exchanged), and the Trustees shall inform the Transfer Agent of this restriction. The Trustees may require a registered holder of Units and/or Special Voting Units to provide the Trustees with a declaration as to the jurisdictions in which beneficial owners of the Units or Special Voting Units registered in such Voting Unitholder’s name are resident and as to whether such beneficial owners are Non-Residents (or in the case of a partnership, whether the partnership is a Non-Resident). If the Trustees become aware, as a result of acquiring such declarations as to beneficial ownership or as a result of any

other investigations, that the beneficial owners of 49.9% of the Units (on a basic or fully-diluted basis, including Units into which Exchangeable Securities may be converted or exchanged) are, or may be, Non-Residents or that such a situation is imminent, the Trustees may make a public announcement thereof and shall not accept a subscription for Units from or issue or register a transfer of Units to a person unless the person provides a declaration in form and content satisfactory to the Trustees that the person is not a Non-Resident and does not hold such Units for the benefit of Non-Residents. If, notwithstanding the foregoing, the Trustees determine that more than 49.9% of the Units (on a basic or fully-diluted basis, including Units into which Exchangeable Securities may be converted or exchanged) are held by Non-Residents, the Trustees may send a notice to such Non-Resident holders of the Units or Exchangeable Securities, as the case may be, chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or Exchangeable Securities or a portion thereof within a specified period of not more than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or Exchangeable Securities or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may on behalf of such Unitholders sell such Units or Exchangeable Securities and, in the interim, shall suspend the voting and distribution rights attached to such Units or Exchangeable Securities (other than the right to receive the net proceeds from the sale). Upon such sale or conversion, the affected holders shall cease to be holders of the relevant Units or Exchangeable Securities and their rights shall be limited to receiving the net proceeds of sale upon surrender of the certificates, if any, representing such securities. SmartCentres may direct the Transfer Agent to do any of the foregoing.

Meetings of Unitholders

The Declaration of Trust provides that meetings of Voting Unitholders must be called and held for, among other matters, the election or removal of Trustees (except filling casual vacancies), the appointment or removal of the auditors of SmartCentres, the approval of amendments to the Declaration of Trust (except as described under “Amendments to the Declaration of Trust”), an increase or decrease in the number of Trustees, the sale or transfer of all or substantially all of the assets of SmartCentres (other than as part of an internal reorganization), or the termination of SmartCentres. Meetings of Voting Unitholders will be called and held annually for, among other things, the election of the Trustees and the appointment of auditors of SmartCentres. The foregoing matters must be passed by at least a majority of the votes cast at a meeting of Unitholders called for such purpose.

A special meeting of Voting Unitholders may be convened at any time and for any purpose by the Trustees and must be convened if requisitioned by the holders of not less than 5% of the Voting Units then outstanding by a written requisition. A requisition must, among other things, state in reasonable detail the business proposed to be transacted at the meeting.

Voting Unitholders may attend and vote at all meetings of Voting Unitholders either in person or by proxy and a proxyholder need not be a Voting Unitholder. Two persons present in person or represented by proxy and representing in the aggregate at least 25% of the votes attaching to all outstanding Units shall constitute a quorum for the transaction of business at all such meetings.

The Declaration of Trust contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of Voting Unitholders.

Information and Reports

SmartCentres will furnish to Unitholders such financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of Unitholders’ tax returns under the Tax Act and equivalent provincial legislation.

Prior to each meeting of Unitholders, the Trustees will provide the Unitholders (along with notice of such meeting) a proxy form and an information circular containing information similar to that required to be provided to shareholders of a Canadian public corporation governed by the *Canada Business Corporations Act*.

Trustees

The Declaration of Trust provides that, subject to the terms and conditions thereof, the Trustees may, in respect of the trust assets, exercise any and all rights, powers and privileges that could be exercised by a legal and beneficial owner thereof and shall supervise the investments and conduct the affairs of SmartCentres. The Declaration of Trust provides that the Trustees shall act honestly and in good faith with a view to the best interest of SmartCentres and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Except as expressly prohibited by law, the Trustees may grant or delegate certain of the Trustees' authority to effect the actual administration of the duties of the Trustees under the Declaration of Trust. The Trustees may grant broad discretion to a third party to administer and manage the day-to-day operations of SmartCentres, and to make executive decisions which conform to the general policies and general principles set forth in the Declaration of Trust or otherwise established by the Trustees.

Pursuant to the Declaration of Trust, there shall be no fewer than seven (7) and no more than twelve (12) Trustees. Subject to the right of the MG Entities to appoint Trustees as described below, the number of Trustees may be increased or decreased within such limits from time to time by the Trustees or the Unitholders, provided that the Trustees may not, between meetings of Unitholders, appoint an additional Trustee if, after such appointment, the total number of Trustees would be greater than one and one-third of the number of Trustees in office immediately following the last annual meeting of Unitholders. A majority of the Trustees shall be individuals who are resident in Canada for purposes of the Tax Act.

Subject to the right of the MG Entities to appoint Trustees as described below, Trustees will be elected annually by resolution passed by a majority of the votes cast at a meeting of Unitholders. Trustees elected at an annual meeting will be elected for a term expiring at the subsequent annual meeting and will be eligible for re-election. A Trustee elected or appointed to fill a vacancy shall hold office for the remaining term of the Trustee he or she is succeeding. The Declaration of Trust provides with respect to Trustees that a Trustee may be removed with or without cause by a majority of the votes cast at a meeting of Unitholders or with cause by a majority of the remaining Trustees.

The Declaration of Trust provides that for so long as the MG Entities collectively beneficially own:

- (a) at least 5% but less than 15% of the issued and outstanding Units and Special Voting Units of SmartCentres, in aggregate, the MG Entities Representative shall be entitled to appoint one trustee to the Board of Trustees and the number of Trustees on the Board of Trustees shall be limited to eight;
- (b) at least 15% but less than 25% of the issued and outstanding Units and Special Voting Units of SmartCentres, in aggregate, the MG Entities Representative shall be entitled to appoint a total of two Trustees to the Board of Trustees and the number of Trustees on the Board of Trustees shall be limited to a maximum of eight; and
- (c) at least 25% of the issued and outstanding Units and Special Voting Units of SmartCentres, in aggregate, the MG Entities Representative shall be entitled to appoint a total of three Trustees to the Board of Trustees and the number of trustees on the Board of Trustees shall be limited to a maximum of nine.

In connection with the meeting of Unitholders held on May 11, 2017, although the Penguin Group had the right to appoint three Trustees to the Board of Trustees, it only appointed two Trustees.

Committees of Trustees and Management

General

The Trustees may appoint from among their number one or more committees of Trustees and may, subject to applicable law and to any provision hereof to the contrary, delegate to such committee or committees any of the powers of the Trustees. The Trustees shall have the power to appoint, employ or contract with any person for any matter relating to SmartCentres or its assets or affairs. The Trustees may grant or delegate such authority to a property manager as the Trustees may, subject to applicable law, in their sole discretion deem necessary or desirable

without regard to whether such authority is normally granted or delegated by trustees. The Trustees shall have the power to determine the term and compensation of a property manager or any other person whom they may employ or with whom they may contract. The Trustees shall have the power to grant powers of attorney as required in connection with any financing or security relating thereto.

Audit Committee

The Trustees shall appoint an audit committee (the “**Audit Committee**”) to consist of not less than three Trustees. The Audit Committee shall be composed of Trustees who comply with the provisions of National Instrument 52-110 – *Audit Committees*. Subject to the delegation to the Audit Committee of such other responsibilities as are determined by the Trustees from time to time and subject to such changes to its form and function as may be mandated by any relevant regulatory authorities, the Audit Committee shall:

- (a) review SmartCentres’ procedures for internal control with the external auditors and SmartCentres’ Chief Financial Officer;
- (b) review the engagement of the external auditors;
- (c) review and recommend to the Trustees for approval annual and quarterly financial statements and management’s discussion and analysis of financial condition and results of operation;
- (d) assess SmartCentres’ financial and accounting personnel; and
- (e) review any significant transactions outside SmartCentres’ ordinary course of business and all pending litigation involving SmartCentres.

The external auditors of SmartCentres are entitled to receive notice of every meeting of the Audit Committee and, at the expense of SmartCentres, to attend and be heard thereat and, if so requested by a member of the Audit Committee, shall attend any meeting of the Audit Committee held during the term of office of the external auditors.

Investment Committee

The Trustees shall appoint an investment committee (the “**Investment Committee**”) to consist of not less than three Trustees and not more than five Trustees, a majority of whom shall be Trustees that are not members of management of SmartCentres or any of its subsidiaries, two of whom shall be Trustees appointed by the MG Entities for so long as the MG Entities are the beneficial owners in aggregate of in excess of 15% of the issued and outstanding Units and/or Special Voting Units of SmartCentres (unless the prior written consent to the contrary or a written waiver of the MG Entities Representative is obtained) and Mitchell Goldhar remains alive and two-thirds of whom shall have at least 5 years of substantive experience in the real estate industry. The duties of the Investment Committee will be to:

- (a) review all proposals regarding investments;
- (b) review and approve or reject proposed acquisitions and dispositions of investments by SmartCentres or any of its subsidiaries or affiliates that do not exceed the applicable financial thresholds determined by the Trustees;
- (c) review and approve or reject proposed transactions on behalf of SmartCentres or any of its subsidiaries or affiliates that do not exceed the applicable financial thresholds determined by the Trustees; and
- (d) review and approve or reject all borrowings and the assumption or granting of any mortgage or other security interest in Real Property, including any assignment of rents and other monies derived from or related to Real Property, by SmartCentres or any of its subsidiaries and affiliates that do not exceed the applicable financial thresholds determined by the Trustees.

Where for any reason a member of the Investment Committee is disqualified from voting on or participating in a decision, any other independent and disinterested Trustee not already a member of the Investment Committee may be designated by the Trustees to act as an alternate. The Investment Committee shall be entitled to delegate its

responsibility to the management of SmartCentres for the foregoing matters provided that such matters do not exceed the applicable financial thresholds determined by the Trustees from time to time to be appropriate for management to consider and approve and may provide additional requirements, including setting out pre-determined financing terms, requiring management to review a matter with the chair of the Investment Committee prior to approving such matter and requiring appropriate reporting requirements.

Notwithstanding the foregoing, in order to ensure compliance with the applicable securities laws relating to related party transactions, including the rules prescribed by Multinational Instrument 61-101 – *Take-Over Bids and Special Transactions*, all related party transactions will be approved by either the Board of Trustees or the Investment Committee.

Notwithstanding the appointment of the Investment Committee and its ability to delegate to the management of SmartCentres, the Trustees may consider and approve any matter which the Investment Committee or the management of SmartCentres has the authority to consider or approve. The Trustees must also consider and approve any matter which exceeds the financial thresholds as determined by the Trustees from time to time.

Corporate Governance and Compensation Committee

Except as otherwise set forth below, the Trustees shall appoint a corporate governance and compensation committee (the “**Corporate Governance and Compensation Committee**”) to consist of not less than three Trustees and not more than four Trustees, one of whom shall be a Trustee appointed by the MG Entities for so long as the MG Entities are the beneficial owners in aggregate of in excess of 15% of the issued and outstanding Units and/or Special Voting Units of SmartCentres (unless the prior written consent to the contrary or a written waiver of the MG Entities Representative is obtained) and Mitchell Goldhar remains alive. The duties of the Corporate Governance and Compensation Committee will be to review the governance of SmartCentres with the responsibility for SmartCentres’ corporate governance, human resources and compensation policies. In particular, the Corporate Governance and Compensation Committee will be responsible for:

- (a) assessing the effectiveness of the Board of Trustees and each of its committees;
- (b) considering questions of management succession;
- (c) participating in the recruitment and selection of candidates as Trustees;
- (d) considering and approving proposals by the Trustees to engage outside advisers on behalf of the Board of Trustees;
- (e) administering SmartCentres’ long term incentive plan;
- (f) assessing the performance of the Chief Executive Officer;
- (g) reviewing and approving the compensation of senior management and consultants of SmartCentres and its subsidiaries; and
- (h) reviewing and making recommendations to the board concerning the level and nature of the compensation payable to the Trustees.

Where for any reason a member of the Corporate Governance and Compensation Committee is disqualified from voting on or participating in a decision, any other independent and disinterested Trustee not already a member of the Corporate Governance and Compensation Committee may be designated by the Trustees to act as an alternate.

Until the earlier of (a) May 28, 2020 and (b) the date that the MG Entities no longer beneficially own Units and Special Voting Units representing at least 10% of the outstanding Units and Special Voting Units:

- (a) notwithstanding the foregoing, the Corporate Governance and Compensation Committee shall consist of not more than three Trustees, one of whom shall be a Trustee appointed by the MG Entities, who, for greater certainty, shall not be required to be independent for purposes of applicable securities laws, but, for greater certainty, at least two members of the Corporate

Governance and Compensation Committee shall be independent for purposes of the applicable securities laws and shall be independent of Mitchell Goldhar and any MG Entity; and

- (b) the mandate of the Corporate Governance and Compensation Committee shall include the following responsibilities:
 - (i) the appointment and removal of the Chief Operating Officer and the Chief Development Officer of SmartCentres;
 - (ii) reviewing and approving any change in the compensation, including benefits, of the Chief Operating Officer and the Chief Development Officer of SmartCentres (other than any changes to Unit based compensation plans generally applicable to all senior executives) where such change may be adverse to such officer; and
 - (iii) reviewing and approving any significant changes in the responsibilities of the Chief Operating Officer and the Chief Development Officer of SmartCentres.

All decisions of the Corporate Governance and Compensation Committee relating to the matters described in (b) above shall require unanimous approval of the committee members.

Notwithstanding the appointment of the Corporate Governance and Compensation Committee, the Trustees may consider and approve any matter which the Corporate Governance and Compensation Committee has authority to consider or approve.

Executive Committee

Pursuant to the terms of the governance and investor rights agreement dated May 28, 2015, between SmartCentres, Mitchell Goldhar, Penguin Properties Inc., Smart Centres Realty Inc. and certain other persons (the “**Governance and Investor Rights Agreement**”), SmartCentres established an executive committee (the “**Executive Committee**”) comprised of SmartCentres’ Chief Executive Officer, Chief Financial Officer, President and Chief Operating Officer, Chief Development Officer, Executive Vice President, Portfolio Management and Investments and such other senior management as the Chief Executive Officer shall designate from time to time, provided that the Executive Committee shall be comprised of a maximum of seven senior employees of SmartCentres. Under the direction of the Chief Executive Officer, the Executive Committee is responsible for overseeing all significant matters affecting SmartCentres. For so long as the MG Entities beneficially own Units and Special Voting Units representing at least 10% of the outstanding Units and Special Voting Units, the Executive Committee will be maintained by SmartCentres and will include the Chief Executive Officer, the President and Chief Operating Officer and the Chief Development Officer.

Real Estate Committee

Pursuant to the terms of the Governance and Investor Rights Agreement, SmartCentres established a real estate committee (the “**Real Estate Committee**”) comprised of SmartCentres’ Chief Executive Officer, Chief Financial Officer, President and Chief Operating Officer, Chief Development Officer, Executive Vice President, Portfolio Management and Investments and certain executives and leaders of the business units transferred to SmartCentres pursuant to the 2015 Platform Transaction.

Until May 28, 2020 and for an additional five year period (if the term is extended by Mitchell Goldhar), so long as the MG Entities beneficially own Units and Special Voting Units representing at least 10% of the outstanding Units and Special Voting Units:

- (a) SmartCentres will maintain the Real Estate Committee which will be comprised of the Chief Executive Officer, Chief Financial Officer, President and Chief Operating Officer, Chief Development Officer, Executive Vice President, Portfolio Management and Investments, the individuals who head up each business unit of SmartCentres, the individuals who head up each of

the leasing and construction functions in SmartCentres, and such other persons as the Chief Executive Officer may designate from time to time; and

- (b) the following matters are subject to review by the Real Estate Committee:
- (i) the acquisition or disposition of any property adjacent to an existing property owned by SmartCentres or any MG Entity or with a price in excess of \$5,000,000;
 - (ii) the commencement of any new development project with Walmart as a tenant;
 - (iii) all matters that are subject to the approval of the management committee, the investors committee or any co-owners committee in respect of the joint venture with Walmart;
 - (iv) any lease with, or parcel sale to, a tenant for premises with an area in excess of 35,000 square feet, or any buy out of, renewal or extension of, acceptance of surrender of, material amendment to or any other material dealing with, or exercise of remedies under, any such lease;
 - (v) any development project in excess of \$20,000,000 that actually or is forecast to exceed the then approved development budget for such project by more than 2%;
 - (vi) any redevelopment of a property involving estimated total expenditures in excess of \$5,000,000;
 - (vii) on a quarterly basis and at any other time as needed, the marketing and other plans to develop the brands of SmartCentres;
 - (viii) the annual leasing plan of SmartCentres;
 - (ix) on an annual basis, the Property Portfolio held by SmartCentres; and
 - (x) any other real estate or brand related matter that (x) the Chief Executive Officer proposes be reviewed by the Real Estate Committee or (y) Mitchell Goldhar proposes be reviewed by the Real Estate Committee, subject to approval of such proposal by the Chief Executive Officer, acting reasonably.

The Governance and Investor Rights Agreement provides Mitchell Goldhar with the right to be an observer on the Real Estate Committee and the right to receive notice of all meetings of the Real Estate Committee and all meeting materials at the same time as the members of the Real Estate Committee (except materials in respect of matters in which any MG Entity is the counterparty) and to attend and, in his capacity as an observer, participate at all meetings of the Real Estate Committee (except the portion of a meeting in respect of matters in which any MG Entity is the counterparty).

Property Manager

The Trustees may exercise broad discretion in allowing any property manager to manage the Real Property of SmartCentres, including operating, maintaining, leasing and marketing the said properties, to act as agent for SmartCentres in respect thereof and to execute documents on behalf of the Trustees in respect thereof, all subject to the overriding authority of the Trustees over the management and affairs generally of SmartCentres.

Officers

SmartCentres may have a Chairman, a Chief Executive Officer, a President, one or more Vice-Presidents and a Secretary and such other officers as the Trustees may appoint from time to time. One person may hold two or more offices. Any officer of SmartCentres may, but need not, be a Trustee. The Chairman, if not a Trustee, shall be

entitled to receive notice of and attend all meetings of the Trustees but, unless he is a Trustee, shall not be entitled to vote at any such meeting. Pursuant to the Governance and Investor Rights Agreement, provided that he is a Trustee, Mitchell Goldhar has been provided with the right to serve as the Chairman of SmartCentres (in a non-executive capacity) until the earlier of (a) May 28, 2025; and (b) the date the MG Entities no longer beneficially own Units and Special Voting Units representing at least 10% of the outstanding Units and Special Voting Units. As Mitchell Goldhar exercised the right to become Chairman (in a non-executive capacity), Michael Young was appointed as the Lead Independent Trustee of SmartCentres. Officers of SmartCentres shall be appointed and discharged and their remuneration determined by the Trustees provided that the Chief Executive Officer and/or President shall be appointed on an annual basis and with the consent of not less than 75% of the Trustees.

Amendments to the Declaration of Trust

The Declaration of Trust may be amended or altered from time to time by Unitholders at a meeting of Unitholders called for such purpose. While certain amendments may be made with the approval of at least a majority of the votes cast by Unitholders, certain fundamental amendments require the approval of at least two-thirds of the votes cast by Unitholders.

The Trustees may, without the approval of or any notice to Unitholders, make amendments to the Declaration of Trust:

- (a) for the purpose of ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustees or over SmartCentres, including respecting its status as a “unit trust”, a “mutual fund trust” and a “registered investment” under the Tax Act or the distribution of its Units;
- (b) which, in the opinion of the Trustees, provide additional protection for or benefit to the Unitholders;
- (c) to remove any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Unitholders;
- (d) which, in the opinion of the Trustees, are necessary or desirable as a result of changes in taxation laws from time to time, including, without limiting the generality of the foregoing, amendments which may affect SmartCentres, the Unitholders or annuitants under a plan of which a Unitholder acts as trustee or carrier or which may permit SmartCentres to qualify for any status under the Tax Act which would benefit SmartCentres or the Unitholders;
- (e) for any purpose (except one in respect of which a Unitholder vote is specifically otherwise required), if the Trustees are of the opinion that the amendment is not prejudicial to Unitholders and is necessary or desirable; and
- (f) which, in the opinion of the Trustees, are necessary or desirable to enable SmartCentres to issue Units for which the purchase price is payable on an instalment basis.

Distribution Reinvestment Plan

The Board of Trustees of SmartCentres has adopted a distribution reinvestment plan that permits eligible Unitholders to elect to reinvest monthly distributions in additional Units. The price of Units issued under the distribution reinvestment plan is based on the volume weighted average price for the sale of Units on the TSX during the ten trading days preceding the relevant distribution date (the “**Market Price**”). The purchase price of Units purchased with distributions under the distribution reinvestment plan is equal to 97% of the Market Price. There are no commissions or brokerage charges payable on the purchase of Units under the distribution reinvestment plan.

DISTRIBUTION POLICY

The following outlines the distribution policy of SmartCentres.

SmartCentres' objectives are to provide Unitholders with stable and growing cash distributions through the acquisition, development, and operation of a portfolio of well located, well leased, unenclosed retail centres, and other mixed-use income properties across Canada. SmartCentres intends to distribute at levels which are sustainable over time after SmartCentres funds its capital requirements.

General

SmartCentres currently intends to make monthly distributions to Unitholders on each Distribution Date equal, on an annual basis, with a targeted payout range of 77% to 82% of Adjusted Funds From Operations, however circumstances in the short term may, from time to time, cause variances to the targeted payout range. Distributions shall be made in cash or Units pursuant to any distribution reinvestment plan adopted by the Trustees from time to time pursuant to the Declaration of Trust. Any distribution shall be made proportionately to persons who are Unitholders as at the close of business on the record date for such distribution, which shall be the last Business Day of the calendar month preceding the month in which the Distribution Date falls, or if such date is not a Business Day then the next following Business Day, or such other date, if any, as is fixed in accordance with the Declaration of Trust. Notwithstanding the foregoing, the ability of SmartCentres to make cash distributions is subject to various risk and uncertainties including those outlined in the "Risk Factors" section of this annual information form.

The majority general partner of LP I is entitled to 0.01% of any distributions of LP I. The LP I Class A Units are entitled to all distributable cash of LP I after the required distributions to the majority general partner and the holders of the other classes of limited partnership units of LP I have been paid. Holders of LP I Class B Units and LP I Class D Units are entitled to receive distributions equivalent to the distributions on Units. The LP I Class C Units and LP I Class E Units are entitled to receive 0.01% of any distributions of LP I. The LP I Class F Units are entitled to receive distributions equivalent to 65.5% of the distributions on Units.

The general partner of LP II is entitled to 0.01% of any distributions of LP II. The LP II Class A Units are entitled to all distributable cash of LP II after the required distributions to the general partner and the holders of LP II Class B Units have been paid. Holders of LP II Class B Units are entitled to receive distributions equivalent to the distributions on Units.

The majority general partner of LP III is entitled to receive 0.01% of any distributions of LP III. The LP III Class A Units are entitled to all distributable cash of LP III after the required distributions to the majority general partner and the holders of LP III Class B Units and LP III Class C Units have been paid. Holders of LP III Class B Units are entitled to receive distributions equivalent to the distributions on Units. The LP III Class C Units are entitled to receive 0.01% of any distributions of LP III.

The majority general partner of LP IV is entitled to receive 0.01% of any distributions of LP IV. The LP IV Class A Units are entitled to all distributable cash of LP IV after the required distributions to the majority general partner and the holders of LP IV Class B Units and LP IV Class C Units have been paid. Holders of LP IV Class B Units are entitled to receive distributions equivalent to the distributions on Units. The LP IV Class C Units are entitled to receive 0.01% of any distributions of LP IV.

The majority general partner of Oshawa South LP is entitled to 0.01% of any distributions of Oshawa South LP. The Oshawa South LP Class A Units are entitled to all distributable cash of Oshawa South LP after the required distributions to the majority general partner and the holders of the other classes of limited partnership units of Oshawa South LP have been paid. Holders of Oshawa South LP Class B Units and Oshawa South LP Class D Units are entitled to receive distributions equivalent to the distributions on Units. The Oshawa South LP Class C Units and Oshawa South LP Class E Units are entitled to receive 0.01% of any distributions of Oshawa South LP.

The majority general partner of Oshawa Taunton LP is entitled to 0.01% of any distributions of Oshawa Taunton LP. The Oshawa Taunton LP Class A Units are entitled to all distributable cash of Oshawa Taunton LP after the required distributions to the majority general partner and the holders of the other classes of limited partnership units of Oshawa Taunton LP have been paid. Holders of Oshawa Taunton LP Class B Units and Oshawa Taunton LP Class D Units are entitled to receive distributions equivalent to the distributions on Units. The Oshawa Taunton LP Class C Units and Oshawa Taunton LP Class E Units are entitled to receive 0.01% of any distributions of Oshawa Taunton LP.

The majority general partner of Boxgrove LP is entitled to receive 0.01% of any distributions of Boxgrove LP. The Boxgrove LP Class A Units are entitled to all distributable cash of Boxgrove LP after the required distributions to the majority general partner and the holders of Boxgrove LP Class B Units and Boxgrove LP Class C Units have been paid. Holders of Boxgrove LP Class B Units are entitled to receive distributions equivalent to the distributions on Units. The Boxgrove LP Class C Units are entitled to receive 0.01% of any distributions of Boxgrove LP.

The general partner of ONR Limited Partnership is entitled to 0.01% of any distributions of ONR Limited Partnership. The Class A units of ONR Limited Partnership are entitled to all residual distributable cash of ONR Limited Partnership after the required distributions to the general partner and the holders of the other classes of limited partnership units of ONR Limited Partnership have been paid. Holders of Class B units of ONR Limited Partnership are entitled to receive distributions equivalent to the distributions on Units.

The general partner of ONR Limited Partnership I is entitled to 0.01% of the residual distributable cash of ONR Limited Partnership I after the required distributions to the holders of the Class A units and Class B units have been paid. The Class A units of ONR Limited Partnership I are entitled to 99.98% of the residual distributable cash of ONR Limited Partnership I after the required distributions to the holders of the Class B units have been paid. Holders of Class B units of ONR Limited Partnership I are entitled to receive distributions equal to the product of (i) the amount per Unit payable by SmartCentres to holders of Units on the applicable distribution payment date, (ii) the number of Units issuable for each Class B unit pursuant to the applicable Exchange Agreement on the applicable distribution record date (i.e. the applicable exchange ratio) and (iii) the number of Class B units outstanding on the applicable distribution record date. The Class C units of ONR Limited Partnership I are entitled to 0.01% of the residual distributable cash of ONR Limited Partnership I after the required distributions to the holders of the Class A units and the Class B units have been paid.

Distribution History

SmartCentres declared distributions of \$0.13340 per Unit in each month from January 1, 2015 to September 2015, distributions of \$0.1375 per Unit in each month from October 2015 to September 2016, distributions of \$0.14167 per Unit in each month from October 2016 to September 2017 and distributions of \$0.14583 per Unit in each month from October 2017 to December 2017.

The particulars of distributions declared on the limited partnership units of the SmartCentres subsidiary limited partnerships during the three fiscal years ended December 31, 2017 are as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
LP I Class B Series 1 Units	\$25,249	\$24,507	\$23,718
LP I Class B Series 2 Units	1,519	1,456	1,409
LP I Class B Series 3 Units	1,234	1,198	1,162
LP I Class D Units	533	517	455
LP I Class F Series 3 Units	-	-	-
LP II Class B Units	1,296	1,258	1,220
LP III Class B Series 4 Units	1,110	1,076	1,005
LP III Class B Series 5 Units	962	930	900
LP III Class B Series 6 Units	754	712	680
LP III Class B Series 7 Units	744	719	624
LP III Class B Series 8 Units	2,908	2,823	1,833
LP IV Class B Units	5,217	5,061	3,269
Oshawa South LP Class B Units	1,179	1,144	743
Oshawa South LP Class D Units	431	418	272
Oshawa Taunton LP Class B Units	641	600	330
Oshawa Taunton LP Class D Units	-	29	70
Boxgrove LP Class B Units	-	-	-
ONR Limited Partnership Class A units	n/a	n/a	n/a
ONR Limited Partnership Class B units	549	n/a	n/a
ONR Limited Partnership I Class A units	n/a	n/a	n/a
ONR Limited Partnership I Class B units	118	n/a	n/a

Note:

(1) Numbers are in thousands of dollars.

- (2) Prior to the Arrangement on October 4, 2017, ONR Limited Partnership was a subsidiary limited partnership of OneREIT. Accordingly, this table only shows the distribution particulars for units of ONR Limited Partnership following the completion of the Arrangement.
- (3) Prior to the Arrangement on October 4, 2017, ONR Limited Partnership I was a subsidiary limited partnership of OneREIT. Accordingly, this table only shows the distribution particulars for units of ONR Limited Partnership I following the completion of the Arrangement.

DESCRIPTION OF DEBENTURES

As at date of this annual information form, SmartCentres has issued and outstanding (i) \$1,810,000,000 of Debentures pursuant to the 2005 Trust Indenture, as supplemented by certain supplemental indentures as described below and (ii) \$36,250,000 aggregate principal amount of 5.50% Convertible Debentures pursuant to the trust indenture dated May 27, 2013 between Retrocom Mid-Market Real Estate Investment Trust and BNY Trust Company of Canada (the “**OneREIT Indenture**”), as amended and supplemented by the first supplemental indenture dated October 4, 2017, assumed from OneREIT as part of the Arrangement. The Debentures are direct, unsecured obligations of SmartCentres and each rank equally and rateably with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres.

The 2005 Trust Indenture provides that each of the following events will constitute an “Event of Default” in respect of each series of the Debentures:

- a) default in payment of principal when due;
- b) default in payment of any interest when due where such default continues for a period of three Business Days after the relevant interest payment date;
- c) a breach of or default in the performance of any other covenant of SmartCentres under the 2005 Trust Indenture, the Debentures or a supplemental indenture in connection with that series of Debentures where such default or breach continues for a period of 30 days after the Debenture Trustee has given notice in writing to SmartCentres specifying the nature of such breach or default, and requiring that it be remedied unless the Debenture Trustee (having regard to the subject matter of such breach or default) agrees to a longer period, and in such event within the period agreed to by the Debenture Trustee;
- d) certain events of bankruptcy, insolvency, winding up or dissolution related to SmartCentres or a Material Subsidiary (as such term is defined in the 2005 Trust Indenture) as set out in the 2005 Trust Indenture;
- e) the rendering of a final judgment or judgments (not subject to appeal) against SmartCentres or any Material Subsidiary in an aggregate amount in excess of \$25 million by a court or courts of competent jurisdiction, which remains or remain undischarged and unstayed for a period of 60 days after the date on which the right to appeal has expired; and
- f) default by SmartCentres or any Material Subsidiary under the terms of any Indebtedness (other than any Non-Recourse Indebtedness as such terms are defined in the 2005 Trust Indenture) where that default results in the acceleration of that Indebtedness (after expiration of any applicable grace period) unless such acceleration is waived or rescinded; provided that the aggregate of all such Indebtedness which is accelerated exceeds \$25 million.

The OneREIT Indenture provides that each of the following events will constitute an “Event of Default” in respect of the 5.50% Convertible Debentures:

- a) failure for ten days to pay interest when due;
- b) failure to pay principal when due;

- c) default in the observance or performance of any material covenant or condition of the OneREIT Indenture by SmartCentres for a period of 30 days after notice in writing has been given by the debenture trustee to SmartCentres; and
- d) certain events of bankruptcy, insolvency, winding up or dissolution related to SmartCentres as set out in the OneREIT Indenture.

Series H 4.05% Debentures

On July 27, 2012, SmartCentres issued \$150,000,000 aggregate principal amount of Series H 4.05% Debentures due July 27, 2020. The Series H 4.05% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series H 4.05% Debentures bear interest at an annual rate of 4.05% payable semi-annually in arrears on January 27 and July 27 in each year. At its option, SmartCentres may redeem the Series H 4.05% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2017, \$150,000,000 aggregate principal amount of the Series H 4.05% Debentures remained outstanding.

Series I 3.985% Debentures

On May 30, 2013, SmartCentres issued \$150,000,000 aggregate principal amount of Series I 3.985% Debentures due May 30, 2023. The Series I 3.985% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series I 3.985% Debentures bear interest at an annual rate of 3.985% payable semi-annually in arrears on May 30 and November 30 in each year. At its option, SmartCentres may redeem the Series I 3.985% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption.

On July 8, 2014, SmartCentres issued, on a private placement basis, \$50,000,000 aggregate principal amount of the Series I 3.985% Debentures. The additional Series I 3.985% Debentures were issued at a price of \$100.19 per \$100.00 principal amount plus accrued interest, with an effective yield of 3.959% if held till maturity.

As at December 31, 2017, \$200,000,000 aggregate principal amount of the Series I 3.985% Debentures remained outstanding.

Series L 3.749% Debentures

On February 11, 2014, SmartCentres issued \$150,000,000 aggregate principal amount of Series L 3.749% Debentures due February 11, 2021. The Series L 3.749% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series L 3.749% Debentures bear interest at an annual rate of 3.749% payable semi-annually in arrears on February 11 and August 11 in each year, commencing on August 11, 2014. At its option, SmartCentres may redeem the Series L 3.749% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2017, \$150,000,000 aggregate principal amount of the Series L 3.749% Debentures remained outstanding.

Series M 3.73% Debentures

On July 22, 2014, SmartCentres issued \$150,000,000 aggregate principal amount of Series M 3.73% Debentures due July 22, 2022. The Series M 3.73% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series M 3.73% Debentures bear interest at an annual rate of 3.73% payable semi-annually in arrears on January 22 and July 22 in each year, commencing on January 22, 2015. At its option, SmartCentres may redeem the Series M 3.73%

Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2017, \$150,000,000 aggregate principal amount of the Series M 3.73% Debentures remained outstanding.

Series N 3.556% Debentures

On February 6, 2015, SmartCentres issued \$160,000,000 aggregate principal amount of Series N 3.556% Debentures due February 6, 2025. The Series N 3.556% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series N 3.556% Debentures bear interest at an annual rate of 3.556% payable semi-annually in arrears on February 6 and August 6 in each year, commencing on August 6, 2015. At its option, SmartCentres may redeem the Series N 3.556% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2017, \$160,000,000 aggregate principal amount of the Series N 3.556% Debentures remained outstanding.

Series O 2.987% Debentures

On August 30, 2016, SmartCentres issued \$100,000,000 aggregate principal amount of Series O 2.987% Debentures due August 28, 2024. The Series O 2.987% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series O 2.987% Debentures bear interest at an annual rate of 2.987% payable semi-annually in arrears on February 28 and August 28 in each year, commencing on February 28, 2017. At its option, SmartCentres may redeem the Series O 2.987% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2017, \$100,000,000 aggregate principal amount of the Series O 2.987% Debentures remained outstanding.

Series P 3.444% Debentures

On August 30, 2016, SmartCentres issued \$250,000,000 aggregate principal amount of Series P 3.444% Debentures due August 28, 2026. The Series P 3.444% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series P 3.444% Debentures bear interest at an annual rate of 3.444% payable semi-annually in arrears on February 28 and August 28 in each year, commencing on February 28, 2017. At its option, SmartCentres may redeem the Series P 3.444% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2017, \$250,000,000 aggregate principal amount of the Series P 3.444% Debentures remained outstanding.

Series Q 2.876% Debentures

On March 21, 2017, SmartCentres issued \$150,000,000 aggregate principal amount of Series Q 2.876% Debentures due March 21, 2022. The Series Q 2.876% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series Q 2.876% Debentures bear interest at an annual rate of 2.876% payable semi-annually in arrears on March 21 and September 21 in each year, commencing on September 21, 2017. At its option, SmartCentres may redeem the Series Q 2.876% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2017, \$150,000,000 aggregate principal amount of the Series Q 2.876% Debentures remained outstanding.

Series R Floating Rate Debentures

On December 21, 2017, SmartCentres issued \$250,000,000 aggregate principal amount of Series R Floating Rate Debentures due December 21, 2020. The Series R Floating Rate Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series R Floating Rate Debentures will bear interest at an annual rate equal to 3 month CDOR as reported on Reuters Screen CDOR as of 10:00 a.m. Toronto time on the settlement date and each coupon payment date thereafter plus 0.66%, payable quarterly in arrears on March 21, June 21, September 21 and December 21 in each year, beginning on March 21, 2018. The Series R Floating Rate Debentures are not redeemable by SmartCentres. As at December 31, 2017, \$250,000,000 aggregate principal amount of the Series R Floating Rate Debentures remained outstanding.

Series S 3.834% Debentures

On December 21, 2017, SmartCentres issued \$250,000,000 aggregate principal amount of Series S 3.834% Debentures due December 21, 2027. The Series S 3.834% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series S 3.834% Debentures bear interest at an annual rate of 3.834% payable semi-annually in arrears on June 21 and December 21 in each year, commencing on June 21, 2018. Prior to September 21, 2027 (the “**Par Call Date**”), at its option, SmartCentres may redeem the Series S 3.834% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. On or after the Par Call Date, at its option, SmartCentres may redeem the Series S 3.834% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to par, together with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2017, \$250,000,000 aggregate principal amount of the Series S 3.834% Debentures remained outstanding.

5.50% Convertible Debentures

On October 4, 2017, SmartCentres assumed \$36,250,000 aggregate principal amount of 5.50% Convertible Debentures due June 30, 2020 from OneREIT as part of the Arrangement. The 5.50% Convertible Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The 5.50% Convertible Debentures bear interest at an annual rate of 5.50% payable semi-annually in arrears on June 30 and December 31 in each year. Prior to June 30, 2018, the 5.50% Convertible Debentures may be redeemed at the option of SmartCentres in whole or in part from time to time at a redemption price equal to the principal amount thereof to be redeemed provided that the current market price of the Units determined on the date that the redemption notice has been delivered is not less than 125% of the conversion price for the 5.50% Convertible Debentures. On or after June 30, 2018, the 5.50% Convertible Debentures may be redeemed at the option of SmartCentres in whole or in part from time to time at a redemption price equal to the principal amount thereof to be redeemed. The 5.50% Convertible Debentures are convertible, at the option of the holder, at any time prior to the close of business on the last Business Day prior to the maturity date or if called for redemption, up to the close of business on the Business Day preceding the redemption date, into Units at a conversion price of \$51.56 per Unit, being a rate of approximately 19.3949 Units for each \$1,000 principal amount of 5.50% Convertible Debenture. As at December 31, 2017, \$36,250,000 aggregate principal amount of the 5.50% Convertible Debentures remained outstanding.

Change of Control

Upon the occurrence of a change in control involving the acquisition or voting control or direction over 66⅔% or more of the outstanding Units by any person or group of persons acting jointly or in concert (a “**Change of Control**”), each holder of Debentures may require SmartCentres to purchase, on the date which is 30 days following the giving of notice of the Change of Control as set out below (the “**Put Date**”), the whole or any part of such holder’s Debentures at a price equal to 101% of the principal amount thereof (the “**Put Price**”) plus accrued and unpaid interest to the Put Date.

If 90% or more in the aggregate principal amount of the Debentures outstanding on the date of the giving of notice

of the Change of Control have been tendered for purchase on the Put Date, SmartCentres will have the right to redeem all the remaining Debentures on such date at the Put Price, together with accrued and unpaid interest to such date. Notice of such redemption must be given to the Debenture Trustee prior to the Put Date and as soon as possible thereafter, by the Debenture Trustee to the holders of the Debentures not tendered for purchase.

The 5.50% Convertible Debentures are subject to substantially similar treatment upon the occurrence of a change of control pursuant to the OneREIT Indenture, as supplemented by the first supplemental indenture.

INVESTMENT GUIDELINES AND OPERATING POLICIES

Investment Guidelines

The Declaration of Trust provides for certain restrictions on investments, which may be made by SmartCentres. The assets of SmartCentres may be invested only in accordance with the following restrictions:

1. SmartCentres will focus its acquisition activities on existing income-producing properties that are capital property of SmartCentres, including office, retail, industrial and mixed use properties, that are substantially leased;
2. notwithstanding section 1 above, SmartCentres may acquire, hold, develop, maintain, improve, lease or manage real property which is being utilized or intended to be utilized to provide living accommodation;
3. notwithstanding anything in the Declaration of Trust to the contrary, SmartCentres shall not make any investment or take any action or omit to take any action that would result in Units not being units of a “mutual fund trust” and of a “unit trust” within the meaning of the Tax Act, that would result in Units being disqualified for investment by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans or registered education savings plans, or that would result in SmartCentres paying a tax under the registered investment provisions of the Tax Act imposed for exceeding certain investment limits;
4. SmartCentres may, directly or indirectly, invest in a joint venture arrangement for the purposes of owning interests or investments otherwise permitted to be held by SmartCentres, provided that such joint venture arrangement contains terms and conditions which, in the opinion of the Trustees, are commercially reasonable, including without limitation such terms and conditions relating to restrictions on transfer and the acquisition and sale of SmartCentres’ and any joint venturer’s interest in the joint venture arrangement, provisions to provide liquidity to SmartCentres, such as buy-sell mechanisms, provisions that limit the liability of SmartCentres to third parties, and provisions that provide for the participation of SmartCentres in the management of the joint venture arrangement. For purposes of this provision, a joint venture arrangement is an arrangement between SmartCentres and one or more other persons (“**joint venturers**”) pursuant to which SmartCentres, directly or indirectly, conducts an undertaking for one or more of the purposes set out above and in respect of which SmartCentres may hold its interest jointly or in common or in another manner with others either directly or through the ownership of securities of a corporation or other entity (a “**joint venture entity**”), including without limitation a general partnership, limited partnership or limited liability company;
5. except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, short-term government debt securities, or in money market instruments of, or guaranteed by, a Schedule 1 Canadian chartered bank maturing prior to one year from the date of issue, SmartCentres may not hold securities other than securities of a joint venture entity, trust or limited partnership or an entity or corporation wholly owned by SmartCentres formed and operated for the purpose of holding a particular Real Property or Real Properties or for any other purpose relating to the activities of SmartCentres, and provided further that, notwithstanding anything contained in the Declaration of Trust to the contrary, SmartCentres may acquire securities of other real estate investment trusts;
6. except as otherwise prohibited in the Declaration of Trust, SmartCentres may invest in interests (including fee ownership and leasehold interests) in income-producing Real Property that is capital property of SmartCentres;

7. SmartCentres shall not acquire any single investment in Real Property (whether directly or indirectly through its interest in a trust, limited partnership or corporation) if the cost to SmartCentres of such acquisition (including encumbrances assumed) will exceed 20% of the Aggregate Assets calculated following such purchase;
8. SmartCentres shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in Real Property that is capital property of SmartCentres;
9. SmartCentres shall not invest directly in operating businesses unless such investment is through a corporation, limited partnership or trust;
10. subject to section 3 above and sections 13 and 14 below, SmartCentres may invest indirectly in raw land for development properties provided such investment is through a corporation, limited partnership or trust established for the purpose of (i) the renovation or expansion of existing facilities that are capital property of SmartCentres, or (ii) the development of new facilities which will be capital property of SmartCentres;
11. subject to sections 13 and 14 below, SmartCentres may invest in mortgages or mortgage bonds (including, with the consent of a majority of the Trustees, a participating or convertible mortgage) where:
 - (a) the Real Property which is security therefore is income-producing Real Property which otherwise meets the general investment guidelines of SmartCentres adopted by the Trustees from time to time in accordance with the Declaration of Trust and the restrictions set out therein; and
 - (b) the aggregate value of the investments of SmartCentres in these mortgages, after giving effect to the proposed investment, will not exceed 15% of the Equity Value;
12. SmartCentres may invest in mortgages if the primary intention is to use the acquisition of the mortgages as a method of acquiring control of income-producing Real Property which would otherwise meet the investment guidelines of SmartCentres and provided the aggregate value of the investments of SmartCentres in these mortgages, after giving effect to the proposed investment, will not exceed 15% of the Equity Value;
13. subject to sections 3 above and 14 below, SmartCentres may acquire property that is “eligible resale property” as defined in the Tax Act, property described in sections 10 and 11 above or property that would not comply with sections 4 and 5 above provided that the aggregate fair value of all such property does not exceed 20% of the Equity Value; and
14. notwithstanding anything in the Declaration of Trust to the contrary, SmartCentres shall not make any investment or take any action or omit to take any action that would result in SmartCentres not being a “real estate investment trust” within the meaning of the Tax Act.

For the purpose of the foregoing guidelines, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by SmartCentres will be deemed to be those of SmartCentres on a proportionate consolidation basis. In addition, any references under the headings “Investment Guidelines and Operating Policies” and “Operating Policies” to investment in Real Property will be deemed to include an investment in a joint venture arrangement. Nothing in the guidelines prohibits SmartCentres from holding or assigning some or all of the receivables due pursuant to any instalment receipt agreement.

Except as specifically set forth herein to the contrary, all of the foregoing prohibitions, limitations or requirements for investment shall be determined as at the date of investment by SmartCentres.

Operating Policies

The Declaration of Trust provides that the operations and affairs of SmartCentres will be conducted in accordance with the following policies:

1. (i) any written instrument creating an obligation which is or includes the granting by SmartCentres of a mortgage, and (ii) to the extent the Trustees determine to be practicable and consistent with their duty to act in the best interests of the Unitholders, any written instrument which is, in the judgement of the Trustees, a

material obligation, shall contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of the Trustees, Unitholders, annuitants under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of SmartCentres, but that only property of SmartCentres or a specific portion thereof shall be bound; SmartCentres, however, is not required, but shall use all reasonable efforts, to comply with this requirement in respect of obligations assumed by SmartCentres upon the acquisition of Real Property;

2. SmartCentres shall not lease or sublease to any person any Real Property, premises or space where that person and its affiliates would, after the contemplated lease or sublease, be leasing or subleasing Real Property, premises or space having a fair market value net of encumbrances in excess of 20% of the Adjusted Unitholders' Equity of SmartCentres;
3. the limitation contained in subsection 2 shall not apply to the renewal or extension of a lease or sublease and shall not apply where the lessee or sublessee is, or where the lease or sublease is guaranteed (or an indemnity has been given) by:
 - (a) the Government of Canada, the Government of the United States, any province of Canada, any state of the United States or any municipality in Canada or the United States, or any agency thereof;
 - (b) any corporation, the bonds, debentures or other evidences of indebtedness of, or guaranteed by which, has received a rating from Standard & Poor's of no less than investment grade (or equivalent from any other recognized credit rating agency) in each case, at the time the lease or sublease is entered into, or at the time other satisfactory leasing arrangements as determined by the Trustees, in their discretion, are entered into;
 - (c) a Canadian chartered bank registered federally or under the laws of a province of Canada; or
 - (d) Walmart and its related associates and affiliates;
4. SmartCentres may engage directly in construction or development to maintain its properties in good repair or to enhance the income producing ability of properties in which SmartCentres has an interest;
5. title to each Real Property shall be drawn up in the name of the Trustees or, to the extent permitted by applicable law, SmartCentres or a corporation or other entity wholly owned, directly or indirectly, by SmartCentres or jointly, directly or indirectly, by SmartCentres with joint venturers;
6. SmartCentres will not incur or assume any indebtedness if, after the incurring or assuming of the indebtedness, the total indebtedness of SmartCentres would be more than 60% of the Aggregate Assets (65% if convertible debentures are outstanding). The Trustees may in their discretion use fair market value in place of Aggregate Assets for the purposes of this subsection. For the purposes of this subsection the term "**indebtedness**" means (without duplication and excluding "non-controlling interests") on a consolidated basis:
 - (a) any obligation of SmartCentres for borrowed money;
 - (b) any obligation of SmartCentres incurred in connection with the acquisition of property, assets or business;
 - (c) any obligation of SmartCentres issued or assumed as the deferred purchase price of property;
 - (d) any capital lease obligation of SmartCentres; and
 - (e) any obligation of the type referred to in clauses 6(a) through 6(d) of another person, the payment of which SmartCentres has guaranteed or for which SmartCentres is responsible for or liable;

provided that (i) for the purposes of 6(a) through 6(d), an obligation (other than convertible debentures) will constitute indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of SmartCentres in accordance with generally accepted accounting principles; (ii) obligations referred to in clauses 6(a) through 6(c) exclude trade accounts payable, distributions payable to Unitholders and accrued liabilities arising out of the ordinary course of business; and (iii) convertible debentures will constitute indebtedness to the extent of the principal amount thereof outstanding;

7. SmartCentres shall not incur debt aggregating more than 20% of Aggregate Assets (other than unsecured trade payables, accrued expenses and distributions payable) at floating interest rates or having a maturity of less than one year, not including term debt falling due in the next twelve months or variable rate debt for which SmartCentres has entered into interest rate swap agreements to fix the interest rate for a one year period or greater;
8. SmartCentres may directly or indirectly guarantee indebtedness or liabilities of a third party provided that such guarantee is related to the direct or indirect ownership or acquisition by SmartCentres of Real Property that would otherwise comply with the investment restrictions and operating guidelines set forth herein under the heading “Investment Guidelines and Operating Policies”;
9. SmartCentres shall be obliged to obtain an independent appraisal of any property acquired by SmartCentres that the Investment Committee determines, in its discretion, should be supported by an independent appraisal;
10. SmartCentres shall obtain and maintain at all times insurance coverage in respect of potential liabilities of SmartCentres and the accidental loss of value of the assets of SmartCentres from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties; and
11. SmartCentres shall have conducted a Phase I environmental audit of each Real Property to be acquired by it that the Investment Committee determines, in its discretion, should be supported by a Phase I environmental audit, and, if the Phase I environmental audit report recommends a Phase II environmental audit be conducted and the Investment Committee determines, in its discretion that a Phase II environmental audit is necessary, SmartCentres shall have conducted a Phase II environmental audit, in each case by an independent and experienced environmental consultant; such audit as a condition to any acquisition, shall be satisfactory to the Investment Committee. All new leases granted by SmartCentres shall contain appropriate covenants from the lessee respecting environmental matters as determined by the Investment Committee from time to time.

For the purposes of the foregoing policies, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by SmartCentres will be deemed to be those of SmartCentres on a proportionate consolidation basis.

All of the foregoing prohibitions, limitations or requirements pursuant to the foregoing policies shall be determined as at the date of investment or other action by SmartCentres.

MARKET FOR SECURITIES, TRADING PRICE AND VOLUME

The Units are listed and posted for trading on the TSX under the trading symbol “SRU.UN”. The following table sets forth the reported high and low sales prices and the trading volumes for the Units as reported by the TSX for the periods indicated:

<u>Period</u>	<u>Price Range</u>		<u>Trading Volume</u>
	<u>High</u>	<u>Low</u>	
2017			
January.....	\$32.70	\$31.35	4,247,508
February.....	\$33.99	\$31.65	4,394,159
March	\$33.64	\$31.48	5,335,815
April	\$33.30	\$32.06	4,531,829
May	\$32.33	\$30.60	5,251,231
June	\$33.12	\$30.795	7,484,767
July.....	\$32.21	\$31.05	3,669,891
August.....	\$31.81	\$29.97	3,848,946
September	\$30.40	\$29.17	3,756,584
October	\$30.39	\$28.77	4,770,209
November.....	\$30.06	\$28.81	4,352,714
December.....	\$31.41	\$28.90	4,213,224
Total for Periods			4,247,508

RISK FACTORS

An investment in securities of SmartCentres involves a number of risks and uncertainties. This section describes the general material risks that management of SmartCentres believes may impact SmartCentres and the holders of its securities. If any of the following risks actually occur, SmartCentres' business, results of operations and financial condition, and the amount of cash available for distribution to Unitholders, could suffer. Further, the risks described below are not the only risks that SmartCentres faces. Additional risks not currently known to management of SmartCentres or that are currently deemed immaterial also may have a negative impact on SmartCentres and the holders of its securities.

Risks Relating to the Business

Real Property Ownership

All real property investments are subject to elements of risk. Such investments are affected by general economic conditions, local real estate markets, supply and demand for leased premises, competition from other available premises and various other factors.

Real estate has a high fixed cost associated with ownership, and income lost due to declining rental rates or increased vacancies cannot easily be minimized through cost reduction. Through well-located, well-designed and professionally managed properties, management seeks to reduce this risk. Management believes prime locations will attract high quality retailers with excellent covenants and will enable SmartCentres to maintain economic rents and high occupancy. By maintaining the property at the highest standard through professional management practices, management seeks to increase tenant loyalty.

The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants and upon the vacancy rates of SmartCentres' portfolio of income producing properties. SmartCentres' Adjusted Funds From Operations would be adversely affected if a significant number of tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in the properties in which SmartCentres has an interest were not able to be leased on economically favourable lease terms. In addition, the Adjusted Funds From Operations of SmartCentres would be adversely affected by increased vacancies in SmartCentres' portfolio of income producing properties. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to SmartCentres than the existing lease. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting SmartCentres' investment may be incurred. Furthermore, at any time, a tenant of any of SmartCentres' properties may seek the protection of bankruptcy,

insolvency or similar laws that could result in the rejection and termination of such tenant's lease and thereby cause a reduction in the cash flow available to SmartCentres. The ability to rent unleased space in the properties in which SmartCentres has an interest will be affected by many factors. Costs may be incurred in making improvements or repairs to property. The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on SmartCentres' financial condition.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing any income. If SmartCentres is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale.

Real property investments tend to be relatively illiquid with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. If SmartCentres were to be required to liquidate its real property investments, the proceeds to SmartCentres might be significantly less than the aggregate carrying value of its properties.

SmartCentres will be subject to the risks associated with debt financing on its properties and it may not be able to refinance its properties on terms that are as favourable as the terms of existing indebtedness. In order to minimize this risk, SmartCentres attempts to appropriately structure the timing of the renewal of significant tenant leases on the properties in relation to the time at which mortgage indebtedness on such properties becomes due for refinancing.

SmartCentres is reliant on the retail shopping centre market in general and on Walmart in particular in meeting its financial targets. In recent years, certain tenants have begun to rationalize their space, such as Best Buy and RONA. The ability to attract high quality retailers and maintain a high level of occupancy depends, in part, on the continued popularity of SmartCentres' open-concept centres as shopping destinations. The internet and other technologies now play a more significant role in consumer preferences and shopping patterns, which could result in decreased traffic through SmartCentres' retail shopping centres. Significant deterioration of the retail shopping centre market in general or the financial health of Walmart in particular or other major tenants as well as any changes in consumer shopping patterns could have an adverse effect on SmartCentres' business, financial condition or results of operations.

Bankruptcy filings by retailers occur periodically in the course of normal operations for reasons such as increased competition, Internet sales, changing population demographics, poor economic conditions, rising costs and changing shopping trends and/or perceptions. SmartCentres continually seeks to re-lease vacant spaces resulting from tenant terminations. The bankruptcy of a tenant, particularly an anchor tenant, may make it more difficult to lease the remainder of the affected properties or may give rise to certain rights under existing leases with other tenants. If SmartCentres is not be able to find suitable tenants on equal or better terms for vacant space that may result from tenant bankruptcies or if other major tenants default, it could have an adverse effect on SmartCentres' financial condition or results of operation.

SmartCentres is becoming increasingly involved in mixed-use development projects that include residential condominiums, rental apartments, residential townhouses, retirement homes and self-storage facilities. Purchaser demand for residential condominiums, apartments and townhouses is cyclical and is affected by changes in general market and economic conditions, such as consumer confidence, employment levels, availability of financing for home buyers, interest rates, demographic trends, and housing demand. Furthermore, the market value of undeveloped land, buildable lots and housing inventories held by SmartCentres can fluctuate significantly as a result of changing economic and real estate market conditions. An oversupply of alternative housing, such as new homes, resale homes (including homes held for sale by investors and speculators), foreclosed homes and rental properties and apartments may reduce SmartCentres' ability to sell new condominiums, depress prices and reduce margins from the sale of condominiums, and have an adverse effect on SmartCentres' ability to lease rental apartments based on the rents charged. There is also a risk that buyers may default on their agreements of purchase and sale.

Joint Venture Risk

SmartCentres is currently a co-owner in several properties including joint ventures with the Penguin Group to

develop the VMC, CentreCourt and the Penguin Group to develop Transit City at the VMC, Jadco to develop a residential rental unit project in Laval and Fieldgate to develop a 16 acre parcel of land in Vaughan and build approximately 230 freehold townhomes. As part of its growth strategy, SmartCentres expects to increase its participation in additional joint ventures in the future, which may include joint ventures in self-storage facilities, retirement homes and other initiatives. SmartCentres is subject to the risks associated with the conduct of joint ventures. Such risks include disagreements with its partners to develop and operate the properties efficiently and inability of the partners to meet their obligations to the joint ventures or third parties. Any failure of SmartCentres or its partners to meet its obligations, or any disputes with respect to strategic decision making or the parties' respective rights and obligations, could have a material adverse effect on the joint ventures, which may have a material adverse effect on SmartCentres. SmartCentres attempts to mitigate these risks by continuing to maintain strong relationships with its partners.

Debt Financing

As at December 31, 2017, SmartCentres had outstanding indebtedness of approximately \$4,230.9 million, of which approximately \$788.6 million was principal payments and debt maturing prior to January 1, 2020. In addition, approximately 6.3% of SmartCentres' indebtedness, as a percentage of Aggregate Assets, was variable rate debt as at December 31, 2017. See "Overview of Property Portfolio – Financing".

The ability of SmartCentres to make cash distributions or make other payments or advances is subject to applicable laws and contractual restrictions contained in the instruments governing its indebtedness. The degree to which SmartCentres is leveraged could have important consequences to the holders of its securities, including: that SmartCentres' ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; that a significant portion of SmartCentres' cash flow from operations may be dedicated to the payment of the principal of and interest on its indebtedness, thereby reducing funds available for future operations and distributions; that certain of SmartCentres' borrowings may be at variable rates of interest, which exposes it to the risk of increased interest rates; and that SmartCentres may be vulnerable to economic downturns including SmartCentres' ability to retain and attract tenants. Also, there can be no assurance that SmartCentres will continue to generate sufficient cash flow from operations to meet required interest and principal payments. Further, SmartCentres is subject to the risk that any of its existing indebtedness may not be able to be refinanced upon maturity or that the terms of such financing may not be as favourable as the terms of its existing indebtedness. These factors may adversely affect SmartCentres' cash distributions.

SmartCentres' credit facility provides lenders with first charge security interests on most of the income producing properties in its portfolio. This credit facility contains numerous terms and covenants that limit the discretion of management with respect to certain business matters. These covenants place restrictions on, among other things, the ability of SmartCentres to create liens or other encumbrances, to make certain payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the credit facility contains a number of financial covenants that require SmartCentres to meet certain financial ratios and financial condition tests. For example, certain of SmartCentres' loans require specific loan to value and debt service coverage ratios which must be maintained by SmartCentres. A failure to comply with the obligations in the credit facility could result in a default which, if not cured or waived, could result in acceleration of the relevant indebtedness. If the indebtedness under the credit facility were to be accelerated, there can be no assurance that the assets of SmartCentres would be sufficient to repay that indebtedness in full.

Interest and Financing Risk

In the low interest rate environment that the Canadian economy has experienced in recent years, leverage has enabled SmartCentres to enhance its return to Unitholders. A reversal of this trend, however, can significantly affect SmartCentres' ability to meet its financial obligations and also affect its financial results. In order to minimize this risk, SmartCentres' practice, where appropriate, is to negotiate fixed rate term debt with staggered maturities on the portfolio and match average lease maturity to average debt maturity. Derivative financial instruments may be utilized by SmartCentres in the management of its interest rate exposure. SmartCentres' practice is not to utilize derivative financial instruments for trading or speculative purposes. In addition, SmartCentres' Declaration of Trust restricts total indebtedness permitted on the portfolio.

Interest rate changes will also affect SmartCentres' development portfolio. SmartCentres has entered into earnout agreements that obligate SmartCentres to acquire approximately 531,000 square feet of additional income properties at a cost determined by capitalizing the rental income at pre-determined rates. Subject to the ability to obtain financing on acceptable terms, SmartCentres anticipates that it will finance these acquisitions by issuing additional debt and equity. Changes in interest rates will have an impact on the return from these acquisitions and, should the rate exceed the capitalization rate used, could result in a purchase being non-accretive. This risk is mitigated as SmartCentres has certain rights of approval over the developments and acquisitions.

Operating facilities and development loans exist that are priced at a risk premium over short-term rates. Changes in short-term interest rates will have an impact on the cost of funds. In addition, there is a risk that the lenders will not refinance upon maturity. By restricting the amount of variable interest rate debt and the short-term debt, SmartCentres attempts to minimize the impact on financial performance.

Liquidity Risk

Liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to lease out vacant units. Due to the dynamic nature of the underlying business, SmartCentres aims to maintain flexibility and opportunities in funding by keeping committed credit lines available and obtaining additional mortgages as the value of income-producing properties increases. During 2017, SmartCentres has been able to maintain its operating facilities, raise additional term mortgage financing and issue unsecured debentures. However, there is no guarantee that it will continue to be able to do so. SmartCentres' liquidity position is monitored by SmartCentres on a regular basis. The key assumptions used in SmartCentres' estimates of future cash flows when assessing liquidity risk are capital markets remaining liquid and no major bankruptcies of large tenants. Management believes it has considered all reasonable facts and circumstances as of today in forming appropriate assumptions. However, as always, there is a risk significant changes in market conditions could alter the assumptions used.

Capital Requirements

SmartCentres accesses the capital markets from time to time through the issuance of debt, equity or equity related securities. If SmartCentres were unable to raise additional funds or renew existing maturing debt on favourable terms, then acquisition or development activities may be curtailed, asset sales accelerated, property specific financing, purchase and development agreements re-negotiated, and monthly cash distributions reduced or suspended. However, SmartCentres anticipates accessing the capital markets on favourable terms due to its high occupancy levels and low lease maturities, combined with strong national tenants in prime retail locations.

Credit Risk

Credit risk arises from cash and cash equivalents, as well as credit exposures with respect to tenant receivables and mortgages and loans receivable. Tenants may experience financial difficulty and become unable to fulfill their lease commitments. SmartCentres mitigates this risk of credit loss by reviewing tenants' covenants, ensuring its tenant mix is diversified and by limiting its exposure to any one tenant, except Walmart because of its creditworthiness. Further risks arise in the event that borrowers may default on the repayment of amounts owing to SmartCentres. SmartCentres endeavours to ensure adequate security has been provided in support of mortgages and loans receivable. The failure of SmartCentres' tenants or borrowers to pay SmartCentres amounts owing on a timely basis or at all would have an adverse effect on SmartCentres' financial condition. SmartCentres limits cash transactions to high-credit-quality financial institutions to minimize its credit risk from cash and cash equivalents.

General Uninsured Losses

SmartCentres carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks, generally of a catastrophic nature, such as wars or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. SmartCentres has insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements, and will continue to carry such

insurance if it is economical to do so. Should an uninsured or underinsured loss occur, SmartCentres could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but SmartCentres would continue to be obliged to repay any recourse mortgage indebtedness on such properties.

Development and Construction Risk

Development and construction risk arises from the possibility that completed developed space will not be leased or that costs of development and construction will exceed original estimates, resulting in an uneconomic return from the leasing and completion of such developments. SmartCentres mitigates this risk by limiting construction of any development until sufficient lease-up has occurred and by entering into fixed price contracts for a large proportion of both development and construction costs.

SmartCentres also expects to be increasingly involved in mixed-use development projects that include residential condominiums and rental apartments. Purchaser demand for residential condominiums can be cyclical and is affected by changes in general market and economic conditions, such as consumer confidence, employment levels, availability of financing for home buyers, interest rates, demographic trends and housing demand. Furthermore, the market value of undeveloped land, buildable lots and housing inventories held by SmartCentres can fluctuate significantly as a result of changing economic and real estate market conditions. An oversupply of alternative housing, such as new homes, resale homes (including homes held for sale by investors and speculators), foreclosed home and rental properties and apartments may reduce SmartCentres' ability to sell new condominiums, depress prices and reduce margins from the sale of condominiums, and have an adverse effect on SmartCentres' ability to lease rental apartments and on the rents charged.

SmartCentres' construction commitments are subject to those risks usually attributable to construction projects, which include: construction or other unforeseen delays, including delays in obtaining municipal approvals; cost overruns; claims for defective construction; buyer defaults on condominium and home purchases; and the failure of tenants to occupy and pay rent in accordance with existing lease arrangements, some of which are conditional.

Competition for Real Property Investments

Over the long term, to the extent that opportunities exist and to the extent that management and the Board of Trustees believe such opportunities are beneficial to Unitholders, SmartCentres intends to expand its asset base and increase Adjusted Funds From Operations and Adjusted Cashflow From Operations by pursuing an external growth strategy. SmartCentres intends to actively seek strategic and accretive acquisitions in its existing and adjacent markets and in new Canadian markets that present opportunities for favourable returns. However, SmartCentres competes for suitable real property investments with individuals, corporations, other real estate investment trusts and similar vehicles, and institutions (both Canadian and foreign) which are presently seeking or which may seek in the future real property investments similar to those desired by SmartCentres. As such, there can be no guarantee that SmartCentres will be successful in making such acquisitions.

Environmental Matters

As an owner of real property, SmartCentres will be subject to various federal, provincial, territorial and municipal laws relating to environmental matters. Such laws provide that SmartCentres could be liable for the costs of removal of certain hazardous substances and remediation of certain hazardous locations. The failure to remove or remediate such substances or locations, if any, could adversely affect SmartCentres' ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against SmartCentres. SmartCentres is not aware of any material non-compliance with environmental laws at any of its properties. SmartCentres is also not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of its properties or any pending or threatened claims relating to environmental conditions at its properties. SmartCentres has policies and procedures to review and monitor environmental exposure, including obtaining a Phase I environmental assessment where determined appropriate by the Investment Committee on properties prior to acquisition. Further investigation is conducted as appropriate if the Phase 1 assessments indicate a problem. In addition, the standard lease requires compliance with environmental laws and regulations and restricts tenants from carrying on environmentally hazardous activities or having environmentally hazardous substances on site. SmartCentres has obtained environmental insurance on certain assets to further manage risk.

SmartCentres will make the necessary capital and operating expenditures to ensure compliance with environmental laws and regulations. Although there can be no assurances, SmartCentres does not believe that costs relating to environmental matters will have a material adverse effect on SmartCentres' business, financial condition or results of operations. However, environmental laws and regulations can change and SmartCentres may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have an adverse effect on SmartCentres' business, financial condition or results of operation.

Cyber Security

Cyber security has become an increasingly problematic issue for issuers and businesses in Canada and around the world, including for SmartCentres and the real estate industry. Cyber attacks against large organizations are increasing in sophistication and are often focused on financial fraud, compromising sensitive data for inappropriate use or disrupting business operations. Such an attack could compromise SmartCentres' confidential information as well as that of SmartCentres' employees, tenants and third parties with whom SmartCentres interacts and may result in negative consequences, including remediation costs, loss of revenue, additional regulatory scrutiny, litigation and reputational damage. As a result, SmartCentres continually monitors for malicious threats and adapts accordingly in an effort to ensure it maintains high privacy and security standards. SmartCentres invests in cyber defense technologies to support its business model and to protect its systems, employees and tenants by employing industry best practices. SmartCentres' investments continue to manage the risks it faces today and position SmartCentres for the evolving threat landscape.

Potential Conflicts of Interest

SmartCentres may be subject to various conflicts of interest because of the fact that the Trustees and executive management, and their associates, may be engaged in a wide range of real estate and other business activities. SmartCentres may become involved in transactions which conflict with the interests of the foregoing. The Trustees, executive management and their associates or affiliates may from time to time deal with persons, firms, institutions or corporations with which SmartCentres may be dealing, or which may be seeking investments similar to those desired by SmartCentres. The interests of these persons could conflict with those of SmartCentres. In addition, from time to time, these persons may be competing with SmartCentres for available investment opportunities. The Declaration of Trust contains "conflicts of interest" provisions requiring Trustees or officers of the Trust to disclose material interests in material contracts and transactions and refrain from voting. See "Management of SmartCentres – Conflict of Interest Restrictions and Provisions".

Reliance on Key Personnel

Management of SmartCentres depends on the services of certain key personnel. Investors who are not prepared to rely on this management should not invest in Units. The loss of the services of key personnel could have an adverse effect on SmartCentres. SmartCentres does not have key man insurance on any of its key employees.

Trustees

The Trustees will not devote their full time and attention to the affairs of SmartCentres but will execute their duties consistent with the board and committee charters. See "Declaration of Trust and Description of Units - Trustees".

Risks Relating to the Units

Potential Volatility of Unit Prices

The price for the Units could be subject to wide fluctuations in response to quarter-to-quarter variations in operating results, the gain or loss of significant properties, changes in income estimates by analysts and market conditions in the industry, as well as general economic conditions or other risk factors set out herein. In addition, stock markets have experienced volatility that has affected the market prices for many issuers' stocks and that often has been unrelated to the operating performance of such issuers. These market fluctuations may adversely affect the market

price of the Units.

A publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Units may trade at a premium or a discount to the underlying value of SmartCentres' real estate assets.

One of the factors that may influence the market price of the Units is market interest rates relative to the monthly cash distributions of SmartCentres to the Unitholders. An increase in market interest rates or a decrease in monthly cash distributions by SmartCentres could adversely affect the market price of the Units. In addition, the market price for the Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond the control of SmartCentres.

Cash Distributions are Not Guaranteed and will Fluctuate with SmartCentres' Performance

A return on an investment in Units is not comparable to the return on an investment in a fixed-income security. The recovery of an investment in Units is at risk, and any anticipated return on an investment in Units is based on many performance assumptions.

Although SmartCentres intends to make distributions of a significant percentage of its available cash to its Unitholders, these cash distributions are not assured and may be reduced or suspended. The ability of SmartCentres to make cash distributions and the actual amount distributed will be dependent upon, among other things, the financial performance of the properties in its Property Portfolio, its debt covenants and obligations, its working capital requirements and its future capital requirements. In addition, the market value of the Units may decline for a variety of reasons including if SmartCentres is unable to meet its cash distribution targets in the future, and that decline may be significant.

It is important for a person making an investment in Units to consider the particular risk factors that may affect both SmartCentres and the real estate industry in which SmartCentres operates and which may therefore affect the stability of the cash distributions on the Units. See the other risk factors set out in this section which describes SmartCentres' assessment of those risk factors, as well as the potential consequences to a Unitholder if a risk should occur. Also see the section of this annual information form entitled "Ratings on Securities".

After-tax Return

The after-tax return from an investment in Units to Unitholders subject to Canadian federal income tax will depend, in part, on the composition for Canadian income tax purposes of distributions paid by SmartCentres on its Units, which may be fully or partially taxable or tax-deferred. That composition may change over time, thus affecting a Unitholder's after-tax returns.

Availability of Cash Flow

Cash distributions to Unitholders may be reduced from time to time if such distributions would exceed the cash obligations of SmartCentres from time to time due to items such as principal repayments, tenant allowances, leasing commissions and capital expenditures and redemption of Units, if any. SmartCentres may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items. SmartCentres anticipates temporarily funding such items, if necessary, through an operating line of credit in expectation of refinancing long-term debt on its maturity.

Tax Related Risk Factors

SIFT Rules

Legislation

The Tax Act imposes a special taxation regime (the "**SIFT Rules**") applicable to certain publicly traded income

trusts (each a “**SIFT**”). Under the SIFT Rules, a SIFT is subject to tax in respect of certain distributions that are attributable to the SIFT’s “non-portfolio earnings” (as defined in the Tax Act; generally, income (other than certain dividends) from, or capital gains realized on, “non-portfolio properties”, which does not include certain investments in non-Canadian entities), at a rate substantially equivalent to the combined federal and provincial corporate tax rate on certain types of income.

A SIFT includes a trust resident in Canada with publicly traded units that holds one or more “non-portfolio properties”. “**Non-portfolio properties**” include certain investments in real properties situated in Canada and certain investments in corporations and trusts resident in Canada and in partnerships with specified connections in Canada. SmartCentres will be a SIFT for purposes of the SIFT Rules unless it qualifies for the REIT Exception described below under the heading “REIT Exception”.

REIT Exception

The SIFT Rules are not applicable to a SIFT that meets certain specified criteria relating to the nature of its revenues and investments in order to qualify as a real estate investment trust for purposes of the Tax Act (the “**REIT Exception**”). If SmartCentres fails to qualify for the REIT Exception, SmartCentres will be subject to the taxation regime under the SIFT Rules.

To qualify for the REIT Exception in a particular taxation year (i) the trust must be resident in Canada throughout the taxation year, (ii) the total fair market value at all times during the taxation year of all non-portfolio properties that are qualified REIT properties held by the trust must be at least 90% of the total fair market value at that time of all non-portfolio properties held by the trust, (ii) not less than 90% of the trust’s gross REIT revenue for the taxation year must be from one or more of the following: (A) rent from real or immovable properties; (B) interest; (C) dispositions of real or immovable properties that are capital properties; (D) dividends; (E) royalties; and (F) dispositions of eligible resale properties, (iii) not less than 75% of the trust’s gross REIT revenue for the taxation year must be from one or more of the following: (A) rent from real or immovable properties; (B) interest from mortgages, or hypothecs, on real or immovable properties; or (C) dispositions of real or immovable properties that are capital properties, (iv) investments in the trust are, at any time in the taxation year, listed or traded on a stock exchange or other public market, and (v) at each time in the taxation year an amount, that is equal to 75% or more of the equity value of the trust at that time, is the amount that is the total fair market value of all properties held by the trust each of which is real or immovable property that is capital property, an eligible resale property, indebtedness of a Canadian corporation represented by a bankers acceptance, money and deposits (within the meaning of the *Canada Deposit Insurance Corporation Act* or with a branch in Canada of a bank) of such money standing to the credit of the trust, certain debt obligations issued by certain debtors, including Canadian federal, provincial or municipal governments or crown corporations or certain debt obligations guaranteed by the federal government of Canada otherwise than being insured by the Canada Deposit Insurance Corporation, or deposits with a credit union. Generally, the aforementioned rules contain a look-through rule under which a SIFT could qualify for the REIT Exception where it holds its Canadian real properties indirectly through intermediate entities. Each of the terms “non-portfolio property”, “qualified REIT property”, “gross REIT revenue”, “rent from real or immovable properties”, “real or immovable property”, “eligible resale property”, “equity value” and “non-portfolio earnings” is defined in the Tax Act.

Application to SmartCentres

SmartCentres, as currently structured, does qualify for the REIT Exception and thus is not currently subject to tax under the SIFT Rules. In the event that the REIT Exception did not apply to SmartCentres, the corresponding application of the SIFT Rules to SmartCentres could impact the level of cash distributions which would otherwise be made by SmartCentres and the taxation of such distributions to holders of Units.

SmartCentres intends to take all necessary steps to continue to qualify for the REIT Exception. However, there can be no assurance that Canadian federal income tax laws with respect to the REIT Exception will not be changed, or that administrative and assessment practices of the Canada Revenue Agency will not develop in a manner that adversely affects SmartCentres or its Unitholders. Furthermore, the determination as to whether SmartCentres qualifies for the REIT Exception in a particular taxation year can only be made at the end of such taxation year. Accordingly, no assurance can be given that SmartCentres will continue to qualify for the REIT Exception.

Qualification as a “Mutual Fund Trust” or Registered Investment

If SmartCentres ceases to qualify as a “mutual fund trust” or “registered investment” under the Tax Act, the income tax considerations for Unitholders would be materially and adversely different in certain respects, including that Units may cease to be qualified investments for Plans. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments.

There can be no assurance that Canadian federal income tax laws respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the holders of Units.

Tax Deferred Distributions

The extent to which distributions will be tax deferred in the future will depend in part on the extent to which SmartCentres is able to deduct capital cost allowance or other expenses relating to properties directly or indirectly held by SmartCentres.

Structural Subordination of the Units

In the event of a bankruptcy, liquidation or reorganization of SmartCentres or its subsidiaries, holders of certain of their indebtedness and certain trade creditors will generally be entitled to payment of their claims from the assets of SmartCentres or its subsidiaries before any assets are made available for distribution to SmartCentres. The Units will be effectively subordinated to most of the indebtedness and other liabilities of SmartCentres and its subsidiaries. Neither SmartCentres nor its subsidiaries will be limited in their ability to incur secured or unsecured indebtedness.

Redemption Right

It is anticipated that the redemption right will not be the primary mechanism for Unitholders to liquidate their investments. Further, the entitlement of holders of Units to receive cash upon the redemption of their Units is subject to limitations. Also, securities and/or obligations of SmartCentres which may be distributed in specie to Unitholders in connection with a redemption will not be listed on any stock exchange and no established market is expected to develop for such securities and/or obligations. See “Declaration of Trust and Description of Units – Redemption Right”.

Distribution of Securities on Redemption or Termination of the Trust

Upon a redemption of Units or termination of SmartCentres, the Trustees may distribute securities and/or obligations of SmartCentres or held by SmartCentres directly to the Unitholders, subject to obtaining any required regulatory approvals. Such securities and/or obligations so distributed may not be qualified investments for Plans, depending upon the circumstances at the time. Further, no established market may exist for the securities so distributed at the time of the distribution and no market may ever develop. See “Declaration of Trust and Description of Units – Redemption Right”.

Unitholder Liability

Unitholders may be subject to liability in connection with SmartCentres or its obligations and affairs. See “Unitholder Limited Liability”.

Nature of Units

Securities such as the Units share certain, though not all, attributes common to shares of a company. As holders of Units, Unitholders will not have the statutory rights normally associated with ownership of shares of a company including, for example, the right to bring “oppression” or “derivative” actions.

Further, the Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporations Act* (Canada) and are not insured under the provisions of the Act or any other legislation.

Dilution

SmartCentres is authorized to issue an unlimited number of Units. Any issuance of Units may have a dilutive effect on existing Unitholders.

Unitholder Holding a Significant Number of Units

According to reports filed under applicable Canadian securities legislation, as at December 31, 2017, Mitchell Goldhar of Vaughan, Ontario beneficially owns or controls a number of the outstanding Units which, together with the securities he beneficially owns or controls which are exchangeable at his option for Units for no additional consideration and the associated Special Voting Units, represent an approximately 22% voting interest in SmartCentres. Further, according to the above mentioned reports, as at December 31, 2017, Mr. Goldhar beneficially owns or controls additional rights to acquire Units which, if exercised or converted, would result in him increasing his beneficial economic and voting interest in SmartCentres to as much as approximately 26.4%. In addition, pursuant to the Voting Top-Up Right, Mr. Goldhar may be issued additional Special Voting Units to entitle the MG Entities to cast 25% of the votes attached to Voting Units at a meeting of the holders of Voting Units. See “Special Voting Units”.

If Mr. Goldhar sells substantial amounts of Units in the public market, the market price of the Units could fall. The perception among the public that these sales will occur could also produce such an effect. As a result of his voting interest in SmartCentres, Mr. Goldhar may be able to exert significant influence over matters that are to be determined by votes of the Unitholders of SmartCentres. The timing and receipt of any takeover or control premium by Unitholders could depend on the determination of Mr. Goldhar as to when to sell Units. This could delay or prevent a change of control that might be attractive to, and provide liquidity for, Unitholders, and could limit the price that investors are willing to pay in the future for Units.

Risks Relating to the Debentures

Refinancing or Repayment of Debentures on Maturity

SmartCentres intends to refinance its existing Debentures on maturity. However, SmartCentres is subject to the risk that any of its existing indebtedness, including its Debentures, may not be able to be refinanced on maturity or that the terms of such financing may not be as favourable as the terms of its existing indebtedness, including the terms of its existing Debentures. Further, if it cannot refinance the Debentures on maturity, there can be no assurance that SmartCentres will be able to generate sufficient cash flow from operations, or generate sufficient capital through other means such as equity financings or asset sales, to meet required principal payments on its outstanding Debentures. Failure to meet its obligations under the Debentures would likely have an adverse effect on SmartCentres’ financial condition and the value of the Units and the Debentures. Also see “Risks Relating to the Business – Debt Financing”, “Risks Relating to the Business – Interest and Financing Risk” and “Risks Relating to the Business – Capital Requirements”. Due to the quality and location of SmartCentres’ real estate, management is confident that SmartCentres will be able to meet its financing requirements.

Credit Ratings

See “Ratings on Securities”.

Structural Subordination of Debentures

Liabilities of a parent entity with assets held by various subsidiaries may result in the structural subordination of the lenders of the parent entity. The parent entity is entitled only to the residual equity of its subsidiaries after all debt obligations of its subsidiaries are discharged. In the event of a bankruptcy, liquidation or reorganization of SmartCentres, holders of indebtedness of SmartCentres (including holders of Debentures) may become subordinate to lenders to the subsidiaries of SmartCentres.

Certain of the subsidiaries of SmartCentres have provided a form of guarantee pursuant to which the trustee for the

Debentures is, subject to the indentures governing the Debentures, entitled to seek redress from such subsidiaries for the guaranteed indebtedness. These guarantees are intended to eliminate structural subordination which arises as a consequence of SmartCentres' assets being held in various subsidiaries. Although all subsidiaries which own material assets have provided a guarantee, not all subsidiaries of SmartCentres have provided such a guarantee. In addition, there can be no assurance that the trustee for the Debentures will, or will be able to, effectively enforce the guarantee.

Market Value Fluctuation

Prevailing interest rates will affect the market value of the Debentures, as they carry a fixed interest rate. Assuming all other factors remain unchanged, the market value of the Debentures, which carry a fixed interest rate, will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

Statutory Remedies

SmartCentres is not a legally recognized entity within the relevant definitions of the *Bankruptcy and Insolvency Act*, the *Companies' Creditors Arrangement Act* and in some cases, the *Winding Up and Restructuring Act*. As a result, in the event a restructuring of SmartCentres were necessary, SmartCentres would not be able to access the remedies available thereunder. In the event of a restructuring, a holder of Debentures may be in a different position than a holder of secured indebtedness of a corporation.

MANAGEMENT OF SMARTCENTRES

General

An experienced and capable executive management team provides strategic direction to SmartCentres, subject to the supervision of the Board of Trustees. Members of the executive management team have an extensive understanding of the commercial real estate industry in SmartCentres' target markets. The executive management of SmartCentres seeks to achieve and maintain geographic asset diversity, staggered lease maturities, staggered debt maturities, reasonable asset leverage, strong tenant covenants, high occupancy rates with contractual rental rate increases and appropriate capital improvement and redevelopment programs. All of SmartCentres' investments are subject to specific investment guidelines and the operations of SmartCentres are subject to specific operating policies. See "Investment Guidelines and Operating Policies".

Trustees and Executive Officers of SmartCentres

The following table sets forth the name, age, province or state and country of residence, office held with SmartCentres, experience and principal occupation during at least the last five (5) years of each of the current Trustees and executive officers of SmartCentres:

<u>Name, Age and Residence</u>	<u>Current Office In SmartCentres⁽⁴⁾</u>	<u>Principal Occupation</u>
Mitchell Goldhar, 56 Ontario, Canada ^{(2) (5)}	Trustee, Chair of the Board of Trustees	Chair of the Board of Trustees since May 28, 2015. Mitchell Goldhar is the owner of the Penguin Group (formerly the SmartCentres group of companies). Mr. Goldhar has been in the real estate development business for over 30 years. Since opening the first new Canadian Walmart store in Barrie, Ontario in 1994, Mr. Goldhar has developed over 265 shopping centres across Canada (including the development of 175 Walmart stores). Mr. Goldhar is a graduate of York University with a Bachelor of Political Science (1985), a Director of Indigo Books and Music Inc., a Director of Onex Corporation, a Director Emeritus with the SickKids Foundation and for 12 years has been an adjunct professor with the Joseph L. Rotman School of Management. Mr. Goldhar is also on the Advisory Board for the Canadian Sports Concussion Project and is owner of the Maccabi Tel Aviv Football Club. Trustee of SmartCentres since July 8, 2005.
Michael Young, 73 Texas, USA ^{(2) (3)}	Lead Independent Trustee	Trustee of SmartCentres since November 11, 2003, Chairman of the Board of Trustees from July 1, 2014 to May 27, 2015 and Lead Independent Trustee since May 28, 2015. Mr. Young is President of Quadrant Capital Partners Inc., a private equity firm in Dallas, Texas, which he founded in November 2003. From January 1994 to October 2003, Mr. Young served as Managing Director and Head of Real Estate Investment Banking for CIBC World Markets. Mr. Young was appointed Global Head of Real Estate for CIBC World Markets in 1997. He served on the Board of Acasta Enterprises, Inc. from June 2017 until his resignation in February 2018. Mr. Young was a Trustee and Chairman of the Board of Milestone Apartments REIT from March of 2013 until April 2017, when Milestone Apartments REIT completed a “going private” transaction with Starwood Capital Group as the purchaser. He was a Director of Brookfield Residential Properties Inc. from March 2011 and a Director of Brookfield Homes from 2007. On March 12, 2015 Brookfield Residential Properties completed a “going private” transaction with Brookfield Asset Management as the purchaser. He is Chairman of the Board of Dignitas International (U.S.). Mr. Young holds a Bachelors degree from the University of Western Ontario. He is also a member of Canada’s Sports Hall of Fame.
Garry Foster, 66 Ontario, Canada ^{(1) (2)}	Trustee	Trustee of SmartCentres since May 1, 2013. Vice Chairman, Deloitte Canada from 2006 to 2013 and the National Managing Partner of Deloitte’s Technology, Media and Telecommunication practice from 1998 to 2006. Mr. Foster was a member of the Deloitte’s board of directors from 2004 to 2012. He previously served as the President and Chief Executive Officer of Baycrest Foundation, as well as the Chairman of the Board of Directors of Baycrest Centre for Geriatric Care. Mr. Foster has served as the Chair of the Presto Fare Card Committee since August 2015. Mr. Foster is also currently the Chief Executive Officer of Cortleigh Capital Inc., a director and Chair of the audit committee of Real Matters Inc. and since June 2017 a director of Payments Canada. Mr. Foster is a Chartered Professional Accountant, holds a Bachelor of Business Administration (1974) and a Masters of Business Administration from Schulich School of Business (1975) and an ICD.D certification from the Rotman School of Business (2009).

<u>Name, Age and Residence</u>	<u>Current Office In SmartCentres⁽⁴⁾</u>	<u>Principal Occupation</u>
Gregory Howard, 61 Ontario, Canada ^{(2) (3) (5)}	Trustee	Trustee of SmartCentres since July 2, 2015. Greg Howard is a senior partner at Davies Ward Phillips & Vineberg LLP, one of Canada's leading law firms, and is one of Canada's pre-eminent real estate lawyers. His wide-ranging expertise includes commercial real estate acquisitions and dispositions, joint ventures, development projects, project financing, commercial leasing, real estate investment trusts, private equity funds, workouts, strategic planning and corporate matters. He has been recognized as one of the country's leading real estate lawyers by Chambers Global, The Legal 500, Real Estate Law and numerous other sources. He obtained his LL.B. (with Honours) from the University of Toronto Faculty of Law in 1978 and was admitted to the Ontario Bar in 1980.
Jamie M. McVicar, 59 Alberta, Canada ^{(1) (3)}	Trustee	Chief Financial Officer then Vice President Finance and Administration at Devonian Properties Inc., a property development company, from October 2000 to October 2011, whose job responsibilities included overseeing the preparation of audited financial statements for several joint venture investment vehicles and corporate financial statements. President of Newell Post Developments Ltd., a property development company, from June 1998 to June 2000. Legal counsel for Oxford Development Group, a property development company, from 1988 to June, 1998. Mr. McVicar is currently a Director of Steel Reef Infrastructure Corp. Trustee of SmartCentres since December 4, 2001 and has served as a member of SmartCentres' Audit Committee since 2004. Mr. McVicar has a Bachelor of Commerce from the University of Alberta (1980), Bachelor of Laws from the University of Western Ontario (1981) and Masters of Business Administration from the University of Toronto (1982).
Kevin Pshebniski, 55 Arizona, USA ^{(1) (2)}	Trustee	Chief Executive Officer of Hopewell Development LP since September 2016 and previously President and Chief Executive Officer of Hopewell Development Corporation, a property development company. Chief Operating Officer of Hopewell Development Corporation from September 1997 to September 1998. Vice-President with Hopewell Group of Companies from January 1996 to September 1997. Trustee of SmartCentres since December 4, 2001. Mr. Pshebniski holds a Bachelor of Science (Geol. Major) and a Bachelor of Laws from the University of Manitoba.
Huw Thomas, 65 Ontario, Canada ^{(6) (7)}	Chief Executive Officer and Trustee	Chief Executive Officer of SmartCentres since March 2013. President of SmartCentres from March 2013 to August 2016. Served in various senior financial roles at Canadian Tire Corporation, including as Chief Financial Officer for nine years from 2000 to 2009 and as Executive Vice-President, Financial Strategy and Performance from November 2009 until December 2010. Member of the board of directors, a member of the Audit Committee from 2011 to June 2017 and a member of the Nominating and Governance Committee of Dollarama Inc. since 2011. Chairman and Chairman of the Audit Committee of K.P. Tissue Inc. from December 2012 to March 2014. Member of the board of trustees and Chairman of the Audit Committee of Chartwell Retirement Residences since March 2012 and member of the Compensation, Governance and Nominating Committee since May 2017. Trustee of SmartCentres since April 2011. Chairman of the Audit Committee of SmartCentres from April 2011 to March 2013. Trustee of the Board of Trustees of Connors Bros. Income Fund from 2005 to 2008. Mr. Thomas holds a Bachelor of Science degree in Economics from the University of London (U.K.), and is a U.K. Chartered Accountant and Canadian Chartered Professional Accountant.

<u>Name, Age and Residence</u>	<u>Current Office In SmartCentres⁽⁴⁾</u>	<u>Principal Occupation</u>
Peter Forde, 62 Ontario, Canada ^{(6) (7)}	President and Chief Operating Officer	President of SmartCentres since August 2016 and Chief Operating Officer of SmartCentres since May 28, 2015. Chief Operating Officer of the Penguin Group from September 2005 to May 2015. Executive Vice-President Finance and Administration of the Penguin Group from 1998 to September 2005, Vice-President and Chief Financial Officer of Nexacor Realty Management Inc. (real estate subsidiary of Bell Canada) from January 1996 to February 1998. Mr. Forde is a Chartered Professional Accountant and has a Bachelor of Business Administration degree from York University (1977). Trustee of SmartCentres from July 8, 2005 to May 27, 2015.
Peter Sweeney, 54 Ontario, Canada ^{(6) (7)}	Chief Financial Officer	Chief Financial Officer of SmartCentres since November 2014. Formerly Vice President and Chief Financial Officer at Allied Properties REIT from 2010 to 2014. Mr. Sweeney was also Chief Financial Officer and Chief Administrative Officer at DTZ Barnicke from 1996 to 2010, a leading real estate brokerage and advisory firm. Prior to that, he held the position of Corporate Controller at a public real estate company and is a PricewaterhouseCoopers LLP alumnus. Mr. Sweeney is a Chartered Professional Accountant and a graduate of Ryerson University.
Rudy Gobin, 56 Ontario, Canada ^{(6) (7)}	Executive Vice President, Portfolio Management and Investments	Executive Vice President, Portfolio Management and Investments since June 1, 2015. Executive Vice President (Asset Management) of SmartCentres from January 2007 to May 2015. Executive Vice President, Finance and Operations of the Penguin Group, a private shopping centre development company in Vaughan, Ontario, from May 2001 to December 2006. Chief Financial Officer of Nexacor Realty Management Inc. (real estate subsidiary of Bell Canada) from March 1998 to May 2001. Mr. Gobin is a Chartered Professional Accountant and has a Bachelor of Commerce from the University of Toronto (1987).
Mauro Pambianchi, 65 Ontario, Canada ^{(6) (7)}	Chief Development Officer	Chief Development Officer of SmartCentres since May 28, 2015. Executive Vice-President and Chief Development Officer of the Penguin Group, a private shopping centre development company in Vaughan, Ontario, from May 2005 to May 2015. Executive Vice-President of the Penguin Group from September 2001 to May 2005. Trustee of OneREIT (formerly Retrocom Real Estate Investment Trust) from June 2010 to May 2015. Mr. Pambianchi also held the position of Senior Vice-President, Retail at Brookfield Properties Ltd. and, prior to that, Senior Vice-President, Development at The Cadillac Fairview Corporation Limited. Mr. Pambianchi holds a Bachelor of Architecture degree from McGill University and a Master of Business Administration from the Rotman School at the University of Toronto.

Notes:

- (1) Member of the Audit Committee. For further details on the Audit Committee, please refer to the section entitled “Audit Committee”.
- (2) Member of the Investment Committee.
- (3) Member of the Corporate Governance and Compensation Committee.
- (4) Each of the Trustees serves in such capacity until the next annual meeting of Unitholders of SmartCentres unless re-elected or appointed at that Meeting to serve for a further one year term.
- (5) Appointed as a Trustee by the MG Entities pursuant to their rights under the Declaration of Trust. See “Declaration of Trust and Description of Units – Trustees”.
- (6) Member of the Real Estate Committee.
- (7) Member of the Executive Committee.

As of December 31, 2017, the Trustees and executive officers of SmartCentres, as a group, beneficially owned or controlled, directly and indirectly, 14,046,751 Units (10.6% of issued and outstanding Units) and 21,391,059 Special Voting Units (78.9% of the issued and outstanding Special Voting Units), for a total of 22.2% of the issued and outstanding Voting Units. Notwithstanding the foregoing, see the section entitled “Declaration of Trust and Description of Units – Special Voting Units” which describes circumstances under which Mr. Goldhar, via the MG Entities, may acquire additional Special Voting Units.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the best of the knowledge of management of SmartCentres, no person who is a Trustee or executive officer of SmartCentres

- (a) is, as at the date of this annual information form, or has been, within 10 years before the date of this annual information form, a director, chief executive officer or chief financial officer of any company (including SmartCentres) that,
 - (i) was subject to an order that was issued while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an order that was issued after that person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, as at the date of this annual information form, or has been within 10 years before the date of this annual information form, a director or executive officer of any company (including SmartCentres) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this annual information form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

For the purposes of (a) above, “**order**” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Conflict of Interest Restrictions and Provisions

The Declaration of Trust contains “conflict of interest” provisions that serve to protect Unitholders without creating undue limitations on SmartCentres. Given that the Trustees are engaged in a wide range of real estate and other business activities, the Declaration of Trust contains provisions, similar to those contained in the *Canada Business Corporations Act*, that require each Trustee to disclose to SmartCentres any interest in a material contract or transaction or proposed material contract or transaction with SmartCentres (including a contract or transaction involving the making or disposition of any investment in real property or a joint venture arrangement) or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with SmartCentres. Such disclosure is required to be made at the first meeting at which a proposed contract or transaction is considered. In the event that a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the Trustees, a Trustee is required to disclose in writing to SmartCentres or request to have entered into the minutes of the meeting of the Trustees the nature and extent of his or her interest forthwith after the Trustee becomes aware of the contract or transaction or proposed contract or transaction. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to his or her remuneration as a Trustee, officer, employee or agent of SmartCentres or one for indemnity under the provisions of the Declaration of Trust or liability insurance.

Kevin Pshebniski has disclosed in writing that, as an officer of Hopewell Development Corporation, a Calgary based real estate developer with which SmartCentres has entered into a development agreement, he will be interested in any contract or transaction, or proposed contract or transaction, with that company and its affiliates. Mitchell Goldhar has disclosed in writing that, as a director, officer and significant shareholder of the Penguin Group, he will

be interested in any contract or transaction or proposed contract or transaction with the Penguin Group and its affiliates and, previously, as a significant unitholder in OneREIT, he was interested in any contract or transaction or proposed contract or transaction with OneREIT and its affiliates, including the Arrangement.

Interest of Management and Others in Material Transactions

Mitchell Goldhar, a Trustee and significant Unitholder, controls certain vendors involved in the 2015 Transactions that are members of the Penguin Group, including Penguin Investments Inc., Smart Centres Realty Inc. and Penguin Investments Inc.

Pursuant to the 2015 Property Transaction, SmartCentres acquired interests in a portfolio of 24 real estate properties from Penguin Investments Inc., Smart Centres Realty Inc. and various joint venture partners, including Walmart Canada Realty Inc. under a series of property purchase or lease agreements for an aggregate purchase price of approximately \$1.1 billion. Approximately \$571.9 million of the aggregate purchase price was payable to Penguin Investments Inc. and Smart Centres Realty Inc., \$24.0 million of the aggregate purchase price was payable to other vendors related to Mr. Goldhar and the balance of the aggregate purchase price was payable to the third party co-owner joint venture vendors. The vendors were issued Class B units and Class C units of various SmartCentres subsidiary limited partnerships in partial satisfaction of the purchase price. Following the closing of the 2015 Property Transaction, Mr. Goldhar controlled, directly or indirectly, approximately 22.6% of the outstanding Units and Special Voting Units, as compared to 21.3% immediately prior to closing.

Pursuant to the 2015 Platform Transaction, certain subsidiary limited partnerships of SmartCentres acquired the SmartCentres development platform from Mitchell Goldhar for aggregate consideration of approximately \$55.1 million.

SmartCentres entered into a services agreement in connection with the 2015 Transactions. Pursuant to this agreement, Penguin Investments Inc. will provide master planning services under the direct supervision of Mr. Goldhar in respect of developments in which SmartCentres and/or certain subsidiary limited partnerships have an interest for a five-year period following the closing of the 2015 Transactions for a fee of \$3.5 million per year, payable quarterly, plus fees for certain limited consulting services.

Peter Forde was the Chief Operating Officer of Penguin Investments Inc. and a Trustee of SmartCentres at the time of the 2015 Transactions. Following the closing of the 2015 Transactions, Mr. Forde resigned from the Board of Trustees and joined SmartCentres' executive team as Chief Operating Officer and was subsequently appointed as SmartCentres' President. Mauro Pambianchi was the Chief Development Officer of Penguin Investments Inc. at the time of the 2015 Transactions and, following closing, he joined SmartCentres' executive team as Chief Development Officer. Due to their respective interests in the 2015 Transactions, Mr. Goldhar and Mr. Forde were not entitled to vote on the approval of the 2015 Transactions at the meeting of Unitholders held on May 26, 2015 and the related Trustees' meetings.

Following the closing of the 2015 Transactions and the resignation of Mr. Forde from the Board of Trustees, Gregory Howard was appointed as a Trustee. Mr. Howard is a senior partner at Davies Ward Phillips & Vineberg LLP and the firm has acted as counsel to Mitchell Goldhar and the Penguin Group of companies on a number of matters including the 2015 Transactions.

See "Corporate Structure – General Development of the Business – 2015".

OPERATION OF THE PROPERTY PORTFOLIO

Employees

As at December 31, 2017, SmartCentres had 336 full time regular employees and no part-time regular employees responsible for asset management, property management, new business which includes both acquisitions and developments and property and corporate accounting.

Leasing, Development and Construction Function

SmartCentres integrated all aspects of real estate development, construction, leasing and operations into one business by acquiring the SmartCentres' platform of development and leasing expertise in 2015. SmartCentres has developed a leasing strategy for each property reflecting the nature of the property, its position within the local marketplace, prevailing and forecast economic conditions and the state of the local real estate market and status of existing tenancies.

Property Management Function

SmartCentres primarily manages its Property Portfolio internally. As at December 31, 2017, approximately 94% of the total leasable area of SmartCentres' Property Portfolio was managed internally by SmartCentres while the remaining 6% was externally managed by third parties.

Environmental Policy

SmartCentres will endeavour to ensure that the Property Portfolio is managed in compliance with all applicable environmental laws and regulations and has adopted and implemented rules, standards and procedures to deal with all applicable environmental issues for each asset in the Property Portfolio. SmartCentres' operating policy provides that a Phase 1 environmental assessment shall be conducted by an independent and experienced environmental consultant prior to acquiring a property where the Investment Committee determines such audit is necessary.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

SmartCentres has not been, nor is presently involved in, any legal proceedings or regulatory actions material to it and insofar as it is aware, no such proceedings or actions are contemplated.

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada at its principal offices in Toronto, Ontario and Calgary, Alberta is the transfer agent and registrar for the Units and the Debentures.

MATERIAL CONTRACTS

The following are the only contracts, other than contracts entered into in the ordinary course of business, that are material to SmartCentres and that were entered into within the most recently completed financial year, or before the most recently completed financial year but that are still in effect:

- (a) The Declaration of Trust, the particulars of which are set out under "Declaration of Trust and Description of Units".
- (b) The trust indenture dated May 14, 2004, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee, providing for the issuance of the various series of convertible debentures. See "Description of Debentures".
- (c) The 2005 Trust Indenture, providing for the issuance of the various series of senior unsecured debentures, including the Debentures. See "Description of Debentures".
- (d) The seventh supplemental trust indenture dated July 27, 2012, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series H 4.05% Debentures. See "Description of Debentures – Series H 4.05% Debentures".
- (e) The eighth supplemental trust indenture dated May 30, 2013, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series I 3.985% Debentures. See "Description of Debentures – Series I 4.05% Debentures".

- (f) The eleventh supplemental trust indenture dated February 11, 2014, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series L 3.749% Debentures. See “Description of Debentures – Series L 3.749% Debentures”.
- (g) The twelfth supplemental trust indenture dated July 22, 2014, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series M 3.73% Debentures. See “Description of Debentures – Series M 3.73% Debentures”.
- (h) The thirteenth supplemental trust indenture dated December 31, 2014, between SmartCentres and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing the indenture trustee with the power to terminate, release, discharge or waive any guarantee provided by any subsidiary of SmartCentres, or the requirement for any subsidiary of SmartCentres to provide a guarantee, in respect of certain obligations of SmartCentres pursuant to the 2005 Trust Indenture, as supplemented from time to time.
- (i) The third supplemental trust indenture dated December 31, 2014, between SmartCentres and Computershare Trust Company of Canada as trustee and being a supplement to the trust indenture, made as of May 14, 2004, between SmartCentres and the Debenture Trustee, providing the indenture trustee with the power to terminate, release, discharge or waive any guarantee provided by any subsidiary of SmartCentres, or the requirement for any subsidiary of SmartCentres to provide a guarantee, in respect of certain obligations of SmartCentres pursuant to the trust indenture, made as of May 14, 2004, between SmartCentres and the Debenture Trustee, as supplemented from time to time.
- (j) The fourteenth supplemental trust indenture dated February 6, 2015, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series N 3.556% Debentures. See “Description of Debentures – Series N 3.556% Debentures”.
- (k) The fifteenth supplemental trust indenture dated August 30, 2016, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series O 2.987% Debentures. See “Description of Debentures – Series O 2.987% Debentures”.
- (l) The sixteenth supplemental trust indenture dated August 30, 2016, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series P 3.444% Debentures. See “Description of Debentures – Series P 3.444% Debentures”.
- (m) The seventeenth supplemental trust indenture dated March 21, 2017, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series Q 2.876% Debentures. See “Description of Debentures – Series Q 2.876% Debentures”.
- (n) The OneREIT Indenture, as supplemented by the first supplemental trust indenture dated October 4, 2017 between SmartCentres, OneREIT and BNY Trust Company of Canada, providing for the issuance of the 5.50% Convertible Debentures. See “Description of Debentures – 5.50% Convertible Debentures”.
- (o) The eighteenth supplemental trust indenture dated December 21, 2017, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series R Floating Rate Debentures. See “Description of Debentures – Series R Floating Rate Debentures”.

- (p) The nineteenth supplemental trust indenture dated December 21, 2017, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series S 3.834% Debentures. See “Description of Debentures – Series S 3.834% Debentures”.
- (q) The Governance and Investor Rights Agreement, providing for the establishment of certain committees and the grant of certain governance rights to the MG Entities.

INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP, Chartered Professional Accountants, the auditor of SmartCentres, is named as having prepared or certified a statement, report or valuation described or included in a filing made by SmartCentres under National Instrument 51-102 – *Continuous Disclosure Obligations* during, or relating to, SmartCentres’ most recently completed financial year. PricewaterhouseCoopers LLP has advised that they are independent with respect to SmartCentres within the meaning of the Rules of Professional Conduct of the Institute of the Chartered Professional Accountants Ontario.

AUDIT COMMITTEE

Audit Committee Charter

A copy of the charter of the Audit Committee is attached as Schedule A to this annual information form.

Audit Committee Composition

The Audit Committee consists of Garry Foster (chair), Jamie McVicar and Kevin Pshebniski. Each member of the Audit Committee is independent and financially literate, as such terms are defined in National Instrument 52-110 – *Audit Committees*.

Relevant Education and Experience

For a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee, see the biography of each member of the Audit Committee included in this annual information form under the heading “Management of SmartCentres – Trustees and Executive Officers of SmartCentres”.

Pre-Approval Policies and Procedures

The Audit Committee must pre-approve all non-audit services to be provided to SmartCentres or its subsidiary entities by its external auditors or the external auditors of SmartCentres’ subsidiary entities.

External Auditor Service Fees

The aggregate amounts paid or accrued by SmartCentres with respect to fees payable to PricewaterhouseCoopers LLP, the current external auditors for SmartCentres, for audit (including separate audits of subsidiary entities, financings and regulatory reporting requirements), audit-related, tax and other services in the fiscal years ended December 31, 2016 and 2017 were as follows:

	2016	2017
Audit fees ⁽¹⁾	\$423,150	\$442,810
Audit-related fees ⁽²⁾	\$375,550	\$355,120
Tax fees ⁽³⁾	\$461,928	\$488,658
All other fees ⁽⁴⁾	\$299,655	\$459,025
TOTAL	\$1,560,283	\$1,745,613

Notes:

- (1) "Audit fees" include the aggregate professional fees paid to the external auditors for the audit of the annual consolidated financial statements and other regulatory audits and filings.
- (2) "Audit-related fees" include the aggregate fees paid to the external auditors for services related to the audit services, including namely review of quarterly financial statements and management's discussion and analysis thereon, audit of property common area costs, advise on audit committee charter, consultations regarding financial reporting and accounting standards and French translations, including namely assistance with management information circulars and prospectuses, service related to underwriter's due diligence and assistance to legal counsel for applications for relief to securities commissions.
- (3) "Tax fees" include the aggregate fees paid to the external auditors for tax compliance, tax advice, tax planning and advisory services, including namely preparation of tax returns, deferred unit plan considerations and sales tax assistance.
- (4) "All other fees" include the aggregate fees paid to the external auditors for all other services other than those presented in the categories of audit fees, audit-related fees and tax fees.

The Audit Committee of SmartCentres considered and agreed that the above fees are compatible with maintaining the independence of SmartCentres' auditors. Further, the Audit Committee determined that, in order to ensure the continued independence of the auditors, only limited non-audit related services will be provided to SmartCentres by SmartCentres' external auditors and in such case, only with the prior approval of the Audit Committee.

ADDITIONAL INFORMATION

Additional information relating to SmartCentres may be found on SEDAR at www.sedar.com.

Additional information, including Trustees' and officers' remuneration and indebtedness, principal holders of SmartCentres' securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in SmartCentres' Information Circular for its most recent meeting of Unitholders which involved the election of Trustees.

Additional financial information is provided in SmartCentres' consolidated financial statements and management discussion and analysis for its most recently completed financial year.

SCHEDULE A
CHARTER OF THE AUDIT COMMITTEE

I. The Board of Trustees' Mandate for the Audit Committee

1. The Board of Trustees (the “**Board**”) bears responsibility for the stewardship of SmartCentres Real Estate Investment Trust (the “**Trust**”). To discharge that responsibility, the Board supervises the management of the business and affairs of the Trust. The Board’s supervisory function involves Board oversight or monitoring of all significant aspects of the management of the Trust’s business and affairs.

Financial reporting and disclosure by the Trust constitutes a significant aspect of the management of the Trust’s business and affairs.

The objective of the Board’s monitoring of the Trust’s financial reporting and disclosure (the “**Financial Reporting Objective**”) is to gain reasonable assurance of the following:

- (a) that the Trust complies with all applicable laws, regulations, rules, policies and other requirements of governments, regulatory agencies and stock exchanges relating to financial reporting and disclosure;
- (b) that the accounting principles, significant judgements and disclosures which underlie or are incorporated in the Trust’s financial statements are the most appropriate in the prevailing circumstances;
- (c) that the Trust’s quarterly and annual financial statements are accurate and present fairly the Trust’s financial position and performance in accordance with generally accepted accounting principles; and
- (d) that appropriate information concerning the financial position and performance of the Trust is disseminated to the public in a timely manner.

The Board is of the view that the Financial Reporting Objective cannot be reliably met unless the following activities (the “**Fundamental Activities**”) are conducted effectively:

- (a) the Trust’s accounting functions are performed in accordance with a system of internal financial controls designed to capture and record properly and accurately all of the Trust’s financial transactions;
- (b) the Trust’s internal financial controls are regularly assessed for effectiveness and efficiency;
- (c) the Trust’s quarterly and annual financial statements are properly prepared by management;
- (d) the Trust’s quarterly and annual financial statements are reported on by an external auditor appointed by the unitholders of the Trust; and
- (e) the financial components of the Trust’s Disclosure Policy are complied with by management and the Board.

To assist the Board in its monitoring of the Trust’s financial reporting and disclosure, the Board hereby acknowledges the existence of a committee of the Board known as the Audit Committee (the “**Committee**”), as established in the Declaration of Trust (the “**Declaration**”). The Committee shall develop for the Board’s approval a Charter which, amongst other things, will describe the activities in which the Committee will engage to operationalize the powers delegated to it in the Declaration, for the purpose of gaining reasonable assurance that the Fundamental Activities are being conducted effectively and that the Financial Reporting Objective is being met.

2. Composition of the Committee

- (a) The Committee shall be appointed annually by the Board and consist of not less than three (3) members from among the Trustees of the Trust, each of whom shall be an independent trustee and

free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her objective judgement as a member of the Committee. Officers of the Trust including the Chairman of the Board, may not serve as members of the Audit Committee.

- (b) The Board shall designate the Chairman of the Committee.

3. **Reliance on Experts**

In contributing to the Committee's discharging of its duties under this mandate, each member of the Committee shall be entitled to rely in good faith upon:

- (a) financial statements of the Trust represented to him or her, by an officer of the Trust or in a written report of the external auditors, to present fairly the financial position of the Trust in accordance with Canadian generally accepted accounting principles ("GAAP"); and
- (b) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

4. **Authority of the Committee**

The Committee shall have the authority:

- (a) to institute investigations of improprieties, or suspected improprieties, within the scope of its responsibilities,
- (b) to inspect any and all books and records of the Trust and affiliated entities,
- (c) to discuss with Trust personnel, any affected party and the external auditors, such accounts, records and other matters as any member of the Committee considers necessary and appropriate,
- (d) to engage independent counsel and other advisors as it determines necessary to carry out its duties, and
- (e) to access Trust resources including administrative support to assist in carrying out its duties.

5. **Limitations on Committee's Duties**

In contributing to the Committee's discharging of its duties under this mandate, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this mandate is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject. The essence of the Committee's duties is monitoring and reviewing to gain reasonable assurance (but not to ensure) that the Fundamental Activities are being conducted effectively and that the Financial Reporting Objective is being met and to enable the Committee to report thereon to the Board.

II. Audit Committee Charter

The Audit Committee's Charter outlines how the Committee will satisfy the requirements set forth by the Board in its mandate. This Charter comprises:

- Operating Principles;
- Operating Procedures; and
- Specific Responsibilities and Duties.

A. Operating Principles

The Committee shall fulfill its responsibilities within the context of the following principles:

1. **Values**

The Committee expects the management of the Trust to operate in compliance with the Trust's Code of Business Conduct and Ethics and other policies; with laws and regulations governing the Trust; and to maintain strong financial reporting and control processes.

2. **Communications**

The Chairman (and others on the Committee) expects to have direct, open and frank communications throughout the year with management, other Committee Chairmen, the external auditors and other key Committee advisors as applicable.

3. **Financial Literacy**

All Audit Committee Members should be sufficiently versed in financial matters to understand the Trust's accounting practices and policies and the major judgements involved in preparing the financial statements.

4. **Annual Audit Committee Work Plan**

The Committee, in consultation with management and the external auditors, shall develop an annual Audit Committee Work Plan responsive to the Committee's responsibilities as set out in this Charter. In addition, the Committee, in consultation with management and the external auditors, shall develop and participate in a process for review of important financial topics that have the potential to impact the Trust's financial disclosure.

5. **Meeting Agendas**

Committee meeting agendas shall be the responsibility of the Chairman of the Committee in consultation with Committee members, senior management and the external auditors.

6. **Committee Expectations and Information Needs**

The Committee shall communicate its expectations to management and the external auditors with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management and the external auditors at least two days in advance of meeting dates.

7. **External Resources**

To assist the Committee in discharging its responsibilities, the Committee may, in addition to the external auditors, at the expense of the Trust, retain one or more persons having special expertise.

8. **In Camera Meetings**

At a minimum of once per year, the members of the Committee shall meet in private session with the external auditors; with management; and with the Committee members only.

9. **Reporting to the Board**

The Committee, through its Chairman, shall report after each Committee meeting to the Board at the Board's next regular meeting.

10. **Committee Self Assessment**

The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its role and responsibilities.

11. **The External Auditors**

The Committee expects that, in discharging their responsibilities to the unitholders, the external auditors shall be accountable to the Board through the Audit Committee. The external auditors shall report all material issues or potentially material issues to the Committee.

B. Operating Procedures

1. The Committee shall meet at least four times annually, or more frequently as circumstances dictate. Meeting shall be held at the call of the Chairman, upon the request of any member of the Committee or at the request of the external auditors.
2. A quorum shall be a majority of the members. However, it shall be the practice of the Audit Committee to require review, and if necessary, approval of certain important matters by all members of the Audit Committee.
3. Unless the Committee otherwise specifies, the Secretary or Assistant Secretary of the Trust shall act as Secretary of all meetings of the Committee.
4. In the absence of the Chairman of the Committee, the members shall appoint an acting Chairman.
5. Questions arising at any meeting of the Committee shall be decided by a majority of the votes cast. In the case of an equality of votes, the Chairman of the meeting shall not have a second or casting vote in addition to his original vote, if any.
6. Any member may participate in a meeting of the Committee by means of a conference telephone or other communication equipment by means of which all persons participating in the meeting can hear each other and a member so participating shall be considered to be present in person at that meeting.
7. A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each director of the Trust in a timely fashion.
8. A written resolution of the Committee, signed by all of the members of the Committee, is valid as if it had been passed at a meeting of the Committee.

C. Specific Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Financial Reporting

1. review the Trust's annual and quarterly financial statements with management and the external auditors to gain reasonable assurance that the statements are accurate, complete, represent fairly the Trust's financial position and performance and are in accordance with GAAP and report thereon to the Board before such financial statements are approved by the Board;
2. review with management and the external auditors the financial statements of the Trust's significant subsidiaries;
3. receive from the external auditors reports on their review of the annual and quarterly financial statements;
4. receive from management a copy of the representation letter provided to the external auditors and receive from management any additional representations required by the Committee;
5. review and, if appropriate, recommend approval to the Board of news releases and reports to unitholders issued by the Trust with respect to the Trust's annual and quarterly financial statements;
6. be satisfied that adequate procedures are in place for the review of the Trust's public disclosure of financial information extracted or derived from the Trust's financial statements and must periodically assess the adequacy of those procedures;
7. review and if appropriate, recommend approval to the Board of prospectuses, business acquisition reports, material change disclosures of a financial nature, management discussion and analysis, annual information

forms and similar disclosure documents to be issued by the Trust;

8. review any correspondence that the Trust may receive from securities regulators or government agencies relating to financial reporting matters;
9. review the financial statement certification process;

Accounting Policies

1. review with management and the external auditors the appropriateness of the Trust's accounting policies, disclosures, key estimates and judgements, including changes or variations thereto;
2. obtain reasonable assurance that they are in compliance with GAAP; and report thereon to the Board;
3. review with management and the external auditors the degree of conservatism of the Trust's underlying accounting policies and key estimates and judgements;

Risk and Uncertainty

1. acknowledging that it is the responsibility of the Board, in consultation with management, to identify the principal business risks facing the Trust, determine the Trust's tolerance for risk and approve risk management policies, the Committee shall focus on financial risk and gain reasonable assurance that financial risk is being effectively managed or controlled by:
 - (a) reviewing with management the Trust's tolerance for financial risks;
 - (b) reviewing with management its assessment of the significant financial risks facing the Trust;
 - (c) reviewing with management the Trust's policies and any proposed changes thereto for managing those significant financial risks;
 - (d) reviewing with management its plans, processes and programs to manage and control such risks;
2. ascertain that policies and procedures are in place to minimize environmental, occupational health and safety and other risks to asset value and mitigate damage to or deterioration of asset value and review such policies and procedures periodically;
3. review policies and compliance therewith that require significant actual or potential liabilities, contingent or otherwise, to be reported to the Board in a timely fashion;
4. review interest rate risk mitigation strategies, including the use of derivative financial instruments;
5. review the adequacy of insurance coverages maintained by the Trust;
6. review regularly with management, the external auditors and the Trust's legal counsel, any legal claim or other contingency, including tax assessments, that could have a material effect upon the financial position or operating results of the Trust and the manner in which these matters have been disclosed in the financial statements;

Financial Controls and Control Deviations

1. review with management and in consultation with the external auditors the appropriateness and effectiveness of the Trust's internal controls, policies and business practices which impact the financial integrity of the Trust, including those relating to accounting, information systems, financial reporting, management reporting, insurance and risk management;
2. review the plans of the external auditors in regards to the evaluation and testing of internal financial controls;
3. receive regular reports from management, the external auditors and its legal department on all significant deviations or indications/detection of fraud and the corrective activity undertaken in respect thereto;
4. periodically review with management the need for an internal audit function;

Compliance with Laws and Regulations

1. review regular reports from management and others (e.g. external auditors) with respect to the Trust's compliance with laws and regulations having a material impact on the financial statements including:
 - (a) tax and financial reporting laws and regulations
 - (b) legal withholding requirements
 - (c) environmental protection laws and regulations
 - (d) other laws and regulations which expose directors to liability;
2. review the status of the Trust's tax returns and those of its subsidiaries;

Relationship with External Auditors

1. recommend to the Board the nomination of the external auditors or the discharge of the external auditor when circumstances are warranted;
2. approve the remuneration and the terms of engagement of the external auditors as set forth in the Engagement Letter;
3. when there is to be a change of external auditors, review all issues and provide documentation related to the change, as specified by the relevant securities commissions in Canada and the planned steps for an orderly transition period;
4. review the performance of the external auditors annually or more frequently as required;
5. receive annually from the external auditors an acknowledgement in writing that the unitholders, as represented by the Board and the Committee, are their primary client;
6. pre-approve all non-audit services to be provided to the Trust or its subsidiary entities by its external auditors or the external auditors of the Trust's subsidiary entities. The Audit Committee may satisfy the pre-approval requirement if:
 - (a) the aggregate amount of all the non-audit services that were not pre-approved constitutes no more than five per cent of the total amount of revenues paid by the Trust to its external auditors during the fiscal year in which the services are provided;
 - (b) the services were not recognized by the Trust at the time of the engagement to be non-audit services; and
 - (c) the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee;
7. receive a report annually from the external auditors with respect to their independence, such report to include a disclosure of all engagements (and fees related thereto) for non-audit services provided to the Trust;
8. review with the external auditors the scope of the audit, the areas of special emphasis to be addressed in the audit and the materiality levels which the external auditors propose to employ;
9. meet at a minimum of once per year with the external auditors in the absence of management to determine, *inter alia*, that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditors or the reporting of their findings to the Committee and that there was no disagreement with management on a significant accounting issue;
10. establish effective communication processes with management and the Trust's external auditors to assist the Committee to monitor objectively the quality and effectiveness of the relationship among the external auditors, management and the Committee;

Other Responsibilities

1. periodically review the form, content and level of detail of financial reports to the Board;
2. approve annually the reasonableness of the expenses of the Chairman of the Board and the Chief Executive Officer;
3. after consultation with the Chief Financial Officer and the external auditors, gain reasonable assurance, at least annually, of the quality and sufficiency of the Trust's accounting and financial personnel and other resources;
4. review in advance the appointment of the Trust's senior financial executives;
5. establish procedures for the receipt, retention and treatment of complaints and concerns of employees, unitholders and members of the public received by the Trust regarding accounting, internal accounting controls, or auditing matters;
6. investigate any matters that, in the Committee's discretion, fall within the Committee's duties;
7. review reports from the external auditors, and/or other Committee Chairmen on their review of compliance with the Trust's Code of Business Conduct and Ethics;
8. review and approve the Trust's hiring policies regarding partners, employees and former partners and employees of the present or former external auditor of the Trust;
9. enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Committee;
10. review any significant transactions outside of the Trust's ordinary course of business;
11. perform such other functions as may from time to time be assigned to the Committee by the Board;

Accountability

1. review and update this Charter on a regular basis for approval by the Board; and
2. review the description of the Committee's activities as set forth in the Declaration of Trust.