

SMARTCENTRES REAL ESTATE INVESTMENT TRUST

FIFTH AMENDED AND RESTATED DEFERRED UNIT PLAN

ARTICLE 1

INTERPRETATION; ADMINISTRATION; RESERVED UNITS

1.01 Purpose

The purpose of the Deferred Unit Plan (the “**Plan**”) of SmartCentres Real Estate Investment Trust (the “**Trust**”) is to promote a greater alignment of interests between the trustees, officers and employees of the Trust and/or its subsidiaries and the unitholders of the Trust.

1.02 Definitions

The following terms used in this Plan have the meanings set out below:

- (a) “**Affiliate**” of any Person (in this definition, such Person being referred to as the “**Subject Person**”) means a Person which, directly or indirectly, is Controlled by the Subject Person, or Controls the Subject Person, or is Controlled by a Person which also Controls the Subject Person;
- (b) “**Annual Board Retainer**” means the annual retainer paid by the Trust to a Trustee for service in a calendar year on the Board, together with Board committee fees, attendance fees and additional fees and retainers to committee chairs in respect of the same calendar year;
- (c) “**Annual Bonus**” means the annual bonus paid by the Trust to an officer or employee for service in a calendar year;
- (d) “**Annual Participation Cap**” in respect of a calendar year means any limit on the Elected Amount applicable to a Participant or a category of Participants in effect as determined by the Compensation Committee by December 31 of the immediately preceding calendar year or by the Board during such calendar year (which determination, in either case, for greater certainty, shall remain in effect in respect of each subsequent calendar year unless the Compensation Committee makes a further determination on or before December 31 of the preceding calendar year or the Board makes a further determination during such calendar year), and unless otherwise determined by the Compensation Committee or the Board in accordance with the foregoing, commencing the calendar year beginning January 1, 2018 means:
 - (i) in respect of a Participant that is (A) a Senior Officer, or (B) a Trustee, 100% of such Participant’s Annual Bonus or Annual Board Retainer, as applicable;
 - (ii) in respect of a Participant, other than a Senior Officer, holding the title of vice-president, senior vice-president or executive vice-president of a Trust Entity, 50% of such Participant’s Annual Bonus;
 - (iii) in respect of a Participant holding the title of senior director or director of a Trust Entity, 25% of such Participant’s Annual Bonus; and
 - (iv) in respect of a Participant other than a Participant mentioned in Sections 1(d)(i), 1(d)(ii) or 1(d)(iii), 0% of such Participant’s Annual Bonus.

- (e) “**Applicable Withholding Taxes**” means any and all taxes and other source deductions or other amounts which the Trust is required by law to withhold from any amounts to be paid or credited under the Plan;
- (f) “**Award Date**” means:
 - (i) for Senior Officers, the date during the year on which the Board or Compensation Committee approves their Annual Bonus;
 - (ii) for Board members, the date during the year on which the Annual Board Retainer is awarded; and
 - (iii) for all other Participants, the date during the year on which their Annual Bonus is approved by the President and/or Chief Executive Officer.
- (g) “**Beneficiary**” means a Person who, on the date of a Participant’s death, is the Person who has been designated in writing by the Participant as the Participant’s beneficiary for purposes of the Plan in accordance with Section 3.09, or where such designation has not been made or where the Person designated is an individual and does not survive the Participant, the Participant’s estate or legal representative;
- (h) “**Board**” means the Board of Trustees of the Trust;
- (i) “**business combination**” has the meaning set out in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (including any deeming or other interpretative provisions therein but without giving effect to the exception in subsection (e) of such definition) applied where necessary, mutatis mutandis, to the extent such business combination involves a trust or any other non-corporate Person;
- (j) “**Cash Units**” has the meaning ascribed thereto in Section 9.04 of the Plan;
- (k) “**Change of Control**” means any of the following events:
 - (i) any acquisition by any Person or group (other than any MG Entities) (such person or group, an “**Acquiror**”) of beneficial ownership of, or control over, Voting Securities or Convertible Securities, as a result of which that Acquiror, together with its Affiliates or any other Person acting jointly or in concert with the Acquiror, beneficially own: (A) not less than 50% of the Voting Securities; or (B) securities which would entitle the holders thereof to cast not less than 50% of the votes which may be cast to elect Trustees of the Trust (a “**Control Acquisition**”);
 - (ii) Incumbent Trustees no longer constituting a majority of the Board (a “**Board Majority Change**”);
 - (iii) (A) a combination, amalgamation, merger or arrangement of the Trust or any of its material subsidiaries with or into any other Person (other than an internal reorganization involving only the Trust and/or one or more of its subsidiaries) or any other business combination of the Trust; (B) any termination, or plan for the liquidation, of the Trust; or (C) any sale, transfer or disposition of all or substantially all of the assets of the Trust (including by way of a sale, transfer or disposition of the equity or assets of one or more its subsidiaries), (a “**Trust Reorganization**”) in each case if the MG Entities voted against, or, if not the

subject of a Unitholder vote, did not provide written consent to, such Trust Reorganization; or

- (iv) any determination by a majority of the Board that a Change of Control has occurred or is about to occur, and any such determination shall be binding and conclusive for all purposes of the Plan;

A Change of Control shall be deemed to have occurred at 12:01 a.m. (Toronto time) on the earliest of (A) the day on which a Control Acquisition is consummated, (B) the day on which a Trust Reorganization is consummated, and (C) the day on which a Board Majority Change occurs;

- (l) **“Compensation Committee”** means the Corporate Governance and Compensation Committee of the Board;
- (m) **“Control”** for purposes of this Plan is determined based on the following:
 - (i) to control a corporation, a Person must: (A) directly or indirectly beneficially hold (other than by way of security only) securities of such corporation or the right to vote or direct the voting of securities of such corporation to which, in the aggregate, are attached more than 50% of the votes that may be cast to elect directors of the corporation, provided that in all circumstances the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the corporation; or (B) have the power to control and direct in all circumstances the management and policies of such corporation, directly or indirectly, whether through the ownership or control of voting securities, voting rights, contract or otherwise;
 - (ii) to control a partnership other than a limited partnership, a Person must: (i) directly or indirectly beneficially hold (other than by way of security only) more than 50% of the partnership interests in such partnership; or (ii) have the power to control and direct in all circumstances the management and policies of such partnership, directly or indirectly, whether through the ownership or control of voting interests of the partnership, contract or otherwise;
 - (iii) to control a limited partnership, a Person must: (A) directly or indirectly beneficially hold (other than by way of security only) securities of the general partner of such limited partnership or the right to vote or direct the voting of securities of such general partner to which, in the aggregate, are attached more than 50% of the votes that may be cast to elect directors of the general partner, provided that in all circumstances the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of such general partner; or (B) have the power to control and direct all circumstances the management and policies of such general partner, directly or indirectly, whether through the ownership and control of voting securities, voting rights, contract or otherwise;

- (iv) to control a trust where the trustees have discretionary powers in respect of the trust assets, a Person must directly or indirectly have the right to elect or appoint a majority of the trustees of such trust;
 - (v) to control a Person, other than a corporation, partnership or trust referred to in any of clauses (i) to (iv) above, and who is not an individual (in this definition, such Person being referred to as the “**Subject Person**”), a Person must: (i) directly or indirectly beneficially own more than 50% of the ownership interests in the Subject Person; or (ii) have the power to control and to direct in all circumstances the management and policies of the Subject Person, directly or indirectly, whether through the ownership or control of voting securities, voting rights, contract or otherwise; and
 - (vi) a Person who controls another Person is deemed to control any Person which is controlled, or deemed to be controlled, by such other Person.
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- (n) “**Convertible Securities**” means securities that are exchangeable for, or convertible into, or carry the right to acquire, in each case whether or not on conditions, Voting Securities of the Trust;
 - (o) “**Declaration of Trust**” means the Trust’s Fourteenth Amended and Restated Declaration of Trust dated December 9, 2020, as the same may be amended or amended and restated from time to time;
 - (p) “**Deferred Unit**” means a bookkeeping entry, equivalent in value to a Unit, credited to a Participant’s Deferred Unit Account in accordance with the terms and conditions of the Plan;
 - (q) “**Deferred Unit Account**” has the meaning ascribed in Section 7.03 of the Plan;
 - (r) “**Elected Amount**” has the meaning ascribed thereto in Section 5.01 of the Plan;
 - (s) “**Election Date**” means the date on which the Eligible Person files an Election Notice in accordance with Section 5.02 of the Plan;
 - (t) “**Election Notice**” has the meaning ascribed thereto in Section 5.02 of the Plan;
 - (u) “**Eligible Person**” means a Person who is, on the applicable Election Date, (i) a trustee of the Trust, or (ii) an officer or employee of a Trust Entity;
 - (v) “**Hold Period**” means, for any Senior Officer, the period of twelve months from the Termination Date of the Senior Officer or the duration of any non-competition obligation of the Senior Officer to any Trust Entity set out in the Senior Officer’s written employment agreement with a Trust Entity if the duration of such obligation is longer than twelve months;
 - (w) “**Incumbent Trustee**” means, as of any date of determination, any Trustee serving on the Board (i) who was a Trustee on the effective date of this amendment and restatement of the Plan, or (ii) any successor to an Incumbent Trustee who was (A) nominated for election or elected to succeed any Incumbent Trustee by the affirmative vote of the Board, including a majority of the Incumbent Trustees then on the Board immediately prior to such

nomination or election, or (B) appointed by the MG Entities pursuant to the appointment rights set out in the Declaration of Trust ;

- (x) “**Market Value**” at any date in respect of the Units means the volume weighted average price of all Units traded on the Toronto Stock Exchange (or, if such Units are not listed and posted for trading on the Toronto Stock Exchange, on such stock exchange on which such Units are listed and posted for trading as may be selected for such purpose by the Trustees) for the ten trading days immediately preceding:
 - (i) in the case of a grant of Deferred Units pursuant to Section 7.01, January 1 of the year of grant;
 - (ii) in the case of the crediting of additional Deferred Units as distribution equivalents pursuant to Section 7.04, the distribution payment date; and
 - (iii) in the case of the redemption of Deferred Units for cash pursuant to Section 9.04(a), the Redemption Date.

provided that in the event that Units are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of such Units as determined by the Board in its sole discretion;

- (y) “**Matching Deferred Units**” has the meaning ascribed thereto in Section 7.02 of the Plan;
- (z) “**MG Entities**” has the meaning ascribed to such term in the Declaration of Trust;
- (aa) “**Non-Employee Trustee**” means a Trustee who is not also an officer or employee of a Trust Entity;
- (bb) “**Participant**” means an individual who becomes a participant in the Plan in accordance with Article 5 of the Plan;
- (cc) “**Person**” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, fund, organization or other group of organized persons, government, government regulatory authority, governmental department, agency, commission, board, tribunal, dispute settlement panel or body, bureau, court, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;
- (dd) “**Redemption Date**” has the meaning ascribed thereto in Section 9.03 of the Plan;
- (ee) “**Retirement**”, with respect to any officer or employee of a Trust Entity, has the meaning set out in the written employment agreement between the Participant and a Trust Entity, or if there is no such agreement with the Participant or such term is not defined in such agreement, means the resignation from employment with the Trust and its Subsidiaries where:
 - (i) the Participant has attained: (i) age sixty-five (65), or reaches age sixty (60) with at least 10 (ten) years of service, or fifty-five (55) with at least fifteen (15) years of service; or (ii) such lesser age and/or service thresholds as the Compensation Committee may determine;

- (ii) the Participant has given the Trust Entity employing the Participant formal notice of their intention to retire at least six (6) months in advance, or such lesser advance notice as the Compensation Committee may approve in its discretion;
- (iii) for the duration of the Hold Period, the Senior Officer does not become an employee, independent contractor, consultant, partner, director, trustee, investor in or lender to a business engaged in the business of owning, developing or managing retail properties, office space and/or residential properties in Canada (other than an investment of up to 2% of the listed securities of an entity listed on a stock exchange); provided that this clause (iii) shall not apply to Mitch Goldhar; and
- (iv) for the duration of the Hold Period, the Senior Officer is not employed on a full-time basis for total annual cash compensation (consisting of base salary, commissions, and annual incentive compensation) calculated on an annualized basis in excess of 60% of the Senior Officer's actual total annual cash compensation from the Trust Entities during the 12 months prior to retirement;
- (ff) “**Senior Officer**” means at any time an executive officer of the Trust Entities who prior to the start of the calendar year was also a reporting insider under National Instrument 55-104 *Insider Reporting* or who was designated as being a Senior Officer for purposes of this Plan by the Chief Executive Officer;
- (gg) “**Subsidiary**” means any corporation or other entity which is a subsidiary of the Trust within the meaning of Section 4 of the *Securities Act* (Alberta);
- (hh) “**Termination Date**” means:
 - (i) in the case of a Non-Employee Trustee, the date the Trustee ceased to be a Trustee;
 - (ii) in the case of a Trustee who is also an officer or employee of a Trust Entity, the later of (i) the date the Participant ceased to be a Trustee and (ii) the later of the Participant's last day of actual and active employment and the last day of the minimum statutory notice period applicable to the Participant pursuant to applicable employment standards legislation, if any; and
 - (iii) in the case of any other Participant, the date designated by the Trust Entity(ies) employing the Participant, as being the date the Participant ceased employment, provided that such date shall be the later of the Participant's last day of actual and active employment and the last day of the minimum statutory notice period applicable to the Participant pursuant to applicable employment standards legislation, if any;

provided that, in the case of resignation by the Participant, such date shall not be earlier than the date notice of resignation was given, and “Termination Date” specifically does not mean the date on which any applicable period of reasonable notice or contractual notice that a Trust Entity may be required at common law, civil law or pursuant to contract to provide to the Participant expires, and, for greater certainty, where a Participant dies while employed by or providing services to the Trust Entities, the date of death shall be the Termination Date;

- (ii) “**Trust Entity**” means the Trust or a Subsidiary individually, and “**Trust Entities**” means the Trust and all Subsidiaries collectively;

- (jj) “**Trustee**” means a trustee of the Trust;
- (kk) “**Unit**” means a variable voting unit of the Trust, each such unit representing an equal undivided beneficial interest therein, and any such other Unit as is added thereto or substituted therefore as a result of amendments to the Declaration of Trust, a reorganization, or otherwise;
- (ll) “**Unitholder**” means a holder of Units; and
- (mm) “**Voting Securities**” means securities that carry the right to vote for Trustees of the Trust and, for greater certainty, include Units and Special Voting Units (as defined in the Declaration of Trust).

ARTICLE 2 CONSTRUCTION AND INTERPRETATION

- 2.01** The effective date of the Plan is January 1, 2004, and this fifth amended and restated version is amended and restated as of ●, 2021.
- 2.02** All references in the Plan to currency refer to lawful currency of Canada.
- 2.03** The Plan shall be governed and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.
- 2.04** If any provision of the Plan or part hereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof.
- 2.05** In the Plan, references to the masculine include the feminine; reference to the singular shall include the plural and vice versa, as the context shall require.
- 2.06** Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained.

ARTICLE 3 ADMINISTRATION

- 3.01** The Plan shall be administered by the Compensation Committee.
- 3.02** The Compensation Committee is authorized, subject to the provisions of the Plan, to establish such rules and regulations as it deems necessary for the proper administration of the Plan, and to make determinations and take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or action made or taken pursuant to the Plan, including interpretation of the Plan, shall be final and conclusive for all purposes and binding on all parties, absent manifest error.
- 3.03** The Trust will be responsible for all costs relating to the administration of the Plan.
- 3.04** Subject to applicable approvals and the provisions set out below, the Board may amend, suspend or terminate the Plan or any provision hereof at any time, provided, however, that such amendment,

suspension or termination may not materially adversely affect the rights already accrued under the Plan by a Participant, without the consent of the Participant.

3.05 Unitholder approval is not required for any amendment to this Plan except for any amendment or modification that:

- (a) increases the number of Units reserved for issuance under this Plan;
- (b) increases the percentage of the Participant's Annual Board Retainer or Annual Bonus that a Participant may elect to receive in the form of Deferred Units beyond 100% of such Annual Board Retainer or Annual Bonus as the case may be (provided that this Plan may be amended without Unitholder approval to allow up to 100% of other forms of trustee, officer and employee cash compensation for services rendered to the Trust, including but not limited to salaries, to be received in the form of Deferred Units);
- (c) increases the percentage of the Elected Amount to be matched by the Trust beyond 100% of the Elected Amount;
- (d) extends eligibility to participate in this Plan to Persons not currently eligible to participate;
- (e) permits entitlements under this Plan be transferred other than for normal estate settlement purposes;
- (f) permits awards, other than those entitlements specifically contemplated in this Plan, to be made under this Plan;
- (g) increases or removes the 10% limits on Units reserved for issuance to or issued to insiders under Section 10.01 of the Plan; and
- (h) deletes or removes the range of amendments which require approval of Unitholders under this Section 3.05.

3.06 If the Board terminates the Plan, Deferred Units previously credited to Participants shall remain outstanding and in effect and be settled subject to and in accordance with the applicable terms and conditions of the Plan in effect immediately prior to the termination.

3.07 Unless otherwise determined by the Board, the Plan shall remain an unfunded obligation of the Trust and the rights of Participants under the Plan shall be general unsecured obligations of the Trust.

3.08 The issue of Units under this Plan is subject to the condition that arrangements shall have been made which are satisfactory to the Trust in its sole discretion for the satisfaction of any Applicable Withholding Taxes. The Trust shall be authorized to deduct from any amount to be paid or credited under this Plan and from any other remuneration or amount payable by a Trust Entity to the Participant any Applicable Withholding Taxes in such manner as the Trust determines or can require the sale of a number of Units issued upon redemption of Deferred Units and the remittance to the Trust of the net proceeds from such sale sufficient to satisfy Applicable Withholding Taxes.

3.09 A Participant may designate or change a beneficiary for purposes of the Plan by giving to the Senior Vice President Human Resources and Corporate Services of the Trust a notice in writing substantially in the form attached as Schedule C or in such other form as the Compensation Committee may approve from time to time (a "**Beneficiary Designation Form**"). Any such notice will not be effective until

it is received by the Senior Vice President Human Resources and Corporate Services of the Trust and will not be effective if received after the Participant's death.

ARTICLE 4 ELIGIBILITY

4.01 The participation in the Plan by each Eligible Person is voluntary.

4.02 Nothing herein contained shall be deemed to give any Person the right to be retained as a trustee, officer or employee of a Trust Entity.

ARTICLE 5 ELECTION

5.01 Each Eligible Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 5.02 to be a Participant. Eligible Persons who elect to be Participants shall be paid such amount as set out in their Election Notice (the "**Elected Amount**"), which shall not exceed their Annual Participation Cap, in the form of Deferred Units in lieu of cash, provided that the Trust shall match the Elected Amount for each Participant such that the number of Deferred Units issued to each Participant shall be equal in value to two times the Elected Amount.

5.02 Each Eligible Person who elects to be a Participant will be required to file a notice of election in the form of Schedule A hereto (the "**Election Notice**") with the Senior Vice President Human Resources and Corporate Services of the Trust: (i) in the case of an existing Trustee or existing officer or employee of a Trust Entity, by December 31st of the year immediately preceding the year to which such election is to apply; and (ii) in the case of a newly appointed Trustee or newly appointed officer or employee of a Trust Entity, within thirty (30) days of such appointment or employment. An Election Notice filed in accordance with this Section 5.02 shall continue in effect until changed by delivery of a new Election Notice in the same manner. For greater certainty, any Election Notice or change to an Election Notice will not be effective until the calendar year following the year in which it is filed in accordance with this Section 5.02. If no Election Notice is filed within the foregoing time frames, the Eligible Person shall be deemed to have elected to be paid his Annual Board Retainer or Annual Bonus, as applicable, in cash.

5.03 Any Deferred Units granted under the Plan prior to the election shall remain in the Plan and will be redeemable only in accordance with the terms of the Plan.

ARTICLE 6 DEFERRED UNITS

6.01 Under no circumstances shall Deferred Units be considered Units nor entitle a Participant to any Unitholder rights, including, without limitation, voting rights, distribution entitlements (other than in accordance herewith) or rights on liquidation.

6.02 One (1) Deferred Unit is equivalent to one (1) Unit. Fractional Deferred Units are permitted under the Plan.

6.03 Generally-speaking, Deferred Units other than Matching Deferred Units and Deferred Units received as distribution equivalents pursuant to Section 7.04, shall be granted by the Compensation Committee following determination of and based upon the amount of Distributable Income (as defined in the Declaration of Trust), or such other financial benchmark as determined by the Board, for the preceding financial year of the Trust. Deferred Units (other than Matching Deferred Units and Deferred Units received

as distribution equivalents on such Matching Deferred Units pursuant to Section 7.04), are fully vested when granted.

6.04 Subject to Section 9.01, Matching Deferred Units granted to Participants (other than Non-employee Trustees) pursuant to the Plan shall vest in accordance with the following schedule:

- (a) 50% of the Matching Deferred Units on the earlier of (1) the third anniversary of the Award Date and (2) February 27 of the third year following the Award Date (or if such day is not a business day, the immediately preceding business day);
- (b) 25% of the Matching Deferred Units on the earlier of (1) the fourth anniversary of the Award Date and (2) February 27 of the fourth year following the Award Date (or if such day is not a business day, the immediately preceding business day);
- (c) 25% of the Matching Deferred Units on the earlier of (1) the fifth anniversary of the Award Date and (2) February 27 of the fifth year following the Award Date (or if such day is not a business day, the immediately preceding business day)

provided, however, that in the event of any Change of Control, any unvested Matching Deferred Units shall vest upon the earlier of (i) the next applicable vesting date determined in accordance with the above provisions and (ii) the date which is immediately prior to the date upon which the Change of Control is completed, and Matching Deferred Units granted to Non-Employee Trustees vest immediately upon grant.

For Matching Deferred Units that have not yet vested, the vesting of such Matching Deferred Units is conditional upon the Participant not redeeming the underlying Deferred Units to which such Matching Deferred Units relate prior to the applicable anniversary of the Award Date. If, after giving effect to redemptions of Deferred Units in the order set out in Section 9.03, Deferred Units of any grant are redeemed by the Participant prior to the vesting of related Matching Deferred Units, then the Participant will forfeit one unvested Matching Deferred Unit for each such redeemed Deferred Unit.

Notwithstanding the foregoing or anything else herein contained, the Board shall have the discretion to vary the manner in which the Matching Deferred Units (and additional Deferred Units granted as distribution equivalents on such Matching Deferred Units) vest for any Participant or group of Participants; provided that if such variation is unfavourable to such Participants:

- (a) any such variation shall apply only with respect to Deferred Units not yet credited to a Participant's Deferred Unit Account; and
- (b) the affected Participants must be notified of such change in writing no later than (1) November 30th of the year immediately preceding the year to which an election is to apply in the case of any Eligible Person serving as a Trustee or an officer or employee of a Trust Entity on such date and (2) within the five (5) days of the appointment or commencement of employment of any Eligible Person who first became an Eligible Person after such date.

ARTICLE 7 DEFERRED UNIT GRANTS AND ACCOUNTS

7.01 The number of Deferred Units (including fractional Deferred Units) granted to any Participant in lieu of Annual Bonus or Annual Board Retainer on any Award Date pursuant to this Plan will be calculated by dividing (i) the dollar amount of the Elected Amount, as applicable, allocated to the Participant by (ii) the Market Value of a Unit on January 1 of the year of grant or on such later date as the Board may specify. If the Board has failed to make a determination by February 27 of any year respecting the amount of the Annual Bonus for one or more Participants for the most recently completed year, or the

granting of Deferred Units in lieu of Annual Bonus is otherwise delayed, then the Annual Bonus for such Participants will be grossed up by the amount necessary so that the number of Deferred Units received on the Award Date is equal to the number of Deferred Units the Participant would have held on the Award Date if the Board had determined the Annual Bonus and granted Deferred Units in lieu of the Annual Bonus on February 27 and distribution equivalents had been received on such Deferred Units as contemplated in Section 7.04.

7.02 On the same Award Date as Deferred Units are granted to a Participant, an equal number of Deferred Units will be granted to the Participant as a matching grant (“**Matching Deferred Units**”).

7.03 An account, to be known as a “**Deferred Unit Account**” shall be maintained by the Trust for each Participant and will be credited with notional grants of Deferred Units received by a Participant from time to time.

7.04 Whenever cash distributions are paid on the Units, additional Deferred Units will be credited to the Participant’s Deferred Unit Account as distribution equivalents. The number of such additional Deferred Units shall be calculated by dividing (i) the amount determined by multiplying (a) the number of Deferred Units in such Participant’s Deferred Unit Account on the record date for the payment of such distribution by (b) the distribution paid per Unit, by (ii) a percentage of the Market Value of a Unit on the distribution payment date for such distribution, with such percentage to correspond to the percentage applied to the market price of Units for purposes of the distribution reinvestment plan of the Trust then in effect (or, if no distribution reinvestment plan of the Trust is then in effect, the last distribution reinvestment plan of the Trust that was in effect), in each case, with fractions computed to two decimal places. Such additional Deferred Units granted as distribution equivalents shall vest in the same manner in proportion to the underlying Deferred Units to which they relate.

ARTICLE 8 ADJUSTMENTS

8.01 In the event of any division of Units, Unit split, combinations or exchange of Units, merger, consolidation, spin-off or other distribution (other than normal cash distributions) of the Trust’s assets to the Unitholders, or any other change affecting the Units, the Deferred Unit Account of each Participant and the Deferred Units outstanding under the Plan shall be adjusted in such manner, if any, as the Compensation Committee may in its discretion deem appropriate to reflect the event. However, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Deferred Units will be granted to such Participant to compensate for a downward fluctuation in the price of the Units, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

ARTICLE 9 REDEMPTION OF DEFERRED UNITS

9.01 Except in the circumstances specified in (a), (b) and (c) below, if the Participant (other than a Non-Employee Trustee) ceases to be an officer or employee of a Trust Entity for any reason (including if an officer or employee who is also a Trustee becomes a Non-Employee Trustee), the unvested Deferred Units credited to the Participant’s Deferred Unit Account as of the Termination Date shall vest immediately on such Termination Date and be redeemable by the Participant (or, where the Participant has died, his or her Beneficiary), unless otherwise provided for in the Participant’s written employment agreement with a Trust Entity.

- (a) There shall be no impact on a Participant or the Participant’s Deferred Units if the Participant ceases to be an officer or employee of a Trust Entity but contemporaneously commences service as an officer or employee of another Trust Entity.

- (b) In the event a Senior Officer ceases to be an officer or employee of a Trust Entity due to the Senior Officer's Retirement, all Deferred Units which were unvested on the Termination Date shall, subject to Section 9.02, vest on the expiry of the Hold Period and be redeemable by the Senior Officer after the Hold Period.
- (c) In the event the Participant ceases to be an officer or employee of a Trust Entity due to (1) termination for cause or (2) the Participant resigning (other than pursuant to Retirement), all unvested Deferred Units credited to the Participant's Deferred Unit Account shall be forfeited and cancelled as of the Termination Date.

9.02 Notwithstanding anything to the contrary contained in this Plan, redemption by a Senior Officer who ceases to be an officer or employee of a Trust Entity due to the Senior Officer's Retirement of Deferred Units which are unvested on the date of Retirement is subject, during the Hold Period, to the condition that (i) if there is written employment agreement between the Senior Officer and a Trust Entity and such agreement contains obligations not to compete with the Trust Entities, the Senior Officer be in compliance with such non-competition obligations and (ii) if there is no such written employment agreement or such written employment agreement does not contain non-competition obligations, the Senior Officer not be an employee, independent contractor, consultant, partner, director, trustee, investor in or lender to a business engaged in the business of owning, developing or managing retail properties, office space and/or residential properties in Canada (other than an investment of up to 2% of the listed securities of an entity listed on a stock exchange). In the event the Senior Officer ceases to be in compliance with the Senior Officer's obligations in (i) or (ii) above, the Senior Officer shall immediately cease to be entitled to redeem any unvested Deferred Units under the Plan and all unvested Deferred Units then held by the Senior Officer shall be immediately forfeited and cancelled. This Section 9.02 shall not apply to Mitch Goldhar.

9.03 The Deferred Units credited to a Participant's Deferred Unit Account that have vested may be redeemable in whole or in part on the date in which the Participant files a written notice of redemption in the form of Schedule B hereto with the Chief Financial Officer of the Trust (the "**Redemption Date**"). A Participant who is no longer an Eligible Person is not required to redeem any vested Deferred Units and has the same rights and privileges in respect of such Deferred Units as if the Participant continues to be an Eligible Person. For purposes only of determining to which grants of Deferred Units such redemption relates, redeemed Deferred Units shall be deemed to have been redeemed (a) first, from vested Matching Deferred Units and distribution equivalents credited in respect of such vested Matching Deferred Units and (b) second, from Deferred Units granted to any Participant in lieu of Annual Bonus or Annual Board Retainer and distribution equivalents credited in respect of such Deferred Units, in each case, on a first in, first out basis.

9.04 Subject to the provisions of the Plan, and the receipt by The Canadian Depository for Securities Limited of the Participant's brokerage account information from his or her securities broker, the Trust shall issue to the Participant, within five (5) business days after the Redemption Date, a whole number of Units from the Trust equal to the whole number of Deferred Units then recorded in the Participant's Deferred Unit Account which are to be redeemed, provided the Participant has satisfied payment of any Applicable Withholding Taxes. Alternatively, a Participant may specify in the Participant's written notice of redemption that the Participant wishes to receive cash in respect of some or all of a whole number of the Deferred Units to be redeemed (the "**Cash Units**"), in which event the Trust will, at its election (a) pay to the Participant within five (5) business days after the Redemption Date an amount equal to the Market Value multiplied by the number of Cash Units, less any Applicable Withholding Taxes, in full satisfaction of the surrender by the Participant of all rights of the Participant to acquire Units pursuant to the Cash Units, or (b) issue such number of Units to the Participant as is equal to the number of Cash Units within five (5) Business Days after the Redemption Date, arrange to sell as soon as practical for and on behalf of the Participant such Units and pay to the Participant the proceeds from such sale, less any Applicable Withholding Taxes. It may take some time to effect such sale and the price at which such Units are sold may be higher or lower than the trading price of the Units on the date the Participant gave written notice of

redemption. The Participant is solely responsible for the risk of, and solely entitled to any benefit from, fluctuations in the trading price of Units, regardless of the time taken to issue Units upon redemption of Deferred Units and, if applicable, to sell Units for and on behalf of the Participant. In the event the Trust satisfies the Cash Units in accordance with (a) above, the full number of Units underlying such Cash Units will be deducted from the number of Units authorized for issuance from the Trust.

9.05 The sale or disposition of Units is subject to compliance with the Trust's Insider Trading Policy. Any Participant who may be an "insider" or "in a special relationship" under such policy may not sell Units acquired under the Plan on a date, or provide a notice of redemption specifying a Redemption Date, which falls within a period in which trading in Units is restricted under such policy.

9.06 Following the receipt of such number of whole Units by the Participant from the Trust in accordance with Section 9.04, no fractional Units will be issued to the Participant by the Trust, and the Participant will have no right to receive any fractional Units, with respect to any fractional Deferred Units remaining standing in the Participant's Deferred Unit Account. For greater certainty, a Participant shall only have the right to receive whole Units and no cash payment or other adjustment will be made with respect to any fractional Deferred Units so disregarded.

9.07 Upon redemption of Deferred Units pursuant to Section 9.03 of the Plan, the redeemed Deferred Units shall be cancelled.

ARTICLE 10 NUMBER OF UNITS

10.01 The aggregate number of Units authorized for issuance upon redemption of all Deferred Units granted under the Plan, subject to any adjustment of such number pursuant to the provisions of Article 8 hereof, shall not exceed 4,000,000 Units or such greater number of Units as may be determined by the Board and approved by the Unitholders and, if required, by any relevant stock exchange or other regulatory authority; provided, however, that (i) at no time shall the number of Units issuable to insiders of the Trust pursuant to outstanding Deferred Units, together with the number of Units issuable to such Persons pursuant to any other security based compensation arrangements of the Trust, exceed 10% of the then outstanding Units, as calculated immediately prior to the issuance in question; and (ii) the number of Units issued to insiders of the Trust pursuant to outstanding Deferred Units together with the number of Units issued to such Persons pursuant to any other security based compensation arrangements of the Trust, within any one year period, shall not exceed 10% of the then outstanding Units.

ARTICLE 11 ASSIGNMENT

11.01 In no event may the rights or interests of a Participant under the Plan be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent that certain rights may pass to a Beneficiary of a Participant upon death of such Participant pursuant to a designation under Section 3.09 or by will or by the laws of succession and distribution.

11.02 Rights and obligations under the Plan may be assigned by the Trust to a successor in the business of the Trust.

ARTICLE 12 COMPLIANCE WITH APPLICABLE LAWS

12.01 The administration of the Plan shall be subject to and performed in conformity with all applicable laws, regulations, orders of governmental or regulatory authorities and the requirements of any stock exchange on which the Units are listed. Should the Compensation Committee, in its sole discretion,

determine that it is not desirable or feasible to provide for the redemption of Deferred Units in Units pursuant to the provisions of Article 9, including by reason of any such laws, regulations, rules, orders or requirements, it shall notify the Participants of such determination and on receipt of such notice each Participant shall have the option of electing that such redemption obligations be satisfied by means of a cash payment by the Trust equal to the Market Value of the Units that would otherwise be delivered to a Participant in settlement of Deferred Units on the Redemption Date (less any Applicable Withholding Taxes). Each Participant shall comply with all such laws, regulations, rules, orders and requirements, and shall furnish the Trust with any and all information and undertakings, as may be required to ensure compliance therewith.

12.02 Except if and as required by applicable employment standards legislation, no Participant shall be entitled to any damages or other compensation for any Deferred Units which do not vest or are not awarded due to the cessation of the Participant's service relationship with a Trust Entity for any reason, whether lawful or unlawful, with or without notice. The Trust and the Participant expressly agree that the terms of this Plan displace any and all common law rights in respect of Deferred Units governed by this Plan.

SCHEDULE A

SMARTCENTRES REAL ESTATE INVESTMENT TRUST

DEFERRED UNIT PLAN

ELECTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Deferred Unit Plan of SmartCentres Real Estate Investment Trust, as amended from time to time (the "Plan").

Pursuant to the Plan, I hereby elect to participate in the Plan and to receive _____ % of the total amount of my Annual Bonus that is eligible under the DUP* or Annual Board Retainer (as applicable) paid in respect of the calendar year immediately following the date hereof in the form of Deferred Units in lieu of cash (subject to any Annual Participation Cap applicable to me).

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.
- (b) I recognize that when Deferred Units credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the Deferred Units, the Trust will make all appropriate withholdings as required by law at that time.
- (c) The value of Deferred Units is based on the value of the Units of the Trust and therefore is not guaranteed.

*For example, a participant that is eligible under the DUP at the 50% level annual bonus contribution and wishes to contribute the entire 50% would complete the form by stating "100%".

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan text.

Date: _____

(Name of Participant)

(Signature of Participant)

Note: Participants are reminded to update their Beneficiary information as necessary by delivering an up-to-date Beneficiary Designation Form to the Senior Vice President Human Resources and Corporate Services of the Trust.

SCHEDULE B

SMARTCENTRES REAL ESTATE INVESTMENT TRUST

DEFERRED UNIT PLAN

REDEMPTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Deferred Unit Plan of SmartCentres Real Estate Investment Trust, as amended from time to time (the "Plan").

I hereby advise SmartCentres Real Estate Investment Trust (the "Trust") that I wish to redeem _____ of the Deferred Units credited to my account under the Plan in accordance with the terms of the Plan.

I hereby direct the Trust and its agents as follows: (choose A or B)

- A. Please deliver all Units issued upon redemption of the Deferred Units to the brokerage account identified below

- B. Please, at the election of the Trust, either (i) pay to me an amount equal to the Market Price multiplied by the following number of Units underlying redeemed Deferred Units or (ii) arrange to sell for and on my behalf the following number of Units issued upon redemption of the Deferred Units; and deliver the remaining Units, if any, to the brokerage account identified below: (choose 1, 2 or 3)
 - 1. The number of Units needed to generate sufficient proceeds to satisfy all taxes and other source deductions or other amounts which the Trust is required by law to withhold in respect of the redeemed Deferred Units
 - 2. All of the Units underlying the redeemed Deferred Units
 - 3. _____ of the Units underlying the redeemed Deferred Units

If applicable, the brokerage account to which Units are to be issued under the Plan is:

Date: _____

(Name of Participant)

(Signature of Participant)

Note: If this Redemption Notice is signed by a Beneficiary, documents providing the authority of such signature should accompany this notice.

SCHEDULE C

SMARTCENTRES REAL ESTATE INVESTMENT TRUST

DEFERRED UNIT PLAN

BENEFICIARY DESIGNATION FORM

All capitalized terms have the meaning attributed to them under the Deferred Unit Plan of SmartCentres Real Estate Investment Trust, as amended from time to time (the "Plan").

I, _____, hereby revoke any previous designation of beneficiary which I may have made for the purposes of the Plan and designate the following Person(s) as my Beneficiary(ies) in the event that I die before all my Deferred Units have been redeemed:

Name	Date of Birth	Relationship	Address	Percentage

I hereby direct the Trust as follows:

- (a) If more than one Beneficiary is named on this form, each Beneficiary who survives me will receive the percentage of Deferred Units in my Deferred Unit Account immediately prior to my death as indicated above, or if no percentages are provided will be divided equally between such Beneficiaries. If the percentages indicated above add up to less than 100%, the remaining difference will be redeemable by my estate. If the percentages above add up to more than 100%, the Deferred Units in my Deferred Unit Account immediately prior to my death will be divided equally among the designated Beneficiaries regardless of the percentages indicated above.
- (b) In the event that a Beneficiary predeceases me, the Deferred Units which would have been received by the deceased Beneficiary will be received by my estate instead.
- (c) If any of the Beneficiaries is a minor at the time of my death, the Deferred Units otherwise receivable by such Beneficiary will be received by the Person who is legally entitled to receive such Deferred Units on behalf of that minor and I acknowledge that it is my responsibility to ensure that appropriate arrangements are made by me in this regard.

This designation of Beneficiary is revocable by me at any time by submitting a later dated Beneficiary Designation Form.

I acknowledge and understand that my designation of a Beneficiary by means of this Beneficiary Designation Form or any other form will not be revoked or changed automatically by any future marriage or divorce.

I acknowledge and understand that my designation of a Beneficiary by means of this Beneficiary Designation Form will not be effective until it is received by the Senior Vice President Human Resources and Corporate Services of the Trust and will not be effective if received after my death.

I HEREBY CERTIFY THAT I HAVE CAREFULLY REVIEWED AND UNDERSTAND THE INFORMATION CONTAINED HEREIN AND CONFIRM THE BENEFICIARY DESIGNATIONS SET OUT ABOVE.

Dated _____

Signed in the presence of

Witness Signature

Participant Signature

Print Name of Witness