



## **Notice of Annual General Meeting and Information Circular**

**Annual General Meeting of Unitholders**

**May 10, 2018**

## INVITATION TO UNITHOLDERS

March 29, 2018

Dear Unitholder:

We are pleased to invite you to join our Board of Trustees and Senior Management Team at our Annual General Meeting of Unitholders of Crombie Real Estate Investment Trust ("**Crombie**"). The meeting will be held on:

**May 10, 2018**

11:00 a.m. (Atlantic Daylight Saving Time)

Cineplex Cinemas

612 East River Road, New Glasgow, Nova Scotia

The items of business to be considered and voted upon at this meeting are set out in the accompanying Notice of Meeting and Management Information Circular. In addition, this meeting provides you with the opportunity to meet, listen to and ask questions of the people who are responsible for the performance of Crombie.

Crombie is committed to keeping you, our investors, informed about your investment in Crombie. We are also committed to respecting your wishes when you elect not to receive copies of the Annual Report or Quarterly Reports. We want you to know that you have a choice as to whether you receive the Crombie Annual Report. Please read and make your choice accordingly on the enclosed document used for that purpose.

If you are interested in receiving the 2017 Annual Report, copies will be available on our website [www.crombiereit.com](http://www.crombiereit.com), or from the SEDAR website ([www.sedar.com](http://www.sedar.com)), or you can write to the following address and request a copy:

Crombie REIT

610 East River Road, Suite 200

New Glasgow, NS B2H 3S2

Attention: Glenn Hynes, FCPA, FCA, Executive Vice President, Chief Financial Officer and Secretary

Email: [investing@crombie.ca](mailto:investing@crombie.ca)

We will webcast the Annual General Meeting at [www.crombiereit.com](http://www.crombiereit.com). We encourage you to visit our website at any time before the meeting as it provides useful information about us.

We look forward to seeing you on **May 10, 2018**.

Sincerely,

(signed) "*John Eby*"

John Eby

Lead Trustee

(signed) "*Frank C. Sobey*"

Frank C. Sobey

Chair



## NOTICE OF ANNUAL GENERAL MEETING OF UNITHOLDERS

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting (the "**Meeting**") of the Unitholders of Crombie Real Estate Investment Trust ("**Crombie**") will be held at Cineplex Cinemas, 612 East River Road, New Glasgow, Nova Scotia, on Thursday, the 10th day of May, 2018, at 11:00 o'clock in the morning (Atlantic Daylight Saving Time) for the following purposes:

- To receive and consider the Financial Statements of Crombie for the year ended December 31, 2017, together with the report of the auditors thereon and the related Management Discussion and Analysis;
- To elect Trustees for 2018;
- To appoint the auditors for 2018;
- To authorize the Trustees to fix the remuneration of the auditors;
- To consider an advisory resolution on executive compensation; and
- To transact such other business as may properly come before the Meeting.

**Unitholders who are unable to be present in person at the Meeting are requested to complete, sign, date, and return the enclosed voting instruction form in accordance with the instructions provided.** The accompanying Management Information Circular (the "**Circular**") provides further information regarding proxies and the matters to be considered at the Meeting and is deemed to form part of this Notice.

Dated at New Glasgow, Nova Scotia, this 29th day of March, 2018.

BY ORDER OF THE BOARD OF TRUSTEES

(signed) "*Glenn Hynes*"

Glenn Hynes, FCPA, FCA

Executive Vice President, Chief Financial Officer and Secretary

## TABLE OF CONTENTS

INVITATION TO UNITHOLDERS	<a href="#"><u>ii</u></a>
NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF UNITHOLDERS	<a href="#"><u>iii</u></a>
TABLE OF CONTENTS	<a href="#"><u>iv</u></a>
PART ONE - VOTING INFORMATION	<a href="#"><u>1</u></a>
Purpose of Meeting	<a href="#"><u>1</u></a>
Date, Time and Place of Meeting	<a href="#"><u>1</u></a>
Solicitation of Proxies	<a href="#"><u>1</u></a>
Appointment and Revocation of Proxies	<a href="#"><u>1</u></a>
Voting of Units Represented by Proxies	<a href="#"><u>1</u></a>
Non-Registered Unitholders	<a href="#"><u>1</u></a>
Record Date and Unitholders Entitled to Vote	<a href="#"><u>2</u></a>
Voting Units and Principal Holders Thereof	<a href="#"><u>2</u></a>
PART TWO - BUSINESS OF THE MEETING	<a href="#"><u>2</u></a>
Financial Statements	<a href="#"><u>3</u></a>
Election and Appointment of the Board of Trustees	<a href="#"><u>3</u></a>
Appointment of Auditor	<a href="#"><u>14</u></a>
Approval of Auditors Fees	<a href="#"><u>14</u></a>
Executive Compensation Advisory Vote	<a href="#"><u>15</u></a>
PART THREE - TRUSTEE COMPENSATION AND EQUITY OWNERSHIP	<a href="#"><u>15</u></a>
Total Compensation of Board of Trustees	<a href="#"><u>15</u></a>
Trustee Unit Ownership Guidelines	<a href="#"><u>16</u></a>
PART FOUR - COMPENSATION DISCUSSION AND ANALYSIS	<a href="#"><u>17</u></a>
Report of the Human Resource Committee	<a href="#"><u>18</u></a>
HRC Committee Composition	<a href="#"><u>18</u></a>
Compensation Philosophy	<a href="#"><u>19</u></a>
Compensation Governance	<a href="#"><u>20</u></a>
Talent Management, Development and Succession Planning	<a href="#"><u>20</u></a>
Corporate and Board Diversity	<a href="#"><u>21</u></a>
Risk Mitigation Practices	<a href="#"><u>21</u></a>
Executive Compensation Consultants	<a href="#"><u>22</u></a>
Compensation Comparator Group	<a href="#"><u>23</u></a>
Compensation Target Positioning	<a href="#"><u>24</u></a>
Elements of Compensation	<a href="#"><u>24</u></a>
Named Executive Officers	<a href="#"><u>25</u></a>
Compensation Mix	<a href="#"><u>25</u></a>
Base Salaries	<a href="#"><u>25</u></a>
Annual Incentive Plan	<a href="#"><u>25</u></a>
Long Term Incentive Plan	<a href="#"><u>27</u></a>
Executive Unit Purchase Plan	<a href="#"><u>28</u></a>
Equity Ownership Guidelines Policy	<a href="#"><u>28</u></a>
Post Retirement or Resignation Retention of Equity Policy	<a href="#"><u>28</u></a>
Clawback Policy	<a href="#"><u>28</u></a>

Pension Plan	<a href="#"><u>29</u></a>
Benefits	<a href="#"><u>29</u></a>
Perquisites	<a href="#"><u>29</u></a>
Unit Performance Graph	<a href="#"><u>29</u></a>
A Look Back at CEO Compensation and Unitholder Return	<a href="#"><u>30</u></a>
President & CEO Compensation: Look Back Table	<a href="#"><u>30</u></a>
Summary of NEO Compensation	<a href="#"><u>31</u></a>
Compensation of Named Executive Officers	<a href="#"><u>32</u></a>
Incentive Plan Awards	<a href="#"><u>41</u></a>
Pension	<a href="#"><u>42</u></a>
Equity Incentive Plans	<a href="#"><u>43</u></a>
PART FIVE - OTHER INFORMATION	<a href="#"><u>53</u></a>
APPENDIX A - STATEMENT OF GOVERNANCE PRACTICES	<a href="#"><u>55</u></a>
APPENDIX B - MANDATE OF THE BOARD OF TRUSTEES	<a href="#"><u>61</u></a>

## PART ONE - VOTING INFORMATION

### Purpose of the Meeting

The items of business to be considered and voted upon at this annual general meeting, or any adjournment thereof, (the "**Meeting**") of the Unitholders, are set out in the accompanying Notice of Meeting.

### Date, Time and Place of Meeting

The Meeting will be held at Cineplex Cinemas, 612 East River Road, New Glasgow, Nova Scotia, on Thursday, the 10th day of May, 2018, at 11:00 o'clock in the morning (Atlantic Daylight Saving Time). Crombie is sending proxy-related materials to registered holders and beneficial owners of Units using the notice-and-access method. Under this method, Crombie provides notice that it has posted electronic versions of proxy-related materials on a website for investor review, with paper copies available upon request.

### Solicitation of Proxies

This Circular is furnished in connection with the solicitation by Management of proxies (hereinafter referred to as the "**Proxy**" or "**Proxies**") from holders (collectively "**Unitholders**") of units ("**Units**") of Crombie and special voting units ("**Special Voting Units**") of Crombie for use at the Meeting. It is expected that the solicitation will be primarily by mail, but Proxies may also be solicited personally by the Trustees or officers of Crombie. The cost of such solicitation will be borne by Crombie.

### Appointment and Revocation of Proxies

The persons named in the enclosed form of Proxy are Trustees of Crombie. **A Unitholder has the right to appoint a person to represent such Unitholder at the Meeting other than the persons named in the enclosed form of Proxy.** Such right may be exercised by striking out the name of the persons designated and by inserting such other person's name in the blank space provided in the form of Proxy. Failing any designation, one of the persons already named on the Proxy form shall be deemed to have been appointed as the nominee of such Unitholder for the purposes set out in the accompanying Notice of Meeting. To be valid, the form of Proxy must be executed and received by AST Trust Company (Canada) before 11:00 a.m. (Atlantic Daylight Saving Time) on May 9, 2018. If the Meeting is adjourned or postponed, the proxy must be executed and received by AST Trust Company (Canada) at least 24 hours before the adjourned Meeting.

If the accompanying separate form of Proxy is executed and returned, the Proxy may nevertheless be revoked by an instrument in writing revoking the Proxy and executed by the Unitholder, or by the attorney of the Unitholder authorized in writing, or if the Unitholder is a corporation, under its corporate seal or by an officer or attorney thereof, duly authorized and deposited with the Secretary of Crombie prior to the commencement of the Meeting on the date of the Meeting or any adjournment thereof.

### Voting of Units Represented by Proxies

Units represented by Proxy will be voted or withheld from voting in accordance with instructions specified by the Unitholder on the form of Proxy. If no instructions are given by the Unitholder, the Proxy confers discretionary authority upon the Proxy nominees with respect to the matters set out in the Notice of Meeting and other matters that may properly come before the Meeting or any adjournment thereof, but shall not confer authority to vote for the election of any person as a Trustee, unless a bona fide proposed nominee for such election is named in this Circular, or to vote at any meeting other than the Meeting specified in the Notice of Meeting, or any adjournment thereof. **Where either John Eby or Frank C. Sobey has been appointed to vote on behalf of another Unitholder, he will vote:**

- (a) In favour of the election of those persons listed in this Circular as the proposed Trustees for the ensuing year;
- (b) In favour of the appointment of PricewaterhouseCoopers LLP as auditor for fiscal 2018;
- (c) In favour of authorizing the Trustees to fix the remuneration of the auditors; and
- (d) In favour of the advisory resolution on executive compensation.

Management has no present knowledge that any business other than that referred to in the accompanying Notice of Meeting will be presented to the Meeting. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the Proxies to vote the Proxies in accordance with what they consider to be in the best interest of Crombie.

### Non-Registered Unitholders

Investors in Units are non-registered Unitholders. Unlike some issuers where the names of individual security holders are recorded on a register of holders, the ownership of Units is tracked only through a book-entry only system administered by CDS Clearing and Depository Services Inc. ("**CDS**"). In a book-entry based system, the only registered Unitholder is CDS who acts as clearing agent for the brokers and other intermediaries who, in turn, act on behalf of investors who are the beneficial owners of the Units.

There are two kinds of beneficial owners - those who object to their name being made known to the issuers of securities which they own (called "**Objecting Beneficial Owners**") and those who do not object (called "**Non-Objecting Beneficial Owners**").

#### *Non-Objecting Beneficial Owners*

If you are a Non-Objecting Beneficial Owner, Crombie will obtain your name and you will be treated as if you are a registered holder. You will receive proxy-related materials including a form of proxy from our transfer agent, AST Trust Company (Canada). You may attend the Meeting and vote in person or you may appoint another person to represent you as proxyholder to vote your Units at the Meeting. You are encouraged to complete and return the enclosed form of proxy to ensure that your vote is counted should your plans to attend change. When you arrive at the Meeting, please register with the transfer agent, AST Trust Company (Canada).

### *Objecting Beneficial Owners*

Objecting Beneficial Owners can only exercise their rights as beneficial owners of Units through CDS or a participant in the CDS depository service. This means that in order for Objecting Beneficial Owners to exercise their right to vote their Units at the Meeting, they must carefully review and follow the voting instructions provided by their broker or other intermediary.

Units held by brokers, or their nominees for an Objecting Beneficial Owner, can only be voted or otherwise represented upon the instructions of the Objecting Beneficial Owner. Without specific instructions, the broker/nominees are prohibited from voting or otherwise representing Units for their clients. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Objecting Beneficial Owners in advance of Unitholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Objecting Beneficial Owners in order to ensure that their Units are voted or otherwise represented at the Meeting. Often, the form of proxy supplied to an Objecting Beneficial Owners by its broker is identical to the form of proxy provided to registered Unitholders. However, its purpose is limited to instructing the intermediaries/brokers how to vote on behalf of or otherwise represent the Objecting Beneficial Owner.

Crombie does not intend to pay for your broker or intermediary to forward to Objecting Beneficial Owners the proxy-related materials and voting instruction form. Accordingly, Objecting Beneficial Owners will not receive these materials unless the Objecting Beneficial Owner's broker or intermediary assumes the cost of delivery.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Objecting Beneficial Owners and asks Objecting Beneficial Owners to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions respecting the Units to be represented at the Meeting. An Objecting Beneficial Owner receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote or otherwise represent Units in person at the Meeting as the proxy must be returned as directed by Broadridge well in advance of the Meeting in order to have the Units voted or otherwise represented. Accordingly, it is strongly suggested that Objecting Beneficial Owners return their completed proxies as directed by Broadridge well in advance of the Meeting.

### *Voting in Person by Objecting Beneficial Owners*

An Objecting Beneficial Owner who receives a form of proxy or a voting instruction form and wishes to vote at the Meeting in person should strike out the names of the persons designated in the form of proxy and insert the Objecting Beneficial Owner's name in the blank space provided or, in the case of a voting instruction form, follow the corresponding directions on the form. In either case, an Objecting Beneficial Owner should carefully follow the instructions of their intermediary/broker, including those regarding when and where the proxy or proxy authorization form is to be delivered. If you are an Objecting Beneficial Owner and wish to vote in person at the Meeting, we recommend that you contact your broker or agent well in advance of the Meeting to confirm how you can do so.

### **Record Date and Unitholders Entitled to Vote**

#### *Units*

The board of trustees of Crombie (the "**Board**" or "**Board of Trustees**") has fixed March 21, 2018 as the record date for the purpose of determining which Unitholders are entitled to receive the Notice of Meeting.

On March 21, 2018, Crombie had 89,344,535 outstanding Units, each carrying the right to one vote per Unit at the Meeting. Any registered Unitholder of record at the time of the Meeting will be entitled to attend and vote at the Meeting either in person or by Proxy. See "Voting of Units Represented by Proxies" and "Non-Registered Unitholders" for information regarding the voting of Units at the Meeting.

#### *Special Voting Units*

On March 21, 2018, Crombie had 61,809,507 outstanding Special Voting Units, each carrying the right to one vote per Special Voting Unit. Special Voting Units may only be issued in connection with or in relation to Class B Limited Partnership Units ("**Class B LP Units**") of Crombie Limited Partnership ("**Crombie LP**") for the purpose of providing voting rights with respect to Crombie to the holders of such securities. Special Voting Units are issued in conjunction with all Class B LP Units, and are evidenced only by the certificates representing such Class B LP Units. All of the outstanding Special Voting Units are held indirectly by Empire Company Limited ("**Empire**").

### **Voting Units and Principal Holders Thereof**

The Trustees and management do not know of any person or company beneficially owning, directly or indirectly, or exercising control or direction over more than 10% of the Units. Empire currently holds 61,809,507 Special Voting Units and 909,090 Units of Crombie, representing 41.5% of the outstanding voting units of Crombie.

## PART TWO - BUSINESS OF THE MEETING

### Financial Statements

The audited consolidated financial statements of Crombie for the year ended December 31, 2017, and the report of the auditor thereon will be tabled at the Meeting. These audited consolidated financial statements were mailed to Unitholders with this Notice of Meeting and Circular. Additional copies of the audited consolidated financial statements may be obtained from the Secretary of Crombie upon request and will be available at the Meeting.

### Election and Appointment of the Board of Trustees

#### *ECL Right to Appoint Trustees*

Pursuant to the Declaration of Trust of Crombie dated as of January 1, 2006, as amended and restated from time to time (the "**Declaration of Trust**"), ECL Properties Limited ("**ECL Properties**"), a wholly-owned direct subsidiary of Empire and the direct parent of ECL Developments Limited ("**ECL**"), has an exclusive right to appoint certain Trustees ("**ECL Trustees**") based on the proportion of outstanding Units and Special Voting Units held, directly or indirectly, by ECL Properties at the time of such appointment and the size of the Board at such time, all in accordance with the following table. ECL Trustees are required to meet the qualification requirements as set out in the Declaration of Trust.


<b>ECL's Proportion of Outstanding Units and Special Voting Units Held</b>	<b>Total Number of Trustees of Crombie</b>	<b>Number of ECL Appointees</b>
Greater than 30%	Greater than 10	5
	10	4
	7 to 9	3
	5 to 6	2
	Less than 5	1
20% - 30%	Greater than 10	4
	10	3
	7 to 9	2
	Less than 7	1
10% - 19.99%	10 or greater than 10	2
	Less than 10	1
Less than 10%	Any	—


Based on the current Board size and ECL Properties' ownership of 41.5% of the outstanding Units and Special Voting Units combined, ECL Properties has the right to appoint five Trustees.


#### *ECL Appointed Trustees*


ECL intends to exercise its exclusive right to appoint the following five Trustees (the "**ECL Trustees**"), each to hold office until the next annual meeting or until his or her successor is elected or appointed. **Unitholders do not have the right to vote on the appointment of the ECL Trustees.** In the opinion of the Board, the ECL Trustees are well-qualified to act as Trustees for the ensuing year. Each of the ECL Trustees has established their eligibility and willingness to serve.




	<p>Jim M. Dickson is the Chair of Empire Company Limited. He is counsel to the law firm of Stewart McKelvey, with over 30 years of experience practicing primarily in the areas of mergers and acquisitions, corporate finance and securities prior to his retirement from the partnership in 2016. Mr. Dickson serves as a director of Clearwater Seafoods Incorporated, Empire Company Limited and Sobeys Inc. He is the past Chair of the Board of Regents of Mount Allison University and past Chair of the IWK Health Centre Foundation. Mr. Dickson holds a Certificate in Engineering from Mount Allison University, a Bachelor of Civil Engineering from the Technical University of Nova Scotia and a Bachelor of Laws from the University of Calgary. He is a professional engineer and was appointed Queen's Counsel in 2010.</p>		
<p><b>Jim M. Dickson</b> Age 60 Resident of Halifax, NS, Canada Trustee since 2017 <b>Independent Trustee</b></p>	<p><b>Committee Membership:</b> Mr. Dickson is a member of the Investment Committee (effective June 2017) and the Governance and Nominating Committee (effective November 2017)</p>		
	<p><b>Other Public Board Membership:</b> Empire Company Limited, Sobeys Inc. and Clearwater Seafoods Incorporated</p>		
	<p><b>Unitholdings (Units and Deferred Units):</b> 16,532 (Satisfies Unit ownership guidelines)<sup>(1)</sup></p>		
<p><b>Experience</b></p>	<p><b>Board &amp; Committee Attendance</b></p>		
<p>CEO/Senior Executive Financial/Accounting Governance</p>	<p>Board</p>	<p>4 of 4</p>	<p>100%</p>
	<p>Governance and Nominating</p>	<p>1 of 1</p>	<p>100%</p>
	<p>Investment</p>	<p>2 of 2</p>	<p>100%</p>

	<p>Jason P. Shannon has been working with Shannex Incorporated since 1999. In 2001, he was appointed Chief Operating Officer and took over development and operating responsibilities for the organization. In 2006, he was appointed President and COO of Shannex which today serves over 4,000 seniors. Prior to joining Shannex, he practiced law with Stewart McKelvey. Mr. Shannon also serves as a director of the Loran Scholars Foundation and is chair of their investment committee. He is a past director of the Health Association of Nova Scotia, Chair of the Nova Scotia Continuing Care Council, Atlantic Institute of Market Studies and the Atlantic Institute of Aging. Mr. Shannon holds both a Bachelor of Commerce and a Bachelor of Laws from Dalhousie University.</p>		
<p><b>Jason P. Shannon</b> Age 46 Resident of Bedford, NS, Canada Trustee since 2016 <b>Independent Trustee</b></p>	<p><b>Committee Membership:</b> Mr. Shannon is a member of the Audit Committee, the Human Resource Committee (effective February 2017) and the Investment Committee.</p>		
	<p><b>Other Public Board Membership:</b> None</p>		
	<p><b>Unitholdings (Units and Deferred Units):</b> 16,505 (Satisfies Unit ownership guidelines)<sup>(1)</sup></p>		
<p><b>Experience</b></p>	<p><b>Board &amp; Committee Attendance</b></p>		
<p>CEO/Senior Executive Human Resources Financial/Accounting</p>	<p>Board</p>	<p>8 of 8</p>	<p>100%</p>
	<p>Investment</p>	<p>4 of 4</p>	<p>100%</p>
	<p>Audit</p>	<p>4 of 4</p>	<p>100%</p>
	<p>Human Resources</p>	<p>3 of 3</p>	<p>100%</p>

	<p>Frank Sobey has been a trustee of Crombie and its predecessors since 1981 and Chair since 1998. Mr. Sobey retired in 2014 as Vice President, Real Estate of Empire Company Limited after 36 years of service. Mr. Sobey is a director of Empire Company Limited, was Chairman of the former Oversight Committee of Empire and served as a trustee and Chairman of the governance and nominating committee of Wajax Income Fund (now Wajax Corporation) until October 5, 2010. He is a former Chair of the Dalhousie Medical Research Foundation and has recently retired from the board of the Canada US Fulbright Program. Mr. Sobey is a graduate of the Harvard Business School's Advanced Management Program and, in 2013, received the ICD.D designation.</p>		
<p><b>Frank C. Sobey</b></p> <p>Age 65</p> <p>Resident of King's Head, NS, Canada</p> <p>Trustee since 2006</p> <p><b>Trustee and Chair</b></p>	<p><b>Committee Membership:</b> Mr. Sobey, in his capacity as Chair, attends all committee meetings on an ex officio basis.</p>		
	<p><b>Other Public Board Membership:</b> Empire Company Limited and Sobeys Inc.</p>		
	<p><b>Unitholdings (Units and Deferred Units):</b> 71,652 (Satisfies Unit ownership guidelines)<sup>(1)</sup></p>		
<p><b>Experience</b></p>	<p><b>Board &amp; Committee Attendance</b></p>		
<p>CEO/Senior Executive</p> <p>Governance</p> <p>Human Resources</p> <p>Real Estate</p>	<p>Board</p>	<p>8 of 8</p>	<p>100%</p>

	<p>Kent Sobey is founder and President of Farmhouse Productions Ltd., a television and digital media production company based in Toronto, Canada and founded in 2002. He is a corporate director of Blue Ant Media and Hollywood Suite. He is a trustee of the Frank H. Sobey Awards for Excellence in Business Studies. Previously, he served on the board of directors of The North York Harvest Food Bank and on the advisory board for Empire Theatres Limited. Mr. Sobey received his Bachelor of Arts from Dalhousie University, graduated from The Vancouver Film School and has completed executive development programs at Rotman School of Management and Queen's University.</p>		
<p><b>Kent R. Sobey</b></p> <p>Age 41</p> <p>Resident of Toronto, ON, Canada</p> <p>Trustee since 2008</p> <p><b>Independent Trustee</b></p>	<p><b>Committee Membership:</b> Mr. Sobey is a member of the Investment Committee and the Governance and Nominating Committee (effective November 2017).</p>		
	<p><b>Other Public Board Membership:</b> None</p>		
	<p><b>Unitholdings (Units and Deferred Units):</b> 48,025 (Satisfies Unit ownership guidelines)<sup>(1)</sup></p>		
<p><b>Experience</b></p>	<p><b>Board &amp; Committee Attendance</b></p>		
<p>Senior Executive</p> <p>Real Estate</p> <p>Governance</p>	<p>Board</p>	<p>8 of 8</p>	<p>100%</p>
	<p>Governance and Nominating</p>	<p>1 of 1</p>	<p>100%</p>
	<p>Investment</p>	<p>4 of 4</p>	<p>100%</p>

	<p>Paul Sobey retired as President and Chief Executive Officer of Empire Company Limited in 2013 after 32 years with the company. He received his Bachelor of Commerce from Dalhousie University, attended Harvard University Business School's Advanced Management Program and is a Chartered Accountant. Mr. Sobey became a Fellow Chartered Accountant of Nova Scotia in 2006. Mr. Sobey sits on the boards of Empire Company Limited and Sobeys Inc. He previously served as the Audit Committee Chair and a member of the board of directors for the Bank of Nova Scotia. Mr. Sobey is Chancellor of Saint Mary's University in Halifax, Nova Scotia.</p>		
<p><b>Paul D. Sobey</b> Age 60 Resident of Chance Harbour, NS, Canada Trustee since 2006 <b>Trustee</b></p>	<p><b>Committee Membership:</b> Mr. Sobey is a member of the Human Resource Committee and Investment Committee.</p>		
	<p><b>Other Public Board Membership:</b> Empire Company Limited and Sobeys Inc.</p>		
	<p><b>Unitholdings (Units and Deferred Units):</b> 33,525 (Satisfies Unit ownership guidelines)<sup>(1)</sup></p>		
<p><b>Experience</b></p>	<p><b>Board &amp; Committee Attendance</b></p>		
<p>CEO/Senior Executive</p>	<p>Board</p>	<p>8 of 8</p>	<p>100%</p>
<p>Financial/Accounting</p>	<p>Human Resource</p>	<p>6 of 6</p>	<p>100%</p>
<p>Human Resources</p>	<p>Investment</p>	<p>4 of 4</p>	<p>100%</p>

<sup>(1)</sup> Unit ownership guidelines stipulate that each Trustee must own \$160,000 in Crombie Units or Deferred Units, which is a proxy for four times the annual Trustee retainer of \$40,000, measured at the greater of acquisition value and current market value. This requirement must be met within five years of the Trustee becoming a member of the Board.

#### *Nominees*

There are seven Trustees to be elected at the Meeting, each to hold office until the next annual meeting or until his or her successor is elected or appointed. Unless authority to vote on the election of Trustees is withheld, **it is the intention of persons named in the enclosed form of Proxy to vote the Units represented thereby in favour of the seven nominees listed below.**


The Governance and Nominating Committee of the Board reviews annually the qualifications of persons proposed for election to the Board and submits its recommendation to the Board for consideration. The persons proposed for nominations are, in the opinion of the Board, well-qualified to act as Trustees for the ensuing year. Each Trustee has established his or her eligibility and willingness to serve.


#### *Majority Voting Policy*


The Board has adopted a majority voting policy that requires, in an uncontested election of Trustees, any nominee who received a greater number of votes "withheld" than votes "for" to tender a resignation to the Board promptly following the Meeting. The Governance and Nominating Committee will consider the offer of resignation, and except in special circumstances, will recommend that the Board accept the resignation. The Board will make its decision and announce it in a press release within 90 days following the Meeting, including the reasons for rejecting the resignation, if applicable. Below are the voting results from the 2017 Annual General Meeting held May 11, 2017.


Nominee	For	Withhold
Donald Clow	92,113,612 (99.00%)	925,845 (1.00%)
John Eby	92,236,194 (99.14%)	803,263 (0.86%)
Brian A. Johnson	92,841,521 (99.79%)	197,936 (0.21%)
J. Michael Knowlton	92,215,686 (99.11%)	823,771 (0.89%)
Barbara Palk	92,864,472 (99.81%)	174,985 (0.19%)
Elisabeth Stroback	91,923,415 (98.80%)	1,116,042 (1.20%)


The seven nominees for election to the Board are as follows:


	<p>Donald Clow was appointed President and Chief Executive Officer of Crombie in 2009. Prior to joining Crombie, Mr. Clow held the position of President, ECL Developments Limited, the real estate development subsidiary of Empire Company Limited for two years. Previous to Empire, he was President of Southwest Properties, a real estate development company in Halifax. Mr. Clow is a member of the Board of Trustees for Granite Real Estate Investment Trust, a member of the Board of Governors of Acadia University and is on the Board of Directors of REALPac. Mr. Clow graduated from Acadia University with a BBA, earned his CA designation with KPMG and was designated a Fellow Chartered Accountant in 2002. Mr. Clow is a graduate of the YPO President's Program at Harvard Business School and the Director's Education Program at the Rotman School of Business receiving the ICD.D designation in 2014.</p>		
<p><b>Donald E. Clow</b> Age 56 Resident of Halifax, NS, Canada Trustee since 2009 <b>Trustee, President and CEO</b></p>	<p><b>Committee Membership:</b> Mr. Clow is a member of the Investment Committee.</p>		
	<p><b>Other Public Board Membership:</b> Granite Real Estate Investment Trust</p>		
	<p><b>Unitholdings (Units and Deferred Units):</b> 384,883<sup>(2)</sup> (Satisfies Unit ownership guidelines)<sup>(1)</sup></p>		
<p><b>Experience</b></p>	<p><b>Board &amp; Committee Attendance</b></p>		
<p>CEO/Senior Executive</p>	<p>Board</p>	<p>8 of 8</p>	<p>100%</p>
<p>Financial/Accounting</p>			
<p>Real Estate</p>	<p>Investment</p>	<p>4 of 4</p>	<p>100%</p>


	<p>John Eby has served as a corporate director since 2005. He was Vice-Chairman of Scotia Capital from 2000 until his retirement in 2006 and for 10 years prior thereto had been Senior Vice President, Corporate and Energy Banking, The Bank of Nova Scotia. He is also a director of Wajax Corporation. Mr. Eby received his BA and MBA in finance from Queen's University. Mr. Eby is the founder and CEO of Developing Scholars, a not-for-profit organization that promotes educational initiatives in Guatemala.</p>		
<p><b>John Eby</b> Age 66 Resident of Toronto, ON, Canada Trustee since 2008 <b>Independent Trustee and Lead Trustee</b></p>	<p><b>Committee Membership:</b> Mr. Eby is a member of the Audit Committee, Governance and Nominating Committee and Investment Committee and is Lead Trustee.</p>		
	<p><b>Other Public Board Membership:</b> Wajax Corporation</p>		
	<p><b>Unitholdings (Units and Deferred Units):</b> 37,084 (Satisfies Unit ownership guidelines)<sup>(1)</sup></p>		
<p><b>Experience</b></p>	<p><b>Board &amp; Committee Attendance</b></p>		
<p>Finance</p>	<p>Board</p>	<p>8 of 8</p>	<p>100%</p>
<p>Governance</p>		<p>4 of 4</p>	<p>100%</p>
<p>Legal</p>	<p>Governance and Nominating</p>	<p>3 of 3</p>	<p>100%</p>
	<p>Investment</p>	<p>4 of 4</p>	<p>100%</p>

	<p>Debra Hess is a corporate director. She was the Chief Financial Officer of Northstar Asset Management Group and Northstar Realty Finance Corp. from July 2011 until January 2017 when Northstar merged with Colony Capital. Prior to joining the Northstar companies, Ms. Hess held the position of Chief Financial Officer at H/2 Capital Partners and a portfolio company of Fortress Investment Group. Prior to 2003, Ms. Hess held senior positions at Goldman Sachs &amp; Co. and the Chemical Banking Corporation. Ms. Hess is a member of the Board of Directors for AG Mortgage Investment Trust, Inc., a New York Stock Exchange listed real estate investment trust. Ms. Hess holds an MBA in Finance from New York University and a B.S. degree in Accounting from the University of Connecticut.</p>		
<b>Debra Hess</b> Age 53 Resident of Greenwich, CT, USA Trustee since 2017 <b>Independent Trustee</b>	<b>Committee Membership:</b> Ms. Hess is a member of the Investment Committee (effective June 2017) and the Audit Committee (effective November 2017).		
	<b>Other Public Board Membership:</b> AG Mortgage Investment Trust, Inc.		
	<b>Unitholdings (Units and Deferred Units):</b> 1,942 (Satisfies Unit ownership guidelines) <sup>(1)</sup>		
<b>Experience</b>	<b>Board &amp; Committee Attendance</b>		
Senior Executive  Financial/Accounting  Real Estate	Board	5 of 5	100%
	Investment	2 of 2	100%
	Audit	2 of 2	100%

	<p>Brian Johnson is a co-founding partner of Crown Realty Partners which was founded in 2001. From September 1993 until July 2007 he was President and Chief Executive Officer of Crown Life Insurance Company. Mr. Johnson is a director of MCAN Mortgage Corporation and Western Surety Company. He was a member of the University of Regina board of governors from 1995 to 2002 and served as board chair from 1999 to 2001. He was also a director and Saskatchewan president of the Canadian Unity Council. Mr. Johnson received his B. Comm. (Gold Medalist) from the University of Manitoba and his MBA from the University of Pennsylvania. He is also a CFA® charterholder.</p>		
<b>Brian A. Johnson</b> Age 74 Resident of Toronto, ON, Canada Trustee since 2008 <b>Independent Trustee</b>	<b>Committee Membership:</b> Mr. Johnson is a member of the Investment Committee (Chair) and the Human Resources Committee.		
	<b>Other Public Board Membership:</b> MCAN Mortgage Corporation		
	<b>Unitholdings (Units and Deferred Units):</b> 81,135 (Satisfies Unit ownership guidelines) <sup>(1)</sup>		
<b>Experience</b>	<b>Board &amp; Committee Attendance</b>		
CEO/Senior Executive  Finance  Real Estate  Human Resources	Board	8 of 8	100%
	Investment	4 of 4	100%
	Human Resources	6 of 6	100%

	<p>Michael Knowlton has served as a corporate director since 2011. He retired from Dundee Realty Corporation as President of Dundee REIT in May 2011 after 13 years of service. From December 1998 until May 2011 he held increasingly senior executive positions culminating in becoming President of Dundee REIT. Mr. Knowlton is a director of Tricon Capital Group Inc. and a trustee of Dream Industrial REIT and Dream Global REIT. Mr. Knowlton received his B.Sc. (Engineering) and MBA from Queen's University, earned his CA designation in 1977 and his ICD.D designation in 2011.</p>		
<p><b>J. Michael Knowlton</b> Age 66 Resident of Whistler, BC, Canada Trustee since 2011 <b>Independent Trustee</b></p>	<p><b>Committee Membership:</b> Mr. Knowlton is a member of the Investment Committee and the Audit Committee (Chair).</p>		
	<p><b>Other Public Board Membership:</b> Tricon Capital Group Inc., Dream Industrial REIT, and Dream Global REIT</p>		
	<p><b>Unitholdings (Units and Deferred Units):</b> 26,352 (Satisfies Unit ownership guidelines)<sup>(1)</sup></p>		
<p><b>Experience</b></p>	<p><b>Board &amp; Committee Attendance</b></p>		
<p>Senior Executive Financial/Accounting Real Estate</p>	<p>Board</p>	<p>8 of 8</p>	<p>100%</p>
	<p>Audit</p>	<p>4 of 4</p>	<p>100%</p>
	<p>Investment</p>	<p>4 of 4</p>	<p>100%</p>

	<p>Barbara Palk has served as a corporate director since 2012. She retired as President of TD Asset Management Inc. in 2010, following a 30-year career in institutional and investment management. She currently serves on the Boards of TD Asset Management USA Funds Inc., Ontario Teachers' Pension Plan, and First National Financial Corporation. Ms. Palk is a member of the Institute of Corporate Directors, a Fellow of the Canadian Securities Institute and is a CFA® charterholder. Ms. Palk also holds a Bachelor of Arts (Honours, Economics) degree from Queen's University and has received the ICD.D designation.</p>		
<p><b>Barbara Palk</b> Age 66 Resident of Toronto, ON, Canada Trustee Since 2014 <b>Independent Trustee</b></p>	<p><b>Committee Membership:</b> Ms. Palk is a member of the Human Resources Committee (Chair effective February 2017), the Governance &amp; Nominating Committee and the Investment Committee.</p>		
	<p><b>Other Public Board Membership:</b> First National Financial Corporation</p>		
	<p><b>Unitholdings (Units and Deferred Units):</b> 18,498 (Satisfies Unit ownership guidelines)<sup>(1)</sup></p>		
<p><b>Experience</b></p>	<p><b>Board &amp; Committee Attendance</b></p>		
<p>Senior Executive Corporate Director Human Resources Governance</p>	<p>Board</p>	<p>8 of 8</p>	<p>100%</p>
	<p>Human Resources</p>	<p>6 of 6</p>	<p>100%</p>
	<p>Governance and Nominating</p>	<p>3 of 3</p>	<p>100%</p>
	<p>Investment</p>	<p>4 of 4</p>	<p>100%</p>

	Elisabeth Stroback provides advice to public institutions on property development and real estate through her company Tanalex Corp since 2016. Previously, she led university and hospital planning, design and construction teams for new and renovated buildings. From 2010 to 2016, she was the Executive Lead, Capital Projects and Real Estate for Ryerson University. Prior to 1999, Ms. Stroback was President of Hammerson Canada Inc., a commercial property development company. She has volunteered on property committees or provided assistance to many non-profit organizations, most recently Trillium Health Partners and Turning Point Youth Services. Ms. Stroback received her Bachelor of Arts from the University of Western Ontario and Master's Degree in Economics from Queen's University, Kingston, Ontario and is Human Resources Compensation Committee Certified (HRCC) from the Director's College.		
<b>Elisabeth Stroback</b>	<b>Committee Membership:</b> Ms. Stroback is a member of the Governance and Nominating Committee (Chair effective February 2017) and the Investment Committee. Ms. Stroback was the chair of the Human Resource Committee until February 2017.		
Age 65	<b>Other Public Board Membership:</b> None		
Resident of Toronto, ON, Canada	<b>Unitholdings (Units and Deferred Units):</b> 31,922 (Satisfies Unit ownership guidelines) <sup>(1)</sup>		
Trustee since 2006			
<b>Independent Trustee</b>			
<b>Experience</b>	<b>Board &amp; Committee Attendance</b>		
Real Estate	Board	8 of 8	100%
Human Resources	Governance and Nominating	3 of 3	100%
Governance	Investment	4 of 4	100%
	Human Resources	4 of 4	100%

Total number of Units and Deferred Units held by all Trustees:	768,005 <sup>(2)</sup>
Total acquisition value of Units and Deferred Units held by all Trustees:	\$9,559,396 <sup>(2)</sup>
Total market value of Units and Deferred Units held by all Trustees:	\$9,753,664 <sup>(2) (3)</sup>

<sup>(1)</sup> Unit ownership guidelines stipulate that each Trustee must own \$160,000 in Crombie Units or Deferred Units, which is a proxy for four times the annual Trustee retainer of \$40,000, measured at the greater of acquisition value and current market value. This requirement must be met within five years of the Trustee becoming a member of the Board. The President & CEO is required to own Units valued at three times base salary.

<sup>(2)</sup> Mr. Clow's Unit Ownership count includes 145,048 Restricted Units and 54,664 Performance Units awarded under Crombie's LTIP and 48,858 Deferred Units. For further description of the Restricted Units and the Performance Units, see "Equity Incentive Plans" in Part Four of this Circular.

<sup>(3)</sup> Based on market value of Units as of March 21, 2018 of \$12.70.

No nominee is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including a personal holding company), that:

- (a) was subject to an order (as defined in Form 51-102 F5 of National Instrument 51-102 - *Continuous Disclosure Obligations*) that was issued while the trustee or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order (as defined in Form 51-102 F5 of National Instrument 51-102 - *Continuous Disclosure Obligations*) that was issued after the trustee or executive officer 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.

No nominee is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director or executive officer of any company (including a personal holding company) 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, other than Mr. Johnson who (A) was a director of Big Sky Farms Inc., a private Saskatchewan company, which sought and obtained an order on November 10, 2009 under the *Companies' Creditors Arrangement Act* (Canada), and (B) was a director of Stegg USA Inc., a private company which filed a voluntary petition under Chapter 7 of the United States Bankruptcy Act on July 30, 2009 within one year of Mr. Johnson's resignation from the board on September 26, 2008. No nominee has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been 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 the trustee, executive officer or unitholder.

No nominee has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

*Committee Membership and Record of Attendance*

The following tables summarize the meetings of the Board and its Committees held for the fiscal year ended December 31, 2017, and the attendance of the individual Trustees of Crombie at such meetings:

Board	8
Audit Committee	4
Human Resources Committee	6
Governance and Nominating Committee	3
Investment Committee	4



Trustee	Independent	Board Meeting Attendance	Committee Membership	Committee Meetings Attendance
Donald E. Clow	No	8/8	Investment	4/4
Jim M. Dickson <sup>(1)</sup>	Yes	4/4	Investment	2/2
			Governance and Nominating	1/1
John Eby	Yes	8/8	Audit	4/4
			Governance and Nominating	3/3
			Investment	4/4
Debra Hess <sup>(2)</sup>	Yes	5/5	Audit	2/2
			Investment	2/2
Brian A. Johnson	Yes	8/8	Human Resources	6/6
			Investment	4/4
J. Michael Knowlton	Yes	8/8	Audit	4/4
			Investment	4/4
E. John Latimer <sup>(3)</sup>	Yes	3/3	Audit	2/2
			Governance and Nominating	1/1
			Investment	2/2
Barbara Palk	Yes	8/8	Human Resources	6/6
			Governance and Nominating	3/3
			Investment	4/4
Jason P. Shannon	Yes	8/8	Audit	4/4
			Human Resources	3/3
			Investment	4/4
Frank C. Sobey	No	8/8	—	
Kent R. Sobey	Yes	8/8	Governance and Nominating	1/1
			Investment	4/4
Paul D. Sobey	No	8/8	Human Resources	6/6
			Investment	4/4
Elisabeth Stroback	Yes	8/8	Human Resources	4/4
			Governance and Nominating	3/3
			Investment	4/4
François Vimard <sup>(4)</sup>	No	3/4	Investment	2/2

<sup>(1)</sup> Mr. Dickson was appointed to the Board by ECL in June 2017.

<sup>(2)</sup> Ms. Hess was appointed to the Board in June 2017.

<sup>(3)</sup> Mr. Latimer retired from the Board of Trustees in May 2017.

<sup>(4)</sup> Mr. Vimard resigned from the Board of Trustees in June 2017 upon retiring from Empire Company Limited.

## Trustee Skills

Crombie reviews the skills and areas of expertise of its trustees in a number of areas critical to the Board's oversight function to ensure that there is appropriate diversity of experience. Crombie considers the following core skills and areas of expertise when evaluating committee membership and candidates for the Board:

Skill/Experience	Description
Accounting and Financial Literacy	Senior executive experience in financial accounting and reporting as well as familiarity with internal controls
Acquisitions, Dispositions and Mergers & Acquisitions	Senior executive experience in acquiring and/or disposing of real estate or mergers and acquisitions
Business Leadership and Strategy	Senior executive experience in leadership role and strategy development
Finance, Financing and Investment Banking	Senior executive experience in corporate finance, including understanding of various methods of financing and working with investment banking partners to access financing sources
Governance	Prior or current experience as a board member of a Canadian organization (public, private or non-profit)
Real Estate Development and Relationship Management	Senior executive experience in real estate development, either retail, office or residential where developing relationships with various partners is critical
Retail Real Estate and Operations	Senior executive experience managing or operating retail real estate assets or portfolios
Risk Management	Senior executive experience in managing enterprise-wide risk within all facets of an organization
Talent Management and Succession Planning	Senior executive experience or board compensation committee participation with an understanding of attraction and retention of key employees and establishment of succession plans for critical roles

	Accounting	Acquisitions, Dispositions and M&A	Business Leadership & Strategy	Finance	Governance	Real Estate Development	Retail Real Estate	Risk Management	Talent Management
Donald E. Clow	✓	✓	✓	✓		✓	✓	✓	✓
Jim M. Dickson	✓	✓	✓	✓	✓	✓	✓	✓	✓
John Eby	✓	✓	✓	✓	✓			✓	✓
Debra Hess	✓	✓	✓	✓		✓	✓	✓	✓
Brian A. Johnson	✓		✓	✓	✓	✓	✓	✓	✓
J. Michael Knowlton	✓	✓	✓	✓	✓	✓	✓		
Barbara Palk	✓		✓	✓	✓			✓	✓
Jason P. Shannon	✓	✓	✓			✓			✓
Frank C. Sobey			✓		✓	✓	✓	✓	✓
Kent R. Sobey			✓		✓	✓			
Paul D. Sobey	✓	✓	✓	✓	✓	✓	✓	✓	✓
Elisabeth Strobach		✓	✓	✓	✓	✓	✓		✓
Number of Trustees	9	8	12	9	9	10	8	8	10

## Trustee Orientation

Trustee orientation is a priority to ensure new Trustees are fully aligned with the strategy and business priorities at the earliest opportunity. New Trustees are oriented initially by the Chair and Secretary, and receive a copy of the Board and Committee mandates, key strategy documents and minutes of the four most recent Board and committee meetings and access to all public filings. Key management representatives arrange meetings on key priorities, management initiatives, and general operational issues. In addition, new Trustees are briefed on the Code of Conduct and Ethics, and asked to attest to its provisions.

### *Continuing Education*

The Board and committees receive presentations on topical issues when making key business decisions, during strategic planning meetings and in response to Trustee requests. Trustees also attend external conferences and seminars. Trustees identify educational needs through the Board and committee process and self-assessment surveys. The Secretary arranges internal presentations for the Board after consulting with the Board or committee chairs and Lead Trustee, and notifies Trustees of pertinent conferences, seminars and other educational opportunities. The Audit Committee has an ongoing education program, while the other committees receive education on relevant matters that are identified by the committee, committee chair, Secretary or management. Crombie pays the fees and expenses for Trustees to attend conferences or other events that are important for enhancing their knowledge for serving on the Board. The following table details our Trustee development program in 2017.

Topic	Presented/Hosted By	Attended By
Changes in Accounting Standards	PricewaterhouseCoopers LLP	Full Board
Real Estate Industry Trends	PricewaterhouseCoopers LLP	Full Board
Cyber Security	PricewaterhouseCoopers LLP	Full Board
Fraud Awareness	PricewaterhouseCoopers LLP	Full Board

### *Trustee Retirement*

Crombie does not have a formal retirement policy to dictate the timing of Trustee renewal.

### *Audit Committee Information*

In accordance with National Instrument 52-110 - *Audit Committees*, information relating to Crombie's audit committee is disclosed under the heading "Audit Committee Information" in Crombie's Annual Information Form for the fiscal year ended December 31, 2017.

### *Trustee Independence, Non-Independence and Other Relationships*

For a Trustee to be considered independent, based on securities laws and disclosure requirements, the Board must determine that the Trustee does not have any relationship with Crombie, either directly or indirectly which could be reasonably expected to interfere with the exercise of the Trustee's independent judgment.

The Board is responsible for applying the definition of "Independent Trustee" to the circumstances of each individual Trustee, and for disclosing annually whether the Board has a majority of Independent Trustees and an analysis of the application of the principles supporting this conclusion.

The Board considers the following six Trustees proposed for election to be independent: John Eby, Debra Hess, Brian A. Johnson, J. Michael Knowlton, Barbara Palk and Elisabeth Stroback. The Board also considers ECL appointees: Jim M. Dickson, Jason P. Shannon and Kent R. Sobey to be independent.

In light of general guidelines and other literature, the Board considers that Donald E. Clow, Frank C. Sobey, and Paul D. Sobey have a material relationship with Crombie and are therefore non-independent. Donald E. Clow is considered to be non-independent because of his position as President and CEO of Crombie. Frank C. Sobey, and Paul D. Sobey are considered to be non-independent because of their positions as directors, officers or former officers of Empire or its subsidiaries. Crombie has material contracts with Empire and certain of its subsidiaries.

### **Appointment of Auditor**

PricewaterhouseCoopers LLP was first appointed as external auditor to Crombie on May 5, 2016.

The Audit Committee has reviewed the independence and performance of PricewaterhouseCoopers LLP as external auditor of Crombie. Based on this review, it has recommended to the Board of Trustees and the Board of Trustees is recommending that PricewaterhouseCoopers LLP be reappointed, subject to Unitholder approval at the Meeting.

Based on the Board's recommendation, the persons named in the enclosed Proxy form intend to vote the Units represented thereby FOR the appointment of PricewaterhouseCoopers LLP as auditor of Crombie, to hold office until the next annual meeting of Unitholders.

### **Approval of Auditors Fees**

The persons named in the enclosed Proxy form intend to vote the Units represented thereby FOR the authorization of the Trustees to fix the remuneration of the auditor as the Trustees deem appropriate. The following table details the fees billed by Crombie's External Auditors in each of the last two fiscal years.

Fees Billed	Year ended December 31, 2017	Year ended December 31, 2016	
	PricewaterhouseCoopers LLP	PricewaterhouseCoopers LLP	Grant Thornton LLP
Audit Fees	\$ 304,000	\$ 147,000	\$ 142,200
Audit Related Fees	76,350	56,516	149,595
Tax Fees <sup>(1)</sup>	196,000	200,000	18,175
Other Fees	—	—	—
<b>Total Fees</b>	<b>\$ 576,350</b>	<b>\$ 403,516</b>	<b>\$ 309,970</b>

<sup>(1)</sup> Tax fees billed by PricewaterhouseCoopers LLP in 2017 and 2016 primarily pertain to the Reorganization as described in Part Three of the Management Information Circular dated March 29, 2017.

Audit fees include annual audit and quarterly reviews of Crombie's financial statements. Audit related fees include services related to the issue of units and debentures, fees related to discussion of accounting issues and disclosures, tenant cost recovery statements and French translation services. Tax fees include tax planning and project based assignments related to regulatory compliance and the Reorganization described in Part Three of the Management Information Circular dated March 29, 2017. Other fees include services related to special project work separately approved by the Audit Committee.

#### Executive Compensation Advisory Vote

The Board of Trustees, on the recommendation of the Human Resources Committee (the "HRC"), has determined that it is appropriate to hold a non-binding advisory vote relating to executive compensation. As a Unitholder, you may vote "For" or "Against" Crombie's approach to executive compensation through the following resolution:

*Resolved, on an advisory basis and not to diminish the role and responsibilities of the Board of Trustees, that the Unitholders accept the approach to executive compensation disclosed in this Management Information Circular for the Meeting of Unitholders on **May 10, 2018**.*

Since the vote is advisory, it will not be binding on the Board. However, the Board and, in particular, the HRC, will consider the outcome of the vote as part of its ongoing review of executive compensation.

The voting results of the 2017 Annual General and Special Meeting of Unitholders held May 11, 2017, including the results of the advisory vote relating to executive compensation, is available on Crombie's website [www.crombiereit.com](http://www.crombiereit.com) in a press release dated May 12, 2017.

The Compensation Discussion & Analysis section of this Circular describes our compensation practices for the named executive officers ("NEOs"). The executive compensation is designed to be aligned with performance, drive our strategic initiatives and align with the interests of our Unitholders.

### PART THREE - TRUSTEE COMPENSATION AND EQUITY OWNERSHIP

#### Total Compensation of Board of Trustees

The Board of Trustees' compensation is designed to attract and retain talented and experienced Trustees who will act in the long-term interests of Crombie and its Unitholders. Compensation is paid only to non-employee and non-officer Trustees. Donald Clow, President & Chief Executive Officer of Crombie, receives no compensation directly related to his role as Trustee.

Trustees are reimbursed for travel and other expenses incurred for attendance at Board and committee meetings.

Elements of Compensation	Amount of Annual Compensation (\$)	Fees Earned Per In-Person Meeting (\$)	Fees Earned Per Teleconference Meeting (\$)
Board Chair	\$85,000	—	—
Non-Chair Annual Retainer	\$40,000	—	—
Lead Trustee	\$15,000	—	—
Audit Chair	\$17,500	—	—
Governance & Nominating Chair	\$8,500	—	—
Investment Chair	\$8,000	—	—
Human Resource Chair	\$10,000	—	—
Board Meeting	—	\$1,500	\$1,000
Audit Committee Meeting	—	\$2,000	\$1,000
Other Committee Meeting	—	\$1,500	\$1,000
Deferred Unit Grant	\$25,000	—	—

The trustee compensation table for the Board of Trustees details the annual compensation paid to each trustee during the fiscal year ended December 31, 2017.

Name	Cash Fees earned (\$)	Unit based awards (\$)	Option based awards (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Donald E. Clow	—	—	—	—	—	—	—
Jim M. Dickson	\$ 38,500	\$ 25,000	—	—	—	—	\$ 63,500
John Eby	\$ 42,750	\$ 67,750	—	—	—	—	\$ 110,500
Debra Hess	\$ 42,500	—	—	—	—	—	\$ 42,500
Brian A. Johnson	\$ 76,000	\$ 25,000	—	—	—	—	\$ 101,000
J. Michael Knowlton	\$ 83,500	\$ 25,000	—	—	—	—	\$ 108,500
E. John Latimer <sup>(1)</sup>	\$ 20,000	\$ 4,000	—	—	—	—	\$ 24,000
Barbara Palk	\$ 78,000	\$ 25,000	—	—	—	—	\$ 103,000
Jason P. Shannon	—	\$ 94,500	—	—	—	—	\$ 94,500
Frank C. Sobey	\$ 42,500	\$ 67,500	—	—	—	—	\$ 110,000
Kent R. Sobey	—	\$ 83,500	—	—	—	—	\$ 83,500
Paul D. Sobey	\$ 63,500	\$ 25,000	—	—	—	—	\$ 88,500
Elisabeth Stroback	\$ 76,500	\$ 25,000	—	—	—	—	\$ 101,500
François Vimard <sup>(2)</sup>	\$ 19,000	—	—	—	—	—	\$ 19,000

<sup>(1)</sup> Mr. Latimer is retired from the Board of Trustees in May 2017.

<sup>(2)</sup> François Vimard's compensation was paid to Empire. He retired from the Board of Trustees in June 2017.

Compensation for the Board of Trustees is payable in the form of cash for an annual retainer, a discretionary annual Deferred Unit grant, meetings fees, and, as applicable, committee chair retainers. However, Trustees may elect to receive some or all compensation in the form of Deferred Units under the Deferred Unit Plan described below under the heading "Equity Compensation Plan Information".

#### Trustee Unit Ownership Guidelines

Each Trustee is expected to hold a minimum number of Units and Deferred Units having a total value (greater of cost or market value) equal to four times the amount of the annual retainer (currently \$40,000 for an aggregate of \$160,000) paid to a non-management Trustee. This guideline should be met by the fifth anniversary of joining the Board. See "Business of the Meeting - Election and Appointment of the Board of Trustees" for information relating to the Units and Deferred Units held by each Trustee and the status of each Trustee's compliance with the ownership objective. The ownership guidelines for the President & CEO is outlined in the section "Compensation Discussion & Analysis - Equity Ownership Guidelines Policy".

Trustees were eligible to take their compensation under the Deferred Unit Plan beginning in August 2013. Any Deferred Units will be counted as part of the minimum Units that they are expected to hold. Individual Trustees utilizing the Deferred Units may be able to defer payment of personal income taxes on their Board compensation until the Deferred Units are redeemed in accordance with their terms.

	Number of Units Owned <sup>(1)</sup>	Number of Deferred Units Owned	Total Units and Deferred Units Owned	Value at March 21, 2018 <sup>(2)</sup>	Unit Ownership Requirement Status
Donald E. Clow	335,975	48,858	384,833	\$4,887,380	Met/In Compliance
Jim M. Dickson	14,500	2,032	16,532	\$209,956	Met/In Compliance
John Eby	13,000	24,084	37,084	\$470,967	Met/In Compliance
Debra Hess	—	1,942	1,942	\$24,663	Met/In Compliance
Brian A. Johnson	73,378	7,757	81,135	\$1,030,415	Met/In Compliance
J. Michael Knowlton	18,595	7,757	26,352	\$334,670	Met/In Compliance
Barbara Palk	12,000	6,498	18,498	\$234,925	Met/In Compliance
Jason P. Shannon	5,000	11,505	16,505	\$209,614	Met/In Compliance
Frank C. Sobey	52,600	19,052	71,652	\$909,980	Met/In Compliance
Kent R. Sobey	17,100	30,925	48,025	\$609,918	Met/In Compliance
Paul D. Sobey	30,000	3,525	33,525	\$425,768	Met/In Compliance
Elisabeth Stroback	13,515	18,407	31,922	\$405,409	Met/In Compliance

<sup>(1)</sup> Donald E. Clow's Number of Units Owned includes 145,048 Restricted Units and 54,664 Performance Units issued under Crombie's LTIP

<sup>(2)</sup> Based on Market Value of Units as of March 21, 2018 of \$12.70.

The following table provides a detailed reconciliation of the number of Units owned and the value by type of Unit (Units, Restricted Units, Deferred Units and Performance Units) by the President & CEO.

Type	# of Equivalent Units	Value
REIT Units	136,263	\$ 1,730,540
Restricted Units (RUs)	145,048	\$ 1,842,110
Deferred Units (DUs)	48,858	\$ 620,497
<b>Total Holdings excluding PUs</b>	<b>330,169</b>	<b>\$ 4,193,147</b>
Performance Units (PUs)	54,664	\$ 694,233
<b>Total Holdings including PUs</b>	<b>384,833</b>	<b>\$ 4,887,380</b>

## PART FOUR - COMPENSATION DISCUSSION AND ANALYSIS

### Report of the Human Resources Committee ("HRC")

The HRC assists the Board of Trustees through oversight and direction with respect to Crombie's talent strategy and talent policies and programs.

In particular, the Committee focuses on:

- Recruitment, development and retention of Crombie's workforce;
- Appointment, performance evaluation and compensation of the President & CEO and Executives;
- Compensation philosophy and structure for Executives including base salary, annual and long term incentive plans, benefits, pension and perquisites;
- Succession planning, talent management and development relating to Executives, including appointments, reassignments, and terminations;
- Unit ownership guidelines for the President & CEO and Executives;
- Clawback Policy provisions; and
- Trustee and corporate diversity and inclusion.

In 2017 the HRC:

- Reviewed and approved a comprehensive list of peer compensation comparator organizations;
- Performed review and benchmarking of Named Executive Officers' ("NEOs") compensation against the comparator group;
- Reviewed the total compensation for the President and CEO, against "best in class" standards and approaches;
- Received and approved Crombie's talent strategy and succession and development plans for key Executive positions;
- Reviewed and approved an updated Annual Incentive Plan ("AIP");
- Reviewed and approved the Restricted Unit ("RU") Long Term Incentive Plan ("LTIP");
- Reviewed and approved the Performance Unit ("PU") Long Term Incentive Plan;
- Reviewed and approved unit ownership and post-retirement unit retention guidelines;
- Reviewed Crombie's Employee Engagement Survey results and follow-up actions;
- Reviewed Crombie's National Occupational Health and Safety Policy and Program results;
- Reviewed Crombie's Gender Diversity Strategy;
- Conducted its due diligence with respect to Benefit and Pension Plan oversight; and
- Discussed the future talent strategy for Crombie - HR 2023.

### HRC Committee Composition

As of December 31, 2017, the HRC was composed of Barbara Palk(chair), Brian A. Johnson, Jason P. Shannon, and Paul D. Sobey. Each member of the HRC, other than Mr. Sobey, is independent. Although Mr. Sobey is not independent, as a Director of Empire which owns a 41.5% interest in Crombie, he is independent from Management and the Board believes his interests are aligned with those of Crombie's Unitholders. The relevant education and experience of each member is as follows:

#### (a) Barbara Palk (Chair)

- Member of the Institute of Corporate Directors and holds the ICD.D designation
- Fellow of the Canadian Securities Institute
- Bachelor of Arts (Honours in Economics) Degree from Queen's University
- Former President of TD Asset Management
- CFA® charterholder

- Serves on Boards of Ontario Teachers' Pension Plan, TD Asset Management USA Funds Inc. and First National Financial Corporation

(b) Brian A. Johnson

- Masters of Business Administration from University of Pennsylvania
- CFA® charterholder
- Retired President and Chief Executive Officer of Crown Life Insurance Company
- Former Board Chair and Board member of University of Regina Board of Governors
- Board member of MCAN Mortgage Corporation and Western Surety

(c) Jason P. Shannon

- President & Chief Operating Officer of Shannex Incorporated
- Bachelors of Commerce and Bachelor of Laws from Dalhousie University
- Called to the bar in Nova Scotia in 1998
- Board member of Empire Company Limited's Pension Investment Committee
- Director of the Loran Scholars Foundation and Chair of Investment Committee

(d) Paul D. Sobey

- Retired President and Chief Executive Officer of Empire Company Limited
- Bachelor of Commerce from Dalhousie University
- Advanced Management Program from Harvard University Business School
- Board member of Empire Company Limited and Sobeys Inc.
- Former Director and Chair of Audit Committee of Bank of Nova Scotia
- Former Chair of Wajax Income Fund (now Wajax Corporation)
- Fellow of the Institute of Chartered Professional Accountants of Nova Scotia
- Chancellor of St. Mary's University, Halifax, NS

This report has been approved by members of the HRC:

Barbara Palk (Chair)

Brian A. Johnson

Jason P. Shannon

Paul D. Sobey

### **Compensation Philosophy**

Crombie believes that the caliber and commitment of its executives and all employees is critical to its continued success and performance. Crombie's Compensation Policy and Management Guidelines are designed to be attractive to employees, competitive within each geographic market, enable execution of Crombie's business strategy and the creation of longer term Unitholder value. Employees work together to maintain the highest standards of integrity, conduct and performance, living by the standards set out in our Code of Business Conduct and Ethics. Diversity and inclusion is valued and our culture is strong.

Crombie's Executive compensation includes the following elements:

- Base Salary;
- Cash based AIP award based on corporate, business group (where applicable) and individual performance against a series of goals established in the annual Budget and each Executive's Balanced Scorecard;



- LTIP award, based on absolute and relative performance goals averaged over the current year and the past two year performance period, and paid in RUs which vest after approximately three years;
- LTIP grant which vests after the three year forward-looking performance period, based on absolute and relative performance goals paid in PUs; and
- Executive Pension.

AIP and LTIP Awards (RU and PU Awards) are differentiated for each Executive, ensuring that pay and performance are correlated. The LTIP-PU plan was introduced in 2017 for the CEO, NEOs and Executives reporting directly to the CEO.

In developing its compensation program, Crombie has adopted the following guiding principles:

- The compensation program enables and supports the execution of Crombie's business strategy and financial results by focusing the Executive on long term value creation;
- The program provides a total compensation that is based on performance and value creation, and reflects Crombie's positioning relative to its peer compensation comparators;
- The program motivates Executives to focus on long term strategic thinking and results that will increase Unitholder value; and
- Compensation is consistent with best practices and does not provide an incentive for excessive or unexpected risk taking.

The HRC reviews the components of Executive compensation on an annual basis to ensure that there is an appropriate mix between base salary, short term (AIP) awards and long term awards (LTIP) aligned with the best interest of Crombie and its Unitholders.

Crombie benchmarks its Executive compensation against a comprehensive list of comparators and reviews market surveys to ensure that its compensation is competitive within the various labour markets in the country. Crombie's base pay and short term and long term incentive plans are aligned with its strategy and the creation of value for Unitholders. The LTIP encourages unit ownership and retention of Executives through its RU Plan, wherein units granted as a performance award vest after approximately a three year period, and the PU Plan where a grant cliff vests after a three year period and payout amount is based on achievement of performance goals which are forward looking and specified at the time of grant.

### **Compensation Governance**

The HRC acts as Crombie's Compensation Committee. HRC has established good governance practices.

The HRC received both Management's and independent advice on its Executive compensation program prior to decisions being taken. Benchmarking analysis of compensation and business results were reviewed with an independent advisor. Analysis was undertaken to review best practices within public company human resources and compensation governance to ensure Crombie is consistent with best practices in its approach. Realizable pay analyses were undertaken to ensure that pay and performance were aligned with realized pay, assessed against Unitholder returns and reviewed to ensure positioning within the peer comparator group was reflective of asset value and revenue.

The HRC satisfied itself that Executive compensation was appropriate given Crombie's annual results and long term trends in Unitholder returns.

### **Talent Management, Development and Succession Planning**

The HRC is responsible for monitoring, reviewing and providing guidance in respect of talent management, leadership development and succession planning for the President & CEO, NEOs and other Executives reporting to the President & CEO. The HRC reviews and approves the succession plan for the President & CEO annually. Also, the Committee monitors other key leadership roles for which development and succession planning are important to enable Crombie's future. This includes preparing for planned and unplanned Executive transitions. In 2017, the Committee reviewed the succession plan and assessed Executive talent risk through an assessment of overall competency of the Executive team, the scalability of the Executives to enable broadening and growing of our business strategy, and likelihood of departures due to retirement or resignation. Risk was mitigated through advancing Executive leadership learning, the hiring of an Executive Vice President Portfolio Management and realignment of duties reporting to Executives to expand successors' knowledge and experience.

## Corporate and Board Diversity

Crombie has a Diversity and Inclusion Policy and Strategy that guides its actions. Crombie considers gender diversity and other forms of diversity in its workforce and on its Board of Trustees as key to its success. Crombie REIT is committed to creating and maintaining a diverse, inclusive and collaborative culture that is free of barriers and drives competitive advantage and business sustainability for the future.

Crombie strives to create an inclusive environment where individuals from a wide variety of backgrounds are recognized, respected and valued and individual differences and creativity of thought are viewed as strengths. The individual differences, life experiences, knowledge, capabilities and talents that our employees bring to their work enhance our culture, brand and reputation; improve organizational performance and effectiveness; drive growth; and, enhance employee engagement.

Through leadership and action, Crombie's diversity and inclusion goals are intended to ensure that:

- Crombie is reflective of the diversity inherent across all levels of Canadian society; and
- Crombie benefits from the range of perspectives, ideas and experiences that diversity provides.

Our commitment to diversity and inclusion includes our Board and extends to all areas of our business and is underpinned by an approved Diversity and Inclusion strategy as well as a range of supporting policies.

The Committee reviews diversity and monitors key performance indicators ("KPIs") at least annually, and provides direction if required. Particular focus is placed on gender diversity. KPIs include but are not limited to diversity progress with respect to the following:

- Demographics of the management groups and changes over time;
- Number of employees of various diverse groups identified as future leaders;
- Recruitment of greater diversity of senior managers and Trustees;
- Development plans to increase work force diversity; and
- Succession Planning and Future Leaders Programs.

As of March 21, 2018, three of 12 Trustees and two of 8 Executives of Crombie are women.

## Risk Mitigation Practices

The Board provides regular oversight of Crombie's risk management practices, and delegates to the HRC the responsibility to provide ongoing compensation and people management risk conversations at the Committee to:

- Bring greater inclusiveness / collaboration between Management and Trustees;
- Provide risk oversight to identify and assess the risks relevant to the Committee's work; and
- Ensure the Committee and the Board incorporates a regular (throughout the year) dialogue / update on its individual risk oversight accountability priorities.

There are two core elements to our approach:

- Risk Assessment - Identifying and assessing the risks that are of greatest consequence / importance to Crombie with assignment of oversight to the most appropriate party; and
- Risk Appetite Framework - Creating the oversight framework to govern our management of risk (eg Risk capacity, appetite, tolerance, etc).

The HRC focuses on people management risks and collaborates with the Audit Committee and the Board as a whole on culture and reputational risk. It ensures the organization is appropriately staffed at all levels with appropriate segregation of duties and oversight of activities. People management risks include the following:

- People and talent risks including the risk that appropriate succession planning, attracting, engaging, retaining and developing qualified people at all levels, ensuring that the capability and capacity are always present;

- Health and safety risks include maintaining a healthy, safe and effective workplace for employees, and complying with appropriate regulations;
- Compensation risks include oversight of Crombie's compensation policies and practices, to attract talent and drive performance and to identify and mitigate policies and practices that could encourage inappropriate or excessive risks by members of Executive management including fraud or manipulations or results;
- CEO Succession Planning includes ensuring there is plan for emergency step up as well as long term CEO replacement; and
- NEO Succession Planning includes having an effective succession dialogue and program for Executives reporting to the CEO.

The Board has concluded that Crombie has policies and practices in place to ensure that Executives do not have incentives to take inappropriate or excessive risks, including the following:

- An appropriate mix of fixed and variable compensation, including an appropriate weighting of unit-based compensation;
- A balanced approach to variable incentive compensation with a mix of qualitative and quantitative objectives including both relative and absolute performance targets;
- Quantitative organization-wide metrics used to calculate and recommend to HRC the amount of awards to NEOs pursuant to Crombie's AIP;
- A performance-based LTIP in which RUs and PUs are granted/awarded with vesting after approximately three years and metrics that are based on both relative and absolute performance results;
- Final AIP awards are not determined until the completion of the audit of Crombie's consolidated annual financial statements by Crombie's Auditor;
- Crombie's Auditor is engaged to review and confirm Management's calculations of the AIP and LTIP awards prior to payment;
- Board and HRC discretion to determine the amount, if any, of awards pursuant to Crombie's incentive programs;
- An Equity Ownership Policy and Guidelines for the President & CEO and other NEOs which establishes equity ownership requirements;
- A Clawback Policy, which would require reimbursement of full or partial compensation in certain situations including fraud;
- Post-retirement or resignation retention of equity ownership for the President & CEO;
- Prohibition of hedging and restriction of pledging of the Units and unit-based incentives;
- An organizational culture of prudent risk-taking;
- A comprehensive Code of Business Conduct and Ethics and Whistleblower Policy that encourages reporting of imprudent corporate behaviour;
- The majority of the HRC members are independent Trustees and HRC retains an independent compensation consultant to assist it in its review of compensation;
- The Board and all committees, including HRC, meet in camera at all meetings; and
- The HRC and senior management utilize Balanced Scorecards to identify and measure achievement against individual and group priorities.

#### **Executive Compensation Consultants**

The HRC retains Hugessen Consultants ("**Hugessen**") as an independent compensation consultant. Hugessen provides independent advice to the HRC while Crombie retains other consultants to provide advice to management. Prior to the fall of 2017, the HRC retained Meridian Compensation Partners ("**Meridian**").

In 2017, Hugessen and Meridian provided advice to the HRC in connection with:

- Compensation philosophy;
- Crombie's compensation programs and the alignment with unitholder value;
- Peer Comparators for Executive Compensation;
- Pay positioning of Crombie's compensation within the group of peer comparators considering the relative position of asset value and revenue;
- Pay mix including pay at risk;
- Short Term Incentive Program (AIP);
- Long Term Incentive Programs (LTIP - RUs and LTIP - PUs);
- President & CEO compensation;
- Performance and Pay Analyses;
- Review of the guiding principles, design and implementation of a Performance Unit Program; and
- Governance.

The following table details the fees paid to consultants in relation to Executive compensation in each of the last two years.

<b>Executive Compensation-Related Fees</b>	<b>Year ended December 31, 2017</b>	<b>Year ended December 31, 2016</b>
Meridian Compensation Partners	\$ 23,768	\$ 76,064
Hugessen Consultants	\$ 63,538	\$ —
<b>Total Fees</b>	<b>\$ 87,306</b>	<b>\$ 76,064</b>

#### **Compensation Comparator Group**

In 2017, the comparator group is comprised of companies with asset values and revenues ranging from a multiple of 1/3 to 3 times that of Crombie. For 2017, Brookfield Canada Office Properties Inc. was removed from the compensation comparator group as it was privatized in 2017.

The comparator group is comprised of:

- CT REIT
- Choice Properties REIT
- SmartREIT
- Artis REIT
- Canadian REIT
- Cominar REIT
- Morguard Corporation
- Allied Properties REIT
- Dream Office REIT
- Boardwalk REIT
- CAP REIT
- Northview Apartment REIT
- Killam Properties REIT
- First Capital Realty Inc.
- Melcor Development Ltd.
- Granite REIT

## Compensation Target Positioning

The peer comparator group is comprised of companies with asset value and revenues ranging from a multiple of 1/3 to 3 times those of Crombie, with Crombie positioned slightly below median in order to reflect Crombie's business and talent comparators. Crombie generally targets its total compensation at or slightly below median of this group for the NEOs.

## Elements of Compensation

The components of Crombie's Executive compensation program are described below.

### *Fixed Compensation*

Component: Base Salary; Form: Cash; Performance Period: Annual

Reflects the Executive's level of responsibility, experience, tenure, position complexity and internal equity among Executives, and the Executive's overall performance. Benchmarked to compensation comparators.

### *Variable Compensation*

Component: Annual Incentive Plan ("AIP"); Form: Cash; Performance Period: Annual

Incentive program is linked to the achievement of specific corporate financial, business group and individual performance targets in each fiscal year. Each executive has a target annual bonus (% of base salary).

Actual payout is determined by the achievement of predetermined financial, business group and individual performance objectives.

Component: Long Term Incentive Plan ("LTIP"); Form: Restricted Units ("RUs"); Performance Period: Three year vesting period

The RU Plan motivates and rewards executives for alignment with long term growth through unit based awards and performance targets that are key drivers of corporate strategy. Performance is based on relative Total Unitholder Return ("TUR") and absolute AFFO and same asset cash net operating income ("SANOI") results. LTIP awards are awarded in RUs which vest after approximately three years. The RUs are credited with notional distributions paid on units for the period when the RUs are vesting. Vested RUs are settled via cash payment unless the NEO elects to convert the vested RUs into DUs at the time of payout. DUs can only be cashed out after retirement or departure of the NEO from Crombie.

Component: Long Term Incentive Plan ("LTIP"); Form: Performance Units ("PUs"); Performance Period: Three year vesting period

PUs were introduced in 2017 for the President & CEO, NEOs and Executives reporting directly to the President & CEO.

The guiding principles for the PU plan are:

- To have a forward looking performance plan structure;
- To ensure alignment with Crombie's business strategy and long term value creation;
- To ensure that the metrics incentivize the right behavior on strategy;
- Over time, while maintaining the compensation philosophy, change the pay mix to increase the percentage of variable compensation to total compensation; and
- To have long term award paid only if results are achieved.

The PU plan supplements the existing RU plan. Total compensation will be in keeping with Crombie's target compensation positioning noted above. PUs are settled via cash payment unless the NEO elects to convert the vested PUs into DUs at the time of payout. DUs can only be cashed out after retirement or departure of the NEO from Crombie.

### *Pension Plan*

Component: Defined Contribution and Defined Benefit Plans; Performance Period: Long Term & Post Retirement

Provides long term retention and security of NEOs.

### *Benefits*

Component: Health, Dental, Life Insurance and Perquisites; Performance Period: Annual

Designed to attract and retain Executives.

### Named Executive Officers

In 2017, Crombie's Named Executive Officers ("NEOs") which consist of the CEO, CFO, and next three highest compensated employees were:

- Donald E. Clow, President & Chief Executive Officer ("**President & CEO**")
- Glenn Hynes, Executive Vice President, Chief Financial Officer and Secretary ("**EVP, CFO & Secretary**")
- John Barnoski, Senior Vice President, Corporate Development ("**SVP, Corporate Development**")
- Scott R. MacLean, Senior Vice President, Eastern Canada ("**SVP, Eastern Canada**")
- Trevor Lee, Senior Vice President, Western Canada ("**SVP, Western Canada**")

### Compensation Mix

For the NEOs, the target compensation mixes in 2017 were as follows (numbers may add to greater than 100% due to rounding):

Position	Base Salary	AIP	LTIP RU	LTIP PU	Pension	Total Pay at Risk
President & CEO	32%	24%	24%	13%	7%	68%
EVP, CFO, and Secretary	40%	20%	24%	9%	7%	60%
SVP, Corporate Development	53%	21%	13%	9%	5%	47%
SVP, Eastern Canada	53%	21%	13%	9%	5%	47%
SVP, Western Canada	54%	21%	11%	9%	5%	46%

### Base Salaries

Base salaries for NEOs were set on an individual basis and not within formalized salary ranges. Base salaries compensate NEOs for the role they perform, its complexity and impact to the REIT's business strategy, and the level of risk inherent in the role. Crombie's base salaries are benchmarked at or below the median of the peer compensation comparators. The HRC may make adjustments to an NEO's salary as a result of changes responsibilities or accountabilities, market competition, or as a result of the performance or contribution of the NEO.

### Annual Incentive Plan

The President & CEO, with the approval of HRC and the Board, sets specific quantitative and qualitative performance objectives for each NEO linked to the strategy, annual operating budget and longer term forecasts for which milestones results are required annually. Each Executive has an AIP target as a percentage of base salary. Incentive targets are reviewed to ensure ongoing market competitiveness. The minimum incentive payment under the AIP is zero when company, business group and/or individual performance are below minimum performance thresholds. The maximum incentive achievable for exceeding corporate, business group and individual performance objectives is 200% of the target payout. Individual performance objectives are intended to be challenging but achievable at target.

The AIP calculation is as follows:

- Base salary × the AIP target × the corporate performance weighting, plus
- Base salary × the AIP target × the business group performance weighting (if applicable), plus
- Base salary × the AIP target × the individual performance weighting.

Maximum payout can only be achieved by having all the applicable performance weightings at the maximum level.

Base salary and AIP target levels vary by individual qualifications, experience, performance and position. The weightings attributed to the corporate, business group and individual multipliers vary by position.

The payout targets, maximums and business performance weightings for the 2017 AIP were as follows:

Position	AIP (as a % of base salary)		Performance Weightings		
	AIP Target	AIP Maximum	Corporate	Business Group or Region	Individual
President & CEO	75%	150%	75%	0%	25%
EVP, CFO, and Secretary	50%	100%	75%	0%	25%
SVP, Corporate Development	40%	80%	25%	50%	25%
SVP, Eastern Canada	40%	80%	35%	35%	30%
SVP, Western Canada	40%	80%	35%	35%	30%

The performance targets were established by the HRC based on input from management and independent advice from Meridian. Minimum (threshold), target and maximum metrics are established each year for the three multiplier components of the AIP (Corporate, Business Group and Individual), as described below.

#### *Corporate Performance*

- The corporate performance metric for 2017 AIP was FFO per unit, which is defined as increase (decrease) in net assets attributable to Unitholders (computed in accordance with IFRS), adjusted for gains (or losses) from sales of investment properties, depreciation and amortization expense (including amortization of tenant incentives charged against property revenue), incremental internal leasing costs, deferred income taxes, impairment losses (or reversals) on investment properties and transaction costs expensed on an investment property acquisition accounted for as a business combination, distributions paid on Crombie's outstanding Units and Class B LP Units and changes in fair value of financial instruments.
- In 2017, FFO results were adjusted to exclude: 1) the new internal leasing expense add back to FFO (\$2.4 million), which was not included in the 2017 budget, to better align Crombie's FFO reporting with those of its peers, consistent with the REALPac White Paper on standardization of FFO, AFFO and ACFO, and 2) third party consultant fees of \$1.06 million related to the tax reorganization that occurred on June 30, 2017.
- The HRC reviewed management's achievement in 2017 and concluded that the budget for FFO/unit was \$1.192. 2017 actual results, as adjusted for above adjustments, was \$1.203. This is an achievement of 100.9%.
- AIP performance range is 90% (threshold) to 110% (maximum) with target being 100%. Therefore, 100.9% of budget represents 109.1% of target.

Corporate performance payouts are summarized in the following table:

2017					
AIP Corporate Performance					
Metric	Threshold	Target	Maximum	2017 Actual	Payout
FFO/Unit	\$1.073	\$1.192	\$1.311	\$1.203	109.1%

Performance between achievement levels is calculated on a linear scale between threshold and maximum. Refer to note above on corporate performance.

#### *Business Group Performance*

Business Group objectives are specific quantifiable factors that are under the direct management responsibility of the position, as determined by the Board of Trustees.

#### *Individual Performance*

Individual performance objectives consist of objectives which are quantitative but which allow for some qualitative judgment. They are aligned with Strategy and include expected leadership capabilities as well as individual customer/stakeholder, financial, operational and people objectives. Balanced Scorecards set out the expectations annually and payouts must receive approval of the Board of Trustees.

## Payouts

AIP Awards are paid to employees in March following the performance year. Further details of the AIP awards paid to the NEOs of Crombie can be found on page 31.

### Long Term Incentive Plan

The performance based LTIP focuses Executives on value creation. It is designed to motivate executives to achieve specific results over continuous three year periods that are expected to increase Unitholder value. The performance based LTIP provides payouts that reflect overall business results over three years on a basis that aligns with and is fair to Unitholders.

The NEOs are required to receive their LTIP awards in the form of RUs which vest after approximately three years. The amount of the annual LTIP award is based on three equally weighted measures averaged for the current year and the two years immediately preceding the award date. The three measures under the LTIP are:

- (a) TUR, relative to an HRC approved performance comparator group of Canadian real estate entities (see below);
- (b) Growth in AFFO per Unit; and
- (c) Growth of SANOI compared to targets approved by the Board of Trustees. The properties included in the calculation of SANOI for LTIP purposes may differ slightly from those included in Crombie's Management Discussion and Analysis.

The performance comparator group is comprised of:

- SmartREIT
- Plaza Retail REIT
- Canadian REIT
- Morguard REIT
- RioCan REIT
- Allied Properties REIT
- Dream Office REIT
- Boardwalk REIT
- Northview Apartment REIT
- Killam Apartment REIT
- First Capital Realty Inc.

In 2017, the HRC implemented a performance based LTIP plan (LTIP PU) in addition to the LTIP RU plan, which is forward looking with performance measures set for each individual grant in the year of a grant and with actual performance measured at the time of vesting. Executives are entitled to receive performance-based LTIP awards equal to a specified percentage of base salary for achieving the target level of performance with a maximum award of 2x target for superior performance. No awards are earned for performance below specified threshold levels.

In 2017, HRC considered and approved the following exceptions from the calculation of AFFO/unit:

- Professional fees related to a tax reorganization of \$1.06 million; and
- The increase in our *per square foot* maintenance capex and TI charge (to derive AFFO) in 2017 arising from the REALPac White Paper on recoverable capex.



The payout targets and maximums for the 2017 LTIP - RU were as follows:

Position	LTIP Target	LTIP Maximum
	(as a % of base salary)	
President & CEO	75%	150%
EVP, CFO, and Secretary	60%	120%
SVP, Corporate Development	25%	50%
SVP, Eastern Canada	25%	50%
SVP, Western Canada	25%	50%

LTIP Performance awards are determined by taking 33.33% of the achievement in each of the measures in the following table:

2017					
LTIP Corporate Performance Weighting					
Metric	Threshold	Target	Maximum	2017 Actual	Achievement
Total Relative Unitholder Return (TUR)	2 <sup>nd</sup> lowest of comparator REITs	Midpoint of comparator REITs	2 <sup>nd</sup> highest of comparator REITs	4 <sup>th</sup> highest of comparator REITs	133.34%
AFFO per Unit	\$0.969	\$1.020	\$1.071	\$1.027	100.70%
SANOI	\$239.1M	\$242.7 M	\$246.3M	\$243.1M	100.17%

LTIP - RU award payouts are determined by averaging the current year results with those of the previous two years.

LTIP Achievement (% of target)			
2015	2016	2017	2017 Payout
142.92%	140.00%	119.54%	134.15%

Awards are granted in RUs in accordance with the RU Plan Text. All awards vest after an approximate three year vesting period. RUs can be rolled into Deferred Units or taken in cash (net of applicable taxes) at the prevailing price at the time of redemption/expiry.

#### Executive Unit Purchase Plan

Until 2014, Crombie could provide executives with a loan to finance the purchase of units under the executive unit purchase plan (the "EUPP") with LTIP awards reducing the outstanding loan balance. The amount of the loan, the interest rate, the maturity date and any other terms and conditions relating to each loan were determined by the HRC. The final award under the EUPP was made in March 2014. Participants in the EUPP transitioned to the RU Plan beginning in 2015. Any remaining loans associated with the EUPP will be required to be paid by the end of 2022.

#### Equity Ownership Guidelines Policy

The President & CEO is required to own Units valued at three (3) times base salary. NEOs are required to own Units valued at two (2) times base salary and must be compliant within five years from the date of naming as an NEO. Unit ownership can include RUs, DUs, or Units purchased personally. As of March 21, 2018, all NEOs are in compliance with the Unit ownership requirements.

#### Post Retirement or Resignation Retention of Equity Policy

The President & CEO must hold one times base salary in equity for a period of one year following retirement or resignation.

#### Clawback Policy

As part of the Board's compensation risk mitigation strategy, the Board has implemented a Clawback policy with respect to variable incentive compensation for certain senior executives and management of Crombie. Under this policy the Board may, in its sole discretion, to the full extent permitted by governing law and to the extent it determines that it is in Crombie's best interest to do so, require reimbursement of all or a portion of the AIP and LTIP incentive compensation received by the President & CEO, other NEOs and certain designated Executives and Senior Managers. Specifically, the Board may seek reimbursement of full or partial compensation in situations where:

- The amount of the incentive compensation was calculated on or contingent on the achievement of certain financial results that were subsequently the subject of, affected by the restatement of all or a portion of the Trust's financial statements;
- The incentive compensation award would have been lower had the financial results been properly reported; and/ or
- It is determined the executive engaged in intentional misconduct or fraud that caused or substantially caused the need for restatement.

### Pension Plan

Crombie offers a defined contribution plan for Executives (the "**Executive Plan**"). The Executive Plan is registered under the *Pension Benefits Act* (Nova Scotia) and the *Tax Act*. Each member is required to contribute a top up amount to the Executive Plan so that the member's total annual contribution to the Executive Plan is \$3,500. Crombie contributes an amount equal to 12% of each member's basic salary. All contributions are capped by the maximum permitted by the Canada Revenue Agency (CRA).

The employment arrangements for the President & CEO and the EVP, CFO and Secretary, include a provision for supplementary payments (the Supplemental Senior Executive Retirement Plan, the "**SERP**") to be made to them upon retirement if the level of payments to them under the Basic Plan and the Executive Plan together do not reach certain target levels based on in place actuarial assumptions.

### Benefits

Crombie offers Executive group life, health and dental insurance, and paid vacation. Crombie offers these benefits on a competitive level with comparator organizations, while ensuring that benefit costs are contained over the long-term.

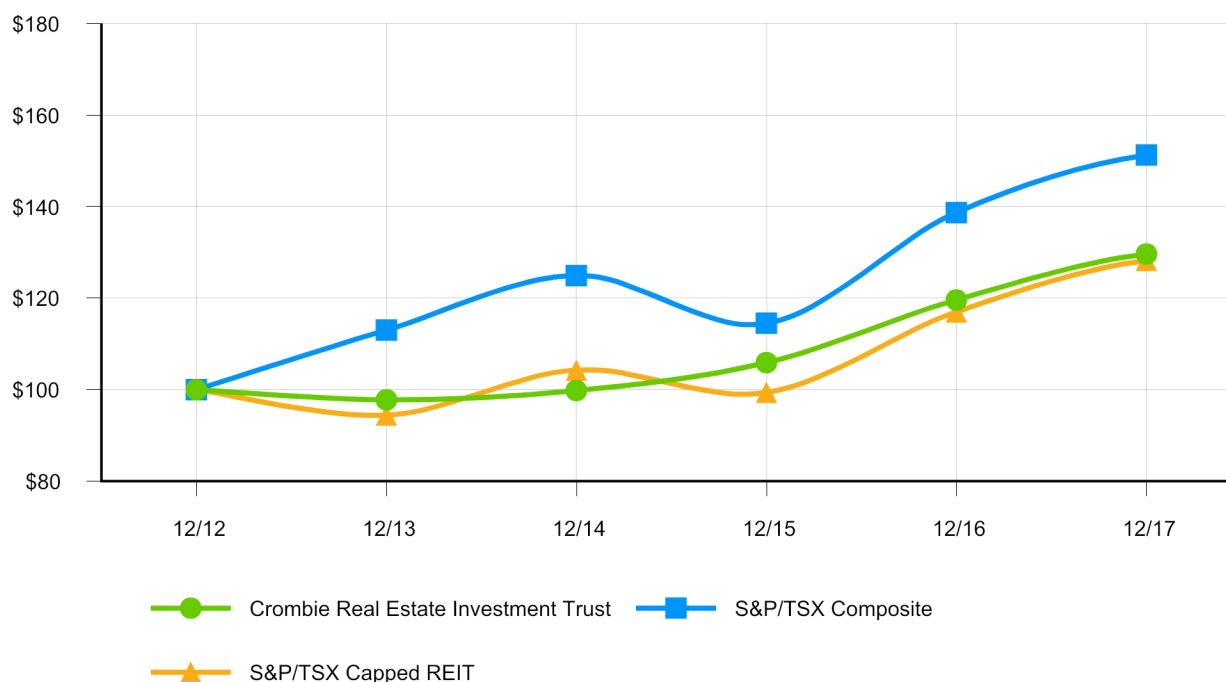
### Perquisites

NEOs receive a limited number of perquisites. These include vehicles, annual medical examination and club memberships. The latter is offered as a fixed allowance subject to maximum limits.

### Unit Performance Graph

The following performance graph shows the cumulative 5-year TUR for Crombie compared to the performance of the S&P/TSX Composite Index and S&P/TSX Capped REIT Index. The graph shows the cumulative return for an investment of \$100 during the five most recently completed calendar years invested in Crombie Units, the S&P/TSX Composite Index and the S&P/TSX Capped REIT Index.

## COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN\* Among Crombie Real Estate Investment Trust, the S&P/TSX Composite Index and the S&P/TSX Capped REIT Index

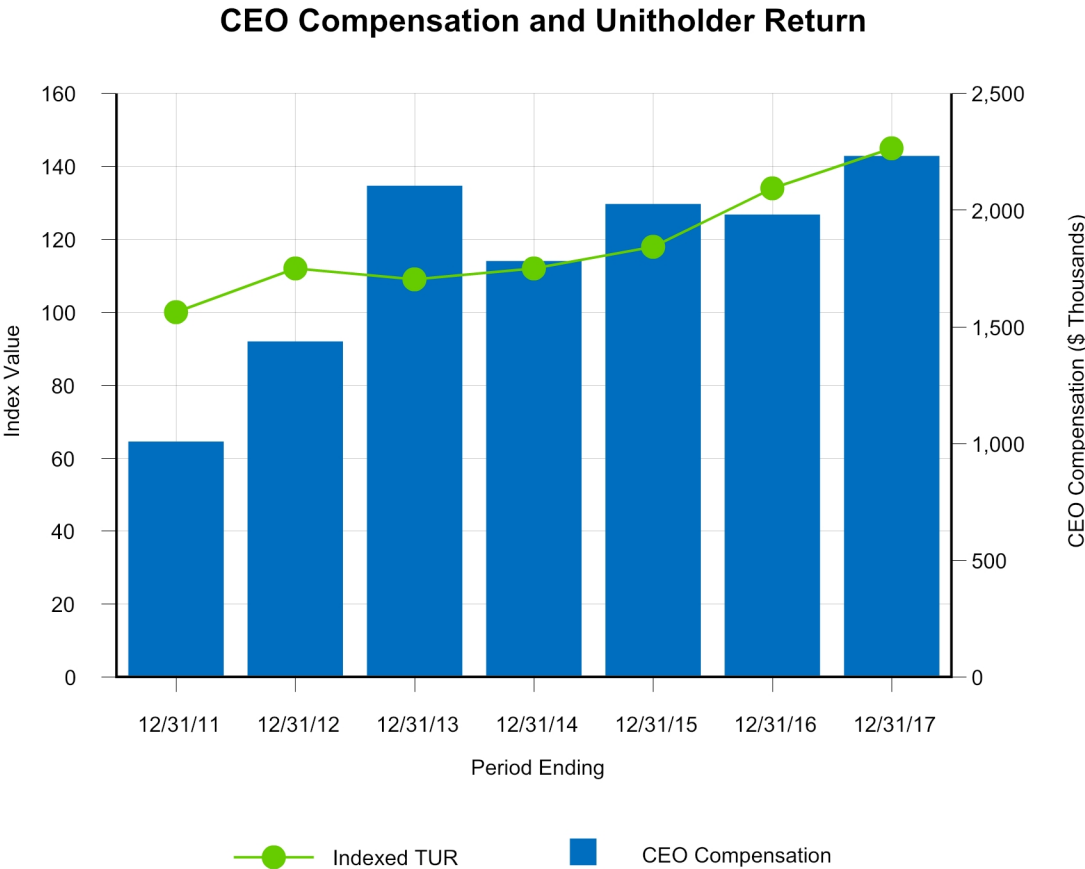


\* \$100 invested on 12/31/12 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

The performance graph above shows Crombie's sustained performance has been relatively consistent with the S&P/TSX Capped REIT Index, which includes many of Crombie's direct business competitors.

**A Look Back at CEO Compensation and Unitholder Return**

Crombie believes that the President & CEO's total compensation package provides alignment to Unitholder value and ensures that the Executives are aligned with both the short term and long term interests of Crombie's Unitholders.



**President & CEO Compensation: Look Back Table**

The HRC recommends to the Board the compensation of the President & CEO and ensures Crombie's compensation philosophy aligns the interests of the President & CEO and the balance of Crombie's executives with those of the Unitholders.

The following table compares the total compensation award to the President & CEO in each of the last five years with the value of total direct compensations realized or realizable as of March 21, 2018. The total direct compensation awarded includes base salary, AIP Award (in cash), and LTIP Awards (awarded in RUs and starting in 2017 - RUs and PUs). The actual realized or realizable value of total direct compensation includes base salary, AIP Awards, and the value of LTIP awards received/granted valued as of March 21, 2018.

Compensation outcomes are also compared to the value to Unitholders, which represents the cumulative value of a \$100 investment in Units made on the first trading day of the period indicated, assuming the reinvestment of distributions. On average, the value of the President & CEO's total direct compensation awarded over the past five years that has been realized (or remains realizable) as of March 21, 2018 is slightly higher than the original award value. Comparatively, the average total Unitholder return over the same periods indicated was 10.43%.

Year	Total Direct Compensation Awarded <sup>(1)</sup>	Actual Total Direct Compensation Value Realized or Realizable as of March 21, 2018 <sup>(2)</sup>	Value of \$100		
			Period	President & CEO <sup>(3)</sup>	Unitholder <sup>(4)</sup>
2013	\$ 1,895,171	\$ 1,895,171	12/31/2013 to 03/21/2018	\$ 100.00	\$ 123.37
2014	\$ 1,595,909	\$ 1,668,011	12/31/2014 to 03/21/2018	\$ 104.52	\$ 120.87
2015	\$ 1,824,202	\$ 1,884,814	12/31/2015 to 03/21/2018	\$ 103.32	\$ 113.94
2016	\$ 1,846,421	\$ 1,846,832	12/31/2016 to 03/21/2018	\$ 100.02	\$ 100.87
2017	\$ 2,090,585	\$ 2,082,376	12/31/2017 to 03/21/2018	\$ 99.61	\$ 93.08
Average				\$ 101.49	\$ 110.43

(1) Includes Base Salary, AIP Awarded, LTIP Awarded (including RUs, PUs, and units issued under EUPP).

(2) Includes Base Salary and AIP Awarded (in cash) and LTIP Awards (RUs, PUs, and DUs) at Unit Price as of March 21, 2018 of \$12.70.

(3) Represents the actual value realized (or realizable) as of March 21, 2018 for each \$100 awarded to the President & CEO in total direct compensation awarded during the fiscal year indicated.

(4) Represents the cumulative value as of March 21, 2018 of a \$100 investment in Units made on the first day of the period indicated, assuming reinvestment of distributions.

### Summary of NEO Compensation

The summary compensation table details annual and long term compensation awarded during the three fiscal years ending December 31, 2017 for the President & CEO, the EVP, CFO and Secretary, and the three other most highly compensated executives. The summary compensation table is laid out as prescribed by the Canadian Securities Administrators.

Name and Principal Position	Year	Salary (\$)	Unit based awards <sup>(1)</sup>		Option based awards (\$)	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All Other Compensation (\$) <sup>(2)</sup>	Total Compensation (\$)
			RU	PU		Annual incentive plans	Long-term incentive plans			
Donald E. Clow President & CEO	2017	\$630,375	\$634,244	\$250,000	\$—	\$575,966	\$—	\$141,130	\$—	\$2,231,715
	2016	\$615,000	\$553,269		\$—	\$678,153	\$—	\$134,810	\$—	\$1,981,232
	2015	\$600,000	\$601,965		\$—	\$622,237	\$—	\$201,500	\$—	\$2,025,702
Glenn Hynes EVP, CFO and Secretary	2017	\$385,772	\$310,512	\$90,000	\$—	\$225,339	\$—	\$67,830	\$—	\$1,079,453
	2016	\$377,468	\$271,664		\$—	\$277,486	\$—	\$69,710	\$—	\$996,328
	2015	\$367,365	\$245,712		\$—	\$258,579	\$—	\$69,570	\$—	\$941,226
John Barnoski, SVP, Corporate Development <sup>(3)</sup>	2017	\$267,125	\$89,588	\$45,000	\$—	\$122,637	\$—	\$22,730	\$50,000	\$597,080
	2016	\$261,375	\$78,380		\$—	\$198,668	\$—	\$22,510	\$50,000	\$610,933
	2015	\$110,384	\$36,915		\$—	\$53,834	\$—	\$8,885	\$100,000	\$310,018
Scott R. MacLean SVP, Eastern Canada <sup>(4)</sup>	2017	\$266,240	\$89,291	\$45,000	\$—	\$132,853	\$—	\$22,730	\$—	\$556,114
	2016	\$260,000	\$77,968		\$—	\$171,578	\$—	\$22,510	\$—	\$532,056
	2015	\$230,012	\$61,537		\$—	\$121,755	\$—	\$21,870	\$—	\$435,174
Trevor Lee SVP, Western Canada <sup>(5)</sup>	2017	\$253,810	\$85,123	\$45,000	\$—	\$118,960	\$—	\$22,730	\$—	\$525,623
	2016	\$247,861	\$59,462		\$—	\$135,359	\$—	\$22,510	\$—	\$465,192
	2015	\$241,815	\$64,695		\$—	\$129,713	\$—	\$21,870	\$—	\$458,093

(1) LTIP awards are paid in RUs and PUs rather than cash.

(2) The aggregate amount of annual compensation paid to any NEO in the form of perquisites and/or other personal benefits, securities or property do not exceed the lesser of \$50,000 or 10% of the total salary for the fiscal year. See note on John Barnoski

(3) Mr. Barnoski joined Crombie on July 27th, 2015 as Vice President, Corporate Development. He received a cash signing bonus of \$100,000 in 2015, received an award of \$50,000 in RUs in 2016 and an award of \$50,000 in RUs in 2017. Effective September 15, 2016, Mr. Barnoski's title was changed to SVP, Corporate Development.

(4) Effective September 15, 2016, Mr. MacLean's title was changed to SVP, Eastern Canada.

(5) Effective September 15, 2016, Mr. Lee's title was changed to SVP, Western Canada.


In aggregate, the NEOs total compensation as a percentage of total FFO and AFFO of Crombie was:

Metric	2017	2016	2015	2014	2013 <sup>(1)</sup>
<b>Total Compensation</b>	\$4,989,985	\$4,585,741	\$4,399,364	\$3,900,137	\$4,423,529
<b>As a Percentage of FFO</b>	2.75%	2.76%	2.94%	2.75%	4.08%
<b>As a Percentage of AFFO</b>	3.33%	3.26%	3.5%	3.3%	4.83%

<sup>(1)</sup> Awards in 2013 include transaction bonuses paid to Mr. Clow and Mr. Hynes totaling \$345,000. Excluding these amounts, the % of FFO was 3.76% and % of AFFO was 4.46%.

## Compensation of Named Executive Officers

### Compensation of the President & Chief Executive Officer

	<b>DONALD E. CLOW</b> President & CEO
Halifax, NS, Canada Service: 8 years Age: 56	<p>Donald Clow was appointed President and Chief Executive Officer of Crombie in 2009. Prior to joining Crombie, Mr. Clow held the position of President, ECL Developments Limited, the real estate development subsidiary of Empire Company Limited for two years. Previous to Empire, he was President of Southwest Properties, a real estate development company in Halifax. Mr. Clow is a member of the Board of Trustees for Granite Real Estate Investment Trust, a member of the Board of Governors of Acadia University and is on the Board of Directors of REALPac. Mr. Clow graduated from Acadia University with a BBA, earned his CA designation with KPMG and was designated a Fellow Chartered Accountant in 2002. Mr. Clow is a graduate of the YPO President's Program at Harvard Business School and the Director's Education Program at the Rotman School of Business receiving the ICD.D designation in 2014.</p>


In 2017, the President & CEO's annual base salary was increased to \$630,375. This represents a 2.5% increase over 2016.

The President & CEO had robust objectives established with the goal of enabling long term and shorter term growth in FFO and AFFO, and Net Asset Value (NAV). The objectives resulted from Crombie's business strategy, and had clearly defined goals in respect of financing, operations, stakeholder relations and talent.

Mr. Clow's AIP award is based on corporate and individual performance. The AIP payout for 2017 was \$575,966. This reflected corporate results of 109.1% of target (75% of award) and individual results of 160% of target (25% of award). The LTIP RU payout for 2017 was \$634,244. Mr. Clow was also awarded \$250,000 in PUs which will vest in three years subject to meeting certain corporate performance objectives. In 2017, Mr. Clow earned \$2,090,585 in total compensation excluding employer pension contributions of \$141,130.

	Performance Measurement Category	Weighting	Performance Measures	Performance Target for Fiscal 2017	Performance Achievement in Fiscal 2017	
LTIP	Crombie Financial Performance for Fiscal 2017 - LTIP	33.33%	Total Return to Unitholders relative to Comparator Group	Mid-point of Comparator Group	4 <sup>th</sup> out of 10 comparators	Exceeded Target
		33.33%	AFFO per Unit	AFFO/Unit range of \$0.969 to \$1.071 with Target of \$1.020/Unit	\$1.027/Unit	Exceeded Target
		33.33%	Same Asset Cash NOI	Targeted Same Asset Cash NOI range of \$239.1M to \$246.3M with target of \$242.7M	\$243.1M	Exceeded Target
	<b>Total</b>	<b>100.00%</b>			<b>119.54% of target (award is paid on three year average of 2015-2017)</b>	
AIP	Crombie Financial Performance for Fiscal 2017 - AIP	75.00%	FFO per Unit	FFO/Unit range of \$1.073 to \$1.311/Unit with Target of \$1.192	\$1.203/Unit	Exceeded Target
	Specific Qualitative Performance in Financial, Operational, Customer / Stakeholder and Talent Initiatives	25.00%	Solid financial metrics and accelerating cash flow growth		Exceeded Target All metrics are solid. Liquidity is strong. Debt to Gross Book Value (Fair Value) stable. Risks have been appropriately managed.	
			Continued priority on accretive acquisitions and other productive deployment of capital		Met Target Urban portfolio strengthened. Joint venture agreements developed to enable large scale mixed use developments. Large scale multi residential mixed use development advanced with construction started on Davie Street in Vancouver. Construction also started at Belmont Market and Avalon Mall. Met targets on land use intensification and redevelopment of existing sites. Leasing and renewals exceeded market expectations in some locales. Acquisitions and dispositions below target.	
			Strengthened relationships with investors and third parties		Met target	
			Top to bottom alignment of talent strategies to enable long term successful execution of business strategies		Exceeded Target Realignment of the organization to address business realities was successfully implemented. Leadership bench strengthened with addition of EVP Portfolio Management. Talent and succession planning and leadership development continued to improve. Diversity statistics show steady increase in women in key roles.	
	<b>AIP Total</b>	<b>100.00%</b>			<b>121.83% of target</b>	

Compensation of the Executive Vice President, Chief Financial Officer and Secretary

	<p>GLENN HYNES EVP, CFO and Secretary</p>
<p>New Glasgow, NS, Canada Service: 8 years Age: 55</p>	<p>Mr. Hynes was appointed Chief Financial Officer and Secretary, in 2010 and Executive Vice President effective March 1, 2014. Prior to joining Crombie, Mr. Hynes held the position of Chief Financial Officer and Partner of Bluewave Energy LP; a national fuel distribution business. From 1996 to 2006, he held several executive positions with Sobeys Inc. including Executive Vice President and Chief Financial Officer (2001 - 2005) and Executive Vice President and Chief Development Officer (2005 - 2006). Mr. Hynes also acted as Chief Financial Officer of Crombie from February 2006 to June 2006, which included the time of Crombie's initial public offering. Mr. Hynes is a graduate of the University of Prince Edward Island with a Bachelor of Business Administration and earned his CA designation. His present professional affiliations include Past Chair of the Atlantic Provinces Economic Council (APEC). He was designated a Fellow Chartered Accountant in 2011, received the ICD.D designation in 2014 and is a 2017 graduate of the Advanced Management Program at Harvard Business School. He received the UPEI Distinguished Alumnus Award in 2002 and Canada's Top 40 Under 40 Award in 2000.</p>

In 2017, the EVP, CFO and Secretary annual base salary was increased to \$385,772. The EVP, CFO and Secretary had robust objectives established with the goal of enabling long term and shorter term growth in FFO and AFFO, and NAV. The objectives resulted from Crombie's business strategy, and had clearly defined goals in respect of financing, operations, stakeholder relations and talent.


Mr. Hynes' AIP award is based on corporate and individual performance. The AIP payout for 2017 was \$225,339. This reflected corporate results of 109.1% of target (75% of award) and individual results of 140% of target (25% of award). The LTIP RU payout for 2017 was \$310,512. Mr. Hynes was also awarded \$90,000 in PUs which will vest in three years subject to meeting certain corporate performance objectives. In 2017, Mr. Hynes earned \$1,011,623 in total compensation excluding employer pension contributions of \$67,830.

	Performance Measurement Category	Weighting	Performance Measures	Performance Target for Fiscal 2017	Performance Achievement in Fiscal 2017	
LTIP	Crombie Financial Performance for Fiscal 2017 - LTIP	33.33%	Total Return to Unitholders relative to Comparator Group	Mid-point of Comparator Group	4 <sup>th</sup> out of 10 comparators	Exceeded Target
		33.33%	AFFO per Unit	AFFO/Unit range of \$0.969 to \$1.071 with Target of \$1.020/Unit	\$1.027/Unit	Exceeded Target
		33.33%	Same Asset Cash NOI	Targeted Same Asset Cash NOI range of \$239.1M to \$246.3M with target of \$242.7M	\$243.1M	Exceeded Target
	Total	100.00%			119.54% of target (award is paid on three year average of 2015-2017)	

	Performance Measurement Category	Weighting	Performance Measures	Performance Target for Fiscal 2017	Performance Achievement in Fiscal 2017	
AIP	Crombie Financial Performance for Fiscal 2017 - AIP	75.00%	FFO per Unit	FFO/Unit range of \$1.073 to \$1.311/Unit with Target of \$1.192	\$1.203/Unit	Exceeded Target
	Specific Qualitative Performance in Financial, Operational, Customer / Stakeholders and Talent Initiatives	25.00%	Financial leadership including optimizing cost of capital, maintaining liquidity and financial flexibility	Exceeded Target Liquidity is strong. Financial flexibility enhanced. Operating recovery ratios improved and occupancy stable		
			Improve Enterprise Risk Management practices	Exceeded Target Full engagement of executive group and Board of Trustees in establishment of practices and internal guidelines; Risk management practices enabled the solid 2017 results.		
			Leadership of initiative supporting optimization of portfolio quality and value through focus on operations, acquisitions, dispositions and development	Met Target Urban portfolio strengthened. Joint venture agreements developed to enable large scale mixed use developments. Large scale multi residential mixed use development advanced with construction started on Davie Street in Vancouver. Construction also started at Belmont Market and Avalon Mall. Met targets on land use intensification and redevelopment of existing sites. Leasing and renewals exceeded market expectations in some locales. Acquisitions and dispositions below target.		
			Oversight of initiatives to improve processes, optimize regional structure and geographic consistency and building of national brand	Met Target Internal reporting improved by implementing regional best practices. Key business process initiatives and improvements rolled out during 2017.		
			Stakeholder relationships	Met Target Strengthened communications with internal and external relationships and Board of Trustees.		
			Top to bottom alignment of talent strategies to enable long term successful execution of business strategies	Exceeded Target Realignment of the organization to address business realities was successfully implemented. Leadership bench strengthened with addition of EVP Portfolio Management. Talent and succession planning and leadership development continued to improve. Diversity statistics show steady increase in women in key roles.		
	AIP Total	100.00%			116.83% of target	



Compensation of the Senior Vice President, Corporate Development

	<b>JOHN BARNOSKI</b> SVP, Corporate Development
Bowmanville, ON, Canada Service: 2 years Age: 45	<p>Mr. Barnoski was appointed Senior Vice President, Corporate Development on September 15, 2016, having joined Crombie REIT in July 2015 as Vice President, Corporate Development. Mr. Barnoski leads the company's national corporate development program, responsible for major development acquisitions and dispositions, and strategic asset management, with an increased focus on joint ventures. Mr. Barnoski has an extensive career in the real estate industry. An 18 year veteran of Shoppers Drug Mart, Mr. Barnoski held the position of National Vice President of Real Estate at Shoppers from 2012 until joining Crombie. Mr. Barnoski held numerous progressively expanding roles within the real estate function of the F.W. Woolworth Company prior to joining Shoppers. John is a graduate of Schulich's Executive Development Program and holds a Diploma in Assessment, Appraisal &amp; Real Estate Management, a P1 License from the Law Society of Upper Canada and an A.I.M.A. designation from the Institute of Assessors.</p>


In 2017, Mr. Barnoski's annual base salary was increased to \$267,125. The SVP, Corporate Development had robust objectives established with the goal of enabling long term and shorter term growth in FFO and AFFO, and NAV. The objectives resulted from Crombie's business strategy, and had clearly defined goals in respect of financing, asset management and operations, stakeholder relations and talent.

Mr. Barnoski's AIP award is based on corporate, business unit and individual performance. The AIP payout for 2017 was \$122,637. This reflected corporate results of 109.1% of target (25% of award), business group results at 100% of target (50% of award) and individual results of 150% of target (25% of award). The LTIP RU payout for 2017 was \$89,588. In addition, Mr. Barnoski received an additional \$50,000 in RUs which was part of his recruitment signing bonus. Mr. Barnoski was also awarded \$45,000 in PUs which will vest in three years subject to meeting certain corporate performance objectives. In 2017, Mr. Barnoski earned \$574,350 in total compensation excluding employer pension contributions of \$22,730.

	Performance Measurement Category	Weighting	Performance Measures	Performance Target for Fiscal 2017	Performance Achievement in Fiscal 2017	
LTIP	Crombie Financial Performance for Fiscal 2017 - LTIP	33.33%	Total Return to Unitholders relative to Comparator Group	Mid-point of Comparator Group	4 <sup>th</sup> out of 10 comparators	Exceeded Target
		33.33%	AFFO per Unit	AFFO/Unit range of \$0.969 to \$1.071 with Target of \$1.020/Unit	\$1.027/Unit	Exceeded Target
		33.33%	Same Asset Cash NOI	Targeted Same Asset Cash NOI range of \$239.1M to \$246.3M with target of \$242.7M	\$243.1M	Exceeded Target
	<b>Total</b>	<b>100%</b>				<b>119.54% of target (award is paid on three year average of 2015-2017)</b>

	Performance Measurement Category	Weighting	Performance Measures	Performance Target for Fiscal 2017	Performance Achievement in Fiscal 2017	
AIP	Crombie Financial Performance for Fiscal 2017 - AIP	25%	FFO per Unit	FFO/Unit range of \$1.073 to \$1.311/Unit with Target of \$1.192	\$1.203/Unit	Exceeded Target
	Business Group Objectives	50%	Optimize and enhance portfolio quality and value including acquisitions, dispositions and partnerships.		<p>Met Target</p> <p>Despite 2017 acquisitions and dispositions being below target, joint ventures were advanced in 2017, capital allocation planning was improved and ground work for increased disposition program was completed</p>	
	Specific Qualitative Performance in Financial, Operational, Customer / Stakeholders and Talent Initiatives	25%	Financial leadership including optimizing cost of capital, maintaining liquidity and financial flexibility		<p>Exceeded Target</p> <p>Liquidity is strong. Financial flexibility enhanced. Operating recovery ratios improved and occupancy stable</p>	
			Improve Enterprise Risk Management practices		<p>Exceeded Target</p> <p>Full engagement of executive group and Board of Trustees in establishment of practices and internal guidelines; Risk management practices enabled the solid 2017 results.</p>	
			Leadership of initiative supporting optimization of portfolio quality and value through focus on operations, acquisitions, dispositions and development		<p>Met Target</p> <p>Urban portfolio strengthened. Joint venture agreements developed to enable large scale mixed use developments. Large scale multi residential mixed use development advanced with construction started on Davie Street in Vancouver and Belmont Market and Avalon Mall. Met targets on land use intensification and redevelopment of existing sites. Leasing and renewals exceeded market expectations in some locales. Acquisitions and dispositions below target.</p>	
			Oversight of initiatives to improve processes, optimize regional structure and geographic consistency and building of national brand		<p>Met Target</p> <p>Internal reporting improved by implementing regional best practices. Key business process initiatives and improvements rolled out during 2017.</p>	
			Stakeholder relationships		<p>Met Target</p> <p>Strengthened communications with internal and external relationships and Board of Trustees.</p>	
			Top to bottom alignment of talent strategies to enable long term successful execution of business strategies		<p>Met Target</p> <p>Realignment of the organization to address business realities was successfully implemented. Corporate Development talent strengthened to enable long term strategy and succession planning.</p>	
	AIP Total	100%			114.78% of target	

Compensation of the Senior Vice President, Eastern Canada

	<b>SCOTT R. MACLEAN</b> SVP, Eastern Canada
Chance Harbour, NS Canada Service: 12 years Age: 60	<p>Mr. MacLean was appointed Senior Vice President, Eastern Canada effective September 15, 2016. Prior to this appointment, he held a number of executive positions with Crombie including Regional Vice President, Atlantic (from 2014 - 2016) and Senior Vice President, Operations Atlantic (from 2010 - 2014). He joined Atlantic Shopping Centres, a predecessor of Crombie in 1993 as Director of Operations and assumed responsibility for the Construction department in 1996. He obtained his Certified Shopping Centre Manager (SCM) designation in 1993. Prior to this, he held increasing roles and responsibilities with Cambridge Shopping Centres Limited. Mr. MacLean has a Bachelor of Commerce from Saint Mary's University.</p>

In 2017, Mr. MacLean's annual base salary was increased to \$266,240.


The SVP, Eastern Canada had robust objectives established with the goal of enabling long term and shorter term growth in NOI, FFO and AFFO, and NAV. The objectives resulted from Crombie's business strategy, and had clearly defined goals in respect of financing, operations, stakeholder relations and talent.

Mr. MacLean's AIP award is based on corporate, regional and individual performance. The AIP payout for 2017 was \$132,853. This reflected corporate results of 109.1% of target (35% of award), regional results of 110.18% of target (35% of award) and individual results of 160% of target (30% of award). The LTIP RU payout for 2017 was \$89,291. Mr. MacLean was also awarded \$45,000 in PUs which will vest in three years subject to meeting certain corporate performance objectives. In 2017, Mr. MacLean earned \$533,384 in total compensation excluding employer pension contributions of \$22,730.

	Performance Measurement Category	Weighting	Performance Measures	Performance Target for Fiscal 2017	Performance Achievement in Fiscal 2017	
LTIP	Crombie Financial Performance for Fiscal 2017- LTIP	33.33%	Total Return to Unitholders relative to Comparator Group	Mid-point of Comparator Group	4 <sup>th</sup> out of 10 comparators	Exceeded Target
		33.33%	AFFO per Unit	AFFO/Unit range of \$0.969 to \$1.071 with Target of \$1.020/Unit	\$1.027/Unit	Exceeded Target
		33.33%	Same Asset Cash NOI	Targeted Same Asset Cash NOI range of \$239.1M to \$246.3M with target of \$242.7M	\$243.1M	Exceeded Target
	Total	100.00%			119.54% of target (award is paid on three year average of 2015-2017)	

	Performance Measurement Category	Weighting	Performance Measures	Performance Target for Fiscal 2017	Performance Achievement in Fiscal 2017	
AIP	Crombie Financial Performance for Fiscal 2017 - AIP	35.00%	FFO per Unit	FFO/Unit range of \$1.073 to \$1.311/Unit with Target of \$1.192	\$1.203/Unit	Exceeded Target
	Regional Objectives	35.00%	Regional NOI results versus budget Regional Occupancy results versus budget Regional Leasing results versus budget		Exceeded Target  Solid leasing and property operations. Office occupancy above market norms.	
	Specific Qualitative Performance in Leadership, Financial, Operational, Customer and Talent Initiatives	30.00%	Capital Plan		Exceeded Target  Key land use intensification development and redevelopment projects completed on time and on budget. Redevelopment of Avalon Mall underway.	
			CAM and Tax Recovery		Exceeded Target	
			Quality of Stakeholder and Tenant Relationships		Exceeded Target  Continued strong regional collaboration and strong relationships with key tenants.	
			Talent management and engagement		Met Target  Talent and succession planning, and leadership development plans matured.	
	<b>AIP Total</b>	<b>100.00%</b>			<b>124.75% of target</b>	

*Compensation of the Senior Vice President, Western Canada*

	<b>TREVOR LEE</b> SVP, Western Canada
	<p>Trevor Lee was promoted to Senior Vice President, Western Canada on September 15, 2016. Mr. Lee joined Crombie REIT in March 2014 and leads Crombie's expanding Western region. Prior to joining Crombie, Mr. Lee held numerous senior real estate positions in management, operations, and development including: Director of Real Estate for Canada Safeway (from 2010 - 2014), Director of Property Management at CREIT, Vice President of Operations at Opus Building Canada, and Vice President of Shopping Centres at Martello Property Services. Mr. Lee earned a Masters of Business Administration from the University of British Columbia in 1992 and a Diploma in Urban Land Economics in 1998.</p>
Calgary, AB, Canada Service: 3 years Age: 50	

In 2017, Mr. Lee's annual base salary was increased to \$253,810. The SVP, Western Canada had robust objectives established with the goal of enabling long term and shorter term growth in NOI, FFO and AFFO, and NAV. The objectives resulted from Crombie's business strategy, and had clearly defined goals in respect of financing, operations, stakeholder relations and talent.

Mr. Lee's AIP award is based on corporate, regional and individual performance. The AIP payout for 2017 was \$118,960. This reflected corporate results of 109.1% of target (35% of award), regional results of 105.68% of target (35% of award) and individual results of 140% of target (30% of award). The LTIP RU payout for 2017 was \$85,123. Mr. Lee was also awarded \$45,000 in PUs which will vest in three years subject to meeting certain corporate performance objectives. In 2017, Mr. Lee earned \$502,893 in total compensation excluding employer pension contributions of \$22,730.

	Performance Measurement Category	Weighting	Performance Measures	Performance Target for Fiscal 2017	Performance Achievement in Fiscal 2017	
LTIP	Crombie Financial Performance for Fiscal 2017 - LTIP	33.33%	Total Return to Unitholders relative to Comparator Group	Mid-point of Comparator Group	4 <sup>th</sup> out of 10 comparators	Exceeded Target
		33.33%	AFFO per Unit	AFFO/Unit range of \$0.969 to \$1.071 with Target of \$1.020/Unit	\$1.027/Unit	Exceeded Target
		33.33%	Same Asset Cash NOI	Targeted Same Asset Cash NOI range of \$239.1M to \$246.3M with target of \$242.7M	\$243.1M	Exceeded Target
	<b>Total</b>	<b>100.00%</b>			<b>119.54% of target (award is paid on three year average of 2015-2017)</b>	
AIP	Crombie Financial Performance for Fiscal 2017 - AIP	35.00%	FFO per Unit	FFO/Unit range of \$1.073 to \$1.311/Unit with Target of \$1.192	\$1.203/Unit	Exceeded Target
	Regional Objectives	35.00%	Regional NOI results versus budget Regional Occupancy results versus budget Regional Leasing results versus budget		Exceeded Target Solid leasing and property operations.	
	Specific Qualitative Performance in Leadership, Financial, Operational, Customer and Talent Initiatives	30.00%	Portfolio quality and value is increased		Met Target Regional growth and portfolio quality increased through development.	
			Large scale mixed use/residential developments are executed		Exceeded Target Construction of Davie Street and Belmont Market both commenced in 2017	
			Stakeholder relationships		Met Target Strengthened communications with internal and external relationships and Board of Trustees.	
			Top to bottom alignment of talent strategies to enable long term successful execution of business strategies		Met Target Realignment of the organization to address new business realities was successfully implemented. Talent strengthened to enable long term strategy and succession planning.	
	<b>AIP Total</b>	<b>100.00%</b>			<b>117.17% of target</b>	

### Incentive Plan Awards

The following charts summarize each NEO's outstanding, unvested Unit-based awards as well as the non-equity incentive plan compensation earned during the year. Crombie does not have option-based awards.

Name and Principal Position  (a)	Unit-based Awards	
	Number of units that have not vested <sup>(1)</sup> (#)	Market or payout value of unit-based awards that have not vested <sup>(2)</sup> (\$)
	(f)	(g)
Donald E. Clow President & CEO	113,529	\$1,566,700
Glenn Hynes EVP, CFO and Secretary	48,958	\$675,620
John Barnoski SVP, Corporate Development	21,002	\$289,828
Scott R. MacLean SVP, Eastern Canada	14,770	\$203,826
Trevor Lee SVP, Western Canada	13,606	\$187,763

<sup>(1)</sup> Unit-based awards amounts represent RUs granted for LTIP awards earned in 2015, 2016 and PUs granted under LTIP in 2017.

<sup>(2)</sup> Based on market value of Units as of December 29, 2017 of \$13.80.

Name and Principal Position	Unit based awards - value vested during the year (\$)	Non-equity incentive plan compensation - value earned during the year <sup>(1)</sup> (\$)
Donald E. Clow President & CEO	\$650,404 <sup>(2)</sup>	\$575,966
Glenn Hynes EVP, CFO and Secretary	\$276,433 <sup>(2)</sup>	\$225,339
John Barnoski SVP, Corporate Development	\$—	\$122,637
Scott R. MacLean SVP, Eastern Canada	\$68,195 <sup>(2)</sup>	\$132,853
Trevor Lee SVP, Western Canada	\$16,511 <sup>(2)</sup>	\$118,960

<sup>(1)</sup> Non-Equity Incentive Plan Compensation amounts represents the AIP payout to each NEO during 2017.

<sup>(2)</sup> Amounts reflect the conversion of the 2014 RU grants into vested DUs on a one to one basis as of September 30, 2017. Market Value at time of vesting was \$13.5281 per Unit.

### Termination and Change of Control Benefits

Crombie does not currently have any policy related to termination or change of control benefits other than under certain compensation plans as described in this Circular.

## Board Endorsement

The Trustees, with the support of the HRC, gave careful consideration to the compensation decisions for each component of the NEOs compensation and the aggregate effect of these decisions, and is satisfied they are fair and reasonable in the context of both the absolute and relative performance of Crombie and the compensation practices among Crombie's identified peers.

The Trustees, with the support of the HRC, also carefully reviewed and approved the compensation programs for executives, as described in this report. The Board has implemented a policy which limits the aggregate amount of Deferred Units, Restricted Units and Performance Units issued under the respective plans to not exceed 5% of total Units outstanding. The aggregate amount of Deferred Units, Restricted Units and Performance Units outstanding was 743,147, representing approximately 0.5% of the Units outstanding on March 21, 2018.

## Pension

### Defined Contribution Plan

Name and Principal Position	Accumulated value at start of year (\$)	Compensatory (\$)	Accumulated value at end of year (\$)
Donald E. Clow President and CEO	\$310,496	\$22,730	\$365,893
Glenn Hynes EVP, CFO and Secretary	\$207,882	\$22,730	\$254,047
John Barnoski SVP, Corporate Development	\$42,121	\$22,730	\$73,369
Scott R. MacLean SVP, Eastern Canada	\$721,616	\$22,730	\$792,184
Trevor Lee SVP, Western Canada	\$78,210	\$22,730	\$112,705

The Accumulated value at start of year column shows the balance for each NEO as of January 1, 2017. The Accumulated value at end of year column shows the balance for each NEO as of December 31, 2017. The Compensatory column represents the amount that Crombie has contributed to each NEOs defined contribution pension plan for 2017. Since Crombie makes a payment for NEOs in January, the Accumulated value column will understate the value in the NEO's pension plan, as a portion of 2017 payments are not shown until the 2018 fiscal year.

The summary pension table below for NEOs details defined benefit pension expense accrued during the fiscal year ending December 31, 2017. The summary pension table is laid out as prescribed by the Canadian Securities Administrators.

### Defined Benefit Plan

Name and Principal Position	Number of years credited service	Annual benefits payable (\$)		Accrued obligation at start of year	Compensatory change (\$)	Non-compensatory change (\$)	Accrued obligation at end of year (\$)
		At year end	At age 65				
Donald E. Clow President & Chief Executive Officer	10.92	\$60,400	\$127,800	\$1,379,900	\$118,400	\$108,500	\$1,606,800
Glenn Hynes EVP, Chief Financial Officer and Secretary	7.50	\$6,300	\$34,500	\$359,300	\$45,100	\$21,200	\$425,600
John Barnoski SVP, Corporate Development	—	\$—	\$—	\$—	\$—	\$—	\$—
Scott R. MacLean SVP, Eastern Canada	—	\$—	\$—	\$—	\$—	\$—	\$—
Trevor Lee SVP, Western Canada	—	\$—	\$—	\$—	\$—	\$—	\$—

The Accrued obligation at start of year column shows the balance for each NEO as of January 1, 2017. The Accrued obligation at end of year column shows the balance for each NEO as of December 31, 2017. The Compensatory change column represents the amount that Crombie has contributed to each NEOs defined benefit pension plan for 2017. The Non-Compensatory change column represents all other changes in the Accrued Obligation that are not included in the Compensatory column.

The values presented above have been calculated using the same actuarial assumptions as those used and described in the company's financial statements. The annual lifetime benefit payable at age 65 was calculated taking into account future service, but assuming no salary increases.

## Equity Incentive Plans

### *Deferred Unit Plan*

The Deferred Unit Plan (the "**DUP**") is designed to promote a greater alignment of interests between the Trustees, officers and employees of Crombie or its subsidiaries (such persons, together with Empire which receives trustee fees on behalf of certain Trustees appointed by it, are collectively referred to as "**Eligible Persons**"), Empire and the Unitholders.

Each Eligible Person may elect to be a participant (a "**Participant**") of the DUP. The participation in the DUP is voluntary unless the Board or Committee decides that special compensation is to be provided as Deferred Units. The Board has awarded annual DU grants of \$12,500 in DUs each year from 2013 to 2015. In February 2016, the Board approved an additional grant of \$7,500 awarded in February 2016 for the 2015 fiscal year and increased the DU grant to \$20,000 for the 2016 fiscal year. A Participant may elect to receive up to one hundred percent (100%) of eligible compensation in the form of "Deferred Units" in lieu of cash. Eligible compensation generally includes:

- (a) Board and committee fees; and
- (b) any bonus or other fee that is determined by the Board or Committee to be eligible.

The number of Deferred Units (including fractional Deferred Units) granted at any particular time will be calculated by dividing the value to be received by the Market Value (as defined below) of a Unit on the award date. "Market Value" means the volume weighted average price of all Units traded on the Toronto Stock Exchange for the five trading days immediately preceding the relevant date. Participants in the RU Plan and the PU Plan may elect to convert all or a portion of their RUs and PUs to Deferred Units on a one to one basis in accordance with the terms of those plans.

Deferred Units are not Units and do not entitle a Participant to any Unitholder rights, including voting rights, distribution entitlements (other than as set out below) or rights on liquidation. Upon redemption, a Participant will receive the net value of the vested DUs being redeemed, with the net value determined by multiplying the number of DUs redeemed by the REIT Unit's market price on redemption date, less applicable withholding taxes. The Participant may elect to receive this net amount as a cash payment or instead receive Crombie REIT Units for redeemed DUs after deducting applicable withholding taxes. Fractional Units may be issued under the DUP.

Whenever cash distributions are paid on the Units, additional Deferred Units will be credited to the Participant's Deferred Unit account. The number of such additional Deferred Units is determined by multiplying

- (a) the number of Deferred Units in the Participant's Deferred Unit account on the record date for the payment of the distribution by
- (b) the distribution paid per Unit divided by the Market Value of a Unit on the distribution payment date. Additional Deferred Units vest on the same basis as the underlying Deferred Units.

Unless otherwise determined by the Committee, Deferred Units are fully vested at the time they are allocated. The Committee may in its discretion impose vesting or other terms or conditions on Deferred Units. Unvested Deferred Units vest immediately prior to any change of control.

Vested Deferred Units may be redeemed on the date specified by a Participant in a written notice of redemption. Unvested Deferred Units vest on termination of the Participant's employment (other than for cause), failure to be reappointed as a Trustee, retirement, or death. Where the Participant's employment is terminated for cause or the Participant voluntarily resigns, unvested Deferred Units are cancelled. Vested Deferred Units may be redeemed at any time prior to and will be redeemable for cash on the first anniversary of the date a Participant ceases to be an Eligible Person.

A Participant who elects to receive a cash payment on redemption of Deferred Units will receive a cash payment, net of any applicable withholding taxes, equal to

- (a) the number of Deferred Units multiplied by
- (b) the Market Value of the Deferred Units on the Redemption Date.

A Participant who elects to receive Units on redemption of Deferred Units may elect to use the after tax proceeds from the Deferred Units to acquire Units at their market value at the redemption date.

Upon payment in full of the value of the Deferred Units, the Deferred Units will be cancelled.



1,000,000 Units are authorized for issuance upon the redemption of all Deferred Units granted under the DUP as at March 21, 2018. The number of Units issuable to insiders of Crombie pursuant to outstanding Deferred Units together with Units issuable pursuant to any other compensation arrangements may not exceed 10% of the then outstanding Units. The number of Units issued to insiders of Crombie pursuant to outstanding Deferred Units together with Units issuable pursuant to any other compensation arrangements, within any one year period, may not exceed 10% of the then outstanding Units.

Deferred Units are not transferrable except on the death of a Participant, or to a Participant's spouse, a trustee acting for their benefit, a subsidiary or holding entity, a RRSP, RRIF, or TFSA.

Unitholder approval is not required for any amendment to the DUP except an amendment that:

- (a) increases the number of Units reserved for issuance under the DUP;
- (b) increases the amount payable upon redemption of a Deferred Unit;
- (c) extends eligibility to participate in the DUP to persons not currently eligible to participate;
- (d) amends the assignability provisions of the DUP;
- (e) increases or eliminates the insider participation limits;
- (f) permits awards, other than those entitlements specifically contemplated in the DUP, to be made; and
- (g) any amendment to the amending provisions.

Unitholder approval is not required for amendments to the Deferred Unit Plan to do the following:

- (a) reduce the number of Units issuable under the DUP;
- (b) increase or decrease the maximum number of Units any single Participant is entitled to receive under the DUP;
- (c) any amendment pertaining to vesting provisions;
- (d) any amendment to the terms of the DUP relating to the effect of termination or cessation of employment or death of a Participant on the right to redeem Deferred Units;
- (e) any amendment pertaining to the assignability of Deferred Units;
- (f) any decrease in the amount payable upon redemption of the Deferred Unit;
- (g) amend the process by which a Participant can redeem a Deferred Unit;
- (h) add and/or amend any form of financial assistance provision to the Deferred Unit Plan;
- (i) amend the eligibility requirement for participants in the Deferred Unit Plan;
- (j) allocate and reallocate among the security compensation arrangements the number of Units issuable to Participants pursuant to the DUP;
- (k) any amendment as may be necessary or desirable to bring the DUP into compliance with securities, corporate or tax laws and the rules and policies of any Stock Exchange upon which the Units are from time to time listed;
- (l) any amendment to add covenants of Crombie for the protection of Participants, provided that the Committee and/or the Board shall be of the good faith opinion that such additions are not prejudicial to the rights or interest of the Participants;
- (m) any amendment not inconsistent with the DUP which is necessary or desirable with respect to matters or questions, which in the good faith opinion of the Committee and/or the Board, having in mind the best interests of the Participants, it may be expedient to make, provided that the Committee and/or the Board are of the opinion that such amendments and modifications are not prejudicial to the interests of the Participants; and
- (n) any changes or corrections which, on the advice of counsel to Crombie, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Committee and/or the Board is of the opinion that such changes or corrections are not prejudicial to the rights and interest of the Participants.

The burn rate for the DU Plan is defined as the total number of DUs granted in a fiscal year, divided by the weighted average number of Units outstanding (including Special Voting Units) for the fiscal year. The increase in the DU burn rate in 2017 is the result of certain Crombie employees electing to convert their 2015 RU grants which vested in September 2017 into DUs.

	2015	2016	2017
DU Burn Rate	0.02%	0.03%	0.09%

#### *Restricted Unit Plan*

The Restricted Unit Plan (the "**RU Plan**") is designed to: promote a greater alignment of interests between the executives and employees of Crombie and/or its subsidiaries and the holders of REIT Units; and assist Crombie in attracting, retaining and rewarding key executives and employees.

The Plan shall be administered by the HRC. The HRC shall have the power, where consistent with the general purpose and intent of the RU plan, and subject to the specific provisions of the RU plan, to:

- (a) establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the RU plan;
- (b) interpret and construe the RU plan and to determine all questions arising out of the RU plan and any award granted pursuant to the RU plan, and any such interpretation, construction or determination made by the Committee shall be final, binding and conclusive for all purposes; and
- (c) prescribe the form of the instruments relating to the grant, vesting or payout of awards, if any.

The members of the HRC are authorized to sign and execute all instruments and documents and to do all things necessary or desirable for carrying the RU plan into effect or to carry out the provisions hereof. The HRC may delegate to any officer of Crombie the authority to sign and execute notices, instruments and other documents under the RU plan.

It is intended that the RU Plan will not constitute a "salary deferral arrangement" with respect to a Participant as such term is defined in subsection 248 (1) of the *Income Tax Act* (Canada) and for Canadian tax purposes, the value of the RUs granted under the Plan, including additional RUs credited for distribution equivalents, will not be included in a Participant's taxable income in Canada until the calendar year in which the payout amount is paid, or in the event of a conversion of RUs into DUs, until the calendar year such DUs are redeemed.

The HRC shall have the authority, as it determines appropriate from time to time, and in its sole discretion to grant any award in whole or in part and to determine the vesting schedule of RUs granted under each such Award.

Eligible employees may elect each calendar year to participate in the RU Plan and receive all, or if permitted by the HRC a portion at the participation level of their choice, of their eligible remuneration in the form of an allocation of RUs. An election may be made with respect to the eligible remuneration of a single calendar year or may continue and automatically renew from year to year unless terminated or changed for a subsequent calendar year by the last business day prior to commencement of that calendar year. Any election to participate in the RU Plan and, if applicable, to elect a participation level or to terminate or change a prior continuing form of election, shall be made by election notice in writing.

Any election to participate will be made no later than the last business day of a calendar year with respect to the eligible remuneration for the next following calendar year.

Once an election is made to participate with respect to a calendar year, it is irrevocable with respect to the eligible remuneration for that calendar year.

If the RU Plan is to commence operation other than at the beginning of a calendar year, or if a person becomes an eligible employee during a calendar year, any election to participate must be made before any eligible remuneration has accrued or become payable to the eligible employee in respect of the period in which the eligible employee's participation in and allocation of eligible remuneration to the RU Plan is to begin. Such election will apply and be irrevocable with respect to the eligible remuneration for the balance of the calendar year.

Awards may be granted to eligible employees who have elected to participate in the RU Plan.

Unless otherwise determined by the HRC, the HRC may make annual awards to participants in respect of services rendered or to be rendered by the participant in that particular calendar year or future years.

For each award, the HRC shall determine the number of RUs to be granted to each participant, which number may include fractional RUs.

All awards made to a participant shall be made on or before March 31<sup>st</sup> of the first calendar year of the applicable term, unless otherwise approved by the HRC.

Unless otherwise determined by the HRC, each award shall have a term (the "**Term**") of less than three years commencing on the day that the HRC approves the award in the first calendar year of such Term and ending on the final day of the third quarter of the third calendar year of such Term (the "**Vesting Date**").

Unless specifically provided for in the RU Plan or determined by the HRC, Crombie will not contribute any amounts to a third party or otherwise set aside any amounts to fund the amounts payable under the RU Plan.

Unless otherwise provided in this RU Plan, all RUs shall vest on the Vesting Date.

The number of RUs which vest for each participant shall be determined by adding the number of RUs awarded to that participant to the number of RUs or fractions thereof that would be credited to such participant upon the payment of distributions by Crombie on the REIT Units, based on the number of additional REIT Units a participant would have received had the vested RUs been treated as REIT Units under a distribution reinvestment plan during the Term (collectively, the "**Vested RUs**").

On the Vesting Date, each participant shall be entitled to receive an amount net of applicable taxes equal to the number of Vested RUs held by the participant multiplied by the market value on the Vesting Date (the "**Payout Amount**").

Unless otherwise provided in this RU Plan, the Payout Amount shall be paid to each participant within 90 days of the Vesting Date and after the approval of the HRC, but, in any event, not later than December 31<sup>st</sup> of the year in which the Vesting Date occurs (the "**Payment Deadline Date**").

Unless otherwise provided in this RU Plan, the Payout Amount payable to each participant shall be paid, subject to applicable withholding taxes as required by applicable legislation, by Crombie in cash in the currency of Canada. Crombie shall not issue any REIT Units or other securities of Crombie from treasury for the purpose of this RU Plan.

For greater certainty, no amount will be paid to, or in respect of, a participant under the RU Plan or pursuant to any other arrangement, and no additional RUs will be granted to a participant to compensate the participant for any downward fluctuations in the price of a REIT Unit nor will any other form of benefit be conferred upon, or in respect of, a participant for such a purpose.

A participant who is an active employee of Crombie and who has been invited by the HRC at the time of granting the RUs to convert RUs into DUs, may irrevocably elect in writing to convert some or all of the RUs granted under an award to the participant that would otherwise vest on the Vesting Date (including additional RUs that would be credited for distribution equivalents) into DUs under the DU Plan. The election in respect of any RUs must be made no later than 60 days prior to the Vesting Date of a particular award or such earlier or later time as the HRC may determine from time to time in consultation with its tax advisers.

RUs for which an election to convert into DUs is made will be cancelled, with the result that the participant will not be entitled to payment of the Payout Amount in respect of those RUs.

If a participant has made an election, a number of DUs equal to the number of RUs that are cancelled as a result of the election will be granted by the HRC on the Vesting Date of the particular award covering the cancelled RUs, provided that the RUs would otherwise have vested on such Vesting Date. The award of DUs will be granted under, and will be subject to, the terms and conditions of the DU Plan.

Unless otherwise determined by the HRC, the only participants who are eligible to make an election to convert RUs into DUs, are those who, on the Vesting Date, are active employees of Crombie or of an employer that is an entity related to Crombie, as determined in accordance with section 251 of the *Income Tax Act* (Canada). If the employment of a participant is terminated by the employer for any reason prior to the Vesting Date but after an election has been made, such election shall be null and void.

Each participant who has not attained at the close of business on the day that is one year prior to the Vesting Date, or if such day is not a business day, the close of business on the first subsequent business day, an equity value which is equal to or greater than such participant's minimum equity ownership threshold, if any, shall be deemed for all purposes hereof, unless the provisions have been waived in whole or in part by the HRC with respect to such participant, (i) to have been invited by the HRC to convert RUs into DUs, and (ii) to have irrevocably elected to convert into DUs all of the RUs granted under an award that would otherwise vest on the next Vesting Date, all in accordance with the DU Plan and the terms hereof.

To the extent that a participant may otherwise be entitled to RUs granted, but not vested under an award, the following provisions shall apply to each award except as may otherwise be determined by the HRC from time to time:

- (a) If, before the Vesting Date, the employment of a participant by the employer shall be terminated by the employer without cause, subject to the terms hereof, such participant shall be entitled to a pro-rated share of the participant's unvested award determined by the HRC and based on length of service between the start of the Term and the date of termination or such longer period of time determined by the HRC. The HRC may, in its sole discretion, permit the payout of the pro-rated, unvested award on the date of termination or delay its determination of the Payout Amount and the payout thereof until not later than the Payment Deadline Date.
- (b) If, before the Vesting Date, the employment of a participant by the employer shall be terminated (i) by the voluntary resignation of the participant (other than retirement), or (ii) by the employer for cause, such award shall expire and terminate simultaneously with the act or event which causes the termination and such participant shall not be entitled to any Payout Amount, or other compensation for the termination of such unvested award. Provided, however, that the HRC may in its sole discretion determine to pay such amount as the

HRC determines appropriate in the circumstances of the termination (including, where the HRC determines appropriate, full payment of the award). The HRC may, in its sole discretion, permit any payout of the unvested award on the date of termination or delay its determination of the Payout Amount and the payout thereof until not later than the Payment Deadline Date.

- (c) If, before the Vesting Date, the employment of a participant by the employer shall terminate by reason of the retirement of the participant, the death or disability of the participant or for any other reason whatsoever other than in circumstances addressed in (a) and (b) above, subject to the terms hereof, such participant or, if the participant is deceased, the legal personal representative(s) of the estate of the participant, shall be entitled to a pro-rated share of the participant's unvested award determined by the HRC and based on length of service between the start of the Term and the date of termination or, in the sole discretion of the HRC, such other amount as the HRC determines appropriate in the circumstances of the termination (including, where the HRC determines appropriate, full payment of the award). The HRC may, in its sole discretion, permit the payout of the unvested award on the date of termination or delay its determination of the Payout Amount and the payout thereof until not later than the Payment Deadline Date.

If upon a Change of Control, there is no longer a public market for the REIT Units to determine market value, then the HRC will determine and fix the Payout Amount as it deems appropriate. In addition, the HRC will determine the timing of payment of the Payout Amount and whether there are any ongoing employment or other terms and conditions that would apply up to the regular Vesting Date.

Appropriate adjustments to the unvested RUs notionally granted under outstanding awards shall be made, if required, to give effect to adjustments in the number of REIT Units resulting from subdivisions, consolidations or re-classifications of the REIT Units or other relevant changes in the capital of Crombie, as the HRC in its sole discretion deems advisable.

A RU is under no circumstances considered to be a REIT Unit or entitles any participant to exercise voting rights or any other rights or entitlements associated with a REIT Unit.

From time to time, the Board may amend any of the provisions of the RU Plan or terminate the RU Plan, provided that any amendment of the provisions of the RU Plan or any termination of the Plan shall not divest any participant of awards granted to him nor, in the event of termination of the RU Plan, otherwise affect the rights of a participant holding an award at the time of such termination without his consent.

#### *Performance Unit Plan*

The Performance Unit Plan (the "**PU Plan**"), in conjunction with the RU Plan, is designed to: promote a greater alignment of interests between the executives and employees of Crombie and/or its subsidiaries and the holders of REIT Units; and assist Crombie in attracting, retaining and rewarding key executives.

The guiding principles for the PU Plan are:

- To have a forward-looking performance plan structure;
- To ensure alignment with strategy and long term value creation;
- To ensure that the metrics incentivize the right behavior on strategy;
- Over time, while maintaining the compensation philosophy, change the pay mix to increase the percentage of variable pay compensation; and
- To have a long term award only if results are achieved.

The PU Plan shall be administered by the HRC. The HRC shall have the power, where consistent with the general purpose and intent of the PU Plan, and subject to the specific provisions of the PU Plan, to:

- (a) establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the PU Plan;
- (b) interpret and construe the PU Plan and to determine all questions arising out of the PU Plan and any award granted pursuant to the PU Plan, and any such interpretation, construction or determination made by the Committee shall be final, binding and conclusive for all purposes; and
- (c) prescribe the form of the instruments relating to the grant, vesting or payout of awards, if any.

The members of the HRC are authorized to sign and execute all instruments and documents and to do all things necessary or desirable for carrying the PU Plan into effect or to carry out the provisions hereof. The HRC may delegate to any officer of Crombie the authority to sign and execute notices, instruments and other documents under the PU Plan.

It is intended that the PU Plan will not constitute a "salary deferral arrangement" with respect to a Participant as such term is defined in subsection 248 (1) of the *Income Tax Act* (Canada) and for Canadian tax purposes, the value of the PUs granted under the PU Plan, including additional

PU's credited for distribution equivalents, will not be included in a Participant's taxable income in Canada until the calendar year in which the payout amount is paid, or in the event of a conversion of PUs into DUs, until the calendar year such DUs are redeemed.

The HRC shall have the authority, in consultation with the CEO, to determine the performance measures against which Crombie's performance will be measured over the set term, and set such performance levels for each performance measure that it, in the HRC's sole discretion, determines appropriate. The HRC shall also have the authority, in consultation with the CEO, to set adjustment factors to be applied in order to determine the number of PUs that will vest on achievement of each performance level.

Eligible employees may elect each calendar year to participate in the PU Plan and receive all, or if permitted by the HRC a portion at the participation level of their choice, of their eligible remuneration in the form of an allocation of PUs. An election may be made with respect to the eligible remuneration of a single calendar year or may continue and automatically renew from year to year unless terminated or changed for a subsequent calendar year by the last business day prior to commencement of that calendar year. Any election to participate in the PU Plan and, if applicable, to elect a participation level or to terminate or change a prior continuing form of election, shall be made by election notice in writing.

Any election to participate will be made no later than the last business day of a calendar year with respect to the eligible remuneration for the next following calendar year.

Once an election is made to participate with respect to a calendar year, it is irrevocable with respect to the eligible remuneration for that calendar year.

If the PU Plan is to commence operation other than at the beginning of a calendar year, or if a person becomes an eligible employee during a calendar year, any election to participate must be made before any eligible remuneration has accrued or become payable to the eligible employee in respect of the period in which the eligible employee's participation in and allocation of eligible remuneration to the PU Plan is to begin. Such election will apply and be irrevocable with respect to the eligible remuneration for the balance of the calendar year.

Awards may be granted to eligible employees who have elected to participate in the PU Plan. Unless otherwise determined by the HRC, the HRC may make annual awards to participants in respect of services rendered or to be rendered by the participant in that particular calendar year or future years. For each award, the HRC shall determine the number of PUs to be granted to each participant, which number may include fractional PUs. All awards made to a participant shall be made on or before March 31<sup>st</sup> of the first calendar year of the applicable term, unless otherwise approved by the HRC.

Unless otherwise determined by the HRC, each award shall have a term (the "**PU Term**") of three years commencing on the day that the HRC approves the award in the first calendar year of such PU Term and ending on the final day the third calendar year of such PU Term (the "**PU Vesting Date**").

Unless specifically provided for in the PU Plan or determined by the HRC, Crombie will not contribute any amounts to a third party or otherwise set aside any amounts to fund the amounts payable under the PU Plan.

The number of PUs that vest on the PU Vesting Date under an award shall be dependent upon the achievement of the performance measures applicable to such award.

The number of PUs which vest for each participant shall be determined by (i) multiplying the number of PUs granted under the award by an adjustment factor applicable to the performance level achieved, and (ii) adding the number of PUs or fractions thereof that would be credited to such participant upon the payment of distributions by Crombie on the REIT Units, based on the number of additional REIT Units a participant would have received had the vested PUs been treated as REIT Units under a distribution reinvestment plan during the PU Term (collectively, the "**Vested PUs**").

On the PU Vesting Date, each participant shall be entitled to receive an amount net of applicable taxes equal to the number of Vested PUs held by the participant multiplied by the market value on the PU Vesting Date (the "**PU Payout Amount**").

Unless otherwise provided in this PU Plan, the PU Payout Amount shall be paid to each participant within 180 days of the PU Vesting Date and after the approval of the HRC, but, in any event, not later than December 31<sup>st</sup> of the year after which the PU Vesting Date occurs (the "**PU Payment Deadline Date**").

Unless otherwise provided in this PU Plan, the PU Payout Amount payable to each participant shall be paid, subject to applicable withholding taxes as required by applicable legislation, by Crombie in cash in the currency of Canada. Crombie shall not issue any REIT Units or other securities of Crombie from treasury for the purpose of this PU Plan.

For greater certainty, no amount will be paid to, or in respect of, a participant under the PU Plan or pursuant to any other arrangement, and no additional PUs will be granted to a participant to compensate the participant for any downward fluctuations in the price of a REIT Unit nor will any other form of benefit be conferred upon, or in respect of, a participant for such a purpose.

A participant who is an active employee of Crombie and who has been invited by the HRC at the time of granting the PUs to convert PUs into DUs, may irrevocably elect in writing to convert some or all of the PUs granted under an award to the participant that would otherwise vest on the PU Vesting Date (including additional PUs that would be credited for distribution equivalents) into DUs under the DU Plan. The election in respect of any PUs must be made no later than 60 days prior to the PU Vesting Date of a particular award or such earlier or later time as the HRC may determine from time to time in consultation with its tax advisers.

PU for which an election to convert into DU is made will be cancelled, with the result that the participant will not be entitled to payment of the PU Payout Amount in respect of those PUs.

If a participant has made an election, a number of DUs equal to the number of PUs that are cancelled as a result of the election will be granted by the HRC on the PU Vesting Date of the particular award covering the cancelled PUs, provided that the PUs would otherwise have vested on such PU Vesting Date. The award of DUs will be granted under, and will be subject to, the terms and conditions of the DU Plan.

Unless otherwise determined by the HRC, the only participants who are eligible to make an election to convert PUs into DUs, are those who, on the PU Vesting Date, are active employees of Crombie or of an employer that is an entity related to Crombie, as determined in accordance with section 251 of the *Income Tax Act* (Canada). If the employment of a participant is terminated by the employer for any reason prior to the PU Vesting Date but after an election has been made, such election shall be null and void.

Each participant who has not attained at the close of business on the day that is one year prior to the PU Vesting Date, or if such day is not a business day, the close of business on the first subsequent business day, an equity value which is equal to or greater than such participant's minimum equity ownership threshold, if any, shall be deemed for all purposes hereof, unless the provisions have been waived in whole or in part by the HRC with respect to such participant, (i) to have been invited by the HRC to convert PUs into DUs, and (ii) to have irrevocably elected to convert into DUs all of the PUs granted under an award that would otherwise vest on the next PU Vesting Date, all in accordance with the DU Plan and the terms hereof.

To the extent that a participant may otherwise be entitled to PUs granted, but not vested under an award, the following provisions shall apply to each award except as may otherwise be determined by the HRC from time to time:

- (a) If, before the PU Vesting Date, the employment of a participant by the employer shall be terminated by the employer without cause, subject to the terms hereof, such participant shall be entitled to a pro-rated share of the participant's unvested award determined by the HRC and based on length of service between the start of the PU Term and the date of termination or such longer period of time determined by the HRC. The HRC may, in its sole discretion, permit the payout of the pro-rated, unvested award following determination of the PU Payout Amount based upon performance measured at the end of the original PU Term, provided the payout thereof shall not be later than the PU Payment Deadline Date.
- (b) If, before the PU Vesting Date, the employment of a participant by the employer shall be terminated (i) by the voluntary resignation of the participant (other than retirement), or (ii) by the employer for cause, such award shall expire and terminate simultaneously with the act or event which causes the termination and such participant shall not be entitled to any PU Payout Amount, or other compensation for the termination of such unvested award. Provided, however, that the HRC may in its sole discretion determine to pay such amount as the HRC determines appropriate in the circumstances of the termination (including, where the HRC determines appropriate, full payment of the award). The HRC may, in its sole discretion, permit any payout of the unvested award on the date of termination or delay its determination of the PU Payout Amount and the payout thereof until not later than the PU Payment Deadline Date.
- (c) If, before the PU Vesting Date, the employment of a participant by the employer shall terminate by reason of the retirement of the participant, the death or disability of the participant or for any other reason whatsoever other than in circumstances addressed in (a) and (b) above, subject to the terms of the PU Plan, such participant or, if the participant is deceased, the legal personal representative(s) of the estate of the participant, shall be entitled to a pro-rated share of the participant's unvested award determined by the HRC and based on length of service between the start of the PU Term and the date of termination or, in the sole discretion of the HRC, such other amount as the HRC determines appropriate in the circumstances of the termination (including, where the HRC determines appropriate, full payment of the award). The HRC may, in its sole discretion, permit the payout of the pro-rated, unvested award following determination of the PU Payout Amount based upon performance measured at the end of the original PU Term, provided the payout thereof shall not be later than the PU Payment Deadline Date.

If upon a Change of Control, there is no longer a public market for the REIT Units to determine market value, then the HRC will determine and fix the PU Payout Amount as it deems appropriate. In addition, the HRC will determine the timing of payment of the PU Payout Amount and whether there are any ongoing employment or other terms and conditions that would apply up to the regular PU Vesting Date.

Appropriate adjustments to the unvested PUs notionally granted under outstanding awards shall be made, if required, to give effect to adjustments in the number of REIT Units resulting from subdivisions, consolidations or re-classifications of the REIT Units or other relevant changes in the capital of Crombie, as the HRC in its sole discretion deems advisable.

A PU is under no circumstances considered to be a REIT Unit or entitles any participant to exercise voting rights or any other rights or entitlements associated with a REIT Unit.

From time to time, the Board may amend any of the provisions of the PU Plan or terminate the PU Plan, provided that any amendment of the provisions of the PU Plan or any termination of the Plan shall not divest any participant of awards granted to him nor, in the event of termination of the PU Plan, otherwise affect the rights of a participant holding an award at the time of such termination without his consent.

### *Executive Unit Purchase Plan*

The EUPP is binding upon Crombie and its successors and assigns. The interest of any participant under the EUPP is not transferable or alienable by the participant either by assignment or in any other manner whatsoever and, during his or her lifetime, shall be vested only in the participant, but shall enure to the benefit of and be binding upon the legal personal representative of the participant.

Each loan advanced pursuant to the EUPP is payable on the earlier of the date of demand for repayment and ten years from the date on which the loan was made (the "**Maturity Date**"). Each loan currently bears interest at a rate of 1% per annum. All loans must be paid by the end of 2022.

Units subscribed for with the proceeds of a loan ("**Pledged units**") and any units issued as stock distributions on such units ("**Stock Distribution units**") are held by the trustee of the EUPP in trust for the participant as security for the repayment of the loan. The participant is only entitled to transfer such units as are represented by certificates that have been delivered by the trustee of the EUPP to the participant. The participant is entitled to exercise all voting rights in respect of Pledged units and Pledged units remain the property of the participant, subject to the security interest of Crombie or its subsidiaries.

The loan is repaid through the application of the after-tax amount of all distributions received on the Pledged units as payments on interest and principal. Each participant is entitled, on or before the 30<sup>th</sup> day prior to the Maturity Date, to elect to take delivery from the trustee of the EUPP of certificates representing up to and including 100% of the participant's Pledged units, as well as Stock Distribution units, if any, which have been issued to the participant with respect to the Pledged units that are the subject matter of an election. An election to take delivery shall be made by written notice to Crombie, indicating the aggregate percentage of the participant's Pledged units that the participant has elected to receive, together with payment. Unless otherwise determined by the HRC, all, or the balance of a loan, shall mature and be payable on the earliest of:

- (a) six months (or such other date as may be agreed upon by the HRC and the participant) following the date of retirement or permanent disability of the participant;
- (b) six months following the date of death of the participant;
- (c) 30 days following the termination of employment of the participant, for any other reason; and
- (d) the Maturity Date.

Upon receipt of the payment required on the loan, if any, by a participant who ceases to be employed by Crombie, or a subsidiary of Crombie, for any reason other than death, Crombie shall, on the 10th business day following the receipt of payment, deliver to the participant a certificate for any remaining units. Fractional units will be rounded up to the next whole. In the event that the market value of the remaining units is less than the payment required on the loan, Crombie may purchase the remaining units being paid by forgiveness of amounts payable on the loan. To the extent that the outstanding loan amount exceeds the repurchase price of the remaining units, Crombie may cancel the remaining portion of the loan in part or in full. Such cancellation of the loan will be an additional (taxable) benefit to the participant. The personal representative of a deceased participant is entitled, for a period ending on the earlier of:

- (a) six months following the date of death of such participant, and
- (b) 30 days preceding the Maturity Date, to elect to take delivery of certificates representing in the aggregate up to 100% of all the participant's remaining units.

If the personal representative of a deceased participant does not exercise this right within the prescribed time, the personal representative shall be deemed to have elected not to take delivery and shall be deemed to have sold and shall be bound to sell and Crombie shall be deemed to have purchased and shall be bound to purchase the participant's remaining units for an aggregate purchase price equal to the principal amount outstanding under the loan. The payment of the aggregate purchase price for such units shall be satisfied by the cancellation of the loan. On the later of the Maturity Date and the expiry of five years following the date on which units were last issued to a participant, each participant who is identified as a senior executive is entitled to sell to Crombie his or her remaining units for an aggregate purchase price equal to the repurchase price of the units on the date of sale. The payment of the aggregate purchase price for such units shall be satisfied by the forgiveness of amounts payable on the loan. To the extent that the outstanding loan amount exceeds the repurchase price of the remaining units, Crombie may cancel the remaining portion of the loan in part or in full. Such cancellation of the loan shall be an additional (taxable) benefit to the participant.

From time to time the Board of Trustees may, subject to necessary regulatory approval from administrative bodies with jurisdiction over the EUPP, terminate the EUPP and/or amend any of the provisions of the EUPP, provided that any amendment of the provisions of the EUPP or any termination of the EUPP shall not:

- (a) divest any participant of his entitlement to the participant's pledged units and stock distribution units as provided in the EUPP or of any rights a participant may have in respect of the participant's pledged units and the stock distribution units, or
- (b) have the effect of altering the terms of repayment of any loan made to a participant, without the prior written consent of the participant.

Without limiting the generality of the foregoing, the Board of Trustees may make the following types of amendments to the provisions of the EUPP without unitholder approval:

- (a) reduce the number of units issuable under the EUPP;
- (b) increase or decrease the maximum number of units any single participant is entitled to receive under the EUPP;
- (c) any amendment to the terms of the EUPP relating to the effect of termination, cessation or death of a participant;
- (d) any amendment pertaining to the assignability of grants required for estate planning purposes;
- (e) increase an award price;
- (f) add and/or amend any form of financial assistance provision to the EUPP;
- (g) amend the eligibility requirements for participants in the EUPP;
- (h) any amendment as may be necessary or desirable to bring the EUPP into compliance with securities, corporate or tax laws and the rules and policies of any stock exchange upon which the units are from time to time listed;
- (i) any amendment to add covenants of Crombie for the protection of participants, provided that the HRC shall be of the good faith opinion that such additions will not be prejudicial to the rights or interest of the participants;
- (j) any amendment not inconsistent with the EUPP as may be necessary or desirable with respect to matters or questions, which in the good faith opinion of the HRC, having in mind the best interests of the participants, it may be expedient to make, provided that the HRC shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the participants; or
- (k) any such changes or corrections which, in the advice of counsel to Crombie, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the HRC shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interest of the participants.

Notwithstanding any other provision of the EUPP, none of the following amendments shall be made to the EUPP without approval of the unitholders:

- (a) amendments to the EUPP which would increase the number of units issuable under the EUPP;
- (b) amendments to the EUPP which would result in a reduction in the exercise price, or cancellation and reissue, of awards;
- (c) any amendment to the EUPP to increase the maximum limit of the number of units that may be: (a) issued to insiders within any one year period, or (b) issuable to insiders, at any time;
- (d) any amendment to the EUPP adding participants that may permit the introduction or re-introduction of non-employee trustees on a discretionary basis;
- (e) any amendment to the EUPP allowing awards granted under EUPPs to be transferable or assignable other than for normal estate settlement purposes; or
- (f) any amendment to the amending provisions of the EUPP.

The total number of Units available under the EUPP is 750,000, which represents less than 0.5% of the Units outstanding as of March 21, 2018. The total number of Units issued or approved under the EUPP as of March 21, 2018 is 420,810 Units, which represents less than 0.3% of the Units outstanding as of March 21, 2018. Units are issued from treasury and no fractional units may be purchased or issued. Awards allow executives to purchase units at a price not less than the average of the daily high and low board lot trading prices per unit on the TSX for the five trading days preceding the date of allotment.

The EUPP has been discontinued effective December 31, 2014. All outstanding loans under the EUPP are required to be repaid over a transitional period not to exceed 8 years with an interest rate of 1% applicable to these outstanding loans.

#### *Indebtedness of Trustees, Officers and Employees*

The following table sets out the aggregate indebtedness at March 21, 2018 to Crombie and its subsidiaries of all executive officers, directors, employees, former executive officers and Trustees of Crombie or its subsidiaries.

<b>Purpose</b>	<b>Aggregate Indebtedness to Crombie or its Subsidiaries</b>	<b>Aggregate Indebtedness to Another Entity Guaranteed or Supported by Crombie or its Subsidiaries</b>
Unit purchases	\$1,718,049	Nil
Other	Nil	Nil



The following tables set out information for each individual who is, or at any time during the most recently completed financial year was, a Trustee or executive officer of Crombie, each proposed nominee for election as a Trustee of Crombie, and each associate of any such Trustee, executive officer or proposed nominee who is, or at any time since the beginning of the most recently completed financial year of Crombie has been, indebted to Crombie or any of its subsidiaries. No such persons have indebtedness to another entity which is or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Crombie or any of its subsidiaries. Routine indebtedness is excluded from the tables.

*Table of Indebtedness of Trustees and Executive Officers*

<b>Name and Principal Position</b>	<b>Involvement of Crombie</b>	<b>Largest Amount Outstanding During Fiscal 2017 \$</b>	<b>Amount Outstanding as at March 21, 2018 \$</b>	<b>Financially Assisted Securities Purchased During Fiscal 2017 #</b>	<b>Security For Indebtedness as at December 31, 2017 #</b>	<b>Amount Forgiven During 2017 \$</b>
Donald E. Clow President & CEO	Lender	\$924,476	\$887,404	0 Units	67,884 Units	\$Nil
Glenn Hynes EVP, CFO and Secretary	Lender	\$463,727	\$445,185	0 Units	34,051 Units	\$Nil
Patrick Martin, Special Advisor to President & CEO	Lender	\$220,440	\$211,577	0 Units	16,187 Units	\$Nil
Scott R. MacLean SVP, Eastern Canada	Lender	\$181,059	\$173,884	0 Units	13,295 Units	\$Nil

*Equity Compensation Plan Information*

The following table sets out aggregate information relating to all compensation plans of Crombie:

<b>Plan Category</b>	<b>Number of Securities to be issued upon exercise of outstanding Options, Warrants and Rights (A)</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (B)</b>	<b>Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in Column A) (C)</b>
Equity Compensation Plans Approved by Security holders	Nil	N/A	1,104,546 <sup>(1)</sup>
Equity Compensation Plans Not Approved by Security holders	Nil	N/A	Nil
<b>Total</b>	<b>Nil</b>	<b>N/A</b>	<b>1,104,546<sup>(1)</sup></b>

<sup>(1)</sup> Of the total, 329,190 Units available for issuance under the EUPP and 775,356 Units available for issuance under the DU Plan.

The total number of awards made or approved under the EUPP as of March 21, 2018 is 420,810, representing approximately 0.3% of the Units outstanding as of March 21, 2018. Reference is made to "Executive Unit Purchase Plan" on page 50 of this Circular for details relating to the EUPP. The EUPP has been discontinued effective December 31, 2014.

The total number of awards made or approved under the DU Plan as of March 21, 2018 is 224,644, representing approximately 0.1% of the Units outstanding as of March 21, 2018. Reference is made to "Deferred Unit Plan" on page 43 of this Circular for details relating to the DU Plan.

## **PART FIVE - OTHER INFORMATION**

### **Interest of Informed Persons in Material Transactions**

As at December 31, 2017, Empire, through its wholly-owned subsidiary ECL, holds a 41.5% indirect interest in Crombie. Crombie acquired from subsidiaries of Empire the initial 44 commercial properties on March 23, 2006, two additional commercial properties in 2007, 61 commercial properties on April 22, 2008, 17 commercial properties in 2010, eight commercial properties in 2011, two commercial properties in 2012, 73 commercial properties in 2013, nine commercial properties in 2014, four commercial properties in 2015, 23 commercial properties in 2016 and one commercial property plus one development property in 2017. In 2016, Crombie sold one commercial property to subsidiaries of Empire. The purchase price for each property acquired by Crombie from subsidiaries of Empire was fair market value determined by external appraisals and approved by the Independent Elected Trustees of Crombie.

During the year ended December 31, 2017, Crombie issued 977,009 (December 31, 2016 - 657,901) Class B LP Units to ECLD under the distribution reinvestment plan.

Reference is made to Crombie's Annual Information Form for the fiscal year ended December 31, 2017 for further information relating to the transactions noted above, a copy of which has been filed on SEDAR ([www.sedar.com](http://www.sedar.com)) and may be obtained, without charge, by contacting the Secretary of Crombie at 610 East River Road, Suite 200, New Glasgow, Nova Scotia B2H 3S2.

### **Management Agreement**

Crombie provides property management, leasing services and environmental management to specific properties owned by certain subsidiaries of Empire on a fee for services basis pursuant to a Management Agreement effective January 1, 2016. Revenue generated under the Management Agreement is being recognized as a reduction of general and administrative expenses. This agreement replaces the previous cost sharing arrangement covered by a Management Cost Sharing Agreement.

### **Trustees' and Officers' Insurance**

Crombie carries trustees' and officers' liability insurance. Under this insurance coverage, Crombie is reimbursed for insured claims where payments have been made under indemnity provisions on behalf of its Trustees and officers contained in the Declaration of Trust, subject to a deductible for each loss, which is paid by Crombie. Individual Trustees and officers are also reimbursed for insured claims arising during the performance of their duties for which they are not indemnified by Crombie. Excluded from insurance coverage are illegal acts, acts which result in personal profit and certain other acts. The Declaration of Trust provides for the indemnification in certain circumstances of Trustees and officers from and against liability and costs in respect of any action or suit against them in respect of the execution of their duties of office. Premiums and other costs of the insurance of approximately \$0.1 million per year are paid by Crombie.

### **Governance**

The Board of Trustees and management of Crombie believe that the highest standards of governance are essential in the effective management of Crombie as well as the ability to build long term value for customers, business partners, employees and investors.

In accordance with National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), Crombie annually discloses information related to its system of governance. The discussion provides information relating to Crombie's governance practices as required by National Policy 58-201 - *Corporate Governance Guidelines*, NI 58-101 and National Instrument 52-110 - *Audit Committees*. Crombie's disclosure addressing each of these guidelines and instruments is set out in Appendix A to this Circular.

Pursuant to its mandate, the Board of Trustees oversees the management of the business affairs of Crombie, discharging its responsibilities either directly or through its Committees, with the goal of building sustainable worth for all of Crombie's stakeholders. The Board of Trustees' mandate is attached as Appendix B of this Circular.

### **Auditors, Transfer Agent and Registrar**

The auditors of Crombie are PricewaterhouseCoopers LLP, Chartered Professional Accountants, Halifax, Nova Scotia.

The Transfer Agent and Registrar for the Units is AST Trust Company (Canada).

### **Additional Information**

Financial information is provided in Crombie's consolidated financial statements and Management's Discussion and Analysis for its most recently completed financial year.

Crombie has filed with certain securities regulatory authorities an Annual Information Form in respect of its most recently completed financial year, thereby permitting Crombie to use a short form prospectus for the distribution of securities.

Additional information relating to Crombie, including a copy of Crombie's consolidated financial statements and Management's Discussion and Analysis, as well as Crombie's most recent Annual Information Form together with a copy of the other documents incorporated by reference therein are incorporated by reference into this Circular, may be obtained, without charge, from the SEDAR website ([www.sedar.com](http://www.sedar.com)) or by contacting the Secretary of Crombie at 610 East River Road, New Glasgow, Nova Scotia B2H 3S2.

**Trustees' Approval**

The contents and the sending of this Circular have been approved by the Board of Trustees of Crombie.

(signed) "*Glenn Hynes*"

Glenn Hynes, FCPA, FCA

Executive Vice President, Chief Financial Officer and Secretary

March 29, 2018

## APPENDIX A - STATEMENT OF GOVERNANCE PRACTICES

Crombie's disclosure of governance practices are substantially in alignment with NP 58-201 "Corporate Governance Guidelines". In addition, this appendix discloses Crombie's current governance practices in accordance with the requirements of NI 58-101 "Disclosure of Corporate Governance Practices".

### 1. Board of Trustees

- a. Disclose the identity of Trustees who are independent.

The Board has determined that all of the Trustees of Crombie with the exception of Donald E. Clow, Frank C. Sobey and Paul D. Sobey are independent. See "Business of the Meeting - Election and Appointment of the Board of Trustees -- Trustee Independence and Other Relationships" section of this Circular.

- b. Disclose the identity of Trustees who are not independent and describe the basis for that determination.

See "Business of the Meeting - Election and Appointment of the Board of Trustees - Trustee Independence and Other Relationships" section of this Circular.

- c. Disclose whether or not a majority of Trustees are independent.

9 out of 12 Trustees are considered to be independent.

- d. If a Trustee is presently a Trustee or Director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the Trustee and the other issuer.

All of the Trusteeships and Directorships of the Trustees with other public entities are disclosed in this Circular under the heading "Business of the Meeting - Election and Appointment of the Board of Trustees".

- e. Disclose whether or not the independent Trustees hold regularly scheduled meetings at which non-independent Trustees and members of management are not in attendance. If the independent Trustees hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent Trustees do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent Trustees.

The Trustees meet without management present at every meeting of the Board and its Committees. The elected independent Trustees also meet without Management and ECL appointed Trustees at each Board meeting. During fiscal 2017, the Board held in camera meetings of solely independent elected Trustees at each meeting.

- f. Disclose whether or not the chair of the Board is an independent Trustee. If the Board has a chair or lead Trustee who is an independent Trustee, disclose the identity of the independent chair or Lead Trustee, and describe his or her role and responsibilities.

Frank C. Sobey, the Chairman, is not an independent Trustee. He has served as Chair since 2006. John C. Eby, the Lead Trustee, is an independent elected Trustee. He has served as Lead Trustee since 2011.

Amongst other things, the Chair and Lead Trustee are expected to:

- Provide leadership to ensure effective functioning of the Board;
  - Lead in the assessment of Board and Committee performance;
  - Assist the Human Resources Committee in monitoring and evaluating the performance of the Chief Executive Officer and senior officers of Crombie;
  - Lead the Board and Committees in ensuring succession plans are in place at the senior management level; and
  - Act as an effective liaison among the Board and management.
- g. Disclose the attendance record of each Trustee for all Board meetings held since the beginning of the issuer's most recently completed financial year.

The attendance record of each Trustee for Board and Committee meetings during fiscal 2017 is disclosed in this Circular under the heading "Business of the Meeting - Election and Appointment of the Board of Trustees - Committee Membership and Record of Attendance".

## **2. Board Mandate**

- a. Disclose the text of the Board's written mandate. The mandate should explicitly acknowledge responsibility for the stewardship of the issuer.

The written Board Mandate is disclosed in Appendix "B" to this Circular which confirms the Board's explicit responsibility.

## **3. Position Descriptions**

- a. Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.

The Board has developed a written position description for the Lead Trustee, the Chair of the Board and each Committee Chair. There are written mandates for each Committee which delineate the responsibilities of each Committee with which the chair thereof is responsible to comply. Each Committee and the Board must review and approve the mandates annually and forward same to the Governance & Nominating Committee.

- b. Disclose whether or not the Board and CEO have developed a written position description for the CEO. The Board should also approve the corporate goals and objectives that the CEO is responsible for meeting. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.

The Board has developed a written position description for the CEO. The description is reviewed annually against both best practices and the requirements of Crombie. Approving the corporate goals and objectives is part of the mandate of the Board.

Amongst other items, the CEO is expected to:

- Develop and recommend to the Board a long-term strategy and vision for Crombie that leads to creation of Unitholder value;
- Develop and recommend to the Board annual business plans and budgets that support Crombie's long-term strategy;
- Consistently strive to achieve Crombie's financial and operating goals and objectives; and
- Complete a Balanced Scorecard for Board approval that includes key financial, operational, customer and people objectives.

## **4. Orientation and Continuing Education**

- a. Briefly describe what measures the Board takes to orient new Trustees regarding:
  - i. the role of the Board, its companies and its Trustees, and
  - ii. the nature and operation of the issuer's business.

Crombie provides a detailed and customized orientation to new Trustees which include meetings with senior management of Crombie and its subsidiaries for orientation information on Board operation and policies, as well as current and historical data pertaining to the operation of Crombie and an assessment of current strategic opportunities and issues facing Crombie. New Trustees are also given property tours and a review of Board and Committee Mandates, the Code of Business Conduct and, policies and other relevant information. Each Trustee receives a Trustee Handbook which contains this key information.

- b. Briefly describe what measures, if any, the board takes to provide continuing education for its Trustees. If the board does not provide continuing education, describe how the board ensures that its Trustees maintain the skill and knowledge necessary to meet their obligations as Trustees.

The Trustees are provided with written and oral presentations which continue to educate them on Crombie's operations. Crombie encourages participation of Trustees in continuing Trustee education programs offered at university and supports them by reimbursing tuition and out-of-pocket expenses. Crombie has a Board membership in the Institute of Corporate Directors (ICD) which gives Trustees access to governance information, networking opportunities and other derived benefits. This is reviewed on an annual basis.

## 5. Ethical Business Conduct

- a. Disclose whether or not the Board has adopted a written code of business conduct and ethics for the Trustees, Officers and employees. If the Board has adopted a written code:
  - i. disclose how a person or company may obtain a copy of the Code;
  - ii. describe how the Board monitors compliance with its code or, if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and
  - iii. provide a cross reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a Trustee or executive officer that constitutes a departure from the code.

The Board has adopted a written Code of Business Conduct and Ethics for all Trustees, Officers and employees of Crombie, which cover all of the elements recommended by NP 58-201. Trustees receive and sign off annually on the Code of Business Conduct and Ethics.

- The codes are available on Crombie's website, [www.crombiereit.ca](http://www.crombiereit.ca), or on SEDAR at [www.sedar.com](http://www.sedar.com);
  - The Board, through the Audit Committee, receives reports of unethical behaviour received through the ethics line and otherwise. The Governance and Nominating Committee annually review the Code of Business Conduct and Ethics and update as appropriate; and
  - The Board is not aware of any departure from the code by any Trustee or executive officer. Accordingly, no material change report has been required to be filed.
- b. Describe any steps the Board takes to ensure Trustees exercise independent judgment in considering transactions and agreements in respect of which a Trustee or executive officer has a material interest.

The Code of Business Conduct and Ethics expressly addresses this issue by requiring Trustees to avoid any situation where there might be a conflict, or the appearance of a conflict, between their personal interests and the performance of their duties as Trustees. Trustees are required to inform the Board of any such situation and to withdraw from participating in associated decision-making. The Declaration of Trust also expressly requires that a majority of the elected independent Trustees approve any transaction with: (i) ECL, (ii) any Trustee or (iii) any other entity for which any Trustee serves on its Board.

- c. Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.

The Board encourages a culture of ethical conduct by appointing officers of high integrity and monitoring their performance so as to set an example for all employees.

## 6. Nomination of Trustees

- a. Describe the process by which the Board identifies new candidates for Board nomination.

The Governance and Nominating Committee is responsible for identifying new candidates for the Board. It annually identifies Trustee skill, experience and diversity needs, having regard to projected retirements, and oversees a Trustee recruitment search and nomination process leading to recommendations to the Board for consideration and recommendation for election by the Unitholders. A Trustee competency matrix is maintained to ensure strong alignment between critical Company competencies and individual Trustee strengths. In addition, the Governance and Nominating Committee believes greater participation from women on our Board is important. See response to Item 12(a) for greater details.

- b. Disclose whether or not the Board has a nominating committee composed entirely of independent Trustees.

The Governance and Nominating Committee is composed entirely of independent Trustees.

- c. The Nominating committee should have a written charter that clearly establishes its purpose, responsibilities, member qualifications, member appointment and removal, structure and operations, manner of reporting to the Board, etc. In addition, the Nominating Committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to carry out its duties.

The Governance and Nominating Committee mandate encompasses these responsibilities and provides for the effective functioning of the Committee.

- d. Prior to nominating or appointing individuals as Trustees, the Board should adopt a process involving the following steps: competency/skill assessment of what is required, what exists, gaps, etc. The Board should also consider the appropriate size of the Board.

The Governance and Nominating Committee monitors the composition of the Board and identifies the needs and any gaps that may exist in terms of skills, experience and diversity of incumbent Board members. This is incorporated in a Trustee competency matrix. The Committee also considers the appropriate size of the Board.

- e. The Nominating committee should be responsible for identifying individuals qualified to become new Board members and recommending to the Board the new Trustee nominees for the AGM of Unitholders.

The Governance and Nominating Committee undertakes, on an ongoing basis, the responsibility of identifying prospective Board members. It recommends new nominees to the Board.

- f. In making its recommendations, the Nominating committee should consider: Competencies and skills necessary, current assessment of competencies and skills and those of Trustee nominees.

In fulfilling its responsibilities, the Governance and Nominating Committee seeks to ensure there is an appropriate mix of competencies, skills and diversity on the Board. It regularly performs a gap analysis to ensure any such opportunities are incorporated in future Trustee searches.

## 7. Compensation

- a. Describe the process by which the Board determines the compensation for the issuer's Trustees and Officers.

The Governance and Nominating Committee annually reviews the compensation of Trustees in relation to published surveys, other public company disclosures and private polls of entities comparable to Crombie in either size or activities, and recommends adjustments thereto for adoption by the Board. Annually, the HRC receives independent advice from Meridian Compensation Partners and Hugessen Consultants on the compensation of certain officers in relation to comparator organizations. The annual and long term performance targets are approved and set by the Board in advance of the fiscal year. The Restricted Unit targets are developed by the Board for three fiscal years ended with the current fiscal year and evaluated by the Committee. The Performance Unit targets are developed by the board for the fiscal year three years into the future.

Reference is made to the disclosure in this circular under the heading "Statement of Executive Compensation" and "Total Compensation of Board of Trustees" for additional information on compensation for Crombie's Trustees and Officers.

- b. Disclose whether or not the Board has a compensation committee composed entirely of independent Trustees. If the Board does not have a compensation committee composed entirely of independent Trustees, describe what steps the Board takes to ensure an objective process for determining such compensation.

The Human Resources Committee acts as a compensation committee in respect of executive compensation. The Human Resources Committee is comprised of three independent elected Trustees, one of whom chairs the Committee, and one non-independent Trustee. Although Paul D. Sobey is not independent, as a Director of Empire which owns a 41.5% interest in Crombie, he is independent of Management and the Board believes his interests are aligned with those of Crombie's Unitholders. The Committee makes its recommendations to the Board following its objective review of compensation having regard to the advice and recommendations of consultants where appropriate to ensure an independent and objective assessment of executive compensation. In addition, non-independent members are excused from the meeting when the committee is discussing agenda items for which they are not independent.

- c. If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

The Human Resources Committee is responsible for monitoring the compensation practices and policies of Crombie and making recommendations to the Board with respect thereto. Administration and management of the Restricted Unit Plan and the Performance Unit Plan are the responsibility of the Committee.

The Committee is responsible for:

- Recruitment, development and retention of Crombie's workforce;
  - Appointment, performance evaluation and compensation of the CEO, and Executives;
  - Compensation philosophy and structure for Executives including annual and long term incentive plans, benefits, pensions and perquisites;
  - Succession planning, talent management and development relating to Executives, including appointments, reassignments and terminations; and
  - Ownership guidelines for Executives.
- d. If a compensation consultant or advisor has been retained to assist in determining compensation for any of the issuer's Trustees and Officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.

No specific consultant or advisor has been retained to assist in determining compensation for Trustees. Meridian Compensation Partners and Hugessen Consulting were engaged to review and provide recommendations to the HRC on executive compensation.

## 8. Other Board Committees

- a. If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

In addition to the Audit Committee, Governance and Nominating Committee and Human Resources Committee, the Board has an Investment Committee. The Investment Committee is responsible for approving acquisitions or developments proposed by management of Crombie with a value greater than \$5 million per transaction, provided that the Committee's authority shall be limited to the approval of individual transactions of up to \$100 million. Project activity in excess of the Investment Committee's authority level shall receive the Committee's full consideration but will be advanced to the full Board of Trustees for approval. Any property acquisitions made by Crombie from Empire or affiliated companies must be considered and approved by only elected Trustees.

## 9. Assessments

- a. Disclose whether or not the Board, its committees and individual Trustees are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees and its individual Trustees are performing effectively.

The Governance and Nominating Committee is responsible for regular assessment of the effectiveness and contribution of the Board, its Committees and individual Trustees. It carries out this responsibility through biennial confidential surveys of each Trustee regarding his or her views on the effectiveness of the Board and its Committees. Aggregate results of the survey are summarized and reviewed in detail with the Governance and Nominating Committee and the Board. An action plan is developed and implemented to address any issues raised by Trustees. Individual Trustee performance is reviewed through bi-annual meetings between each Trustee and the Chair of the Board and the Chair of the Governance and Nominating Committee.

## 10. Director Term Limits and Other Mechanisms of Board Renewal

- a. Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.

The Company has not adopted term limits for the Trustees on its Board as it believes Board renewal is better achieved through other means. The Board constantly evaluates and compares the core competencies required to oversee the business and its strategy against the competencies residing with its Trustees. The Board utilizes a skills matrix to ensure the Board possesses requisite knowledge and expertise. The skills matrix was also utilized when selecting recent new appointees which is a proxy for Board renewal. The Board has annual processes in place to evaluate Board, Committee and Trustee effectiveness and uses this insight in guiding Board renewal decisions. The tenure of all Trustees is disclosed in the Management Information Circular.

## 11. Policies Regarding the Representation of Women on the Board

- a. Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.
- b. If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy
  - i. A short summary of its objectives and key provisions,
  - ii. The measures taken to ensure that the policy has been effectively implemented,
  - iii. Annual and cumulative progress by the issuer in achieving the objectives of the policy, and
  - iv. Whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.

Crombie has adopted a diversity and inclusion policy and framework guidelines for the recruitment of women trustees and executives. The Board believes that it can achieve ongoing strong board renewal including greater diversity (and more women trustees) with this framework. The Company is committed to adding the best possible trustees, to greater diversity and to increasing women participants on its Board. As such, the Company is committed to ensuring at least one woman candidate is on the short list of every new Trustee search; in the event that a search firm is used to conduct the process, the Company will direct that women candidates be short-listed.



## **12. Consideration of the Representation of Women in the Director Identification and Selection Process**

- a. Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.

The Board is committed to renewal through adding the best possible competencies that align with Company priorities. The Governance & Nominating Committee believes that stronger women participation on our Board is an important objective and ensures that women are included on the short list of candidates for each trustee search. If a woman candidate is not selected, the Board must be satisfied with the objective reasons provided to support the determination. In 2017, following an extensive trustee search, Crombie has added another woman as a Trustee.

## **13. Consideration Given to the Representation of Women in Executive Officer Appointments**

- a. Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.

The Company is committed to excellence through adding the best possible talent to its executive team. The Board and the CEO believes that stronger women participation on our executive team is an important objective and ensures that women are included on the short list of candidates for each executive search. The Company is proactively identifying women leaders for leadership training programs and development opportunities, and trying to identify and remove obstacles which may otherwise limit a woman's ability to be successful in senior executive roles. In 2017, Crombie added a woman as Executive Vice President, Portfolio Management.

## **14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions**

- a. For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.
- b. Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.
- c. Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.
- d. If the issuer has adopted a target referred to in either (b) or (c), disclose:
  - i. the target, and
  - ii. the annual and cumulative progress of the issuer in achieving the target.

The Company believes its diversity and inclusion policy has achieved good results to date and will assist in increasing the number of women in both management and executive positions over time. The Board has not adopted specific targets for women Board participation or executive officer participation as it is not clear that optimal Board or Management renewal will occur from a target based approach. The Company is committed to have many potential women candidates for Board and Executive Officer positions.

## **15. Number of Women on the Board and in Executive Officer Positions**

- a. Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.
- b. Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.

As of March 29, 2018, three of Crombie's 12 Trustees (25%) and two of Crombie's eight executive officers (25%) are women.

## **APPENDIX B - MANDATE OF THE BOARD OF TRUSTEES**

Management of the REIT is vested in the Board of Trustees, subject to the provisions of applicable statutes and the Declaration of Trust of the REIT.

The Board of Trustees of the REIT shall have explicit responsibility for the stewardship of the REIT including the strategic planning process, approval of the strategic plan, the identification of principal risks and implementation of systems to manage these risks, succession planning, operations, communications & reporting and the integrity of the REIT's internal control and management information systems. The Board discharges certain of its responsibilities through delegation to its committees as more particularly set out in the committee mandates.

The following points outline the key principles or guidelines governing how the Board will operate to carry out its overall stewardship responsibility:

### ***Chair***

The Board has adopted a policy of appointing a Lead Trustee if the Chair is not independent.

### ***Board Meetings***

The Board shall hold regular meetings at least once in each fiscal quarter, with additional meetings held as and when necessary. The Board shall function with a non-management chair and shall meet periodically without management present to ensure that the Board functions independently of management. At each Board meeting, in-camera meetings will take place as follows: 1) Full Board; 2) Full Board excluding management (i.e. CEO); 3) Independent elected Trustees; 4) Independent elected Trustees & CEO; and 5) Full Board reconvenes. The Board shall maintain a policy which permits individual Trustees to engage outside advisors at the cost of the REIT, provided that approval is first obtained from the Governance and Nominating Committee.

The Board appreciates having certain members of senior management attend each Board meeting to provide information and opinion to assist the Trustees in their deliberations. Management attendees will be excused for any agenda items which are reserved for discussion among Trustees only.

### ***Board Contacts with Senior Management***

All of the Trustees shall have open access to the REIT's senior management. It is expected that Trustees will exercise judgment to ensure that such contact does not distract management from the REIT's business operations. Written communications from Trustees to members of management will normally be copied to the CEO.

### ***Board Meeting Agendas and Information***

The Chair and the Lead Trustee, in consultation with the CEO and Corporate Secretary, will develop the agenda for each Board meeting. Agendas will be distributed to the Trustees before each meeting, and all Board members shall be free to suggest additions to the agenda in advance of the meeting.

Information and reports pertaining to Board meeting agenda items will be circulated to the Trustees in advance of the meeting. Reports may be presented during the meeting by members of the Board, management and/or staff, or by invited outside advisors. It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it will not be prudent or appropriate to distribute written materials in advance.

### ***Committees***

The Board will establish committees of its members to address specific matters. In particular, four Board committees shall be established: the Human Resources Committee, the Audit Committee, the Investment Committee and the Governance and Nominating Committee. All members of the committees shall be non-management trustees (except that the CEO will be a member of the Investment Committee). Each committee shall operate according to a written mandate approved by the Board. All members of the Audit and Governance & Nominating Committees shall be independent Trustees. Each Committee has a written mandate that is reviewed and approved annually.

### ***Committee Meetings***

No Management trustee shall be a voting member of a committee (except that the CEO will be a voting member of the Investment Committee) but may attend all meetings as a non-voting, non-quorum member. The schedule and agenda for meetings of each committee will be determined by the committee Chair in consultation with management, the Board Chair and committee members. Each committee will report to the Board on the results of each committee meeting. The Chair of the Board and Lead Trustee will be non-voting, non-quorum members of each Committee.

### ***Size of the Board***

The Board currently consists of twelve trustees. This ensures a diversity of membership, expertise and opinion, as well as efficient operation and decision making. The Governance and Nominating Committee will review the size of the Board annually and make recommendations to the

Board when it believes a change would be in the best interests of the REIT. The Board's maximum size is currently twelve Trustees per the Declaration of Trust.

### ***Review of Independence of Trustees***

The Governance and Nominating Committee will review on an annual basis any relationships between Trustees and the REIT which might be construed in any way to compromise the designation of any Trustee as being independent of the REIT. The objective of such review will be to determine the existence of any relationships, to ensure that the composition of the Board remains such that the majority of the Trustees are independent and that where any relationships exist, the Trustee is acting appropriately.

### ***Trustees Who Change Their Present Job Responsibility***

The Board shall maintain a policy which requires that a Trustee who makes a change in principal occupation will offer a resignation to the Board for consideration. It is not intended that Trustees who retire or whose professional positions change should necessarily leave the Board. The Board will take the opportunity to review, through the Governance and Nominating Committee, the continued appropriateness of Board membership under such circumstances.

### ***Governance***

The REIT shall make full and complete disclosure of its system of governance on an annual basis in its annual report or annual information circular. The Board, through the Governance and Nominating Committee, shall have responsibility for developing the REIT's approach to corporate governance, including the responsibility for this disclosure.

### ***Board Assessment***

The Board is responsible for assessing and developing its effectiveness.

The Board, through the Governance and Nominating Committee shall engage management to establish and conduct orientation and education programs for new recruits to the Board, through which the performance expectations for Board members shall be communicated.

The Governance and Nominating Committee shall implement a process for assessing the effectiveness of the Board as a whole, the committees and the contributions of individual Trustees. The Board shall assess Trustees on an ongoing basis, including periodic formal surveys of Trustees and ongoing assessments by the Chair of the Board and the Chair of the Governance and Nominating Committee.

The Governance and Nominating Committee shall also be responsible for recommending proposals to the Board concerning compensation of Trustees, including the adequacy and form of compensation.

The Governance and Nominating Committee shall have responsibility for the nominating function for elected Trustees of the REIT by recommending suitable candidates / nominees for election as Trustees. This process shall include a determination of the attributes, competencies, skills and personal qualities required of new Trustees to ensure ongoing renewal and diversity of the Board.

### ***Strategic Planning***

Management is responsible for the development of individual business unit and corporate strategic plans which take into account, among other things, the opportunities and risks of the business, and for the implementation of strategic plans. The Board shall be responsible for the adoption of a strategic planning process and the approval of strategic plans, long term goals and objectives of the REIT developed by management. The Board shall monitor senior management's implementation of the plans and shall assess the achievement of the REIT's goals and objectives on an ongoing basis.

### ***Managing Risk***

The Board shall have overall responsibility for assessing the principal risks facing the REIT, ensuring the implementation of the appropriate strategies and systems to manage such risks, and reviewing any material legal matters.

The Audit Committee shall have primary responsibility to review and approve risk management policies as recommended by management, shall receive reports from management on the risk profile of the REIT, risk mitigation activities & accepted risk thresholds and shall provide direction with respect to improvements to risk mitigation or changes to risk thresholds. The Audit Committee shall report its recommendations on such matters to the full Board on a regular basis. Other Board Committees also have specific risk oversight responsibility for matters applicable to their mandates and shall report on such matters to the full Board on a regular basis.

### ***Management, Human Resources and Succession Planning***

The Board selects, appoints and evaluates the performance of the CEO, and establishes appropriate compensation. In consultation with the CEO and the Human Resources Committee, the Board appoints all officers of the REIT and oversees the terms of employment, organization, training, development, evaluation, diversity and succession of senior management specifically including the overall salary increase, incentive programs and awards made pursuant thereto for those executives (in addition to the CEO) whose compensation is subject to public disclosure.

The Board's evaluation of the performance of senior management, including approving the appointment of senior executives of the REIT will include reviewing their performance against the objective of maximizing unitholder value, measuring their contribution to that objective, and overseeing compensation policies.

### ***Communications and Reporting***

The Board approves the content of the REIT's major communications to unitholders and the investing public including the Annual Report, Management Information Circular, the Annual Information Form, acquisition press releases and any prospectuses which may be issued. The Audit Committee shall review and recommend to the Board the approval of the quarterly and annual financial statements (including the Management Discussion & Analysis) and press releases relating to financial matters. The Board also has responsibility for monitoring all of the REIT's external communications. However, the Board believes that it is the function of management to speak for the REIT in its communications with the investment community, the media, customers, suppliers, employees, governments and the general public.

The Board shall have responsibility for reviewing the REIT's policies and practices with respect to disclosure of financial and other information including insider reporting and trading. The Board shall approve and monitor the disclosure policies designed to assist the REIT in meeting its objective of providing timely, consistent and credible dissemination of information, consistent with disclosure requirements under applicable securities law. The Board shall review the REIT's policies relating to communication and disclosure on an annual basis.

Generally, communications from unitholders and the investment community will be directed to the Chief Financial Officer, who will coordinate an appropriate response depending on the nature of the communication. It is expected, if communications from stakeholders are made to the Chair or other individual trustees, management will be informed and consulted to determine an appropriate response.

### ***Internal Control and Management Information Systems***

The Board has responsibility for the integrity of the REIT's internal control and management information systems.

The Audit Committee has responsibility for ensuring internal controls are appropriately designed, implemented and monitored and for ensuring that management and financial reporting is complete and accurate, even though management may be charged with developing and implementing the necessary procedures.

### ***Property Acquisitions and Operations***

All material matters relating to the REIT and its business require the prior approval of the Board. In particular, acquisitions, dispositions, development projects and capital expenditures or commitments in excess of certain dollar thresholds set out in the Investment Committee Mandate must be approved by the Board or the Investment Committee in advance. Management is authorized to act, without Board approval, on all ordinary course matters relating to the REIT's business.

The Board shall be responsible for monitoring the composition and operating performance of Crombie's portfolio to ensure it aligns with Crombie's strategic objectives and is managed in a reasonable and prudent manner with the objective of enhancing unitholder value. Management will regularly update the Board on material aspects of the following:

- portfolio diversification by property type, quality and geographic location
- tenant diversification and credit risk
- lease maturity exposure and new leasing activity
- occupancy, rental and tenant cost recovery results
- environmental risks and issues
- maintenance capital expenditures and deferred maintenance issues
- property development, redevelopment and land use intensification
- ongoing property valuation risks, opportunities and issues

### ***Governance, Integrity and Corporate Conduct***

The Board oversees the ethical, legal and corporate social responsibility conduct of the REIT. The Board oversees the development of the REIT's corporate governance policies, principles and guidelines. The Board develops and monitors compliance with the REIT's Code of Business Conduct and Ethics for trustees, officers and employees.

Reviewed: February 22, 2018