This document is important and requires your immediate attention. If you have any questions or require assistance, you should consult your investment dealer, broker, bank manager, lawyer or other professional advisor. No securities regulatory authority in Canada has expressed an opinion about, or passed upon the fairness or merits of, the transaction described in this document, the securities offered pursuant to such transaction or the adequacy of the information contained in this document and it is an offense to claim otherwise.

# NOTICES OF ANNUAL AND SPECIAL MEETINGS

# AND

# JOINT MANAGEMENT INFORMATION CIRCULAR

# CONCERNING THE COMBINATION OF

# NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST

# AND

# NORTHWEST INTERNATIONAL HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST

**April 7, 2015**

**Your vote on this matter is important.**

**If you have any questions about the information contained in this document or require assistance in submitting your vote, please contact your professional advisor or Kingsdale Shareholder Services, our proxy solicitation agent, as follows:**

| | |
|---|---|
| Voting Unitholders of NorthWest Healthcare Properties Real Estate Investment Trust | North American Toll Free:<br>1-877-659-1822<br>Email: contactus@kingsdaleshareholder.com |
| Voting Unitholders of NorthWest International Healthcare Properties Real Estate Investment Trust | North American Toll Free:<br>1-877-659-1822<br>Email: contactus@kingsdaleshareholder.com |

April 7, 2015

Dear Unitholders of NorthWest Healthcare Properties Real Estate Investment Trust:

On March 10, 2015, NorthWest Healthcare Properties Real Estate Investment Trust ("**NWH**") and NorthWest International Healthcare Properties Real Estate Investment Trust ("**NWI**") agreed to combine and create a leading global diversified healthcare real estate investment trust. The combination will be effected by a plan of arrangement pursuant to which NWH will, among other things, acquire all of the assets of NWI and NWI unitholders will receive 0.208 of a NWH trust unit for each NWI trust unit held on a tax-deferred basis. The combined entity will operate under the NWH name and will be the only TSX-listed real estate investment trust focused on global healthcare real estate.

We believe that the combination with NWI will have a number of significant benefits for NWH unitholders:

- **Enhanced Scale –** The transformational transaction increases the scale of NWH and provides exposure to high quality international medical office buildings and hospital assets, creating a global healthcare real estate platform.
- **Improved Portfolio Characteristics –** The transaction improves the characteristics of the combined portfolio including average age of buildings, same property growth, occupancy, average lease term and asset and geographic diversification.
- **Enhanced Growth Prospects –** The combination with NWI will greatly enhance the prospects for growth of NWH by enabling the combined company to pursue value enhancing growth opportunities in international markets where NWI has operating experience and well established partnerships.
- **Exposure to International Markets –** The diversification of NWH's portfolio afforded by NWI's investments in Australia, New Zealand, Brazil and Germany is expected to provide material benefit to NWH.
- **Accretive –** The transaction is expected to be accretive to NWH's adjusted funds from operations per unit.
- **Enhanced Capital Markets Presence** – The combined entity is expected to have enhanced access to capital due to its larger scale, portfolio diversification and growth prospects.
- **Unified Platform** – The transaction combines the management and operating platforms of NWH and NWI as well as streamlines the costs inherent in managing two separate publicly traded real estate investment trusts.
- **Larger Float and Improved Trading Liquidity** – The transaction will significantly increase the public float of NWH and is expected to increase the trading liquidity of the combined entity.

For these and other reasons set out in the accompanying joint management information circular, **your Board of Trustees has unanimously approved the combination and recommends that you vote <u>in favour</u> of the transaction.**

**Your vote on this matter is important.**

You are invited to attend an annual and special meeting of our voting unitholders to be held on May 5, 2015 at the offices of Goodmans LLP, Suite 3400, 333 Bay Street, Toronto, Ontario M5H 2S7 at 10:00 a.m. (Toronto time). At the meeting, you will be asked to approve the combination of NWH and NWI as well as other business as may properly come before the meeting. The transaction also requires the approval of the voting unitholders of NWI and court approval. If the requisite approval of the NWI and NWH unitholders and the court is obtained and all other conditions to the transaction have been satisfied or waived, it is anticipated that the transaction will be completed in the second quarter of 2015.

The Board of Trustees, based on the recommendation of a committee of independent trustees (the "**NWH Independent Committee**"), has determined that the combination is in the best interests of NWH and has recommended that NWH unitholders vote **<u>in favour</u>** of the transaction. The NWH Independent Committee retained Canaccord Genuity Corp. ("**Canaccord Genuity**") as its financial advisor to provide an independent valuation in accordance with applicable securities laws. Canaccord Genuity determined that, as at March 10, 2015, subject to the assumptions, limitations and qualifications

described in the independent valuation, the fair market value of the NWH units is in the range of $10.25 to $11.75 per NWH unit, and the fair market value of the NWI units is in the range of $2.15 to $2.40 per NWI unit. In addition, Canaccord Genuity rendered an opinion to the NWH Independent Committee that, as at March 10, 2015, subject to the assumptions, limitations and qualifications described therein, the consideration to be paid by NWH pursuant to the transaction is fair, from a financial point of view, to the NWH unitholders, other than NWI.

Voting unitholders are requested to complete and return the enclosed form of proxy to ensure that your voting units are voted at the meeting, whether or not you, as a voting unitholder, are personally able to attend. Please complete the enclosed form of proxy and submit it to our transfer agent and registrar, Computershare Investor Services Inc., as soon as possible but no later than 10:00 a.m. (Toronto time) on May 1, 2015 or 48 hours prior to the time of any adjournment or postponement of the meeting (excluding Saturdays, Sundays and holidays).

If you have questions or require assistance, you may contact NWH's proxy solicitation agent, Kingsdale Shareholder Services, by toll-free telephone in North America at 1-877-659-1822, outside North America at 416-867-2272 or by email at contactus@kingsdaleshareholder.com.

Thank you for your ongoing support as we prepare to complete this transaction; a significant event and opportunity in the history of NWH. We look forward to seeing you at the annual and special meeting.

Sincerely,

(Signed)

Brian Petersen
Chair of the NWH Independent Committee
NorthWest Healthcare Properties Real Estate Investment Trust

April 7, 2015

Dear Unitholders of NorthWest International Healthcare Properties Real Estate Investment Trust:

On March 10, 2015, NorthWest Healthcare Properties Real Estate Investment Trust ("**NWH**") and NorthWest International Healthcare Properties Real Estate Investment Trust ("**NWI**") agreed to combine and create a leading global diversified healthcare real estate investment trust. The combination will be effected by a plan of arrangement pursuant to which NWH will, among other things, acquire all of the assets of NWI and NWI unitholders will receive 0.208 of a NWH trust unit for each NWI trust unit held on a tax-deferred basis. The combined entity will operate under the NWH name and will be the only TSX-listed real estate investment trust focused on global healthcare real estate.

We believe that the combination with NWH will have a number of significant benefits for NWI unitholders:

- **Enhanced Scale** – The transformational transaction increases the scale of NWI and increases its exposure to NWH's large and stable portfolio of Canadian medical office buildings and healthcare related facilities.
- **Enhanced Flexibility and Access to Capital** – The larger combined entity is expected to have enhanced flexibility and greater access to liquidity to pursue value enhancing growth opportunities.
- **Stable Canadian Portfolio** – The stability of NWH's Canadian portfolio of high quality healthcare real estate when combined with NWI's portfolio in Brazil, Germany, Australia and New Zealand, is expected to provide significant diversification benefits to NWI.
- **Reduces Overall Leverage** – The transaction will reduce NWI's leverage and provide enhanced balance sheet flexibility.
- **Enhanced Capital Markets Presence** – The combined entity is expected to have enhanced access to capital due to its larger scale, portfolio diversification and growth prospects.
- **Unified Platform** – The transaction combines the management and operating platforms of NWH and NWI as well as streamlines the costs inherent in managing two separate publicly traded real estate investment trusts.
- **Larger Float and Improved Trading Liquidity** – The transaction will significantly increase the public float of NWH and is expected to increase the trading liquidity of the combined entity.

For these and other reasons set out in the accompanying joint management information circular, **your Board of Trustees has unanimously approved the combination and recommends that you vote in favour of the transaction.**

**Your vote on this matter is important.**

You are invited to attend an annual and special meeting of our voting unitholders to be held on May 5, 2015 at the offices of Goodmans LLP, Suite 3400, 333 Bay Street, Toronto, Ontario M5H 2S7 at 2:00 p.m. (Toronto time). At the meeting, you will be asked to approve the combination of NWH and NWI as well as other business as may properly come before the meeting. The transaction also requires the approval of the voting unitholders of NWH and court approval. If the requisite approval of the NWI and NWH unitholders and the court is obtained and all other conditions to the transaction have been satisfied or waived, it is anticipated that the transaction will be completed in the second quarter of 2015.

The Board of Trustees, based on the recommendation of a committee of independent trustees, has determined that the combination is in the best interests of NWI and has recommended that NWI unitholders vote **in favour** of the transaction. NWI retained BMO Capital Markets and National Bank Financial Inc. as its independent financial advisors in connection with the transaction, and each of BMO Capital Markets and National Bank Financial Inc. has rendered an opinion to the NWI Board that, as of March 10, 2015 and based upon and subject to the assumptions, limitations and qualifications contained therein, the consideration to be received by the NWI unitholders pursuant to the Arrangement is fair, from a financial point of view, to the NWI unitholders.

Voting unitholders are requested to complete and return the enclosed form of proxy to ensure that your voting units are voted at the meeting, whether or not you, as a voting unitholder, are personally able to attend. Please complete the enclosed form of proxy and submit it to our transfer agent and registrar, Computershare Investor Services Inc., as soon as possible but no later than 2:00 p.m. (Toronto time) on May 1, 2015 or 48 hours prior to the time of any adjournment or postponement of the meeting (excluding Saturdays, Sundays and holidays).

If you have questions or require assistance, you may contact NWI's proxy solicitation agent, Kingsdale Shareholder Services, by toll-free telephone in North America at 1-877-659-1822, outside North America at 416-867-2272 or by email at contactus@kingsdaleshareholder.com.

Thank you for your ongoing support as we prepare to take part in this important event in the history of NWI. We look forward to seeing you at the annual and special meeting.

Sincerely,

(Signed)

Paul Dalla Lana
Chair of the Board & Chief Executive Officer
NorthWest International Healthcare Properties Real Estate Investment Trust

**NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF VOTING UNITHOLDERS OF NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the "**NWH Meeting**") of holders ("**NWH Voting Unitholders**") of voting units ("**NWH Voting Units**") of NorthWest Healthcare Properties Real Estate Investment Trust ("**NWH**") will be held at the offices of Goodmans LLP, Suite 3400, 333 Bay Street, Toronto, Ontario M5H 2S7, on May 5, 2015 at 10:00 a.m. (Toronto time) for the following purposes:

1. to receive the financial statements of NWH for the year ended December 31, 2014, together with the report of the auditors thereon;

2. to consider and, if thought advisable, to pass, with or without variation, a special resolution (the "**NWH Resolution**"), the full text of which is set forth in Appendix D to the accompanying joint management information circular of NorthWest International Healthcare Properties Real Estate Investment Trust ("**NWI**") and NWH dated April 7, 2015 (the "**Circular**"), approving (i) the plan of arrangement (the "**Arrangement**") involving NWH under Section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") pursuant to which NWH will, among other things, acquire all of the assets of NWI, and (ii) certain amendments to the amended and restated declaration of trust of NWH dated March 25, 2010, all as more particularly described in the Circular;

3. to elect trustees of NWH for the ensuing year;

4. to appoint an auditor for the ensuing year and to authorize the trustees to fix the auditor's remuneration; and

5. to transact such further and other business as may properly be brought before the NWH Meeting or any postponement or adjournment thereof.

Specific details of the matters proposed to be put before the NWH Meeting are set forth in the Circular which accompanies this Notice of the NWH Meeting. Please read the accompanying Circular carefully before you vote on the matters being transacted at the NWH Meeting. **The NWH Meeting is both an annual and special meeting. Regardless of whether the NWH Resolution receives the required NWH Voting Unitholder approval, NWH Voting Unitholders must also consider certain other annual meeting resolutions, including the election of trustees and the appointment of auditors.**

Based on a unanimous recommendation of the independent committee of the board of trustees of NWH (the "**NWH Board**"), the NWH Board (excluding interested trustees) **UNANIMOUSLY** recommends that NWH Voting Unitholders vote **IN FAVOUR** of the NWH Resolution. It is a condition to the completion of the Arrangement that the NWH Resolution be approved at the NWH Meeting.

The record date for determining the NWH Voting Unitholders entitled to receive notice of and to vote at the NWH Meeting is the close of business on March 18, 2015 (the "**Record Date**"). Only NWH Voting Unitholders whose names have been entered in the registers of NWH Voting Unitholders as of the close of business on the Record Date are entitled to receive notice of and to vote at the NWH Meeting.

**Your vote is important regardless of the number of NWH Voting Units you own.** NWH Voting Unitholders are invited to attend the NWH Meeting. Registered NWH Voting Unitholders who are unable to attend the NWH Meeting or any postponement or adjournment thereof in person are requested to complete, date, sign and return the enclosed form of proxy or, alternatively, to vote by telephone, or over the internet, in each case in accordance with the enclosed instructions. To be used at the NWH Meeting, the completed proxy form must be deposited at the office of Computershare Investor Services Inc. ("**Computershare**"), Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 (Fax: 1-866-249-7775) (toll free within North America) or (416) 263-9524 (outside North America)) by mail or fax or the proxy vote is otherwise registered in accordance with the instructions thereon. Non-registered NWH Voting Unitholders who receive these

materials through their broker or other intermediary should complete and send the form of proxy or voting instruction form in accordance with the instructions provided by their broker or intermediary. To be effective, a proxy must be received by Computershare not later than 10:00 a.m. (Toronto time) on May 1, 2015, or in the case of any postponement or adjournment of the NWH Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the postponed or adjourned meeting. **Late proxies may be accepted or rejected by the Chair of the NWH Meeting in his discretion, and the Chair is under no obligation to accept or reject any particular late proxy. The deadline for the deposit of proxies may be waived or extended by the Chair of the NWH Meeting at his discretion, without notice.**

If you have questions or require assistance, you may contact NWH's proxy solicitation agent, Kingsdale Shareholder Services, by toll-free telephone in North America at 1-877-659-1822, outside North America at 416-867-2272 or by email at contactus@kingsdaleshareholder.com.

DATED this 7th day of April, 2015.

**BY ORDER OF THE BOARD OF TRUSTEES OF NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**

(Signed) *"Brian Petersen"*
Brian Petersen
Trustee and Chair of the Independent Committee

**NORTHWEST INTERNATIONAL HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF VOTING UNITHOLDERS OF NORTHWEST INTERNATIONAL HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**

**NOTICE IS HEREBY GIVEN** that, pursuant to an interim order of the Court of Queen's Bench of Alberta dated April 7, 2015 (the "**Interim Order**"), an annual and special meeting (the "**NWI Meeting**") of holders ("**NWI Voting Unitholders**") of voting units ("**NWI Voting Units**") of NorthWest International Healthcare Properties Real Estate Investment Trust ("**NWI**") will be held at the offices of Goodmans LLP, Suite 3400, 333 Bay Street, Toronto, Ontario M5H 2S7, on May 5, 2015 at 2:00 p.m. (Toronto time) for the following purposes:

1. to receive the financial statements of NWI for the year ended December 31, 2014, together with the report of the auditors thereon;

2. to consider pursuant to an interim order of the Court of Queen's Bench of Alberta granted April 7, 2015 (the "**Interim Order**") and, if thought advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set forth in Appendix C to the accompanying joint management information circular of NorthWest Healthcare Properties Real Estate Investment Trust ("**NWH**") and NWI dated April 7, 2015 (the "**Circular**"), approving the plan of arrangement (the "**Plan of Arrangement**") involving NWI under Section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") pursuant to which NWH will, among other things, acquire all of the assets of NWI, all as more particularly described in the Circular (the "**Arrangement**");

3. to elect trustees of NWI for the ensuing year;

4. to appoint an auditor for the ensuing year and to authorize the trustees to fix the auditor's remuneration;

5. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution of disinterested NWI Voting Unitholders (the "**DUP Amendment Resolution**"), the full text of which is set forth in Appendix M to the accompanying Circular, approving the Second Amended & Restated NWI Deferred Unit Plan (the "**Second Amended & Restated NWI Deferred Unit Plan**");

6. to consider and, if thought advisable, to pass, with or without variation, an ordinary resolution of disinterested NWI Voting Unitholders (the "**DUP Reservation Resolution**"), the full text of which is set forth in Appendix N to the accompanying Circular, authorizing the increase in trust units of NWI reserved for issuance under the Second Amended & Restated NWI Deferred Unit Plan; and

7. to transact such further and other business as may properly be brought before the NWI Meeting or any postponement or adjournment thereof.

Specific details of the matters proposed to be put before the NWI Meeting are set forth in the Circular which accompanies this Notice of the NWI Meeting. Please read the accompanying Circular carefully before you vote on the matters being transacted at the NWI Meeting. **The NWI Meeting is both an annual and special meeting. Regardless of whether the Arrangement Resolution receives the required NWI Voting Unitholder approval, NWI Voting Unitholders must also consider certain other annual meeting resolutions, including the election of trustees and the appointment of auditors, and in addition, the DUP Amendment Resolution and DUP Reservation Resolution.**

Based on a unanimous recommendation of the independent committee of the board of trustees of NWI (the "**NWI Board**"), the NWI Board (excluding interested trustees) **UNANIMOUSLY** recommends that NWI Voting Unitholders vote **IN FAVOUR** of the Arrangement Resolution. It is a condition to the completion of the Arrangement that the Arrangement Resolution be approved at the NWI Meeting.

The record date for determining the NWI Voting Unitholders entitled to receive notice of and to vote at the NWI Meeting is the close of business on March 18, 2015 (the "**Record Date**"). Only NWI Voting Unitholders whose names have been entered in the registers of NWI Voting Unitholders as of the close of business on the Record Date are entitled to receive notice of and to vote at the NWI Meeting.

**Your vote is important regardless of the number of NWI Voting Units you own.** NWI Voting Unitholders are invited to attend the NWI Meeting. Registered NWI Voting Unitholders who are unable to attend the NWI Meeting or any postponement or adjournment thereof in person are requested to complete, date, sign and return the enclosed form of proxy or, alternatively, to vote by telephone, or over the internet, in each case in accordance with the enclosed instructions. To be used at the NWI Meeting, the completed proxy form must be deposited at the office of Computershare Investor Services Inc. ("**Computershare**"), Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 (Fax: 1-866-249-7775) (toll free within North America) or (416) 263-9524 (outside North America)) by mail or fax or the proxy vote is otherwise registered in accordance with the instructions thereon. Non-registered NWI Voting Unitholders who receive these materials through their broker or other intermediary should complete and send the form of proxy or voting instruction form in accordance with the instructions provided by their broker or intermediary. To be effective, a proxy must be received by Computershare not later than 2:00 p.m. (Toronto time) on May 1, 2015, or in the case of any postponement or adjournment of the NWI Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the postponed or adjourned meeting. **Late proxies may be accepted or rejected by the Chair of the NWI Meeting in his discretion, and the Chair is under no obligation to accept or reject any particular late proxy. The deadline for the deposit of proxies may be waived or extended by the Chair of the NWI Meeting at his discretion, without notice.**

Pursuant to the Interim Order, registered holders of trust units of NWI (the "**NWI Units**") are entitled to dissent in respect of the Arrangement Resolution and, if the Arrangement becomes effective, to be paid the fair value of their NWI Units in accordance with the provisions of Section 191 of the ABCA, as modified or supplemented by the Interim Order and the Plan of Arrangement. This right is described in detail in the accompanying Circular under the heading "Rights of Dissent" and the text of Section 191 of the ABCA and the Interim Order, which are set forth in Appendices P and F, respectively, to the accompanying Circular. **Failure to comply strictly with the dissent procedures described in the Circular may result in the loss of any right of dissent. Beneficial owners of NWI Units registered in the name of a broker, investment dealer, bank, trust company, nominee or other intermediary who wish to dissent should be aware that only registered unitholders are entitled to dissent. Accordingly, as such NWI Units are issued in book-entry form only, a beneficial owner of NWI Units who desires to exercise rights of dissent must make arrangements for the registered holder of such NWI Units to dissent on the holder's behalf.**

If you have questions or require assistance, you may contact NWI's proxy solicitation agent, Kingsdale Shareholder Services, by toll-free telephone in North America at 1-877-659-1822, outside North America at 416-867-2272 or by email at contactus@kingsdaleshareholder.com.

DATED this 7th day of April, 2015.

**BY ORDER OF THE BOARD OF TRUSTEES OF NORTHWEST INTERNATIONAL HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**

(Signed) *"Paul Dalla Lana"*
Paul Dalla Lana
Trustee and Chair of the Board

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APPENDIX O BLACKLINE SHOWING PROPOSED CHANGES TO THE AMENDED AND RESTATED NWH DECLARATION OF TRUST

APPENDIX P SECTION 191 OF THE ABCA

## JOINT MANAGEMENT INFORMATION CIRCULAR

### Information Contained in this Circular

**This Circular is delivered in connection with the solicitation of proxies by and on behalf of management of NWI and NWH for use at the NWI Meeting and the NWH Meeting, respectively, and any adjournment(s) or postponement(s) thereof. No person is authorized to give any information or make any representation not contained or incorporated by reference in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized or as being accurate. For greater certainty, to the extent that any information provided on NWI's or NWH's website, by NWI's or NWH's proxy solicitation agent or in other forms is inconsistent with this Circular, you should rely on the information provided in this Circular.**

**The information concerning NWI contained in this Circular has been provided by NWI. Although NWH has no knowledge that would indicate that any of such information is untrue or incomplete, NWH does not assume any responsibility for the accuracy or completeness of such information or the failure by NWI to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to NWH.**

**The information concerning NWH contained in this Circular has been provided by NWH. Although NWI has no knowledge that would indicate that any of such information is untrue or incomplete, NWI does not assume any responsibility for the accuracy or completeness of such information or the failure by NWH to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to NWI.**

All summaries of, and references to, the Arrangement Agreement, Plan of Arrangement, Trustee and Officer Voting and Support Agreements, the NWVP Voting and Support Agreement and the Combined REIT Declaration of Trust in this Circular are qualified in their entirety by the complete text of such documents, available on SEDAR at www.sedar.com or attached hereto as appendices. **You are urged to read carefully the full text of such documents.**

Information in this Circular is given as at April 7, 2015 unless otherwise indicated and except for information contained in the documents incorporated herein by reference, which is given as at the respective dates stated therein.

This Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or proxy solicitation. Neither delivery of this Circular nor any distribution of the securities referred to in this Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Circular.

NWI Voting Unitholders and NWH Voting Unitholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own legal, tax, financial or other professional advisors in considering the relevant legal, tax, financial or other matters contained in this Circular.

### Defined Terms

This Circular contains defined terms. For a list of the defined terms used herein, see Appendix A to this Circular.

### Reporting Currency, Exchange Rate and Financial Information

We disclose certain financial information contained in this Circular in Euros. The following table sets forth, for the periods indicated, the high, low, average and period-ended noon spot rates of exchange for EUR1.00, expressed in Canadian dollars, published by the Bank of Canada.

| | Year ended December 31 | | |
|---|---|---|---|
| | **2014** | **2013** | **2012** |
| | **C$** | **C$** | **C$** |
| Highest rate during the period | 1.5549 | 1.4724 | 1.3446 |
| Lowest rate during the period | 1.3927 | 1.2859 | 1.2153 |
| Average rate for the period[(1)] | 1.4671 | 1.3681 | 1.2851 |

| | Year ended December 31 | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | C$ | C$ | C$ |
| Rate at the end of the period | 1.4038 | 1.4655 | 1.3118 |

Notes:
(1) Determined by averaging the noon rate on each business day during the respective period.

We also disclose certain financial information contained in this Circular in New Zealand dollars. The following table sets forth, for the periods indicated, the high, low, average and period-ended noon spot rates of exchange for NZD$1.00, expressed in Canadian dollars, published by the Bank of Canada.

| | Year ended December 31 | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | C$ | C$ | C$ |
| Highest rate during the period | 0.9637 | 0.8834 | 0.8389 |
| Lowest rate during the period | 0.8676 | 0.8017 | 0.7673 |
| Average rate for the period[(1)] | 0.9170 | 0.8448 | 0.8097 |
| Rate at the end of the period | 0.9043 | 0.8751 | 0.8223 |

Notes:
(1) Determined by averaging the noon rate on each business day during the respective period.

We also disclose certain financial information contained in this Circular in Brazilian Reais. The following table sets forth, for the periods indicated, the high, low, average and period-ended noon spot rates of exchange for R$1, expressed in Canadian dollars, published by the Bank of Canada.

| | Year ended December 31 | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | C$ | C$ | C$ |
| Highest rate during the period | 0.4979 | 0.5273 | 0.5856 |
| Lowest rate during the period | 0.4256 | 0.4296 | 0.4695 |
| Average rate for the period[(1)] | 0.4704 | 0.4790 | 0.5142 |
| Rate at the end of the period | 0.4365 | 0.4503 | 0.4859 |

Notes:
(1) Determined by averaging the noon rate on each business day during the respective period.

We disclose certain financial information contained in this Circular in Australian dollars. The following table sets forth, for the periods indicated, the high, low, average and period-ended noon spot rates of exchange for AUD1.00, expressed in Canadian dollars, published by the Bank of Canada.

| | Year ended December 31 | | |
|---|---|---|---|
| | 2014 | 2013 | 2012 |
| | C$ | C$ | C$ |
| Highest rate during the period | 1.0344 | 1.0696 | 1.0754 |
| Lowest rate during the period | 0.9414 | 0.9216 | 0.9970 |
| Average rate for the period[(1)] | 0.9963 | 0.9966 | 1.0353 |
| Rate at the end of the period | 0.9479 | 0.9496 | 1.0339 |

Notes:
(1) Determined by averaging the noon rate on each business day during the respective period.

Except as otherwise indicated in this Circular, all financial statements and financial data derived therefrom included or incorporated by reference in this Circular pertaining to NWH and NWI have been prepared and presented in Canadian dollars

in accordance with IFRS, and all financial statements and financial data derived therefrom included or incorporated by reference in this Circular pertaining to the Combined REIT, including the unaudited *pro forma* condensed combined financial statements of the Combined REIT, have been prepared and presented in Canadian dollars in accordance with the recognition and measurement principles of IFRS and incorporate the principal accounting policies used to prepare NWH and NWI financial statements.

**Forward-Looking Statements**

This Circular and the documents incorporated by reference herein include forward-looking statements which constitute forward-looking information within the meaning of Canadian securities laws. These forward-looking statements are often identified by the words "may", "might", "could", "would", "will", "can", "should", "believes", "anticipates", "plans", "expects", "intends", "continue", "potential", "guidance", "foresee", "goal", "pro forma", "adjusted pro forma", "contracted", "target", "appear" and the negative of these terms or other comparable or similar terminology or expressions. These include statements regarding (i) expectations regarding whether the Arrangement will be consummated, including whether conditions to the consummation of the Arrangement will be satisfied, or the timing for completing the Arrangement, (ii) the Combined REIT's property portfolio, cash flow and growth prospects, (iii) liquidity, leverage ratios, future refinancings, fees earned by the asset manager to Vital Trust, anticipated capital expenditures, future general and administrative expenses, including estimated synergies anticipated as a result of combining the two entities and contracted acquisition and development opportunities, (iv) the financial implications of the Arrangement, including the anticipated tax deferral for NWI Unitholders, the extent to which the transaction is accretive, contracted run rates and the adjusted pro forma impact on other financial metrics; and (v) expectations for other economic, business and/or competitive factors.

Such forward-looking information reflects current beliefs of management and the boards of trustees of NWH and NWI and is based on information currently available to management and the boards of trustees of NWH and NWI. Other unknown or unpredictable factors could also have material adverse effects on future results, performance or achievements of the Combined REIT. Forward-looking information involves significant risks and uncertainties should not be read as a guarantee of future performance or results and will not necessarily be an accurate indication of whether or not, or the times at which, or by which, such performance or results will be achieved, and readers are cautioned not to place undue reliance on such forward-looking statements.

The forward-looking statements contained in this Circular are based on numerous assumptions which may prove incorrect and which could cause actual results or events to differ materially from the forward-looking statements. Although these forward-looking statements are based upon what management and the boards of directors of each of NWH and NWI believe are reasonable assumptions, neither NWH nor NWI can assure investors that actual results will be consistent with this forward-looking information. Such assumptions include, but are not limited to, the assumptions set forth in this Circular, as well as (i) that the Arrangement will be completed in accordance with the terms and conditions of the Arrangement Agreement and other transaction documents and on the timelines contemplated by the parties thereto, (ii) that court, unitholder, stock exchange and other regulatory approvals will be obtained on the basis and timelines anticipated by the parties, (iii) that the other conditions to the closing of the Arrangement will be satisfied, (iv) that the Combined REIT will successfully realize the operational and financial benefits described herein, including the realization of synergies, completion of anticipated acquisition and development opportunities, and generation of cash flow; (v) assumptions relating to general economic and market factors, including exchange rates, local real estate conditions, interest rates and the availability of equity and debt financing to the Combined REIT.

These forward-looking statements may be affected by risks and uncertainties in the business of NWH and NWI and market conditions, including that the assumptions upon which the forward-looking statements in this Circular and the documents incorporated by reference herein are based may be incorrect in whole or in part, as well as risks related to increases or decreases in the prices of real estate; currency risk; project development, expansion targets and operational delays; marketability; additional funding requirements; governmental regulations, licenses and permits; environmental regulation and liability; competition; uninsured risks; contingent liabilities and guarantees, including the outcome of pending litigation; litigation; health and safety; trustees' and officers' conflicts of interest; the failure to satisfy conditions precedent to the completion of the Arrangement; the ability of the Combined REIT to integrate the operations of NWI and its Subsidiaries; the ability of NWI, NWH and the Combined REIT to continue to develop and grow; and management of the Combined REIT's success in anticipating and managing the foregoing factors, as well as the risks described under "Risk Factors Relating to the Arrangement", "Information Relating to NWI – Risk Factors" and under "Information Relating to NWH – Risk Factors" in this Circular. The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect forward-looking statements. Other risks and uncertainties not presently known to NWH and NWI or that NWH and NWI presently believe are not material could also cause actual results or events to differ materially from those expressed in its forward-

looking statements. Additional information on these and other factors that could affect the operations or financial results of NWH or NWI are included in reports filed by NWH and NWI with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). This Circular is qualified in its entirety by the disclosure in such reports.

The reader is also cautioned not to put undue reliance on forward-looking statements. Forward-looking statements reflect current estimates, beliefs and assumptions which are based on NWH's and NWI 's perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. NWH's and NWI's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and, as such, are subject to change. NWH, NWI and the Combined REIT can give no assurance that such estimates, beliefs and assumptions will prove to be correct, and disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

These forward-looking statements are made as of the date of this Circular and, other than as specifically required by law, none of NWI, NWH or, following completion of the Arrangement, the Combined REIT assumes any obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise, except as required by applicable Law.

**Notice Regarding Information Concerning Other Public Entities**

Certain information concerning Vital Trust contained in this Circular has been taken from, or is based upon, publicly available documents and records on file with regulatory bodies. Although NWI and NWH have no knowledge that would indicate that any of such information is untrue or incomplete, neither NWI nor NWH was involved in the preparation of any such publicly available documents and neither NWI, NWH, nor any of their officers or trustees, assumes any responsibility for the accuracy or completeness of such information or the failure by Vital Trust to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to NWI and NWH.

**Additional Information**

This Circular incorporates important business and financial information about NWI and NWH from documents that are not included in or delivered with this Circular. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this Circular free of charge by requesting them in writing or by telephone from the appropriate entity at the following addresses and telephone numbers:

NorthWest Healthcare Properties Real Estate Investment Trust
284 King Street East, Suite 100
Toronto, ON M5A 1K4
(416) 366-2000

NorthWest International Healthcare Properties Real Estate Investment Trust
284 King Street East, Suite 200
Toronto, ON M5A 1K4
(416) 366-8300

For a more detailed description of the information incorporated by reference into this Circular and how you may obtain it, see "Information Relating to NWI – NWI Documents Incorporated by Reference" and "Information Relating to NWH – NWH Documents Incorporated by Reference".

**Information for Beneficial Unitholders**

The information set out in this section is of significant importance to many Voting Unitholders as a substantial number of Voting Unitholders do not hold Voting Units in their own name. This Circular and the accompanying materials are being sent to registered Voting Unitholders and non-registered Voting Unitholders ("**Beneficial Unitholders**"), that is unitholders who hold Voting Units through a broker, investment dealer or other intermediary (each, an "**Intermediary**"). If Voting Units are listed in an account statement provided to a Voting Unitholder by an Intermediary, then in almost all cases those Voting Units will not be registered in the Voting Unitholder's name on the records of NWI or NWH, as applicable. Such Voting Units will more likely be registered under the name of the Voting Unitholder's Intermediary. In Canada, the vast majority of such Voting Units are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc. ("**CDS**"), which acts as nominee for many Canadian brokerage firms). Voting Units held by Intermediaries or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Unitholder. Without

specific instructions, Intermediaries are prohibited from voting Voting Units for their clients. The trustees and officers of NWI and NWH, as applicable, may not know for whose benefit the Voting Units registered in the name of CDS & Co. are held.

If you are a Beneficial Unitholder, your Intermediary will send you a voting instruction form ("**VIF**") or proxy form with this Circular. This form will instruct the Intermediary how to vote your Voting Units at the NWI Meeting or NWH Meeting, as applicable, on your behalf. **You must follow the instructions from your Intermediary to vote.** The majority of Intermediaries now delegate responsibility for obtaining instructions from Beneficial Unitholders to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a voting instruction form to Beneficial Unitholders and asks Beneficial Unitholders to return the VIF to Broadridge (in some cases the completion of the VIF may be by telephone or the internet). Additionally, NWH may utilize Broadridge QuickVote™ service to assist non-registered NWH Voting Unitholders that are "non-objecting beneficial owners" with voting their NWH Voting Units over the telephone. Kingsdale may contact "non-objecting beneficial owners" of NWH Voting Units to assist in conveniently voting their NWH Voting Units directly over the phone.

**For greater certainty, Beneficial Unitholders should note that they are not entitled to use a VIF or proxy form received from Broadridge or their Intermediary to vote Units directly at the NWI Meeting or the NWH Meeting, as applicable. Instead, the Beneficial Unitholder must complete the VIF or proxy form and return it as instructed on the form. The Beneficial Unitholder must complete these steps well in advance of the NWI Meeting or the NWH Meeting, as applicable, in order to ensure such Units are voted.**

In the alternative, if you wish to vote in person at the NWI Meeting or the NWH Meeting, as applicable, or have another person attend and vote in person on your behalf, insert your name or such other person's name in the space provided for the proxyholder appointment in the VIF or proxy form, and return it as instructed by your Intermediary. Your Intermediary may have also provided you with the option of appointing yourself or someone else to attend and vote on your behalf at the NWI Meeting or NWH Meeting, as applicable, through the internet. When you arrive at the NWI Meeting or NWH Meeting, as applicable, please register with the scrutineer.

Beneficial Unitholders who have questions or concerns regarding any of these procedures may also contact their Intermediary. It is recommended that inquiries of this kind be made well in advance of the NWI Meeting and the NWH Meeting.

Beneficial Unitholders should also instruct their Intermediary to complete the Letter of Transmittal regarding the Arrangement with respect to the Beneficial Unitholder's NWI Units in order to receive 0.208 of a NWH Unit for each NWI Unit held pursuant to the Arrangement in exchange for such holder's NWI Units.

Management of NWI and NWH, respectively, will pay for Intermediaries to forward this Circular, the proxy form or a voting instruction form to objecting Beneficial Unitholders under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

See "General Information Concerning the NWI Meeting and Voting" and "General Information Concerning the NWH Meeting and Voting".

**Information for United States Unitholders**

The NWH Units issuable under the Arrangement have not been and will not be registered under the U.S. Securities Act, and such securities will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by section 3(a)(10) thereof. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of securities issued in exchange for one or more *bona fide* outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court issued the Interim Order on April 7, 2015 and, subject to the approval of the Arrangement Resolution by the NWI Voting Unitholders and the approval of the NWH Resolution by the NWH Voting Unitholders, a hearing for a final order approving the Arrangement is expected to take place on May 13, 2015 at 1:00 p.m., or as soon thereafter as is reasonably practicable. All NWI Voting Unitholders and are entitled to appear and be heard at this hearing, provided that they satisfy the applicable conditions set forth in the Interim Order. See "The Arrangement – Court Approval and Completion of the Arrangement".

NWI and NWH are "foreign private issuers", within the meaning of Rule 3b-4 under the U.S. Exchange Act, and the solicitation of proxies for the NWI Meeting and the NWH Meeting are not subject to the requirements of section 14(a) of the U.S. Exchange Act. Accordingly, the solicitations contemplated in this Circular are being made in the United States in accordance with Canadian corporate laws and Canadian securities laws, and this Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. NWI Voting Unitholders and NWH Voting Unitholders in the United States should be aware that such requirements are different from those applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act. The unaudited historical interim financial statements and audited historical financial statements of NWI and NWH and other financial information included or incorporated by reference in this Circular have been prepared in Canadian dollars. The unaudited historical interim financial statements and audited historical financial statements of NWI and NWH and other financial information included or incorporated by reference in this Circular have been prepared in accordance with IFRS, which differs from U.S. GAAP in certain material respects, and thus are not directly comparable to financial statements of companies prepared in accordance with U.S. GAAP.

The NWH Units to be received by NWI Unitholders upon completion of the Arrangement may be resold without restriction under the U.S. Securities Act, except in respect of resales by persons who are "affiliates" of NWH at the time of such resale or who have been affiliates of NWH within 90 days before such resale. See "Regulatory Matters – United States Securities Law Matters".

**The enforcement by investors of civil liabilities under the United States federal and state securities laws may be affected adversely by the fact that NWI and NWH are organized under the laws of a jurisdiction other than the United States, that some or all of their officers and trustees are and will be residents of countries other than the United States, that some or all of the experts named in this Circular may be residents of countries other than the United States, and that all or a substantial portion of the assets of NWI, NWH and such persons are and will be located outside the United States. As a result, it may be difficult or impossible for NWI Unitholders or NWH Unitholders resident in the United States to effect service of process within the United States upon NWI or NWH, as applicable, their respective officers and trustees or the experts named herein, or to realize, against them, upon judgments of courts of the United States predicated upon civil liabilities under the securities laws of the United States. In addition, the NWI Unitholders and the NWH Unitholders resident in the United States should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the securities laws of the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the securities laws of the United States.**

**THE NWH UNITS ISSUABLE PURSUANT TO THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES, NOR HAS THE SEC OR ANY SUCH STATE SECURITIES REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**

**Non-IFRS Measures**

Funds from operations ("**FFO**") and adjusted funds from operations ("**AFFO**") are not measures recognized under International Financial Reporting Standards ("**IFRS**") and do not have standardized meanings prescribed by IFRS. FFO and AFFO are supplemental measures of a REIT's performance and each of NWH and NWI believes that FFO and AFFO are relevant measures of its ability to earn and distribute cash returns to NWH Unitholders and NWI Unitholders, respectively. The IFRS measurement most directly comparable to FFO and AFFO is net income. A reconciliation of FFO and AFFO to net income is presented in the NWH MD&A and NWI MD&A, as applicable, as filed on SEDAR at www.sedar.com, incorporated by reference herein.

"**FFO**" is defined as net income (computed in accordance with IFRS), excluding: (i) fair value adjustments on investment properties; (ii) gains (or losses) from sales of investment properties; (iii) amortization of tenant incentives; (iv) fair value adjustments and other effects of redeemable units classified as liabilities; (v) revaluation adjustments of financial liabilities; (vi) acquisition costs expensed as a result of the purchase of a property being accounted for as a business combination; (vii) deferred income tax expense; and (viii) convertible debenture issuance costs, all after adjustments for equity accounted entities, joint ventures and non-controlling interests calculated to reflect FFO on the same basis as consolidated properties.

"**AFFO**" is defined as FFO, subject to certain adjustments, including: (i) amortization of fair value mark-to-market adjustments on mortgages acquired; (ii) amortization of deferred financing charges; (iii) compensation expense related to deferred unit incentive plans, (iv) differences, if any, resulting from recognizing property revenues on a straight line basis as

opposed to contractual rental amounts; (v) asset management fees paid through the issuance of units rather than cash; (vi) amortization and adjustments relating to assets expected to provide economic benefit to each of NWH and NWI; (vii) incentive amount expense; and (viii) deducting amounts for tenant inducements, leasing costs, and sustaining capital expenditures, as determined by NWH and NWI, as applicable. Other adjustments may be made to AFFO as determined by the NWH Board and NWI Board, as applicable, in their discretion.

FFO and AFFO are not measures recognized under IFRS and do not have standardized meaning prescribed by IFRS. FFO and AFFO should not be construed as alternatives to net income determined in accordance with IFRS as an indicator of NWH's or NWI's performance. Each of NWH's and NWI's method of calculating FFO and AFFO may differ from other issuers' methods and accordingly may not be comparable to measures used by other issuers. Each of NWH and NWI uses these measures to better assess its underlying performance and financial position and provides these additional measures so that investors may do the same.

**Additional IFRS Measure**

"**NOI**" is an industry term in widespread use. NWH and NWI include NOI as an additional IFRS measure in its consolidated statements of income and comprehensive income. NOI as calculated by NWH and NWI may not be comparable to similar titled measures reported by other issuers. NWH and NWI consider NOI a meaningful additional measure of operating performance of its property assets, prior to financing considerations. NOI is defined as property and property-related revenues from directly held properties less operating expenses, inclusive of property management recovery fees and amortization of straight line rent, computed in accordance with IFRS, but before deducting interest expense, finance costs, depreciation and amortization expense, general and administrative expenses, income taxes, leasehold improvement and leasing costs, and unrecoverable capital costs.

## MATTERS TO BE CONSIDERED AT THE NWH MEETING

Set out below are summary details relating to the election of trustees, the re-appointment of NWH's auditors and approval of the NWH Resolution. **More detailed information in respect of the annual and special business matters, as well as the related disclosure to be included in a management proxy circular for an annual general meeting of NWH Voting Unitholders, is included in Appendix K to this Circular.**

**Annual Business**

*Election of Trustees*

The NWH Declaration of Trust provides that so long as the NWH Board is set at seven trustees and NorthWest Operating Trust has an interest of at least 10%, 20% or 30% of the NWH Voting Units on a fully diluted basis, NorthWest Operating Trust will have the right to appoint one, two and three trustees, respectively, to the NWH Board (the "**NorthWest Operating Trust Appointees**"). So long as Mr. Dalla Lana is a trustee of NWH he will comprise one of the NorthWest Operating Trust Appointees. The number of trustees that NorthWest Operating Trust is entitled to appoint will be proportionately adjusted (rounding the number of appointees upwards) to account for any increase or decrease in the number of trustees, provided that appointees of NorthWest Operating Trust shall not represent 50% or more of the number of trustees (except for temporary periods where a trustee position is vacant and the NWH Board size has not been changed).

The number of trustees on the NWH Board has been previously fixed at seven. NorthWest Operating Trust, based on its current ownership interest in NWH, has the right to appoint two NorthWest Operating Trust Appointees at the NWH Meeting. Accordingly, NWH Voting Unitholders will be asked to vote on an ordinary resolution to elect the remaining five persons nominated for election as trustee (each, an "**NWH Nominee**") at the NWH Meeting. Each NWH Nominee elected as a trustee will hold office until the close of the next annual meeting of the NWH Unitholders or until his successor is elected or appointed. Each NorthWest Operating Trust Appointee will hold office for such period as NorthWest Operating Trust shall provide, subject to the appointment of any successors by NorthWest Operating Trust. If the Arrangement is completed, the NWH Board will be reconstituted as described below under the heading "Information Relating to the Combined REIT – Management of the Combined REIT – Board of Trustees".

Management does not contemplate that any NorthWest Operating Trust Appointees or the NWH Nominees will be unable to serve as a trustee. **However, if an NWH Nominee should be unable to so serve for any reason prior to the NWH Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. NWH Voting Units represented by proxies in favour of the management nominees will be voted <u>FOR</u> the**

**election of all of the NWH Nominees whose names are set forth in "Appendix K – Information Regarding NWH Annual General Meeting Matters and Related Disclosure – Election of Trustees", unless an NWH Unitholder has specified in their proxy that his, her or its NWH Voting Units are to be withheld from voting on the election of trustees.**

NWH has adopted a majority voting policy under which each NWH Nominee that stands for election should be elected by the vote of a majority of the NWH Voting Units represented in person or by proxy at any meeting for the election of trustees. If any NWH Nominee receives, from the NWH Voting Units voted at the meeting in person or by proxy, a greater number of votes "withheld" than votes "for" his or her election, the trustee will be expected to promptly tender his or her resignation to the Chairman of the NWH Board following the meeting, to take effect upon acceptance by the NWH Board. The NWH Compensation, Governance and Nominating Committee (the "**NWH CGN Committee**") will expeditiously consider the trustee's offer to resign and make a recommendation to the NWI Board whether to accept that offer. If each member of the NWH CGN Committee received a majority withheld vote at the same unitholder meeting, then the trustees who did not receive a majority withheld vote will appoint a committee amongst themselves to consider the resignations. Within 90 days of the meeting of NWH Voting Unitholders, the NWH Board will make a final decision concerning the acceptance of the trustee's resignation. Any trustee who tenders his or her resignation will not participate in the deliberations of the NWH Board or any of its committees pertaining to the resignation.

This process applies only in circumstances involving an "uncontested" election of trustees – where the number of NWH Nominees does not exceed the number of trustees to be elected. Subject to any restrictions in the NWH Declaration of Trust, where the NWH Board accepts the offer of resignation of a trustee and that trustee resigns, the NWH Board may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resultant vacancy unfilled until the next annual meeting of NWH Voting Unitholders, fill the vacancy through the appointment of a new trustee, or call a special meeting of NWH Voting Unitholders to elect a new nominee to fill the vacant position. If the NWH Board declines to accept any such resignation the trustee will continue to hold office for the remainder of his or her elected term.

See "Appendix K – Information Regarding NWH Annual General Meeting Matters and Related Disclosure – Election of Trustees".

***Appointment of Auditors***

The audit committee of NWH (the "**NWH Audit Committee**") recommends to the NWH Voting Unitholders that KPMG LLP, Chartered Professional Accountants, of Toronto, Ontario, be appointed as the independent auditor of NWH, to hold office until the next annual meeting of the NWH Voting Unitholders or until their successor is appointed, and that the NWH Board be authorized to fix the remuneration of the auditors. KPMG LLP has been the auditor of NWH since March 2010.

The NWH Board recommends that NWH Voting Unitholders vote **FOR** an ordinary resolution approving the appointment of KPMG LLP as auditor of NWH and authorizing the NWH Board to fix their remuneration. **NWH Voting Units represented by proxies in favour of the management nominees will be voted IN FAVOUR of such ordinary resolution, unless an NWH Voting Unitholder has specified in their proxy that his, her or its NWH Voting Units are to be withheld from voting on such ordinary resolution.**

*Audit Committee Information*

Reference is made to NWH's annual information form dated March 10, 2015 ("**NWH AIF**") for information relating to the NWH Audit Committee, as required under Form 52-110F1. The NWH AIF has been filed on SEDAR and is available at www.sedar.com. Upon request, NWH will promptly provide a copy of the NWH AIF free of charge to an NWH Voting Unitholder.

**The Arrangement**

At the NWH Meeting, NWH Voting Unitholders will consider and, if thought advisable, pass the NWH Resolution. The full text of the NWH Resolution is set forth in Appendix D to this Circular. Approval of the NWH Resolution will require at least 66 2/3% of the votes cast by NWH Voting Unitholders to be voted in favour of the NWH Resolution, as well as the approval of a majority of the votes cast by NWH Voting Unitholders, other than NWH Voting Units held by NWI, its trustees and senior officers and any affiliate of, or person acting jointly or in concert with, any of the foregoing or any other related party of NWI.

The NWH Board recommends that NWH Unitholders vote **FOR** the NWH Resolution approving the Arrangement and the Contemplated Transactions. **NWH Voting Units represented by proxies in favour of the management nominees will be voted IN FAVOUR of such special resolution, unless an NWH Unitholder has specified in their proxy that his, her or its NWH Voting Units are to be withheld from voting on such special resolution.**

**Other Business**

As of the date of this Circular, the NWH Board does not know of any other matters to be brought before the NWH Meeting, other than those set forth in the Notice of Annual and Special Meeting of NWH. If other matters are properly brought before the NWH Meeting, the persons named in the enclosed form of proxy for the NWH Meeting will vote the proxy on such matters in accordance with their best judgment.

**Interest of Certain Persons or Companies in Matters to be Acted Upon**

Except as disclosed in this Circular, management of NWH is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any trustee or proposed nominee for trustee, or executive officer or anyone who has held office, or of any associate or affiliate of any of the foregoing, in any matter to be acted on at the NWH Meeting.

See "Interests of Certain Persons or Companies in the Arrangement".

## MATTERS TO BE CONSIDERED AT THE NWI MEETING

Set out below are summary details relating to the election of trustees, the re-appointment of NWI's auditors, approval of the NWI Deferred Unit Plan (and the approval of the reservation of additional NWI Units under the NWI Deferred Unit Plan) and approval of the Arrangement Resolution. **More detailed information in respect of the annual and special business matters, as well as the related disclosure to be included in a management proxy circular for an annual general meeting of NWI Voting Unitholders, is included in Appendix L to this Circular.**

**Annual Business**

*Election of Trustees*

The NWI Declaration of Trust provides that so long as the number of trustees on the NWI Board is set at five trustees, NWVP shall have the exclusive right to appoint: (i) three trustees so long as NWVP and/or its affiliates hold NWI Units or securities exchangeable into NWI Units representing 50% or more of the outstanding NWI Voting Units, (ii) two trustees so long as NWVP and/or its affiliates hold NWI Units or securities exchangeable into NWI Units representing 25% or more but less than 50% of the outstanding NWI Voting Units, and (iii) one trustee so long as NWVP holds NWI Voting Units or securities exchangeable into NWI Units representing 5% or more but less than 25% of the outstanding NWI Voting Units. The number of trustees entitled to be appointed by NWVP will be proportionately adjusted (rounding the number of appointees upwards) to account for any increase or decrease in the number of trustees of NWI. During such time as NWVP and its affiliates own 50% or more of the NWI Voting Units, at least 50% of the trustees must qualify as "independent" within the meaning of NI 58-201. If NWVP and its affiliates own less than 50% of the NWI Voting Units, a majority of the trustees must qualify as "independent" within the meaning of NI 58-201.

The number of trustees on the NWI Board has been previously fixed at four. NWVP, based on its current ownership interest in NWI, has the right to appoint three trustees at the NWI Meeting. However, NWVP has elected to appoint two trustees, and as a result, NWI Voting Unitholders will be asked to vote on an ordinary resolution to elect the remaining two trustees. Each nominee elected as a trustee will hold office until the close of the next annual meeting of the NWH Unitholders or until his successor is elected or appointed. Each trustee appointed by NWVP will hold office for such period as NWVP shall provide, subject to the appointment of any successors by NWVP.

Management does not contemplate that any person to be nominated for election as trustee (each, an "**NWI Nominee**") will be unable to serve as a trustee. **However, if an NWI Nominee should be unable to so serve for any reason prior to the NWI Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. NWI Voting Units represented by proxies in favour of the management nominees will be voted FOR the election of all of the NWI Nominees whose names are set forth in "Appendix L – Information Regarding NWI Annual General Meeting Matters and Related Disclosure – Election of Trustees", unless an NWI Unitholder has specified in their proxy that his, her or its NWI Voting Units are to be withheld from voting on the election of trustees.**

NWI has adopted a policy for majority voting for individual trustees. Under the policy, the form of proxy for any NWI Voting Unitholders meeting where trustees are to be elected will enable each NWI Voting Unitholder to vote for, or withhold voting on, each nominee trustee separately. Any nominee for election as a trustee who receives a greater number of votes "withheld" than votes "for" is required to promptly submit such trustee's resignation to the NWI Board, to take effect upon acceptance by the NWI Board. NWI's Compensation and Corporate Governance Committee will consider and recommend to the NWI Board whether or not to accept such resignation, after considering the best interests of NWI and all of the facts and circumstances that it considers relevant. NWI will then consider the resignation, taking into account the recommendation of NWI's Compensation and Corporate Governance Committee. The NWI Board will announce its decision (including, if applicable, the reasons for not accepting any resignation) via press release within 90 days of the meeting when the election was held.

See "Appendix L – Information Regarding NWI Annual General Meeting Matters and Related Disclosure – Election of Trustees".

***Appointment of Auditors***

The audit committee of NWI (the "**NWI Audit Committee**") recommends to the NWI Voting Unitholders that KPMG LLP, Chartered Professional Accountants, of Toronto, Ontario, be appointed as the independent auditor of NWI, to hold office until the next annual meeting of the NWI Voting Unitholders or until their successor is appointed, and that the NWI Board be authorized to fix the remuneration of the auditors. KPMG LLP has been the auditor of NWI since November 29, 2012.

The NWI Board recommends that NWI Voting Unitholders vote **FOR** an ordinary resolution approving the appointment of KPMG LLP as auditor of NWI and authorizing the NWI Board to fix their remuneration. **NWI Voting Units represented by proxies in favour of the management nominees will be voted IN FAVOUR of such ordinary resolution, unless an NWI Voting Unitholder has specified in their proxy that his, her or its NWI Voting Units are to be withheld from voting on such ordinary resolution.**

*Audit Committee Information*

Reference is made to NWI's annual information form dated March 10, 2015 ("**NWI AIF**") for information relating to the NWI Audit Committee, as required under Form 52-110F1. The NWI AIF has been filed on SEDAR and is available at www.sedar.com. Upon request, NWI will promptly provide a copy of the NWI AIF free of charge to an NWI Voting Unitholder.

**Special Business**

***Approval of the NWI Deferred Unit Plan***

In April 2014, NWI announced an intention to internalize the asset management, property management and development functions of the REIT carried on by affiliates of NWVP, and acquire from NWVP all of the rights and obligations relating to the management of Vital Healthcare Property Trust (the "**Internalization**"). On January 7, 2015, NWI entered into an agreement in respect of the Internalization that provided for, among other things, the issuance of NWI Deferred Units to new employees of the REIT (other than Paul Dalla Lana). NWI's previous deferred unit plan (the "**Previous Plan**") did not have sufficient capacity to accommodate the granting of these NWI Deferred Units and, as a result, the NWI Board adopted the NWI Deferred Unit Plan (in substantially the same form as the Previous Plan but with an increased limit on the number of NWI Units issuable thereunder), subject to the approval of the TSXV and NWI Voting Unitholders. The complete text of the NWI Deferred Unit Plan is available on SEDAR at www.sedar.com.

The NWI Deferred Unit Plan provides for the issuance of up to 17,898,368 NWI Units (approximately 10% of the issued and outstanding NWI Voting Units), which is an increase from the 2,021,909 NWI Units reserved for issuance under the Previous Plan. As a result of NWI terminating all external asset management agreements in connection with the Internalization, and having previously terminated its unit option plan, the NWI Deferred Unit Plan is NWI's only equity-based compensation plan. The NWI Deferred Unit Plan governs all NWI Deferred Units previously governed by the Previous Plan, provided that all of the NWI Deferred Units issued under the Previous Plan shall be considered fully vested.

Pursuant to the policies of the TSXV, the adoption of the NWI Deferred Unit Plan requires the approval of a majority of the votes cast at a meeting of disinterested NWI Voting Unitholders. To the knowledge of NWI management, 1,882,919 NWI Voting Units that are collectively held by all trustees and employees of NWI who are eligible to receive NWI Deferred Units

under the NWI Deferred Unit Plan will be excluded from this vote. Paul Dalla Lana is not eligible to participate in the NWI Deferred Unit Plan and, as a result, NWI Voting Units held by him and his affiliates may be voted on this matter. Disinterested NWI Voting Unitholders will be asked to pass an ordinary resolution in the form set out in Appendix M to this Circular (the "**DUP Amendment Resolution**") to authorize and approve the adoption of the NWI Deferred Unit Plan. If the requisite NWI Voting Unitholder approval is not obtained, the NWI Deferred Unit Plan will terminate (NWI will revert to the Previous Plan), as will any NWI Deferred Units that were granted under the NWI Deferred Unit Plan that could not have been granted under the Previous Plan.

The NWI Board recommends that disinterested NWI Unitholders vote **FOR** the DUP Amendment Resolution approving the NWI Deferred Unit Plan. **NWI Voting Units represented by proxies in favour of the management nominees will be voted IN FAVOUR of such ordinary resolution, unless an NWI Unitholder has specified in their proxy that his, her or its NWI Voting Units are to be withheld from voting on such ordinary resolution.**

***Approval for Increase in NWI Units Reserved for Issuance under the NWI Deferred Unit Plan***

Pursuant to the policies of the TSXV, the increase in the number of NWI Units reserved for issuance under the NWI Deferred Unit Plan (an additional 15,876,459 NWI Units) requires a separate approval from a majority of the votes cast at a meeting of disinterested NWI Voting Unitholders. To the knowledge of NWI management, 1,882,919 NWI Voting Units that are collectively held by all trustees and employees of NWI who are eligible to receive NWI Deferred Units under the NWI Deferred Unit Plan will be excluded from this vote. Paul Dalla Lana is not eligible to participate in the NWI Deferred Unit Plan and, as a result, NWI Voting Units held by him and his affiliates may be voted on this matter. Disinterested NWI Voting Unitholders will be asked to pass an ordinary resolution in the form set out in Appendix N (the "**DUP Reservation Resolution**") to this Circular to authorize and approve the issuance of an additional 15,876,459 NWI Units under the NWI Deferred Unit Plan, representing the amount of NWI Units that exceed the number of NWI Units reserved for issuance under the Previous Plan.

The NWI Board recommends that disinterested NWI Unitholders vote **FOR** the DUP Reservation Resolution approving the proposed increase in NWI Units reserved for issuance under the NWI Deferred Units Plan. **NWI Voting Units represented by proxies in favour of the management nominees will be voted IN FAVOUR of such ordinary resolution, unless an NWI Unitholder has specified in their proxy that his, her or its NWI Voting Units are to be withheld from voting on such ordinary resolution.**

**The Arrangement**

At the NWI Meeting, NWI Voting Unitholders will consider and, if thought advisable, pass the Arrangement Resolution. The full text of the Arrangement Resolution is set forth in Appendix C to this Circular. As the Arrangement Resolution is a special resolution, at least 66 2/3% of the votes cast by NWI Voting Unitholders must be voted in favour of the Arrangement Resolution for such resolution to be passed.

The NWI Board recommends that NWI Unitholders vote **FOR** the Arrangement Resolution approving the Arrangement and the Contemplated Transactions. **NWI Voting Units represented by proxies in favour of the management nominees will be voted IN FAVOUR of such special resolution, unless an NWI Unitholder has specified in his proxy that his, her or its NWI Voting Units are to be withheld from voting on such special resolution.**

**Other Business**

As of the date of this Circular, the NWI Board does not know of any other matters to be brought before the NWI Meeting, other than those set forth in the Notice of Annual and Special Meeting of NWI. If other matters are properly brought before the NWI Meeting, the persons named in the enclosed form of proxy for the NWI Meeting will vote the proxy on such matters in accordance with their best judgment.

**Interest of Certain Persons or Companies in Matters to be Acted Upon**

Except as disclosed in this Circular, management of NWI is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any trustee or proposed nominee for trustee, or executive officer or anyone who has held office, or of any associate or affiliate of any of the foregoing, in any matter to be acted on at the NWI Meeting.

See "Interests of Certain Persons or Companies in the Arrangement".

## NWH & NWI VOTING UNITHOLDERS – QUESTIONS AND ANSWERS ABOUT THE ARRANGEMENT AND THE NWH MEETING & NWI MEETING

The information contained below is of a summary nature and therefore is not complete and is qualified in its entirety by the more detailed information contained elsewhere in or incorporated by reference into this Circular, including the Appendices hereto, all of which are important and should be reviewed carefully. Capitalized terms used in these questions and answers but not otherwise defined herein have the meanings set forth in Appendix A to this Circular.

**Q&A on the Arrangement**

**Q: When is the NWH Meeting?**

A: The NWH Meeting will be held on May 5, 2015 at the offices of Goodmans LLP, Suite 3400, 333 Bay Street, Toronto, Ontario M5H 2S7 at 10:00 a.m. (Toronto time).

See "General Information Concerning the NWH Meeting and Voting".

**Q: When is the NWI Meeting?**

A: The NWI Meeting will be held on May 5, 2015 at the offices of Goodmans LLP, Suite 3400, 333 Bay Street, Toronto, Ontario M5H 2S7 at 2:00 p.m. (Toronto time).

See "General Information Concerning the NWI Meeting and Voting".

**Q: What are NWH Unitholders being asked to vote on?**

A: NWH Voting Unitholders are being asked to vote on a special resolution to approve (i) the combination of NWH and NWI by way of a plan of arrangement under Section 193 of the ABCA pursuant to which NWH will acquire all of the assets of NWI, and (ii) certain amendments to the NWH Declaration of Trust.

See "The Arrangement – NWH Unitholder Approval".

**Q: What are NWI Unitholders being asked to vote on?**

A: NWI Voting Unitholders are being asked to vote on a special resolution to approve the combination of NWH and NWI by way of a plan of arrangement under Section 193 of the ABCA pursuant to which NWH will acquire all of the assets of NWI.

See "The Arrangement – NWI Voting Unitholder Approval".

**Q: What is the "Arrangement" and what are the "Contemplated Transactions"?**

A: The "Arrangement" refers to the arrangement involving NWI and NWH under the provisions of Section 193 of the ABCA, on the terms and conditions set forth in the Plan of Arrangement, as supplemented, modified or amended, pursuant to which NWH will acquire all of the assets of NWI. The "Contemplated Transactions" refer to the Plan of Arrangement and the other transactions necessary or desirable for the parties to effect the Arrangement contemplated under the Arrangement Agreement.

See "The Arrangement".

**Q: What will happen to my NWH Units if the Arrangement is completed?**

A: NWH Unitholders will continue to own their existing NWH Units. The NWH Units will continue to be listed on the TSX.

**Q: What will NWI Unitholders receive for their NWI Units under the Arrangement?**

A: Under the Arrangement, each NWI Unitholder will receive, for each NWI Unit held, 0.208 NWH Units, subject to adjustment in accordance with the Arrangement Agreement. The TSX has conditionally approved (subject to customary conditions) the listing of the NWH Units issuable under the Arrangement on the TSX.

See "The Arrangement – Description of the Arrangement" and "The Arrangement – Administrative Matters - Exchange Procedure".

**Q: What will happen to NWH if the Arrangement is completed?**

A: If the Arrangement is completed, NWH will, among other things, acquire all of the assets and liabilities of NWI. NWH will then continue as a TSX-listed REIT.

**Q: What will happen to NWI if the Arrangement is completed?**

A: If the Arrangement is completed, NWH will acquire all of the assets and liabilities of NWI and NWI Unitholders will become unitholders of NWH. Following completion of the Arrangement, it is expected that the NWI Units will be de-listed from the TSXV and NWI will make an application to cease to be a reporting issuer under Securities Laws. The TSXV has conditionally approved (subject to customary conditions) the de-listing of the NWI Units from the TSXV.

**Q: When will the Arrangement become effective?**

A: Subject to obtaining the Court approval as well as the satisfaction of all other conditions precedent, if NWH Voting Unitholders approve the NWH Resolution and NWI Voting Unitholders approve the Arrangement Resolution, it is anticipated that the Arrangement will be completed in the second quarter of 2015.

**Q: Does the NWH Board support the Arrangement?**

A: Yes. Based upon a unanimous recommendation of the NWH Independent Committee, the NWH Board has unanimously determined (with Paul Dalla Lana and Bernard Crotty declaring their interest in the transaction and abstaining from voting) that the Arrangement is in the best interests of NWH and has recommended that NWH Unitholders vote FOR the NWH Resolution.

In making its recommendation, the NWH Independent Committee and the NWH Board considered a number of factors which are described in this Circular under the heading "The Arrangement – Reasons for the Recommendations of the NWH Independent Committee and the NWH Board", including the opinion from Canaccord Genuity that, based upon and subject to the scope of review, assumptions, qualifications, limitations and other matters set out therein, as of March 10, 2015, the consideration to be paid by NWH to NWI Unitholders pursuant to the Arrangement is fair, from a financial point of view, to NWH Unitholders, other than NWI.

See "The Arrangement – Background to the Arrangement", " – Recommendation of the NWH Independent Committee", "– Recommendation of the NWH Board" and "– Reasons for the Recommendations of the NWH Independent Committee and the NWH Board".

**Q: Does the NWI Board support the Arrangement?**

A: Yes. Based upon a unanimous recommendation of the NWI Independent Committee, the NWI Board has unanimously determined (with Paul Dalla Lana and Bernard Crotty declaring their interest in the transaction and abstaining from voting) that the Arrangement is in the best interests of NWI and recommends that NWI Voting Unitholders vote FOR the Arrangement Resolution.

In making its recommendation, the NWI Independent Committee and the NWI Board considered a number of factors which are described in this Circular under the heading "The Arrangement – Reasons for the Recommendations of the NWI Independent Committee and the NWI Board", including the opinions from each of BMO Capital Markets and National Bank Financial that, as of March 10, 2015, and based upon and subject to the assumptions, limitations and qualifications contained therein, the consideration to be received by the NWI Unitholders pursuant to the Arrangement is fair, from a financial point of view, to the NWI Unitholders.

See "The Arrangement – Background to the Arrangement", "– Recommendation of the NWI Independent Committee", "– Recommendation of the NWI Board" and "– Reasons for the Recommendations of the NWI Independent Committee and the NWI Board".

**Q: Did the NWH Independent Committee receive a formal valuation and a fairness opinion?**

A: Yes. The NWH Independent Committee retained Canaccord Genuity as its financial advisor to provide an independent valuation in accordance with applicable securities laws. Canaccord Genuity determined that, as at March 10, 2015, subject to the assumptions, limitations and qualifications described in the independent valuation, the fair market value of the NWH Units is in the range of $10.25 to $11.75 per NWH Unit, and the fair market value of the NWI Units is in the range of $2.15 to $2.40 per NWI Unit. In addition, Canaccord Genuity rendered an opinion to the NWH Independent Committee that, as at March 10, 2015, subject to the assumptions, limitations and qualifications described therein, the consideration to be paid by NWH pursuant to the transaction is fair, from a financial point of view, to the NWH Unitholders, other than NWI.

See Appendix H for the Canaccord Genuity Formal Valuation and NWH Fairness Opinion.

**Q: Did the NWI Board receive a fairness opinion?**

A: Yes. The NWI Board and NWI Independent Committee received an opinion from each of BMO Capital Markets and National Bank Financial that, as of March 10, 2015 and based upon and subject to the assumptions, limitations and qualifications contained therein, the consideration to be received by the NWI Unitholders pursuant to the Arrangement is fair, from a financial point of view, to the NWI Unitholders.

See Appendix I and Appendix J for the BMO Capital Markets NWI Fairness Opinion and NBF NWI Fairness Opinion, respectively.

**Q: What approvals are required of NWH Voting Unitholders at the NWH Meeting?**

A: The NWH Resolution must be approved, with or without variation, by the affirmative vote of:

(i) at least 66 2/3% of the votes cast by NWH Voting Unitholders present in person or represented by proxy and entitled to vote at the NWH Meeting,

(ii) a majority of the votes cast by NWH Voting Unitholders present in person or represented by proxy and entitled to vote at the NWH Meeting, excluding for this purpose votes attached to any NWH Units held by persons whose votes are required to be excluded in accordance with the policies of the TSX, and

(iii) a majority of the votes cast by NWH Voting Unitholders present in person or represented by proxy and entitled to vote at the NWH Meeting, excluding votes attached to NWH Units held by NWI and any other persons described in items (a) through (d) of section 8.1(2) of MI 61-101.

See "The Arrangement – NWH Unitholder Approval" and "Regulatory Matters – Canadian Securities Law Matters – MI 61-101".

NWI has entered into a Trustee and Officer Voting and Support Agreement with all of the NWH Locked-Up Unitholders, pursuant to which, among other things, such persons have agreed to vote all of the NWH Voting Units held by them in favour of the NWH Resolution, on the terms and subject to the conditions set forth in such agreement.

Pursuant to the Arrangement Agreement, NWI has agreed to vote all of the NWH Voting Units held by it in favour of the NWH Resolution on the terms and subject to the conditions set forth in therein.

As of the date of the Arrangement Agreement, the NWH Locked-Up Unitholders and NWI collectively beneficially owned or exercised control or direction over 12,140,755 NWH Voting Units, which represents approximately 26% of the outstanding NWH Voting Units.

See "The Arrangement – Voting and Support Agreements."

**Q: What approvals are required of NWI Voting Unitholders at the NWI Meeting?**

A: To be effective, the Arrangement Resolution must be approved, with or without variation, by the affirmative vote of at least 66 2/3% of the votes cast on the Arrangement Resolution by NWI Voting Unitholders present in person or represented by proxy and entitled to vote at the NWI Meeting.

See "The Arrangement – NWI Voting Unitholder Approval".

NWH has entered into voting and support agreements with NWVP and all of the NWI Trustee and Officer Locked-Up Unitholders, pursuant to which, among other things, such persons have agreed to vote all of the NWI Voting Units held by them in favour of the Arrangement Resolution, on the terms and subject to the conditions set forth in such agreement.

As of the date of the Arrangement Agreement, the NWI Locked-Up Unitholders collectively beneficially owned or exercised control or direction over 117,349,243 NWI Voting Units, which represents approximately 65% of the outstanding NWI Voting Units.

See "The Arrangement – Voting and Support Agreements".

**Q: What other approvals are required for the Arrangement?**

A: In addition to the approvals of the NWH Resolution and Arrangement Resolution, the Arrangement must be approved by the Court. The Court will be asked to make an order approving the Arrangement and to determine that the Arrangement is fair to the NWI Unitholders. NWI will apply to the Court for this order if the NWI Unitholders approve the Arrangement Resolution at the NWI Meeting and the NWH Unitholders approve the NWH Resolution at the NWH Meeting.

The Arrangement will require certain regulatory approvals, including approvals from stock exchanges, Australia's Foreign Investment Review Board and New Zealand's Overseas Investment Office. Pursuant to the Arrangement Agreement, each of NWI and NWH have agreed use its commercially reasonable efforts to obtain, or assist with the obtaining of, all Required Regulatory Approvals, as well as all third party consents, waivers, permits, exemptions, orders, approvals, agreements, amendments and modifications necessary to consummate the Contemplated Transactions. The respective obligations of the Parties to complete the Contemplated Transactions are subject to the obtaining of all Required Regulatory Approvals on or before the Outside Date or the Effective Time, as applicable.

See "The Arrangement – NWH Voting Unitholder Approval", "– Court Approval and Completion of the Arrangement" and "Regulatory Matters – Canadian Securities Law Matters – MI 61-101".

**Q: Will I continue to receive distributions on my NWH Units and NWI Units prior to completion of the Arrangement?**

A: Yes. Subject to the right of each of the NWH Board and NWI Board to reduce or suspend distributions at any time, each of NWH and NWI are expected to continue to pay distributions on their respective units prior to the completion of the Arrangement consistent with past practice.

**Q: Will I receive distributions following completion of the Arrangement?**

A: Following completion of the Arrangement, unitholders of the Combined REIT will be entitled to receive distributions if, as and when declared by the board of trustees of the Combined REIT. It is anticipated that the board of trustees of the Combined REIT will target payment to NWH Unitholders of: (i) 80-95% of the Combined REIT's AFFO, as such is to be defined by the Combined REIT and consistent with current AFFO definitions of both NWH and NWI (see NWH MD&A and NWI MD&A); and (ii) an amount at least equal to the net income and net realized capital gains of NWH as is necessary to ensure that NWH will not be liable for ordinary income taxes on such income. The amount of future distributions and the declaration and payment thereof is at the discretion of the Combined REIT Board and will be based upon the Combined REIT's financial position, results of operations, cash flow, capital requirements and restrictions under the Combined REIT's debt obligations, as well as broader market and economic conditions, among other factors, and shall be in compliance with applicable Law.

See "Information Relating to NWH – Distribution Policy and History".

**Q: Are NWH Unitholders entitled to Dissent Rights?**

A: No. NWH Voting Unitholders are not entitled to Dissent Rights.

**Q: Are NWI Voting Unitholders entitled to Dissent Rights?**

A: Yes. Pursuant to the Interim Order, registered NWI Voting Unitholders have the right to dissent with respect to the Arrangement Resolution if: (i) the NWI Voting Unitholder's written objection to the Arrangement Resolution is sent by courier, post or personal service to NWI c/o Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, Ontario M5H 2S7, Attention: Brad Ross or by facsimile (416-979-1234), no later than 2:00 p.m. (Toronto Time) on the second business day prior to the NWI Meeting or a date to which it is adjourned and otherwise complies with the requirements of Section 191 of the ABCA as modified by the Interim Order and the Plan of Arrangement; (ii) the Dissenting NWI Voting Unitholder does not vote his, her or its NWI Voting Units at the NWI Meeting either by proxy or in person, in favour of the Arrangement Resolution; and (iii) the Dissenting NWI Voting Unitholder exercises the Dissent Rights in respect of all of the NWI Voting Units that he, she or it holds. A Beneficial Unitholder who wishes to exercise its right to dissent in respect of its units should immediately contact the intermediary with whom the Beneficial Unitholder deals.

**Q: What are the Canadian federal income tax consequences of the Arrangement?**

A: The Arrangement is not a taxable event for NWH Holders. Subject to the qualifications set forth in this Circular, the exchange of NWI Units for NWH Units pursuant to the Arrangement is intended to result in a tax-deferred "rollover" under Canadian federal income tax laws. For additional information and a general discussion of such tax considerations, see "Certain Canadian Federal Income Tax Considerations".

**Tax matters are complicated and the tax consequences of the Arrangement will depend on your particular facts and circumstances. Because individual circumstances differ, you should consult with your tax advisor regarding the specific tax consequences of the Arrangement.**

**Q: Are the NWH Units listed on a stock exchange?**

A: Yes. NWH Units currently trade on the TSX under the symbol "NWH.UN". The TSX has conditionally approved (subject to customary conditions) the listing of the NWH Units issuable under the Arrangement and the NWI Debentures to be assumed by NWH pursuant to the Arrangement (and the NWH Units issuable upon the conversion, redemption or maturity of such NWI Debentures). It is a condition of closing that NWH will have obtained approval for these listings, subject only to the customary listing conditions of the TSX.

**Q: What will happen if the NWH Resolution or the Arrangement Resolution is not approved or the Arrangement is not completed for any reason?**

A: If the NWH Resolution or the Arrangement Resolution is not approved or the Arrangement is not completed for any reason, the Arrangement Agreement may be terminated. In certain circumstances, NWI will be required to pay to NWH a termination fee of $17 million in connection with such termination. In certain other circumstances, NWH will be required to pay to NWI a termination fee of $17 million in connection with such termination.

See "The Arrangement Agreement – Termination of the Arrangement Agreement".

**Q: As a NWH Voting Unitholder, what documents do I need to complete and return?**

***Registered NWH Voting Unitholders***

A: All registered holders of NWH Units should complete and submit the enclosed form of proxy to NWH's transfer agent and registrar, Computershare Investor Services Inc. You are encouraged to vote well in advance of the NWH Meeting proxy cut-off of 10:00 a.m. (Toronto time) on May 1, 2015.

***Beneficial NWH Voting Unitholders***

A: If you are a Beneficial Unitholder, your Intermediary will send you a VIF or proxy form with this Circular. This form will instruct the Intermediary how to vote your NWI Voting Units at the NWI Meeting on your behalf. An Intermediary

will vote the NWI Voting Units held by you only if you provide instructions to them on how to vote. Without instructions, those NWI Voting Units will not be voted. **You must follow the instructions from your Intermediary to vote.**

See "General Information Concerning the NWH Meeting and Voting – Voting of NWH Voting Units Owned by Beneficial Unitholders".

**Q: As a NWI Voting Unitholder, what documents do I need to complete and return?**

***Registered NWI Voting Unitholders***

A: All registered holders of NWI Units should (i) complete and submit the enclosed form of proxy to NWI's transfer agent and registrar, Computershare Investor Services Inc. (you are encouraged to vote well in advance of the NWI Meeting proxy cut-off of 2:00 p.m. (Toronto time) on May 1, 2015); and (ii) complete, sign and return the Letter of Transmittal with accompanying NWI Unit certificate(s) to the Depositary as soon as possible.

Please be sure to use the Letter of Transmittal (printed on yellow paper). See "The Arrangement – Administrative Matters – Exchange Procedure".

***Beneficial NWI Voting Unitholders***

A: If you are a Beneficial Unitholder, your Intermediary will send you a VIF or proxy form with this Circular. This form will instruct the Intermediary how to vote your NWI Voting Units at the NWI Meeting on your behalf. An Intermediary will vote the NWI Voting Units held by you only if you provide instructions to them on how to vote. Without instructions, those NWI Voting Units will not be voted. **You must follow the instructions from your Intermediary to vote.**

See "General Information Concerning the NWI Meeting and Voting – Voting of NWI Voting Units Owned by Beneficial Unitholders".

**Q: Do I have to pay any fees or commissions?**

A: If you are a registered Voting Unitholder, you will not have to pay brokerage fees, commissions or similar expenses in connection with the Arrangement.

If you hold your Voting Units through a broker, dealer, financial institution or other Intermediary, and your broker, dealer, financial institution or other Intermediary submits your Voting Units on your behalf, it may charge you a fee for doing so. You should consult your broker, dealer, financial institution or other Intermediary to determine whether any charges will apply.

**Q: When will I receive the NWH Units issuable pursuant to the Arrangement in exchange for my NWI Units?**

A: You will receive 0.208 NWH Units in exchange for each NWI Unit held as soon as practicable after the Arrangement becomes effective and your properly completed Letter of Transmittal and NWI Unit certificate(s) are received by the Depositary. Subject to obtaining the Court approval as well as the satisfaction of all other conditions precedent, if NWI Unitholders approve the Arrangement Resolution and the NWH Unitholders approve the NWH Resolution, it is anticipated that the Arrangement will be completed in the second quarter of 2015.

See "The Arrangement – Procedure for the Arrangement to Become Effective".

**Q: What happens if I send in my NWI Unit certificate(s) and the Arrangement Resolution is not approved or the Arrangement is not completed?**

A: If the Arrangement Resolution is not approved or if the Arrangement is not otherwise completed, your NWI Unit certificate(s) will be returned promptly to you by the Depositary.

**Q: What will happen to the NWI Debentures?**

A: Prior to closing, holders of NWI Debentures may convert their debentures in accordance with their terms and participate in the Arrangement on the same basis as other NWI Unitholders. Any NWI Debentures outstanding at the time of closing will be assumed by NWH, and following closing, holders of the NWI Debentures will be entitled to receive NWH Units upon conversion based on the Exchange Ratio, with the new conversion prices being as follows:

- in respect of the 6.50% Debentures, $13.70 such that approximately 72.9927 NWH Units shall be issued for each $1,000 principal amount of 6.50% Debentures so converted;
- in respect of the 7.25% Debentures, $12.50 such that approximately 80.0000 NWH Units shall be issued for each $1,000 principal amount of 7.25% Debentures so converted; and
- in respect of the 7.50% Debentures, $11.54 such that approximately 86.6551 NWH Units shall be issued for each $1,000 principal amount of 7.50% Debentures so converted.

See "The Arrangement – Treatment of NWI Debentures and NWI Deferred Units".

**Q: Are there risks that I should consider in deciding whether to vote in favour of the NWH Resolution?**

A: Yes. NWH Voting Unitholders should carefully consider all of the information set forth in "Information Relating to NWH – Risk Factors".

**Q: Are there risks that I should consider in deciding whether to vote in favour of the Arrangement Resolution?**

A: Yes. NWI Voting Unitholders should carefully consider all of the information set forth in "Information Relating to NWI – Risk Factors".

**Q: How can I get more information about NWH and NWI?**

A: As required by applicable securities legislation and regulatory requirements, each of NWH and NWI periodically files information with various securities regulatory authorities in Canada. This information can be viewed at or copied from the System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com. In addition, you may visit NWH's web site at www.nwhp.ca or NWI's website at www.nwireit.com.

**Q: Who can help answer my questions?**

A: If you have any questions about this Circular or the matters described in this Circular, please contact Kingsdale or your professional advisor. Voting Unitholders who would like additional copies, without charge, of this Circular or have additional questions about the procedures for voting Voting Units, should contact their broker or Kingsdale by e-mail, or at the telephone number below.

| | |
|---|---|
| North American Toll-Free Number | 1-877-659-1822 |
| By E-mail | contactus@kingsdaleshareholder.com |

**Q&A on Proxy Voting**

**Q: Who is entitled to vote on the NWH Resolution?**

A: The record date for determining the NWH Voting Unitholders entitled to receive notice of and to vote at the NWH Meeting is March 18, 2015. Only NWH Voting Unitholders of record as of the close of business on the NWH Record Date are entitled to receive notice of and to vote at the NWH Meeting. Each NWH Voting Unitholder is entitled to one vote in respect of each NWH Voting Unit held.

**Q: Who is entitled to vote on the Arrangement Resolution?**

A: The record date for determining the NWI Voting Unitholders entitled to receive notice of and to vote at the NWI Meeting is March 18, 2015. Only NWI Voting Unitholders of record as of the close of business on the NWI Record Date

are entitled to receive notice of and to vote at the NWI Meeting. Each NWI Voting Unitholder is entitled to one vote in respect of each NWI Voting Unit held.

**Q: What do I need to do now in order to vote on the NWH Resolution?**

A: You should carefully read and consider the information contained in this Circular. Registered NWH Voting Unitholders should then vote by completing, dating and signing the enclosed form of proxy or, alternatively, by telephone, or over the internet, in each case in accordance with the enclosed instructions. To be used at the NWH Meeting, the completed proxy form must be deposited at the office of Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 (Fax: 1-866-249-7775 (toll free within North America) or (416) 263-9524 (outside North America)) by mail or fax or the proxy vote is otherwise registered in accordance with the instructions thereon. To be effective, a proxy must be received by Computershare not later than 10:00 a.m. (Toronto time) on May 1, 2015, or in the case of any postponement or adjournment of the NWH Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the postponed or adjourned NWH Meeting. Late proxies may be accepted or rejected by the Chair of the NWH Meeting in his discretion, and the Chair is under no obligation to accept or reject any particular late proxy. The deadline for the deposit of proxies may be waived or extended by the Chair of the NWH Meeting at his discretion, without notice.

If you hold your NWH Voting Units through an Intermediary, please follow the instructions provided by such Intermediary to ensure that your vote is counted at the NWH Meeting and contact your intermediary for instructions and assistance in delivering the unit certificate(s) representing those units.

See "General Information Concerning the NWH Meeting and Voting – Voting by Proxies".

**Q: What do I need to do now in order to vote on the Arrangement Resolution?**

A: You should carefully read and consider the information contained in this Circular. Registered NWI Voting Unitholders should then vote by completing, dating and signing the enclosed form of proxy or, alternatively, by telephone, or over the internet, in each case in accordance with the enclosed instructions. To be used at the NWI Meeting, the completed proxy form must be deposited at the office of Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 (Fax: 1-866-249-7775 (toll free within North America) or (416) 263-9524 (outside North America)) by mail or fax or the proxy vote is otherwise registered in accordance with the instructions thereon. To be effective, a proxy must be received by Computershare not later than 2:00 p.m. (Toronto time) on May 1, 2015, or in the case of any postponement or adjournment of the NWI Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the postponed or adjourned NWI Meeting. Late proxies may be accepted or rejected by the Chair of the NWI Meeting in his discretion, and the Chair is under no obligation to accept or reject any particular late proxy. The deadline for the deposit of proxies may be waived or extended by the Chair of the NWI Meeting at his discretion, without notice.

If you hold your NWI Voting Units through an Intermediary, please follow the instructions provided by such Intermediary to ensure that your vote is counted at the NWI Meeting and contact your intermediary for instructions and assistance in delivering the unit certificate(s) representing those units.

See "General Information Concerning the NWI Meeting and Voting – Voting by Proxies".

**Q: Should I send in my proxy now?**

A: Yes. Once you have carefully read and considered the information contained in this Circular, to ensure your vote is counted, you need to complete and submit the enclosed form of proxy or, if applicable, provide your Intermediary with voting instructions. If you are a NWH Voting Unitholder, you are encouraged to vote well in advance of the NWH Meeting proxy cut-off of 10:00 a.m. (Toronto time) on May 1, 2015, and if you are a NWI Voting Unitholder, you are encouraged to vote well in advance of the NWI Meeting proxy cut-off of 2:00 p.m. (Toronto time) on May 1, 2015 (or if the NWH Meeting or NWI Meeting is postponed or adjourned, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the postponed or adjourned meeting).

**Q: What happens if I sign the form of proxy sent to me?**

A: Signing and depositing the enclosed form of proxy gives authority to the person(s) designated by management of NWH or NWI, as applicable, on such form to vote your Voting Units at the NWH Meeting or NWI Meeting, as applicable. If the instructions in a proxy given to NWH's management or NWI's management, as applicable, are specified, the Voting Units represented by such proxy will be voted FOR or AGAINST in accordance with your instructions on any poll that may be called for. If a choice is not specified, the Voting Units represented by a proxy given to NWH's management or NWI's management, as applicable, will be voted FOR the approval of the NWH Resolution and the Arrangement Resolution, respectively, as described in this Circular.

See "General Information Concerning the NWH Meeting and Voting – Voting by Proxies" and "General Information Concerning the NWI Meeting and Voting – Voting by Proxies".

**Q: Can I appoint someone other than the person(s) designated by management of NWH or NWI. as applicable, to vote my Voting Units?**

A: Yes. A Voting Unitholder has the right to appoint a person or company (who need not be a Voting Unitholder) to attend and act for him, her or it and on his, her or its behalf at the NWH Meeting or NWI Meeting other than the persons designated in the form of proxy and may exercise such right by inserting the name in full of the desired person in the blank space provided in the form of proxy and striking out the names now designated.

See "General Information Concerning the NWH Meeting and Voting – Voting by Proxies" and "General Information Concerning the NWI Meeting and Voting – Voting by Proxies".

**Q: What if amendments are made to these matters or if other matters are brought before the NWH Meeting or NWI Meeting?**

A: The form of proxy accompanying this Circular confers discretionary authority upon the proxy nominee with respect to any amendments or variations to matters identified in the NWH Notice of Meeting or NWI Notice of Meeting and any other matters that may properly come before the NWH Meeting or the NWI Meeting or any postponement or adjournment thereof. As at the date of this Circular, each of NWH's management and NWI's management is not aware of any such amendments or variations, or of other matters to be presented for action at the NWH Meeting or NWI Meeting, respectively. However, if any amendments to matters identified in the accompanying NWH Notice of Meeting or NWI Notice of Meeting or any other matters which are not now known to their respective management should properly come before the NWH Meeting or NWI Meeting, as applicable, or any postponement or adjournment thereof, the Voting Units represented by properly executed proxies given in favour of the person(s) designated by management of NWH or NWI, as applicable, in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

See "General Information Concerning the NWH Meeting and Voting – Voting by Proxies" and "General Information Concerning the NWI Meeting and Voting – Voting by Proxies".

**Q: Can I revoke my proxy?**

A: Yes. In addition to revocation in any other manner permitted by law, a Voting Unitholder executing the enclosed form of proxy has the power to revoke it by depositing an instrument in writing executed by the Voting Unitholder or his or her legal representative authorized in writing or, where the Voting Unitholder is a corporation, by the corporation or a representative of the corporation. To be valid, an instrument of revocation must be received:

- for NWH Voting Unitholders, at NWH's principal and head office by mail or by hand at 284 King Street East, Suite 100, Toronto, Ontario, M5A 1K4; and
- for NWI Voting Unitholders, at NWI's principal and head office by mail or by hand at 284 King Street East, Suite 200, Toronto, Ontario, M5A 1K4,

at any time up to and including the last business day preceding the day of the NWH Meeting or NWI Meeting, as applicable, or in the case of any postponement or adjournment of the NWH Meeting or NWI Meeting, as applicable, the last business day preceding the day of the postponed or adjourned NWH Meeting or NWI Meeting, as applicable, or delivered to the Chair of the NWH Meeting or NWI Meeting, as applicable, on the day fixed for the NWH Meeting or

NWI Meeting, as applicable, and prior to the start of the NWH Meeting or NWI Meeting, as applicable, or any postponement or adjournment thereof.

See "General Information Concerning the NWH Meeting – Revocability of Proxies" and "General Information Concerning the NWI Meeting – Revocability of Proxies".

**Q: Who will count the votes?**

A: Computershare Investor Services Inc., transfer agent to both NWH and NWI, will count and tabulate the votes received for the NWH Meeting and NWI Meeting.

## SUMMARY

*The following is a summary of certain information contained elsewhere in, or incorporated by reference into, this Circular, including the Appendices hereto. Certain capitalized terms used in this summary are defined in the Glossary of Defined Terms (Appendix A or elsewhere in this Circular. This summary is qualified in its entirety by the more detailed information appearing elsewhere, or incorporated by reference, in this Circular.*

### The Meetings

#### *NWH Meeting*

*Purpose of the NWH Meeting*

The NWH Meeting is an annual and special meeting of NWH Voting Unitholders to consider and, if thought advisable, approve the NWH Resolution, elect trustees for the ensuing year, appoint an auditor for the ensuing year and to authorize the trustees to fix such auditor's remuneration and to transact such further and other business as may be properly be brought before the NWH Meeting.

*Date, Time and Place*

The NWH Meeting will be held at the offices of Goodmans LLP, Suite 3400, 333 Bay Street, Toronto, Ontario, M5H 2S7 on May 5, 2015 at 10:00 a.m. (Toronto time).

*NWH Record Date*

The record date for determining the NWH Voting Unitholders entitled to receive notice of and to vote at the NWH Meeting is March 18, 2015. Only NWH Voting Unitholders of record as of the close of business (Toronto time) on the NWH Record Date are entitled to receive notice of and to vote at the NWH Meeting.

### NWI Meeting

*Purpose of the NWI Meeting*

The NWI Meeting is an annual and special meeting of NWI Voting Unitholders to consider and, if thought advisable, approve the Arrangement Resolution, elect trustees for the ensuing year, appoint an auditor for the ensuing year and to authorize the trustees to fix such auditor's remuneration, to approve certain amendments to, and the reservation for issuance of NWI Units under, the NWI Deferred Unit Plan and to transact such further and other business as may be properly be brought before the NWI Meeting.

*Date, Time and Place*

The NWI Meeting will be held at the offices of Goodmans LLP, Suite 3400, 333 Bay Street, Toronto, Ontario, M5H 2S7 on May 5, 2015 at 2:00 p.m. (Toronto time).

*NWI Record Date*

The record date for determining the NWI Voting Unitholders entitled to receive notice of and to vote at the NWI Meeting is March 18, 2015. Only NWI Voting Unitholders of record as of the close of business (Toronto time) on the NWI Record Date are entitled to receive notice of and to vote at the NWI Meeting.

### The Arrangement

On March 10, 2015, NWI and NWH, among others, entered into the Arrangement Agreement, pursuant to which NWI and NWH agreed that, subject to the terms and conditions set forth in the Arrangement Agreement, NWH will acquire all of the assets of NWI and each NWI Unitholder will receive, in exchange for each NWI Unit, 0.208 NWH Units. The terms of the Arrangement Agreement are the result of arm's length negotiations conducted among NWH, NWI and representatives of the NWH Independent Committee and the NWI Independent Committee and their respective advisors. Under the Arrangement Agreement, NWI has agreed to, among other things, call the NWI Meeting to seek approval of NWI Unitholders for the

Arrangement Resolution and, if approved, apply to the Court for the Final Order, and NWH has agreed to, among other things, call the NWH Meeting to seek approval of NWH Unitholders for the NWH Resolution.

See "The Arrangement Agreement".

***Recommendation of the NWH Independent Committee***

After careful consideration, including consultation with its independent legal and financial advisors, the NWH Independent Committee unanimously determined that the Arrangement is in the best interests of NWH. The NWH Independent Committee unanimously recommended that the NWH Board approve the Arrangement Agreement and the related agreements and that the NWH Board recommend that NWH Voting Unitholders vote their NWH Voting Units FOR the NWH Resolution.

***Recommendation of the NWH Board***

After careful consideration, and based upon the unanimous recommendation of the NWH Independent Committee, the NWH Board has unanimously determined (with Paul Dalla Lana and Bernard Crotty declaring their interests in the transaction and abstaining from voting) that the Arrangement is in the best interests of NWH, and recommends that NWH Voting Unitholders vote their NWH Voting Units FOR the NWH Resolution.

***Reasons for the Recommendations of the NWH Independent Committee and NWH Board***

The NWH Board has carefully considered all aspects of the Contemplated Transactions and has received the benefit of advice from its financial and legal advisors and a recommendation from the NWH Independent Committee. The NWH Board and the NWH Independent Committee identified a number of factors set out below as being the most relevant to its recommendation to holders of NWH Voting Units to vote for the NWH Resolution. The conclusions and recommendations of the NWH Board and the NWH Independent Committee were made after considering the totality of the information and factors considered.

The conclusions and recommendations of the NWH Board are based upon the following factors, among others:

- *Enhanced Scale* – The transformational transaction increases the scale of NWH and provides exposure to high quality international medical office buildings and hospital assets, creating a global healthcare real estate platform.
- *Improved Portfolio Characteristics* – The transaction improves the characteristics of the combined portfolio including average age of buildings, same property growth, occupancy, average lease term and asset and geographic diversification.
- *Enhanced Growth Prospects* – The combination with NWI will greatly enhance the prospects for growth of NWH by enabling the combined company to pursue value enhancing growth opportunities in international markets where NWI has operating experience and well established partnerships.
- *Exposure to International Markets* – The diversification of NWH's portfolio afforded by NWI's investments in Australia, New Zealand, Brazil and Germany is expected to provide material benefit to NWH.
- *Accretive* – The Arrangement is expected to be accretive to NWH's AFFO per unit.
- *Enhanced Capital Markets Presence* – The Combined REIT is expected to have enhanced access to capital due to its larger scale, portfolio diversification and growth prospects.
- *Unified Platform* – The transaction combines the management and operating platforms of NWH and NWI as well as streamlines the costs inherent in managing two separate publicly traded REITs.
- *Larger Float and Improved Trading Liquidity* – The transaction will significantly increase the public float of NWH and is expected to increase the trading liquidity of the Combined REIT.

The NWH Board and NWH Independent Committee also considered a variety of risks and other potentially negative factors relating to the Arrangement including those matters described under the heading "Risk Factors Relating to the Arrangement". The NWH Board and NWH Independent Committee believed that, overall, the anticipated benefits of the Arrangement to NWH outweighed these risks and negative factors.

The foregoing summary of the information and factors considered by the NWH Independent Committee and the NWH Board is not intended to be exhaustive, but includes the material information and factors considered by the NWH Independent Committee and the NWH Board in their respective consideration of the Arrangement. In view of the variety of factors and the amount of information considered in connection with the NWH Independent Committee's and the NWH Board's evaluation of the Arrangement, they did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching their respective conclusions and recommendations. The recommendations of the NWH Independent Committee and the NWH Board were made after consideration of all of the above-noted and other factors and in light of their respective knowledge of the business, financial condition and prospects of NWH and was based upon the advice of the NWH Independent Committee's financial and legal advisors and legal counsel to NWH. In addition, individual members of the NWH Independent Committee and the NWH Board may have assigned different weights to different factors.

***Canaccord Genuity Formal Valuation and NWH Fairness Opinion***

The NWH Independent Committee retained Canaccord Genuity to prepare and deliver to the NWH Independent Committee (i) a formal valuation of the fair market value of the NWH Units, (ii) a formal valuation of the fair market value of the NWI Units, and (iii) its opinion as to the fairness to NWH Unitholders (other than NWI), from a financial point of view, of the consideration to be paid by NWH to NWI Unitholders pursuant to the Arrangement.

The Canaccord Genuity Formal Valuation states that, based upon and subject to the analysis, assumptions, qualifications and limitations contained in the Canaccord Genuity Formal Valuation, in addition to such other factors that it considered relevant, Canaccord Genuity is of the opinion that, as of March 10, 2015, the fair market value of the NWH Units is in the range of $10.25 to $11.75 per NWH Unit, and the fair market value of the NWI Units is in the range of $2.15 to $2.40 per NWI Unit.

Based upon and subject to the assumptions, qualifications, and limitations set out in the NWH Fairness Opinion, and such other matters as Canaccord Genuity considered relevant, Canaccord Genuity is of the opinion that, as of March 10, 2015, the consideration to be paid by NWH to NWI Unitholders pursuant to the Arrangement is fair, from a financial point of view, to NWH Unitholders, other than NWI.

See "The Arrangement – Canaccord Genuity Formal Valuation and NWH Fairness Opinion".

***Recommendation of the NWI Independent Committee***

After careful consideration, including consultation with its independent legal and financial advisors, the NWI Independent Committee unanimously determined that the Arrangement is in the best interests of NWI. The NWI Independent Committee unanimously recommended that the NWI Board approve the Arrangement Agreement and the related agreements and that the NWI Board recommend that NWI Voting Unitholders vote their NWI Voting Units FOR the Arrangement Resolution.

***Recommendation of the NWI Board***

After careful consideration, and based upon the unanimous recommendation of the NWI Independent Committee, the NWI Board has unanimously determined (with Paul Dalla Lana and Bernard Crotty declaring their interests in the transaction and abstaining from voting) that the Arrangement is in the best interests of NWI, and unanimously recommends that NWI Voting Unitholders vote their NWI Voting Units FOR the Arrangement Resolution.

***Reasons for Recommendations of the NWI Independent Committee and the NWI Board***

The NWI Board has carefully considered all aspects of the Contemplated Transactions and has received the benefit of advice from its financial and legal advisors and a recommendation from the NWI Independent Committee. The NWI Board and the NWI Independent Committee identified a number of factors set out below as being the most relevant to its recommendation to holders of NWI Voting Units to vote for the Arrangement Resolution that will implement the Contemplated Transactions. The conclusions and recommendations of the NWI Board and the NWI Independent Committee were made after considering the totality of the information and factors considered.

The conclusions and recommendations of the NWI Board are based upon the following factors, among others:

- *Enhanced Scale* – The transformational transaction increases the scale of NWI and increases its exposure to NWH's large and stable portfolio of Canadian MOBs and healthcare related facilities.

- *Enhanced Flexibility and Access to Capital* – The larger combined entity is expected to have enhanced flexibility and greater access to liquidity to pursue value enhancing growth opportunities.
- *Stable Canadian Portfolio* – The stability of NWH's Canadian portfolio of high quality healthcare real estate when combined with NWI's portfolio in Brazil, Germany, Australia and New Zealand, is expected to provide significant diversification benefits to NWI.
- *Reduces Overall Leverage* – The transaction will reduce NWI's leverage and provide enhanced balance sheet flexibility.
- *Enhanced Capital Markets Presence* – The Combined REIT is expected to have enhanced access to capital due to its larger scale, portfolio diversification and growth prospects.
- *Unified Platform* – The transaction combines the management and operating platforms of NWH and NWI as well as streamlines the costs inherent in managing two separate publicly traded REITs.
- *Larger Float and Improved Trading Liquidity* – The transaction will significantly increase the public float of NWH and is expected to increase the trading liquidity of the combined entity.

The NWI Board and NWI Independent Committee also considered a variety of risks and other potentially negative factors relating to the Arrangement including those matters described under the heading "Risk Factors Relating to the Arrangement". The NWI Board and NWI Independent Committee believed that, overall, the anticipated benefits of the Arrangement to NWI outweighed these risks and negative factors.

The foregoing summary of the information and factors considered by the NWI Independent Committee and the NWI Board is not intended to be exhaustive, but includes the material information and factors considered by the NWI Independent Committee and the NWI Board in their respective consideration of the Arrangement. In view of the variety of factors and the amount of information considered in connection with the NWI Independent Committee's and the NWI Board's evaluation of the Arrangement, they did not find it practicable to, and did not, quantify or otherwise attempt to assign any relative weight to each of the specific factors considered in reaching their respective conclusions and recommendations. The recommendations of the NWI Independent Committee and the NWI Board were made after consideration of all of the above-noted and other factors and in light of their respective knowledge of the business, financial condition and prospects of NWI and was based upon the advice of the NWI's financial and legal advisors and legal counsel to the NWI Independent Committee. In addition, individual members of the NWI Independent Committee and the NWI Board may have assigned different weights to different factors.

***Other Considerations***

In making their respective determinations and recommendations, each of the NWI Board and the NWH Board (and their respective independent committees) also observed that a number of procedural safeguards were and are present to permit each of the boards and their respective independent committees to represent effectively the interests of each of the Parties, the NWI Unitholders and NWH Unitholders, the minority unitholders of each of the Parties, and the other stakeholders of each of the Parties, including, among others:

- *Role of the NWH Independent Committee.* The NWH Independent Committee evaluated and negotiated the Arrangement on behalf of NWH. The NWH Independent Committee consists of individuals who are independent of management and NWI. The NWH Independent Committee met regularly with its own independent legal and financial advisors.
- *Role of the NWI Independent Committee.* The NWI Independent Committee evaluated and negotiated aspects of the Arrangement involving NWVP on behalf of NWI. The NWI Independent Committee consists of individuals who are independent of management and NWVP. The NWI Independent Committee met regularly with NWI's financial advisors and retained its own independent legal advisor.
- *Ability to Respond to Superior Proposals*. Notwithstanding the limitations contained in the Arrangement Agreement on each Party's ability to solicit interest from third parties, the Arrangement Agreement allows each of the Parties to engage in discussions or negotiations with respect to an unsolicited written bona fide Acquisition Proposal at any time: (i) in the case of NWI, prior to the approval of the Arrangement Resolution by the NWI Voting Unitholders and after the NWI Board determines, in good faith, after consultation with its financial advisors and outside legal counsel, that such Acquisition Proposal could reasonably be expected to lead to a Superior Proposal; or (ii) in the case of NWH, prior to the approval of the NWH Resolution by the NWH Voting Unitholders and after the NWH

Board determines, in good faith, after consultation with its financial advisors and outside legal counsel, that such Acquisition Proposal could reasonably be expected to lead to a Superior Proposal.

- *Reasonable Termination Fee*. The amount of the reciprocal Termination Fee, being $17 million, is reasonable in the circumstances.
- *Protection for NWI Unitholders*. The Arrangement is subject to the following securityholder and Court approvals, which protect NWI Unitholders:
  - pursuant to the NWI Declaration of Trust, the Arrangement Resolution must be approved, with or without variation, by the affirmative vote of at least two-thirds of the votes cast on the Arrangement Resolution by NWI Voting Unitholders present in person or represented by proxy and entitled to vote at the NWI Meeting;
  - the Arrangement must be approved by the Court, which will consider, among other things, the fairness and reasonableness of the Arrangement to NWI Unitholders; and
  - any registered NWI Voting Unitholder who opposes the Arrangement may, on strict compliance with certain conditions, exercise its Dissent Rights and receive the fair value of the Dissent Units in accordance with the section 191 of the ABCA, as modified by the Interim Order and the Plan of Arrangement.
- *Protection for NWH Unitholders*. The Arrangement is subject to the following securityholder and Court approvals, which protect NWH Unitholders:
  - pursuant to the NWH Declaration of Trust, the NWH Resolution must be approved, with or without variation, by the affirmative vote of at least two-thirds of the votes cast on the NWH Resolution by NWH Voting Unitholders present in person or represented by proxy and entitled to vote at the NWH Meeting;
  - pursuant to MI 61-101 and TSX rules, the Arrangement requires approval of a majority of votes cast by NWH Voting Unitholders other than NWH Voting Units held by NWI, its trustees and senior officers and any affiliate of, or person acting jointly or in concert with any of the foregoing or any other related party of NWH; and
  - the Arrangement must be approved by the Court, which will consider, among other things, the fairness and reasonableness of the Arrangement to NWI Unitholders.
- *NWVP and all of the Trustees and Officers of NWI will be voting FOR the Arrangement Resolution*. NWVP (who holds approximately 65% of NWI's Voting Units) and all of the trustees of and senior executive officers of NWI have agreed to vote all NWI Voting Units that they own or exercise control or direction over in favour of the Arrangement Resolution.
- *All of the Trustees and Officers of NWH will be voting FOR the NWH Resolution*. All of the trustees and certain senior executive officers of NWH that own NWH Voting Units have agreed to vote all NWH Voting Units that they own or exercise control or direction over in favour of the NWH Resolution.

***BMO Capital Markets NWI Fairness Opinion***

Pursuant to an engagement letter, BMO Capital Markets agreed to provide NWI with an opinion as to whether the consideration to be received by the NWI Unitholders pursuant to the Arrangement is fair, from a financial point of view, to the NWI Unitholders.

The BMO Capital Markets NWI Fairness Opinion states that, in the opinion of BMO Capital Markets, as of March 10, 2015, and based upon and subject to the assumptions, qualifications and limitations set out in the BMO Capital Markets NWI Fairness Opinion, the consideration to be received by the NWI Unitholders pursuant to the Arrangement is fair from a financial point of view to the NWI Unitholders. Voting Unitholders are urged to read the BMO Capital Markets NWI Fairness Opinion in its entirety, a copy of which is attached as Appendix I to this Circular.

See "The Arrangement – BMO Capital Markets NWI Fairness Opinion".

***NBF NWI Fairness Opinion***

Pursuant to an engagement letter, National Bank Financial agreed to provide NWI with an opinion as to whether the consideration to be received by the NWI unitholders pursuant to the Arrangement is fair, from a financial point of view, to the NWI unitholders.

The NBF NWI Fairness Opinion states that, in the opinion of National Bank Financial, as of March 10, 2015 and based upon and subject to the assumptions, qualifications and limitations set out in the NBF NWI Fairness Opinion, the consideration to be received by NWI Unitholders pursuant to the Arrangement is fair from a financial point of view to the NWI Unitholders. Voting Unitholders are urged to read the NBF NWI Fairness Opinion in its entirety, a copy of which is attached as Appendix J to this Circular.

See "The Arrangement – NBF NWI Fairness Opinion".

***Effects of the Arrangement***

If approved, the Arrangement will become effective at the Effective Time (which is expected to be at 10:00 a.m. (Calgary time) on a date to be determined not later than the Outside Date, or such later date as may be agreed to in writing by NWI and NWH). At the Effective Time, NWH will, among other things, acquire all of the assets and liabilities of NWI and NWI Voting Unitholders will receive 0.208 of a NWH Voting Unit for each NWI Voting Unit held on a tax-deferred basis, without any further authorization, act or formality.

***Procedure for the Arrangement to Become Effective***

The Arrangement is proposed to be carried out pursuant to the provisions of Section 193 of the ABCA. The following procedural steps must be taken in order for the Arrangement to become effective:

- the NWI Unitholder Approval and the NWH Unitholder Approval must be obtained;
- the Court must grant the Final Order approving the Arrangement;
- all conditions precedent to the Arrangement (as further described in the Arrangement Agreement) must be satisfied or waived by the appropriate Party; and
- if applicable, Articles of Arrangement, the Final Order and related documents, in the form prescribed by the ABCA, must be filed with the Registrar.

***NWI Voting Unitholder Approval***

Pursuant to the NWI Declaration of Trust, to be effective, the Arrangement Resolution must be approved, with or without variation, by the affirmative vote of at least 66 2/3% of the votes cast on the Arrangement Resolution by NWI Voting Unitholders, present in person or represented by proxy and entitled to vote at the NWI Meeting.

See "The Arrangement – NWI Voting Unitholder Approval".

***NWH Voting Unitholder Approval***

To be effective, the NWH Resolution must be approved, with or without variation, by the affirmative vote of:

- pursuant to NWH Declaration of Trust, at least 66 2/3% of the votes cast by NWH Voting Unitholders present in person or represented by proxy and entitled to vote at the NWH Meeting; and
- a majority of the votes cast by NWH Voting Unitholders present in person or represented by proxy and entitled to vote at the NWH Meeting, excluding for this purpose votes attached to any NWH Units held by persons whose votes are required to be excluded in accordance with the policies of the TSX and MI 61-101.

See "The Arrangement – NWH Voting Unitholder Approval".

***Voting and Support Agreements***

On March 10, 2015, in connection with the Arrangement, NWH and NWI entered into the NWVP Voting and Support Agreement and NWH entered into a Trustee and Officer Voting and Support Agreement with all of the NWI Trustee and Officer Locked-Up Unitholders, pursuant to which, among other things, such persons have agreed to vote all of the NWI Voting Units held by them in favour of the Arrangement Resolution, on the terms and subject to the conditions set forth in such agreement.

Pursuant to the Arrangement Agreement, NWI has agreed to vote all of the NWH Voting Units held by it in favour of the NWH Resolution on the terms and subject to the conditions set forth therein.

On March 10, 2015, in connection with the Arrangement, NWI entered into a Trustee and Officer Voting and Support Agreement with all of the NWH Locked-Up Unitholders, pursuant to which, among other things, such persons have agreed to vote all of the NWH Voting Units held by them in favour of the NWH Resolution, on the terms and subject to the conditions set forth in such agreement.

See "The Arrangement – Voting and Support Agreements".

***Court Approval and Completion of the Arrangement***

The Arrangement requires approval by the Court under Section 193 of the ABCA. Prior to the mailing of this Circular, NWI and NWI AM obtained the Interim Order providing for the calling and holding of the NWI Meeting and other procedural matters. A copy of the Interim Order is attached hereto as Appendix F.

Subject to the approval of the Arrangement Resolution by NWI Voting Unitholders at the NWI Meeting and the approval of the NWH Resolution by NWH Voting Unitholders at the NWH Meeting, the hearing in respect of the Final Order is expected to take place on May 13, 2015 at 1:00 p.m. (Calgary time), or as soon thereafter as is reasonably practicable.

Any NWI Voting Unitholder or other person who wishes to participate, to appear, to be represented, and/or to present evidence or arguments at the hearing, must serve and file a Notice of Intention to Appear, including an address for service in the Province of Alberta, indicating whether such person intends to support or oppose the application or make submissions thereat, together with a summary of the position such person intends to advocate before the Court and any evidence or materials which are to be presented to the Court, as set out in the Interim Order, appended hereto as Appendix F, and any other document as the Court may direct in the future. The Court will consider, among other things, the fairness and reasonableness of the Arrangement and the rights of every person affected. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit. The Court has further been advised that the Final Order granted by the Court will constitute the basis for the exemption from the registration requirements of the U.S. Securities Act provided by section 3(a)(10) thereof with respect to the NWH Units and NWH Special Voting Units to be issued pursuant to the Arrangement. If the hearing is postponed, adjourned or rescheduled then, subject to further direction of the Court, only those persons having previously served a Notice of Intention to Appear in compliance with the Interim Order will be given notice of the new date.

Although NWI's and NWH's objective is to have the Effective Date occur as soon as possible after the NWI Meeting, the Effective Date could be delayed for a number of reasons, including, but not limited to, an objection before the Court at the hearing of the application for the Final Order or any delay in obtaining any required approvals or clearances. NWI or NWH may determine not to complete the Arrangement without prior notice to or action on the part of NWI Voting Unitholders or NWH Voting Unitholders.

See "The Arrangement – Court Approval and Completion of the Arrangement".

***Stock Exchange Listing and Reporting Issuer Status***

The NWH Units currently trade on the TSX under the symbol "NWH.UN". The TSX has conditionally approved (subject to customary conditions) the listing of the NWH Units issuable under the Arrangement and the NWI Debentures to be assumed by NWH pursuant to the Arrangement (and the NWH Units issuable upon the conversion, redemption or maturity of such NWI Debentures). See "Regulatory Matters – Stock Exchange Approvals". Following completion of the Arrangement, it is expected that the NWI Units will be de-listed from the TSXV and NWI will make an application to cease to be a reporting issuer under Securities Laws. The TSXV has conditionally approved (subject to customary conditions) the de-listing of NWI Units from the TSXV.

See "The Arrangement – Stock Exchange Listing and Reporting Issuer Status".

***Letter of Transmittal***

A Letter of Transmittal (printed on yellow paper) has been mailed, together with this Circular, to each person who was a registered holder of NWI Units on the NWI Record Date. Each registered NWI Unitholder must forward a properly

completed and signed Letter of Transmittal, with accompanying NWI Unit certificate(s), in order to receive the NWH Units to which such NWI Unitholder is entitled under the Arrangement. It is recommended that NWI Unitholders complete, sign and return the Letter of Transmittal with accompanying NWI Unit certificate(s) to the Depositary as soon as possible.

See "The Arrangement – Administrative Matters – Letter of Transmittal" and "The Arrangement – Administrative Matters – Exchange Procedure".

***Dissent Rights***

The Interim Order expressly provides registered NWI Voting Unitholders with the right to dissent from the Arrangement Resolution pursuant to Section 191 of the ABCA, with modifications to the provisions of Section 191 as provided in the Plan of Arrangement and the Interim Order. See Appendix E for the full text of the Plan of Arrangement, Appendix F for the full text of the Interim Order and Appendix P for the full text of Section 191 of the ABCA.

NWH Unitholders are not entitled to Dissent Rights in respect of the Arrangement.

See "Rights of Dissent".

***Treatment of NWI Debentures and NWI Deferred Units***

Under the Arrangement, NWH and NWI will execute the NWI Debenture Supplemental Indenture, and such other instruments as contemplated and required by the NWI Debenture Indenture, in order to provide for the assumption by NWH of all of the obligations of NWI under the NWI Debenture Indenture, such that, upon completion of the Plan of Arrangement, the NWI Debentures will be valid and binding obligations of NWH entitling the holders thereof, as against NWH, to all of the rights of holders of NWI Debentures under the NWI Debenture Indenture, as supplemented and amended by the NWI Debenture Supplemental Indenture. Upon such assumption, the conversion price in respect of the NWI Debentures will be:

- in respect of the 6.50% Debentures, $13.70 such that approximately 72.9927 NWH Units shall be issued for each $1,000 principal amount of 6.50% Debentures so converted;
- in respect of the 7.25% Debentures, $12.50 such that approximately 80.0000 NWH Units shall be issued for each $1,000 principal amount of 7.25% Debentures so converted; and
- in respect of the 7.50% Debentures, $11.54 such that approximately 86.6551 NWH Units shall be issued for each $1,000 principal amount of 7.50% Debentures so converted.

Each outstanding NWI Deferred Unit (whether vested or unvested) shall be transferred by the holder thereof to NWI and thereupon cancelled. In exchange therefor, each such former holder of NWI Deferred Units shall receive consideration consisting solely of NWH Replacement Deferred Units issued by NWH, all pursuant to and in accordance with subsection 7(1.4) of the Tax Act. The NWH Deferred Unit Account for each former holder of NWI Deferred Units shall be credited with such number of NWH Replacement Deferred Units that is equal to the aggregate number of NWI Deferred Units in such former holder's NWI Deferred Unit Account multiplied by the Exchange Ratio, in each case rounded down to the nearest whole number of NWH Deferred Units, and the vesting schedule in respect of such NWH Replacement Deferred Units shall be the same as the vesting schedule for the NWI Deferred Units so transferred (as adjusted by the Exchange Ratio).

See "The Arrangement – Treatment of NWI Debentures and NWI Deferred Units".

**Information Relating to the Combined REIT**

***Overview***

The Combined REIT will operate under the NWH name, and be a leading global healthcare real estate investment trust with a focus on core healthcare real estate infrastructure including MOB and hospitals in Canada, Brazil, Germany, Australia and New Zealand. The Combined REIT intends to provide sustainable monthly cash distributions, while allowing investors to diversify their healthcare real estate holdings beyond strictly the Canadian market into compelling international growth markets. Following completion of the Arrangement, the Combined REIT will employ approximately 180 professionals across nine offices in five different countries.

***Business of the Combined REIT***

Healthcare real estate represents a uniquely compelling asset class within commercial real estate, serving as a defensive asset class with both scale and significant growth opportunities as healthcare needs continue to grow globally. NWH and NWI believe that international markets will continue to offer attractive international healthcare real estate acquisition opportunities for the Combined REIT in the future due to the following key drivers:

- *Aging Population*. The 65 and over population cohort is growing rapidly in developed countries.
- *Increased Healthcare Spend*. Global healthcare spending reached $7.2 trillion in 2014 (representing approximately 10.6% of world GDP) and is trending upwards at a rate of 5.2% per year.
- *Growing Populations and Wealth Creation*. Patients in emerging economies historically demand better access to quality healthcare, and seek more choice and control over their healthcare options.
- *Consolidation and Cost Savings*. The global healthcare industry is becoming increasingly consolidated as public-private partnerships seek to build the scale required to achieve efficiency and quality. The Combined REIT is well positioned to capitalize on this climate as a result of management's local market knowledge and strong relationships with leading international healthcare providers.
- *The Rise of Private Healthcare*. Budget pressures and new government mandates affecting the sustainability of public healthcare funding has resulted in a proliferation of private providers in the healthcare sector, increasing the number of operator tenants in the healthcare provision space.

***Transaction Rationale***

Over the past several years, some of Canada's largest pension funds and institutional investors have increasingly sought out investment opportunities outside of Canada in the real estate sector. These investors have increased the international component of their real estate investments for reasons that include diversification, acquiring core healthcare infrastructure real estate such as regional hospitals otherwise not available in the Canadian market to private investors, seeking higher risk-adjusted returns and the possibility of generating long-term, stable cash flows from a highly defensible real estate asset class. The Combined REIT will provide a unique opportunity for Canadian retail and institutional investors to diversify their healthcare real estate investments, as large Canadian pension funds and other large Canadian institutional investors have done, by investing in a well-established entity that will pursue investment opportunities in higher growth international real estate markets while retaining a significant interest in the Canadian market.

The Combined REIT will have a significantly broader unitholder base with a significantly larger public float which is expected to increase trading liquidity in the Combined REIT's units. Based on the closing price of the NWH Units on the TSX on March 10, 2015 (the last trading day preceding the announcement of the Arrangement Agreement), the Combined REIT would have had a pro forma market capitalization of approximately $677.3 million, including the Redeemable Units.

The combined portfolio boasts strong fundamentals, including occupancy of approximately 93.9%, WALE of approximately 7.9 years and an asset mix consisting of 68% MOB and 32% regional hospitals on an NOI basis.

The Combined REIT will have exposure to a large, established portfolio of 122 geographically diversified healthcare properties in four strategic international markets. This geographic diversification adds stability by reducing the Combined REIT's vulnerability to economic fluctuations affecting any particular country or region, and provides a platform for organic growth as the Combined REIT seeks to expand in each targeted market.

See "Information Relating to the Combined REIT".

***Unaudited Pro Forma Financial Information***

The pro forma financial statements attached as Appendix B were based on, and should be read in conjunction with, the historical consolidated financial statements and related notes of both NWH and NWI for the applicable periods, which have been incorporated by reference in this Circular.

See Appendix B - Unaudited Pro Forma Condensed Combined Financial Statements of the Combined REIT and the selected unaudited adjusted pro forma financial information for the Combined REIT that is included under the heading "Information Relating to the Combined REIT – Unaudited Pro Forma Financial Profile".

***Management of the Combined REIT***

Following completion of the Arrangement, and in accordance with the Arrangement Agreement, the board of trustees of the Combined REIT will initially be comprised of the following seven individuals: Martin Barkin; Robert Baron; Bernard Crotty; Paul Dalla Lana (Chair); Brian Petersen; Colin Loudon; and David Naylor. Senior management of the Combined REIT will consist of the individuals who are, immediately before the Effective Time, senior management of NWI, and senior management of the Combined REIT's Canadian division will consist of the individuals who are, immediately before the Effective Time, senior management of NWH.

See "Information Relating to the Combined REIT – Management of the Combined REIT".

***Distribution Policy***

It is anticipated that the Combined REIT Board will target the pro rata payment to NWH Unitholders of: (i) 80-95% of the Combined REIT's AFFO; and (ii) an amount at least equal to the net income and net realized capital gains of NWH as is necessary to ensure that NWH will not be liable for ordinary income taxes on such income. Pursuant to the Combined REIT Declaration of Trust, the Combined REIT Board retains the power to amend the Combined REIT's distribution policy in any manner and at any time as it may deem necessary or appropriate in the future. For these reasons, as well as others, there can be no assurance that distributions in the future will be equal or similar to the amount historically paid on the NWH Units and that the Combined REIT Board will not decide to suspend or discontinue the payment of distributions in the future.

See "Information Relating to the Combined REIT – Distribution Policy".

***Distribution Reinvestment Plan***

Following the completion of the Arrangement, it is anticipated that the Combined REIT will continue NWH's current DRIP which enables qualified NWH Voting Unitholders to reinvest their cash distributions, net of any applicable withholding taxes, into additional NWH Units. NWH Voting Unitholders participating in the DRIP receive a "bonus distribution" of NWH Units equal in value to 3% of each distribution. Computershare Trust Company of Canada is plan agent for the DRIP, and acts on behalf of the participants.

See "Information Relating to the Combined REIT – Distribution Reinvestment Policy".

***The Combined REIT Declaration of Trust***

In connection with, and in order to give effect to, the Arrangement, certain amendments will be made to the NWH Declaration of Trust, which will be reflected in the Combined REIT Declaration of Trust. The proposed amendments are intended to facilitate the Arrangement and the conduct of the Combined REIT's business following completion of the Arrangement, eliminate provisions that are no longer relevant to the Combined REIT and more closely align the Combined REIT Declaration of Trust with the governing documents of other Canadian publicly-listed real estate investment trusts of similar size and complexity.

See "Information Relating to the Combined REIT – Combined REIT Declaration of Trust".

***The Combined REIT's Relationship with NWVP***

Upon completion of the Arrangement, NWVP is expected to hold an approximate 34% interest in the Combined REIT through the ownership of approximately 4,998,400 NWH Units and 19,188,063 NWH Special Voting Units. Paul Dalla Lana, who will serve as Chairman and Chief Executive Officer of the Combined REIT, owns 100% of NWVP. NWVP will also be party to certain contractual arrangements with the Combined REIT that relate to the appointment of trustees, pre-emptive rights and registration rights that are similar to those currently held by (a) NWVP in respect of NWI, and (b) NWI in respect of NWH.

See "Information Relating to the Combined REIT – The Combined REIT's Relationship With NWVP".

**Canadian Securities Law Matters**

The NWH Units to be issued in exchange for NWI Units pursuant to the Arrangement will be issued in reliance upon exemptions from the prospectus requirements of securities legislation in each province and territory of Canada. Subject to certain disclosure and regulatory requirements and to customary restrictions applicable to distributions of units that constitute "control distributions", NWH Units issued under the Arrangement may be resold in each province and territory in Canada, subject in certain circumstances, to the usual conditions that no unusual effort, or no effort, has been made to prepare the market or create demand.

MI 61-101 regulates certain types of related party transactions to ensure equality of treatment among security holders and may require enhanced disclosure, approval by a majority of security holders (excluding "interested parties" under applicable Law), independent valuations and, in certain instances, approval and oversight of certain transactions by a special committee of independent trustees. As reporting issuers or the equivalent in each province of Canada, NWI and NWH are, among other things, subject to MI 61-101.

See "Regulatory Matters – Canadian Securities Law Matters".

**United States Securities Law Matters**

The NWH Units issuable to NWI Unitholders in exchange for their NWI Units under the Arrangement have not been and will not be registered under the U.S. Securities Act, and such securities will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by section 3(a)(10) thereof. The NWH Units to be received by NWI Unitholders upon completion of the Arrangement may be resold without restriction under the U.S. Securities Act, except in respect of resales by persons who are "affiliates" of NWH at the time of such resale or who have been affiliates of NWH within 90 days before such resale.

See "Regulatory Matters – United States Securities Law Matters".

**Certain Canadian Federal Income Tax Considerations**

NWH Unitholders will not be considered to have disposed of their NWH Units as a result of the Arrangement. Generally, an NWI Unitholder will not realize a capital gain or a capital loss in respect of the exchange of NWI Units for NWH Units pursuant to the Arrangement.

The foregoing summary is qualified in its entirety by the more detailed summary set forth in this Circular under the heading "Certain Canadian Federal Income Tax Considerations". NWI Unitholders and NWH Unitholders should consult their own tax advisors regarding the tax consequences of the Arrangement.

**Risk Factors**

There are a number of risk factors relating to the Arrangement, the business of NWI, the business of NWH and the NWH Units all of which should be carefully considered by NWI Voting Unitholders and NWH Voting Unitholders.

See "Risk Factors Relating to the Arrangement", "Information Relating to NWI – Risk Factors" and "Information Relating to NWH – Risk Factors".

## THE ARRANGEMENT

### Background to the Arrangement

The terms of the Arrangement and the provisions of the Arrangement Agreement are the result of arm's length negotiations conducted between representatives of NWH, NWI, the NWH Independent Committee, the NWI Independent Committee, NWVP and their respective advisors. The following is a summary of the material meetings, negotiations, discussions and actions among the parties that preceded the execution and public announcement of the Arrangement Agreement.

In December 2013, the NWH Board, along with management of NWH, commenced a review of the various strategic alternatives available to NWH to increase unitholder value. The alternatives considered included methods to increase the quality and quantity of NWH's healthcare portfolio, a possible material acquisition, acquiring in-house development capability, a possible sale of all or some of NWH to a third party and the expansion of the business into other real estate sectors including the international healthcare sector. On international healthcare real estate, Paul Dalla Lana presented his perspective and suggested a possible opportunity with NWI, which had established investments in Australia, New Zealand, Brazil and Germany, might be considered if it made strategic sense. The NWH Board directed management to further explore all options and report back at its upcoming strategy session. At that time, as NWI was externally managed by an affiliate of NWVP, and had its ownership in NWH, the NWH Board felt that consideration of the opportunity required an added oversight.

In February 2014, the NWH Board struck the NWH Independent Committee with a mandate to review and, if considered appropriate, negotiate a potential combination transaction with NWI and to consider such other matters as the NWH Independent Committee determined to be advisable. The NWH Independent Committee consisted of Michael Knowlton (Chair), Martin Barkin and Elisabeth Stroback, all of whom were independent of both NWH and NWI.

The NWH Independent Committee retained McCarthy Tétrault LLP as legal counsel and received presentations on the legal responsibilities of the trustees in the context of a merger with a related party, possible alternative legal structures and related process and timing issues. After interviewing candidates, the NWH Independent Committee retained an independent financial adviser.

The NWH Independent Committee had meetings in February and March 2014 with its legal and financial advisors as well as with management of NWH and representatives of NWI. The NWH Independent Committee gave preliminary consideration to the merits of the proposed transaction with NWI, the risks that would be present, and the alternatives available to NWH, including its prospects if it simply carried on business in the ordinary course without a material strategic transaction. The NWH Independent Committee determined at that time that there was significant merit to a potential business combination and that its financial advisor should proceed with a preliminary financial analysis and report back to the NWH Independent Committee as to its progress.

In March 2014, NWI retained BMO Capital Markets and NBF as financial advisers to provide preliminary financial analysis on a potential transaction with NWH. BMO Capital Markets and NBF met with NWI management several times during March and April 2014 and considered the merits of a potential transaction with NWH.

In May 2014, the NWH Board and management met to further consider various strategic options including a potential transaction with NWI. Of the alternatives considered, the opportunity that represented the best alignment and growth opportunity was to expand the business beyond Canada and acquire international healthcare properties. Considering that NWI was already engaged in that business, a business combination with NWI presented an attractive opportunity to move forward with the strategy, particularly in view of the ownership position that NWI already held in NWH. Several additional benefits from such a combination were identified including that the combination could create a public company with greater diversification in its portfolio of healthcare properties, significantly enhance prospects for organic and acquisition growth, and would result in economies of scale as well as a significant increase in market capitalization which could lead to greater access to capital.

In May 2014, the NWH Independent Committee met with its financial advisor. The required scope of due diligence, the approach comparing relative values at NWI and NWH, the risks of the proposed transaction, possible alternatives and an indicative timetable were discussed and the NWH Independent Committee determined to continue with the process.

The NWH Independent Committee and the NWI Board received further updates from their advisors at a series of meetings held in June, July and August 2014. During this period, the NWH Independent Committee gave consideration to pursuing

alternative transactions with third parties. It was determined that such a transaction was not feasible in the circumstances and as a result the NWH Independent Committee did not further pursue the strategic alternative of a transaction with a third party.

In July, August and September 2014, with information from their respective financial advisors, the NWH Independent Committee and NWI management engaged in discussions and negotiations. Such discussions allowed the parties to identify several matters requiring further due diligence or clarity prior to moving forward with a transaction.

Following changes to the NWH Board and a process to identify qualified independent trustees, Brian Petersen was appointed a trustee of NWH in October 2014, and the chair of the NWH Independent Committee in November 2014.

The parties resumed negotiating a possible combination of NWI and NWH in November 2014. By that time, NWI had completed a number of transactions that enhanced its scale, balance sheet, public float and liquidity and NWH had further clarity around certain of its business prospects.

In November 2014, the NWH Independent Committee retained Canaccord Genuity to provide financial analysis and, if requested, to prepare a formal valuation that would comply with the requirements of MI 61-101. The NWH Independent Committee had several meetings and discussions with Canaccord Genuity with respect to its views with respect to a proposed transaction, including reviews of the potential benefits to NWH Unitholders.

In December 2014, Colin Loudon joined the NWH Board and the NWH Independent Committee. Throughout December 2014 and early January 2015, the NWH Independent Committee and NWI Board each met to discuss the status of the negotiations, terms of a potential transaction and required due diligence.

On January 8, 2015, NWH and NWI signed a confidential non-binding letter of intent with respect to a proposed business combination which was subject to a number of conditions, including due diligence by the respective parties.

During the remainder of January and February 2015, the parties, with advice and assistance from Goodmans LLP and McCarthy Tétrault LLP, engaged in due diligence and continued discussions and negotiations with respect to the most advantageous structure for the combination, regulatory approvals that would be required, the unitholder approval process, and the terms and conditions of the Arrangement Agreement, Plan of Arrangement and other documentation.

On January 19, 2015, the NWI Board met with management, BMO Capital Markets, NBF and Goodmans LLP. BMO Capital Markets and NBF provided the NWI Board with an updated financial analysis of a potential transaction, while management and Goodmans LLP reviewed the due diligence completed to date and discussed structuring alternatives and regulatory matters.

On January 20, 2015, the NWH Independent Committee, along with McCarthy Tétrault LLP and NWH management, met to discuss the status of the potential transactions, including the due diligence undertaken to date. The NWH Independent Committee approved recommending to the NWH Board that NWH continue to proceed with the process, including the due diligence and input from financial and legal advisors.

On February 18, 2015, the NWI Board met again with management, BMO Capital Markets, NBF and Goodmans LLP. BMO Capital Markets and NBF gave updated perspectives on a potential transaction, while management and Goodmans LLP updated the NWI Board on the progress of the negotiations and the outstanding issues. At this meeting, the NWI Board discussed certain aspects of the transaction in which the interests of NWVP may not be aligned with the interests of NWI's other unitholders, as discussed under "The Arrangement – Interests of Certain Persons in the Arrangement" below. The NWI Board then agreed to formally establish the NWI Independent Committee (consisting of Robert Baron and David Naylor) to consider the combination and determine whether it was in the best interests of NWI and its unitholders, other than NWVP. The NWI Independent Committee retained Peterson & Company LLP to provide it with legal advice. The NWI Independent Committee and Peterson & Company LLP met several times over the following weeks to review the status of the negotiations and outstanding issues.

From February 18, 2015 until March 10, 2015, the parties and their advisors continued to negotiate the form of Arrangement Agreement. During that period, the parties and their advisors met in person or by telephone on numerous occasions in an attempt to arrive at a common view as to the terms of a combination transaction.

On March 5, 2015, the NWH Independent Committee met with Canaccord Genuity to review the methodology they were using to complete their review of NWH, NWI and the Combined REIT, including the potential benefits to NWH unitholders from the combination. NWH management joined for the review of NWH.

On March 6, 2015 the NWH Independent Committee and McCarthy Tétrault LLP met to discuss the status of negotiations, various agreements, a review of the due diligence completed, information received from its financial advisors and the potential timing of a transaction. It was concluded that significant due diligence had been undertaken and the NWH Independent Committee should proceed towards a transaction.

On March 6, 2015, the NWI Board received a further update from management and Goodmans LLP on the status of negotiations. At the meeting, the NWI Board discussed the due diligence completed to date and confirmed a willingness to proceed with a transaction. Later that day, the management teams of NWH and NWI, with the NWH Independent Committee and NWI Independent Committee present, met to discuss remaining due diligence matters and potential synergies that might be available.

On March 10, 2015, Robert Baron resigned as a trustee of NWH. That same day, the NWH Independent Committee met with McCarthy Tétrault LLP and Canaccord Genuity present. McCarthy Tétrault LLP reported on the status of the legal agreements and the trustees reviewed their terms and conditions. Canaccord Genuity orally presented the Canaccord Formal Valuation and NWH Fairness Opinion described below. At the conclusion of that meeting, the NWH Independent Committee resolved to recommend to the full NWH Board that they approve the Arrangement Agreement, Voting and Support Agreements, Plan of Arrangement and related materials and that a press release be issued disclosing the proposed transaction. The NWH Board (with Paul Dalla Lana and Bernard Crotty declaring their interests and abstaining) approved the agreements later that day.

Also on March 10, 2015, the NWI Board met with BMO Capital Markets, NBF, Goodmans LLP and Peterson & Company LLP present. BMO Capital Markets and NBF provided an updated analysis of the combination and orally presented the NWI Fairness Opinions described below, and Goodmans LLP reported on the status of the legal agreements and the trustees reviewed their terms and conditions. Following these presentations, the NWI Board meeting adjourned and the NWI Independent Committee met in camera, first with BMO Capital Markets, NBF and Peterson & Company LLP present, and then with just Peterson & Company LLP present. At the conclusion of that meeting, the NWI Independent Committee resolved to recommend to the full NWI Board that they approve the Arrangement Agreement, Voting and Support Agreements, Plan of Arrangement and related materials and that a press release be issued disclosing the proposed transaction. The NWI Board (with Paul Dalla Lana and Bernard Crotty declaring their interests and abstaining) approved the agreements later that day.

Later in the evening on March 10, 2015, the parties entered into the Arrangement Agreement and Voting and Support Agreements. NWH and NWI issued a joint news release announcing the transaction prior to the opening of trading on March 11, 2015.

**Recommendation of the NWH Independent Committee**

After careful consideration, including consultation with its independent legal and financial advisors, the NWH Independent Committee unanimously determined that the Arrangement is in the best interests of NWH. The NWH Independent Committee unanimously recommended that the NWH Board approve the Arrangement Agreement and the related agreements and that the NWH Board recommend that NWH Voting Unitholders vote their NWH Voting Units **FOR** the NWH Resolution.

**Recommendation of the NWH Board**

After careful consideration, and based upon the unanimous recommendation of the NWH Independent Committee, the NWH Board has unanimously determined (with Paul Dalla Lana and Bernard Crotty declaring their interests in the transaction and abstaining from voting) that the Arrangement is in the best interests of NWH, and recommends that NWH Voting Unitholders vote their NWH Voting Units FOR the NWH Resolution.

**Reasons for the Recommendations of the NWH Independent Committee and the NWH Board**

The NWH Board has carefully considered all aspects of the Contemplated Transactions and has received the benefit of advice from its financial and legal advisors and a recommendation from the NWH Independent Committee. The NWH Board and

the NWH Independent Committee identified a number of factors set out below as being the most relevant to its recommendation to holders of NWH Voting Units to vote for the NWH Resolution. Neither the NWH Board nor the NWH Independent Committee considered it practical to, and did not attempt to, assign relative weights to the various factors considered in reaching their respective conclusions and recommendations. In addition, individual members of the NWH Board and the NWH Independent Committee may have given different weight to different factors. The conclusions and recommendations of the NWH Board and the NWH Independent Committee were made after considering the totality of the information and factors considered.

The conclusions and recommendations of the NWH Board are based upon the following factors, among others:

- *Enhanced Scale* – The transformational transaction increases the scale of NWH and provides exposure to high quality international medical office buildings and hospital assets, creating a global healthcare real estate platform.
- *Improved Portfolio Characteristics* – The transaction improves the characteristics of the combined portfolio including average age of buildings, same property growth, occupancy, average lease term and asset and geographic diversification.
- *Enhanced Growth Prospects* – The combination with NWI will greatly enhance the prospects for growth of NWH by enabling the combined company to pursue value enhancing growth opportunities in international markets where NWI has operating experience and well established partnerships.
- *Exposure to International Markets* – The diversification of NWH's portfolio afforded by NWI's investments in Australia, New Zealand, Brazil and Germany is expected to provide material benefit to NWH.
- *Accretive* – The Arrangement is expected to be accretive to NWH's AFFO per unit.
- *Enhanced Capital Markets Presence* – The Combined REIT is expected to have enhanced access to capital due to its larger scale, portfolio diversification and growth prospects.
- *Unified Platform* – The transaction combines the management and operating platforms of NWH and NWI as well as streamlines the costs inherent in managing two separate publicly traded REITs.
- *Larger Float and Improved Trading Liquidity* – The transaction will significantly increase the public float of NWH and is expected to increase the trading liquidity of the Combined REIT.

The NWH Board and NWH Independent Committee also considered a variety of risks and other potentially negative factors relating to the Arrangement including those matters described under the heading "Risk Factors Relating to the Arrangement". The NWH Board and NWH Independent Committee believed that, overall, the anticipated benefits of the Arrangement to NWH outweighed these risks and negative factors.

**Canaccord Genuity Formal Valuation and NWH Fairness Opinion**

**The following constitutes only a summary of the Canaccord Genuity Formal Valuation and NWH Fairness Opinion and is qualified in its entirety by the full text of the Canaccord Genuity Formal Valuation and NWH Fairness Opinion, which describes the assumptions made, procedures followed, valuation approaches and other factors considered and limitations on the review undertaken by Canaccord Genuity. NWH Unitholders and NWI Unitholders are urged to read the Canaccord Genuity Formal Valuation and NWH Fairness Opinion in their entirety. The Canaccord Genuity Formal Valuation and NWH Fairness Opinion are attached as Appendix H hereto and form part of this Circular. The NWH Fairness Opinion which forms part of the Canaccord Genuity Formal Valuation is directed only to the fairness to NWH Unitholders (other than NWI), from a financial point of view, of the consideration to be paid by NWH to NWI Unitholders pursuant to the Arrangement. The NWH Fairness Opinion does not address the relative merits of the Arrangement as compared to other business strategies or transactions that might be available to either NWH or NWI or the underlying business decision of either NWH or NWI to effect the Arrangement. The NWH Fairness Opinion does not constitute a recommendation by Canaccord Genuity to any NWH Unitholder or NWI Unitholder as to how such unitholder should vote or act with respect to any matters relating to the Arrangement.**

***Valuation Requirement***

As the Arrangement constitutes a "business combination" under MI 61-101, NWH was required to obtain a formal valuation of the NWH Units and the NWI Units from a qualified independent valuator and to provide the holders of the NWH Units and the NWI Units with a summary of such valuation.

***Engagement***

Pursuant to the terms of an Engagement Agreement between NWH and Canaccord Genuity dated November 17, 2014, the NWH Independent Committee retained Canaccord Genuity to prepare and deliver to the NWH Independent Committee: (i) the Canaccord Genuity Formal Valuation and (ii) the NWH Fairness Opinion. In retaining Canaccord Genuity, it was concluded that, based in part on representations made by Canaccord Genuity, Canaccord Genuity was independent and qualified to provide the Canaccord Genuity Formal Valuation and the NWH Fairness Opinion. Pursuant to the Engagement Agreement, Canaccord Genuity is to be paid an aggregate fee of $1,050,000 payable upon delivery of the Canaccord Genuity Formal Valuation and the NWH Fairness Opinion. In addition, Canaccord Genuity is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by NWH in certain circumstances. The compensation of Canaccord Genuity under the Engagement Agreement does not depend in whole or in part on the conclusions reached in the Canaccord Genuity Formal Valuation, the NWH Fairness Opinion or the outcome of the Arrangement.

The Canaccord Genuity Formal Valuation has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinion of IIROC but IIROC has not been involved in the preparation or review of the Canaccord Genuity Formal Valuation.

***Credentials of Canaccord Genuity***

Canaccord Genuity is an independent investment bank providing a full range of corporate finance, merger and acquisition, financial restructuring, institutional sales and trading, and equity research services. The Canaccord Genuity Formal Valuation and NWH Fairness Opinion represent the views and opinions of Canaccord Genuity, and the form and content of the Canaccord Genuity Formal Valuation and NWH Fairness Opinion have been approved by a committee of Canaccord Genuity senior officers, each of whom is experienced in merger, acquisition, divestiture, valuation and capital markets matters.

***Independence of Canaccord Genuity***

Neither Canaccord Genuity, nor any of its affiliated entities (as such term is defined for the purposes of MI 61-101) (i) is an associated or affiliated entity or issuer insider (as such terms are defined for the purposes of MI 61-101) of NWH, NWI, or any of their respective associates or affiliates, (ii) is an advisor to NWI, NWH or any of their respective associates or affiliates in connection with the Arrangement, or (iii) is a manager or co-manager of a soliciting dealer group formed in respect of the Arrangement (or a member of such a group performing services beyond the customary soliciting dealer's functions or receiving more than the per security or per security holder fees payable to the other members of the group). Canaccord Genuity has not been engaged to provide any financial advisory services to NWH, NWI or any of their respective associates or affiliates in connection with the Arrangement other than the services provided under the Engagement Agreement and as described herein.

Canaccord Genuity acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of NWH, NWI or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, Canaccord Genuity conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to NWH, NWI or the Arrangement.

Canaccord Genuity has not participated in any financings involving NWH, NWI or any of their respective associates or affiliates, within the past two years, other than as co-manager on NWH's $40,250,000 bought deal offering of 5.25% convertible debentures that closed on September 11, 2013, and with respect to NWI as co-manager on: a $22,600,000 bought deal offering of 6.50% convertible debentures that closed on March 25, 2013, a $17,500,000 bought deal offering of 7.50% convertible debentures that closed on August 29, 2013, a $19,704,140 bought deal offering of trust units at $2.00 that closed on December 18, 2013, a $23,000,002 bought deal offering of trust units at $2.05 that closed on May 21, 2014, a $38,750,000 bought deal offering of 7.25% convertible debentures that closed on September 23, 2014, and a $30,001,100 bought deal offering of trust units at $2.15 that closed on November 25, 2014.

The fees paid to Canaccord Genuity in connection with the foregoing activities, together with the fees payable to Canaccord Genuity pursuant to the Engagement Agreement, are not, in the aggregate, financially material to Canaccord Genuity and do not give Canaccord Genuity any financial incentive in respect of the conclusions reached in the Canaccord Genuity Formal Valuation or the NWH Fairness Opinion or the outcome of the Arrangement. There are no understandings, agreements or commitments between Canaccord Genuity and NWH, NWI or any of their respective associates or affiliates with respect to any future business dealings. Canaccord Genuity may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for NWH, NWI or any of their respective associates or affiliates.

***Definition of Fair Market Value***

For purposes of the Canaccord Genuity Formal Valuation, fair market value means the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act. In determining the fair market value of the NWH Units and the NWI Units, as the case may be, Canaccord Genuity has not made any downward adjustment to the value of the NWH Units or the NWI Units to reflect the liquidity of the NWH Units or the NWI Units, the effect of the Arrangement on the NWH Units or the NWI Units or whether or not the NWH Units or the NWI Units form part of a controlling interest. Values determined on the foregoing basis represent "en bloc" values, that is, values that an acquirer of 100% of the NWH Units or the NWI Units would be expected to pay in an open auction of NWH and NWI, respectively.

***Approach to Value***

The Canaccord Genuity Formal Valuation is based upon the methodologies and assumptions that Canaccord Genuity considered appropriate in the circumstances for the purposes of arriving at an opinion as to the range of fair market values of the NWH Units and the NWI Units. Fair market value of the NWH Units and the NWI Units was analyzed on a going-concern basis and is expressed on a per unit basis.

***Scope of Review***

In connection with the Canaccord Genuity Formal Valuation, Canaccord Genuity reviewed, considered, and relied upon (without attempting to verify independently the completeness or accuracy thereof) or carried out, among other things, publicly available information as disclosed by NWH and NWI; financial projections provided by management of each of NWH and NWI; discussions with senior management of each of NWH and NWI; and such other corporate, industry and financial market information, investigations and analyses as Canaccord Genuity considered necessary or appropriate in the circumstances. Canaccord Genuity has not, to the best of its knowledge, been denied access by NWH or NWI to any information requested by Canaccord Genuity. Canaccord Genuity did not meet with the auditors of either NWH or NWI as part of its review and has assumed the accuracy and fair presentation of and relied upon the financial statements of NWH and NWI, as presented.

***Canaccord Genuity Formal Valuation and NWH Fairness Opinion***

Canaccord Genuity advised the NWH Independent Committee that, based upon and subject to the analysis contained in the Canaccord Genuity Formal Valuation, in addition to such other factors that it considered relevant, Canaccord Genuity is of the opinion that, as of March 10, 2015, the fair market value of the NWH Units is in the range of $10.25 to $11.75 per NWH Unit, and the fair market value of the NWI Units is in the range of $2.15 to $2.40 per NWI Unit.

Based upon and subject to the assumptions, qualifications, and limitations set out in the Canaccord Genuity Formal Valuation, and such other matters as Canaccord Genuity considered relevant, Canaccord Genuity is of the opinion that, as of March 10, 2015, the consideration to be paid by NWH to NWI Unitholders pursuant to the Arrangement is fair, from a financial point of view, to NWH Unitholders, other than NWI.

**Recommendation of the NWI Independent Committee**

After careful consideration, including consultation with its independent legal and financial advisors, the NWI Independent Committee unanimously determined that the Arrangement is in the best interests of NWI. The NWI Independent Committee unanimously recommended that the NWI Board approve the Arrangement Agreement and the related agreements and that the NWI Board recommend that NWI Voting Unitholders vote their NWI Voting Units **FOR** the Arrangement Resolution.

**Recommendation of the NWI Board**

After careful consideration, and based upon the unanimous recommendation of the NWI Independent Committee, the NWI Board has unanimously determined (with Paul Dalla Lana and Bernard Crotty declaring their interests in the transaction and abstaining from voting) that the Arrangement is in the best interests of NWI, and unanimously recommends that NWI Voting Unitholders vote their NWI Voting Units **FOR** the Arrangement Resolution.

**Reasons for the Recommendations of the NWI Independent Committee and the NWI Board**

The NWI Board has carefully considered all aspects of the Contemplated Transactions and has received the benefit of advice from its financial and legal advisors and a recommendation from the NWI Independent Committee. The NWI Board and the NWI Independent Committee identified a number of factors set out below as being the most relevant to its recommendation to holders of NWI Voting Units to vote for the Arrangement Resolution that will implement the Contemplated Transactions. Neither the NWI Board nor the NWI Independent Committee considered it practical to, and did not attempt to, assign relative weights to the various factors considered in reaching their respective conclusions and recommendations. In addition, individual members of the NWI Board and the NWI Independent Committee may have given different weight to different factors. The conclusions and recommendations of the NWI Board and the NWI Independent Committee were made after considering the totality of the information and factors considered.

The conclusions and recommendations of the NWI Board are based upon the following factors, among others:

- *Enhanced Scale* – The transformational transaction increases the scale of NWI and increases its exposure to NWH's large and stable portfolio of Canadian MOBs and healthcare related facilities.
- *Enhanced Flexibility and Access to Capital* – The larger combined entity is expected to have enhanced flexibility and greater access to liquidity to pursue value enhancing growth opportunities.
- *Stable Canadian Portfolio* – The stability of NWH's Canadian portfolio of high quality healthcare real estate when combined with NWI's portfolio in Brazil, Germany, Australia and New Zealand, is expected to provide significant diversification benefits to NWI.
- *Reduces Overall Leverage* – The transaction will reduce NWI's leverage and provide enhanced balance sheet flexibility.
- *Enhanced Capital Markets Presence* – The Combined REIT is expected to have enhanced access to capital due to its larger scale, portfolio diversification and growth prospects.
- *Unified Platform* – The transaction combines the management and operating platforms of NWH and NWI as well as streamlines the costs inherent in managing two separate publicly traded REITs.
- *Larger Float and Improved Trading Liquidity* – The transaction will significantly increase the public float of NWH and is expected to increase the trading liquidity of the combined entity.

The NWI Board and NWI Independent Committee also considered a variety of risks and other potentially negative factors relating to the Arrangement including those matters described under the heading "Risk Factors Relating to the Arrangement". The NWI Board and NWI Independent Committee believed that, overall, the anticipated benefits of the Arrangement to NWI outweighed these risks and negative factors.

**Other Considerations**

In making their respective determinations and recommendations, each of the NWI Board and the NWH Board (and their respective independent committee) also observed that a number of procedural safeguards were and are present to permit each of the boards and their respective independent committee to represent effectively the interests of each of the Parties, the NWI Unitholders and NWH Unitholders, the minority unitholders of each of the Parties, and the other stakeholders of each of the Parties, including, among others:

- *Role of the NWH Independent Committee.* The NWH Independent Committee evaluated and negotiated the Arrangement on behalf of NWH. The NWH Independent Committee consists of individuals who are independent of management and NWI. The NWH Independent Committee met regularly with its own independent legal and financial advisors.

- *Role of the NWI Independent Committee.* The NWI Independent Committee evaluated and negotiated aspects of the Arrangement involving NWVP on behalf of NWI. The NWI Independent Committee consists of individuals who are independent of management and NWVP. The NWI Independent Committee met regularly with NWI's financial advisors and retained its own independent legal advisor.
- *Ability to Respond to Superior Proposals.* Notwithstanding the limitations contained in the Arrangement Agreement on each Party's ability to solicit interest from third parties, the Arrangement Agreement allows each of the Parties to engage in discussions or negotiations with respect to an unsolicited written bona fide Acquisition Proposal at any time: (i) in the case of NWI, prior to the approval of the Arrangement Resolution by the NWI Voting Unitholders and after the NWI Board determines, in good faith, after consultation with its financial advisors and outside legal counsel, that such Acquisition Proposal could reasonably be expected to lead to a Superior Proposal; or, (ii) in the case of NWH, prior to the approval of the NWH Resolution by the NWH Voting Unitholders and after the NWH Board determines, in good faith, after consultation with its financial advisors and outside legal counsel, that such Acquisition Proposal could reasonably be expected to lead to a Superior Proposal.
- *Reasonable Termination Fee.* The amount of the reciprocal Termination Fee, being $17 million, is reasonable in the circumstances.
- *Protection for NWI Unitholders.* The Arrangement is subject to the following securityholder and Court approvals, which protect NWI Unitholders:
    - pursuant to the NWI Declaration of Trust, the Arrangement Resolution must be approved, with or without variation, by the affirmative vote of at least two-thirds of the votes cast on the Arrangement Resolution by NWI Voting Unitholders present in person or represented by proxy and entitled to vote at the NWI Meeting;
    - the Arrangement must be approved by the Court, which will consider, among other things, the fairness and reasonableness of the Arrangement to NWI Unitholders; and
    - any registered NWI Voting Unitholder who opposes the Arrangement may, on strict compliance with certain conditions, exercise its Dissent Rights and receive the fair value of the Dissent Units in accordance with the section 191 of the ABCA, as modified by the Interim Order and the Plan of Arrangement.
- *Protection for NWH Unitholders*. The Arrangement is subject to the following securityholder and Court approvals, which protect NWH Unitholders:
    - pursuant to the NWH Declaration of Trust, the NWH Resolution must be approved, with or without variation, by the affirmative vote of at least two-thirds of the votes cast on the NWH Resolution by NWH Voting Unitholders present in person or represented by proxy and entitled to vote at the NWH Meeting; and
    - pursuant to MI 61-101 and TSX rules, the Arrangement requires approval of a majority of votes cast by NWH Voting Unitholders other than NWH Voting Units held by NWI, its trustees and senior officers and any affiliate of, or person acting jointly or in concert with any of the foregoing or any other related party of NWH; and
    - the Arrangement must be approved by the Court, which will consider, among other things, the fairness and reasonableness of the Arrangement to NWI Unitholders.
- *NWVP and all of the Trustees and Officers of NWI will be voting FOR the Arrangement Resolution.* NWVP (who holds approximately 65% of NWI's Voting Units) and all of the trustees of and senior executive officers of NWI have agreed to vote all NWI Voting Units that they own or exercise control or direction over in favour of the Arrangement Resolution.
- *All of the Trustees and Officers of NWH will be voting FOR the NWH Resolution*. All of the trustees and certain senior executive officers of NWH that own NWH Voting Units have agreed to vote all NWH Voting Units that they own or exercise control or direction over in favour of the NWH Resolution.

**BMO Capital Markets NWI Fairness Opinion**

Pursuant to an engagement letter, BMO Capital Markets agreed to provide NWI with various advisory services in connection with the Arrangement including, among other things, the provision of an opinion as to whether the consideration to be received by the NWI Unitholders pursuant to the Arrangement is fair, from a financial point of view, to the NWI Unitholders.

The BMO Capital Markets NWI Fairness Opinion states that, in the opinion of BMO Capital Markets, as of March 10, 2015, and based upon and subject to the assumptions, qualifications and limitations set out in the BMO Capital Markets NWI

Fairness Opinion, the consideration to be received by the NWI Unitholders pursuant to the Arrangement is fair from a financial point of view to the NWI Unitholders.

The terms of the engagement letter between NWI and BMO Capital Markets provide that BMO Capital Markets will receive a fee for rendering the BMO Capital Markets NWI Fairness Opinion and certain fees for its advisory services, a substantial portion of which is contingent upon the successful completion of the Arrangement. BMO Capital Markets is also to be reimbursed for its reasonable out-of-pocket expenses. Furthermore, the REIT has agreed to indemnify BMO Capital Markets, in certain circumstances, against certain liabilities that might arise out of its engagement.

The full text of the BMO Capital Markets NWI Fairness Opinion, which sets out the assumptions, limitations and qualifications to which the BMO Capital Markets NWI Fairness Opinion is subject, is attached as Appendix Ito this Circular. NWI Unitholders are encouraged to read the BMO Capital Markets NWI Fairness Opinion carefully in its entirety. The BMO Capital Markets NWI Fairness Opinion was provided to the NWI Board in connection with its evaluation of the consideration to be received pursuant to the Arrangement, and the BMO Capital Markets NWI Fairness Opinion may not be used by any other person or relied upon by any other person other than the NWI Board without the express prior written consent of BMO Capital Markets. The BMO Capital Markets NWI Fairness Opinion does not address any other aspect of the Arrangement and does not constitute a recommendation as to how NWI Unitholders should vote or act with respect to the Arrangement.

**NBF NWI Fairness Opinion**

Pursuant to an engagement letter, National Bank Financial agreed to provide NWI with various advisory services in connection with the Arrangement including, among other things, the provision an opinion as to whether the consideration to be received by the NWI unitholders pursuant to the Arrangement is fair, from a financial point of view, to the NWI unitholders.

The NBF NWI Fairness Opinion states that, in the opinion of National Bank Financial, as of March 10, 2015 and based upon and subject to the assumptions, qualifications and limitations set out in the NBF NWI Fairness Opinion, the consideration to be received by NWI Unitholders pursuant to the Arrangement is fair from a financial point of view to the NWI Unitholders.

The terms of the engagement letter between NWI and National Bank Financial provide that National Bank Financial will receive a fee for rendering the NBF NWI Fairness Opinion and certain fees for its advisory services, a substantial portion of which are contingent upon the successful completion of the Arrangement. National Bank Financial is also to be reimbursed for its reasonable out-of-pocket expenses. Furthermore, the REIT has agreed to indemnify National Bank Financial, in certain circumstances, against certain liabilities that might arise out of its engagement.

The full text of the NBF NWI Fairness Opinion, which sets out the assumptions, limitations and qualifications to which the NBF NWI Fairness Opinion is subject, is attached as Appendix J to this Circular. NWI Unitholders are encouraged to read the Fairness Opinion carefully in its entirety. The NBF NWI Fairness Opinion was provided to the NWI Board in connection with its evaluation of the consideration to be received pursuant to the Arrangement and the NBF NWI Fairness Opinion may not be used by any other person or relied upon by any other person other than the NWI Board without the express prior written consent of National Bank Financial. The NBF NWI Fairness Opinion, does not address any other aspect of the Arrangement and does not constitute a recommendation as to how NWI Unitholders should vote or act with respect to the Arrangement.

**Description of the Arrangement**

*The following description of the Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement which is attached as Appendix E to this Circular.*

If the Arrangement Resolution and the NWH Resolution are passed, the Arrangement is approved by the Court and all of the other conditions to closing of the Arrangement are satisfied or waived, each NWI Unitholder (other than Dissenting NWI Voting Unitholders whose Dissent Units will be transferred to NWI and cancelled) will be entitled to receive 0.208 NWH Units in exchange for each NWI Unit held.

If approved, the Arrangement will become effective at the Effective Time (which is expected to be at 10:00 a.m. (Calgary time) on a date to be determined not later than the Outside Date, or such later date as may be agreed to in writing by NWI and NWH). At the Effective Time, the following will be deemed to occur in the following order (at two minute intervals, unless indicated otherwise) following the completion of the previous event without any further authorization, act or formality:

- the NWI Material Documents and the NWH Material Documents shall be amended to the extent necessary to facilitate the Arrangement and the implementation of the steps and transactions described in the Plan of Arrangement;
- the articles of NWI AM will be amended to create a new class of redeemable and retractable preferred shares;
- NWI LP will subscribe for 10 preferred shares of NWI AM for consideration of $100.00;
- NHP LP will make a distribution of partnership capital to NWH and in payment therefor will issue to NWH a demand, non-interest bearing promissory note (the "**NHP LP Note**") having a principal amount equal to the fair market value of the NWH Units held by NWI LP;
- NWH will redeem the NWH Units held by NWI LP and in satisfaction thereof will deliver the NHP LP Note to NWI LP;
- NorthWest Operating Trust will allocate and make payable to its beneficiary its Taxable Income for its taxation year ending immediately prior to the commencement of the steps set out in section 2.4(m) of the Plan of Arrangement. If the amount of Taxable Income allocated and made payable by NorthWest Operating Trust to its beneficiary (such amount to be reduced to take into account any deductions under subsection 104(6) of the Tax Act in respect of prior distributions during that period) exceeds the amount of cash distributed by such trust throughout the current taxation year, NorthWest Operating Trust will satisfy its obligation to pay to its beneficiary the balance of the Taxable Income so allocated by issuing units to its beneficiary;
- simultaneously:
    - NWH will allocate and make payable to its beneficiaries its Taxable Income for its taxation year that will be deemed, by section 132.2 of the Tax Act, to end as a result of the QE Transactions (such amount to be reduced to take into account available tax attributes, including any deductions under subsection 104(6) of the Tax Act in respect of prior distributions during that period);
    - NWI will allocate and make payable to its beneficiaries its Taxable Income for its taxation year that will be deemed, by section 132.2 of the Tax Act, to end as a result of the QE Transactions (such amount to be reduced to take into account available tax attributes, including any deductions under subsection 104(6) of the Tax Act in respect of prior distributions during that period); and
    - in each case, if the amount of Taxable Income allocated and made payable by NWH or NWI, as the case may be, to its beneficiaries (such amount to be reduced to take into account any deductions under subsection 104(6) of the Tax Act in respect of prior distributions during that period) exceeds the amount of cash distributed by such trust throughout the current taxation year, such trust will satisfy its obligation to pay to its beneficiaries the balance of the Taxable Income so allocated by issuing units to its beneficiaries and then immediately consolidating the number of outstanding units such that the number of outstanding units is the same before and after the consolidation;
- each of the Dissent Units shall be transferred to NWI (free and clear of all Encumbrances) and (i) the Dissenting NWI Unitholders shall cease to be the holders of such NWI Voting Units and to have any rights as holders of such NWI Voting Units, other than the right to be paid fair value for such NWI Voting Units, as determined under Article 4 of the Plan of Arrangement; (ii) the Dissenting NWI Voting Unitholders' names shall be removed as the holders of such NWI Voting Units from the registers of NWI Voting Units maintained by or on behalf of NWI; and (iii) NWI shall be deemed to be the transferee of such NWI Voting Units (free and clear of all Encumbrances) and such NWI Voting Units shall thereupon be cancelled;
- all rights issued pursuant to the NWH Unitholder Rights Plan shall be redeemed in accordance with Section 5.1 of the NWH Unitholder Rights Plan, the NWH Unitholder Rights Plan shall terminate and thereafter no person will have any further liability or obligation to the former holders of rights under such plan and the former holders of rights will have no further rights under such plan;
- the NWI LP limited partnership agreement shall be amended to create a new class of limited partnership units (the "**Redeemable Units**") that will be redeemable, at the option of the holder, for such number of aggregate NWH Units that is equal to the product obtained by multiplying the number of NWI Units to which the NWI Class B LP Units are currently exchangeable into by the Exchange Ratio;
- the holders of NWI Class B LP Units will exchange their NWI Class B LP Units for Redeemable Units on a one-for-one basis in accordance with subsection 97(2) of the Tax Act such that the exchange will be effected on an income tax-deferred basis;

- NWVP and any of its affiliates that hold NWI Rights will transfer the NWI Rights to NWH in consideration for the NWH Rights, as set out in the NWH Rights Agreement;
- pursuant to and in accordance with the definition of "qualifying exchange" in section 132.2 of the Tax Act, NWI shall sell, transfer, convey, assign and deliver to NWH, and NWH shall acquire from NWI, all of the right, title and interest of NWI in and to all of its property, other than the shares of NWI GP, free and clear of all Encumbrances, other than NWI Permitted Encumbrances, in exchange for:
  - the issuance by NWH to NWI of such number of NWH Units as is equal to the product obtained by multiplying the number of NWI Units by the Exchange Ratio;
  - the issuance by NWH to NWI of such number of NWH Special Voting Units as is equal to the product obtained by multiplying the number of NWI Special Voting Units by the Exchange Ratio;
  - the assumption by NWH of the due and punctual payment of all of the NWI Debentures as sole obligor, including the agreement to perform substantially all of the covenants of NWI under the NWI Debentures as the successor to NWI by the execution of the NWI Debenture Supplemental Indenture; and
  - the assumption by NWH of all liabilities of NWI other than those assumed pursuant to the previous clause.

  Effective at the time of this step, NWI shall be deemed to be the owner of the NWH Units and NWH Special Voting Units issued pursuant to this step (free and clear of all Encumbrances) and shall be entered in the register of NWH Voting Units maintained by or on behalf of NWH;
- Simultaneously with the immediately preceding step, pursuant to and in accordance with the NWI Debenture Supplemental Indenture, the NWI Debentures and the NWI Debenture Indenture will be amended and supplemented so that the applicable conversion price specified therein will become:
  - in respect of the 6.50% Debentures, $13.70 such that approximately 72.9927 NWH Units shall be issued for each $1,000 principal amount of 6.50% Debentures so converted;
  - in respect of the 7.25% Debentures, $12.50 such that approximately 80.0000 NWH Units shall be issued for each $1,000 principal amount of 7.25% Debentures so converted; and
  - in respect of the 7.50% Debentures, $11.54 such that approximately 86.6551 NWH Units shall be issued for each $1,000 principal amount of 7.50% Debentures so converted.
- NWH shall subscribe for one (1) NWI Unit (the "**Designated NWH Unit**") by making a cash payment to NWI in an amount equal to the closing price of an NWI Unit on the TSXV for the last trading day which precedes the Effective Date;
- At the "depreciables acquisition time" for purposes of Section 132.2 of the Tax Act, each NWI Deferred Unit (whether vested or unvested) shall be transferred by the holder thereof to NWI and thereupon cancelled. In exchange therefor each such former holder of NWI Deferred Units shall receive consideration consisting solely of substitute deferred units issued by NWH ("**NWH Replacement Deferred Units**"), all pursuant to and in accordance with subsection 7(1.4) of the Tax Act. The NWH Deferred Unit Account for each former holder of NWI Deferred Units shall be credited with such number of NWH Replacement Deferred Units that is equal to the aggregate number of NWI Deferred Units in such former holder's NWI Deferred Unit Account multiplied by the Exchange Ratio, in each case rounded down to the nearest whole number of NWH Deferred Units, and the vesting schedule in respect of such NWH Replacement Deferred Units shall be the same as the vesting schedule for the NWI Deferred Units so transferred (as adjusted by the Exchange Ratio);
- Pursuant to and in accordance with the definition of "qualifying exchange" in Section 132.2 of the Tax Act, NWI shall redeem and retract all of the outstanding NWI Units (other than the Designated NWH Unit which shall, for the avoidance of doubt, be retained by NWH) (the "**QE Redemption**") as follows:
  - Each NWI Unit (other than the Designated NWH Unit) will be redeemed and retracted by NWI for consideration consisting solely of 0.208 of a NWH Unit provided that if any holder of NWI Units becomes entitled to receive a fractional number of NWH Units, such fraction will be rounded down to the nearest whole number. No consideration shall be receivable by a former holder of an NWI Unit (or any portion thereof) for the redemption of such holder's NWI Unit (or any portion thereof) other than NWH Units on the basis described in the preceding sentence.

- Each NWI Special Voting Unit will be redeemed and retracted by NWI for consideration consisting solely of 0.208 of a NWH Special Voting Unit; provided that if any holder of NWI Special Voting Units becomes entitled to receive a fractional number of NWH Special Voting Units, such fraction will be rounded down to the nearest whole number. No consideration shall be receivable by a former holder of an NWI Special Voting Unit (or any portion thereof) for the redemption of such holder's NWI Special Voting Unit (or any portion thereof) other than NWH Special Voting Units on the basis described in the preceding sentence.

  Effective at the time of this step, (i) holders of NWI Units and NWI Special Voting Units, as the case may be, redeemed and retracted pursuant to the QE Redemption shall cease to be the holders of such NWI Units (or any portion thereof) and to have any rights as holders of such NWI Units, (ii) such former NWI Voting Unitholders' names shall be removed as the holders of such NWI Voting Units (or percentage thereof) from the registers of NWI Voting Units maintained by or on behalf of NWI, and (iii) such former NWI Voting Unitholders shall be deemed to be owners of the NWH Units or NWH Special Voting Units, as the case may be, to which they are entitled, free and clear of all Encumbrances, and shall be entered into the registers of NWH maintained by or on behalf of NWH. NWI shall only deliver to the former holders of NWI Voting Units redeemed and retracted in this step a whole number of NWH Units or NWH Special Voting Units, as the case may be;

- All of the issued and outstanding common shares of NWI AM will be transferred by NWI LP to HP LP free and clear of all Encumbrances, other than Permitted Encumbrances;
- The terms of the NHP Class B LP Units shall be amended to remove any reference to the feature that permits the holder of NHP Class B LP Units to exchange the NHP Class B LP Units for NWH Units; and
- The NWH Exchange Agreement will be terminated.

If the Arrangement were to close as of the date of this Circular, an aggregate of 45,730,407 NWH Units would be issued or made issuable pursuant to the Arrangement (being the aggregate of (i) 18,121,148 NWH Units issued to current NWI Unitholders; (ii) 19,188,063 NWH Units reserved for issuance upon the redemption of Redeemable Units; (iii) 6,266,099 NWH Units reserved for issuance upon the conversion of the outstanding NWI Debentures (assumed by NWH under the Arrangement); and (iv) 2,155,096 NWH Units reserved for issuance upon the redemption of NWH Deferred Units that are exchanged for NWI Deferred Units), representing approximately 97.8% of the current aggregate total of NWH Voting Units issued and outstanding. The actual number of NWH Units to be issued upon the closing of the Arrangement will depend on the number of NWI securities outstanding on such date.

As of the date of the Circular, NWVP owns approximately 65% of NWI which, indirectly, owns approximately 25% of NWH. Upon the completion of the Arrangement, NWH expects that NWVP will own approximately 34% of NWH. As such, the Arrangement will not result in a change in control of NWH.

The Arrangement is proposed to be carried out pursuant to the provisions of Section 193 of the ABCA. The following procedural steps must be taken in order for the Arrangement to become effective:

- the NWI Unitholder Approval and the NWH Unitholder Approval must be obtained;
- the Court must grant the Final Order approving the Arrangement;
- all conditions precedent to the Arrangement (as further described in the Arrangement Agreement) must be satisfied or waived by the appropriate Party; and
- if applicable, Articles of Arrangement, the Final Order and related documents, in the form prescribed by the ABCA, must be filed with the registrar of companies appointed pursuant to Section 193 of the ABCA (the "**Registrar**").

**NWI Voting Unitholder Approval**

Pursuant to the NWI Declaration of Trust, to be effective, the Arrangement Resolution must be approved, with or without variation, by the affirmative vote of at least 66 2/3% of the votes cast on the Arrangement Resolution by NWI Voting Unitholders, present in person or represented by proxy and entitled to vote at the NWI Meeting.

**NWH Voting Unitholder Approval**

Pursuant to the NWH Declaration of Trust, to be effective, the NWH Resolution must be approved, with or without variation, by the affirmative vote of at least 66 2/3% of the votes cast on the NWH Resolution by NWH Voting Unitholders, present in person or represented by proxy and entitled to vote at the NWH Meeting.

Pursuant to the rules of the TSX, the NWH Resolution requires the approval of a simple majority of the votes cast by NWH Voting Unitholders present in person or represented by proxy at the NWH Meeting excluding all insiders (as defined under the TSX rules) of NWH that are to receive securities under the Arrangement.

The Arrangement is a "related party transaction" for NWH pursuant to MI 61-101. Accordingly, the votes attached to the NWH Voting Units held by the NWI, its trustees and senior officers and any affiliate of, or person acting jointly or in concert with, any of the foregoing or any other related party of NWI within the meaning of MI 61-101 will be excluded in determining minority approval of the NWH Resolution.

Accordingly, to be effective, the NWH Resolution must be approved, with or without variation, by the affirmative vote of:

(a) pursuant to NWH Declaration of Trust, at least 66 2/3% of the votes cast by NWH Voting Unitholders present in person or represented by proxy and entitled to vote at the NWH Meeting; and

(b) a majority of the votes cast by NWH Voting Unitholders present in person or represented by proxy and entitled to vote at the NWH Meeting, excluding for this purpose votes attached to any NWH Units held by persons whose votes are required to be excluded in accordance with the policies of the TSX and MI 61-101.

**Voting and Support Agreements**

On March 10, 2015, in connection with the Arrangement, NWH and NWI entered into the NWVP Voting and Support Agreement and NWH entered into a Trustee and Officer Voting and Support Agreement with all of the NWI Trustee and Officer Locked-Up Unitholders, pursuant to which, among other things, such persons have agreed to vote all of the NWI Voting Units held by them in favour of the Arrangement Resolution, on the terms and subject to the conditions set forth in such agreement.

On March 10, 2015, in connection with the Arrangement, NWI entered into a Trustee and Officer Voting and Support Agreement with all of the NWH Locked-Up Unitholders, pursuant to which, among other things, such persons have agreed to vote all of the NWH Voting Units held by them in favour of the NWH Resolution, on the terms and subject to the conditions set forth in such agreement.

Pursuant to the Arrangement Agreement, NWI has agreed to vote all of the NWH Voting Units held by it in favour of the NWH Resolution on the terms and subject to the conditions set forth therein.

As of the date of the Arrangement Agreement, the NWI Locked-Up Unitholders collectively beneficially owned or exercised control or direction over 117,349,243 NWI Voting Units, which represents approximately 65% of the outstanding NWI Voting Units, and the NWH Locked-Up Unitholders and NWI collectively beneficially owned or exercised control or direction over 12,140,755 NWH Voting Units, which represents approximately 26% of the outstanding NWH Voting Units.

***NWVP Voting and Support Agreement***

*Below is only a summary of the NWVP Voting and Support Agreements and is qualified in its entirety by reference to the full text of the NWVP Voting and Support Agreement, which is available on SEDAR on www.sedar.com.*

Under the NWVP Voting and Support Agreement, NWVP has agreed, subject to the terms and conditions of the NWVP Voting and Support Agreement, among other things:

- to vote or to cause to be voted any NWI Voting Units held by it, or over which it has control or direction, in favour of the approval of the Arrangement Resolution, any of the transactions contemplated by the Arrangement Agreement and any other matter that could reasonably be expected to facilitate the Arrangement;

- to vote or cause to be voted any NWI Voting Units held by it against any matter that that would reasonably be expected to impede, interfere with, delay, postpone or discourage the Arrangement, including for greater certainty, against any Acquisition Proposal;
- to vote or cause to be voted any NWI Voting Units held by it against any matter that would result in any breach of any representation, warranty, covenant or agreement or any other obligation of NWI in the Arrangement Agreement;
- not to initiate in any inquiries or engage in any negotiations relating to an Acquisition Proposal;
- not to cooperate in or knowingly facilitate any effort to make, implement or accept any proposal or offer that constitutes, or may reasonably be expected to lead to, any Acquisition Proposal;
- not to enter into a contract, agreement, arrangement, commitment, understanding or partnership with any person relating to an Acquisition Proposal;
- not to sell, transfer, assign, grant an interest in, option, pledge, hypothecate, grant a security interest in or otherwise convey or encumber any NWI Voting Units, other than pursuant to the Plan of Arrangement or the Arrangement Agreement;
- not to grant or agree to grant any proxies, other right to vote or power of attorney, deposit any of the NWI Voting Units into any voting trust or enter into any voting arrangement, whether by proxy, voting agreement or otherwise, with respect to their NWI Voting Units, other than pursuant to the NWVP Voting and Support Agreement; and
- not to exercise any Dissent Rights in respect of its NWI Voting Units that may arise with respect to the Arrangement.

The NWVP Voting and Support Agreement will terminate and be of no further force or effect upon notice in writing: (a) at any time by the mutual consent of NWH, NWI and NWVP; (b) by NWVP (i) if any representation or warranty of NWI or NWH contained in the NWVP Voting and Support Agreement is untrue or incorrect, or (ii) if NWI or NWH shall materially breach any of their respective covenants contained in the NWVP Voting and Support Agreement which breach is incurable, or if curable shall remain uncured for 15 days; (c) notice of NWI (i) if any representation or warranty of NWVP contained in the NWVP Voting and Support Agreement is untrue or incorrect, or (ii) if NWVP shall materially breach any of its covenants contained in the NWVP Voting and Support Agreement which breach is incurable, or if curable shall remain uncured for 15 days; or (d) the termination of the Arrangement Agreement in accordance with its terms.

***Trustee and Officer Voting and Support Agreements***

*Below is only a summary of the Trustee and Officer Voting and Support Agreements and is qualified in its entirety by reference to the full text of the Trustee and Officer Voting and Support Agreement, which is available on SEDAR on www.sedar.com.*

Under the Trustee and Officer Voting and Support Agreements, each of the Trustee and Officer Locked-Up Unitholders have severally agreed, subject to the terms and conditions of the Trustee and Officer Voting and Support Agreements, among other things:

- to vote or to cause to be voted the NWI Voting Units or the NWH Voting Units, as applicable, held by them (and any other securities directly or indirectly acquired by or issued to such trustees after March 10, 2015) in favour of the Arrangement and any other matter necessary for the consummation of the Arrangement at the NWI Meeting or the NWH Meeting, as applicable;
- if requested by NWH or NWI, acting reasonably, to deliver or to cause to be delivered to NWI or NWH, as applicable, duly executed proxies in favour of NWI or NWH, as applicable, voting in favour of the Arrangement Resolution or the NWH Resolution, as applicable;
- except in the capacity as trustee or officer to the extent permitted by the Arrangement Agreement, not to take any action which may in any way adversely affect the success of the Arrangement;
- except in the capacity as trustee or officer to the extent permitted by the Arrangement Agreement, not to, directly or indirectly, make or participate in or take any action that would reasonably be expected to result in an Acquisition Proposal, or engage in any discussion, negotiation or inquiries relating thereto or accept any Acquisition Proposal; and

- prior to the NWI Meeting or the NWH Meeting, as applicable, not to, directly or indirectly, sell, transfer, pledge or assign or agree to sell, transfer, pledge or assign any of the securities subject to the Trustee and Officer Voting and Support Agreements or any interest therein, without NWH's or NWI's prior written consent, as applicable.

The Trustee and Officer Voting and Support Agreements expire upon the date the Arrangement Agreement is terminated in accordance with its terms.

**Court Approval and Completion of the Arrangement**

A Plan of Arrangement under the ABCA requires court approval. Prior to the mailing of this Circular, NWI and NWI AM obtained the Interim Order from the Court. The Interim Order is attached as Appendix F to this Circular. The Interim Order, among other things, provides for the calling and holding of the NWH Meeting and NWI Meeting and causes to be issued the notice of application for the Final Order of the Court. The Interim Order does not constitute approval of the Plan of Arrangement or the contents of this Circular by the Court. Subject to the terms of the Plan of Arrangement, and if NWH Unitholder Approval is obtained and the Arrangement Resolution is approved by NWI Voting Unitholders is approved, the date and time of presentation for the hearing of the application for the Final Order at the Court, 601-5th Street SW, Calgary Alberta, T2P 5P7, is scheduled for May 13, 2015 at 1:00 p.m. (Calgary time). Under the terms of the Interim Order, each NWI Voting Unitholder, each trustee, the auditors of NWI and any other interested person will have the right to appear and make submissions at the application for the Final Order. Any person desiring to appear at the hearing of the application for the Final Order is required to indicate his, her or its intention to appear by filing with the Court and serving NWI at the address set out below, on or before 4:00 pm (Toronto time) on April 28, 2015 (or the business day that is five business days prior to the date of the NWI Meeting if the NWI Meeting is not held on May 5, 2015), a Notice of Intention to Appear (as described in Appendix F), including an address for service in the Province of Alberta, indicating whether such person intends to support or oppose the application or make submissions thereat, together with a summary of the position such person intends to advocate before the Court and any evidence or materials which are to be presented to the Court, as set out in the Interim Order, and any other document as the Court may direct in the future. The Notice of Intention to Appear and supporting materials must be delivered, within the time specified, to NWI at the following address: c/o Burnet, Duckworth & Palmer LLP, Suite 2400, 525-8th Avenue S.W. Calgary, Alberta T2P 1G1, Attention: Jeff Sharpe or by facsimile at (403) 260-0332.

The NWH Units and NWH Special Voting Units to be delivered pursuant to the Arrangement will not be registered under the U.S. Securities Act. Prior to the hearing on the Final Order, the Court will be informed that the Final Order, if granted, will constitute the basis for the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) of the U.S. Securities Act with respect to the NWH Units and NWH Special Voting Units to be issued pursuant to the Arrangement.

The authority of the Court is very broad under the ABCA. NWI has been advised by its counsel that the Court may make any enquiry it considers appropriate and may make any order it considers appropriate with respect to the Plan of Arrangement. The Court will consider, among other things, the fairness and reasonableness of the Plan of Arrangement to the NWI Unitholders. The Court may approve the Plan of Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit.

**NWI Voting Unitholders should consult their legal advisors with respect to the legal rights available to them in relation to the Arrangement.**

Although NWI's and NWH's objective is to have the Effective Date occur as soon as possible after the NWI Meeting, the Effective Date could be delayed for a number of reasons, including, but not limited to, an objection before the Court at the hearing of the application for the Final Order or any delay in obtaining any required approvals or clearances. NWI or NWH may determine not to complete the Arrangement without prior notice to or action on the part of NWI Voting Unitholders or NWH Voting Unitholders. See "The Arrangement Agreement – Termination of the Arrangement Agreement".

**Treatment of NWI Debentures and NWI Deferred Units**

Under the Arrangement, NWH and NWI will execute the NWI Debenture Supplemental Indenture, and such other instruments as contemplated and required by the NWI Debenture Indenture, in order to provide for the assumption by NWH, pursuant to and in accordance with the Plan of Arrangement and Section 12.1 of the NWI Debenture Indenture, of all of the obligations of NWI under the NWI Debenture Indenture, such that, upon completion of the steps contemplated by Section 2.4(m) and 2.4(n) of the Plan of Arrangement, the NWI Debentures will be valid and binding obligations of NWH entitling

the holders thereof, as against NWH, to all of the rights of holders of NWI Debentures under the NWI Debenture Indenture, as supplemented and amended by the NWI Debenture Supplemental Indenture. Upon such assumption, the conversion price in respect of the NWI Debentures will be:

- in respect of the 6.50% Debentures, $13.70 such that approximately 72.9927 NWH Units shall be issued for each $1,000 principal amount of 6.50% Debentures so converted;
- in respect of the 7.25% Debentures, $12.50 such that approximately 80.0000 NWH Units shall be issued for each $1,000 principal amount of 7.25% Debentures so converted; and
- in respect of the 7.50% Debentures, $11.54 such that approximately 86.6551 NWH Units shall be issued for each $1,000 principal amount of 7.50% Debentures so converted.

Each outstanding NWI Deferred Unit (whether vested or unvested) shall be transferred by the holder thereof to NWI and thereupon cancelled. In exchange therefor, each such former holder of NWI Deferred Units shall receive consideration consisting solely of NWH Replacement Deferred Units issued by NWH, all pursuant to and in accordance with subsection 7(1.4) of the Tax Act. The NWH Deferred Unit Account for each former holder of NWI Deferred Units shall be credited with such number of NWH Replacement Deferred Units that is equal to the aggregate number of NWI Deferred Units in such former holder's NWI Deferred Unit Account multiplied by the Exchange Ratio, in each case rounded down to the nearest whole number of NWH Deferred Units, and the vesting schedule in respect of such NWH Replacement Deferred Units shall be the same as the vesting schedule for the NWI Deferred Units so transferred (as adjusted by the Exchange Ratio).

**NWH Unitholder Rights Plan**

In connection with the Arrangement, the NWH Board has determined to redeem all rights outstanding under NWH's Unitholder Rights Plan. The rights will be redeemed in accordance with Section 5.1 of NWH's Unitholder Rights Plan, which provides for a redemption price of $0.00001 per right. As a result, the NWH Unitholder Rights Plan will cease to have any further force or effect.

Securities regulators in Canada have recently announced changes to the laws applicable to take-over bids in Canada that are expected to eliminate or significantly reduce the usefulness of rights plans. Among other things, the period during which a hostile bid must be open will be extended from 35 to 120 days. In the event that a rights plan becomes desirable at some point in the future, it can be adopted then by the Combined REIT Board.

**Stock Exchange Listing and Reporting Issuer Status**

The NWH Units currently trade on the TSX under the symbol "NWH.UN". The TSX has conditionally approved (subject to customary conditions) the listing of the NWH Units issuable under the Arrangement and the NWI Debentures to be assumed by NWH pursuant to the Arrangement (and the NWH Units issuable upon the conversion, redemption or maturity of such NWI Debentures). See "Regulatory Matters – Stock Exchange Approvals". Following completion of the Arrangement, it is expected that the NWI Units will be de-listed from the TSXV and NWI will make an application to cease to be a reporting issuer under Securities Laws. The TSXV has conditionally approved (subject to customary conditions) the de-listing of NWI Units from the TSXV.

**Administrative Matters**

***Letter of Transmittal***

A Letter of Transmittal (printed on yellow paper) has been mailed, together with this Circular, to each person who was a registered holder of NWI Units on the NWI Record Date. Each registered NWI Unitholder must forward a properly completed and signed Letter of Transmittal, with accompanying NWI Unit certificate(s), in order to receive the NWH Units to which such NWI Unitholder is entitled under the Arrangement. NWH Units are not evidenced by physical certificates. Instead, NWH Units are evidenced by book-based entries in a paperless computerized registration system (the "**Book-Entry Only System**") managed by CDS. Registered title to NWH Units is evidenced only through registration in the Book-Entry Only System of CDS. Accordingly, registered NWI Unitholders will not receive physical certificates for the NWH Units that they are entitled to under the Arrangement, and must retain a CDS participant (generally a broker, investment dealer, bank, trust company or other intermediary) in order to take delivery of such NWH Units. Registered NWI Unitholders should contact their broker immediately for instructions and assistance in completing the Letter of Transmittal and receiving the NWH Units that they are entitled to under the Arrangement.

It is recommended that NWI Unitholders complete, sign and return the Letter of Transmittal with accompanying NWI Unit certificate(s) to the Depositary as soon as possible.

The Letter of Transmittal is available on NWI's website at www.nwireit.com and on SEDAR at www.sedar.com.

Any use of the mail to transmit a certificate for NWI Units and a related Letter of Transmittal is at the risk of the NWI Unitholder. If these documents are mailed, it is recommended that registered mail, properly insured, be used.

Whether or not NWI Unitholders forward the certificate(s) representing their NWI Units, upon completion of the Arrangement on the Effective Date, NWI Unitholders will cease to be NWI Unitholders as of the Effective Date and will only be entitled to receive that number of NWH Units to which they are entitled under the Arrangement or, in the case of NWI Unitholders who properly exercise their Dissent Rights, the right to receive fair value for their NWI Voting Units in accordance with the dissent procedures. See "Dissent Rights".

The instructions for exchanging certificates representing NWI Units and depositing such unit certificates with the Depositary are set out in the Letter of Transmittal. The Letter of Transmittal provides instructions with regard to lost, stolen or destroyed certificates. See "– Exchange Procedure".

***Exchange Procedure***

Following receipt of the Final Order and prior to the Effective Time, NWH will deliver or arrange to be delivered to the Depositary the NWH Units required to be issued to the NWI Unitholders in accordance with section 2.4 of the Plan of Arrangement, which NWH Units will be held by the Depositary as agent and nominee for such former NWI Unitholders for distribution to such former NWI Unitholders in accordance with the Letter of Transmittal and the Plan of Arrangement.

In accordance with the Letter of Transmittal and the timing set out in section 2.4 of the Plan of Arrangement, the Depositary shall cause NWH Units to be delivered to those persons who have deposited the NWI Unit certificates for such NWH Units, and any such NWI Unit certificates so deposited shall forthwith be cancelled.

The Depositary shall make the registrations provided in the Plan of Arrangement (to be in the name of a NWI Unitholder) in the name of each NWI Unitholder and shall deliver NWH Units in accordance with the Letter of Transmittal and the Plan of Arrangement. In the event of a transfer of ownership of NWI Units that was not registered in the securities register of NWI, the proper number of NWH Units may be issued to the transferee if the certificate representing such NWI Units is presented to the Depositary as provided above, accompanied by all documents required to evidence and effect such transfer.

From and after the Effective Time, each certificate that immediately prior to the Effective Time represented NWI Units shall be deemed to represent only the right to receive the consideration as required under the Plan of Arrangement, less any amounts withheld as provided under the Arrangement Agreement or the Plan of Arrangement or, as to those NWI Units held by Dissenting NWI Voting Unitholders, to receive the fair value of the Dissent Units represented by such certificates.

No former holder of NWI Units shall be entitled to receive any consideration with respect to such NWI Units other than the consideration to which such former holder is entitled to as required under the Plan of Arrangement, less any amounts withheld as provided under the Arrangement Agreement or the Plan of Arrangement.

Any exchange or transfer of NWI Units pursuant to the Plan of Arrangement will be free and clear of any liens or other claims of third parties of any kind.

***Treatment of Fractional Units***

No fractional NWH Units will be issued to NWI Unitholders. If the aggregate number of NWH Units payable to any NWI Unitholder includes a fraction of an NWH Unit, such fraction will be rounded down to the nearest whole NWH Unit, with no consideration being paid for the fractional unit.

***Return of NWI Units Should Arrangement not be Completed***

If the Arrangement is not completed, any deposited NWI Units will be returned to the depositing NWI Unitholder at NWI's expense upon written notice to the Depositary from NWI, by returning the deposited NWI Units (and any other relevant

documents) by first class insured mail, in such name and to such address as shown on the register maintained by NWI's transfer agent.

***Mail Service Interruption***

Notwithstanding the provisions of this Circular, the Letter of Transmittal, the Arrangement Agreement or the Plan of Arrangement, certificates representing NWI Units to be returned, if applicable, will not be mailed if NWH determines that delivery thereof by mail may be delayed.

Persons entitled to certificates and other relevant documents which are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary at which the deposited certificates representing NWI Units in respect of which certificates are being issued were originally deposited upon application to the Depositary until such time as NWH has determined that delivery by mail will no longer be delayed.

Notwithstanding the foregoing section, certificates and other relevant documents not mailed for the foregoing reason will be conclusively deemed to have been delivered on the first day upon which they are available for delivery at the office of the Depositary at which the NWI Units were deposited.

***Lost Certificates***

In the event that any instrument or certificate which immediately prior to the Effective Time represented one or more outstanding NWI Units that were cancelled or transferred pursuant to section 2.4 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the NWI Unitholder claiming such instrument or certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed instrument or certificate a certificate representing NWH Units in the applicable amount deliverable to such NWI Unitholder in accordance with the provisions of section 3.1 of the Plan of Arrangement. When authorizing such payment in exchange for any lost, stolen or destroyed instrument or certificate, the NWI Unitholder to whom such payment is to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to NWH, NWI and the Depositary in such sum as NWH, NWI or the Depositary may direct, acting reasonably, or otherwise indemnify NWH, NWI and the Depositary in a manner satisfactory to NWH, NWI and the Depositary, acting reasonably, against any claim that may be made against NWH, NWI or the Depositary with respect to the instrument or certificate alleged to have been lost, stolen or destroyed.

***Cancellation of Rights***

Any instrument or certificate which immediately prior to the Effective Time represented outstanding NWI Units that were cancelled, redeemed or transferred pursuant to section 2.4 of the Plan of Arrangement or an affidavit of loss and bond or other indemnity pursuant to section 3.6 of the Plan of Arrangement, on or prior to the sixth anniversary of the Effective Date shall cease to represent a claim or interest of any kind or nature against NWI and NWH. On such date, the aggregate NWH Units to which the former NWI Unitholder referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered for no consideration to NWH and shall be returned to NWH by the Depositary. None of NWH, NWI or the Depositary shall be liable to any person in respect of any amount for NWI Units delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

***Withholding Rights***

NWH, NWI and the Depositary shall be entitled to deduct and withhold from any payment to any person pursuant to the Plan of Arrangement, such amounts as NWH, NWI or the Depositary, as the case may be, determines, acting reasonably, are required or permitted pursuant to the Tax Act or any successor provision thereto to be deducted and withheld with respect to such payment under the Tax Act, the United States Internal Revenue Code of 1986, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to such person as the remainder of the payment in respect of which such deduction and withholding was made; provided that, such withheld amounts are actually remitted to the appropriate taxing authority.

**Dissent Rights**

Under the Interim Order, each registered holder of NWI Units shall have the right to dissent with respect to the Arrangement in accordance with Section 191 of the ABCA, but as modified by the Interim Order and article 4 of the Plan of Arrangement.

A Dissenting NWI Voting Unitholder shall, at the time of the step set out in section 2.4(h) of the Plan of Arrangement, cease to have any rights as a holder of Dissent Units and shall only be entitled to be paid the fair value of the holder's Dissent Units by NWI. A Dissenting NWI Voting Unitholder who is paid the fair value of the holder's Dissent Units, shall be deemed to have transferred the holder's Dissent Units to NWI at the time of the step set out in Section 2.4(h) of the Plan of Arrangement, notwithstanding the provisions of section 191 of the ABCA and such Dissent Units shall thereupon be cancelled. The fair value of the Dissent Units shall be determined as of the close of business on the last business day before the day on which the Arrangement is approved by the holders of NWI Units at the NWI Unitholder Meeting.

In no circumstances shall NWH or NWI or any other person be required to recognize a person exercising Dissent Rights unless such person is the registered holder of those NWI Units in respect of which such rights are sought to be exercised. For greater certainty, in no case shall NWH or NWI or any other person be required to recognize a Dissenting NWI Voting Unitholder as a holder of NWI Units in respect of which Dissent Rights have been validly exercised after the completion of the transfer under section 2.4(h) of the Plan of Arrangement, and the names of such Dissenting NWI Voting Unitholders shall be removed from NWI's register of NWI Unitholders in respect of Dissent Units for which Dissent Rights have been validly exercised as of the time of the step set out in section 2.4(h) of the Plan of Arrangement. In addition to any other restrictions in section 191 of the ABCA, no person who has voted in favour of the Arrangement shall be entitled to dissent with respect to the Arrangement.

A Dissenting NWI Voting Unitholder who for any reason is not entitled to be paid the fair value of the holder's Dissent Units shall be treated as if the holder had participated in the Arrangement on the same basis as a non-dissenting NWI Unitholder notwithstanding the provisions of section 191 of the ABCA.

NWH Voting Unitholders are not entitled to Dissent Rights in respect of the Arrangement.

See "Rights of Dissent".

**Interests of Certain Persons in the Arrangement**

In considering the recommendations of the NWI Board and the NWH Board with respect to the Arrangement, NWI Voting Unitholders and NWH Voting Unitholders should be aware that certain members of the NWI Board and the NWH Board and of NWI's and NWH's management have interests in connection with the transactions contemplated by the Arrangement that may create actual or potential conflicts of interest in connection with such transactions. The NWI Board and the NWH Board are aware of these interests and considered them along with the other matters described above in "The Arrangement – Reasons for the Recommendations of the NWI Independent Committee and the NWI Board" and "The Arrangement – Reasons for the Recommendations of the NWH Independent Committee and the NWH Board".

***Unit Ownership***

Certain trustees and senior officers of both REITs own securities in NWH and NWI. See "Information Relating to the Combined REIT – Management of the Combined REIT – Board of Trustees."

***Mutual Trustees***

As a result of NWI's ownership interest in NWH and NWI's contractual right to appoint trustees to the NWH Board, two of NWI's Trustees (Bernard Crotty and Paul Dalla Lana) also serve as trustees of NWH. Robert Baron, a trustee of NWI, served as a Trustee of NWH until his resignation on March 10, 2015.

***NWVP Contractual Rights***

NWI holds certain contractual rights (including board appointment rights, pre-emptive rights and registration rights) in NWH. NWVP holds similar rights in NWI.

In connection with the Arrangement, NWVP will exchange its rights in NWI for rights in NWH, such that following closing, NWVP will hold board appointment, pre-emptive and registration rights in the Combined REIT that are no more favourable to NWVP than what NWVP currently holds in NWI.

See "Information Relating to the Combined REIT – Relationship with NWVP".

**Intention of NWH Trustees**

The NWH Locked-Up Unitholders, representing in the aggregate 243,309 NWH Voting Units, or approximately 0.52% of the outstanding NWH Voting Units, as of the date of the Arrangement Agreement, have entered into a Trustee and Officer Voting and Support Agreement with NWI pursuant to which they have agreed, subject to the terms and conditions thereof, to vote their NWH Voting Units in favour of the NWH Resolution.

**Intention of NWH Significant Unitholder**

Pursuant to the Arrangement Agreement, NWI has agreed to vote all of the NWH Voting Units held by it in favour of the NWH Resolution on the terms and subject to the conditions set forth therein.

**Intention of NWI Trustees**

The NWI Trustee and Officer Locked-Up Unitholders, representing in the aggregate 1,013,169 NWI Voting Units as of the date of the Arrangement Agreement, or approximately 0.57% of the outstanding NWI Voting Units, have all entered into a Trustee and Officer Voting and Support Agreement with NWH pursuant to which they have agreed, subject to the terms and conditions thereof, to vote their NWI Voting Units in favour of the Arrangement Resolution.

**Intention of NWI Significant Unitholder**

Paul Dalla Lana indirectly owns all of the securities of NWVP (an NWI Locked-Up Unitholder), which indirectly owns 116,281,074 NWI Voting Units as of the date of the Arrangement Agreement, or approximately 65% of the outstanding NWI Voting Units. NWH and NWVP have entered into the NWVP Voting and Support Agreement pursuant to which NWVP has agreed, subject to the terms and conditions thereof, to vote its NWI Voting Units in favour of the Arrangement Resolution.

**Depositary**

NWI and NWH have retained the services of the Depositary for the receipt of the Letter of Transmittal and the certificates representing NWI Units and for the delivery of the NWH Units in exchange for the NWI Units under the Arrangement. The Depositary will receive reasonable and customary compensation for its services in connection with the Arrangement, will be reimbursed for certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under securities laws and expenses in connection therewith.

**Expenses of the Arrangement**

NWI and NWH have agreed in the Arrangement Agreement that each party will pay all fees, costs and expenses incurred by such party with respect to the Arrangement, however they will share in the payment of, among other things, any filing fees, and proxy solicitation services, and applicable taxes payable in respect of any application, notification or other filing made in respect of any regulatory process contemplated by the Arrangement on the basis of 50% payable by NWH and 50% payable by NWI. The estimated costs incurred to date and to be incurred by NWI and NWH with respect to the Arrangement and related matters including, without limitation, financial advisory, proxy solicitation, accounting and legal fees, the costs of preparation, printing and mailing of this Circular and other related documents and agreements, and stock exchange and regulatory filing fees, are expected to aggregate approximately $11,800,000.

**Financing Required in Connection with the Arrangement**

NWH and NWI anticipate that the total funds needed to complete the Arrangement will be approximately $79.7 million, which includes approximately (a) $67.9 million required to repay indebtedness of NWI that is secured by NWH Voting Units and will become due on closing of the Arrangement, and (b) approximately $11.8 million to pay transaction costs to be incurred by NWH and NWI in connection with the Arrangement.

NWH and a Canadian institutional mortgage lender have executed a non-binding term sheet in respect of a blanket mortgage facility to provide for a maximum principal amount of approximately $50.0M secured against existing NWH assets. NWH expects to fund the remaining cash requirements through existing internal resources.

For purposes of the pro forma financial statement disclosure contained in this Circular, NWH and NWI have assumed that such financing will be obtained on certain terms. See the unaudited pro-forma condensed combined financial statements of the Combined REIT in Appendix B of this Circular.

NWH is also in discussions with several Canadian chartered banks regarding the provision of additional financing facilities for the Combined REIT. Such discussions currently relate to the following:

- an increase to (or replacement of) the existing NWH revolving credit facility to provide for a maximum principal amount of approximately $75 million (an increase of $20 million from the current $55 million maximum principal amount); and
- a short term credit facility to provide for a maximum principal amount of approximately $25 million.

While the Combined REIT expects to have such financing in place upon completion of the Arrangement, it does not currently have any binding commitments in place with respect to such financing and as a result it cannot be assured that financing will be obtained on the terms assumed, or at all.

## INFORMATION RELATING TO THE COMBINED REIT

The following section of this Circular contains significant amounts of forward-looking information. Readers are cautioned that, unless otherwise noted, the disclosure in this section has been prepared assuming that the Arrangement has been completed and that actual results may vary. See "Joint Management Information Circular – Forward-Looking Statements".

### Overview

The Combined REIT will operate under the NWH name, and be a leading global healthcare real estate investment trust with a focus on core healthcare real estate infrastructure including MOB and/or hospitals in Canada, Brazil, Germany, Australia and New Zealand. The Combined REIT intends to provide sustainable monthly cash distributions, while allowing investors to diversify their healthcare real estate holdings beyond strictly the Canadian market into compelling international growth markets. Following completion of the Arrangement, the Combined REIT will employ over 180 professionals across nine offices in five different countries.

It is believed that combining the stability of NWH's Canadian portfolio together with NWI's higher growth international portfolio provides a compelling investment vehicle and a foundation on which to build a strong global platform focused on core healthcare infrastructure real estate.

### Transaction Rationale

Over the past several years, some of Canada's largest pension funds and institutional investors have increasingly sought out investment opportunities outside of Canada in the real estate sector. These investors have increased the international component of their real estate investments for reasons that include diversification, acquiring core healthcare infrastructure real estate such as regional hospitals otherwise not available in the Canadian market to private investors, seeking higher risk-adjusted returns and the possibility of generating long-term, stable cash flows from a highly defensible real estate asset class. The Combined REIT will provide a unique opportunity for Canadian retail and institutional investors to diversify their healthcare real estate investments, as large Canadian pension funds and other large Canadian institutional investors have done, by investing in a well-established entity that will pursue investment opportunities in higher growth international real estate markets while retaining a significant interest in the Canadian market.

NWH and NWI believe that the Combined REIT will offer the following benefits to unitholders of both NWH and NWI:

- A diversified, global platform of high quality core Canadian and international healthcare infrastructure real estate with interests in approximately $2.4 billion in total assets (including assets of Vital Trust on a 100% basis for which the Combined REIT will act as manager);
- Exposure to 122 properties with total GLA of approximately 6.6 million square feet in Canada, Brazil, Germany, Australia and New Zealand (including assets of Vital Trust on a 100% basis for which the Combined REIT will act as manager);

- Compelling portfolio metrics with occupancy of approximately 93.9% and weighted average lease expiry ("**WALE**") of approximately 7.9 years;
- Improved portfolio diversification by combining highly complementary real estate portfolios consisting of approximately 68% MOB and 32% regional hospital asset mix on an NOI basis;
- Simplified corporate structure and internally managed platform combining highly experienced management and local operating platforms of NWH and NWI;
- Enhanced capital markets presence and access to capital due to larger scale, greater portfolio diversification and enhanced growth prospects; and
- Improved trading liquidity due to larger public float.

***Improved Capital Markets Presence***

The Combined REIT will have a significantly broader unitholder base with a significantly larger public float which is expected to increase trading liquidity in the Combined REIT's units. Based on the closing price of the NWH Units on the TSX on March 10, 2015 (the last trading day preceding the announcement of the Arrangement Agreement), the Combined REIT would have had a pro forma market capitalization of approximately $677.3 million, including the Redeemable Units.

***Investment Highlights***

*Global Core Healthcare Infrastructure Real Estate Portfolio*

The combined portfolio boasts strong fundamentals, including occupancy of approximately 93.9%, WALE of approximately 7.9 years and an asset mix consisting of 68% MOB and 32% regional hospitals on an NOI basis.

The following table sets forth the highlights of the Combined REIT's portfolio:

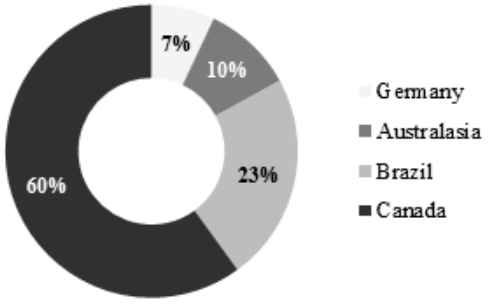
| | **Canada[6]** | **Brazil** | **Germany** | **Australasia[1]** | **Combined Pro Forma[2]** |
|---|---|---|---|---|---|
| Number of Properties | 73 | 5 | 19 | 25 | 122 |
| Asset Mix[3] | 100% MOB | 100% Hospital | 100% MOB | 15% MOB / 85% Hospital | 68% MOB / 32% Hospitals |
| GLA (million square feet) | 4.5 | 1.0 | 0.7 | 1.6 | 6.6 |
| Gross Assets (C$ millions)[4] | $1,245 | $386 | $138 | $580 | 2,415[5] |
| Occupancy | 91.9% | 100.0% | 95.2% | 99.5% | 93.9% |
| WALE (Years) | 4.5 | 22.2 | 4.6 | 15.2 | 7.9 |
| Average Building Age (Years) | ≈32 | ≈11 | ≈15 | ≈15 | ≈26 |
| Weighted Average Cap Rate[6] | 6.8% | 9.4% | 6.4% | 9.0% | 7.5% |

Notes:
(1) Shown on a 100% basis. The combined REIT will own a 24% interest in Vital Trust and will act as manager of Vital Trust.
(2) Vital Trust shown on a proportionate basis except for Number of Properties and Gross Assets which are shown on a 100% basis.
(3) Based on proportionally consolidated NOI.
(4) Total assets (IFRS) as of December 31, 2014.
(5) Based on total assets of NWI, NWH and Vital Trust on a 100% basis, including corporate assets, adjusted for NWI equity interest in NWH and Vital Trust ($1.9 billion in proportionate ownership).
(6) Per IFRS financial statements as of December 31, 2014.
(7) Based on data as of December 31, 2014.

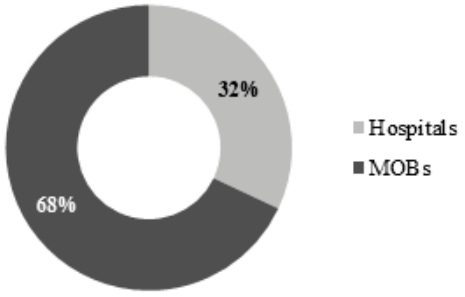
*Increased Portfolio Diversification*

The Combined REIT will have exposure to a large, established portfolio of 122 geographically diversified healthcare properties in four strategic international markets. This geographic diversification adds stability by reducing the Combined REIT's vulnerability to economic fluctuations affecting any particular country or region, and provides a platform for organic growth as the Combined REIT seeks to expand in each targeted market.

**Pro Forma NOI Diversification by Geography**[1]




**Pro Forma NOI Diversification by Asset Mix**[1]




Notes:
(1) Including assets of Vital Trust on a 100% basis for which the Combined REIT will act as manager.

The portfolio's strength is demonstrated by its current occupancy of approximately 93.9% and a well-distributed lease maturity profile with an average remaining lease term of 7.9 years. The properties are primarily anchored by large, established healthcare providers (both private and public).

The following table lists the top 10 tenants of the Combined REIT by percentage of gross rent:

**Pro Forma Top 10 Tenants by Gross Rent**

| Tenant | Region | % of Gross Rent[1] |
|---|---|---|
| Rede D'Or Sao Luiz S.A. | Brazil | 15.2% |
| Bantrel Corporation | Canada | 3.4% |
| CLSC / CSSS | Canada | 2.7% |
| Sabara | Brazil | 2.0% |
| Healthe Care | Australasia | 1.9% |
| Shoppers Drug Mart | Canada | 1.9% |
| Lawtons Drugs | Canada | 1.6% |
| Alberta Health Services | Canada | 1.5% |
| Province of Ontario | Canada | 1.4% |
| Centric Health | Canada | 1.0% |
| **Top 10 Tenants** | | **32.5%** |

Notes:
(1) Vital Trust shown at a proportionally consolidated basis.

**Business of the Combined REIT**

***International Healthcare Real Estate Investment Focus of the Combined REIT***

The Combined REIT will provide investors with exposure to high quality, core healthcare infrastructure real estate assets in the gateway cities of the following major global markets: Canada, Brazil, Germany and Australasia. These four regions, comprised of five countries, are among the largest global healthcare markets and have a combined population of over 340 million people, which is approximately ten times the size of the Canadian population. Each of these major healthcare markets are experiencing compelling trends in aging populations, longer life expectancies, rising levels of income and growing healthcare expenditures, and each are experiencing an evolving healthcare delivery model which seeks to address the public provision of care along with the demand for high quality private healthcare. The Combined REIT is well positioned to

continue investing in healthcare real estate assets in each of these regions due to its established, long-term relationships with the leading government and private healthcare operators and its local investment, development and management expertise.

***Significant Trends in Healthcare***

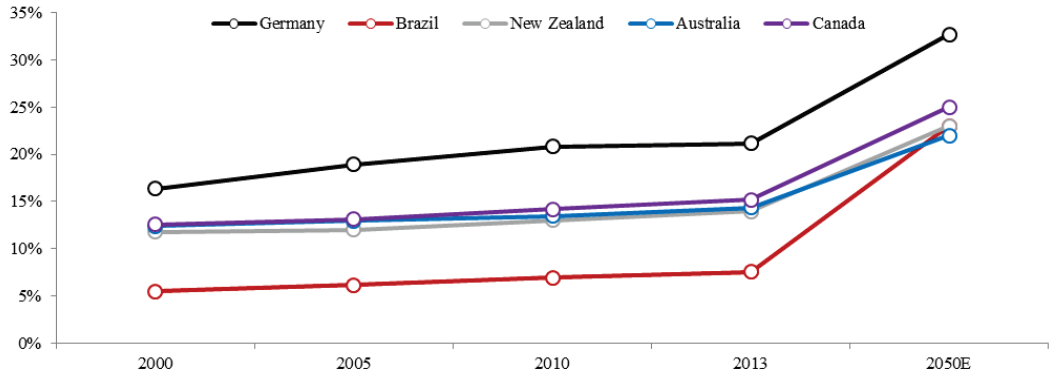
*Aging Populations*

The Combined REIT operates in countries that continue to experience growth in their aging populations. There has been steady growth in the over-65 age group as a percentage of the total population over the past decade. This trend is expected to continue in developed countries as advances in medicine and technology increase the average person's life expectancy. Aging populations and increased life expectancies are anticipated to place a significant burdens on healthcare systems worldwide. Exacerbating the situation are the increase and spread of chronic diseases (e.g., heart disease, stroke, and diabetes), more sedentary lifestyles, diet changes, rising obesity levels as well as improved diagnostics.[1] It is estimated that this older demographic utilizes healthcare services at rates three to four times higher than the rest of the adult population.

With an aging population, healthcare costs have been increasing rapidly. Efficient and innovative healthcare solutions can help offset this financial burden while improving the level of care provided to the population.

- Canada: Approximately 15% of the population is over 65 and is projected to reach 25% by 2050.[2]
- Brazil: Approximately 8% of the population is over 65 and is projected to reach 23% by 2050.[2]
- Germany: Approximately 21% of the population is over 65; Germany now has the second oldest population in the world after Japan (25%). By 2050, the percentage of the population over 65 is expected to exceed 32.7%.[2]
- Australia: Approximately 14% of the population is over 65 and it is projected that this figure will reach 22% by 2050.[2]
- New Zealand: Approximately 14% of the population is over 65 and it is projected that this figure will reach 23% by 2050.[2]

**Population age 65+ as % of total population[3]**



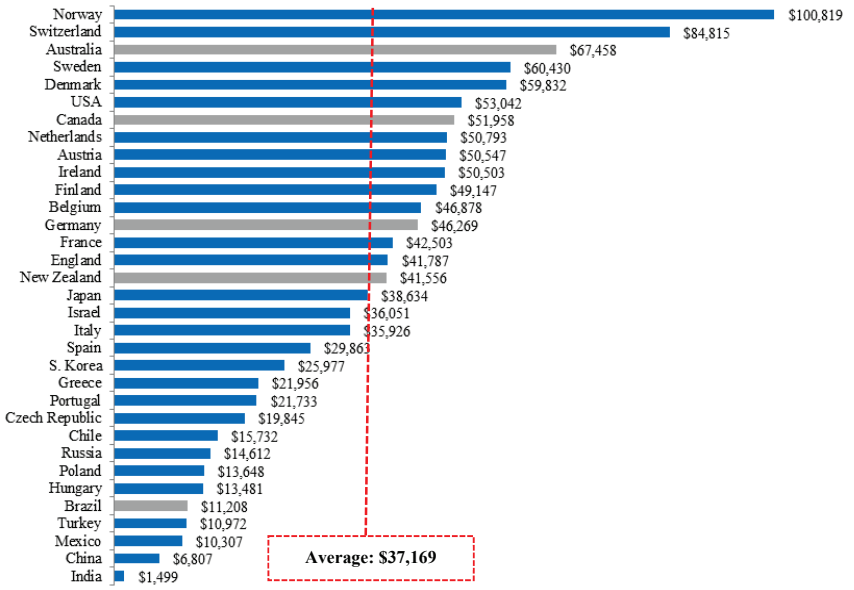

*Growing National Incomes*

The Combined REIT will own high quality healthcare real estate in countries with economies that have higher than average GDP per capita[4], including Canada, Germany, Australia and New Zealand (as displayed in the table below). Management believes that countries with higher and/or increasing GDP per capita are attractive platforms for growth, as rising income levels are anticipated to continue to drive increases in healthcare spending. These strong demand drivers provide a solid foundation that is expected to translate into continued need for more high quality healthcare real estate over time. Each of the markets where the Combined REIT will own real estate has compelling economic trends:

[1] Deloitte Global Health Care Outlook 2015.
[2] World Bank Population Ages 65 and Above (% Total).
[3] World Bank Population Estimates and Projections.
[4] World Bank GDP Per Capita (Current USD).

- Canada has one of the strongest developed economies in the world, with the 11th largest on a nominal basis. This is a significant accomplishment for a country of only 35 million inhabitants. Canada is expected to grow its GDP per capita of US$51,958 by 1.6% per year until 2019.[8]
- Brazil is the largest and most populous country in Latin America and the Caribbean. Brazil's strong domestic market provides Brazilians with stable economic growth and improvements in social well-being.[5] Brazil is expected to continue its growth trajectory, with its GDP per capita of US$11,208 projected to increase by 3.5% per year through 2019.[8]
- Germany is the largest market in Europe and continues to be one of the most attractive business locations in the world. It is widely considered to be the economic stabilizing force in Europe. The country has a healthy economy, a largely balanced federal budget, and a publicly funded national health plan.[6] Germany's GDP per capita of US$46,269 is projected to grow by 3.8% per year through 2019.[8]
- Australia has one of the strongest, most competitive, open and flexible economies in the world. It is also one of the largest economies in the Asia Pacific region. With the low cost of living, affordable quality housing, extensive healthcare benefits and one of the best education and social systems in the world, Australia is a first class destination for foreign investment.[7] As a result, Australia's GDP per capita of US$67,458 is projected to grow by 1.6% per year through 2019.[8]
- New Zealand's economic development over the past few decades has been built on principles of market openness and free trade. Reforms in the 1980s opened the economy to imports, reduced the size of government, and lowered the tax burden. Over time, these changes have cumulatively contributed to solidifying the New Zealand economy's ranking among the world's freest, with high standards of living and low rates of poverty.[9] New Zealand's GDP per capita of US$41,556 is projected to grow by 4.7% per year through 2019.[8]

**2013 GDP per capita**[4]



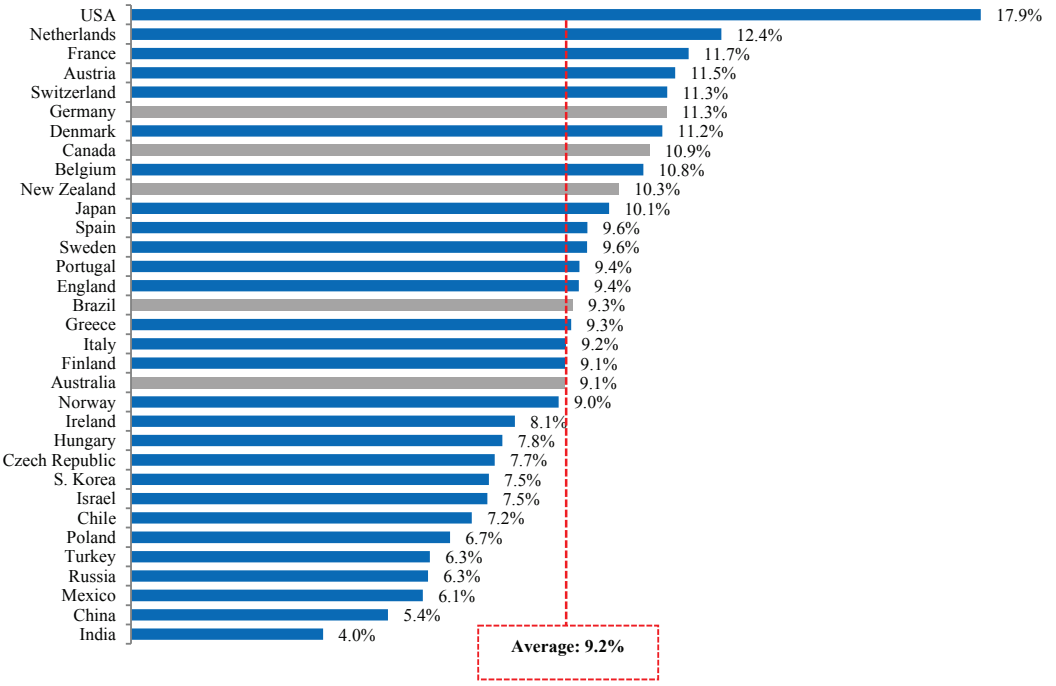

*Rising Healthcare Expenditures*

Providing high quality healthcare services at a reasonable cost is a top priority for developed countries. Total global health spending represents US$7.2 trillion or approximately 10.6% of the world's global GDP.[10] The aging population, rising prevalence of chronic diseases, soaring costs, uneven quality, challenging access to care due to infrastructure limitations and

[5] World Bank Country Summary – Brazil.
[6] Economic Overview Germany – Market, Productivity, Innovation.
[7] PWC Doing Business in Australia.
[8] International Monetary Fund World Economic Outlook database.
[9] 2015 Index of Economic Freedom New Zealand.
[10] Deloitte Global Health Care Outlook 2015.

patient locations, and disruptive technologies have resulted in enormous pressure on governments, healthcare delivery systems, insurers, and consumers in both developed and emerging markets. As a result, management believes that the outlook for healthcare spending remains positive.

**2012 Health expenditure as % of GDP[11]**




- Canada's healthcare system is publicly funded and publicly administered for its 35 million inhabitants. Healthcare-related expenditures in 2012 increased by approximately $6 billion over estimated expenditures for 2011, or a growth rate of 3.0% according to the Canadian Institute for Healthcare Information. As a proportion of Canada's overall economy, healthcare expenditures were 10.9% in 2012. Total healthcare expenditures in Canada were forecast to be to 11.0% of Canada's GDP in 2014.

- Brazil's healthcare system is a hybrid public/private model. At approximately $112.5 billion (USD), private healthcare expenditures represented approximately 54% of 2012 healthcare spending. Brazil is expected to experience significant growth in healthcare as a result of rising disposable incomes and increased public healthcare expenditures in an attempt to improve public healthcare systems. Estimated healthcare spending in 2013 reached $208 billion (USD) or 9.1% of GDP.[12]

- Germany has approximately 82 million inhabitants with nearly every German citizen benefitting from health insurance. The German healthcare industry is one of Europe's largest and current spending as a percentage of GDP is expected to rise gradually to 11.7% by 2018. Total estimated healthcare spending in 2013 was approximately $411.5 billion (USD) and is expected to increase by an annual average of 3.8% to $470 billion (USD) by 2018.[10] According to the World Health Organization, nearly 90% of the population is covered by one of the public insurance providers, while about 9% choose a private system. In 2012, public spending represented 76% of the country's total healthcare spend, with the remainder attributed to private spending.[13]

- The Australian healthcare system is designed to provide universal access of health services to all Australians based on a network of private service providers with acute services being provided by public hospitals. Australia's healthcare system is predominately funded by its federal government through its Medicare program. Patients are reimbursed up to 100% of the cost of general practice and 85% of diagnostic services while public hospitals are free

[11] World Bank Health Expenditure, Total (% of GDP).
[12] Deloitte Global Health Care Outlook 2015.
[13] World Health Organization Bulletin (2012).

to patients. Approximately 47% of Australians opt to take additional private health insurance that enables patients to choose physicians, hospital accommodations and avoid the waiting lists in public hospitals.

- In New Zealand, approximately 30% of the population is insured through private health insurance.[14] The rollout of public healthcare programs combined with growing consumer wealth is anticipated to boost healthcare spending in Asia and Australasia by an average of 8.1% in 2014 – 2018.[14]

***Regional Market Overviews***

*Canada*

*Healthcare Market Overview*

Canadian healthcare is primarily publicly funded and publicly delivered. National health policy is set by the federal government and partially funded through transfer payments. The provincial governments play a significant role in establishing health policy, the delivery of healthcare services to their residents, and in overseeing implementation and administration. Public funding accounts for over 70% of Canada's total health care spending.[15] The balance is split equally between private insurers and consumer expenses. As health systems seek solutions to pressing challenges in meeting escalating health demands with limited resources, there is an emerging focus on seeking new models beyond the traditional public models in place across the country.

*Aging Population*

Canada is experiencing significant growth in its aging population. According to Statistics Canada, the proportion of seniors (people 65 years old or greater) in the overall population has increased from one in every 20 in 1921, to almost one in every six in 2014. Even greater changes in the proportion of seniors occurred in 2011 when the oldest baby boomers, those born in 1946, reached the age of 65. It is projected that by 2051, a quarter of all Canadians will be seniors. Increasing life expectancy at birth, along with increasing health consciousness among Canadians, has led to longer lifespans. In 2012/2013, based on the most recent estimate from Statistics Canada, life expectancy at birth for Canadians reached 79.6 years for men and 83.8 years for women, which represents an increase of over 35% since 1921. Life expectancy at birth is expected to continue to grow, reaching 83.5 years for men and 86.3 years for women in 2032. In 2062, life expectancy will have increased to 87.6 years for men and 89.2 years for women. Canadians aged 65 and older consumed over 45% of provincial and territorial government healthcare spending in 2012 as per the Canadian Institute for Healthcare Information estimates. As more seniors live longer lives, the demand for healthcare services is expected to increase.

*Overview of Canadian Healthcare Real Estate Asset Classes*

The Canadian healthcare real estate opportunity is comprised primarily of MOBs and Seniors Living Facilities, as investments in hospitals are limited to select public-private partnerships. In the MOB investment class, management estimates that there are more than 700 MOBs in Canada of efficient size (i.e., those housing more than 10 doctors) , comprising an aggregate of approximately 25 million square feet. These MOBs typically include 30,000 to 40,000 square feet of leasable area and have an average of 25 to 40 tenants. Unlike MOB assets in the United States, the number of MOBs in Canada located on-site and directly owned by hospitals is limited, as there is estimated to be no more than a few dozen of these types of facilities across Canada. Most MOBs in Canada are owned by private owners and are located in close proximity to publicly-funded hospitals. MOB ownership is fragmented in Canada and there are barriers to entry for traditional real estate owners because of the operational intensity and the unique medical requirements of the physician tenants. The Seniors Living sector in Canada is comprised of Assisted Living, Independent Living, and Long-term care – all with varying degrees of healthcare service provided. The real estate in this sector is also somewhat fragmented and is owned by small, independent operators as well as by larger, professional operators REITs, especially US healthcare REITs, have been active in consolidating assets in the Seniors Living sector.

*Focus on Medical Office Buildings*

The Combined REIT will be the largest owner of MOB assets in Canada ,and expects to continue to be successful in consolidating a fragmented market. MOBs have long played an important role in the provision of healthcare in Canada.

[14] Quarterly PHIAC data September 30, 2014 & NFANZ September 30, 2014.
[15] Deloitte Global Health Care Outlook 2015.

Typically, MOBs are the "front line" in primary healthcare where patients go to address their non-acute health needs. Increasingly, MOBs are being used as comprehensive healthcare platforms, delivering more complex outpatient solutions as a way to reduce the burden and cost of providing care in a hospital setting. The demand for medical office space by physicians and care groups is directly related to the population of a given area, with demand increasing as population either grows rapidly and/or ages significantly beyond 60 years of age. MOB investments are a niche sector of the commercial real estate market, which requires specialized management experience and expertise. Currently a significant number of MOBs are owned by private investors and/or partnerships who may not be long term owners. MOB ownership is extremely fragmented in Canada, as institutional real estate investors have not historically invested in the asset class. Management estimates that the next largest competitor in Canada owns approximately one million square feet, or approximately one fourth of the NWH portfolio size. Management believes that the Combined REIT will have opportunities to continue to invest in high quality MOB real estate due to its strong relationships with MOB owners, physician and care groups, and provincial governments, and that the Combined REIT will be the most efficient owner and operator of those assets.

*Brazil*

*Healthcare Market Overview*

Brazil has the largest public health system in the world with three quarters of the 200 million inhabitants depending on free care from Brazil's Unified Health System (SUS).[16] Brazil's healthcare system is a hybrid public/private model. The public healthcare system represents 46% of 2012 healthcare spending and covers close to 75% of the country's population. It is funded at Federal, State and Municipal levels of governments. Care under the SUS is split between public and private providers: most in-patient services are privately owned and run, whereas most outpatient care is carried out by public facilities.[17] The remaining 25% of the population is enrolled in private health plans, and Brazil has the second-largest private insurance market by population in the world (after the U.S.).[18] The private healthcare system represented 54% of 2012 healthcare spending and was funded primarily through healthcare plans (40%), out of pocket expenditures (58%) and other non-profit/NGOs (2%).[19] The system continues to grow in both the public and private sectors.

*Rising Incomes and Demand for Healthcare Services*

Brazil has experienced a prolonged period of economic growth during the first decade of the 21st century. During this time period, the number of middle-class and affluent households increased by approximately 6 million and now account for approximately 30% of households. As a result, Brazil is now the world's eighth-largest market for automobiles, fourth-largest for personal computers, and third-largest for cosmetics.[20] At the end of 2014, unemployment in Brazil for the year reached a record low of 4.8%, the lowest rate per year in its economic history. From 2002-2014, unemployment has steadily decreased from 13% to 5% as the overall economy has grown. As a result of increases in income, many Brazilians also aspire to have private health insurance and access to high quality care. For private healthcare insurance, the numbers of enrolees are increasing, but plan rates and out-of-pocket costs are also rising primarily due to an aging population, increasing incidence of chronic diseases, and a higher than projected claims level.

One of the great opportunities for the Brazilian healthcare sector is to strengthen public-private partnerships to expand care, improve facilities, and increase service efficiency. In 2013, the government announced a stimulus package of $4.1 billion (equivalent to 10% of the annual health care budget) for private firms operating in the health care sector to achieve better healthcare outcomes.

*Foreign Investment in Hospital Operators*

The hospital segment is considered strategically important for Brazil. Following a long period of protectionist policies, the government has recently announced legislation to open the sector to outside foreign direct investment. In December 2014, the Federal government of Brazil approved a law allowing foreign investments in Brazilian hospitals.[21] This has been viewed as a strategically important step to respond to the significant investment demands in the Brazilian private healthcare industry where foreign investments are already permitted in the areas of insurance and pharmaceuticals.

[16] Deloitte Global Health Care Outlook 2015.
[17] Industry Report, Healthcare: Brazil, The Economist Intelligence Unit, September 2014.
[18] Deloitte Global Health Care Outlook 2015.
[19] World Health Organization Bulletin (2012).
[20] BCGPerspectives - Redefining Brazil's Emerging Middle Class.
[21] Deloitte Global Health Care Outlook 2015.

*Overview of Brazil's Healthcare Real Estate Asset Classes*

Brazil's healthcare real estate is primarily focused on private hospitals and select public-private partnership opportunities. Private sector growth is driven by rising numbers of insured patients, operator consolidation, and replacement of obsolete facilities. For hospital operators, there are large established foundations (Einstein, Siro), health maintenance organizations (Amil, Unimed) and private operators (Rede D'Or Sao Luiz S.A.) as well as numerous smaller individual and regional operators. In terms of competition, there is significant sector consolidation underway. Private equity and high net worth individuals are focused on investing and developing the sector.

The traditional healthcare asset classes of MOB and seniors living facilities are relatively nascent in Brazil. In the MOB sector, there is limited opportunity due to many office space units being stratified – doctors tend to own their individual space rather than lease from a landlord. Other medical offices tend to be co-located in hospitals. On the retail side, there is some outside investment in areas including pharmacies and lab-related real estate, though the opportunities are in a relatively niche asset class. In the Seniors Living sector, seniors are typically housed through family/religious relationships and there are limited independent Seniors Living facilities.

*Focus on Core Hospital Infrastructure*

The Combined REIT will focus its Brazil investments on the purchase and leaseback of large-scale hospital assets, ranging from 100 to 500 beds in size, with long-term triple net lease to high quality private hospital operators. The investment strategy will be to continue to partner with strong operators in major markets that exhibit growing populations and incomes and to own critical hospitals that are experiencing significant levels of increased demand. This strategy builds on the Combined REITs deep relationships with the premier private hospital operators in the sector, allowing the Combined REIT to act as the outsourced real estate owner for those private operators, including the ability to make attractive investments in the hospital expansion projects necessary both to optimize the use existing assets as well as to meet high patient demand.

*Germany*

*Healthcare Market Overview*

Health insurance is compulsory for the entire population of Germany, comprising some 82 million inhabitants. Individuals below the income threshold of 50,000 Euros per year are automatically enrolled in the publicly financed system, known as Statutory Health Insurance. Above this income threshold, an individual has the option to either remain part of the public system or join a privately insured system at their own cost. In addition, employers typically offer a matching contribution to each employee, which can be used to offset the cost for private insurance. In 2010, approximately 85% of Germans were publicly insured, 11% privately insured and the balance 4% listed as other (military, etc.). Healthcare costs have outpaced both GDP and inflation growth, growing at 3.5% per annum during the years 2005-2011 against a backdrop of flat population growth. Cost pressure is requiring both public and private healthcare participants to find ways to improve efficiency as utilization rates increase, primarily due to demographic trends. There is an increasing debate about the dual pay system, and whether private healthcare should be allowed to compete with the public system, in order to improve efficiency and quality, while driving down cost.

*Aging Population*

Germany's most significant challenge to healthcare cost control is its aging population. The proportion of people 65 or older already exceeds one in five, and is expected to rise to over 22% by 2018. It is expected to increase demand for treatment and place considerable stress on the overall budget. Although Germany's ratio of 3.8 doctors per 1,000 people is higher than the OECD average, the number of healthcare graduates has fallen over the past decade, resulting in recruitment shortages. As Germany and other European Union countries seek to address rising levels of consumer demand, the competition for healthcare professionals at all levels is expected to intensify. Like numerous developed nations, Germany is instituting health care cost control and is exploring options to optimization care delivery. In addition, provider consolidation is taking place, as evidenced by an increasing tendency towards hospital mergers and the creation of strategic partnerships designed to increase capabilities and improve economies of scale.

*Overview of German Healthcare Real Estate Asset Classes*

Germany is a market where the three major healthcare asset classes of hospitals, MOB and Seniors Living facilities are all part of the investable universe. There are more than 2,000 hospitals in Germany, which comprise of a mix of public, private,

and not for profit operators. There are five significant operators in the private hospital segment: Helios (Fresenius Group), Rhön, Asklepios, SANA and Schön, and many of them own and operate their own assets. For MOBs, management estimates that there are approximately 1,000 MOBs located in and around 15 major cities and healthcare hubs in Germany, and a total of 2,000 across the country. Between hospitals and MOBs, the combined total investable real estate opportunity is estimated to be approximately $35B (€25B). For the Seniors Living market, funding is primarily provided by the public sector at a 90% overall level, with both public and private operators in the space. There have been recent sale-leaseback transactions in this sector to consolidate ownership. A significant ownership opportunity for healthcare infrastructure assets including large scale private clinics and hospitals exists through the country's private healthcare market, which accounts for approximately 20% of German healthcare spending.

*Focus on Medical Office Buildings*

The Combined REIT expects to continue its focus on consolidating the ownership of high quality MOBs in major healthcare markets in Germany, in much the same way it has done so in the Canada MOB market. Ownership of MOBs in Germany is highly fragmented, and there are currently few other institutional owners with the experience and expertise necessary to own and operate medical properties who are competing in the space. The Combined REIT will likely continue its focus in major metropolitan areas to acquire newer assets of approximately 30,000 to 100,000 square feet in size with 10-30 medical related practitioners in each assets. The Combined REIT will have a leadership position in Berlin, a city which is experiencing significant growth and is Germany's largest city, with multiple opportunities to build on the Combined REIT's leading portfolio there. The Combined REIT's strategy will be to replicate its Berlin success in other major markets in Germany, where it can acquire and efficiently operate a critical mass of high quality medical properties which benefit from close proximity to leading hospitals.

*Australasia*

*Healthcare Market Overview*

Healthcare in Australia is provided both by public and private institutions and coverage is evenly balanced. Medicare is the publicly funded universal healthcare system instituted in 1984 and covers the 53% of the country. In addition to public funding, there are several private health care plans in Australia, of which the largest is Medibank Private, which has around 3.4 million members and accounts for about one-third of the private health-insurance market. Medibank became a for-profit company in 2009 and went public in 2015 with a market capitalisation in excess of $6B.[22] Healthcare in New Zealand is similar to Australia. Originating from a fully public system in the early 20th century, reforms in the past three decades have created a mixed public-private system for delivering healthcare. Public health expenditures account for a relatively large share of expenditures at 70%, with private insurance covering the remaining 30% of the market.[23]

*Aging Populations and Increased Life Expectancies*

Australians have one of the highest life expectancies in the world, averaging 79.9 years for males and 84.3 years for females. In addition, Australia's population growth in recent decades has been stronger among older age groups compared with younger groups: In 2013, people aged 65 and over comprised 14% of the population compared with 9% in 1973. The country's aging population brings attendant health issues which drive healthcare demand and cost. Australians are increasingly living with lifestyle-related chronic diseases, health conditions, health risks and disability, which, in terms of health burden, have largely replaced the infectious diseases of 50–100 years ago such as pneumonia and tuberculosis. For example, about one million Australians had diabetes in 2011–12, and nearly two-thirds of people aged 18 or over are overweight or obese, compared with about 56% in 1995.[24]

*Overview of Australasian Healthcare Real Estate Asset Classes*

Australia and New Zealand have developed healthcare real estate sectors, with investment possible in hospitals, MOBs, and Seniors Living. For hospitals, there are opportunities for direct investment in public and private assets. Tenants are a mix of publicly funded, not-for-profit, and private operators who significant scale and access to capital through either investment from private equity or the public equity markets. The markets for healthcare real estate are characterized by capacity constraints during a time when the sector continues to experience rapid rates of growth. MOBs tend to be located in healthcare precincts and/or directly on hospital campuses. There has been a recent shift towards larger, free-standing

[22] Deloitte Global Health Care Outlook 2015.
[23] Vital Trust – 2015 Interim Results Presentation.
[24] Deloitte Global Health Care Outlook 2015.

integrated medical office buildings with a variety of physician practices and related medical services. In New Zealand, owner–operators of healthcare real estate are more typical, whereas in Australia the sector is experiencing investment from the REIT market. In the Seniors Living sector, ownership is highly fragmented. There are approximately 2,800 facilities and more than 180,000 beds with roughly 60% controlled by not-for-profit institutions and approximately 33% operated by private corporations, with the remaining 7% operated by the state.[25] Consolidation has been occurring among the private and not-for-profit operators of senior living, and NWH and NWI management expect that this asset class may see selective opportunities to acquire high quality senior living assets.

The Australian healthcare real estate index as measured by the Investment Property Databank has outperformed the all property index on both total return metrics and risk profile. Relative to other sectors, healthcare real estate has generally enjoyed less volatility with higher income yields and continued growth in the sector. The healthcare real estate index delivered a 12.5% compounded annual return over an 8-year period to June 30, 2014 compared to a 9.7% return for all sectors. During the economic downturn in 2009, the healthcare index remained positive at an approximate 7.5% in total return; whereas, the all property index turned negative for a loss of 6%.

There are a wide variety of firms investing in healthcare real estate in the market, including public companies, mutual funds and private operators backed by institutional investors. Vital Trust, of which the Combined REIT will own approximately 24%, is the leading publicly-listed healthcare real estate investment company in the region, with a portfolio of $580M (A$617M) comprising 18 hospitals and seven medical office buildings. Other significant competitors in the space are Generation Healthcare with a portfolio of approximately $320M (A$341M) in assets comprising of 13 properties[26] and Australian Unity Healthcare Property Trust, an unlisted mutual fund of approximately $605M (A$638M) in assets comprising 28 properties - nine hospitals, 12 medical office buildings, one seniors centre and six development assets.[27] Private hospital operators such as Healthscope, which was publicly listed in 2014, own the majority of their private hospitals.

*Investment Focus on Private Hospitals*

The Combined REIT, through Vital Trust, expects to continue to invest actively and directly in core hospital infrastructure and related MOBs, and has an extensive development program to support its tenants with their strategic growth objectives. Vital Trust has completed approximately $70M (A$74.9M) in expansion projects since July 2012 and has $65M (A$68.8M) currently in progress scheduled for completion by the end of 2015. In the past, Vital Trust has also completed build to suit projects, such as Ascot Hospital in New Zealand in 1999 comprising 88 beds, and Epworth Eastern in Melbourne, Australia in 2005 comprising 223 beds, on long-term leases. In conjunction with completing the expansion projects currently in progress, Vital has actively been pursuing acquisitions and recently closed on The Marian Centre, a 31-bed standalone hospital in Perth, Australia. It has also strategically purchased land for $3M (A$3.5M) around its landmark Epworth Eastern hospital, one of the largest Vital Trust tenants and a leading not for profit hospital operator in Australia, as it continues work together with the operator on a master-plan to add further capacity over time.

***Core Healthcare Operator Relationships***

The Combined REIT has established, long-term relationships with some of the largest global hospital operators that have revenues exceeding $1 billion annually and are among the leaders in their respective markets. In Canada, the Combined REIT will benefit from long-term relationships with Alberta Health Services (Province of Alberta) and the Province of Ontario, comprising a significant percentage of rental revenue. In Brazil, Rede D'Or Sao Luiz S.A. is the leading private hospital operator with 26 hospitals and approximately 2,800 beds, and has annual revenues in excess of $1 billion. It is privately-owned, with institutional investors and is S&P rated. The Combined REIT will own four hospitals that are operated by Rede D'Or Sao Luiz S.A. – one in Sao Paulo, two in Brasilia, and one in Rio De Janeiro, all on 25-year triple-net, inflation-indexed leases. In Australia, Healthscope is the 2nd largest hospital operator with 44 hospitals and approximately 4,500 beds. Vital Trust currently owns two properties that are operated by Healthscope on a triple net lease basis. HealtheCare is another of Australia's largest operators with 16 hospitals and approximately 1,500 beds. Vital Trust currently owns 12 properties that are occupied by HealtheCare on a long-term triple net lease. The Combined REIT intends to continue partnering with the aforementioned operators in their respective growth and expansion plans. It will also seek to establish similar relationships with other leading operators in the countries in which it operates.

[25] UBS Aged Care Handbook, October 15, 2014.
[26] Generation Healthcare REIT website (http://www.generationreit.com.au).
[27] Australian Unity Healthcare Property Trust Fund (http://www.australianunityinvestments.com.au).

**Assets of the Combined REIT**

*Leading Regional Platform*

- **Canada** – The Canadian portfolio is comprised of 74 healthcare related properties located primarily in major markets such as Toronto, Montreal and Calgary, and totals a leasable area of 4.5 million square feet and approximately 1,500 tenants. The Combined REIT will be the largest non-government owner/manager of MOBs and healthcare related facilities. The Canadian portfolio is underpinned by tenancies supported by the Canadian publicly funded healthcare system, and although it has a lower growth trajectory, the portfolio will provide stable and reliable cash flow to the Combined REIT as it pursues higher growth opportunities core healthcare infrastructure real estate in its target markets internationally. The Canada region has a fully-integrated team of investment, development, asset management and portfolio operations professionals.
- **Brazil –** Five institutional quality regional hospital properties will make up the initial Brazilian portion of the Combined REIT's portfolio. Located in high density, major markets including Sao Paulo, Rio de Janeiro and Brasilia, the Brazilian portfolio of core healthcare infrastructure assets have 100% occupancy, an approximate 22.2 year average lease term, and offer stable cash flow with long-term, triple-net, inflation-indexed leases, providing consistent organic growth. The Combined REIT will also benefit from a long-term, strategic relationship with one of the country's leading private hospital operators, Rede D'Or Sao Luiz S.A. (S&P National Rating: A-), and from the Combined REITs presence in the market with a high quality team of investment and asset management professionals.
- **Germany** – The German portfolio of the Combined REIT will consist of 19 high quality MOB assets strategically located in the country's major markets, including Berlin, Frankfurt, Ingolstadt and Leipzig. The portfolio has a 95.2% occupancy rate and an approximate 4.6 year average lease term. The Combined REIT will also benefit from the strength of its fully-integrated investment, property management and asset management capabilities located in the market, which will allow efficient operation and deal sourcing in the country,
- **Australasia** – The Combined REIT will act as manager and will own a 24% strategic stake in Vital Trust (NZX:VHP), Australasia's largest healthcare real estate owner. Vital Trust currently owns 18 private hospitals and 7 MOBs in Australia and New Zealand, with a 99.5% occupancy rate and an approximate 15.2 year average lease term. Through Vital Trust, the Australasia portfolio offers stable and growing cash flows underpinned by tenancies of high quality hospital and healthcare operators with long-term, inflation-indexed leases. The Vital team is a fully-integrated operation with offices in Australia and New Zealand comprised of leading investment, development, asset management and property operations professionals.

**Growth & Investment Strategy**

*Growth Strategy*

The Combined REIT employs a Canada "plus" strategy that builds on its stable Canadian portfolio to pursue attractive international growth initiatives. The REIT has identified the following actionable near-term organic and external growth opportunities in its four target markets:

**Canada "Plus" Growth Strategy**

| Target Market | Organic Growth | External Growth |
|---|---|---|
| Canada | • Focus on asset management and asset harvesting<br>• Focus on new and renewal leasing program | • Develop new format MOB facilities<br>• Potential to invest in non-core hospital infrastructure and ancillary facilities over time |
| Brazil | • Rental rate indexation linked to inflation (Q4-14 run-rate of ~6% a year)<br>• Strategic relationship with Rede D'Or SL provides significant expansion opportunities at attractive yields | • Opportunity for acquisition and development of hospitals<br>• Potential to partner with clinics, labs and /or pharmacy consolidator and establish a MOB segment in Brazil |

| Target Market | Organic Growth | External Growth |
|---|---|---|
| Germany | • Rental rate indexation linked to inflation (Q4-14 run-rate ~1% a year)<br>• Focus on revenue enhancing activities (ie. parking, expense recoveries) and enhancement of assets | • Continued incremental acquisitions focused on MOBs and clinics |
| Australasia | • Rental rate indexation linked to inflation (Q4-2014 run-rate ~3% a year)<br>• ~A$68.8 million commitment to 5 new expansion projects at ~9%<br>• Forecast pipeline of ~A$25 million in the next 24 months | • Continued incremental acquisitions of regional hospitals, clinics and MOBs |

The Combined REIT has committed to several accretive expansion opportunities, as described in the following chart. The opportunities described in the chart are subject to the fulfillment of various conditions, and there can be no assurance that any such conditions will be met. Furthermore, if completed, there can be no assurance that the expected metrics described below will be realized. The following expansion opportunities could be modified, restructured or terminated at any time.

**Accretive Committed Expansion Opportunities**

| | Canada[(1)] | Brazil | Australasia |
|---|---|---|---|
| **Number of Projects** | 2 Developments | 2 Expansion Projects | 5 Expansion Projects |
| **Project Locations** | Barrie & Toronto | HMB<br>Coracao | Belmont, Hurstville, Marian, Maitland and Lingard |
| **Development Opportunity** | Medical Office Buildings | Hospital expansion<br>Parking expansion | Hospital Expansions |
| **Expected Project Cost (C$ million)** | ~$45 | ~$60 | ~$68 |
| **Expected Rental Yield** | ~8% | ~11.5% | ~9% |
| **Size** | 161k sq. ft. | 240k sq. ft. for 150 beds<br>92k sq. ft. for 316 parking stalls | ~ 150 new beds |
| **Start Date** | Sept 2015 – Jan 2016 | June 2015 | In Progress |
| **Expected Duration** | 14 – 18 months | 12 – 24 months | 2 – 8 months |

Notes:
(1) Based on data as of December 31, 2014.

**Unaudited Pro Forma Financial Profile**

***Pro Forma and Adjusted Pro Forma Consolidated Capitalization***

The following table sets forth the consolidated capitalization of NWH as at December 31, 2014 after giving effect to the Arrangement. For detailed information on the capitalization of NWH and NWI as at December 31, 2014, see NWH's audited annual financial statements for the year ended December 31, 2014 and NWI's audited annual financial statements for the year ended December 31, 2014. See also the unaudited pro forma condensed combined financial statements of NWH following completion of the Arrangement set forth in Appendix B to this Circular.

| | As at December 31, 2014 (unaudited—pro forma after giving effect to the Arrangement) (expressed in thousands of dollars) |
|---|---|
| **Indebtedness** | |
| Mortgages and loans payable | $1,031,056 |
| NWH Debentures[(1)] | 40,854 |
| 6.50% Debentures | 20,342 |
| 7.25% Debentures | 17,478 |
| 7.50% Debentures | 34,100 |
| Deferred revenue | 12,869 |
| Deferred consideration | 41,280 |
| **Redeemable Units** | |
| Redeemable Units[(2)] | 184,358 |
| **Combined REIT Unitholders' Equity** | |
| Units of the Combined REIT (Authorized – unlimited)[(3)] | 474,935 |
| **Total Capitalization** | $1,857,273 |

Notes:

(1) 5.25% convertible unsecured subordinated debentures of NWH issued in an initial aggregate principal amount of $40.25 million in September 2013 and due on September 30, 2020.

(2) Limited partnership units of NWI LP that are redeemable, at the option of the holder, for such number of aggregate NWH Units that is equal to the product obtained by multiplying the number of NWI Units to which the NWI Class B LP Units are currently exchangeable into by the Exchange Ratio. Issued (pro forma as at December 31, 2014 after giving effect to the Arrangement – 19,173,211.

(3) Issued (pro forma as at December 31, 2014 after giving effect to the Arrangement – 52,827,406).

***Selected Unaudited Adjusted Pro Forma Financial Information***

The following table sets out selected unaudited pro forma financial information for the Combined REIT that assumes the completion of the Arrangement as if effective January 1, 2014, as presented in the unaudited pro-forma condensed combined financial statements of the Combined REIT in Appendix B of this Circular, and adjusts such information to, among other things (a) adjust calendar year results to annualized fourth quarter results, (b) adjust for previously disclosed subsequent events occurring after the year ended December 31, 2014, (c) adjust for certain non-recurring historical items relating to each of NWH and NWI, and (d) incorporate certain management estimates regarding the effects of the Arrangement and future activities, all as detailed in the notes below.

This selected unaudited adjusted pro forma information has been derived from, and should be read in conjunction with, the more detailed unaudited pro forma condensed consolidated financial statements of the Combined REIT attached as Appendix B. The pro forma financial statements were based on, and should be read in conjunction with, the historical consolidated financial statements and related notes of both NWH and NWI for the applicable periods, which have been incorporated by reference in this Circular.

Certain of the adjustments in the table below may be considered to be forward-looking in nature, including, without limitation, items relating to liquidity, future refinancings, fees earned by the asset manager to Vital Trust, anticipated capital expenditures and future general and administrative expenses including estimated synergies anticipated as a result of combining two public REITs, all as detailed in the notes below. As a result, the discussion in this section is qualified in its entirety by the cautionary language regarding forward-looking statements set out under "Joint Management Information Circular – Forward –Looking Statements".

The following selected unaudited adjusted pro forma information is not necessarily indicative of what the Combined REIT's financial position or results of operations actually would have been had the Arrangement been completed as of January 1, 2014, nor does it purport to project the future financial position or operating results of the Combined REIT.

| For the year ended December 31, 2014<br>(in thousands of Canadian dollars) | Pro Forma December 31, 2014<br>(unaudited) | Notes | Fourth Quarter Annualized Adjustment<br>(unaudited) | Notes | Subsequent Events<br>(unaudited) | Notes | Other Adjustments<br>(unaudited) | Adjusted Pro Forma December 31, 2014<br>(unaudited) |
|---|---|---|---|---|---|---|---|---|
| **Net Operating Income** | | | | | | | | |
| Revenue from operations | $194,513 | (2) | $(1,229) | (6),(7),(8) | $4,082 | (10) | $(770) | $196,596 |
| Property operating expenses | 74,321 | (2) | (1,621) | (6),(7),(8) | 910 | (10) | (294) | 73,316 |
| | 120,192 | | 392 | | 3,172 | | (476) | 123,280 |
| **Other Income** | | | | | | | | |
| Interest | 1,287 | (2) | 221 | (8) | (640) | | - | 868 |
| Management fee participation | 2,372 | (2) | (628) | (4) | (1,744) | | - | - |
| Management fee income | - | | - | (4) | 8,000 | | - | 8,000 |
| Share of profit of associates | 7,707 | (2) | 4,393 | | - | | - | 12,100 |
| | 11,366 | | 3,986 | | 5,616 | | - | 20,968 |
| **Expenses** | | | | | | | | |
| Mortgage and loan interest expense | 53,203 | (2) | 1,774 | (5),(7),(8),(9) | 1,099 | (10) | (175) | 55,901 |
| Trust expenses | 10,033 | (2) | 1,908 | (4) | (484) | (11) | (1,500) | 9,957 |
| Transaction costs | 11,763 | | - | | - | | - | 11,763 |
| Amortization of intangible asset | 1,561 | | - | | - | | - | 1,561 |
| Foreign exchange loss | 1,115 | (2) | 660 | | - | | - | 1,775 |
| | 77,677 | | 4,342 | | 615 | | (1,675) | 80,957 |
| Income before finance income (cost), fair value adjustments, net loss on disposal of investment properties, goodwill, and gain on business combination | 53,883 | | 36 | | 8,173 | | 1,199 | 63,291 |
| Finance income (cost) | (49,501) | (2) | (1,025) | | - | | - | (50,526) |
| Fair value adjustment of investment properties | 26,814 | | - | | - | | - | 26,814 |
| Net loss on disposal of investment properties | (1,381) | | - | | - | | - | (1,381) |
| Gain on business combination | 47,043 | | - | | - | | - | 47,043 |
| Fair value adjustment of deferred unit plan liability | 13 | (2) | 187 | | - | | - | 200 |
| Net income (loss) before taxes | 76,871 | | (802) | | 8,173 | | 1,199 | 85,441 |
| Income tax expense | 11,541 | (2) | 255 | | - | (10) | 981 | 12,777 |
| **Net income (loss)** | **$65,330** | | **$(1,057)** | | **$8,173** | | **$218** | **$72,664** |
| **Adjustments to Pro Forma Net Income to FFO and AFFO[(1)]** | | | | | | | | |
| Finance income (cost) | 39,009 | | - | | - | | - | 39,009 |
| Fair value adjustment of investment properties | (26,814) | | - | | - | | - | (26,814) |
| Net loss on disposal of investment properties | 1,381 | | - | | - | | - | 1,381 |
| Gain on business combination | (47,043) | | - | | - | | - | (47,043) |
| Transaction costs | 11,763 | | - | | - | | - | 11,763 |
| Internal leasing costs | 1,730 | (2) | 326 | | - | | - | 2,056 |
| Fair value adjustment of deferred unit plan liability | (13) | (2) | (266) | | - | | - | (279) |
| Unrealized foreign exchange loss | 1,503 | | - | | - | (10) | 274 | 1,777 |
| Deferred taxes | 11,272 | (2) | 1,232 | | - | | - | 12,504 |

| For the year ended December 31, 2014 | Pro Forma December 31, 2014 | Notes | Fourth Quarter Annualized Adjustment | Notes | Subsequent Events | Notes | Other Adjustments | Adjusted Pro Forma December 31, 2014 |
|---|---|---|---|---|---|---|---|---|
| (in thousands of Canadian dollars) | (unaudited) | | (unaudited) | | (unaudited) | | (unaudited) | (unaudited) |
| Net adjustment for equity accounted entities | (1,020) | (2) | (3,017) | | - | | - | (4,037) |
| **FFO[(1)]** | **$57,098** | | **$(2,782)** | | **$8,173** | | **$492** | **$62,981** |
| Asset management fees paid in units | 3,319 | (2) | 185 | (4) | (3,504) | | - | - |
| Amortization | 6,430 | (2) | 769 | | - | | - | 7,199 |
| Instalment note | 215 | (2) | (192) | | - | | - | 23 |
| Deferred unit plan compensation expense | 1,760 | (2) | 748 | | - | | - | 2,508 |
| Debt repayment costs | 768 | (2) | 552 | | - | | - | 1,320 |
| Leasing costs, tenant improvements and growth capital expenditures | (9,386) | (2) | (234) | (7),(8) | (109) | (10),(11) | (1,165) | (10,894) |
| **AFFO[(1)]** | **$60,204** | | **$(954)** | | **$4,560** | | **$(673)** | **$63,137** |
| Units Outstanding (Weighted Average) | 67,565 | (3) | 4,435 | | | | | 72,000 |
| FFO per unit [(1)] | 0.85 | | | | | | | 0.87 |
| AFFO per unit [(1)] | 0.89 | | | | | | | 0.88 |

Notes:

(1) FFO and AFFO are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. See "Joint Management Information Circular – Non-IFRS Measures".

(2) To adjust the year ended December 31, 2014 results to reflect the quarter ended December 31, 2014 annualized results. For NWI, significant adjusting items include: (a) the full year effect of the 14 asset German portfolio acquisition in June/August 2014 for $65M at an approximate 8% cap rate and new mortgages obtained at an average 2.5% interest rate, resulting in an estimated incremental $2.8M of NOI and $2.1M of AFFO to 2014 actual results; (b) the full year effect of interest expense on the 7.25% Debentures with face value $38.75M issued in September 2014, resulting in an incremental interest expense of $2.1M to 2014 actual results; c) the decrease in average foreign exchange rates from the 12 month average for the year ending December 31, 2014 relative to the fourth quarter 2014, three-month average (CAD/BRL: from 0.47 to 0.45, CAD/EUR: from 1.47 to 1.42, and CAD/NZD: from 0.92 to 0.89) resulting in an estimated reduction to NOI of $2.0M and AFFO of $1.2M; (d) to reflect Vital Trust's fourth quarter results annualized of $8.3M of FFO versus $6.7M for calendar year 2014 (based on a NWI's 24% interest), the major variance items representing non-recurring costs (stated on a 100% basis) including the following: swap retirement costs of approximately $1.5M; deal costs related to the potential acquisition of a 28 hospital portfolio from Healthscope of approximately $1M; and incremental tax of $2.4M related to a $9M (NZ$10M) lease amendment fee for Mercy Ascot Hospital. For NWH, significant adjusting items include the disposition of 5 properties during the course of the year, including St Urbain & Wharncliffe in the first quarter, 2065 Finch Avenue in the second quarter, Welland in the third quarter, and Victoria Medical in the fourth quarter, which reduces NOI by $0.6M and $0.3M of interest expense in the pro-forma 2014 net income.

(3) To adjust the weighted average pro-forma basic units outstanding for the calendar year to the pro-forma basic units outstanding as at December 31, 2014.

(4) NWI - To reflect internalization of management that closed on January 29, 2015 and resulted in the acquisition of the asset management, property management and development functions of NWI previously carried on by NWVP, and the acquisition of all the rights and obligations of the asset manager to Vital Trust. The adjustments relate to the following: (a) the acquisition of the management fee income stream earned by the asset manager to Vital Trust estimated at approximately $8M on a stabilized basis; (b) to reflect general and administrative expenses estimated at approximately $7.3M on a stabilized basis (and excluding any incentive compensation); (c) the elimination of $3.5M in asset management fees paid in the form of NWI Trust Units to affiliates of NWVP in 2014 under the asset management agreement; and (d) the elimination of $1.8M annualized fourth quarter 2014 management fee participation income earned by NWI under the NWI's management fee participation agreement with affiliates of NWVP, based on constant foreign exchange rates, that is no longer in effect following the internalization of management.

(5) NWI - To reflect the refinancing of the Brazil term loans of $172M (R$395M), completed in December 2014, at an interest rate of 7.3%, slightly higher than the previous weighted average interest rate of 6.8%, and resulting in incremental interest expense of approximately $0.9M on an annualized basis based on constant foreign exchange rates.

(6) NWI - To reflect the contracted Brazil rent indexation adjustments effective for the month of January 2015 for the 4 Rede D'Or Properties and April 2015 for Sabará Hospital, increasing rent by approximately 6.0% from approximately $35M (R$78.8M) on a fourth quarter 2014 annualized basis to $37M (R$83.6M) annually, resulting in an approximate $2M increase in NOI on an annualized basis, based on constant foreign exchange rates.

(7) NWH - To adjust for the January 15, 2015 disposition of Polyclinique de la Capitale in Quebec City, QC for $4.6M gross proceeds and elimination of the related $3.5M mortgage. The sale is estimated to reduce both NOI by $0.4M and interest expense by $0.2M.

(8) NWH - To adjust for the February 12, 2015 acquisition of Owen Sound Medical Building, a recently developed asset comprising of 73,500 sq. ft. of GLA for a $23M purchase price. The estimated annual impact of the acquisition includes: (a) an increase in NOI of $1.6M; (b) incremental interest expense of $0.6M; (c) a $0.2M deduction for a leasing reserve estimated at 6% of revenue; and (d) the elimination of interest income earned of $0.6M from the $8M mezzanine loan held by NWH prior to the acquisition.

(9) NWH - To adjust for the mortgage refinancing, which closed on March 31, 2015, of $51.8M mortgages outstanding bearing an overall weighted average interest rate of 4.6% to an increased loan balance of $70.3M at a weighted average interest rate of 2.95% for a 6.5 year term and secured against nine existing properties. The mortgage refinancing results in estimated net interest expense savings of $0.2M on an annual basis.

(10) To normalize for non-recurring items realized by NWI and NWH in 2014. For NWI, to (a) adjust for the higher fourth quarter annualized leasing costs realized of $0.9M to an estimated normalized level of $0.6M leasing costs annually (positive adjustment of $0.3M); to adjust for the fourth quarter annualized current tax benefit recognized of $0.7M to the 2014 actual expense of $0.3M (negative adjustment of $1.0M); and (b) remove the foreign exchange loss of $0.3M (positive adjustment of $0.3M). For NWH, the removal of the fourth quarter 2014 annualized impact of the sale of Victoria Medical Centre for $6.4M in net sales proceeds and elimination of $3.8M in associated mortgage, resulting in an estimated reduction to NOI of $0.5M and $0.2M reduction of interest expense, on an annual basis.

(11) To reflect management's view of certain adjustments expected to impact the Combined REIT, including: (a) a temporary increase to NWH maintenance capital expenditures of approximately $1.5M for deferred maintenance expected in 2015; and (b) to adjust general and administrative expenses to reflect the estimated $1.5M of synergies (on an annual basis) expected to be realized by combining the two public REITs.

The following table sets out selected unaudited adjusted pro forma consolidated financial information for the Combined REIT as detailed in the table above, and further adjusts such information for certain contracted development and expansion opportunities that are available to the Combined REIT, and that are expected to have a future impact on the financial results of the Combined REIT if completed substantially on the terms and timelines assumed by management, all as detailed in the notes below.

The adjustments in the table below are forward-looking in nature. As a result, the discussion in this section is qualified in its entirety by the cautionary language regarding forward-looking statements set out under "Joint Management Information Circular – Forward –Looking Statements".

The following selected adjusted pro forma information is not necessarily indicative of what the Combined REIT's financial position or results of operations actually would have been had the Arrangement been completed as of January 1, 2014, nor does it purport to project the future financial position or operating results of the Combined REIT.

| (in thousands of Canadian dollars) | **Adjusted Pro Forma December 31, 2014** (unaudited) | **Notes** | **Contracted Development and Expansion Projects** (unaudited) | **Contracted Run Rate Pro Forma December 31, 2014** (unaudited) |
|---|---|---|---|---|
| **Net Operating Income** | | | | |
| Revenue from operations | $196,596 | (2), (3) | $12,606 | $209,202 |
| Property operating expenses | 73,316 | (2), (3) | 2,609 | 75,925 |
| | 123,280 | | 9,997 | 133,277 |
| **Other Income** | | | | |
| Interest | 868 | | – | 868 |
| Management fee income | 8,000 | | – | 8,000 |
| Share of profit of associates | 12,100 | (4) | 954 | 13,054 |
| | 20,968 | | 954 | 21,923 |
| **Expenses** | | | | |
| Mortgage and loan interest expense | 55,901 | (5) | 3,709 | 59,610 |
| Trust expenses | 9,957 | | – | 9,957 |
| Transaction costs | 11,763 | | – | 11,763 |
| Amortization of intangible asset | 1,561 | | – | 1,561 |
| Foreign exchange loss | 1,775 | | – | 1,775 |
| | 80,957 | | 3,709 | 84,666 |

| (in thousands of Canadian dollars) | Adjusted Pro Forma December 31, 2014 (unaudited) | Notes | Contracted Development and Expansion Projects (unaudited) | Contracted Run Rate Pro Forma December 31, 2014 (unaudited) |
|---|---|---|---|---|
| Income before finance income (cost), other gains (losses) and fair value adjustments | 63,291 | | 7,242 | 70,532 |
| Finance income (cost) | (50,526) | | - | (50,526) |
| Other gains (losses) | 45,662 | | - | 45,662 |
| Fair value adjustments | 27,014 | | – | 27,014 |
| Net income before taxes | 85,441 | | 7,242 | 92,683 |
| Income tax expense | 12,777 | | – | 12,777 |
| **Net income** | **$72,664** | | **$7,242** | **$79,906** |
| Adjustments to Net Income to FFO and AFFO[(1)] | | | | |
| **FFO[(1)]** | **$62,981** | | **$7,242** | **$70,223** |
| **AFFO[(1)]** | **$63,137** | | **$7,242** | **$70,379** |
| Units Outstanding (Weighted Average) | 72,000 | (6) | 2,966 | 74,966 |
| FFO per unit[(1)] | 0.87 | | | 0.94 |
| AFFO per unit[(1)] | 0.88 | | | 0.94 |

Notes:

(1) FFO and AFFO are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. See "Joint Management Information Circular – Non-IFRS Measures".

(2) To reflect the two Canadian development projects announced on February 12, 2015; 81-85 The East Mall ("**Etobicoke**") and Bayview Drive ("**Barrie**"). Etobicoke is the future home of the Etobicoke Family Health Team and is an existing two-building complex of 82,000 sq. ft. undergoing significant renovations with substantial completion scheduled in late 2016 with an estimated project cost (including acquisition costs) of approximately $20M. It is expected to generate $1.5M in stabilized NOI based on an approximate 8% unlevered development yield. Barrie is the future home of the Barrie Family Health Team and involves the construction of a 3-storey 79,000 sq. f.t. multi-tenant medical office building scheduled for completion in late 2016 with an estimated project cost of approximately $25M. It is expected to generate $2.0M in stabilized NOI based on an approximate 8% unlevered development yield.

(3) To reflect the two committed Brazil expansion projects for Hospital e Maternidade Brasil ("**HMB**") and Hospital Coracao ("**Coracao**"), existing assets of the Combined REIT. The HMB project involves the addition of a newly constructed wing comprising of approximately 240,000 sq. ft. and 150 beds with an approximate $50M project cost. It is expected to generate $6M in incremental revenue at constant foreign exchange rates at an approximate 12% rental yield on a triple net basis. The Coracao project involves the addition of a parking garage comprising of approximately 92,000 sq. ft. and 316 stalls with an approximate project cost of $10M. It is expected to generate $0.9M in incremental revenue at constant foreign exchange rates at an approximate 9.5% rental yield on a triple net basis. Incremental expense associated with the incremental revenue are Brazil social taxes of approximately 6% of revenue reflecting an approximate operating expense of $0.4M. Both expansion projects are expected to commence around June 2015 and will take an estimated 12 to 24 months to complete.

(4) To reflect the five Vital Trust expansion projects in progress at an approximate $68M total project cost at an approximate 9% rental yield on a triple net basis, expected to generate $6.1M in NOI (on a 100% basis) with completion by the end of 2015. The projects are expected to be fully funded through Vital Trust's existing credit facility at its last reported 5.5% weighted average interest rate for an estimated $3.8M in incremental annual interest expense. The projects are expected to increase Vital Trust's NOI on a 100% basis by $1.9M after deducting for an incremental 75 bps base management fee expense of $0.5M. The Combined REIT expects to increase its proportionate share of Vital Trust's FFO by $0.5M (on a 24% interest basis) and to earn its full share of the additional $0.5M in base management fees as asset manager to Vital Trust, assuming constant foreign exchange rates.

(5) To adjust for the incremental interest expense for both the Canadian and Brazilian development projects on a leverage neutral basis. For the Canadian development projects, to reflect $1.3M of interest expense annually based on an approximate 5.5% interest rate on an estimated $25M loan. For the Brazil expansion projects, to reflect $2.4M of interest expense annually based on an approximate 7.3% interest rate (rate in effect at the time the term loans were refinanced in December 2014) on an estimated $32M loan, assuming constant foreign exchange rates.

(6) Assumes the issuance of a combined 3.0M of additional units to provide approximately $29M of equity to fund development projects on a leverage neutral basis.

The following table sets out selected unaudited pro forma financial information for the Combined REIT that assumes the statement of financial position of the Combined REIT reflecting the Arrangement as at December 31, 2014, as presented in the unaudited pro-forma condensed combined financial statements of the Combined REIT in Appendix B of this Circular, and adjusts such information to, among other things, adjust for previously disclosed subsequent events occurring after the year ended December 31, 2014, all as detailed in the notes below.

This selected unaudited adjusted pro forma information has been derived from, and should be read in conjunction with, the more detailed unaudited pro forma condensed consolidated financial statements of the Combined REIT attached as Appendix B. The pro forma financial statements were based on, and should be read in conjunction with, the historical consolidated financial statements and related notes of both NWH and NWI for the applicable periods, which have been incorporated by reference in this Circular.

Certain of the adjustments in the table below may be considered to be forward-looking in nature, including, without limitation, items relating to liquidity, future refinancings, anticipated capital expenditures, and acquisition accounting relating to the internalization of management of NWI, all as detailed in the notes below. As a result, the discussion in this section is qualified in its entirety by the cautionary language regarding forward-looking statements set out under "Joint Management Information Circular – Forward –Looking Statements".

The following selected unaudited adjusted pro forma information is not necessarily indicative of what the Combined REIT's financial position would have been had the Arrangement been completed as of December 31, 2014, nor does it purport to project the future financial position of the Combined REIT.

| (in thousands of Canadian dollars) | **Pro Forma Balance Sheet December 31, 2014** (unaudited) | **Notes** | **Adjustments** (unaudited) | **Adjusted Pro–Forma Balance Sheet December 31, 2014** (unaudited) |
|---|---|---|---|---|
| **Assets** | | | | |
| Investment properties | $1,747,659 | (3),(4),(5) | $38,875 | $1,786,534 |
| Investment in associate | 117,703 | (1) | 491 | 118,194 |
| Due from related party | – | (1) | 1,491 | 1,491 |
| Loan receivable | 8,000 | (4) | (8,000) | – |
| Intangible asset | 12,490 | (1) | 24,393 | 36,883 |
| Accounts receivable | 8,201 | (5) | (4,406) | 3,795 |
| Other assets | 4,027 | (1) | 409 | 4,436 |
| Cash, restricted cash, and cash equivalents | 1,378 | (2),(3),(4),(6) | 11,145 | 12,523 |
| **Total assets** | **$1,899,458** | | **$64,398** | **$1,963,856** |
| **Liabilities and Unitholders' Equity** | | | | |
| Mortgages and loans payable | $1,031,056 | (2),(3),(4),(5),(6) | $37,614 | $1,068,670 |
| Convertible debentures | 112,774 | | – | 112,774 |
| Deferred consideration | 41,280 | | – | 41,280 |
| Deferred revenue | 12,869 | | – | 12,869 |
| Deferred tax liability | 20,747 | (1) | (191) | 20,556 |
| Exchangeable units | 184,358 | | – | 184,358 |
| Other financial instruments | 3,981 | | – | 3,981 |
| Deferred unit plan liability | 3,548 | (1) | 4,523 | 8,071 |
| Income taxes payable | 64 | | – | 64 |

| (in thousands of Canadian dollars) | Pro Forma Balance Sheet December 31, 2014 (unaudited) | Notes | Adjustments (unaudited) | Adjusted Pro–Forma Balance Sheet December 31, 2014 (unaudited) |
|---|---|---|---|---|
| Accounts payable and accrued liabilities | 28,793 | | – | 28,793 |
| Distributions payable | 3,696 | | – | 3,696 |
| | 1,443,166 | | 41,947 | 1,485,113 |
| Unitholders' equity | 456,292 | (7) | 22,451 | 478,743 |
| **Total liabilities and unitholders' equity** | **$1,899,458** | | **$64,398** | **$1,963,856** |
| **Debt[8]** | **1,197,979** | | **37,614** | **1,235,593** |
| **LTV including Convertible Debentures[9]** | **63.1%** | | | **62.9%** |
| **LTV excluding Convertible Debentures[9]** | **57.1%** | | | **57.2%** |

Notes:

(1) NWI – To reflect the internalization of management that closed on January 29, 2015 and resulted in the acquisition of the asset management, property management and development functions of NWI previously carried on by affiliates of NWVP, and the acquisition of all the rights and obligations of the asset manager to Vital Trust (the "**Vital Manager**"). The adjustments relate to the following: (a) an increase of $0.5M in investment in associates for Vital Trust units held by the Vital Manager; (b) the receipt of a non–interest bearing promissory note from NWVP for $1.5M; (c) the estimated internal management valuation of the Vital Manager's management fee contract in perpetuity with Vital Trust, based on a 10–year discounted cash flow analysis resulting in an estimated $37M intangible asset valuation based on constant foreign exchange rates; (d) the acquisition of furniture and fixtures (including computers) in the amount of $0.4M; (e) the acquisition of the deferred tax asset held by the Vital Manager of $0.2M; and (f) assumed employee liabilities of former affiliates of NWVP, rendered in the amount of $4.5M.

(2) NWI – To reflect the refinancing and partial repayment of one Brazil term loans that occurred on January 2, 2015. The repayment of $7.7M (R$17.6M) related to the inflationary adjustment on the HMB loan and was paid with cash on hand on January 2, 2015, subsequent to the December 31, 2014 balance sheet period end.

(3) NWH – To adjust for the disposition of Polyclinique de la Capitale in Quebec City, QC property on January 15, 2015 for $4.6M gross proceeds and elimination of the related $3.5M mortgage, resulting in approximately $1.1M of net cash proceeds.

(4) NWH – To adjust for the February 12, 2015 acquisition of Owen Sound Medical Building, a recently developed asset comprising of 73,500 sq. ft. of GLA, acquired for a $23M purchase price. The acquisition was funded through the assumption of a $13.9M mortgage, settlement of the $8M mezzanine loan and the remaining balance of $1.1M in cash.

(5) NWH – To adjust for the February 12, 2015 acquisition of the development assets including Etobicoke and Barrie from NWVP for a purchase price of $13.7M and $6.8M, respectively. The acquisition was funded through the settlement of the $4.4M related party receivable and the balance of $16.1M was financed through the existing credit facility.

(6) NWH – To adjust for the mortgage refinancing, which closed on March 31, 2015, of $51.8M mortgages outstanding bearing an overall weighted average interest rate of 4.6% to an increased loan balance of $70.3M at a weighted average interest rate of 2.95% for a 6.5 year term and secured against nine existing properties.

(7) The increase in Unitholders' equity is the combined impact of Notes 1 to 6 detailed above and relates principally to the acquisition of the Vital Manager as part of NWI's management internalization transaction.

(8) Indebtedness ("**Debt**") includes mortgages and loans payable, deferred consideration, deferred revenue and convertible debentures (at fair value), as applicable.

(9) Loan to value ("**LTV**") represents the ratio of Debt to total assets and is shown both including and excluding convertible debentures (at fair value).

## Management of the Combined REIT

### *Board of Trustees*

Following completion of the Arrangement, and in accordance with the Arrangement Agreement, the board of trustees of the Combined REIT will initially be comprised of the following seven individuals: Martin Barkin; Robert Baron; Bernard Crotty; Paul Dalla Lana (Chair); Brian Petersen; Colin Loudon; and David Naylor (the "**Combined REIT Board**"). The Combined

REIT board of trustees will be highly experienced, will have equal representation from both NWH and NWI and will be comprised of a majority of independent trustees.

The Combined REIT Declaration of Trust will provide that, subject to certain conditions, the trustees will have absolute and exclusive power, control and authority over the Combined REIT's assets and operations, as if the Trustees were the sole and absolute legal and beneficial owners of the Combined REIT's assets. The governance practices, investment guidelines and operating policies of the Combined REIT will be overseen by a board of trustees, a majority of whom are Canadian residents. The Combined REIT must, at all times, have a majority of trustees who are independent within the meaning of National Instrument 58-201 – Corporate Governance Guidelines ("**NI 58-201**") provided, however, that if at any time a majority of the trustees are not independent because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any trustee who was an independent trustee, this requirement shall not be applicable for a period of 90 days thereafter, during which time the remaining trustees shall appoint a sufficient number of trustees who qualify as "independent" to comply with this requirement.

A trustee is considered to be an independent trustee if such person is independent within the meaning of NI 58-201 (an "**Independent Trustee**"). Pursuant to NI 58-201, an Independent Trustee is one who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a trustee's independent judgment.

The standard of care and duties of the trustees provided in the Combined REIT Declaration of Trust are similar to those imposed on directors of a corporation governed by the CBCA. Accordingly, each trustee will be required to exercise the powers and discharge the duties of his or her office honestly, in good faith and in the best interests of the Combined REIT and the Unitholders and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Combined REIT Declaration of Trust will provide that each trustee is entitled to indemnification from the Combined REIT in respect of the exercise of the trustee's powers and the discharge of the trustee's duties, provided that the trustee acted honestly and in good faith with a view to the best interests of the Combined REIT and the Unitholders or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where the trustee had reasonable grounds for believing that his or her conduct was lawful. Other than the trustees appointed by NWVP as described below, trustees will be elected at each annual meeting of Unitholders to hold office for a term expiring at the close of the next annual meeting. The nominees for election of the trustees will be determined by the Compensation, Governance and Nominating Committee in accordance with the provisions of the Combined REIT Declaration of Trust and will be included in the proxy related materials sent to Voting Unitholders prior to each annual meeting of Unitholders. The Voting Unitholders or the trustees are entitled to change the number of trustees comprising the Board, provided that so long as NWVP owns 5% or more of the Combined REIT's Voting Units, NWVP's approval will also be required for any change to the size of the board of trustees. A quorum of the trustees, being the majority of the trustees then holding office (provided a majority of the trustees comprising such quorum are residents of Canada), will be permitted to fill a vacancy in the trustees, except a vacancy re resulting from an increase in the number of trustees or from a failure of the Unitholders to elect the required number of trustees. In the absence of a quorum of trustees, or if the vacancy has arisen from an increase in the number of trustees other than in accordance with the provision regarding the appointment of trustees in the Combined REIT Declaration of Trust or from a failure of the Unitholders to elect the required number of trustees, the trustees will promptly call a special meeting of the Unitholders to fill the vacancy. If the trustees fail to call that meeting or if there is no trustee then in office, any Unitholder will be entitled to call such meeting. Except as otherwise provided in the Combined REIT Declaration of Trust, the trustees may, between annual meetings of Unitholders, appoint one or more additional trustees to serve until the next annual meeting of Unitholders, provided that the number of additional trustees so appointed will not at any time exceed one-third of the number of trustees who held such office at the conclusion of the immediately preceding annual meeting of Unitholders. Any trustee may resign upon 30 days' written notice to the Combined REIT, unless such resignation would cause the number of remaining trustees to be less than a quorum, and may be removed by an ordinary resolution passed by a majority of the votes cast at a meeting of Unitholders, other than a trustee appointed pursuant to NWVP's appointment right described below, who will be appointed and removed at the discretion of NWVP.

The Combined REIT Declaration of Trust will provide that so long as NWVP has an interest of at least 10%, 20% or 30% of the Combined REIT's Voting Units, and the size of the board of trustees is set at seven trustees, NWVP will have the right to appoint one, two and three trustees, respectively, to the board of trustees. So long as Mr. Dalla Lana is a trustee he will comprise one of the appointees of NWVP. The number of trustees that NWVP is entitled to appoint will be proportionately adjusted (rounding the number of appointees upwards) to account for any increase or decrease in the number of trustees, provided that appointees of NWVP shall not represent 50% or more of the number of trustees (except for temporary periods where a trustee position is vacant and the board size has not been changed).

The following table sets forth certain information regarding the individuals who will serve as trustees of the Combined REIT, including their place of residence, age, status as independent or non-independent, the period of time for which each trustee has served as a trustee of NWH or NWI, as applicable, each trustee's principal occupation, business or employment for the past five years, and the number of NWH Units, NWI Units, NWH Debentures and NWI Debentures beneficially owned by each trustee, directly or indirectly, or over which each trustee exercises control or direction, and the number of NWH Deferred Units and NWI Deferred Units held by, or credited to, each trustee, in each case, as at March 31, 2015.

Martin Barkin
Age: 78
Toronto, Ontario
Canada
NWH Trustee since March 25, 2010

Dr. Barkin is a director of Vivientia Biotech and of Viable Healthworks. Dr. Barkin was also a professor in the Faculty of Medicine at the University of Toronto, in the Department of Surgery as well as the Department of Health Administration and was President of the Surgical Alumni Association of the University of Toronto. From 1993 to 2007 Dr. Barkin was the President and CEO of DRAXIS Health Inc., as well as a Director of several TSX and NASDAQ listed companies. Dr. Barkin was the Chief Executive Officer of Sunnybrook Health Sciences Centre from 1983 to 1987 and was its Chairman of the Board from 1998 to 2003. Dr. Barkin served as the Deputy Minister of Health, Ontario, from 1987 to 1991, and received the Queen Elizabeth II Silver Jubilee Award. Dr. Barkin has received the degrees of M.D., B.Sc. (Med.), M.A. and is a Fellow of the Royal College of Surgeons of Canada.

**NWH/NWI Securities Held**

| NWH Units | NWH Deferred Units | NWH Debentures | NWI Units | NWI Deferred Units | NWI Debentures |
|---|---|---|---|---|---|
| 10,503 | 16,535 | Nil | Nil | Nil | Nil |

Robert Baron
Age: 50
Toronto, Ontario
Canada
NWI Trustee since May 31, 2012

Mr. Baron is the founder and President of Toronto-based BCGI Baron Consulting Group and New York-based American Real Estate Executive Search. Both firms act on behalf of private and institutional real estate investors and lenders throughout North America. Prior to forming BCGI in 1995 Mr. Baron was employed in Investment Banking at CIBC Wood Gundy Inc. from 1991 to 1995 and in Investment Sales at CB Commercial Real Estate from 1987 to 1991. Mr. Baron has a B.A. in Economics from the University of Western Ontario and an MBA from the University of Toronto.

**NWH/NWI Securities Held**

| NWH Units | NWH Deferred Units | NWH Debentures | NWI Units | NWI Deferred Units | NWI Debentures |
|---|---|---|---|---|---|
| 4,000 | 32,190 | Nil | 100,000 | 200,946 | Nil |

Bernard Crotty
Age: 53
Oakville, Ontario
Canada
NWH Trustee since February 9, 2010
NWI Trustee since May 31, 2012

Mr. Crotty is a Co-President and a trustee of NWI and a Director of Vital Trust. Mr. Crotty was a principal of Silver and White Management, Inc., a private investment firm. From September 2001 to February 2008, Mr. Crotty acted as Chairman and/or Chief Executive Officer of Certicom Corp, a provider of cryptographic software and services that was acquired by Research in Motion Ltd. From January 2004 to February 2007, Mr. Crotty acted as Chairman and/or Chief Executive Officer of Comnetix Inc., a provider of biometric identification and authorization solutions that was acquired by L-1 Identity Solutions, Inc. In addition Mr. Crotty has served on a variety of public company boards and was counsel to the law firm Gibson, Dunn & Crutcher LLP in Los Angeles and a partner at the law firm McCarthy Tétrault LLP in Toronto and London, England. Mr. Crotty received his B.A. from the University of Alberta, LL.B. from the University of Toronto, LL.M from the London School of Economics and his M.B.A. from Duke University. He is also a graduate of the Toronto ICD-Rotman Directors Education Program.

**NWH/NWI Securities Held**

| NWH Units | NWH Deferred Units | NWH Debentures | NWI Units | NWI Deferred Units | NWI Debentures |
|---|---|---|---|---|---|
| 50,000 | 32,576 | Nil | 902,369 | 733,897 | Nil |

Paul Dalla Lana
Age: 49

Mr. Dalla Lana is the Chairman and CEO of NWI. Mr. Dalla Lana has more than 20 years of experience in real estate acquisition, development, and finance. Mr. Dalla

Toronto, Ontario
Canada
NWH Trustee since February 9, 2010
NWI Trustee since May 31, 2012

Lana is the Founder and President of NWVP, the Founder, Chairman and Chief Executive Officer of NWH and a Director of Vital Trust. He is an advisory board member of the Dalla Lana School of Public Health and is on the President's Advisory Council at The University of Toronto. Mr. Dalla Lana received his B.A. and M.B.A. from the University of British Columbia.

**NWH/NWI Securities Held**

| NWH Units[1] | NWH Deferred Units | NWH Debentures | NWI Units[2] | NWI Deferred Units | NWI Debentures |
|---|---|---|---|---|---|
| 4,345,900 | 26,906 | Nil | 24,051,865 | 7,214 | Nil |

Brian Petersen
Age: 48
Calgary, Alberta
Canada
NWH Trustee since October 8, 2014

Mr. Petersen is currently an independent financial consultant and merchant banker based in Calgary, Alberta. Previously, he has been an investment banker for over 23 years and held executive-level roles in financial advisory and investment banking, including as a Managing Director at RBC Capital Markets. He has extensive experience with royalty and income trusts and has been a board member of several private and public companies. Mr. Petersen currently serves as a director of Ceiba Energy Services Inc. and Qwick Media Inc. Mr. Petersen received his Bachelor of Commerce, Finance from the University of British Columbia and later received his Chartered Financial Analyst (CFA) designation. He is also active with the United Way as well as other community-based organizations.

**NWH/NWI Securities Held**

| NWH Units | NWH Deferred Units | NWH Debentures | NWI Units | NWI Deferred Units | NWI Debentures |
|---|---|---|---|---|---|
| 555 | 3,307 | Nil | Nil | Nil | Nil |

Colin Loudon
Age: 63
Toronto, Ontario
Canada
NWH Trustee since December 9, 2014

Mr. Loudon is currently Executive Vice President, Strategy at Oxford Properties Group. At Oxford he is a member of the Executive Committee and the Investment Committee and is responsible for executive oversight of debt financing, treasury operations, risk management, strategic planning and research for Oxford globally, as well as for a number of key strategic initiatives within both Oxford and its parent company, OMERS. Prior to his current role, Mr. Loudon was Chief Financial Officer at Oxford. Prior to joining Oxford in 2009, Mr. Loudon was a senior Partner and National Real Estate Industry Leader at KPMG. Mr. Loudon holds a Bachelor of Commerce degree (Honours) from Queen's University as well as Chartered Professional Accountant and Chartered Business Valuator designations

**NWH/NWI Securities Held**

| NWH Units | NWH Deferred Units | NWH Debentures | NWI Units | NWI Deferred Units | NWI Debentures |
|---|---|---|---|---|---|
| Nil | 2,114 | Nil | Nil | Nil | Nil |

David Naylor
Age: 60
Toronto
Canada
NWI Trustee since February 3, 2013

Dr. Naylor is president emeritus and professor of medicine at the University of Toronto. Dr. Naylor previously served as president (2005-13) and dean of medicine (1999-2005) at the University of Toronto. Co-author of over 300 scholarly publications, Dr. Naylor was also founding CEO of the Institute for Clinical Evaluative Sciences (1991-99) and founding director of clinical epidemiology at Sunnybrook Health Sciences Centre (1990-96). Dr. Naylor has extensive hospital and academic governance experience, and his counsel on healthcare strategy and policy has been sought by governments, associations and companies across Canada and abroad over the course of more than 25 years. Dr. Naylor is an Officer of the Order of Canada, a Fellow of the Royal Society of Canada and the Canadian Academy of Health Sciences, and a Foreign Associate of the U.S. Institute of Medicine. Dr. Naylor currently serves as a director of Barrick Gold Corporation.

**NWH/NWI Securities Held**

| NWH Units | NWH Deferred Units | NWH Debentures | NWI Units | NWI Deferred Units | NWI Debentures |
|---|---|---|---|---|---|
| 1,100 | Nil | Nil | 10,800 | 91,738 | $12,000 |

Notes:

(1) Mr. Dalla Lana has a 100% interest in NWVP, which, together with its affiliates, owns an approximate 65% interest in NWI. NWI indirectly owns 4,345,900 NWH Units and 7,551,546 NWH Class B LP Units (exchangeable, on a one-for-one basis, for NWH Units). Therefore, Mr. Dalla Lana indirectly exercises control or direction over 11,897,446 NWH Voting Units.

(2) Mr. Dalla Lana indirectly owns all of the securities of NWVP, which, together with its affiliates, owns 92,250,303 NWI Class B LP Units. NWI Class B LP Units are exchangeable, on a one-for-one basis, for NWI Units. Therefore, on a fully diluted basis, Mr. Dalla Lana indirectly owns 116,281,074 NWI Units.

***Executive Officers***

The Combined REIT's leadership team is comprised of fully established, scalable regional teams with expertise in property management, acquisitions and development.

Following completion of the Arrangement, senior management of the Combined REIT will consist of highly experienced individuals:

*Senior Management of the Combined REIT*

| | |
|---|---|
| Paul Dalla Lana<br>Age: 49<br>Toronto, Ontario<br>Canada<br>Chief Executive Officer | See above. |
| Vincent M. Cozzi<br>Age: 49<br>Chicago, Illinois<br>USA<br>President and Chief Investment Officer | Mr. Cozzi is Co-President and Chief Investment Officer of NWI. Mr. Cozzi was previously at Ventas, the leading US-based healthcare REIT, from 2005 until 2014, where he was Senior Vice President, Acquisitions as well as Executive Vice President and Chief Investment Officer of its Lillibridge Healthcare Services subsidiary. He was Vice President-Finance and Treasurer of Trizec Properties Inc., where he held positions in finance, corporate strategy and asset management from 1998 to 2005. Mr. Cozzi is active in the Urban Land Institute, the National Investment Center for the Seniors Housing & Care Industry (NIC), and BOMA. He also serves on the Board of Advisors to the James A. Graaskamp Center for Real Estate at the University of Wisconsin. He received a B.A. from the University of Wisconsin and an M.B.A. from the University of Chicago, Booth School of Business. |

**NWH/NWI Securities Held**

| NWH Units | NWH Deferred Units | NWH Debentures | NWI Units | NWI Deferred Units | NWI Debentures |
|---|---|---|---|---|---|
| Nil | Nil | Nil | Nil | 4,666,024 | Nil |

| | |
|---|---|
| Teresa Neto<br>Age: 49<br>Etobicoke, Ontario<br>Canada<br>Chief Financial Officer | Ms. Neto is the Chief Financial Officer of NWI. Prior to this, Ms. Neto was the Chief Financial Officer of KEYreit from September 2011 to May 2013, and prior to that, Retrocom REIT, from June 2010 to August 2011. From 2006 to 2010, Ms. Neto was Vice President, Financial Reporting for the Real Property Association of Canada. Ms. Neto spent nine years in the telecommunications industry from 1997 to 2005 where she held various senior Finance and Accounting positions at MTS Allstream Inc. Prior to that, she worked in the consumer packaged goods and communications industries. Ms. Neto commenced her career at Touche Ross & Co. (a predecessor company of Deloitte). Ms. Neto holds a Chartered Professional Accountant designation and has a B.A. from Laurentian University. |

**NWH/NWI Securities Held**

| NWH Units | NWH Deferred Units | NWH Debentures | NWI Units | NWI Deferred Units | NWI Debentures |
|---|---|---|---|---|---|
| Nil | Nil | Nil | 55,000[(1)] | 380,302 | Nil |

Notes:

(1) An associate (as such term is defined under Securities Laws) of Ms. Neto beneficially owns or exercises control or direction over such NWI Units.

*Senior Management of Combined REIT's Regional Operating Platform*

| | |
|---|---|
| Peter Riggin<br>Age: 52 | Mr. Riggin is the CEO of the NWH and is responsible for the overall direction and operations of NWH while also taking an active role in NWH's acquisition and leasing initiatives. Prior to joining |

Toronto, Ontario
Canada
President – Canada

the predecessor entity of NWH in October 2004, Mr. Riggin worked at pension fund advisory firms Beutel Goodman Real Estate Group and Bentall Capital from 1995 to 2003. Mr. Riggin's past experience in the real estate industry includes positions with Campeau Corporation and the Prudential Insurance Company of America in the areas of asset management, development and leasing/marketing. Mr. Riggin has an Honours B.A. in urban development from the University of Western Ontario. Mr. Riggin volunteers as a Governor on the board of the North York General Hospital Foundation where he chairs the board's Audit and Finance Committee.

**NWH/NWI Securities Held**

| NWH Units | NWH Deferred Units | NWH Debentures | NWI Units | NWI Deferred Units | NWI Debentures |
|---|---|---|---|---|---|
| 106,035 | 100,775 | Nil | Nil | Nil | Nil |

Gerson Amado
Age: 53
Sao Paulo, Brazil
Managing Director - Brazil

Mr. Amado is Managing Director, Brazil for NWI since 2011. Mr Amado led NWI to leadership in the Brazilian healthcare real estate market. Prior to joining NWI, Mr. Amado was Brazil Country Manager for Konica Minolta U.S.A. from 2003 until 2011. Prior to that, Mr. Amado held senior sales and marketing positions in IT industry at Xerox/Tektronix and also as a Senior Analyst at top banking institutions. Mr. Amado received his B.Sc. in I.T. from University Mackenzie and M.B.A. from ESPM.

**NWH/NWI Securities Held**

| NWH Units | NWH Deferred Units | NWH Debentures | NWI Units | NWI Deferred Units | NWI Debentures |
|---|---|---|---|---|---|
| Nil | Nil | Nil | Nil | 289,679 | Nil |

Jan Krizan
Age: 46
Berlin, Germany
Managing Director - Germany

Mr. Krizan is the Managing Director, Germany for NWI since 2013. Prior to this, Mr. Krizan was with a partner with NWVP from 2010 and led the international expansion of NWI. From 2010 to 2013, Mr Krizan was also member of the NWH Board. In 2009, prior to focusing on global healthcare real estate, Mr Krizan co-founded Bingley Capital Inc., a private equity firm in Toronto. Previously, Mr. Krizan was a principal of Permira, a global private equity firm, based in its German office from 2007 to 2009. Mr. Krizan also served as Managing Director, Investment Banking, at UBS Investment Bank, London in the U.K. and Germany from 1999 to 2007. Mr. Krizan received his B.A. (Business Administration) from Wilfred Laurier University and his M.B.A. from the Schulich School of Business at York University. Mr. Krizan received his designation as a Chartered Financial Analyst in 2001.

**NWH/NWI Securities Held**

| NWH Units | NWH Deferred Units | NWH Debentures | NWI Units | NWI Deferred Units | NWI Debentures |
|---|---|---|---|---|---|
| 7,500 | Nil | Nil | 814,750 | 2,535,354 | Nil |

David Carr
Age: 43
Auckland, New Zealand
CEO – Vital Manager

Mr. Carr has over 20 years' experience in property and capital markets including as the Chief Executive Officer of Vital Trust since October 2006. Mr. Carr has overall accountability for implementing and delivering Vital Trust's strategy and for its overall performance. He is responsible for all investment and capital initiatives and activities for Vital Trust and leads a team of 12 professionals in New Zealand and Australia. Mr. Carr has extensive experience in property investment, management and development across a range of asset classes. He has a Bachelor of Business Studies in Property Valuation and Management from Massey University.

**NWH/NWI Securities Held**

| NWH Units | NWH Deferred Units | NWH Debentures | NWI Units | NWI Deferred Units | NWI Debentures |
|---|---|---|---|---|---|
| Nil | Nil | Nil | Nil | Nil | Nil |

After giving effect to the Arrangement, it is expected that the number of NWH Voting Units issued under the Arrangement beneficially owned, directly or indirectly, or over which control or direction will be exercised, by the proposed trustees and executive officers of the Combined REIT and their associates and affiliates, will be an aggregate of approximately 24,578,109 NWH Voting Units issued under the Arrangement representing approximately 34% of the estimated outstanding NWH Voting Units issued under the Arrangement.

**Principal Unitholders**

Upon completion of the Arrangement, NWVP will beneficially own or exercise control or direction over 24,186,463 NWH Voting Units representing approximately 34% of the outstanding NWH Voting Units. To the knowledge of NWH and NWI, no other person will beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the outstanding trust units of the Combined REIT upon completion of the Arrangement.

**Distribution Policy**

It is anticipated that the Combined REIT Board will target the pro rata payment to NWH Unitholders of: (i) 80-95% of the Combined REIT's AFFO, as such is to be defined by the Combined REIT and consistent with current AFFO definitions of both NWH and NWI (see NWH MD&A and NWI MD&A); and (ii) an amount at least equal to the net income and net realized capital gains of NWH as is necessary to ensure that NWH will not be liable for ordinary income taxes on such income.

The amount of future distributions and the declaration and payment thereof will be based upon the Combined REIT's financial position, results of operations, cash flow, capital requirements and restrictions under the Combined REIT's debt obligations, as well as broader market and economic conditions, among other factors, and shall be in compliance with applicable Law.

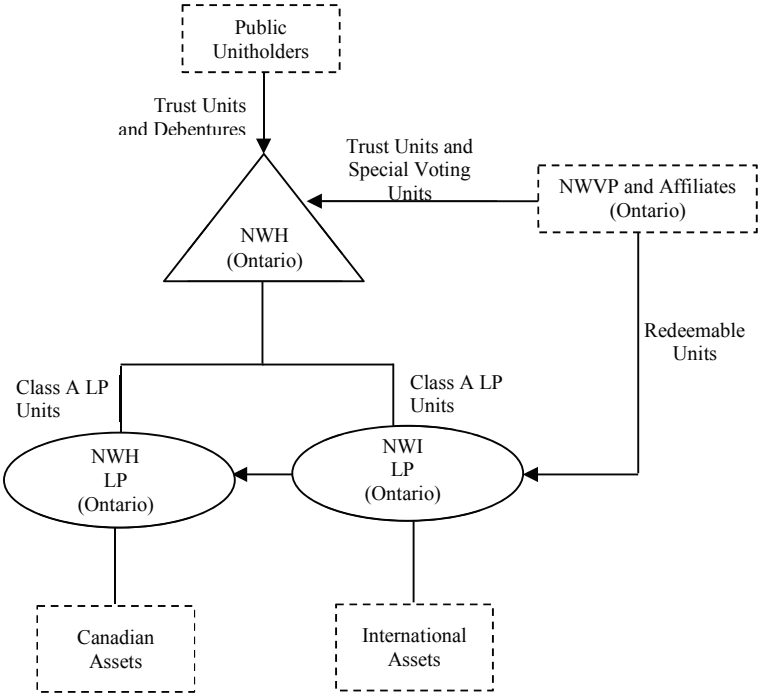
Pursuant to the Combined REIT Declaration of Trust, the Combined REIT Board retains the power to amend the Combined REIT's distribution policy in any manner and at any time as it may deem necessary or appropriate in the future. For these reasons, as well as others, there can be no assurance that distributions in the future will be equal or similar to the amount historically paid on the NWH Units and that the Combined REIT Board will not decide to suspend or discontinue the payment of distributions in the future.

**Distribution Reinvestment Plan**

Following the completion of the Arrangement, it is anticipated that the Combined REIT will continue NWH's current distribution reinvestment plan (the "**DRIP**") which enables qualified NWH Voting Unitholders to reinvest their cash distributions, net of any applicable withholding taxes, into additional NWH Units. NWH Voting Unitholders participating in the DRIP receive a "bonus distribution" of NWH Units equal in value to 3% of each distribution. Computershare Trust Company of Canada is plan agent for the DRIP, and acts on behalf of the participants.

**Structure of the Combined REIT**

The following diagram illustrates the simplified structure of the Combined REIT upon the completion of the Arrangement:




For a more detailed description of the organizational structure, see the organizational charts in each of the NWH AIF and the NWI AIF.

**Combined REIT Declaration of Trust**

In connection with, and in order to give effect to, the Arrangement, certain amendments will be made to the NWH Declaration of Trust, which will be reflected in the Combined REIT Declaration of Trust. The proposed amendments are intended to facilitate the Arrangement and the conduct of the Combined REIT's business following completion of the Arrangement, eliminate provisions that are no longer relevant to the Combined REIT, effect certain changes in the rights of NWVP and more closely align the Combined REIT Declaration of Trust with the governing documents of other Canadian publicly-listed real estate investment trusts of similar size and complexity.

By passing the NWH Resolution and the Arrangement Resolution, each of the NWH Unitholders and NWI Unitholders, respectively, will be approving the Combined REIT Declaration of Trust, together with any such other amendments or revisions the Combined REIT Board determines to be necessary or prudent in the circumstances.

***Differences Between the NWH Declaration of Trust and the Combined REIT Declaration of Trust***

There are certain differences between the NWH Declaration of Trust and the proposed Combined REIT Declaration of Trust including, without limitation: those relating to changes to certain key definitions, including the definitions of "Gross Book Value" and "indebtedness"; conforming changes that grant NWVP (as opposed to NorthWest Operating Trust) the right to appoint trustees of the Combined REIT, as described in further detail under " – Management of the Combined REIT – Board of Trustees; the addition of a provision that does not require a Combined REIT Trustee to abstain from voting on a "downstream transaction" between the Combined REIT and an equity investee; updates to the investment guidelines and operating policies to facilitate the Combined REIT's business following completion of the Arrangement, described in further detail below; some changes in the rights of NWVP, and a change to the REIT's ability to amend the Declaration of Trust in a manner that limits or alters the rights of NWVP, to provide that such amendments cannot be made without NWVP's express written consent if NWVP holds at least 5% of the outstanding voting units. A copy of the Combined REIT Declaration of Trust, blacklined to show the proposed amendments to the current NWH Declaration of Trust, is attached as Appendix O to this Circular.

***Differences Between the NWI Declaration of Trust and the Combined REIT Declaration of Trust***

There are certain differences between the NWI Declaration of Trust and the proposed Combined REIT Declaration of Trust including, without limitation: those relating to the definition of Gross Book Value; the manner by which NWVP appoints trustees; and the addition of a provision that does not require a Combined REIT Trustee to abstain from voting on a "downstream transaction" between the Combined REIT and an equity investee. Such differences are not summarized in detail in this Circular, but a blackline showing the changes between the proposed Combined REIT Declaration of Trust and the current NWI Declaration of Trust will be made available to NWI Unitholders should they request one from NWI.

*Investment Guidelines*

The Combined REIT Declaration of Trust will provide certain guidelines on investments that may be made directly or indirectly by the Combined REIT. The assets of the Combined REIT may be invested only in accordance with the following restrictions:

(a) the Combined REIT may only invest, directly or indirectly, in interests (including fee ownership and leasehold interests) in income-producing real estate and assets ancillary thereto necessary for the operation of such real estate and such other activities as are consistent with the other investment guidelines of the Combined REIT;

(b) the Combined REIT shall not make or hold any investment, take any action or omit to take any action or permit a subsidiary to make or hold any investment or take any action or omit to take any action that would result in:

  (i) the Combined REIT not qualifying as a "mutual fund trust" or "unit trust" both within the meaning of the Tax Act; or

  (ii) Units not qualifying as qualified investments for Exempt Plans;

(c) the Combined REIT may make its investments and conduct its activities, directly or indirectly, through an investment in one or more persons on such terms as the Combined REIT Board may from time to time determine, including by way of joint ventures, partnerships (general or limited) and limited liability companies;

(d) the Combined REIT shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;

(e) the Combined REIT shall not invest in raw land for development, except for the development of new properties which may become capital property of the Combined REIT, provided that the aggregate value of the investments of the Combined REIT in raw land, excluding raw land under development which may be capital property, after giving effect to the proposed investment, will not exceed 10% of the Gross Book Value;

(f) the Combined REIT may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any debt incurred or assumed in connection with such investment) up to 25% of the Gross Book Value in investments which do not comply with one or more of the investment guidelines set out under this heading so long as the investment does not contravene paragraph (b) under this heading.

*Operating Policies*

The Combined REIT Declaration of Trust provides that operations and affairs of the Combined REIT are to be conducted in accordance with the following policies:

(a) (i) any written instrument creating an obligation which is or includes the granting by the Combined REIT of a mortgage; and

(ii) to the extent the trustees determine to be practicable and consistent with their fiduciary duties to act in the best interest of the Unitholders, any written instrument which is, in the judgment of the trustees, a material obligation,

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

(b) subsidiaries of the Combined REIT may engage in construction or development of real property provided such real property meets the Combined REIT's investment guidelines and operating policies;

(c) title to each real property shall be held by and registered in the name of the Combined REIT, the trustees, or a corporation or other entity majority-owned, directly or indirectly, by the Combined REIT or jointly-owned, directly or indirectly, by the Combined REIT, with joint venturers;

(d) the Combined REIT shall not incur or assume any indebtedness if, after giving effect to the incurrence or assumption of such indebtedness, the total indebtedness of the Combined REIT would be more than 65% of Gross Book Value;

(e) the Combined REIT shall not directly or indirectly guarantee any indebtedness or liabilities of any kind of a third party, except indebtedness or liabilities assumed or incurred by an entity in which the Combined REIT holds an interest, directly or indirectly, or by an entity jointly owned by the Combined REIT with joint venturers and operated solely for the purpose of holding a particular property or properties, where such indebtedness, if granted by the Combined REIT directly, would cause the Combined REIT to contravene its investment guidelines or operating policies. The Combined REIT is not required but shall use its reasonable best efforts to comply with this requirement: (i) in respect of obligations assumed by the Combined REIT pursuant to the acquisition of real property; or (ii) if doing so is necessary or desirable in order to further the initiatives of the Combined REIT permitted under the Declaration of Trust; and

(f) the Combined REIT shall directly or indirectly obtain and maintain at all times property insurance coverage in respect of potential liabilities of the Combined REIT and the accidental loss of value of the assets of the Combined REIT from risks, in amounts, with such insurers, and on such terms as the trustees consider appropriate, taking into account all relevant factors including the practice of owners of comparable properties.

For the purpose of the foregoing investment guidelines and operating policies, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by the Combined REIT will be deemed to be those of the Combined REIT on a proportionate consolidation basis. In addition, any references in the foregoing investment guidelines and operating policies to investment in real property will be deemed to include an investment in a joint venture arrangement that invests in real property.

The foregoing summary is qualified in its entirety by the full text of the proposed Combined REIT Declaration of Trust.

**The Combined REIT's Relationship with NWVP**

Upon completion of the Arrangement, NWVP is expected to hold an approximate 34% interest in the Combined REIT through the ownership of approximately 4,998,400 NWH Units and 19,188,063 NWH Special Voting Units. Paul Dalla Lana, who will serve as Chairman and Chief Executive Officer of the Combined REIT, owns 100% of NWVP.

***Redeemable Units***

Pursuant to the terms of the NWI LP Agreement, Redeemable Units will be redeemable at the option of the holder for NWH Units (subject to customary anti-dilution adjustments), and accompanied by NWH Special Voting Units, which will provide

for the same voting rights in the Combined REIT as a NWH Unit. Redeemable Units will also be entitled to distributions of cash from NWI LP when cash distributions are paid to holders of NWH Units by the Combined REIT. Pursuant to the NWI LP Agreement, Redeemable Units will not be permitted to be transferred (subject to certain exceptions for transfers to affiliates, internal reorganizations and pledges) and NWVP as holder of the Redeemable Units will agree not to take any action that would result in the Redeemable Units being held by a Non-Resident.

The redemption procedure may be initiated at any time by the holder of a Redeemable Unit so long as all of the following conditions have been met:

(a) the redemption would not cause the Combined REIT to cease to be a "mutual fund trust" for purposes of the Tax Act or create a substantial risk of such cessation;

(b) the Combined REIT is legally entitled to issue the NWH Units in connection with the exercise of the redemption rights; and

(c) the person receiving the NWH Units upon the exercise of the redemption rights complies with all applicable securities laws.

The NWI LP Agreement will also contain drag-along and tag-along rights that will apply in respect of a sale of the Combined REIT's interest in NWI LP. The drag-along rights will apply if NWVP holds less than a 5% ownership interest in the Combined REIT (assuming all Redeemable Units are redeemed for NWH Units). The tag-along right will apply so long as NWVP holds at least a 5% ownership interest in the Combined REIT (assuming all Redeemable Units are redeemed for NWH Units).

***Board Appointment Rights***

Pursuant to the Combined REIT Declaration of Trust, NWVP will have the right to appoint trustees to the board of the Combined REIT (depending on the size of the board and the level of NWVP's ownership interest in the Combined REIT). See "Information Relating to the Combined REIT – Management of the Combined REIT – Trustees" and "Information Relating to the Combined REIT – Combined REIT Declaration of Trust".

***Investor Rights Agreement***

Upon completion of the Arrangement, NWVP, the Combined REIT and NWI LP will enter into an investor rights agreement (the "**Investor Rights Agreement**") pursuant to which NWVP will be granted certain pre-emptive, registration and other rights that are similar to those currently held by (a) NWVP in respect of NWI, and (b) NWI in respect of NWH.

The Investor Rights Agreement will provide that, so long as NWVP holds at least a 5% ownership interest in the Combined REIT (calculated assuming the redemption of all Redeemable Units for NWH Units), NWVP will have, subject to certain exceptions, pre-emptive rights to purchase Redeemable Units or NWH Units to maintain its pro rata ownership interest in the Combined REIT in the event that the Combined REIT or any of its subsidiaries decides to issue equity securities, or securities convertible into or exchangeable for equity securities, to third parties. Upon exercise of this right, NWVP will be entitled to participate in the issue of such securities at the most favourable price and on the most favourable terms as such securities are offered to any third party.

The Investor Rights Agreement will also provide NWVP with the right (the "**Piggy-Back Registration Right**"), to require the Combined REIT to include NWH Units (including NWH Units issuable upon the redemption of Redeemable Units) held by NWVP in any future offering undertaken by the Combined REIT by way of prospectus that it may file with applicable Canadian securities regulatory authorities.

In addition, the Investor Rights Agreement will provide NWVP with the right (the "**Demand Registration Right**") to require the Combined REIT to use reasonable commercial efforts to file one or more prospectuses with applicable Canadian securities regulatory authorities, qualifying NWH Units held (or issuable upon the redemption of Redeemable Units) by NWVP for distribution (a "**Demand Distribution**"). Each request for a Demand Distribution must relate to either (a) such number of NWH Units that would reasonably be expected to result in gross proceeds of at least C$10 million, or (b) at least 5 million securities. The Combined REIT may also distribute NWH Units in connection with a Demand Distribution provided that if the Demand Distribution involves an underwriting and the lead underwriter determines that the total number

of NWH Units to be included in such Demand Distribution should be limited for certain prescribed reasons, the NWH Units to be included in the Demand Distribution will be first allocated to NWVP.

Each of the Piggy-Back Registration Right and the Demand Registration Right will be exercisable at any time provided that NWVP collectively owns at least a 5% ownership interest in the Combined REIT (assuming all Redeemable Units are redeemed for NWH Units) at the time of exercise.

***License Agreement***

Following completion of the Arrangement, NWVP and the Combined REIT will continue to be party to a license agreement pursuant to which NWVP provides the Combined REIT with a right to use the "NorthWest Healthcare Properties" name and logo. In the event that NWVP's ownership interest in the Combined REIT falls below 5% (assuming the redemption of all Redeemable Units for NWH Units), NWVP will have the right to terminate the license agreement on 12 months prior notice to the Combined REIT and require the Combined REIT and each of its subsidiaries to the extent applicable, to change their names and logos so as to cease using the NorthWest Healthcare Properties name and logo.

***Other Agreements***

Following completion of the Arrangement, NWVP and the Combined REIT will continue to be party to a lease agreement relating to the REIT's head office space, as well as a support services agreement relating to IT services.

**Auditors of the Combined REIT**

KPMG LLP, the current auditors of NWH and NWI, will be the auditors of the Combined REIT following completion of the Arrangement.

## THE ARRANGEMENT AGREEMENT

*The Arrangement will be carried out pursuant to the Arrangement Agreement and the Plan of Arrangement. The following is a summary of the principal terms of the Arrangement Agreement and Plan of Arrangement. This summary does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, which is incorporated by reference herein and has been filed by NWH and NWI on SEDAR at www.sedar.com, and to the Plan of Arrangement, which is appended hereto as Appendix E.*

*The Arrangement Agreement contains representations and warranties made by NWI and NWH. These representations and warranties were made by and to the Parties for the purposes of the Arrangement Agreement and are subject to the limitations and qualifications agreed to by the Parties in connection with negotiating and entering into the Arrangement Agreement. In addition, these representations and warranties were made as of specified dates, may be subject to a contractual standard of materiality different from what may be viewed as material to NWI Voting Unitholders or NWH Voting Unitholders, as the case may be, or may have been used for the purpose of allocating risk between the Parties rather than for the purpose of establishing facts. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the Arrangement Agreement.*

On March 10, 2015, NWI and NWH, among others, entered into the Arrangement Agreement, pursuant to which NWI and NWH agreed that, subject to the terms and conditions set forth in the Arrangement Agreement, NWH will acquire all of the assets of NWI and each NWI Unitholder will receive, in exchange for each NWI Unit, 0.208 NWH Units. The terms of the Arrangement Agreement are the result of arm's length negotiations conducted among NWH, NWI and representatives of the NWH Independent Committee and the NWI Independent Committee and their respective advisors.

**Representations and Warranties**

The Arrangement Agreement contains customary representations and warranties made by NWI to NWH and customary representations and warranties made by NWH to NWI. Those representations and warranties were made solely for the purposes of the Arrangement Agreement and are subject to important qualifications and limitations agreed to by the Parties in connection with negotiating its terms. Moreover, some of the representations and warranties contained in the Arrangement Agreement are subject to a contractual standard of materiality (including a material adverse effect) that is different from that generally applicable to the public disclosure to NWI Voting Unitholders or NWH Voting Unitholders, as the case may be, or those standards used for the purpose of allocating risk between parties to an agreement. For the foregoing reasons, you should

not rely on the representations and warranties contained in the Arrangement Agreement as statements of factual information at the time they were made or otherwise.

The representations and warranties provided by NWI in favour of NWH relate to: organization of NWI; authority of NWI relative to the Arrangement Agreement; compliance with Laws and the NWI Declaration of Trust; NWI material contracts; public filings; NWI Subsidiaries; reporting issuer status; capitalization and listing; no conflict; financial statements; reportable events; employment matters; purchase and sale of assets; contingent liabilities; proceedings; records; taxes; absence of certain changes or events, insurance, ownership of assets; environmental considerations and fees and commissions.

The representations and warranties provided by NWH in favour of NWI relate to: organization of NWH; authority of NWH relative to the Arrangement Agreement; compliance with Laws and the NWH Declaration of Trust; NWH material contracts; public filings; NWH Subsidiaries; reporting issuer status; capitalization and listing; no conflict; financial statements; employment matters; purchase and sale of assets; contingent liabilities; proceedings; records; taxes; absence of certain changes or events, insurance, ownership of assets; environmental considerations and fees and commissions.

**Conditions Precedent to the Arrangement**

***Mutual Conditions***

The obligations of the Parties to complete the Arrangement are subject to the fulfillment, on or before the Outside Date or the Effective Time, of each of the following conditions precedent, each of which may only be waived in whole or in part with the mutual written consent of NWI and NWH:

- the Interim Order and the Final Order shall each have been obtained on terms consistent with the Arrangement Agreement, and shall not have been set aside or modified in a manner unacceptable to NWI or NWH, acting reasonably, on appeal or otherwise;
- the Arrangement Resolution shall have been approved and adopted by the NWI Voting Unitholders at the NWI Meeting in accordance with the Interim Order;
- the NWH Unitholder Approval shall have been obtained by NWH at the NWH Meeting;
- the articles of arrangement to be filed with the Registrar in accordance with the Arrangement, including the Plan of Arrangement appended thereto, shall be in form and substance satisfactory to NWH and NWI, each acting reasonably;
- no Governmental Entity shall have enacted, issued, promulgated, made any order or enforced or entered any Law (whether temporary, preliminary or permanent) that enjoins or otherwise prohibits consummation of, or dissolves, the Contemplated Transactions;
- the Required Regulatory Approvals shall have been obtained;
- NWH shall have delivered evidence acceptable to NWI, acting reasonably, that the TSX has conditionally approved (subject only to customary conditions) (i) the listing on the TSX of the NWH Units issuable or to be made issuable pursuant to the Arrangement, and (ii) the supplemental listing on the TSX of the NWI Debentures to be assumed by NWH pursuant to the Arrangement;
- NWI shall have delivered evidence acceptable to NWH, acting reasonably, that the TSXV has conditionally approved (subject only to customary conditions) the Contemplated Transactions;
- NWH and NWI shall have executed such instruments, and the NWI Debenture Trustee shall have received such opinions, as contemplated and required by the NWI Debenture Indenture, in order to provide for the assumption, as of the Effective Time, by NWH of all of the obligations of NWI under the NWI Debenture Indenture in respect of the NWI Debentures, such that, as of the Effective Time, the NWI Debentures become valid and binding obligations of NWH entitling the holders thereof, as against NWH, to all of the rights of holders of NWI Debentures under the NWI Debenture Indenture;
- holders of not greater than 5% of the outstanding NWI Units shall have validly exercised Dissent Rights in respect of the Arrangement that have not been withdrawn as of the Effective Date; and
- the Arrangement Agreement shall not have been terminated in accordance with its terms.

***Additional Conditions in Favour of NWH***

The obligations of NWH to complete the Arrangement are subject to the fulfillment of each of the following additional conditions precedent at or before the Effective Time (each of which is for the exclusive benefit of NWH and may be waived by NWH in whole or in part at any time in its sole discretion without prejudice to any other right NWH may have under the Arrangement Agreement):

- all covenants of NWI under the Arrangement Agreement to be performed on or before the Outside Date or the Effective Time, as applicable, that have not been waived by NWH will have been duly performed by NWI in all material respects and NWH will have received a certificate of NWI addressed to NWH and dated the Effective Date, signed on behalf of NWI by two senior executive officers of NWI (on NWI's behalf and without personal liability), confirming the same as at the Effective Time;
- (i) each fundamental representation and warranty of NWI identified in the Arrangement Agreement will be true and correct in all respects (other than for *de minimis* inaccuracies) as of the Effective Time as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which will be determined as of that specified date); (ii) all other representations and warranties of NWI will be true and correct as of the Effective Time as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which will be determined as of that specified date), except where any failure or failures of any such other representations and warranties to be so true and correct in all respects would not, individually or in the aggregate, have a material adverse effect in respect of NWI (and, for this purpose, any reference to "material", "material adverse effect" or any other concept of materiality in such representations and warranties will be ignored); and (iii) NWH will have received a certificate of NWI addressed to NWH and dated the Effective Date, signed on behalf of NWI by two senior executive officers of NWI (on NWI's behalf and without personal liability), confirming the same as at the Effective Time;
- there shall not be pending or threatened in writing any suit, action or proceeding by any Governmental Entity (other than a suit, action or proceeding that is considered by NWH, acting reasonably and in good faith, to be frivolous or vexatious) that is reasonably likely to result in a: (i) restriction or prohibition of the consummation of the Contemplated Transactions or a person obtaining from NWI or NWH any material damages directly or indirectly in connection with the Contemplated Transactions; (ii) prohibition or material limit on the ownership by NWH of NWI or any material portion of its business; or (iii) Material Adverse Effect in respect of NWI; and
- since the date of the Arrangement Agreement there shall not have occurred a material adverse effect in respect of NWI, and NWH shall have received a certificate signed on behalf of NWI by the chief executive officer and the chief financial officer of NWI (on NWI's behalf and without personal liability) to such effect.

***Additional Conditions in Favour of NWI***

The obligations of NWI to complete the Arrangement are subject to the fulfillment of each of the following additional conditions precedent at or before the Effective Time (each of which is for the exclusive benefit of NWI and may be waived by NWI in whole or in part at any time in its sole discretion without prejudice to any other right NWI may have under the Arrangement Agreement):

- all covenants of NWH under the Arrangement Agreement to be performed on or before the Effective Date will have been duly performed by NWH in all material respects, and NWI will have received a certificate of NWH, addressed to NWI and dated the Effective Date, signed on behalf of NWH by two senior executive officers (on NWH's behalf and without personal liability), confirming the same as at the Effective Date;
- (i) each fundamental representation and warranty of NWH identified in the Arrangement Agreement will be true and correct in all respects (other than for *de minimis* inaccuracies) as of the Effective Time as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which will be determined as of that specified date), (ii) all other representations and warranties of NWH will be true and correct as of the Effective Time as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which will be determined as of that specified date), except where any failure or failures of any such other representations and warranties to be so true and correct in all respects would not, individually or in the aggregate, have a material adverse effect in respect of NWH (and, for this purpose, any reference to "material", "material adverse effect" or any other concept of materiality in such representations and warranties will be ignored); and (iii) NWI will have received a certificate of NWH addressed to NWI and dated the

Effective Date, signed on behalf of NWH by two senior executive officers of NWH (on NWH's behalf and without personal liability), confirming the same as at the Effective Time;

- there shall not be pending or threatened in writing any suit, action or proceeding by any Governmental Entity (other than a suit, action or proceeding that is considered by NWI, acting reasonably and in good faith, to be frivolous or vexatious) that is reasonably likely to result in a: (i) restriction or prohibition of the consummation of the Contemplated Transactions or a person obtaining from NWI or NWH any material damages directly or indirectly in connection with the Contemplated Transactions; (ii) prohibition or material limit on the ownership by NWH of NWI or any material portion of its business; or (iii) Material Adverse Effect in respect of NWH; and
- since the date of the Arrangement Agreement there shall not have occurred a material adverse effect in respect of NWH, and NWI shall have received a certificate signed on behalf of NWH by the chief executive officer and the chief financial officer of NWH (on NWH's behalf and without personal liability) to such effect.

**Covenants**

In the Arrangement Agreement, each of NWI and NWH has agreed to certain covenants, including customary affirmative and negative covenants relating to the operation of their respective businesses, using commercially reasonable efforts to satisfy the conditions precedent to their respective obligations under the Arrangement Agreement and, in the case of NWI, a covenant to ensure that all debt or other obligations existing between NWI and NWVP, and their respective affiliates and associates, have been repaid in full or, if alternative arrangements are made, they shall be on terms satisfactory to NWH, acting reasonably.

***Distributions***

Other than Permitted NWH Distributions and any interest and principal payments required to be made on the NWH Debentures, NWH has agreed not to declare, set aside or pay any distribution (whether in cash, securities or property or any combination thereof) or other payment in respect of any NWH Units, other securities of NWH or any securities of any NWH Subsidiary except, in the case of any of the NWH Subsidiaries wholly-owned by NWH, for distributions payable to NWH or another NWH Subsidiary wholly-owned by NWH.

Other than Permitted NWI Distributions and any interest and principal payments required to be made on the NWI Debentures, NWI has agreed not to declare, set aside or pay any distribution (whether in cash, securities or property or any combination thereof) or other payment in respect of any NWI Units, other securities of NWI or any securities of any NWI Subsidiary except, in the case of any of the NWI Subsidiaries wholly-owned by NWI, for distributions payable to NWI or another NWI Subsidiary wholly-owned by NWI.

***Approvals and Consents***

Each of NWI and NWH have agreed use its commercially reasonable efforts to obtain, or assist with the obtaining of, all Required Regulatory Approvals, as well as all third party consents, waivers, permits, exemptions, orders, approvals, agreements, amendments and modifications necessary to consummate the Contemplated Transactions.

***Mutual Covenant Regarding Non-Solicitation***

Except as expressly provided in the Arrangement Agreement, neither Party will, directly or indirectly, through any of its representatives or Subsidiaries, or otherwise, and will not authorize any such person to do so on its behalf:

- solicit, assist, initiate, encourage or otherwise facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of a Party or any Subsidiary or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;
- enter into or otherwise engage or participate in any discussions or negotiations with any person (other than the other Party) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;

- in the case of NWI, make an NWI Change in Recommendation other than following the occurrence of any material adverse effect in respect of NWH, and in the case of NWH, make an NWH Change in Recommendation, other than following the occurrence of any material adverse effect in respect of NWI;
- accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for a period of no more than five business days will not be considered to be in violation of this covenant, provided the NWI Board or the NWH Board, as the case may be, has rejected such Acquisition Proposal and affirmed the NWI Board Recommendation or the NWH Board Recommendation, as the case may be, before the end of such five business day period (or in the event that the NWI Meeting or NWH Meeting, as the case may be, is scheduled to occur within such five business day period, prior to the third business day prior to the date of the NWI Meeting or NWH Meeting, as the case may be); or
- accept or enter into or publicly propose to accept or enter into any agreement, understanding or arrangements in respect of an Acquisition Proposal.

Pursuant to the Arrangement Agreement, each Party has confirmed that it has not waived any confidentiality, standstill or similar agreement or restriction to which it or any of its Subsidiaries is a party, and each Party has further agreed (i) that, except in respect of an unsolicited Acquisition Proposal made to such Party as contemplated by sections 7.4 *(Responding to Acquisition Proposals and Superior Proposals by NWI)*, 7.5 *(Responding to Acquisition Proposals and Superior Proposals by NWH*) or 7.6 *(Right to Match)* of the Arrangement Agreement, such Party will take all necessary action to enforce each confidentiality, standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement, restriction or covenant to which such Party or any of its Subsidiaries is a party, and (ii) that neither such Party, nor any of its Subsidiaries or any of their respective representatives will, without the prior written consent of the other Party (which may be withheld or delayed in the other Party's sole and absolute discretion), release any person from, or waive, amend, suspend or otherwise modify such person's obligations respecting such Party, or any of its Subsidiaries, under any confidentiality, standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement, restriction or covenant to which such Party or any of its Subsidiaries is a party; provided, however, that each Party acknowledge and agree that the automatic termination or release of any such agreement, restriction or covenant in accordance with their terms shall not be a violation of section 7.2(c) of the Arrangement Agreement.

***Notification of Acquisition Proposals***

If a Party or any of its Subsidiaries or any of their respective representatives receives an Acquisition Proposal after the date of the Arrangement Agreement, or any request for copies of, access to, or disclosure of, confidential information relating to such Party or any Subsidiary in connection with such an Acquisition Proposal, such Party will as soon as practicable and in any event within 24 hours of the receipt thereof notify the other Party (at first orally and then in writing) of such Acquisition Proposal or request. Such notice will include a description of its material terms and conditions of such Acquisition Proposal or request and the identity of all persons making the Acquisition Proposal or request and will provide the other Party with copies of all written documents, correspondence or other material received in respect of, from or on behalf of any such person. The Party receiving the Acquisition Proposal will keep the other Party fully informed of the status of material or substantive developments and (to the extent such Party is permitted by section 7.4 of 7.5 of the Arrangement Agreement, as applicable, to enter into discussions or negotiations), the status of discussions and negotiations with respect to any such Acquisition Proposal and will provide the other Party with copies of all material or substantive correspondence if in writing or electronic form, and if not in writing or electronic form, a description of the material terms of such correspondence sent or communicated to such Party by or on behalf of any person making any such Acquisition Proposal.

***Responding to Acquisition Proposals and Superior Proposals by NWI***

If at any time prior to obtaining the NWI Unitholder Approval of the Arrangement Resolution, NWI receives a *bona fide* written Acquisition Proposal (that was not solicited after the date of the Arrangement Agreement), NWI may engage in or participate in discussions or negotiations regarding such Acquisition Proposal, and may provide copies of, access to or disclosure of information, properties, facilities, books or records of NWI or its Subsidiaries to the person making such Acquisition Proposal, if and only if:

- the NWI Board first determines in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal (disregarding any financing, due diligence or access conditions) constitutes or could reasonably be expected to constitute or lead to a Superior Proposal;

- NWI has been, and continues to be, in compliance, with its non-solicitation restrictions in the Arrangement Agreement;
- prior to providing any such copies, access, or disclosure, NWI enters into a confidentiality and standstill agreement with such person on customary terms and any such copies, access or disclosure provided to such person have already been (or will simultaneously be) provided to NWH; and
- NWI promptly provides NWH with: (i) written notice stating NWI's intention to participate in such discussions or negotiations and to provide such copies, access or disclosure; and (ii) prior to providing any such copies, access or disclosure, a true, complete and final executed copy of the confidentiality and standstill agreement referred to in the immediately above bullet.

***Responding to Acquisition Proposals and Superior Proposals by NWH***

If at any time prior to obtaining the NWH Unitholder Approval of the NWH Resolution, NWH receives a *bona fide* written Acquisition Proposal (that was not solicited after the date of the Arrangement Agreement), NWH may engage in or participate in discussions or negotiations regarding such Acquisition Proposal, and may provide copies of, access to or disclosure of information, properties, facilities, books or records of NWH or its Subsidiaries to the person making such Acquisition Proposal, if and only if:

- the NWH Board first determines in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal (disregarding any financing, due diligence or access conditions) constitutes or could reasonably be expected to constitute or lead to a Superior Proposal;
- NWH has been, and continues to be, in compliance, with its non-solicitation restrictions in the Arrangement Agreement;
- prior to providing any such copies, access, or disclosure, NWH enters into a confidentiality and standstill agreement with such person on customary terms and any such copies, access or disclosure provided to such person have already been (or will simultaneously be) provided to NWI; and
- NWH promptly provides NWI with: (i) written notice stating NWH's intention to participate in such discussions or negotiations and to provide such copies, access or disclosure; and (ii) prior to providing any such copies, access or disclosure, a true, complete and final executed copy of the confidentiality and standstill agreement referred to in the immediately above bullet.

***Right to Match***

If a Party (the "**Receiving Party**") receives an Acquisition Proposal that constitutes a Superior Proposal prior to, in the case of NWI being the Receiving Party, the approval of the Arrangement Resolution by the NWI Voting Unitholders, and in the case of NWH being the Receiving Party, the approval of the NWH Resolution by the NWH Voting Unitholders, the Receiving Party may enter into a definitive agreement with respect to such Superior Proposal, if and only if:

- the Receiving Party that has received the Acquisition Proposal that constitutes a Superior Proposal has been, and continues to be, in compliance with its non-solicitation restrictions in the Arrangement Agreement;
- the Receiving Party has delivered to the other Party a Superior Proposal Notice;
- the Receiving Party has provided the other Party a copy of the proposed definitive agreement for the Superior Proposal and all supporting materials, including any financing documents supplied to the Receiving Party in connection therewith;
- at least five business days (the "**Matching Period**") have elapsed from the date that is the later of the date on which the other Party received the Superior Proposal Notice and the date on which such other Party received all of the materials set forth in the immediately above bullet;
- during any Matching Period, such other Party has had the opportunity (but not the obligation) to offer to amend the Arrangement Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal;
- after the Matching Period, the Receiving Party's board of trustees has determined in good faith, after consultation with its outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a

Superior Proposal (if applicable, compared to the terms of the Arrangement as proposed to be amended by the other Party); and

- prior to or concurrently with entering into such definitive agreement the Receiving Party terminates the Arrangement Agreement and pays the Termination Fee.

During the Matching Period, or such longer period as the Receiving Party may approve in writing for such purpose: (a) the Receiving Party's board of trustees shall review any offer made by the other Party to amend the terms of the Arrangement Agreement and the Arrangement in good faith in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (b) the Receiving Party shall negotiate in good faith with the other Party to make such amendments to the terms of the Arrangement Agreement and the Arrangement as would enable the other Party to proceed with the transactions contemplated by the Arrangement Agreement on such amended terms. If the Receiving Party's board of trustees determines that such Acquisition Proposal would cease to be a Superior Proposal, the Receiving Party shall promptly so advise the other Party and the Parties shall amend the Arrangement Agreement to reflect such offer made by the other Party, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.

**Termination of the Arrangement Agreement**

The Arrangement Agreement may be terminated and the Arrangement may be abandoned at any time prior to the Effective Time in certain circumstances, including, as follows:

- by mutual written agreement of NWI and NWH;
- by either NWI or NWH, if:
  - the Effective Time shall not have occurred on or before the Outside Date, except that the right to terminate the Arrangement Agreement in this manner is not available to a Party whose failure to fulfill any of its obligations or breach of any of its representations and warranties under the Arrangement Agreement has been the principal cause of, or resulted in, the failure of the Effective Time to occur by such date;
  - there shall be enacted or made any applicable Law (or any such applicable Law shall have been amended) that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins the parties from consummating the Arrangement and such applicable Law (if applicable) or enjoinment shall have become final and non-appealable, provided that the party seeking to terminate the Arrangement Agreement shall have used its commercially reasonable efforts to prevent the entry of or remove or lift such prohibition or injunction;
  - NWI Unitholder Approval shall not have been obtained at the NWI Meeting including any adjournment or postponement thereof) in accordance with the Interim Order; or
  - NWH Unitholder Approval shall not have been obtained at the NWH Meeting including any adjournment or postponement thereof) in accordance with applicable Law; or
- by NWH, if:
  - the NWI Board (or any committee thereof) makes an NWI Change in Recommendation or accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend any Acquisition Proposal;
  - prior to obtaining NWH Unitholder Approval, subject to NWH having complied with the terms of the Arrangement Agreement, the NWH Board authorizes NWH to enter into an agreement (other than a confidentiality agreement) with respect to a Superior Proposal, provided that concurrently with such termination, NWH pays the Termination Fee;
  - any of the conditions set forth in section 6.1 *(Mutual Conditions Precedent)* or section 6.2 *(Additional Conditions Precedent to the Obligations of NWH)* of the Arrangement Agreement is incapable of being satisfied by the Outside Date; provided that NWH is not then in breach of the Arrangement Agreement so as to cause any of the conditions set forth in section 6.1 *(Mutual Conditions Precedent)* or section 6.3 *(Additional Conditions Precedent to the Obligations of NWI)* of the Arrangement Agreement not to be satisfied;
  - NWI breaches any representation or warranty of NWI set forth in the Arrangement Agreement, which breach would cause the condition in section 6.2(b) *(all Representations and Warranties of NWI are true and correct)* of the Arrangement Agreement not to be satisfied, or NWI fails to perform any covenant (with the exception of the covenants contained in sections 7.2 *(Mutual Covenant Regarding Non-Solicitation)*, 7.3 *(Notification of*

*Acquisition Proposals)*, 7.4 *(Responding to Acquisition Proposals and Superior Proposals by NWI)*, and 7.6 *(Right to Match)* of the Arrangement Agreement or material obligation made in the Arrangement Agreement, in each case, in any material respect, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of section 7.1 *(Notice and Cure Provisions)* of the Arrangement Agreement; provided that any willful breach shall be deemed incapable of being cured and NWH is not then in breach of the Arrangement Agreement so as to cause any condition in section 6.3(a) *(Covenants of NWI have been duly performed)* or 6.3(b) *(all Representations and Warranties of NWH are true and correct)* of the Arrangement Agreement not to be satisfied;

- NWI is in breach or in default of any of its obligations or covenants set forth in sections 7.2 *(Mutual Covenant Regarding Non-Solicitation)*, 7.3 *(Notification of Acquisition Proposals)*, 7.4 *(Responding to Acquisition Proposals and Superior Proposals by NWI)*, or 7.6 *(Right to Match)* of the Arrangement Agreement;
- the NWI Meeting has not occurred on or before June 30, 2015; provided that the right to terminate the Arrangement Agreement pursuant to the termination provisions shall not be available to NWH if (A) the failure by NWH to fulfil any obligation hereunder is the cause of, or results in, the failure of the NWI Meeting to occur on or before such date, or (B) the NWH Resolution has not been passed at the NWH Meeting;
- NWI provides NWH with a Superior Proposal Notice; or
- there shall occur after the date hereof any Material Adverse Effect in respect of NWI;

- by NWI, if:
  - the NWH Board (or any committee thereof) makes an NWH Change in Recommendation or accepts, approves, endorses or recommends or publicly proposes to accept, approve, endorse or recommend any Acquisition Proposal;
  - prior to obtaining NWI Unitholder Approval, subject to NWI having complied with the terms of the Arrangement Agreement, the NWI Board authorizes NWI to enter into an agreement (other than a confidentiality agreement pursuant to section 7.4(a)(iii)) with respect to a Superior Proposal in accordance with section 7.4 of the Arrangement Agreement; provided that concurrently with such termination, NWI pays the Termination Fee;
  - any of the conditions set forth in section 6.1 or section 6.3 *(Additional Condition Precedents to the Obligations of NWI)* of the Arrangement Agreement is incapable of being satisfied by the Outside Date; provided that NWI is not then in breach of the Arrangement Agreement so as to cause any of the conditions set forth in section 6.1 *(Mutual Condition Precedent)* or section 6.2 *(Additional Condition Precedent to the Obligations of NWH)* of the Arrangement Agreement not to be satisfied;
  - NWH breaches any representation or warranty of NWH set forth in the Arrangement Agreement which breach would cause the condition in section 6.3(b) *(all Representations and Warranties of NWH are true and correct)* of the Arrangement Agreement not to be satisfied or NWH fails to perform any covenant (with the exception of the covenants contained in sections 7.2 *(Mutual Covenant regarding Non-Solicitation)*, 7.3 *(Notification of Acquisition Proposals)*, 7.5 *(Responding to Acquisition Proposal and Superior Proposals by NWH)* and 7.6 *(Right to Match)*) of the Arrangement Agreement or material obligation made in the Arrangement Agreement, in each case, in any material respect, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of section 7.1 of the Arrangement Agreement; provided that any willful breach shall be deemed incapable of being cured and NWI is not then in breach of the Arrangement Agreement so as to cause any condition in section 6.2(a) *(Representations and Warranties of NWI are true and correct)* or 6.2(b) *(*Covenants *of NWH to have been duly performed)* of the Arrangement Agreement not to be satisfied;
  - NWH is in breach or in default of any of its obligations or covenants set forth in sections 7.2 *(Mutual Covenant regarding Non-Solicitation)*, 7.3 *(Notification of Acquisition Proposals)*, 7.5 *(Responding to Acquisition Proposals and Superior Proposals by NWH)* and 7.6 *(Right to Match)* of the Arrangement Agreement;
  - the NWH Meeting has not occurred on or before June 30, 2015; provided that the right to terminate the Arrangement Agreement pursuant to the termination provisions shall not be available to NWI if the failure by NWI to fulfil any obligation hereunder is the cause of, or results in, the failure of the NWH Meeting to occur on or before such date;
- NWH provides NWI with a Superior Proposal Notice; or
- there shall occur after the date hereof any Material Adverse Effect in respect of NWH.

***Termination Payments***

NWI Termination Fee

The Arrangement Agreement provides that NWH will be entitled to the Termination Fee upon the occurrence of any of the following events (each an "**NWI Termination Fee Event**") and the Arrangement Agreement is terminated:

- by NWH pursuant to section 8.1(c)(i) (*NWI Change in Recommendation*) (but not including a termination by NWH in circumstances where the NWI Change in Recommendation resulted from the occurrence of a material adverse effect in respect of NWH) or section 8.1(c)(vii) (*Superior Proposal Notice*) of the Arrangement Agreement in which case the Termination Fee will be paid on the first business day following such termination;
- by NWI pursuant to section 8.1(d)(ii) (*to enter into a Superior Proposal*) of the Arrangement Agreement, in which case the Termination Fee will be paid concurrent with such termination; or
- by NWH pursuant to section 8.1(c)(v) (*Breach of Covenants)* or section 8.1(c)(vi) (*NWI Unitholder Meeting has not occurred*), or by either Party pursuant to section 8.1(b)(i) (*Outside Date*) or section 8.1(b)(iii) (*No NWI Unitholder Approval*) or by NWI pursuant to section 8.1(d)(vi) (*NWH Unitholder Meeting has not occurred*) (in circumstances where NWH would also be entitled to terminate the Arrangement Agreement pursuant to section 8.1(c)(iii) (*NWI conditions precedent cannot be satisfied prior to the Outside Date*)), section 8.1(c)(vi) (*NWI Unitholder Meeting has not occurred*) or section 8.1(b)(i) (*Effective Time not prior to Outside Date*) of the Arrangement Agreement but only if, in the case of this NWI Termination Event, prior to the termination of the Arrangement Agreement, an Acquisition Proposal shall have been made to NWI, or an Acquisition Proposal with respect to NWI is publicly announced or any person (other than NWH) shall have publicly announced the intention to make an Acquisition Proposal with respect to NWI, and if within 12 months following the date of such termination:
  - an Acquisition Proposal (whether or not it is the Acquisition Proposal referred to above) is consummated by NWI; or
  - NWI and/or one or more of its Subsidiaries enters into a definitive agreement in respect of, or the NWI Board approves or recommends, an Acquisition Proposal and at any time thereafter (whether or not within 12 months following the date of termination of the Arrangement Agreement), such Acquisition Proposal is consummated;

  then an amount equal to the Termination Fee will be payable within two business days following the closing of the applicable transaction referred to therein. For purposes of this NWI Termination Fee Event, the term "Acquisition Proposal" shall have the meaning ascribed thereto in Appendix A, except that references to "20%" will be deemed to be references to "50%".

NWH Termination Fee

The Arrangement Agreement provides that NWI will be entitled to the Termination Fee upon the occurrence of any of the following events (each a "**NWH Termination Fee Event**") and the Arrangement Agreement is terminated:

- by NWI pursuant to pursuant to section 8.1(d)(i) (*NWH Change in Recommendation*) (but not including a termination by NWI pursuant to section 8.1(d)(i) in circumstances where the NWH Change in Recommendation resulted from the occurrence of a material adverse effect in respect of NWI) or section 8.1(d)(vii) (*Superior Proposal Notice*) of the Arrangement Agreement in which case the Termination Fee shall be paid on the first business day following such termination;
- by NWH pursuant to section 8.1(c)(ii) (*To Enter Into a Superior Proposal*) of the Arrangement Agreement, in which case the Termination Fee will be paid concurrent with such termination; or
- by NWI pursuant to section 8.1(d)(v) (*Breach of Covenants*) or section 8.1(d)(vi) (*NWH Unitholder Meeting has not occurred*), or by either Party pursuant to section 8.1(b)(i) (*Outside Date*) or section 8.1(b)(iv) (*No NWH Unitholder Approval*) or by NWH pursuant to section 8.1(c)(vi) (*NWI Unitholder Meeting has not occurred)* (in circumstances where NWI would also be entitled to terminate the Arrangement Agreement pursuant to section 8.1(d)(iii) (*NWH conditions precedent cannot be satisfied prior to the Outside Date*), section 8.1(d)(vi) (*NWI Unitholder Meeting has not occurred*), section 8.1(b)(i) (*Effective Time not Prior to Outside Date*) of the Arrangement Agreement, but only if, in the case of this NWH Termination Fee Event, prior to the termination of the Arrangement Agreement, an Acquisition Proposal will have been made to NWH, or an Acquisition Proposal with respect to NWH is publicly

announced or any person shall have publicly announced the intention to make an Acquisition Proposal with respect to NWH (other than by NWI), and if within 12 months following the date of such termination:

- an Acquisition Proposal (whether or not it is the Acquisition Proposal referred to above) is consummated by NWH; or
- NWH and/or one or more of its Subsidiaries enters into a definitive agreement in respect of, or the NWH Board approves or recommends, an Acquisition Proposal and at any time thereafter (whether or not within 12 months following the date of termination of the Arrangement Agreement), such Acquisition Proposal is consummated;

then an amount equal to the Termination Fee, will be payable within two business days following the closing of the applicable transaction referred to therein. For purposes of this NWH Termination Fee Event, the term "Acquisition Proposal" shall have the meaning ascribed thereto in Appendix A, except that references to "20%" will be deemed to be references to "50%".

**Amendment**

The Plan of Arrangement and the Arrangement Agreement may, at any time before or after the NWI Meeting, but not later than the Effective Time, be amended by mutual written agreement of the Parties and any such amendment may, subject to the Interim Order and the Final Order and applicable Law, without limitation:

- change the time for performance of any of the obligations or acts of the Parties;
- modify any representation or warranty contained in the Arrangement Agreement or in any document delivered pursuant to the Arrangement Agreement;
- modify any of the covenants in the Arrangement Agreement and waive or modify the performance of any of the obligations of the Parties; and/or
- modify any mutual conditions precedent in the Arrangement Agreement.

## REGULATORY MATTERS

**Canadian Securities Law Matters**

***Qualification and Resale of NWH Units***

The NWH Units to be issued in exchange for NWI Units pursuant to the Arrangement will be issued in reliance upon exemptions from the prospectus requirements of securities legislation in each province and territory of Canada. Subject to certain disclosure and regulatory requirements and to customary restrictions applicable to distributions of units that constitute "control distributions", NWH Units issued under the Arrangement may be resold in each province and territory in Canada, subject in certain circumstances, to the usual conditions that no unusual effort, or no effort, has been made to prepare the market or create demand.

***MI 61-101***

MI 61-101 regulates certain types of related party transactions to ensure equality of treatment among security holders and may require enhanced disclosure, approval by a majority of security holders (excluding "interested parties" under applicable Law), independent valuations and, in certain instances, approval and oversight of certain transactions by a special committee of independent trustees. The protections afforded by MI 61-101, apply to, among other transactions "business combinations" (as defined in MI 61-101) which may terminate the interests of security holders without their consent and "related party transactions" (as defined in MI 61-101), being transactions with a related party. Sections 4.3 and 5.4 of MI 61-101, respectively, require an issuer to obtain certain formal valuations for certain business combinations and related party transactions, and sections 4.5 and 5.6 of MI 61-101, respectively, require an issuer to seek minority approval before completing a business combination or a related party transaction.

The Arrangement is not a "business combination" for NWI pursuant to MI 61-101 because it is a "downstream transaction" (as such term is defined in MI 61-101). As such, the minority unitholder approval and formal valuation requirements of MI 61-101 do not apply to NWI and, to be effective, the Arrangement Resolution must be approved, with or without variation,

by the affirmative vote of at least 66 2/3% of the votes cast on the Arrangement Resolution by NWI Voting Unitholders, present in person or represented by proxy and entitled to vote at the NWI Meeting.

As the Arrangement is considered a "related party transaction" for NWH, NWH is required to seek minority approval for the NWH Resolution and has obtained the Canaccord Genuity Formal Valuation in respect of NWH and NWI as required by MI 61-101.

NWH estimates that a total of 11,952,546 NWH Voting Units (approximately 26% of the outstanding NWH Voting Units) will be excluded in determining whether minority approval for the NWH Resolution is obtained, including: (i) 11,897,446 NWH Voting Units held by NWI Subsidiaries and (ii) 55,100 NWH Units held by trustees and officers of NWI.

**United States Securities Law Matters**

**The following discussion is only a general overview of certain requirements of U.S. federal securities laws that may be applicable to the holders of NWH Units. All holders of such securities are urged to obtain legal advice to ensure that the resale of such securities complies with applicable U.S. federal and state securities laws.**

***Exemption from U.S. Registration***

The NWH Units issuable to NWI Unitholders in exchange for their NWI Units under the Arrangement have not been and will not be registered under the U.S. Securities Act, and such securities will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by section 3(a)(10) thereof. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of securities issued in exchange for one or more *bona fide* outstanding securities from the general requirement of registration where the terms and conditions of such issuance and exchange of such securities have been approved by a court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court granted the Interim Order on April 7, 2015 and, subject to the approval of the Arrangement Resolution by NWI Unitholders , and the approval of the NWH Resolution by the NWH Unitholders, a hearing for a final order approving the Arrangement is expected to take place on May 13, 2015 at 1:00 p.m. (Calgary time), or as soon thereafter as is reasonably practicable. See "The Arrangement – Court Approval and Completion of the Arrangement". All NWI Unitholders are entitled to appear and be heard at this hearing, provided that they satisfy the applicable conditions set forth in the Interim Order. The Final Order of the Court will, if granted, constitute a basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the NWH Units issued under the Arrangement.

The NWH Units to be received by NWI Unitholders upon completion of the Arrangement may be resold without restriction under the U.S. Securities Act, except in respect of resales by persons who are "affiliates" of NWH at the time of such resale or who have been affiliates of NWH within 90 days before such resale. Persons who may be deemed to be "affiliates" of an issuer generally include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract or otherwise, and generally include executive officers and trustees of the issuer as well as principal unitholders of the issuer. Any resale of such NWH Units by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirements of the U.S. Securities Act and applicable state securities laws, absent an exemption therefrom. Subject to certain limitations, such affiliates (and former affiliates) may immediately resell such NWH Units outside the United States without registration under the U.S. Securities Act pursuant to Regulation S under the U.S. Securities Act. Such NWH Units may also be resold in transactions completed in accordance with Rule 144 under the U.S. Securities Act, if available.

**Stock Exchange Approvals**

NWH Units currently trade on the TSX under the symbol "NWH.UN". The TSX has conditionally approved (subject to customary conditions) the listing of the NWH Units issuable under the Arrangement and the NWI Debentures to be assumed by NWH pursuant to the Arrangement (and the NWH Units issuable upon the conversion, redemption or maturity of such NWI Debentures).

The NWI Units are currently listed on the TSXV under the symbol "MOB.UN". Following completion of the Arrangement, it is expected that the NWI Units will be de-listed from the TSXV and NWI will make an application to cease to be a reporting issuer under Securities Laws. The TSXV has conditionally approved (subject to customary conditions) the de-listing of the NWI Units from the TSXV.

The 6.50% Debentures, 7.50% Debentures and 7.25% Debentures are currently listed for trading on the TSXV under the symbols "MOB.DB", "MOB.DB.A" and "MOB.DB.B", respectively. Pursuant to the Arrangement, NWH will assume all of the rights and obligations of NWI relating to the NWI Debentures, which, upon completion of the Plan of Arrangement, will be convertible into NWH Units, based on all of the rights of holders of NWI Debentures under the NWI Debenture Indenture, as supplemented and amended by the NWI Debenture Supplemental Indenture. Application has been made such that, following the Effective Date, such debentures would be listed on the TSX but as obligations of NWH, which listing will be conditional on the satisfaction of certain standard conditions.

Pursuant to sections 611(b) and (c) of the TSX Company Manual, the NWH Resolution requires the approval of (i) a simple majority of the votes cast by NWH Voting Unitholders present in person or represented by proxy at the NWH Meeting because the number of securities of NWH being issued or issuable under the Arrangement exceeds 25% of the number of securities of NWH which are currently issued and outstanding and (ii) a simple majority of the votes cast by NWH Voting Unitholders present in person or represented by proxy at the NWH Meeting, excluding insiders receiving securities pursuant to the Arrangement, because the number of securities being issued or issuable under the Arrangement to insiders of NWH under the Arrangement exceeds 10% of the number of number of securities of NWH which are currently outstanding.

If the Arrangement were to be completed on the date of this Circular, approximately 18,121,148 NWH Units would be issued to NWI Unitholders, 19,188,063 NWH Units would be reserved for issuance upon the redemption of Redeemable Units, 6,266,099 NWH Units would be reserved for issuance upon the conversion of the outstanding NWI Debentures (assumed by NWH under the Arrangement) and approximately 2,115,096 NWH Units will be reserved for issuance upon the redemption of NWH Deferred Units that are being exchanged for NWI Deferred Units. The exact number of NWH securities to be issued upon closing of the Arrangement will depend on the number of NWI securities outstanding on such date.

**Other Regulatory Matters**

The Arrangement must also be approved by the New Zealand Overseas Investment Office and Australia's Foreign Investment Review Board. Applications have been made seeking such approvals.

## ELIGIBILITY FOR INVESTMENT IN CANADA

Based on the current provisions of the Tax Act, and subject to the provisions of any particular plan, the NWH Units will be a qualified investment for trusts governed by a registered retirement savings plan ("**RRSP**"), registered education savings plan, a registered retirement income fund ("**RRIF**"), deferred profit sharing plan, registered disability savings plan or a tax-free savings account ("**TFSA**"), provided that NWH qualifies at all times as a "mutual fund trust" (as defined in the Tax Act) or the NWH Units are listed on a "designated stock exchange" (as defined in the Tax Act).

Notwithstanding the foregoing, if the NWH Units are a "prohibited investment" (as defined in the Tax Act) for a trust governed by a TFSA, RRSP or RRIF, the holder or annuitant thereof will be subject to a penalty tax as set out in the Tax Act. The NWH Units will not be a prohibited investment for a TFSA, RRSP or RRIF provided the holder or annuitant of such plan, as the case may be, (i) deals at arm's length with NWH, for purposes of the Tax Act, and (ii) does not have a "significant interest" (as defined in the Tax Act) in NWH. Generally, a holder or annuitant will have a significant interest in NWH if the holder or annuitant and/or persons not dealing at arm's length with the holder or annuitant own, directly or indirectly, 10% or more of the fair market value of the NWH Units. In addition, NWH Units will not be a "prohibited investment" if the NWH Units are "excluded property" as defined in the Tax Act for trusts governed by a TFSA, RRSP and RRIF. Prospective purchasers who intend to hold NWH Units in a TFSA, RRSP or RRIF are advised to consult their own tax advisors.

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the material Canadian federal income tax considerations, as of the date hereof, generally applicable under the Tax Act to a NWI Unitholder and a NWH Unitholder as a result of the Arrangement. This summary is applicable to a NWI Unitholder and a NWH Unitholder who, for purposes of the Tax Act and at all relevant times, is or is deemed to be resident in Canada, deals at arm's length and is not affiliated with NWI or NWH and their respective affiliates and holds the NWI Units or NWH Units currently, as the case may be, and will hold the NWH Units of the Combined REIT after completion of the Arrangement as capital property (collectively a "**Holder**" and, separately a "**NWI Holder**" and "**NWH Holder**", as the context requires). Generally, NWI Units and NWH Units will be considered to be capital property to a unitholder provided that the unitholder does not hold such units in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain unitholders whose

NWI Units or NWH Units might not otherwise qualify as capital property may be entitled to have them treated as capital property by making an irrevocable election under subsection 39(4) of the Tax Act. Unitholders who do not hold their NWI Units or NWH Units as capital property should consult their own tax advisors regarding their particular circumstances.

This summary does not apply to a unitholder (i) that is a "financial institution" subject to the mark-to-market rules; (ii) that is a "specified financial institution", (iii) that is a partnership, (iv) an interest in which would be a "tax shelter investment", (v) that has elected to determine its "Canadian tax results" in a foreign currency pursuant to the "functional currency" reporting rules; (vi) who enters into a "derivative forward agreement" as such term is defined in the Tax Act with respect to its NWI Units or NWH Units, as the case may be, and (vii) that has acquired, or will acquire NWI Units or NWH Units pursuant to the NWI Deferred Unit Plan or NWH Deferred Unit Plan, as the case may be, all within the meaning of the Tax Act. Any such unitholder should consult its own tax advisor. Furthermore, this summary does not address the deductibility of interest by a unitholder who borrowed funds in connection with the acquisition of NWI Units or NWH Units, as the case may be.

This summary is based on the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and the current administrative policies and assessing practices of the CRA published in writing by it. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in the CRA's administrative policies and assessing practices, nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may differ significantly from those discussed herein. This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurances can be given that this will be the case. Furthermore, no assurances can be given that CRA will not change its administrative policies and assessing practices.

**This summary assumes that at all material times NWI and NWH qualified and will continue to qualify as "mutual fund trusts" for the purposes of the Tax Act. If either NWI or NWH were not to so qualify, the income tax considerations described below would, in some respects, be materially and adversely different. This summary also assumes that the implementation of the Arrangement will occur as described in this Circular.**

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular unitholder. This summary is not exhaustive of all Canadian federal income tax considerations. Consequently, unitholders are urged to consult their own tax advisors to determine the particular tax effects to them of the Arrangement and any other consequences to them of such transactions under Canadian federal, provincial, territorial or local tax laws and under foreign tax laws, having regard to their own particular circumstances.**

**Persons not resident in Canada or citizens of another country should be aware that the Arrangement may result in tax consequences for them in the United States, other foreign jurisdictions and/or in Canada. Such consequences are not described herein. Each unitholder who is not a resident of Canada, or is a citizen of another country, should consult its own tax advisor concerning the tax effects of the Arrangement.**

**Generally, for purposes of the Tax Act, all amounts must be expressed in Canadian dollars. Amounts denominated in another currency must be converted into Canadian dollars based on exchange rates as determined in accordance with the Tax Act.**

**Tax Consequences to NWH Holders of the Arrangement**

*No Disposition of NWH Units*

NWH Holders will not be considered to have disposed of their NWH Units as a result of the Arrangement.

*Pre-Closing Transactions and Deemed Year-End of NWH and Certain NWH Subsidiaries*

The current taxation year of NWH will be deemed to end on the Effective Date following the transfer of the NWI assets (the "**NWI Assets**") to NWH (the "**QE Transfer**"), thereby giving rise to a short taxation year for NWH. If NWH determines that its undistributed taxable income for this short taxation year exceeds prior distributions made to NWH Unitholders in that period, NWH will pay a special in-kind distribution to NWH Unitholders prior to the QE Transfer to ensure that NWH will not be liable for tax under Part I of the Tax Act for this short taxation year (a "**NWH Pre-Closing Distribution**"). Even though the NWH Pre-Closing Distribution would be satisfied in NWH Units, NWH Holders would be taxable on the income

or gains that is paid or made payable to NWH Holders pursuant to such distribution. However, management of NWH does not expect that a NWH Pre-Closing Distribution will be required, and NWH will not elect to realize taxable income or gains pursuant to section 132.2 in excess of management's determination of available tax attributes.

Since the current taxation year of NWH will be deemed to end on the Effective Date following the transfer of the NWI assets to NWH, NWH Holders with taxation years ending before December 31, 2015 may be required to report income from NWH earlier than they would otherwise have been required.

NWH is seeking approval of the CRA (the "**NWH CRA Approval**") to change the fiscal and taxation year end of certain Subsidiaries of NWH in order to ensure that substantially all of the income and net taxable capital gains earned by such Subsidiaries of NWH up to and including the Effective Date will be allocated to NWH Unitholders. This summary assumes that the NWH CRA Approval will be obtained, but no assurance can be given in this regard.

**Tax Consequences to NWI Holders of the Arrangement**

*Pre-Closing Transactions and Deemed Year-End of NWI and Certain NWI Subsidiaries*

Prior to the sale of the NWI Assets by NWI to NWH, certain transactions will be implemented to restructure NWI's current ownership interest in NWH (the "**Pre-Closing Transactions**"). The Pre-Closing Transactions will take place on a taxable basis to NWI and income or gains (if any) realized therefrom will be distributed to NWI Unitholders.

The current taxation year of NWI will be deemed to end on the Effective Date following the transfer of the NWI Assets to NWH, thereby giving rise to a short taxation year for NWI. If NWI determines that its undistributed taxable income for this short taxation year exceeds prior distributions made to NWI Unitholders in that period (including as a result of the Pre-Closing Transactions), NWI will pay a special in-kind distribution to NWI Unitholders prior to the QE Transfer to ensure that NWI will not be liable for tax under Part I of the Tax Act for this short taxation year (a "**NWI Pre-Closing Distribution**"). Even though the NWI Pre-Closing Distribution would be satisfied in NWI Units, NWI Holders would be taxable on the income or gains that is paid or made payable to NWI Holders pursuant to such distribution. However, management of NWI does not expect that a NWI Pre-Closing Distribution will be required, and NWI will not elect to realize taxable income or gains pursuant to section 132.2 in excess of management's determination of available tax attributes.

Since the current taxation year of NWI will be deemed to end on the Effective Date following the transfer of the NWI assets to NWH, NWI Holders with taxation years ending before December 31, 2015 may be required to report income from NWI earlier than they would otherwise have been required.

NWI is seeking approval of the CRA (the "**NWI CRA Approval**") to change the fiscal and taxation year end of certain Subsidiaries of NWI in order to ensure that (substantially all of the income and net taxable capital gains earned by such Subsidiaries of NWI up to and including the Effective Date will be allocated to NWI Unitholders. This summary assumes that the NWI CRA Approval will be obtained, but no assurance can be given in this regard.

*Transfer of NWI Assets to NWH pursuant to the Arrangement*

Provided that NWI and NWH file an election under section 132.2 of the Tax Act in the manner and time prescribed, the Arrangement will constitute a "qualifying exchange" as defined in section 132.2 of the Tax Act, thereby generally allowing the NWI Assets to be transferred to NWH for proceeds of disposition equal to the greater of (i) the tax cost of such assets, and (ii) the fair market value of the consideration received by NWI that is not NWH Units. Alternatively, the transfer may be organized to create income or gains for NWI equal to the amount of any unused tax attributes or available deductions of NWI. The transfer of NWI Assets to NWH will be structured so that it occurs on one of the foregoing bases. As part of the consideration for the transfer of the NWI Assets to NWH, NWH will assume certain third-party indebtedness issued by NWI. NWI may realize income, gain or a loss to the extent that such indebtedness is denominated in a foreign currency. Provided that the net income or gains (if any) realized by NWI on the transfer of the NWI Assets does not exceed NWI's available tax attributes, there should be no tax liability to the NWI Holders and no NWI Pre-Closing Distributions will be made to NWI Holders solely as a result of the transfer of the NWI Assets to NWH.

*Dissenting Unitholders*

A NWI Holder who dissents in respect of the Arrangement (a "**Dissenting Holder**") will be considered to have disposed of such Dissenting Holder's NWI Units to NWI and will have a right to be paid the fair value of such NWI Units, as determined

in accordance with the Plan of Arrangement. The disposition will result in a capital gain (or a capital loss) to the Dissenting Holder equal to the amount, if any, by which the proceeds of disposition of the NWI Units, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the NWI Units to the Dissenting Holder immediately prior to the disposition (which adjusted cost base will take into account any increase or reduction resulting from the NWI Pre-Closing Distribution, if any). For this purpose, proceeds of disposition generally will not include an amount made payable by NWI to the Dissenting Holder that is otherwise required to be included in the Dissenting Holder's income.

A Dissenting Holder generally will be required to include in income for its taxation year in which the current taxation year of NWI ends, the portion of taxable income and net taxable capital gains of NWI that is allocated and made payable to the Dissenting Holder, as generally described below under "Taxation of NWH Holders".

*Disposition of NWI Units by NWI Holders pursuant to the Arrangement*

Provided that NWI and NWH file an election under section 132.2 of the Tax Act in the manner and time prescribed, the Arrangement will constitute a "qualifying exchange" as defined in section 132.2 of the Tax Act. Assuming that the Arrangement constitutes a "qualifying exchange" as defined in section 132.2 of the Tax Act, where a NWI Holder disposes of NWI Units to NWI pursuant to the Arrangement in exchange for NWH Units, the NWI Holder's proceeds of disposition for the NWI Units disposed of, and the cost to the NWI Holder of the NWH Units received in exchange therefor, will be deemed to be equal to the adjusted cost base to the NWI Holder of the NWI Units immediately prior to their disposition (which adjusted cost base will take into account any increases or reductions resulting from the NWI Pre-Closing Distribution, if any, to be made by NWI as described above). For the purpose of determining the adjusted cost base of the NWH Units acquired by a NWI Holder on such exchange, the cost of such NWH Units will be determined by averaging their cost with the adjusted cost base of all other NWH Units held as capital property by such NWI Holder immediately before the exchange.

Assuming that the Arrangement constitutes a "qualifying exchange", NWI will not realize a gain or loss on the transfer of the NWH Units to the NWI Unitholders on the redemption of NWI Units.

*Holding and Disposing of NWH Units Received in Exchange for NWI Units*

Subsequent to the exchange of NWI Units for NWH Units pursuant to the Arrangement, a former NWI Holder will be subject to taxation as a NWH Holder. See "– Taxation of NWH Unitholders".

**NWH Tax Matters**

References to NWH in the remaining portion of this summary are intended to apply to NWH following completion of the Arrangement.

*Mutual Fund Trust Status*

This summary assumes that NWH will qualify at all times as a "mutual fund trust" within the meaning of the Tax Act. Management intends to ensure that NWH will meet the requirements necessary for it to qualify as a mutual fund trust at all times. If NWH were not to qualify as a mutual fund trust at all times, the income tax considerations, in certain respects, would be materially and adversely different from those described below.

*SIFT Rules and the REIT Exception*

The SIFT Rules effectively tax certain income of a publicly-traded trust or partnership that is distributed to its investors on the same basis as would have applied had the income been earned through a taxable corporation and distributed by way of dividend to its shareholders. These rules apply to "SIFT trusts", "SIFT partnerships" (each as defined in the Tax Act) and their investors.

Where the SIFT Rules apply, distributions of a SIFT trust's "non-portfolio earnings" are not deductible in computing the SIFT trust's net income. Non-portfolio earnings generally are defined as income attributable to a business carried on by the SIFT trust in Canada or to income (other than certain dividends) from, and capital gains from the disposition of, "non-portfolio properties" (as defined in the Tax Act). The SIFT trust is itself liable to pay an income tax on an amount equal to the amount of such non-deductible distributions (grossed up for taxes) at a rate that is substantially equivalent to the combined federal and provincial general tax rate applicable to taxable Canadian corporations. Such non-deductible distributions paid to a holder of units of the SIFT trust generally are deemed to be taxable dividends received by the holder of

such units from a taxable Canadian corporation. Such deemed dividends will qualify as "eligible dividends" for purposes of the enhanced gross-up and dividend tax credit available under the Tax Act to individuals resident in Canada and for purposes of computing a Canadian resident corporation's "general rate income pool" or "low rate income pool", as the case may be (each as defined in the Tax Act). In general, distributions paid as returns of capital will not be subject to the SIFT Rules.

NWH will not be considered to be a SIFT trust in respect of a particular taxation year and, accordingly, will not be subject to the SIFT Rules in that year, if it qualifies as a "real estate investment trust", as defined in the Tax Act, throughout the year (the "**REIT Exception**"). The REIT Exception is comprised of a number of technical tests and the determination as to whether NWH qualifies for the REIT Exception in any particular taxation year can only be made with certainty at the end of that taxation year. NWH expects to qualify for the REIT Exception in 2015 and future years. However, no assurances can be given that subsequent investments or activities undertaken by NWH, or fluctuations in asset values, will not result in NWH failing to qualify for the REIT Exception in 2015 or any subsequent taxation year. In addition, NWH will acquire, pursuant to the Arrangement, investments in entities in which it does not have a controlling interest. Even though NWH will not control such entities, their activities and sources of revenue will be relevant in determining whether NWH satisfies the REIT Exception. Accordingly, whether NWH satisfies the REIT Exception may be beyond its control. No view as to whether NWH will satisfy the REIT Exception is made herein. If NWH is subject to the SIFT Rules, certain of the income tax considerations described below would, in some respects, be materially and adversely different, and the SIFT Rules may have a material adverse effect on the after-tax returns of certain NWH Unitholders.

A "SIFT trust" or "SIFT partnership" does not include an "excluded subsidiary entity" (as defined in the Tax Act).

The remainder of this summary is subject to the SIFT Rules discussed above and assumes that NWH is at all times eligible for the REIT Exception.

*Taxation of NWH*

Subject to the deemed year-end described above, the taxation year of NWH is the calendar year. NWH must compute its income or loss for each taxation year as though it were an individual resident in Canada. NWH's income for a fiscal year for purposes of the Tax Act will include, among other things, any net taxable capital gains realized by NWH in the year and NWH's share of income (or loss, subject to its "at risk" amount) of NWI LP and NHP LP, as determined in accordance with the Tax Act and each partnership's limited partnership agreement, for a fiscal year ending in, or coincidentally with, the fiscal year of NWH, whether or not such income is distributed to NWH in the taxation year.

NWH may deduct from its taxable income for a taxation year amounts, not exceeding the amount that would otherwise be its income for the year, which become payable by it to NWH Unitholders in such year. An amount will be considered to be payable in a taxation year if it is paid to a NWH Unitholder in the year by NWH or if a NWH Unitholder is entitled in the year to enforce payment of the amount. The NWH Board's current intention is to make payable to NWH Unitholders each year sufficient amounts such that NWH generally will not be liable to pay tax under Part I of the Tax Act. Where NWH does not have sufficient cash to distribute such amounts in a particular taxation year, NWH will make one or more in-kind distributions in the form of additional NWH Units. Income of NWH payable to the NWH Unitholders in the form of additional NWH Units generally will be deductible to NWH in computing its taxable income.

In computing its income or loss, NWH may deduct administrative costs and other expenses of a current nature incurred by it for the purpose of earning income from its business or property, provided such expenses are reasonable and otherwise deductible, subject to the applicable provisions of the Tax Act. NWH may also deduct reasonable expenses incurred by it in the course of the issuance of its units on a five-year straight line basis (subject to pro-ration for short taxation years).

Cash distributions from NWI LP or NHP LP in excess of income allocated to NWH generally will not be taxable to NWH. However, the adjusted cost base of the limited partnership units of such partnerships that are held by NWH will be reduced by any such distributions received. If at any time the adjusted cost base of such units would become a negative amount, NWH will be deemed to have realized a capital gain equal to such amount.

A distribution by NWH of its property upon a redemption of NWH Units will be treated as a disposition by NWH of such property for proceeds of disposition equal to the fair market value thereof. NWH will realize a capital gain (or a capital loss) to the extent that the proceeds from the disposition of the property exceed (or are exceeded by) the adjusted cost base of the relevant property and any reasonable costs of disposition.

Losses incurred by NWH cannot be allocated to NWH Unitholders but may be deducted by NWH in future years subject to the detailed rules in the Tax Act in that regard. Notwithstanding the foregoing, losses in respect of periods that began prior to the Arrangement cannot be deducted by NWH following completion of the Arrangement.

In the event that NWH would otherwise be liable for tax on its net realized taxable capital gains for a taxation year, it will be entitled for such taxation year to reduce (or receive a refund in respect of) its liability for such tax by an amount determined under the Tax Act based on the redemption of NWH Units during the year (the "**capital gains refund**"). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset NWH's tax liability for the taxation year arising in connection with the transfer of property in specie to redeeming NWH Unitholders on the redemption of NWH Units. The Combined REIT Declaration of Trust will provide that all or a portion of any capital gain or income realized by NWH in connection with such redemptions may, at the discretion of the trustees, be treated as capital gains or income paid to, and designated as capital gains or income of, the redeeming NWH Unitholder. Such income or the taxable portion of the capital gain so designated must be included in the income of the redeeming NWH Unitholder (as income or taxable capital gains) and will be deductible by NWH in computing its income.

If an underlying partnership allocates losses to NWH that are limited by the "at risk" rules, such losses may not be available to NWH, subject to the detailed rules in the Tax Act in this regard.

*Taxation of NWI LP*

Management of NWI expects that NWI LP will qualify as an "excluded subsidiary entity" (as defined in the Tax Act) at all times, such that it will not be subject to tax under the Tax Act. The remainder of this summary assumes that NWI LP will not be subject to the SIFT Rules. If NWI LP were subject to the SIFT Rules, the income tax considerations would be materially and adversely different from those described below.

NWI LP is not subject to tax under the Tax Act. However, the income or loss of NWI LP must be computed for each fiscal year as if it was a separate person resident in Canada, and allocated to its partners on the basis of their respective shares of that income or loss as provided for in its limited partnership agreement. For purposes of the Tax Act, NWI LP must compute its income (or losses) in Canadian currency. Where NWI LP holds investments denominated in foreign currencies (or incurs indebtedness denominated in foreign currencies), gains and losses may be realized by NWI LP as a consequence of fluctuations in the relative values of the Canadian and foreign currencies (including on the repayment of such foreign currency indebtedness).

NWI LP's income for purposes of the Tax Act will include, among other things, "foreign accrual property income" ("**FAPI**") realized by an entity that is, or is deemed to be, a "controlled foreign affiliate" (a "**CFA**") (which for this purpose will include certain trust subsidiaries), any dividends received as further described below, distributions of income from Vital Trust and income or gains from its investment in NWH LP. It is expected that income earned by certain foreign subsidiaries will be FAPI. Any FAPI earned by a CFA of NWI LP must be included in computing NWI LP's income for the taxation year of NWI LP in which the taxation year of such foreign subsidiary ends, subject to a deduction for grossed-up "foreign accrual tax" as computed in accordance with the Tax Act, whether or not NWI LP actually receives a distribution of FAPI in the taxation year, and less certain amounts that are otherwise included in income. The adjusted cost base to NWI LP of the common shares of the applicable foreign subsidiary will be increased by the net amount so included in the income of NWI LP. At such time as NWI LP receives a dividend of amounts that were previously included in its income as FAPI, that dividend generally will not be taxable to NWI LP and there will be a corresponding reduction in the adjusted cost base to NWI LP of the common shares of the applicable foreign subsidiary.

The Tax Act contains rules applicable to certain foreign tax credit generator transactions (the "**Foreign Tax Credit Generator Rules**"). Under the Foreign Tax Credit Generator Rules, the deduction for "foreign accrual tax" may be limited in certain circumstances. No assurances can be given that the Foreign Tax Credit Generator Rules will not apply to NWI LP in computing its taxable income. If the Foreign Tax Credit Generator Rules apply to NWI LP, NWI LP's taxable income will increase thereby increasing the allocation of income by NWI LP to NWH and, therefore, the allocation of income by NWH to NWH Unitholders.

In computing its income or loss, NWI LP may deduct administrative costs and other expenses of a current nature incurred by it for the purpose of earning income from its business or property, provided such expenses are reasonable and otherwise deductible, subject to the applicable provisions of the Tax Act. NWI LP may also deduct any expenses incurred by it in the course of the issuance of its units on a five-year straight line basis (subject to pro-ration for short taxation years).

*Taxation of NHP LP and HP LP (the "**Canadian Partnerships**")*

Management expects that the Canadian Partnerships will each qualify as an "excluded subsidiary entity" (as defined in the Tax Act) at all times, such that they will not be subject to tax under the Tax Act (including under the SIFT Rules). The remainder of this summary assumes that the Canadian Partnerships will not be subject to the SIFT Rules. If either of the Canadian Partnerships were subject to the SIFT Rules, the income tax considerations would be materially and adversely different from those described below.

The Canadian Partnerships are not subject to tax under the Tax Act. However, the income or loss of the Canadian Partnerships must be computed for each fiscal year as if they were separate persons resident in Canada, and allocated to their partners on the basis of their respective shares of that income or loss as provided for in their limited partnership agreements, whether or not such income is distributed to the partner in the taxation year.

In computing their income or loss, the Canadian Partnerships may deduct administrative costs and other expenses of a current nature incurred by the applicable partnership for the purpose of earning income from its business or property, provided such expenses are reasonable and otherwise deductible, subject to the applicable provisions of the Tax Act.

**Taxation of NWH Holders**

References to NWH Holders in the remaining portion of this summary are intended to apply to NWH Holders following completion of the Arrangement. Accordingly, references to NWH Holders include former NWI Holders that acquire NWH Units pursuant to the "qualifying exchange".

*NWH Distributions*

A NWH Holder generally will be required to include in computing income for a particular taxation year the portion of the net income of NWH, including net realized taxable capital gains, that is paid or payable to the NWH Holder in that taxation year, whether or not those amounts are received in cash, additional NWH Units or otherwise. Any loss of NWH for purposes of the Tax Act cannot be allocated to, or treated as a loss of, a NWH Holder.

Provided that the appropriate designations are made by NWH, net taxable capital gains realized by NWH that are paid or become payable to a NWH Holder will retain their character as taxable capital gains to NWH Holders for purposes of the Tax Act. The non-taxable portion of any net realized capital gains of NWH that is paid or payable to a NWH Holder in a year will not be included in computing the NWH Holder's income for the year. Any other amount in excess of the net income of NWH that is paid or payable to a NWH Holder in a year generally should not be included in the NWH Holder's income for the year. However, such an amount which becomes payable to a NWH Holder (other than as proceeds of disposition of NWH Units or any part thereof) will reduce the adjusted cost base of the NWH Units held by such NWH Holder. To the extent that the adjusted cost base of a NWH Unit otherwise would be less than zero, the NWH Holder will be deemed to have realized a capital gain equal to the negative amount and the NWH Holder's adjusted cost base of the NWH Units will be nil.

Provided that the appropriate designations are made by NWH, such portion of its foreign source income will retain its character in the hands of a NWH Holder for purposes of the Tax Act. Foreign taxes paid by NWI LP will be allocated pursuant to its limited partnership agreement. Each NWH Holder's share of the "business-income tax" and "non-business-income tax" paid in a foreign country for a year will be creditable against its Canadian federal income tax liability to the extent permitted by the detailed rules contained in the Tax Act. Although the foreign tax credit provisions are designed to avoid double taxation, the maximum credit is limited. Because of this, and because of timing differences in recognition of expenses and income and other factors, double taxation may arise.

Under the Foreign Tax Credit Generator Rules, the foreign "business-income tax" or "non-business-income tax", each as defined in the Tax Act, for any taxation year may be limited in certain circumstances. No assurances can be given that the Foreign Tax Credit Generator Rules will not apply to any NWH Holder. If the Foreign Tax Credit Generator Rules apply, a NWH Holder's foreign tax credits will be limited.

*Disposition of NWH Units*

Upon the disposition or deemed disposition of NWH Units by a NWH Holder, whether on a redemption or otherwise, the NWH Holder generally will realize a capital gain (or sustain a capital loss) equal to the amount, if any, by which the proceeds

of disposition are greater than (or less than) the aggregate of the NWH Holder's adjusted cost base of the NWH Units immediately before such disposition and any reasonable costs of disposition.

The adjusted cost base to a NWH Holder of a NWH Unit generally will include all amounts paid by the NWH Holder for the NWH Unit subject to certain adjustments and may be reduced by distributions made by NWH to the NWH Holder as described above. The cost of additional NWH Units received in lieu of a cash distribution of income (including net capital gains) will be the amount of income (including net capital gains) of NWH distributed by the issuance of such NWH Units. For the purpose of determining the adjusted cost base to a NWH Holder, when a NWH Unit is acquired, the cost of the newly-acquired NWH Unit will be averaged with the adjusted cost base of all of the NWH Units owned by the NWH Holder as capital property immediately before that acquisition.

A redemption of NWH Units in consideration for cash or other assets of NWH, as the case may be, will be a disposition of such NWH Units for proceeds of disposition equal to such cash or the fair market value of such other assets, as the case may be, less any income or capital gain realized by NWH in connection with the redemption of those NWH Units to the extent such income or capital gain is designated by NWH to the redeeming NWH Holder. NWH Holders exercising the right of redemption consequently will realize a capital gain, or sustain a capital loss, depending upon whether such proceeds of disposition exceed, or are exceeded by, the adjusted cost base of the NWH Units redeemed. Where income (including taxable capital gains) realized by NWH in connection with the distribution of property in specie on the redemption of NWH Units has been designated by NWH to a redeeming NWH Holder, the NWH Holder will be required to include in income the income so designated. The cost of any property distributed in specie by NWH to a NWH Holder upon a redemption of NWH Units will be equal to the fair market value of that property at the time of the distribution. The NWH Holder will thereafter be required to include in income interest or other income derived from the property, in accordance with the provisions of the Tax Act.

*Capital Gains and Capital Losses*

One-half of any capital gain realized by a NWH Holder from a disposition or deemed disposition of NWH Units and the amount of any net taxable capital gains designated by NWH in respect of the NWH Holder will be included in the NWH Holder's income under the Tax Act as a taxable capital gain. One-half of any capital loss (an "allowable capital loss") sustained on a disposition or deemed disposition of NWH Units generally may be deducted against any taxable capital gains realized by the NWH Holder in the year of disposition, and any excess of allowable capital losses over taxable capital gains generally may be carried back to the three preceding taxation years or forward to any subsequent taxation year and applied against net taxable capital gains in those years, subject to the detailed rules contained in the Tax Act.

*Refundable Tax*

A NWH Holder which is a Canadian-controlled private corporation (as defined in the Tax Act) may be subject to a refundable tax on its "aggregate investment income" for the year, including capital gains.

*Alternative Minimum Tax*

A NWH Holder may have an increased liability for alternative minimum tax as a result of (i) capital gains realized on a disposition or deemed disposition of NWH Units and (ii) net income of NWH, paid or payable, or deemed to be paid or payable, to the NWH Holder and that is designated as taxable dividends or net taxable capital gains.

## RISK FACTORS RELATING TO THE ARRANGEMENT

An investment in NWH Units as a result of the combination of NWH and NWI is subject to certain risks. The risk factors described under the heading "Risks and Uncertainties" in the NWH AIF are specifically incorporated by reference into this Circular and describe risks relating to the real estate industry, the business of NWH, the NWH Units and NWH Debentures. The risk factors under the heading "Risk Factors" in the NWI AIF are specifically incorporated by reference into this Circular and describe risks relating to real property ownership, the business of NWI, the NWI Units and the structure of NWI. In addition to the risk factors described in the NWH AIF and the NWI AIF, the following are additional and supplemental risk factors which holders of NWH Voting Units should carefully consider before making a decision regarding approving the NWH Resolution and which NWI Voting Unitholders should carefully consider before making a decision regarding approving the Arrangement Resolution.

***Benefits from the Arrangement may not be achieved to the extent, or within the time period currently expected, which could eliminate, reduce or delay the achievement of synergies expected to be generated by the Arrangement***

As part of its strategy, the Combined REIT will continue the efforts of its predecessors to advance their global healthcare real estate strategies and will have an expanded portfolio of such properties as a result of the Arrangement. A number of risks and uncertainties are associated with the real estate business and the development of such properties, including risk relating to real property ownership; credit risk and tenant concentration; financing credit risk; interest rate and other debt-related risks; construction; liquidity; lease rollovers; currency; environmental matters; and political, regulatory, labour, operating and technical risks and uncertainties.

The ability to realize the benefits of the Arrangement including, among other things, those set forth in this Circular under the heading "Information Relating to the Combined REIT – Overview", will depend in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as on the Combined REIT's ability to realize the anticipated growth opportunities and synergies, efficiencies and cost savings from integrating NWH's and NWI's businesses following completion of the Arrangement. This integration will require the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities following completion of the Arrangement and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may adversely affect the ability of the Combined REIT to achieve the anticipated benefits of the Arrangement.

***The Arrangement may not maximize the growth potential of, or deliver greater value for, the Combined REIT beyond the level that either NWH or NWI could have achieved on its own***

One of the principal reasons for the Arrangement is to maximize the growth potential of the Combined REIT beyond the level that either NWH or NWI could have achieved on its own. Achieving this growth potential is dependent on a number of factors, many of which will be beyond the control of the Combined REIT. The inability to realize the full extent of the anticipated growth opportunities from the Arrangement, as well as any delays encountered in the integration process, could have an adverse effect upon the revenues, operating results and financial strength of the Combined REIT. As a result, Unitholders might achieve more value over the long-term if NWH and NWI were to pursue their existing stand-alone business strategies or a transaction other than the Arrangement.

***The value of the NWH Units that NWI Unitholders receive under the Arrangement or of the NWH Units that existing NWH Unitholders retain following the Arrangement, may be less than the value of the NWI Units or NWH Units, as applicable, as of the date of the Arrangement Agreement or the dates of the unitholder meetings***

The consideration payable to NWI Unitholders pursuant to the Arrangement is based on a fixed exchange ratio and there will be no adjustment for changes in the market price of NWH Units or NWI Units prior to the consummation of the Arrangement. None of the Parties are permitted to terminate the Arrangement Agreement and abandon the Arrangement solely because of changes in the market price of the NWH Units or NWI Units.

There may be a significant amount of time between the date when holders of NWH Voting Unitholders and holders of NWI Voting Unitholders vote at their respective unitholder meetings and the date on which the Arrangement is completed. As a result, the relative or absolute prices of the NWH Units or the NWI Units may fluctuate significantly between the dates of the Arrangement Agreement, this Circular, the unitholder meetings and completion of the Arrangement.

These fluctuations may be caused by, among other factors, changes in the businesses, operations, results and prospects of the companies, market expectations of the likelihood that the Arrangement will be completed and the timing of its completion, the prospects for the Combined REIT's post-combination operations, the effect of any conditions or restrictions imposed on or proposed with respect to the Combined REIT by governmental authorities, currency fluctuations and general market and economic conditions.

As a result of such fluctuations, historical market prices are not indicative of future market prices or the market value of the NWH Units that NWI Unitholders will receive on completion of the Arrangement. There can be no assurance that the market value of the NWH Units that NWI Unitholders will receive on completion of the Arrangement will equal or exceed the market value of the NWI Units held by such NWI Unitholders prior to such time. In addition, there can be no assurance that the trading price of the NWH Units will not decline following completion of the Arrangement.

***There can be no certainty that the Arrangement will be completed***

Completion of the Arrangement is subject to certain conditions that may be outside the control of both NWH and NWI, including, without limitation, the requisite approvals of the NWH Voting Unitholders and the NWI Voting Unitholders, holders of no more than 5% of the outstanding NWI Voting Units having validly exercised Dissent Rights, other regulatory approvals and the receipt of the Final Order. There can be no assurance that these conditions will be satisfied or that the Arrangement will be completed as currently contemplated or at all.

There is also no certainty, nor can either Party provide any assurance, that the Arrangement Agreement will not be terminated by either Party before completion of the Arrangement.

If the Arrangement is not completed, the market price of the NWH Units and the NWI Units may decline and their respective businesses may suffer. In addition, NWH and NWI will each remain liable for significant consulting, depositary, accounting and legal costs relating to the Arrangement and will not realize anticipated synergies, growth opportunities and other benefits of the Arrangement. If the Arrangement is delayed, the achievement of synergies and the realization of growth opportunities could be delayed and may not be available to the same extent.

***The Termination Fee provided under the Arrangement Agreement may discourage other parties from attempting to acquire NWH or NWI***

Under the Arrangement Agreement, either NWH or NWI may be required to pay a fee of $17 million in the event the Arrangement Agreement is terminated in certain circumstances. This Termination Fee may discourage other parties from attempting to acquire either NWH or NWI or otherwise making an Acquisition Proposal to either NWH or NWI, even if those parties would otherwise be willing to offer greater value than that offered under the Arrangement.

***A Party may become liable to pay the Termination Fee which could have an adverse effect on its financial condition***

Under the Arrangement Agreement, a Party may be required to pay the Termination Fee in certain circumstances. Payment of this amount could have an adverse effect on the Party's financial condition following any such termination of the Arrangement Agreement.

***The Arrangement may face regulatory scrutiny, which could delay or prevent completion of the Arrangement***

Pursuant to the Arrangement Agreement, the respective obligations of the Parties to complete the Contemplated Transactions are subject to the obtaining of all Required Regulatory Approvals on or before the Outside Date or the Effective Time, as applicable. There can be no assurance that such Required Regulatory Approvals will be received within the prescribed timelines.

***Following the Arrangement the trading price of the NWH Units may be volatile***

The trading prices of the NWH Units and the NWI Units have been and may continue to be subject to and, following completion of the Arrangement, the NWH Units issued under the Arrangement may be subject to, material fluctuations and may increase or decrease in response to a number of events and factors, including:

- changes in the market price of the real property investments of NWH and NWI, and following completion of the Arrangement, the Combined REIT;
- current events affecting the economic situation in Canada, Australia, New Zealand, Europe, Brazil and elsewhere;
- trends in the healthcare real estate industry and other industries in which NWH and NWI operate;
- regulatory and/or government actions;
- changes in financial estimates and recommendations by securities analysts;
- the fact that the risks and uncertainties facing the Combined REIT following completion of the Arrangement may be different from those currently affecting each of NWH and NWI on a stand-alone basis;
- acquisitions and financings;

- the economics of current and future developments and projects of NWH, NWI or, following completion of the Arrangement, the Combined REIT;
- variations in operating results or in the Combined REIT's distribution policy;
- the operating and unit price performance of other companies and trusts, including those that investors may deem comparable; and
- the issuance of additional trust units by the Combined REIT following completion of the Arrangement.

Part of this volatility may also be attributable to the current state of the stock market, in which wide price swings are common. This volatility may adversely affect the price of NWH Units, NWI Units and, following completion of the Arrangement, the trust units of the Combined REIT, regardless of the relative operating performance and could cause the market price of such units to decline.

***Uncertainty surrounding the Arrangement could adversely affect the Combined REIT's retention of personnel and could negatively impact future business and operations***

Current and prospective employees of NWH and NWI may experience uncertainty about their future roles with the Combined REIT until the Combined REIT's strategies with respect to such employees are announced and executed. This may adversely affect NWH's and NWI's ability to attract or retain key management in the period until the Arrangement is completed, and could negatively impact the business and operations of NWH and NWI, regardless of whether the Arrangement is ultimately completed.

***The unaudited pro forma condensed combined financial statements are presented for illustrative purposes only and may not be an indication of the Combined REIT's financial condition or results of operations following the Arrangement***

The Combined REIT's actual financial positions and results of operations may differ materially from the unaudited adjusted pro forma financial information included in this Circular.

The unaudited adjusted pro forma financial information is based on, and should be read in conjunction with, the historical consolidated financial statements and related notes of both NWH and NWI for the applicable periods, which have been incorporated in this Circular by reference. The unaudited adjusted pro forma financial information is based on certain assumptions, including those relating to future revenues, expenses, and cash flows. Such assumptions may not prove to be accurate, and this and other factors may adversely affect the Combined REIT's financial condition or results of operations following the Arrangement.

Differences between assumptions in the unaudited adjusted pro forma financial information, the final acquisition accounting and future results will occur and could have a material impact on the pro forma financial information and the Combined REIT's financial position and future results of operations.

The Combined REIT's unit price may be adversely affected if the actual results of the Combined REIT fall short of the unaudited adjusted pro forma financial information contained in this Circular. See "Information Relating to the Combined REIT – Selected Unaudited Adjusted Pro Forma Financial Information", the unaudited pro forma condensed combined financial statements of the Combined REIT attached as Appendix B to this Circular, and "Joint Management Information Circular – Forward –Looking Statements".

***The Combined REIT will have a significant amount of indebtedness maturing in the near term***

As described in NWI's and NWH's respective MD&As for the year ended December 31, 2014, the Combined REIT has incurred (and intends to continue to incur) indebtedness in connection with the acquisition or expansion of properties and securities. In addition to the risks normally associated with debt financing, including the risk that the Combined REIT's cash flow will be insufficient to meet required payments of principal and interest, the Combined REIT will have a significant portion of its indebtedness due to mature in the next 12 months. Accordingly, the Combined REIT will subject to the risk that it may not be able to refinance existing indebtedness and that the terms of any refinancing it could obtain may not be as favourable as the terms of existing indebtedness. If the Combined REIT is not successful in refinancing debt when it becomes due, it may be forced to dispose of properties or securities on disadvantageous terms, which might adversely affect its ability to service other debt and to meet its other obligations.

The obligations of NWI and NWH under the Arrangement Agreement are not subject to any conditions regarding their ability to finance, or obtain financing for, the transactions contemplated by the Arrangement Agreement.

Approximately $67.9 million of NWI's indebtedness will become due on completion of the Arrangement. To address these needs, and pay certain transactional expenses to be incurred in connection with the Arrangement, NWH has executed a non-binding term sheet with a Canadian institutional mortgage lender in respect to these new debt arrangements. See "The Arrangement – Financing Required in Connection with the Arrangement".

NWH does not have any binding commitments in place with respect to such financing and, as a result, the funds under these financing arrangements may not be available to the parties for purposes of consummating the Arrangement.

***The Combined REIT will continue NWH's distribution policy***

Following Completion of the Arrangement, it is anticipated that the Combined REIT Board will continue NWH's current distribution policy. This policy provides for a distribution of $0.06667 per NWH Unit per month (approximately $0.80 annualized), representing a yield of approximately 9% based on the trading price of the NWH Units as of March 30, 2015. This compares to the current distribution policy of NWI, which provides for a distribution of $0.018333 per NWI Unit per month (approximately $0.22 annualized), representing a yield of approximately 12% based on the trading price of the NWI Units as of March 30, 2015.

Trust units are equity securities and are not traditional fixed income securities. A fundamental characteristic that distinguishes trust units from traditional fixed income securities is that the issuer thereof does not have a fixed obligation to make payments thereon and does not promise to return the initial purchase price on a certain date in the future. The Combined REIT will have the ability to reduce or suspend distributions if circumstances warrant. The ability of the Combined REIT to make cash distributions, and the actual amount distributed, will be entirely dependent on the operations and assets of the Combined REIT and its subsidiaries, and will be subject to various factors including financial performance, obligations under applicable debt agreements, fluctuations in working capital, foreign exchange rates and capital expenditure requirements. There can be no assurance regarding the amount of income to be generated by the Combined REIT's properties. The market value of the NWH Units will deteriorate if the Combined REIT is unable to meet its distribution targets in the future, and that deterioration may be significant. In addition, unlike interest payments or an interest-bearing debt security, the Combined REIT's cash distributions are composed of different types of payments (portions of which may be fully or partially taxable or may constitute non-taxable returns of capital). The composition for tax purposes of those distributions may change over time, thus affecting the after-tax returns to holders of NWH Units. Therefore, the rate of return over a defined period for a holder of NWH Units may not be comparable to the rate of return on a fixed income security that provides a "return on capital" over the same period. The Combined REIT may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items.

***Increased Debt Ratio for NWH***

Prior to the Arrangement, as at December 31, 2014, the ratio of debt to Gross Book Value was 55.3% at NWH. Following the Arrangement, based on the Adjusted Pro Forma Statement of Financial Position as at December 31, 2014, the Combined REIT has an adjusted pro forma debt to Gross Book Value ratio of 62.9% (including convertible debentures). See "Information Relating to the Combined REIT – Unaudited Pro Forma Financial Profile".

***The credit ratings of the Combined REIT may be downgraded, or there may be adverse conditions in the credit markets, which may impede the Combined REIT's access to the debt markets or raise its borrowing rates***

The Combined REIT may require additional capital if it decides to develop other properties or make additional acquisitions. The Combined REIT may also encounter significant unanticipated liabilities or expenses. Its ability to continue its planned active management of its assets, acquisition of additional properties and the development and construction of projects depends in part on its ability to generate free cash flow from its properties, each of which is subject to certain risks and uncertainties. The Combined REIT may be required to obtain additional financing in the future to fund management, acquisitions and construction activities of its projects. Access to such financing for the Combined REIT will depend on, among other things, suitable market conditions and maintenance of long-term credit ratings. The credit ratings of the Combined REIT may be adversely affected by various factors, including increased debt levels, decreased earnings, increased competition and the deterioration in general economic and business conditions in the healthcare real estate industry. Any negative impact to the credit ratings of the Combined REIT may impede the Combined REIT's access to the debt markets or

raise its borrowing rates. In addition, any additional debt financing, if available, may involve financial covenants which limit the Combined REIT's operations.

***REIT Exception***

The Combined REIT intends to conduct its affairs so that it will qualify for the REIT Exception at all times throughout 2015 and beyond. However, no assurances can be given that the Combined REIT will be able to qualify for the REIT Exception such that the Combined REIT and the unitholders of the Combined REIT will not be subject to the SIFT Rules in 2015 or in future years. The likely effect of the SIFT Rules on the market for units of the Combined REIT, and on the Combined REIT's ability to finance future acquisitions through the issue of units or other securities of the Combined REIT, is unclear. If the SIFT Rules apply, they may adversely affect the marketability of the units of the Combined REIT, the amount of cash available for distributions and the after-tax return to investors.

***Qualifying Exchange***

The sale of the NWI Assets to NWH in consideration for NWH Units and the redemption of NWI Units in consideration for NWH Units are structured to qualify as a "qualifying exchange" under section 132.2 of the Tax Act. If such transactions do not so qualify: (i) the disposition of the NWI Assets by NWI to NWH will be a taxable disposition, and (ii) the disposition of a NWI Unitholder's NWI Units to NWI pursuant to the redemption will be a taxable disposition. This could result in material adverse tax consequences to NWH, NWI and NWI Unitholders.

***General Taxation***

Although the Arrangement has been structured with the objective of minimizing and/or deferring taxes (including corporate, withholding, land transfer, and other taxes), no assurances can be given that the CRA or other taxing authority will not challenge certain positions adopted by NWH or NWI. Any such challenges could result in an increase of taxes payable by NWH, NWI and/or their subsidiaries, and thereby adversely affect the Combined REIT's financial position and cash available for distribution to unitholders.

## INFORMATION RELATING TO NWH

### Overview

NWH is an unincorporated, open-ended real estate investment trust established pursuant to the NWH Declaration of Trust under the laws of the Province of Ontario. The principal, registered and head office of the REIT is located at 284 King Street East, Toronto, Ontario M5A 1K4.

NWH's primary focus is the medical office building and healthcare real estate sector, and its portfolio of 74 properties makes it the largest non-government Canadian owner of this property type.

NWH's objectives are to:

- provide NWH Unitholders with stable and growing cash distributions from investments focused on income-producing medical and related healthcare properties in Canada, on a tax efficient basis;
- enhance the value of NWH's assets and maximize long-term NWH Unit value through active management; and
- expand the asset base of NWH and increase NWH's AFFO per NWH Unit, including through accretive acquisitions.

### Trading Price and Volume of NWH Units and NWH Debentures

The following table sets forth, for the calendar periods indicated, the intraday high and low sale prices and composite volume of trading of the NWH Units and the NWH Debentures as reported on the TSX.

| Month | NWH Units (NWH.UN) | NWH Debentures (NWH.DB) |
|---|---|---|
| March 2014 | | |
| High Price ($) | 10.28 | 102.00 |
| Low Price ($) | 9.52 | 98.52 |
| Trading Volume | 3,101,383 | 656 |
| April 2014 | | |
| High Price ($) | 10.18 | 102.00 |
| Low Price ($) | 9.53 | 100.00 |
| Trading Volume | 1,419,418 | 766 |
| May 2014 | | |
| High Price ($) | 10.26 | 101.25 |
| Low Price ($) | 9.91 | 100.00 |
| Trading Volume | 1,363,969 | 1,115 |
| June 2014 | | |
| High Price ($) | 10.12 | 101.60 |
| Low Price ($) | 9.89 | 99.50 |
| Trading Volume | 1,159,846 | 621 |
| July 2014 | | |
| High Price ($) | 10.22 | 101.50 |
| Low Price ($) | 9.88 | 99.50 |
| Trading Volume | 1,520,429 | 501 |
| August 2014 | | |
| High Price ($) | 10.34 | 103.00 |
| Low Price ($) | 9.87 | 101.00 |
| Trading Volume | 1,352,030 | 203 |
| September 2014 | | |
| High Price ($) | 10.18 | 103.30 |
| Low Price ($) | 9.61 | 101.75 |
| Trading Volume | 1,586,116 | 156 |
| October 2014 | | |
| High Price ($) | 10.02 | 103.50 |
| Low Price ($) | 9.52 | 100.56 |
| Trading Volume | 983.677 | 252 |
| November 2014 | | |
| High Price ($) | 10.00 | 102.50 |
| Low Price ($) | 9.04 | 101.25 |
| Trading Volume | 1,098,145 | 124 |
| December 2014 | | |
| High Price ($) | 9.29 | 102.01 |
| Low Price ($) | 8.20 | 101.00 |
| Trading Volume | 1,423,081 | 177 |
| January 2015 | | |
| High Price ($) | 9.67 | 101.89 |
| Low Price ($) | 9.22 | 97.18 |
| Trading Volume | 1,420,097 | 613 |
| February 2015 | | |
| High Price ($) | 10.03 | 102.51 |
| Low Price ($) | 9.03 | 100.01 |
| Trading Volume | 1,623,866 | 1,050 |

| Month | NWH Units (NWH.UN) | NWH Debentures (NWH.DB) |
|---|---|---|
| March 2015 | | |
| High Price ($) | 10.05 | 103.50 |
| Low Price ($) | 8.60 | 102.25 |
| Trading Volume | 2,093,529 | 390 |

The closing price of the NWH Units and NWH Debentures on the TSX on March 10, 2015, the last trading day preceding the announcement of the Arrangement Agreement, was $9.39 and $102.25, respectively.

**Distribution Policy and History**

NWH has adopted a distribution policy, as permitted under the NWH Declaration of Trust, pursuant to which it makes pro rata monthly cash distributions to NWH Unitholders and holders of NWH Class B LP Units. The NWH Board has full discretion respecting the timing and amounts of distributions including the adoption, amendment or revocation of any distribution policy.

NWH Unitholders of record as at the close of business on the last business day of the month preceding a date on which the NWH Board has determined that a distribution will be made to NWH Unitholders will have an entitlement on and after that day to receive distributions in respect of that month on such date. Distributions may be adjusted for amounts paid in prior periods if the actual AFFO for the prior periods is greater than or less than the estimates for the prior periods. Under the NWH Declaration of Trust and pursuant to the distribution policy of NWH, where NWH's cash is not sufficient to make payment of the full amount of a distribution, such payment will, to the extent necessary, be distributed in the form of additional NWH Units.

Distributions on NWH Units totaled $31,158,517, $30,932,864, $29,133,459 and $27,087,978 for the years ended December 31, 2014, December 31, 2013, December 31, 2012 and December 31, 2011, respectively.

Distributions on the NWH Class B LP Units totaled $6,041,539, $6,050,073, $6,092,741 and $6,118,823 for the years ended December 31, 2014, December 31, 2013, December 31, 2012 and December 31, 2011 respectively.

See "The Arrangement Agreement – Covenants – Distributions".

**Prior Sales**

The following table summarizes the issuances of NWH Units, including issuances of all securities convertible into NWH Units, for the 12 month period ended April 7, 2015.

| Date of Issuance | Security Issued | Reason for Issuance | Securities Issued | Price per Security ($) |
|---|---|---|---|---|
| March 31, 2014 | Deferred Units | Deferred Unit Plan | 5,607 | 9.63 |
| April 15, 2014 | Units | Distribution Reinvestment Plan | 22,926 | 9.90 |
| April 15, 2014 | Deferred Units | Deferred Unit Plan | 666 | 9.47 |
| April 15, 2014 | Deferred Units | Deferred Unit Plan | 1,868 | 9.58 |
| May 15, 2014 | Units | Distribution Reinvestment Plan | 22,024 | 10.03 |
| May 15, 2014 | Deferred Units | Deferred Unit Plan | 652 | 9.75 |
| May 15, 2014 | Deferred Units | Deferred Unit Plan | 1,850 | 9.74 |
| June 15, 2014 | Units | Distribution Reinvestment Plan | 24,134 | 9.95 |
| June 13, 2014 | Deferred Units | Deferred Unit Plan | 661 | 9.68 |
| June 13, 2014 | Deferred Units | Deferred Unit Plan | 1,880 | 9.66 |
| June 30, 2014 | Deferred Units | Deferred Unit Plan | 5,420 | 9.96 |

| Date of Issuance | Security Issued | Reason for Issuance | Securities Issued | Price per Security ($) |
|---|---|---|---|---|
| July 15, 2014 | Units | Distribution Reinvestment Plan | 24,645 | 9.93 |
| July 15, 2014 | Deferred Units | Deferred Unit Plan | 705 | 9.66 |
| July 15, 2014 | Deferred Units | Deferred Unit Plan | 1,897 | 9.64 |
| August 15, 2014 | Units | Distribution Reinvestment Plan | 23,963 | 10.15 |
| August 15, 2014 | Deferred Units | Deferred Unit Plan | 705 | 9.72 |
| August 15, 2014 | Deferred Units | Deferred Unit Plan | 1,873 | 9.82 |
| September 9, 2014 | Units | Conversion of Deferred Units | 2,003 | 10.20 |
| September 10, 2014 | Units | Conversion of Deferred Units | 8,600 | 10.07 |
| September 15, 2014 | Units | Distribution Reinvestment Plan | 26,627 | 10.11 |
| September 15, 2014 | Deferred Units | Deferred Unit Plan | 685 | 9.80 |
| September 15, 2014 | Deferred Units | Deferred Unit Plan | 1,803 | 9.82 |
| September 30, 2014 | Deferred Units | Deferred Unit Plan | 5,451 | 9.91 |
| October 15, 2014 | Deferred Units | Deferred Unit Plan | 757 | 9.40 |
| October 15, 2014 | Deferred Units | Deferred Unit Plan | 1,891 | 9.43 |
| October 15, 2014 | Units | Distribution Reinvestment Plan | 27,976 | 9.72 |
| October 15, 2014 | Deferred Units | Deferred Unit Plan | 21,991 | 9.72 |
| October 16, 2014 | Units | Conversion of Deferred Units | 22,950 | 9.70 |
| November 14, 2014 | Deferred Units | Deferred Unit Plan | 764 | 9.39 |
| November 14, 2014 | Deferred Units | Deferred Unit Plan | 1,770 | 9.28 |
| November 14, 2014 | Units | Distribution Reinvestment Plan | 28,427 | 9.57 |
| December 15, 2014 | Units | Distribution Reinvestment Plan | 31,533 | 8.77 |
| December 15, 2014 | Deferred Units | Deferred Unit Plan | 784 | 8.62 |
| December 15, 2014 | Deferred Units | Deferred Unit Plan | 1,949 | 8.48 |
| December 31, 2014 | Deferred Units | Deferred Unit Plan | 8,307 | 8.66 |
| January 15, 2015 | Units | Distribution Reinvestment Plan | 29,772 | 9.46 |
| January 15, 2015 | Deferred Units | Deferred Unit Plan | 810 | 9.08 |
| January 15, 2015 | Deferred Units | Deferred Unit Plan | 1,819 | 9.16 |
| February 13, 2015 | Units | Distribution Reinvestment Plan | 30,711 | 9.39 |
| February 13, 2015 | Deferred Units | Deferred Unit Plan | 1,843 | 9.11 |
| February 13, 2015 | Deferred Units | Deferred Unit Plan | 762 | 9.03 |
| March 13, 2015 | Units | Distribution Reinvestment Plan | 32,273 | 9.19 |
| March 13, 2015 | Deferred Units | Deferred Unit Plan | 1,546 | 8.97 |
| March 13, 2015 | Deferred Units | Deferred Unit Plan | 751 | 9.23 |
| March 23, 2015 | Deferred Units | Deferred Unit Plan | 79,854 | 9.06 |
| March 31, 2015 | Deferred Units | Deferred Unit Plan | 8,867 | 9.08 |

**Prior Valuations**

NWH is not aware of any "prior valuations", as such term is defined in MI 61-101, of the NWH Units within the 24-month period preceding the date of this Circular.

**Risk Factors**

The business and operations of NWH are subject to risks. NWH Voting Unitholders should consider carefully the risk factors set forth below and in the documents incorporated by reference in this Circular (including those discussed under the heading "Risks and Uncertainties" in the in the NWH AIF and in NWH's management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2014 and all of the other information in this Circular (including, without limitation, the documents incorporated by reference). The risks described herein and therein are not the only risks that affect NWH. Other risks and uncertainties that NWH does not presently consider to be material, or of which NWH is not presently aware, may become important factors that affect NWH's future financial condition and results of operations.

**Legal Proceedings**

In the normal course of business, NWH is involved in various legal proceedings relating to contracts, commercial disputes, taxes, environmental issues, employment and workers' compensation claims and other matters. NWH periodically reviews the status of these proceedings with counsel. NWH believes that the ultimate disposition of these matters will not have a material adverse effect on its financial position.

**Auditors, Transfer Agent and Registrar**

The auditors of NWH are KPMG LLP, CPA, Toronto, Ontario. KPMG LLP is independent of the of NWH within the meaning of the relevant rules of professional conduct and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

The transfer agent and registrar for NWH Units is Computershare Investor Services Inc. at its principal office located in Toronto, Ontario.

**Additional Information**

The information contained in this Circular is given as of April 7, 2015, except as otherwise indicated. Financial information is provided in NWH's consolidated financial statements and management's discussion and analysis for its most recently completed financial year.

A copy of NWH's management's discussion and analysis and the consolidated financial statements for NWH's most recently completed financial year, including the auditor's report thereon, together with any subsequent interim financial statements, may be obtained, without charge, upon request from the Corporate Secretary of NWH at 284 King Street East, Suite 100, Toronto, Ontario, M5A 1K4, Attention: Corporate Secretary (telephone: 416.366.2000) or by email request at corporatesecretary@nwhp.ca.

Information contained in or otherwise accessible through NWH's website does not form a part of this Circular and is not incorporated by reference into this Circular.

Interested persons may also access disclosure documents and any reports, statements or other information that NWH files with the Canadian securities administrators under NWH's profile on SEDAR which can be accessed at www.sedar.com.

**NWH Documents Incorporated by Reference**

The following documents filed by NWH with the securities commission or similar authority in each of the provinces of Canada are specifically incorporated by reference in this Circular:

1. the NWH AIF;

2. the audited annual financial statements of NWH for the years ended December 31, 2014 and 2013, together with the notes thereto and the auditor's report on the consolidated statement of financial position of NWH as at December 31, 2014 and 2013, the consolidated statements of income and comprehensive income, changes in Unitholders' equity and cash flows for the year then ended (the "**NWH Annual Financial Statements**");

3. management's discussion and analysis of financial condition and results of operations for the years ended December 31, 2014 and 2013 (the "**NWH MD&A**"); and

4. the material change report of NWH dated March 18, 2015 in respect of the announcement of the Arrangement.

Any statement contained in or contents of a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded, for the purposes of this Circular, to the extent that a statement contained herein, or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement or contents. The modifying or superseding statement need not state that it has modified or superseded a prior statement or contents, or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed to be an admission for any purposes that the modified or superseded statement or contents, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement or contents so modified or superseded will not be deemed, in its unmodified or non-superseded form, to constitute a part of this Circular.

Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of NWH at 284 King Street East, Suite 100, Toronto, Ontario, M5A 1K4, Attention: Corporate Secretary (telephone: 416.366.2000) or by email request at corporatesecretary@nwhp.ca. These documents are also available through the internet on SEDAR which can be accessed at www.sedar.com.

Any document of the type required by Item 11.1 of Form 44-101F1 – Short Form Prospectus to be incorporated by reference into a short form prospectus, including any annual information forms, material change reports (except confidential material change reports), business acquisition reports, interim financial statements, audited annual financial statements, management's discussion and analysis and information circulars filed by NWH with applicable securities commissions or similar authorities in Canada on SEDAR at www.sedar.com after the date of this Circular and before the NWH Meeting, are deemed to be incorporated by reference into this Circular.

**Approval of NWH Board**

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

The information concerning NWI contained in this Circular, including the appendices attached hereto and the information incorporated by reference herein, has been provided by NWI. The NWH Board has relied upon this information without having made any independent inquiry as to the accuracy thereof. NWH assumes no responsibility for the accuracy or completeness of such information, nor for any omission on the part of NWI to disclose facts or events which may affect the accuracy of any such information.

DATED this 7th day of April, 2015.

**BY ORDER OF THE BOARD OF TRUSTEES OF NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**

(Signed) "*Brian Petersen*"
Brian Petersen
Trustee and Chair of the Independent Committee

## INFORMATION RELATING TO NWI

### Overview

NWI is an unincorporated, open-ended real estate investment trust whose purpose is to invest in healthcare real estate internationally. NWI's head and registered office is located at 284 King Street East, Toronto, Ontario, M5A 1K4. NWI has regional offices in Toronto, Sao Paulo, Berlin, Melbourne and Auckland.

NWI's objectives are to:

- manage its investments to provide stable, sustainable and growing cash flows through investments in healthcare real estate globally;
- build a diversified, growth-oriented global portfolio of healthcare properties based on an initial portfolio of investments in Canada, Australasia, Brazil and Germany;
- capitalize on internal growth and seek accretive healthcare real estate acquisition opportunities in its target international markets, with a focus primarily on Canada, Australasia, Brazil, and Germany;
- grow the value of its assets and maximize the long-term value of NWI Units through active and efficient management; and
- provide predictable and growing cash distributions per NWI Unit, on a tax-efficient basis.

NWI provides an opportunity for investors to gain exposure to healthcare real estate internationally. NWI is currently the only publicly-listed real estate investment trust in Canada dedicated to investing in healthcare real estate internationally.

### Trading Price and Volume of NWI Units and NWI Debentures

The following table sets forth, for the calendar periods indicated, the intraday high and low sale prices and composite volume of trading of the NWI Units, 6.50% Debentures, 7.50% Debentures and 7.25% Debentures as reported on the TSXV.

| Month | NWI Units (MOB.UN) | 6.50% Debentures (MOB.DB) | 7.50% Debentures (MOB.DB.A) | 7.25% Debentures (MOB.DB.B) |
|---|---|---|---|---|
| March 2014 | | | | |
| High Price ($) | 2.19 | 96.00 | 100.78 | – |
| Low Price ($) | 2.13 | 90.00 | 99.00 | – |
| Trading Volume | 1,016,980 | 680 | 2,610 | – |
| April 2014 | | | | |
| High Price ($) | 2.19 | 99.00 | 101.00 | – |
| Low Price ($) | 2.11 | 94.00 | 100.00 | – |
| Trading Volume | 793,812 | 2,350 | 4,580 | – |
| May 2014 | | | | |
| High Price ($) | 2.11 | 95.00 | 100.50 | – |
| Low Price ($) | 1.90 | 90.01 | 99.00 | – |
| Trading Volume | 3,209,800 | 3,370 | 8,660 | – |
| June 2014 | | | | |
| High Price ($) | 2.04 | 95.00 | 99.00 | – |
| Low Price ($) | 1.92 | 90.51 | 95.00 | – |
| Trading Volume | 2,317,449 | 800 | 1,310 | – |
| July 2014 | | | | |
| High Price ($) | 2.24 | 97.00 | 101.25 | – |
| Low Price ($) | 2.02 | 91.01 | 95.00 | – |
| Trading Volume | 3,525,258 | 900 | 3,470 | – |

| Month | NWI Units (MOB.UN) | 6.50% Debentures (MOB.DB) | 7.50% Debentures (MOB.DB.A) | 7.25% Debentures (MOB.DB.B) |
|---|---|---|---|---|
| August 2014 | | | | |
| High Price ($) | 2.40 | 99.00 | 102.00 | – |
| Low Price ($) | 2.08 | 94.50 | 95.00 | – |
| Trading Volume | 3,509,160 | 3,650 | 2,830 | – |
| September 2014 | | | | |
| High Price ($) | 2.27 | 97.00 | 102.00 | 97.90 |
| Low Price ($) | 2.10 | 94.55 | 99.00 | 96.00 |
| Trading Volume | 1,594,439 | 3,290 | 5,378 | 17,250 |
| October 2014 | | | | |
| High Price ($) | 2.27 | 99.00 | 101.5 | 99.00 |
| Low Price ($) | 2.07 | 96.00 | 99.87 | 96.07 |
| Trading Volume | 1,678,051 | 3,200 | 2,700 | 17,260 |
| November 2014 | | | | |
| High Price ($) | 2.26 | 99.00 | 100.75 | 98.50 |
| Low Price ($) | 2.01 | 97.05 | 100.50 | 95.50 |
| Trading Volume | 1,790,413 | 1,360 | 740 | 6,400 |
| December 2014 | | | | |
| High Price ($) | 2.13 | 98.00 | 100.25 | 97.00 |
| Low Price ($) | 1.85 | 94.00 | 99.87 | 85.00 |
| Trading Volume | 1,649,198 | 2,960 | 2,430 | 6,830 |
| January 2015 | | | | |
| High Price ($) | 2.07 | 95.00 | 98.99 | 89.00 |
| Low Price ($) | 1.88 | 90.00 | 92.00 | 83.10 |
| Trading Volume | 1,604,190 | 880 | 10,590 | 3,560 |
| February 2015 | | | | |
| High Price ($) | 2.03 | 93.01 | 92.50 | 87.00 |
| Low Price ($) | 1.93 | 91.00 | 90.00 | 84.00 |
| Trading Volume | 1,475,256 | 610 | 2,020 | 3,520 |
| March 2015 | | | | |
| High Price ($) | 2.05 | 99.83 | 97.00 | 96.00 |
| Low Price ($) | 1.77 | 87.00 | 91.00 | 82.49 |
| Trading Volume | 3,284,231 | 7,300 | 1,650 | 21,490 |

The closing price of the NWI Units, 6.50% Debentures, 7.50% Debentures and 7.25% Debentures on the TSXV on March 10, 2015, the last trading day preceding the announcement of the Arrangement Agreement, was $1.98, $87.00, $91.14 and $82.50, respectively.

**Distribution History**

NWI has adopted a distribution policy, as permitted under the NWI Declaration of Trust, pursuant to which it makes pro rata monthly cash distributions to NWI Unitholders and, through NWI LP, to holders of NWI Class B LP Units. The NWI Board has full discretion respecting the timing and amounts of distributions including the adoption, amendment or revocation of any distribution policy.

NWI Unitholders of record as at the close of business on the last business day of the month preceding a date on which the NWI Board has determined that a distribution will be made to NWI Unitholders will have an entitlement on and after that day to receive distributions in respect of that month on such date. Distributions may be adjusted for amounts paid in prior periods if the actual cash available for distribution for the prior periods is greater than or less than the estimates for the prior periods. Under the NWI Declaration of Trust and pursuant to the distribution policy of NWI, where NWI's cash is not sufficient to make payment of the full amount of a distribution, such payment will, to the extent necessary, be distributed in the form of additional Units.

Distributions on NWI Units totaled $13,196,480, $6,879,451, $1,814,616, and $nil for the years ended December 31, 2014, December 31, 2013, December 31, 2012 and December 31, 2011, respectively (distribution amounts pertain to the period October 1, 2012 forward, representing the date NWI reconfigured to focus on international assets).

Distributions on the NWI Class B LP units totaled $20,034,666, $11,701,074, $1,435,362 and $nil for the years ended December 31, 2014, December 31, 2013, December 31, 2012 and December 31, 2011 respectively (distribution amounts pertain to the period October 1, 2012 forward, representing the date NWI reconfigured to focus on international assets).

See "The Arrangement Agreement – Covenants – Distributions".

**Prior Sales**

The following table summarizes the issuances of NWI Units, including issuances of all securities convertible into NWI Units, for the 12 month period ended April 7, 2015.

**NWI Units and NWI Class B LP Units**

| Date of Issuance | Security Issued | Reason for Issuance | Number of Securities Issued | Price per Unit ($) |
|---|---|---|---|---|
| April 3, 2014 | Units | Pursuant to the NWI Asset Management Agreement | 120,685 | 2.16 |
| April 15, 2014 | Units | Pursuant to the NWI DRIP | 34,364 | 2.17 |
| May 1, 2014 | Units | Pursuant to the NWI Asset Management Agreement | 117,627 | 2.14 |
| May 15, 2014 | Units | Pursuant to the NWI DRIP | 40,431 | 2.04 |
| May 21, 2014 | Units | Pursuant to the NWI May 2014 Offering | 11,219,513 | 2.05 |
| June 3, 2014 | Units | Pursuant to the NWI Asset Management Agreement | 129,386 | 1.99 |
| June 16, 2014 | Units | Pursuant to the NWI DRIP | 48,814 | 1.97 |
| July 2, 2014 | Units | Pursuant to the NWI Asset Management Agreement | 138,705 | 2.03 |
| July 15, 2014 | Units | Pursuant to the NWI DRIP | 50,353 | 2.06 |
| August 5, 2014 | Units | Pursuant to the NWI Asset Management Agreement | 131,523 | 2.17 |
| August 15, 2014 | Units | Pursuant to the NWI DRIP | 54,602 | 2.30 |
| September 2, 2014 | Units | Pursuant to Warrant Exercise | 3,000,000 | 2.15 |
| September 5, 2014 | Units | Pursuant to the NWI Asset Management Agreement | 130,068 | 2.24 |
| September 15, 2014 | Units | Pursuant to the NWI DRIP | 44,362 | 2.25 |
| October 1, 2014 | Units | Pursuant to the NWI Asset Management Agreement | 131,232 | 2.22 |
| October 15, 2014 | Units | Pursuant to the NWI DRIP | 44,130 | 2.19 |
| November 3, 2014 | Units | Pursuant to the NWI Asset Management Agreement | 131,843 | 2.22 |
| November 17, 2014 | Units | Pursuant to the NWI DRIP | 45,991 | 2.12 |
| November 18, 2014 | Units | Pursuant to the NWI November 2014 Offering | 13,954,000 | 2.15 |
| December 1, 2014 | Units | Pursuant to the NWI Asset Management Agreement | 139,883 | 2.09 |
| December 15, 2014 | Units | Pursuant to NWI DRIP | 57,993 | 1.96 |
| January 6, 2015 | Units | Pursuant to the NWI Asset Management Agreement | 143,538 | 2.03 |
| January 15, 2015 | Units | Pursuant to NWI DRIP | 55,466 | 1.99 |

| Date of Issuance | Security Issued | Reason for Issuance | Number of Securities Issued | Price per Unit ($) |
|---|---|---|---|---|
| January 28, 2015 | Class D GP Units | Pursuant to NWI LP Agreement | 71,403 | 2.03 |
| January 28, 2015 | NWI Class B LP Units | Pursuant to the Internalization | 1,181,983 | N/A |
| February 17, 2015 | Units | Pursuant to the NWI DRIP | 56,850 | 1.99 |
| March 16, 2015 | Units | Pursuant to the NWI DRIP | 60,275 | 1.88 |

Notes:
(1) Upon exchange of class D general partnership units of NWI LP.

**7.25% Debentures**

| Date of Issuance | Security Issued | Reason for Issuance | Number of Securities Issued | Price per Unit ($) |
|---|---|---|---|---|
| September 16, 2014 | 7.25% Debentures | NWI September 2014 Offering | 35,000 | 100.00 |
| October 3, 2014 | 7.25% Debentures | NWI September 2014 Offering (Over-Allotment Option) | 3,750 | 100.00 |

**Deferred Units**

| Date of Issuance | Security Issued | Reason for Issuance | Number of Securities Issued | Price per Unit ($) |
|---|---|---|---|---|
| March 31, 2014 | Deferred Units | NWI trustee compensation | 17,014 | 2.16 |
| January 1, 2014 – March 31, 2014 | Deferred Units | NWI Deferred Units issuable in lieu of cash distributions | 4,759 | 2.14 |
| June 30, 2014 | Deferred Units | Trustee Compensation | 22,168 | 2.03 |
| April 1, 2014 – June 30, 2014 | Deferred Units | NWI Deferred Units issuable in lieu of cash distributions | 5,511 | 2.06 |
| September 30, 2014 | Deferred Units | NWI trustee compensation | 20,270 | 2.22 |
| July 1, 2014 – September 30, 2014 | Deferred Units | NWI Deferred Units issuable in lieu of cash distributions | 5,877 | 2.20 |
| December 31, 2014 | Deferred Units | Trustee Compensation | 22,167 | 2.03 |
| October 1, 2014- December 31, 2014 | Deferred Units | NWI Deferred Units issuable in lieu of cash distributions | 6,885 | 2.08 |
| January 28, 2015 | Deferred Units | NWI Deferred Units issuable in connection with the Internalization | 3,989,734 | 2.03 |
| January 28, 2015 | Deferred Units | NWI Deferred Units issued pursuant to long-term incentive plan | 5,764,494 | 2.03 |
| January 28, 2015 | Deferred Units | Trustee Compensation | 75,000 | 2.00 |
| January 1, 2015 – March 31, 2015 | Deferred Units | NWI Deferred Units issuable in lieu of cash distributions | 294,360 | 1.89 |
| March 31, 2015 | Deferred Units | Trustee Compensation | 24,064 | 1.87 |

**Prior Valuations**

NWI is not aware of any "prior valuations", as such term is defined in MI 61-101, of the NWI Units within the 24-month period preceding the date of this Circular.

**Risk Factors**

The business and operations of NWI are subject to risks. NWI Voting Unitholders should consider carefully the risk factors set forth below and in the documents incorporated by reference in this Circular (including those discussed under the heading "*Risk Factors*" in the in the NWI AIF and "*Risks and Uncertainties*" in NWI's management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2014 and all of the other information in this Circular (including, without limitation, the documents incorporated by reference). The risks described herein and therein are not the only risks that affect NWI. Other risks and uncertainties that NWI does not presently consider to be material, or of which NWI is not presently aware, may become important factors that affect NWI's future financial condition and results of operations.

**Legal Proceedings**

In the normal course of business, NWI is involved in various legal proceedings relating to contracts, commercial disputes, taxes, environmental issues, employment and workers' compensation claims and other matters. NWI periodically reviews the status of these proceedings with counsel. NWI believes that the ultimate disposition of these matters will not have a material adverse effect on its financial position.

**Auditors, Transfer Agent and Registrar**

The auditors of NWI are KPMG LLP, CPA, Toronto, Ontario. KPMG LLP is independent of the of NWI within the meaning of the relevant rules of professional conduct and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

The transfer agent and registrar for NWI Units is Computershare Investor Services Inc. at its principal office located in Toronto, Ontario.

**Additional Information**

The information contained in this Circular is given as of April 7, 2015, except as otherwise indicated. Financial information is provided in NWI's consolidated financial statements and management's discussion and analysis for its most recently completed financial year.

A copy of NWI's management's discussion and analysis and the consolidated financial statements for NWI's most recently completed financial year, including the auditor's report thereon, together with any subsequent interim financial statements, may be obtained, without charge, upon request from the Corporate Secretary of NWI at 284 King Street East, Suite 200, Toronto, Ontario, M5A 1K4, Attention: Corporate Secretary (telephone: 416.366.8300) or by email request at info@nwireit.com.

Information contained in or otherwise accessible through NWI's website does not form a part of this Circular and is not incorporated by reference into this Circular.

Interested persons may also access disclosure documents and any reports, statements or other information that NWI files with the Canadian securities administrators under NWI's profile on SEDAR which can be accessed at www.sedar.com.

**NWI Documents Incorporated by Reference**

The following documents filed by NWI with the securities commission or similar authority in each of the provinces of Canada are specifically incorporated by reference in this Circular:

1. the NWI AIF;

2. the audited annual financial statements of the REIT for the years ended December 31, 2014 and 2013, together with the notes thereto and the auditor's report on the consolidated statement of financial position of the REIT as at December 31, 2014 and 2013, the consolidated statements of income and comprehensive income, changes in Unitholders' equity and cash flows for the year then ended;

3. management's discussion and analysis of financial condition and results of operations for the years ended December 31, 2014 and 2013 (the "**NWI MD&A**");

4. the audited annual financial statements of Vital Trust for the year ended June 30, 2014 together with the notes thereto and the auditor's report on the consolidated statement of financial position of Vital Trust as at June 30, 2014 (which include comparative figures as at June 30, 2013) and the consolidated statements of comprehensive income, changes in unitholders' equity, and cash flows for the year ended June 30, 2014 (which include comparative figures for the year ended June 30, 2013);

5. the unaudited interim financial statements of Vital Trust and the notes thereto for the interim periods ended December 31, 2014 and 2013;

6. the material change report of NWI dated February 6, 2015 in respect of the closing of the Internalization; and

7. the material change report of NWI dated March 18, 2015 in respect of the announcement of the Arrangement.

Any statement contained in or contents of a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded, for the purposes of this Circular, to the extent that a statement contained herein, or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement or contents. The modifying or superseding statement need not state that it has modified or superseded a prior statement or contents, or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed to be an admission for any purposes that the modified or superseded statement or contents, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement or contents so modified or superseded will not be deemed, in its unmodified or non-superseded form, to constitute a part of this Circular.

Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of NWI at 284 King Street East, Suite 200, Toronto, Ontario, M5A 1K4, Attention: Corporate Secretary (telephone: 416.366.8300) or by email request at info@nwireit.com. These documents are also available through the internet on SEDAR which can be accessed at www.sedar.com.

Any document of the type required by Item 11.1 of Form 44-101F1 – Short Form Prospectus to be incorporated by reference into a short form prospectus, including any annual information forms, material change reports (except confidential material change reports), business acquisition reports, interim financial statements, audited annual financial statements, management's discussion and analysis and information circulars filed by NWI with applicable securities commissions or similar authorities in Canada on SEDAR at www.sedar.com after the date of this Circular and before the NWI Meeting, are deemed to be incorporated by reference into this Circular.

**Approval of NWI Board**

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

The information concerning NWH contained in this Circular, including the appendices attached hereto and the information incorporated by reference herein, has been provided by NWH. The NWI Board has relied upon this information without having made any independent inquiry as to the accuracy thereof. NWI assumes no responsibility for the accuracy or completeness of such information, nor for any omission on the part of NWH to disclose facts or events which may affect the accuracy of any such information.

DATED this 7th day of April, 2015.

**BY ORDER OF THE BOARD OF TRUSTEES OF NORTHWEST INTERNATIONAL HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**

(Signed) *"Paul Dalla Lana"*
Paul Dalla Lana
Trustee and Chair of the board

## GENERAL INFORMATION CONCERNING THE NWH MEETING AND VOTING

### Time, Date and Place

The NWH Meeting will be held on May 5, 2015 at the offices of Goodmans LLP, Suite 3400, 333 Bay Street, Toronto, Ontario M5H 2S7 at 10:00 a.m. (Toronto time).

### NWH Record Date

The record date for determining the NWH Voting Unitholders entitled to receive notice of and to vote at the NWH Meeting is March 18, 2015 (the "**NWH Record Date**"). Only NWH Voting Unitholders of record as of the close of business (Toronto time) on the NWH Record Date are entitled to receive notice of and to vote at the NWH Meeting.

### NWH Voting Units

The beneficial interests in NWH are divided into interests of two classes, designated as NWH Units and NWH Special Voting Units. An unlimited number of NWH Units and NWH Special Voting Units are authorized for issuance pursuant to the NWH Declaration of Trust. A holder of NWH Units or Special Voting Units is entitled to attend meetings of NWH Voting Unitholders and to cast one vote for each whole NWH Unit and/or NWH Special Voting Unit held. The NWH Units and the NWH Special Voting Units vote together as a single class on all matters and comprise the NWH Voting Units.

The NWH Special Voting Units are held by NorthWest Operating Trust. One NWH Special Voting Unit has been issued for each NWH Class B LP Unit held solely for the purpose of providing voting rights at the NWH level to the holders of the NWH Class B LP Units.

As of the Record Date, NWH had 39,210,668 issued and outstanding NWH Units and 7,551,546 issued and outstanding NWH Special Voting Units.

### Solicitation of Proxies

**This Circular is furnished in connection with the solicitation of proxies by the management of NWH for use at the NWH Meeting and any postponement or adjournment thereof for the purposes set forth in the accompanying NWH Notice of Meeting.** It is expected that the solicitation of proxies will be made primarily by mail in the case of NWH Voting Unitholders, but proxies may also be solicited personally, by advertisement or by telephone by trustees, officers or employees of NWH to whom no additional compensation will be paid. In addition, NWH has retained the services of Kingsdale to solicit proxies for a fee of approximately $130,000 plus a per call fee for retail unitholder calls and will be reimbursed for its reasonable out-of-pocket expenses. All costs of solicitation by management will be borne by NWH. NWH may utilize Broadridge QuickVote™ service to assist non-registered NWH Voting Unitholders that are "non-objecting beneficial owners" with voting their NWH Voting Units over the telephone. Kingsdale may contact "non-objecting beneficial owners" of NWH Voting Units to assist in conveniently voting their NWH Voting Units directly over the phone.

In connection with the NWH Meeting, NWH may form a soliciting dealer group, and engage a financial advisor as soliciting dealer manager, comprised of members of IIROC to solicit proxy votes in favour of the NWH Resolution, in exchange for fees that NWH considers to be reasonable for arrangements of this nature.

### Voting by Proxies

The form of proxy accompanying this Circular confers discretionary authority upon the proxy nominee with respect to any amendments or variations to matters identified in the NWH Notice of Meeting and any other matters that may properly come before the NWH Meeting or any postponement or adjournment thereof. As at the date of this Circular, NWH's management is not aware of any such amendments or variations, or of other matters to be presented for action at the NWH Meeting. However, if any amendments to matters identified in the accompanying NWH Notice of Meeting or any other matters which are not now known to management should properly come before the NWH Meeting or any postponement or adjournment thereof, the NWH Voting Units represented by properly executed proxies given in favour of the person(s) designated by management of NWH in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

If the instructions in a proxy given to NWH's management are specified, the NWH Voting Units represented by such proxy will be voted FOR or AGAINST in accordance with your instructions on any poll that may be called for. If a choice is not

specified, the NWH Voting Units represented by a proxy given to NWH's management will be voted **FOR** the resolutions described in this Circular. **An NWH Voting Unitholder has the right to appoint a person or company (who need not be an NWH Voting Unitholder) to attend and act for him, her or it and on his, her or its behalf at the NWH Meeting other than the persons designated in the form of proxy and may exercise such right by inserting the name in full of the desired person in the blank space provided in the form of proxy and striking out the names now designated.**

In addition, Kingsdale may contact NWH Voting Unitholders by phone to obtain their voting instructions. NWH Voting Unitholders are under no obligation to provide their instructions to Kingsdale if contacted by phone. NWH Voting Unitholders may always provide their instructions in the manner described on the proxy. Although Kingsdale is soliciting voting instructions on behalf of management, NWH Voting Unitholders are under no obligation to vote in favour of management's recommendation in response to a solicitation by Kingsdale or otherwise. If an NWH Voting Unitholder or wishes to change his, her or its vote after providing voting instructions to Kingsdale by phone, the instructions under the heading "Revocability of Proxies" below must be followed.

NWH Voting Unitholders are invited to attend the NWH Meeting. Registered unitholders who are unable to attend the NWH Meeting or any postponement or adjournment thereof in person are requested to complete, date, sign and return the enclosed form of proxy or, alternatively, to vote by telephone, or over the internet, in each case in accordance with the enclosed instructions. To be used at the NWH Meeting, the completed proxy form must be deposited at the office of Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 (Fax: 1-866-249-7775 (toll free within North America) or (416) 263-9524 (outside North America)) by mail or fax or the proxy vote is otherwise registered in accordance with the instructions thereon. Non-registered unitholders who receive these materials through their Intermediary should complete and send the form of proxy or voting instruction form in accordance with the instructions provided by their Intermediary. To be effective, a proxy must be received by Computershare not later than 10:00 a.m. (Toronto time) on May 1, 2015, or in the case of any postponement or adjournment of the NWH Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the postponed or adjourned meeting. **Late proxies may be accepted or rejected by the Chair of the NWH Meeting in his discretion, and the Chair is under no obligation to accept or reject any particular late proxy. The deadline for the deposit of proxies may be waived or extended by the Chair of the NWH Meeting at his discretion, without notice.**

**Revocability of Proxies**

In addition to revocation in any other manner permitted by law, an NWH Voting Unitholder executing the enclosed form of proxy has the power to revoke it by depositing an instrument in writing executed by the NWH Voting Unitholder or his or her legal representative authorized in writing or, where the NWH Voting Unitholder is a corporation, by the corporation or a representative of the corporation. To be valid, an instrument of revocation must be received at NWH's principal and head office by mail or by hand at 284 King Street East, Suite 100, Toronto, Ontario, M5A 1K4, at any time up to and including the last business day preceding the day of the NWH Meeting, or in the case of any postponement or adjournment of the NWH Meeting, the last business day preceding the day of the postponed or adjourned NWH Meeting, or delivered to the Chair of the NWH Meeting on the day fixed for the NWH Meeting, and prior to the start of the NWH Meeting or any postponement or adjournment thereof.

**Voting of NWH Voting Units Owned by Beneficial Unitholders**

A substantial number of NWH Voting Unitholders are Beneficial Unitholders and do not hold their NWH Voting Units in their own name. If you are a Beneficial Unitholder of NWH Voting Units, you should read the information under the heading "Joint Management Information Circular – Information for Beneficial Unitholders" for information on how to vote your NWH Voting Units at the NWH Meeting.

**Quorum**

A quorum will be present at the NWH Meeting if at least two persons are present at the NWH Meeting who are, or who represent by proxy, holders of not less than 5% of the total number of outstanding NWH Voting Units.

**Principal Unitholders of NWH Voting Units**

As at the date of this Circular, to the knowledge of the NWH Board and senior officers of NWH, no person or company beneficially owns, or controls or directs, directly or indirectly, 10% or more of the NWH Units, other than NWI which,

directly and indirectly through the ownership of NWH Class B LP Units, owns 4,345,900 NWH Units and 7,551,546 NWH Special Voting Units, representing approximately 25% of the outstanding NWH Voting Units.

## GENERAL INFORMATION CONCERNING THE NWI MEETING AND VOTING

### Time, Date and Place

The NWI Meeting will be held on May 5, 2015 at the offices of Goodmans LLP, Suite 3400, 333 Bay Street, Toronto, Ontario M5H 2S7 at 2:00 p.m. (Toronto time).

### NWI Record Date

The record date for determining the NWI Voting Unitholders entitled to receive notice of and to vote at the NWI Meeting is March 18, 2015 (the "**NWI Record Date**"). Only NWI Voting Unitholders of record as of the close of business (Toronto time) on the NWI Record Date are entitled to receive notice of and to vote at the NWI Meeting.

### NWI Voting Units

The beneficial interests in NWI are divided into interests of two classes, designated as NWI Units and NWI Special Voting Units. An unlimited number of NWI Units and NWI Special Voting Units are authorized for issuance pursuant to the NWI Declaration of Trust. A holder of NWI Units or Special Voting Units is entitled to attend meetings of NWI Voting Unitholders and to cast one vote for each whole NWI Unit and/or NWI Special Voting Unit held. The NWI Units and the NWI Special Voting Units vote together as a single class on all matters and comprise the NWI Voting Units.

The NWI Special Voting Units are held by NWVP and affiliates. One NWI Special Voting Unit has been issued for each NWI Class B LP Unit held solely for the purpose of providing voting rights at the NWI level to the holders of the NWI Class B LP Units.

As of the Record Date, NWI had 87,120,910 issued and outstanding NWI Units and 92,250,303 issued and outstanding NWI Special Voting Units.

### Solicitation of Proxies

**This Circular is furnished in connection with the solicitation of proxies by the management of NWI for use at the NWI Meeting and any postponement or adjournment thereof for the purposes set forth in the accompanying NWI Notice of Meeting.** It is expected that the solicitation of proxies will be made primarily by mail in the case of NWI Voting Unitholders, but proxies may also be solicited personally, by advertisement or by telephone by trustees, officers or employees of NWI to whom no additional compensation will be paid. In addition, NWI has retained the services of Kingsdale for the NWI Meeting to whom customary fees for such services will be paid. All costs of solicitation by management will be borne by NWI.

### Voting by Proxies

The form of proxy accompanying this Circular confers discretionary authority upon the proxy nominee with respect to any amendments or variations to matters identified in the NWI Notice of Meeting and any other matters that may properly come before the NWI Meeting or any postponement or adjournment thereof. As at the date of this Circular, NWI's management is not aware of any such amendments or variations, or of other matters to be presented for action at the NWI Meeting. However, if any amendments to matters identified in the accompanying NWI Notice of Meeting or any other matters which are not now known to management should properly come before the NWI Meeting or any postponement or adjournment thereof, the NWI Voting Units represented by properly executed proxies given in favour of the person(s) designated by management of NWI in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

If the instructions in a proxy given to NWI's management are specified, the NWI Voting Units represented by such proxy will be voted FOR or AGAINST in accordance with your instructions on any poll that may be called for. If a choice is not specified, the NWI Voting Units represented by a proxy given to NWI's management will be voted **FOR** all resolutions described in this Circular. **An NWI Voting Unitholder has the right to appoint a person or company (who need not be an NWI Voting Unitholder) to attend and act for him, her or it and on his, her or its behalf at the NWI Meeting other than the persons designated in the form of proxy and may exercise such right by inserting the name in full of the desired person in the blank space provided in the form of proxy and striking out the names now designated.**

In addition, Kingsdale may contact NWI Voting Unitholders by phone to obtain their voting instructions. NWI Voting Unitholders are under no obligation to provide their instructions to Kingsdale if contacted by phone. NWI Voting Unitholders may always provide their instructions in the manner described on the proxy. Although Kingsdale is soliciting voting instructions on behalf of management, NWI Voting Unitholders are under no obligation to vote in favour of management's recommendation in response to a solicitation by Kingsdale or otherwise. If an NWI Voting Unitholder or wishes to change his, her or its vote after providing voting instructions to Kingsdale by phone, the instructions under the heading "Revocability of Proxies" below must be followed.

NWI Voting Unitholders are invited to attend the NWI Meeting. Registered unitholders who are unable to attend the NWI Meeting or any postponement or adjournment thereof in person are requested to complete, date, sign and return the enclosed form of proxy or, alternatively, to vote by telephone, or over the internet, in each case in accordance with the enclosed instructions. To be used at the NWI Meeting, the completed proxy form must be deposited at the office of Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 (Fax: 1-866-249-7775 (toll free within North America) or (416) 263-9524 (outside North America)) by mail or fax or the proxy vote is otherwise registered in accordance with the instructions thereon. Non-registered unitholders who receive these materials through their Intermediary should complete and send the form of proxy or voting instruction form in accordance with the instructions provided by their Intermediary. To be effective, a proxy must be received by Computershare not later than 2:00 p.m. (Toronto time) on May 1, 2015, or in the case of any postponement or adjournment of the NWI Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the postponed or adjourned meeting. **Late proxies may be accepted or rejected by the Chair of the NWI Meeting in his discretion, and the Chair is under no obligation to accept or reject any particular late proxy. The deadline for the deposit of proxies may be waived or extended by the Chair of the NWI Meeting at his discretion, without notice.**

**Revocability of Proxies**

In addition to revocation in any other manner permitted by law, an NWI Voting Unitholder executing the enclosed form of proxy has the power to revoke it by depositing an instrument in writing executed by the NWI Voting Unitholder or his or her legal representative authorized in writing or, where the NWI Voting Unitholder is a corporation, by the corporation or a representative of the corporation. To be valid, an instrument of revocation must be received at NWI's principal and head office by mail or by hand at 284 King Street East, Suite 200, Toronto, Ontario, M5A 1K4, at any time up to and including the last business day preceding the day of the NWI Meeting, or in the case of any postponement or adjournment of the NWI Meeting, the last business day preceding the day of the postponed or adjourned NWI Meeting, or delivered to the Chair of the NWI Meeting on the day fixed for the NWI Meeting, and prior to the start of the NWI Meeting or any postponement or adjournment thereof.

**Voting of NWI Voting Units Owned by Beneficial Unitholders**

A substantial number of NWI Voting Unitholders are Beneficial Unitholders and do not hold their NWI Voting Units in their own name. If you are a Beneficial Unitholder of NWI Voting Units, you should read the information under the heading "Joint Management Information Circular – Information for Beneficial Unitholders" for information on how to vote your NWI Voting Units at the NWI Meeting.

**Quorum**

A quorum will be present at the NWI Meeting if at least two persons are present at the NWI Meeting who are, or who represent by proxy, holders of not less than 5% of the total number of outstanding NWI Voting Units.

**Principal Unitholders of NWI Voting Units**

As at the date of this Circular, to the knowledge of the NWI Board and senior officers of NWI, no person or company beneficially owns, or controls or directs, directly or indirectly, 10% or more of the NWI Units, other than NWVP and its affiliates which, directly and indirectly through the ownership of NWI Class B LP Units, owns 24,030,771 NWI Units and 92,250,303 NWI Special Voting Units, representing approximately 65% of the outstanding NWI Voting Units.

## RIGHTS OF DISSENT

Section 191 of the ABCA provides registered shareholders of a corporation with the right to dissent from certain resolutions that effect extraordinary corporate transactions or fundamental corporate changes. The Interim Order expressly provides

registered NWI Voting Unitholders with the right to dissent from the Arrangement Resolution pursuant to Section 191 of the ABCA, with modifications to the provisions of Section 191 as provided in the Plan of Arrangement and the Interim Order ("**Dissent Rights**"). Any registered NWI Voting Unitholder who dissents from the Arrangement Resolution in compliance with Section 191 of the ABCA, as modified by the Plan of Arrangement and the Interim Order, will, in the event the Arrangement becomes effective, dispose of their NWI Voting Units to NWI and will be entitled to be paid the fair value of NWI Voting Units held by such Dissenting NWI Voting Unitholder determined as of the close of business on the last business day before the Arrangement Resolution is approved by NWI Voting Unitholders at the NWI Meeting. Persons who are beneficial owners of NWI Voting Units registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the registered holders of such NWI Voting Units are entitled to dissent. Accordingly, a beneficial owner of NWI Voting Units desiring to exercise their right to dissent must make arrangements for the registered holder of their NWI Voting Units to dissent on his or her behalf. See Appendix E for the full text of the Plan of Arrangement, Appendix F for the full text of the Interim Order and Appendix P for the full text of Section 191 of the ABCA.

A registered NWI Voting Unitholder who wishes to dissent must provide a dissent notice to NWI at c/o Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, Ontario M5H 2S7, Attention: Brad Ross or by facsimile (416-979-1234) by 2:00 p.m. (Toronto time) on the second last business day prior to the date before the NWI Meeting. The ABCA requires strict adherence to the procedures established therein and failure to do so may result in the loss of all dissenters' rights. Accordingly, each NWI Voting Unitholder who might desire to exercise the dissenters' rights should carefully consider and comply with the provisions of the section, the Plan of Arrangement and Interim Order and consult such NWI Voting Unitholder's legal advisor.

Each of NWH and NWI may elect not to proceed with the Arrangement if 5% of the holders of outstanding NWI Voting Units validly dissent to the Arrangement Agreement. See "The Arrangement Agreement – Mutual Conditions". The foregoing is only a summary of the dissenting shareholder provisions of the ABCA (as modified by the Plan of Arrangement and the Interim Order), which are technical and complex. It is recommended that any registered NWI Voting Unitholder wishing to avail himself, herself or itself of their Dissent Rights under those provisions seek legal advice, as failure to comply strictly with the provisions of the ABCA (as modified by the Plan of Arrangement and the Interim Order) may prejudice their Dissent Rights.

## INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Circular or the documents incorporated by reference herein, within the three years prior to the date of this Circular, no insider of NWI or NWH, trustee or associate or affiliate of any insider or trustee of NWI or NWH, has or had any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or could materially affect NWI or NWH or any of their respective Subsidiaries.

## INTERESTS OF EXPERTS OF NWI AND NWH

The following persons and companies have prepared certain sections of this Circular and/or appendices attached hereto as described below, or are named as having prepared or certified a report, statement or opinion in or incorporated by reference in this Circular.

| Name of Expert | Nature of Relationship |
|---|---|
| Canaccord Genuity[(1)] | Author responsible for the preparation of the NWH Fairness Opinion and the Canaccord Genuity Formal Valuation |
| KPMG LLP[(2)] | Auditors of NWH and NWI |
| BMO Capital Markets[(3)] | Author responsible for the preparation of the BMO Capital Markets Fairness Opinion |
| National Bank Financial | Author responsible for the preparation of the NBF NWI Fairness Opinion |
| Deloitte | Auditors of Vital Trust |

Notes:

(1) To the knowledge of NWH, none of the experts so named (or any of the designated professionals thereof) held securities representing more than 1% of all issued and outstanding NWH Units as at the date of the statement, report or valuation in question, and none of the persons above is or is expected to be elected, appointed or employed as a trustee, officer or employee of the NWH or of any associate or affiliate of the NWH.

(2) KPMG LLP has advised NWH and NWI that it is independent of NWH and NWI in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario. Notes (1) and (3) are not intended to apply to KPMG LLP.

(3) To the knowledge of NWI, none of the experts so named (or any of the designated professionals thereof) held securities representing more than 1% of all issued and outstanding NWI Voting Units as at the date of the statement, report or valuation in question, and none of the persons above is or is expected to be elected, appointed or employed as a trustee, officer or employee of the NWI or of any associate or affiliate of the NWI.

## CONSENT OF BMO NESBITT BURNS INC.

TO: THE BOARD OF TRUSTEES OF NORTHWEST INTERNATIONAL HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST

Reference is made to the BMO Capital Markets NWI Fairness Opinion dated March 10, 2015, which BMO Nesbitt Burns Inc. prepared for the board of trustees of NorthWest International Healthcare Properties Real Estate Investment Trust ("**NWI**") in connection with the proposed Arrangement involving NWI and NorthWest Healthcare Properties Real Estate Investment Trust ("**NWH**").

We hereby consent to the filing of the BMO Capital Markets NWI Fairness Opinion in the joint management information circular of NWH and NWI dated April 7, 2015 (the "**Circular**") with the applicable securities regulatory authorities and the inclusion of the BMO Capital Markets NWI Fairness Opinion and a summary of the BMO Capital Markets NWI Fairness Opinion in the Circular. In providing such consent, BMO Nesbitt Burns Inc. does not intend that any person other than the trustees of NWI shall rely upon the BMO Capital Markets NWI Fairness Opinion.

All terms used but not defined herein have the meanings ascribed thereto in the Circular.

DATED at Toronto, Ontario, Canada this 7th day of April, 2015.

(Signed) BMO NESBITT BURNS INC.

## CONSENT OF NATIONAL BANK FINANCIAL INC.

TO: THE BOARD OF TRUSTEES OF NORTHWEST INTERNATIONAL HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST

Reference is made to the NBF NWI Fairness Opinion dated March 10, 2015, which National Bank Financial Inc. prepared for the board of trustees of NorthWest International Healthcare Properties Real Estate Investment Trust ("**NWI**") in connection with the proposed Arrangement involving NWI and NorthWest Healthcare Properties Real Estate Investment Trust ("**NWH**").

We hereby consent to the filing of the NBF NWI Fairness Opinion in the joint management information circular of NWH and NWI dated April 7, 2015 (the "**Circular**") with the applicable securities regulatory authorities and the inclusion of the NBF NWI Fairness Opinion and a summary of the NBF NWI Fairness Opinion in the Circular. In providing such consent, National Bank Financial Inc. does not intend that any person other than the trustees of NWI shall rely upon the NBF NWI Fairness Opinion.

All terms used but not defined herein have the meanings ascribed thereto in the Circular.

DATED at Toronto, Ontario, Canada this 7th day of April, 2015.

(Signed) NATIONAL BANK FINANCIAL INC.

## CONSENT OF CANACCORD GENUITY CORP.

TO: THE BOARD OF TRUSTEES OF NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST

Reference is made to the valuation and fairness opinion of our firm dated March 10, 2015 (the "**Valuation and Fairness Opinion**"), which Canaccord Genuity Corp. prepared for the independent committee (the "**Independent Committee**") of the board of trustees of NorthWest Healthcare Properties Real Estate Investment Trust ("**NWH**"), in connection with the proposed Arrangement involving NWH and NorthWest International Healthcare Properties Real Estate Investment Trust ("**NWI**").

We hereby consent to the filing of the Valuation and Fairness Opinion in the joint management information circular of NWH and NWI dated April 7, 2015 (the "**Circular**") with the applicable securities regulatory authorities and the inclusion of the Valuation and Fairness Opinion and a summary of the Valuation and Fairness Opinion in the Circular. In providing such consent, Canaccord Genuity Corp. does not intend that any person other than the trustees of NWH or the members of the Independent Committee shall rely upon the Valuation and Fairness Opinion.

All terms used but not defined herein have the meanings ascribed thereto in the Circular.

(Signed) CANACCORD GENUITY CORP.

Toronto, Ontario

April 7, 2015

## APPENDIX A
## GLOSSARY OF DEFINED TERMS

The following terms used in this Circular have the meanings set forth below.

"**6.50% Debentures**" means the 6.50% convertible unsecured subordinated debentures of NWI traded on the TSXV under the symbol "MOB.DB" issued in an initial aggregate principal amount of $22.6 million in March 2013 and due on March 31, 2018.

"**7.25% Debentures**" means the 7.25% convertible unsecured subordinated debentures of NWI traded on the TSXV under the symbol "MOB.DB.B" issued in an initial aggregate principal amount of $38.75 million in September 2014 and due on October 31, 2019.

"**7.50% Debentures**" means the 7.50% convertible unsecured subordinated debentures of NWI traded on the TSXV under the symbol "MOB.DB.A" issued in an initial aggregate principal amount of $17.5 million in August 2013 and due on September 30, 2018.

"**ABCA**" means the *Business Corporations Act* (Alberta).

"**Acquisition Proposal**" relating to NWH or NWI means, as applicable, other than the transactions contemplated by the Arrangement Agreement and other than any transaction involving only NWH or NWI and/or one or more of their respective wholly-owned Subsidiaries, any offer, proposal, expression of interest or inquiry, whether written or oral, from any person or group of persons acting jointly or in concert relating to (in each case whether in a single transaction or a series of related transactions):

(a) any take-over bid, tender offer or exchange offer that, if consummated, would result in a person or group of persons beneficially owning 20% or more of any class of voting or equity securities of NWH or NWI and/or one or more of such party's Subsidiaries whose assets, revenues or earnings constitute, individually or in the aggregate, 20% or more of the consolidated assets, revenues or earnings of such party;

(b) any amalgamation, plan of arrangement, unit exchange, business combination, merger, consolidation, recapitalization, reorganization or other similar transaction involving NWH or NWI and/or one or more of such party's Subsidiaries whose assets, revenues or earnings constitute, individually or in the aggregate, 20% or more of the consolidated assets, revenues or earnings of such party, or any liquidation, dissolution or winding-up of NWH or NWI and/or one or more of such party's Subsidiaries whose assets, revenues or earnings constitute, individually or in the aggregate, 20% or more of the consolidated assets, revenues or earnings of such party;

(c) any direct or indirect acquisition or sale of assets (or any lease, long-term supply arrangement, licence, or other arrangement having the same economic effect as a sale of assets) of NWH or NWI and/or one or more such party's Subsidiaries that represents, individually or in the aggregate, 20% or more of the consolidated assets or contributed 20% or more of the consolidated revenues or earnings of such party;

(d) any direct or indirect sale, issuance or acquisition of the NWH Units or NWI Units, any other voting or equity interests (or securities convertible into or exercisable for such party's Units or other voting or equity interests) of NWH or NWI representing 20% or more of the issued and outstanding voting or equity interests (or rights or interests therein or thereto) of such party, or any voting or equity securities of one or more of such party's Subsidiaries whose assets, revenues or earnings constitute, individually or in the aggregate, 20% or more of the consolidated assets, revenues or earnings of such party; or

(e) any proposal or offer to do, proposed amendment of, or public announcement of an intention to do, any of the foregoing.

"**AFFO**" has the meaning ascribed thereto under "Joint Management Information Circular – Non-IFRS Measures".

"**allowable capital loss**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations – Taxation of NWH Holders – Capital Gains and Capital Losses".

"**Arrangement**" means the arrangement involving NWI and NWH under the provisions of Section 193 of the ABCA, on the terms and conditions set forth in the Plan of Arrangement, as supplemented, modified or amended, pursuant to which NWH will acquire all of the assets of NWI.

"**Arrangement Agreement**" means the arrangement agreement dated as of March 10, 2015 between, *inter alia*, NWI and NWH, as may be amended, varied or supplemented from time to time.

"**Arrangement Resolution**" means the special resolution of the NWI Voting Unitholders approving the Arrangement to be considered at the NWI Meeting, in the form set out in Appendix C hereto.

"**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required to be filed under Section 193(1) of the ABCA to be filed with the Registrar after the Final Order has been granted giving effect to the Arrangement.

"**Australian FIRB Approval**" means the approval of the Contemplated Transactions by Australia's Foreign Investment Review Board.

"**Beneficial Unitholder**" has the meaning ascribed thereto under "Joint Management Information Circular – Information for Beneficial Unitholders".

"**BMO Capital Markets**" means BMO Nesbitt Burns Inc., co-financial advisor to NWI.

"**BMO Capital Markets NWI Fairness Opinion**" means the opinion of BMO Capital Markets attached as Appendix I hereto.

"**Book-Entry Only System**" has the meaning ascribed thereto under "The Arrangement – Administrative Matters – Exchange Procedure".

"**Broadridge**" has the meaning ascribed thereto under "Joint Management Information Circular – Information for Beneficial Unitholders".

"**CAGR**" has the meaning ascribed thereto under "Information Relating to the Combined REIT – Transaction Rationale – Regional Market Overviews and Investment Strategies".

"**Canaccord Genuity Formal Valuation**" means the formal valuation prepared by Canaccord Genuity for the NWH Independent Committee in accordance with and pursuant to MI 61-101 and attached as Appendix H hereto.

"**Canaccord Genuity**" means Canaccord Genuity Corp., financial advisor to the NWH Independent Committee.

"**Canadian Partnerships**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations – NWH Tax Matters".

"**CDS**" has the meaning ascribed thereto under "Joint Management Information Circular – Information for Beneficial Unitholders".

"**CEO**" means Chief Executive Officer.

"**CFA**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations – NWH Tax Matters – Taxation of NWI LP".

"**CIHI**" has the meaning ascribed thereto under "Information Relating to the Combined REIT – Transaction Rationale – Regional Market Overviews and Investment Strategies".

"**Circular**" means the NWI Notice of Meeting and the NWH Notice of Meeting to be sent to the NWI Unitholders in connection with the NWI Meeting and to the NWH Unitholders in connection with the NWH Meeting, respectively, together with this joint management information circular, including all schedules, appendices and exhibits hereto, and information incorporated by reference herein, as amended, supplemented or otherwise modified from time to time.

"**Code of Conduct**" has the meaning ascribed thereto under "Appendix K – Information Regarding NWH Annual General Meeting Matters and Related Disclosure – Corporate Governance Disclosure – Ethical Business Conduct".

"**Combined REIT**" means NWH after completion of the Arrangement.

"**Combined REIT Board**" has the meaning ascribed thereto under "Information Relating to the Combined REIT – Management of the Combined REIT – Board of Trustees".

"**Combined REIT Declaration of Trust**" means the second amended and restated declaration of trust of NWH after completion of the Arrangement.

"**Computershare**" means Computershare Investor Services Inc.

"**Contemplated Transactions**" means the Plan of Arrangement and the other transactions necessary or desirable for the parties to effect the Arrangement contemplated under the Arrangement Agreement.

"**Court**" means the Court of Queen's Bench of Alberta.

"**CRA**" means the Canada Revenue Agency.

"**CTCC**" means the Computershare Trust Company of Canada.

"**Demand Distribution**" has the meaning ascribed thereto under "Information Relating to the Combined REIT – The Combined REIT's Relationship with NWVP – Investor Rights Agreement".

"**Demand Registration Right**" has the meaning ascribed thereto under "Information Relating to the Combined REIT – Investor Rights Agreement – The Combined REIT's Relationship with NWVP".

"**Depositary**" means Computershare Investor Services Inc., which has been appointed as depositary by NWH and NWI for the purpose of, among other things, exchanging certificates representing NWI Units for the NWH Units issuable in connection with the Arrangement.

"**Designated NWH Unit**" has the meaning ascribed thereto under "The Arrangement – Description of the Arrangement".

"**Dissent Rights**" has the meaning ascribed thereto under "Rights of Dissent".

"**Dissent Units**" means the NWI Voting Units held by Dissenting NWI Voting Unitholders in respect of which Dissent Rights have been and remain validly exercised at the Effective Time.

"**Dissenting Holder**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations – Tax Consequences to NWI Holders of the Arrangement – Dissenting Unitholders".

"**Dissenting NWI Voting Unitholder**" means a registered NWI Voting Unitholder that duly and validly exercises its Dissent Rights and whose Dissent Rights remain valid immediately prior to the Effective Time.

"**DRIP**" has the meaning ascribed thereto under "Information Relating to the Combined REIT – Distribution Reinvestment Plan".

"**DUP Amendment Resolution**" has the meaning ascribed thereto under "Matters to be Considered at the NWI Meeting – Special Business – Approval of the NWI Deferred Unit Plan".

"**DUP Reservation Resolution**" has the meaning ascribed thereto under "Matters to be Considered at the NWI Meeting – Special Business – Approval for Increase in NWI Units Reserved for Issuance under the NWI Deferred Unit Plan".

"**Effective Date**" means the date upon which the Arrangement becomes effective, as set out in the Plan of Arrangement.

"**Effective Time**" means the time on the Effective Date that the Arrangement becomes effective, as set out in the Plan of Arrangement.

"**Eligible Persons**" has the meaning ascribed thereto under "Appendix L – Information Regarding NWI Annual General Meeting Matters and Related Disclosure – Executive Compensation – Description of NWI Deferred Units Plan".

"**Electing Person**" has the meaning ascribed thereto under "Appendix K – Information Regarding NWH Annual General Meeting Matters and Related Disclosure – Executive Compensation – NWH Deferred Unit Plan".

"**Encumbrance**" includes any hypothec, mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, adverse claim, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Laws, contract or otherwise) capable of becoming any of the foregoing.

"**Exchange Ratio**" means 0.208 of an NWH Unit for each NWI Unit held.

"**FAPI**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations – NWH Tax Matters – Taxation of NWI LP".

"**FFO**" has the meaning ascribed thereto under "Joint Management Information Circular – Non-IFRS Measures".

"**Final Order**" means the final order of the Court pursuant to subsection 193(9) of the ABCA approving the Arrangement, as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is satisfactory to each of the Parties, acting reasonably) on appeal.

"**Foreign Tax Credit Generator Rules**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations – NWH Tax Matters – Taxation of NWI LP".

"**GDP**" means gross domestic product.

"**GLA**" means gross leasable area.

"**Global Unit Certificate**" has the meaning ascribed thereto under "Information Relating to the Combined REIT – Combined REIT Declaration of Trust – Book Based System".

"**Governmental Entity**" means: (i) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government; (ii) any multinational or supranational body or organization, nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission, instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) or taxing authority thereof, or any ministry or department or agency of any of the foregoing; and (iii) any self-regulatory organization or stock exchange.

"**Gross Book Value**" means, at any time, the acquisition cost of the assets of the Combined REIT plus: (i) the cumulative impact of fair value adjustments; (ii) acquisition related costs in respect of completed investment property acquisitions that were expensed in the period incurred; (iii) accumulated amortization on property, plant and equipment, and other assets including intangible assets; and (iv) deferred loan costs; provided, however, that if approved by a majority of the Trustees, the appraised value of the assets of the Combined REIT may be used instead of the acquisition cost.

"**Holder**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations".

"**HP LP**" means Healthcare Properties LP, a Manitoba limited partnership.

"**IFRS**" means the international financial reporting standards issued by the International Accounting Standards Board that are applicable to public issuers in Canada.

"**indebtedness**" means (without duplication) on a consolidated basis:

(i) any obligation of the Combined REIT for borrowed money (excluding any premium in respect of indebtedness assumed by the Combined REIT for which the Combined REIT has the benefit of an interest rate subsidy, but only to the extent an amount receivable has been excluded in the calculation of Gross Book Value with respect to such interest rate subsidy);

(ii) any obligation of the Combined REIT incurred in connection with the acquisition of property, assets or business other than the amount of future income tax liability arising out of indirect acquisitions;

(iii) any obligation of the Combined REIT issued or assumed as the deferred purchase price of property;

(iv) any capital lease obligation of the Combined REIT; and

(v) any obligation of the type referred to in clauses (i) through (iv) of another person, the payment of which the Combined REIT has guaranteed or for which the Combined REIT is responsible for or liable,

provided that (A) for the purposes of (i) through (iv), an obligation will constitute indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of the Combined REIT in accordance with IFRS; (B) obligations referred to in clauses (i) through (iii) exclude trade accounts payable, distributions payable to Combined REIT Unitholders and accrued liabilities arising in the ordinary course of business; (C) exchangeable units issued by subsidiaries of the Combined REIT shall not constitute indebtedness notwithstanding the classification of such securities as debt under IFRS; (D) any liabilities associated with revenue securitization arrangements will not constitute indebtedness notwithstanding the classification of such obligations as debt under IFRS; and (E) any unsecured liabilities of the Combined REIT will not constitute indebtedness notwithstanding the classification of such obligations as debt under IFRS.

"**Independent Trustee**" has the meaning ascribed thereto under "Information Concerning the Combined REIT – Management of the Combined REIT – Board of Trustees".

"**Interim Order**" means the interim order of the Court concerning the Arrangement under subsection 193(4) of the ABCA, as such order may be affirmed, amended or modified by the Court (with the consent of both NWH and NWI, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both NWH and NWI, each acting reasonably) on appeal.

"**Intermediary**" has the meaning ascribed thereto under "Joint Management Information Circular – Information for Beneficial Unitholders".

"**Internalization**" has the meaning ascribed thereto under "Matters to be Considered at NWI Meeting – Special Business – Approval of the NWI Deferred Unit Plan".

"**Investor Rights Agreement**" has the meaning ascribed thereto under "Information Relating to the Combined REIT – The Combined REIT's Relationship with NWVP – Investor Rights Agreement".

"**IIROC**" means the Investment Industry Regulatory Organization of Canada.

"**Kingsdale**" means Kingsdale Shareholder Services, proxy solicitation agent to NWH and NWI.

"**Laws**" means any international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, notices, by-laws, rules, regulations, ordinances, policies, directives or other requirements of any Governmental Entity and the term "applicable" with respect to such Laws and in a context that refers to one or more persons, means such Laws as are applicable to such person or its business, undertaking, property or securities and emanate from a person having jurisdiction over the person or persons or its or their business, undertaking, property or securities.

"**Letter of Transmittal**" means the letter of transmittal that accompanies this Circular for use by registered NWI Unitholders.

"**LTIP**" has the meaning ascribed thereto under "Appendix K – Information Regarding NWH Annual General Meeting Matters and Related Disclosure – Executive Compensation – NWH NEO Compensation".

"**LTIP Base Award**" has the meaning ascribed thereto under "Appendix K – Information Regarding NWH Annual General Meeting Matters and Related Disclosure – Executive Compensation – NWH NEO Compensation".

"**Matching Period**" has the meaning ascribed thereto under "The Arrangement Agreement – Covenants – Right to Match".

"**Material Adverse Effect**" means, when used in connection with a person, any one or more changes, effects, events, occurrences or states of fact, either individually or in the aggregate, that has, or would reasonably be expected to have, a material adverse effect on the financial condition, businesses, operations or results of operations of that person and its Subsidiaries taken as a whole, other than, individually or in the aggregate, any change, effect, event, occurrence or state of facts:

i. resulting from the announcement of this Agreement or the Contemplated Transactions;

ii. relating to general economic conditions or securities, financing, banking or capital markets generally in Canada, the United States, Australia, Brazil, Germany or New Zealand;

iii. relating to any changes in currency exchange rates, interest rates or inflation;

iv. affecting the Australian, Brazilian, Canadian, German, New Zealand or United States real estate industries in general;

v. relating to a change in the market trading price or trading volume of securities of that person;

vi. relating to any change in applicable generally accepted accounting principles, including GAAP;

vii. relating to any adoption, proposal, implementation or change in Laws or any interpretation thereof by any Governmental Entity;

viii. relating to any change in global, national or regional political conditions (including the commencement, occurrence or continuation of any strike, riot, lockout, outbreak of illness, war, armed hostilities, act of terrorism or facility takeover for emergency purposes);

ix. relating to any natural disaster or act of God;

x. relating to failure in and of itself to meet any internal or public projections, forecasts, or estimates of revenue or earnings; or

xi. resulting from compliance with the terms of this Agreement (other than any obligation to act in the ordinary course of business), including any change in the relationship of such person and its Subsidiaries with its employees, Tenants, lenders, suppliers or contractual counter parties;

provided that the causes underlying such effect referred to in clause (v) and (x) may be taken into account when determining whether a Material Adverse Effect has occurred and provided further, however, that such effect referred to in clause (ii), (iv), (vii) or (viii) above does not have a materially disproportionate adverse effect on that person and its Subsidiaries, taken as a whole, compared to other entities of similar size operating in the industry or country in which that person and its Subsidiaries operate.

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

"**MOB**" means medical office building.

"**National Bank Financial**" means National Bank Financial Inc., co-financial advisor to NWI.

"**NBF NWI Fairness Opinion**" means the opinion provided by National Bank Financial attached as Appendix J hereto.

"**New Zealand OIO Approval**" means the approval of the Contemplated Transactions by New Zealand's Overseas Investment Office.

"**NHP Class B LP Units**" means class B limited partnership units of NHP LP.

"**NHP GP**" means NHP Holdings Inc., an Ontario corporation.

"**NHP LP**" means NHP Holdings Limited Partnership, an Ontario limited partnership.

"**NHP LP Note**" has the meaning ascribed thereto under "The Arrangement – Description of the Arrangement".

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees.*

"**NI 58-201**" means National Policy 58-201 – *Corporate Governance Guidelines.*

"**NOI**" has the meaning ascribed thereto under "Joint Management Information Circular – Additional IFRS Measures".

"**Non-Residents**" has the meaning ascribed thereto under "Information Relating to the Combined REIT – Combined REIT Declaration of Trust – Limitation on Non-Resident Ownership".

"**NorthWest Operating Trust Appointees**" has the meaning ascribed thereto under "Matters to be Considered at the NWH Meeting – Annual Business – Election of Trustees".

"**Notice of Intention to Appear**" has the meaning ascribed thereto in paragraph 29 of Appendix F – Interim Order.

"**NP 58-201**" has the meaning ascribed thereto under "Statement of Corporate Governance Practices – Corporate Governance" in Appendix L to the Circular.

"**NWH**" means NorthWest Healthcare Properties Real Estate Investment Trust, a trust established under the laws of the Province of Ontario.

"**NWH AIF**" has the meaning ascribed thereto under "Matters to be Considered at the NWH Meeting – Annual Business – Appointment of Auditors".

"**NWH Audit Committee**" has the meaning ascribed thereto under "Matters to be Considered at the NWH Meeting – Annual Business – Appointment of Auditors".

"**NWH Annual Financial Statements**" has the meaning ascribed thereto under "Information Relating to NWH – NWH Documents Incorporated by Reference".

"**NWH Board**" means the board of trustees of NWH as the same is constituted from time to time.

"**NWH Board Recommendation**" means the determination of the NWH Board, after consultation with its legal and financial advisors and following the receipt and review of a recommendation from the NWH Independent Committee, that the Arrangement is in the best interests of NWH and the recommendation of the NWH Board to NWH Unitholders that they vote in favour of the NWH Resolution.

"**NWH CGN Committee**" has the meaning ascribed thereto under "Matters to be Considered at the NWH Meeting – Annual Business – Election of Trustees".

"**NWH Change in Recommendation**" means if (i) the NWH Board (or any committee thereof) fails to unanimously recommend or withdraws, amends, modifies or qualifies (or proposes publicly to withdraw, amend, modify or qualify), in a manner adverse to NWI, the NWH Board Recommendation, or fails to reaffirm the NWH Board Recommendation within five business days (and in any case prior to the NWH Meeting) after having been requested in writing by NWI (acting reasonably) to do so, including, for greater certainty, in the circumstances described in section 7.2(a)(iii) of the Arrangement Agreement or (ii) the NWH Board (or any committee thereof) accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend any Acquisition Proposal.

"**NWH Class B LP Units**" means class B limited partnership units of NHP LP.

"**NWH CRA Approval**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations – Tax Consequences to NWH Holders of the Arrangement".

"**NWH Debentures**" means the 5.25% convertible unsecured subordinated debentures of NWH issued in an initial aggregate principal amount of $40.25 million in September 2013 and due on September 30, 2020.

"**NWH Declaration of Trust**" means the amended and restated declaration of trust of NWH dated March 25, 2010.

"**NWH Deferred Unit Account**" means the account maintained by NWH in respect of the holders of NWH Deferred Units.

"**NWH Deferred Unit Plan**" means the deferred unit plan of NWH dated as of March 25, 2010.

"**NWH Deferred Units**" means the deferred units issued under and subject to the NWH Deferred Unit Plan.

"**NWH Exchange Agreement**" means the exchange agreement between NWH, NHP GP, NHP LP and NorthWest Operating Trust dated March 25, 2010.

"**NWH Fairness Opinion**" means the opinion provided by Canaccord Genuity attached as Appendix H hereto.

"**NWH Holder**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations".

"**NWH Independent Committee**" means the independent committee of the NWH Board, comprised of Brian Petersen (Chair), Martin Barkin and Colin Loudon.

"**NWH Locked-Up Unitholders**" means all of the trustees and certain senior officers of NWH that beneficially own or exercise control or direction over NWH Voting Units.

"**NWH Market Value**" has the meaning ascribed thereto under "Appendix K – Information Regarding NWH Annual General Meeting Matters and Related Disclosure – Executive Compensation – NWH Deferred Unit Plan".

"**NWH Material Documents**" means the NWH Declaration of Trust, the NHP LP limited partnership agreement, the NWH Exchange Agreement and such other documents as determined by the parties.

"**NWH MD&A**" has the meaning ascribed thereto under "Information Relating to NWH – NWH Documents Incorporated by Reference".

"**NWH Meeting**" means the annual and special meeting of NWH Voting Unitholders, including any adjournment or postponement of such annual and special meeting in accordance with the terms of the Arrangement Agreement, to be called to consider the NWH Resolution and for any other purpose set out in this Circular.

"**NWH NEO**" has the meaning ascribed thereto under "Appendix K – Information Regarding NWH Annual General Meeting Matters and Related Disclosure – Executive Compensation – Compensation Discussion and Analysis".

"**NWH Nominee**" has the meaning ascribed thereto under "Matters to be Considered at the NWH Meeting – Annual Business – Election of Trustees".

"**NWH Notice of Meeting**" means the Notice of the Annual and Special Meeting of Unitholders of NWH accompanying this Circular.

"**NWH Participant**" has the meaning ascribed thereto under "Appendix K – Information Regarding NWH Annual General Meeting Matters and Related Disclosure – Executive Compensation – NWH Deferred Unit Plan".

"**NWH Pre-Closing Distribution**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations – Tax Consequences to NWI Holders of the Arrangement".

"**NWH Redemption Date**" has the meaning ascribed thereto under "Appendix K – Information Regarding NWH Annual General Meeting Matters and Related Disclosure – Executive Compensation – NWH Deferred Unit Plan".

"**NWH Record Date**" has the meaning ascribed thereto under "General Information Concerning the NWH Meeting and Voting – NWH Record Date".

"**NWH Replacement Deferred Units**" has the meaning ascribed thereto under "The Arrangement – Description of the Arrangement".

"**NWH Resolution**" means the resolution of the NWH Voting Unitholders approving the matters to be considered at the NWH Meeting, in the form set out in Appendix D hereto.

"**NWH Rights**" means the board appointment, registration and pre-emptive rights held by NorthWest Operating Trust as more particularly set out in the NWH Material Documents.

"**NWH Rights Agreement**" means the agreement to be entered into at the Effective Time among NWVP, NorthWest Operating Trust, NWI, NWI LP, NWH and others pursuant to which NWVP will transfer the NWI Rights in consideration for the NWH Rights".

"**NWH Special Committee**" has the meaning ascribed thereto under "Appendix K - Information Regarding NWH Annual General Meeting Matters and Related Disclosure – Corporate Governance Disclosure – Other Board Committees".

"**NWH Special Voting Unitholders**" means holders of NWH Special Voting Units.

"**NWH Special Voting Units**" means the voting non-participating trust units issued in association with the NWH Class B LP Units.

"**NWH STIP**" has the meaning under "Appendix K – Information Regarding NWH Annual General Meeting Matters and Related Disclosure – Executive Compensation – NWH NEO Compensation".

"**NWH Termination Fee Event**" has the meaning ascribed thereto under "The Arrangement Agreement – Termination of the Arrangement Agreement – Termination Payments".

"**NWH Unitholder Approval**" means the requisite approval of the NWH Resolution by (i) 66 2/3% of the votes cast by NWH Voting Unitholders present in person or represented by proxy and entitled to vote at the NWH Meeting, (ii) a majority of the votes cast by NWH Voting Unitholders present in person or represented by proxy and entitled to vote at the NWH Meeting, excluding for this purpose votes attached to any NWH Voting Units held by persons whose votes are required to be excluded in accordance with the policies of the TSX, and (iii) a majority of the votes cast by NWH Voting Unitholders present in person or represented by proxy and entitled to vote at the NWH Meeting, excluding votes attached to NWH Voting Units held persons described in items (a) through (d) of section 8.1(2) of MI 61-101.

"**NWH Unitholder Rights Plan**" means the rights plan agreement dated as of March 25, 2010, entered into between NWH and Computershare Trust Company of Canada, as rights agent, as modified or amended, or superseded by any replacement unitholder rights plan.

"**NWH Unitholders**" means the holders of NWH Units.

"**NWH Units**" means trust units of NWH as currently constituted and that are currently listed and posted for trading on the TSX under the symbol "NWH.UN".

"**NWH Voting Unitholders**" means the NWH Unitholders and NWH Special Voting Unitholders.

"**NWH Voting Units**" means NWH Units and NWH Special Voting Units.

"**NWI**" means NorthWest International Healthcare Properties Real Estate Investment Trust, a trust established under the laws of the Province of Ontario.

"**NWI AIF**" has the meaning ascribed thereto under "Matters to be Considered at the NWI Meeting – Annual Business – Appointment of Auditors – Audit Committee Information".

"**NWI AM**" means NWI Asset Management Inc., an Alberta corporation.

"**NWI Asset Management Agreement**" means the amended and restated asset management agreement of NWI dated December 18, 2013 among NWI Asset Management Inc., an affiliate of NWVP, NWI and NWI LP, which agreement was terminated in connection with the Internalization.

"**NWI Assets**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations – Tax Consequences to NWH Holders of the Arrangement".

"**NWI Audit Committee**" has the meaning ascribed thereto under "Matters to be Considered at the NWI Meeting – Annual Business – Appointment of Auditors".

"**NWI Board**" means the board of trustees of NWI as the same is constituted from time to time.

"**NWI Board Recommendation**" means the determination of the NWI Board, after consultation with its legal and financial advisors and following the receipt and review of a recommendation from the NWI Independent Committee, that the Arrangement is in the best interests of NWI and the recommendation of the NWI Board to NWI Unitholders that they vote in favour of the Arrangement Resolution.

"**NWI Change in Recommendation**" means if (i) the NWI Board (or any committee thereof) fails to unanimously recommend or withdraws, amends, modifies or qualifies (or proposes publicly to withdraw, amend, modify or qualify), in a manner adverse to NWH, the NWI Board Recommendation, or fails to reaffirm the NWI Board Recommendation within five (5) business days (and in any case prior to the NWI Meeting) after having been requested in writing by NWH (acting reasonably) to do so, including, for greater certainty, in the circumstances described in section 7.2(a)(iii) of the Arrangement Agreement or (ii) the NWI Board (or any committee thereof) accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend any Acquisition Proposal.

"**NWI Class B LP Units**" means class B limited partnership units of NWI LP.

"**NWI CRA Approval**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations – Tax Consequences to NWH Holders of the Arrangement".

"**NWI Debenture Indenture**" means, collectively, the trust indenture dated March 25, 2013 between NWI and the NWI Debenture Trustee, as amended and supplemented by the first supplemental trust indenture dated August 29, 2013 between NWI and the NWI Debenture Trustee and the second supplemental trust indenture dated September 23, 2014 between NWI and the NWI Debenture Trustee, in each case, governing the terms and conditions of the respective NWI Debentures.

"**NWI Debenture Supplemental Indenture**" means a supplemental indenture or supplemental indentures, as applicable, in form and content satisfactory to each of NWI, NWH and the NWI Debenture Trustee, acting reasonably, to be entered into by NWI, NWH and the NWI Debenture Trustee to evidence the succession of NWH as the successor pursuant to and in accordance with the terms of the NWI Debenture Indenture.

"**NWI Debenture Trustee**" means Computershare Trust Company of Canada.

"**NWI Debentures**" means the 6.50% Debentures, the 7.25% Debentures and the 7.50% Debentures.

"**NWI Declaration of Trust**" means the amended and restated declaration of trust of NWI dated November 16, 2012, as amended January 3, 2014, February 3, 2014 and January 7, 2015.

"**NWI Deferred Unit Account**" means the account maintained by NWI in respect of the holders of NWI Deferred Units.

"**NWI Deferred Unit Plan**" means the second amended and restated deferred unit plan of NWI instituted effective as of January 1, 2015.

"**NWI Deferred Units**" means the outstanding deferred units issued under the NWI Deferred Unit Plan.

"**NWI Development Agreement**" means the development agreement dated November 16, 2012 pursuant to which NWVP served as the exclusive developer of the new properties for NWI and the NWI LP limited partnership agreement, pursuant to which NWVP serves as a general partner, which agreement was terminated in connection with the Internalization.

"**NWI DRIP**" means the distribution reinvestment plan of NWI implemented on January 23, 2013.

"**NWI Exchange Agreement**" means the amended and restated exchange agreement between NWI, NWI LP, NWI GP and NWVP dated January 28, 2015.

"**NWI Fairness Opinions**" means, collectively, the BMO Capital Markets NWI Fairness Opinion and the NBF NWI Fairness Opinion.

"**NWI GP**" means NWI Healthcare Properties GP Inc., a corporation incorporated under the laws of the Province of Ontario.

"**NWI Holder**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations".

"**NWI Independent Committee**" means the independent committee of the NWI Board, comprised of Mr. Robert Baron (Chair) and C. David Naylor.

"**NWI Locked-Up Unitholders**" means (i) the NWI Trustee and Officer Locked-Up Unitholders; and (ii) NWVP.

"**NWI LP**" means NWI Healthcare Properties LP, the limited partnership formed under the laws of Ontario and governed by that second amended and restated limited partnership agreement dated January 28, 2015.

"**NWI Market Value**" has the meaning ascribed thereto under "Information Regarding NWI Annual General Meeting Matters and Related Disclosure – Description of the NWI Deferred Unit Plan".

"**NWI Material Documents**" means the NWI Declaration of Trust, the NWI Exchange Agreement, the NWI LP limited partnership agreement and such other documents as determined by the parties.

"**NWI May 2014 Offering**" means NWI's offering of 11,219,513 NWI Units pursuant to a final short form prospectus dated May 13, 2014.

"**NWI MD&A**" has the meaning ascribed thereto under "Information Relating to NWI – NWI Documents Incorporated by Reference".

"**NWI Meeting**" means the annual and special meeting of NWI Voting Unitholders, including any adjournment or postponement of such annual and special meeting in accordance with the terms of the Arrangement Agreement, to be called to consider the Arrangement Resolution and for any other purpose set out in this Circular.

"**NWI Nominee**" has the meaning ascribed thereto under "Matters to be Considered at the NWI Meeting – Election of Trustees".

"**NWI Notice of Meeting**" means the Notice of the Annual and Special Meeting of Voting Unitholders of NWI accompanying this Circular.

"**NWI November 2014 Offering**" means NWI's offering of 13,954,000 NWI Units pursuant to a final short form prospectus dated November 18, 2014.

"**NWI Participant**" has the meaning ascribed thereto under "Appendix L – Information Regarding NWI Annual General Meeting Matters and Related Disclosure – Executive Compensation – Description of the NWI Deferred Unit Plan".

"**NWI Permitted Encumbrances**" has the meaning ascribed thereto in the Arrangement Agreement.

"**NWI Pre-Closing Distribution**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations – Tax Consequences to NWI Holders of the Arrangement".

"**NWI Property Management Agreement**" means the property management agreement between NWI, NWVP and NWI LP dated November 16, 2012, which agreement was terminated in connection with the Internalization.

"**NWI Record Date**" has the meaning ascribed thereto under "General Information Concerning the NWI Meeting and Voting – NWI Record Date".

"**NWI Rights**" means the board appointment, registration, pre-emptive and other contractual rights held by NWVP and its affiliates contained in the NWI Material Documents.

"**NWI September 2014 Offering**" means NWI's offering of $38,750,000 principal amount of 7.25% Debentures pursuant to a final short form prospectus dated September 16, 2014.

"**NWI Special Voting Unitholders**" means holders of NWI Special Voting Units.

"**NWI Special Voting Units**" means the voting non-participating trust units issued in association with the NWI Class B LP Units.

"**NWI Termination Fee Event**" has the meaning ascribed thereto under "The Arrangement Agreement – Termination of the Arrangement Agreement – Termination Payments".

"**NWI Trustee and Officer Locked-Up Unitholders**" means all of the trustees and officers of NWI (except for Paul Dalla Lana whose NWI Voting Units will be subject to the NWVP Voting and Support Agreement) that beneficially own or exercise control or direction over NWI Voting Units.

"**NWI Unitholder Approval**" means 66 2/3% of the votes cast on the Arrangement Resolution by NWI Voting Unitholders present in person or represented by proxy at the NWI Unitholder Meeting.

"**NWI Unitholders**" means holders of NWI Units from time to time.

"**NWI Units**" means trust units of NWI as currently constituted and that are currently listed and posted for trading on the TSX under the symbol "MOB.UN".

"**NWI Voting Unitholders**" means the NWI Unitholders and NWI Special Voting Unitholders.

"**NWI Voting Units**" means NWI Units and NWI Special Voting Units.

"**NWVP**" means NorthWest Value Partners Inc. and its affiliates, as applicable.

"**NWVP Voting and Support Agreement**" means the voting and support agreement (including any amendments thereto) dated March 10, 2015 among NWH, NWI and NWVP.

"**OECD**" has the meaning ascribed thereto under "Information Relating to the Combined REIT – Transaction Rationale – Regional Market Overviews and Investment Strategies"

"**Outside Date**" means September 30, 2015 or such later date as NWH and NWI may agree in writing.

"**Parties**" means NWI and NWH, and "**Party**" means either of them.

"**Permitted NWH Distributions**" means (i) regular monthly distributions to NWH Unitholders made in conformity and consistency in all respects with NWH's monthly distribution policies in effect as at January 31, 2015, including declaration, record and payment dates for determination of NWH Unitholders entitled to such distributions, made in respect of all months ending prior to the month in which the Effective Date occurs, but not to exceed $0.06667 per NWH Unit per month; and (ii) a portion of such regular monthly distribution described as aforesaid pro rata in respect of the number of days that have elapsed in the month in which the Effective Date occurs, but not to exceed $0.06667 per NWH Unit per month.

"**Permitted NWI Distributions**" means (i) regular monthly distributions to NWI Unitholders made in conformity and consistency in all respects with NWI's monthly distribution policies in effect as at January 31, 2015, including declaration, record and payment dates for determination of NWI Unitholders entitled to such distributions, made in respect of all months ending prior to the month in which the Effective Date occurs, but not to exceed $0.018333 per NWI Unit per month; and (ii) a portion of such regular monthly distribution described as aforesaid pro rata in respect of the number of days that have elapsed in the month in which the Effective Date occurs, but not to exceed $0.018333 per NWI Unit per month.

"**Personal Performance Factor**" has the meaning ascribed thereto under "Appendix K – Information Regarding NWH Annual General Meeting Matters and Related Disclosure – Executive Compensation – NWH NEO Compensation".

"**Piggy-Back Registration Right**" has the meaning ascribed thereto under "Information Relating to the Combined REIT – The Combined REIT's Relationship with NWVP – Investor Rights Agreement".

"**Plan of Arrangement**" means the plan of arrangement attached as Appendix E hereto, and any amendments or variations thereto made in accordance with section 8.5 of the Arrangement Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of NWH and NWI, each acting reasonably.

"**Pre-Closing Transactions**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations".

"**Previous Plan**" has the meaning ascribed thereto under "Matters to be Considered at the NWI Meeting – Special Business – Approval of the NWI Deferred Unit Plan".

"**QE Redemption**" has the meaning ascribed thereto under "The Arrangement – Description of the Arrangement".

"**QE Transactions**" means the Contemplated Transactions to be consummated pursuant to Sections 2.4(m) and 2.4(q) of the Plan of Arrangement.

"**QE Transfer**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations – Pre-Closing Transactions and Deemed Year-End of NWH and Certain NWH Subsidiaries".

"**Receiving Party**" has the meaning ascribed thereto under "The Arrangement Agreement – Covenants – Right to Match".

"**Recognition Bonus**" has the meaning ascribed thereto under "Appendix K – Information Regarding NWH Annual General Meeting Matters and Related Disclosure – Executive Compensation – NWH Deferred Unit Plan".

"**Redeemable Units**" has the meaning ascribed thereto under "The Arrangement – Description of the Arrangement".

"**Redemption Date**" has the meaning ascribed thereto under "Information Relating to the Combined REIT – Combined REIT Declaration of Trust".

"**Redemption Notes**" means unsecured subordinated promissory notes of the Combined REIT having a maturity date to be determined at the time of issuance by the Combined REIT Board (provided that in no event shall the maturity date be set at a date subsequent to the first business day following the fifth anniversary of the date of issuance of such note), bearing interest from the date of issue at a market rate of interest determined at the time of issuance by the Combined REIT Board, payable for each month during the term on the 15th day of each subsequent month with all principal being due on maturity, such promissory notes to provide that the Combined REIT shall at any time be allowed to prepay all or any part of the outstanding principal without notice or bonus.

"**Redemption Price**" has the meaning ascribed thereto under "Information Relating to the Combined REIT – Combined REIT Declaration of Trust".

"**Registrar**" has the meaning ascribed thereto under "The Arrangement – Description of the Arrangement".

"**REIT**" means real estate investment trust.

"**REIT Exception**" has the meaning set out in "Certain Canadian Federal Income Tax Considerations – NWH Tax Matters – SIFT Rules and the REIT Exception".

"**Required Regulatory Approvals**" means New Zealand OIO Approval and Australian FIRB Approval.

"**RRIF**" has the meaning ascribed thereto under "Eligibility for Investment in Canada".

"**RRSP**" has the meaning ascribed thereto under "Eligibility for Investment in Canada".

"**SEC**" means the United States Securities and Exchange Commission.

"**Securities Laws**" means the *Securities Act* (Ontario), and the rules, regulations and published policies made under each, as now in effect and as they may be promulgated or amended from time to time, together with all other applicable Canadian provincial securities laws, rules and regulations and published policies thereunder, as now in effect and as they may be promulgated or amended from time to time.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

"**SIFT Rules**" means rules contained in the Tax Act which effectively tax certain income of a publicly traded trust or partnership that is distributed to its investors on the same basis as would have applied had the income been earned through a taxable corporation and distributed by way of dividend to its shareholders.

"**Subsidiary**" means, with respect to a person, any body corporate of which more than 50% of the outstanding units ordinarily entitled to elect a majority of the board of trustees or trustees thereof (whether or not units of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned or over which voting control or direction is exercised, directly or indirectly, by such person and shall include any body corporate, partnership, trust, joint venture or other entity over which such person exercises direction or control or which is in a like relation to a Subsidiary.

"**Superior Proposal**" means, as applicable, a *bona fide* unsolicited Acquisition Proposal that:

i. did not result from a breach of any agreement between any one or more of the persons making such Acquisition Proposal and its affiliates and NWI or NWH, or a breach of sections 7.2, 7.3, 7.4, 7.5 or 7.6 of the Arrangement Agreement;

ii. is made in writing after the date hereof (and may not include any variation or other amendment of any Acquisition Proposal made prior to the date hereof);

iii. relates to an acquisition of 100% of the NWH Units and NWH Special Voting Units or NWI Units and NWI Special Voting Units or substantially all of the consolidated assets of NWH or NWI and their respective Subsidiaries;

iv. if it relates to the acquisition of outstanding units, is made available to all holders of such units (and the related special voting units) on the same terms and conditions, provided that employees may enter into new employment arrangements or hold securities of the person making the Acquisition Proposal, conditional on such acquisition;

v. is not subject to any due diligence condition, access condition or financing condition; and

vi. the applicable board and independent trustees have determined in good faith (after consultation with its financial advisors and outside legal counsel) (i) is reasonably capable of being completed in accordance with its terms without undue delay taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal, (ii) would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable from a financial point of view to NWI Unitholders or NWH Unitholders than the Arrangement (taking into consideration any adjustment to the terms and conditions of the Arrangement proposed by NWH or NWI pursuant to section 7.6 of the Arrangement Agreement), (iii) in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to be available, and (iv) the failure by the board to recommend the Acquisition Proposal would be inconsistent with such board's duties under applicable Law.

"**Superior Proposal Notice**" means a written notice of the determination of the board of trustees of the Receiving Party that an Acquisition Proposal constitutes a Superior Proposal and of the intention of the board of trustees of the Receiving Party to enter into a definitive agreement with respect to such Superior Proposal, together with a written notice from the board of trustees of the Receiving Party regarding the value and financial terms that the board of trustees, in consideration with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Acquisition Proposal.

"**Target Bonus**" has the meaning ascribed thereto under "Appendix K – Information Regarding NWH Annual General Meeting Matters and Related Disclosure – NWH NEO Compensation".

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time.

"**Tax Proposals**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations".

"**Taxable Income**" means income (including net realized taxable capital gains) determined in accordance with the Tax Act (read without reference to paragraph 82(1)(b) and subsection 104(6)).

"**Termination Date**" has the meaning ascribed thereto under "Appendix K – Information Regarding NWH Annual General Meeting Matters and Related Disclosure – Executive Compensation – NWH Deferred Unit Plan".

"**Termination Fee**" means $17 million.

"**TFSA**" has the meaning ascribed thereto under "Eligibility for Investment in Canada".

"**Trustee and Officer Locked-Up Unitholders**" means, collectively, the NWI Trustee and Officer Locked-Up Unitholders and the NWH Locked-Up Unitholders.

"**Trustee and Officer Voting and Support Agreements**" means, collectively, the: (i) voting and support agreement (including any amendments thereto) dated March 10, 2015 among NWH and all of the NWI Trustee and Officer Locked-Up Unitholders; and (ii) the voting and support agreement (including any amendments thereto) dated March 10, 2015 among NWI and each of the NWH Locked-Up Unitholders.

"**Trustee Fees**" has the meaning ascribed thereto under "Appendix K – Information Regarding NWH Annual General Meeting Matters and Related Disclosure – NWH Deferred Unit Plan".

"**TSX**" means the Toronto Stock Exchange.

"**TSXV**" means the TSX Venture Exchange.

"**U.S.**" or "**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Colombia.

"**U.S. Exchange Act**" means the *United States Securities Exchange Act of 1934*, as the same has been, and hereafter from time to time may be, amended.

"**U.S. GAAP**" means United States generally accepted accounting principles applicable to publicly accountable enterprises.

"**U.S. Securities Act**" means the *United States Securities Act of 1933*, as the same has been, and hereafter from time to time may be, amended.

"**VIF**" has the meaning ascribed thereto under "Joint Management Information Circular – Information for Beneficial Unitholders".

"**Vital Manager**" has the meaning ascribed thereto under "Information Relating to the Combined REIT – Selected Unaudited Adjusted Pro Forma Financial Information".

"**Vital Trust**" means Vital Healthcare Property Trust.

"**Voting Unitholders**" means NWH Unitholders, NWI Unitholders, NWH Special Voting Unitholders and NWI Special Voting Unitholders.

"**Voting Units**" means NWI Units, NWH Units, NWI Special Voting Units and NWH Special Voting Units.

"**Warrant Exercise**" the exercise of 3,000,000 non-transferrable warrants of NWI issued in connection with an acquisition credit facility previously made available by Firm Capital Corporation on September 2, 2014.

"**WALE**" has the meaning ascribed thereto under "Information Relating to the Combined REIT – "Business of the Combined REIT – Investment Highlights and Transaction Rationale.

**APPENDIX B**
**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS OF THE COMBINED REIT**

Pro Forma Consolidated Financial Statements of

**NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**

As at and for the year ended December 31, 2014

(Unaudited)

**NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**
**Pro Forma Consolidated Statements of Financial Position**
**(in thousands of Canadian dollars unless otherwise stated) (unaudited)**

**As at December 31, 2014**

| | NorthWest International Healthcare Properties REIT | NorthWest Healthcare Properties REIT | Reclass-ifaction adjustments | Notes | Pro forma adjustments | Total |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Investment properties | $ 524,230 | $ 1,223,429 | $ - | | - | $ 1,747,659 |
| Investment in associate | 255,930 | - | - | 3(a) | (138,227) | 117,703 |
| Due from related party | 30,208 | - | - | 3(d) | (30,208) | - |
| Loan receivable (note 4) | - | 8,000 | - | | - | 8,000 |
| Intangible asset | 12,490 | - | - | | - | 12,490 |
| Accounts receivable (note 4) | 1,421 | 7,573 | - | 3(b) | (793) | 8,201 |
| Other assets | 1,043 | 3,125 | - | 3(c) | (141) | 4,027 |
| Cash, restricted cash, and cash equivalents | 20,948 | 2,514 | - | 3(c) | (10,688) | |
| | | | | 3(d) | 16,852 | |
| | | | | 3(e) | (28,247) | 1,378 |
| **Total assets** | **$ 846,270** | **$ 1,244,641** | **$ -** | **$ -** | **$ (191,453)** | **$ 1,899,458** |
| **Liabilities and Unitholders' Equity** | | | | | | |
| Mortgages and loans payable | $ 388,312 | $ 631,257 | $ 16,529 | 3(a) | 22,369 | |
| | | | | 3(e) | (27,411) | $ 1,031,056 |
| Convertible debentures | 71,920 | 40,854 | - | | - | 112,774 |
| Loans payable | - | 16,529 | (16,529) | | | - |
| Deferred consideration | 41,280 | - | - | | - | 41,280 |
| Deferred revenue | 12,869 | - | - | | - | 12,869 |
| Deferred tax liability | 20,747 | - | - | | - | 20,747 |
| Exchangeable units | 184,358 | 70,078 | - | 3(a) | (70,078) | 184,358 |
| Other financial instruments | 2,894 | 1,087 | - | | - | 3,981 |
| Deferred unit plan liability | 457 | - | 3,091 | | - | 3,548 |
| Income taxes payable | 64 | - | - | | - | 64 |
| Accounts payable and accrued liabilities | 21,809 | 23,721 | (3,091) | 3(b) | (290) | |
| | | | - | 3(d) | (13,356) | 28,793 |
| Distributions payable | 1,591 | 2,608 | - | 3(b) | (503) | 3,696 |
| | 746,301 | 786,134 | - | | (89,270) | 1,443,165 |
| Unitholders' equity | 99,969 | 458,507 | - | 3(a) | (90,518) | |
| | | | | 3(c) | (10,829) | |
| | | | | 3(e) | (837) | 456,292 |
| **Total liabilities and unitholders' equity** | **$ 846,270** | **$ 1,244,641** | **$ -** | | **$ (191,453)** | **$ 1,899,458** |

*The accompanying notes are an integral part of these unaudited pro forma consolidated financial statements*

**NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**
**Pro Forma Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)**
**(in thousands of Canadian dollars unless otherwise stated) (unaudited)**

**For the year ended December 31, 2014**

| | NorthWest International Healthcare Properties REIT | NorthWest Healthcare Properties REIT | Reclass-ifaction adjustment | Notes | Pro forma adjustments | Total |
|---|---|---|---|---|---|---|
| **Net Operating Income** | | | | | | |
| Revenue from operations | $ 44,084 | $ 150,429 | $ - | | $ - | $ 194,513 |
| Property operating expenses | 4,680 | 69,641 | - | | - | 74,321 |
| | 39,404 | 80,788 | - | | - | 120,192 |
| **Other Income** | | | | | | |
| Interest | 1,813 | 834 | - | 3(d) | (1,360) | 1,287 |
| Management fee participation | 2,372 | - | - | | - | 2,372 |
| Share of profit of associates | 2,027 | - | - | 3(a) | 5,680 | 7,707 |
| | 6,212 | 834 | - | | 4,320 | 11,366 |
| **Expenses** | | | | | | |
| Mortgage and loan interest expense | 29,313 | 32,777 | - | 3(e) | (4,207) | |
| | | | | 3(f) | (4,679) | 53,203 |
| Trust expenses | 5,805 | 4,852 | (793) | 3(g) | 169 | 10,033 |
| Transaction costs | - | - | 793 | 3(c) | 10,970 | 11,763 |
| Amortization of intangible asset | 1,561 | - | - | | - | 1,561 |
| Foreign exchange loss | 1,115 | - | - | | - | 1,115 |
| | 37,794 | 37,629 | - | | 2,253 | 77,675 |
| Income (loss) before finance income (cost), fair value adjustments, net loss on disposal of investment properties, goodwill, and gain on business combination | 7,822 | 43,993 | - | | 2,067 | 53,883 |
| Finance income (cost): | | | | | | |
| Amortization of financing costs | (10,679) | - | - | 3(e) | 187 | (10,492) |
| Exchangeable unit distributions | (20,219) | (6,042) | - | 3(a) | 6,042 | (20,219) |
| Fair value adjustment of exchangeable units | 2,015 | 8,760 | - | 3(a) | (8,760) | 2,015 |
| Accretion of financial liabilities | (16,804) | - | - | | - | (16,804) |
| Fair value adjustment of convertible debentures | 2,253 | (604) | - | 3(h) | 604 | 2,253 |
| Convertible debenture issuance costs | (3,045) | - | - | | - | (3,045) |
| Fair value adjustment of other financial instruments | (3,209) | (2,859) | - | 3(i) | 2,859 | (3,209) |
| Fair value adjustment of investment properties | 26,814 | (59,702) | - | 3(j) | 59,702 | 26,814 |
| Net loss on disposal of investment properties | (98) | (1,283) | - | | - | (1,381) |
| Goodwill impairment | - | (4,458) | - | 3(k) | 4,458 | - |
| Gain on business combination | - | - | - | 3(a) | 47,043 | 47,043 |
| Fair value adjustment of deferred unit plan liability | 13 | - | - | | - | 13 |
| Net income (loss) before taxes | (15,137) | (22,195) | - | | 114,203 | 76,871 |
| Income tax expense | 11,541 | - | - | | - | 11,541 |
| | 11,541 | - | - | | - | 11,541 |
| **Net income (loss)** | **$ (26,678)** | **$ (22,195)** | **$ -** | | **$ 114,203** | **$ 65,330** |
| Other comprehensive income (loss): | | | | | | |
| Items that will be reclassified subsequently to income | | | | | | |
| Foreign currency translation adjustment | 3,150 | - | - | | - | 3,150 |
| Share of other comprehensive income of associates | (887) | - | - | | - | (887) |
| Other comprehensive income (loss), net of tax | 2,263 | - | - | | - | 2,263 |
| **Total comprehensive income (loss)** | **$ (24,415)** | **$ (22,195)** | **$ -** | | **$ 114,203** | **$ 67,593** |

*The accompanying notes are an integral part of these unaudited pro forma consolidated financial statements*

## 1. Basis of Presentation

NorthWest Healthcare Properties Real Estate Investment Trust (the "REIT") is a Canadian unincorporated open-ended real estate investment trust created pursuant to the Declaration of Trust dated January 10, 2010, as amended on March 25, 2010. The registered office of the REIT is 284 King Street East, Suite 100, Toronto, Ontario M5A 1K4.

On March 10, 2015, the REIT announced that it had entered into an agreement with NorthWest International Healthcare Properties Real Estate Investment Trust (the “International REIT”) to combine and form a single healthcare real estate investment trust. The combination transaction will be effected by a Plan of Arrangement pursuant to which the REIT will acquire all of the assets of the International REIT. The International REIT is an unincorporated open-ended real estate investment trust, created pursuant to a Declaration of Trust dated November 16, 2012 and further amended on January 3, 2014, February 3, 2014 and January 28, 2015.

As contemplated in the Plan of Arrangement, the unitholders of the International REIT will receive 0.208 of a REIT trust unit for each International REIT trust unit held. The transaction is subject to the approval of at least 66 2/3% of the votes cast at special meetings of the REIT and the International REIT voting unitholders, each to be held on May 5, 2015, as well as the approval of a majority of the votes cast (other than those votes held by the International REIT) at the REIT’s special meeting.

These unaudited pro forma consolidated financial statements have been prepared by management of the REIT for inclusion in the Joint Management Information Circular (the “Circular”), dated April 7, 2015, relating to the combination of the REIT with the International REIT. These unaudited pro forma consolidated financial statements contemplate the combination with the International REIT (the “Combination”) and has been accounted for as a business combination in which the International REIT has been identified as the acquirer of the REIT.

The unaudited pro forma consolidated statement of financial position gives effect to the transaction detailed in note 3 as if the transaction occurred on December 31, 2014. The unaudited pro forma consolidated statement of income (loss) and comprehensive income (loss) for the year ended December 31, 2014 gives effect to the transaction detailed in note 3 as if the transaction had occurred on January 1, 2014.

These unaudited pro forma consolidated financial statements of the REIT have been prepared from the following financial statements:

- Audited consolidated financial statements of the REIT as at and for the year ended December 31, 2014, together with the notes thereto; and

- Audited consolidated financial statements of the International REIT as at and for the year ended December 31, 2014, together with the notes thereto.

The unaudited pro forma consolidated financial statements are not necessarily indicative of the results that would have occurred had the transaction been consummated at the dates indicated, nor are they necessarily indicative of future operating results or the financial position of the REIT.

## 2. Summary of Significant Accounting Policies

These pro forma consolidated financial statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards ("IFRS") and incorporate the principal accounting policies used to prepare the REIT's financial statements. These pro forma consolidated financial statements do not include all of the information and disclosures required by IFRS for annual consolidated financial statements.

## 3. Pro Forma Assumptions and Balance Sheet Adjustments

The pro forma adjustments to these unaudited pro forma consolidated financial statements have been prepared to account for the Combination with the International REIT as described below:

(a) Combination Transaction

On March 10, 2015, the REIT and the International REIT entered into an arrangement agreement whereby the REIT would acquire, among other things, all of the assets of the International REIT. Under the Plan of Arrangement, unitholders of the International REIT will receive 0.208 of a REIT trust unit, for each International REIT trust unit held, on a tax deferred basis. All outstanding International REIT deferred units will also be exchanged on the same basis for REIT deferred units. In addition, the International REIT's exchangeable units will be converted into a new class of limited partnership units that will be redeemable, at the option of the holder, for REIT units using the same exchange ratio of 0.208. Upon completion of the Plan of Arrangement, the former unitholders of the International REIT will own approximately 52% of the issued and outstanding units of the combined entity. As a result of this and other qualitative considerations, the International REIT has been identified as the accounting acquirer.

The REIT meets the definition of a business and therefore the transaction has been accounted for as a business combination. The purchase consideration transferred by the International REIT is an amount equal to the fair value of the REIT's outstanding units deemed to be issued to outside REIT unitholders prior to the Combination transaction and the existing 25.5% interest the International REIT has in the REIT. As the fair value of the consideration transferred is less than the fair value of the REIT, a gain is recognized on the business combination.

The purchase consideration of the REIT's net assets acquired by the International REIT is measured by calculating the number of units that the International REIT would have had to issue in order to provide the same percentage ownership of the combined entity to the unitholders of the REIT as they would have in the combined entity as a result of the reverse takeover. The fair value of the units used in measuring the purchase price of the business combination by the International REIT is based on the closing price of the REIT's trust units on the date of completion of the transaction. As the date of the Circular is prior to the closing of the transaction, the closing price of the REIT's trust units has been valued at April 3, 2015, as a proxy for the trading price on closing of the transaction. The actual purchase price consideration will reflect the unit price of the REIT on the date of closing.

**3. Pro Forma Assumptions and Balance Sheet Adjustments (continued)**

(a) Combination Transaction (continued)

Prior to the Combination, the International REIT held a 25.5% investment in the REIT, which consisted of 4,345,900 trust units of REIT and 7,551,546 class B limited partnership units of NHP Holdings Limited Partnership ("NHP LP"), which were exchangeable for trust units of the REIT. The International REIT accounted for its investment in the REIT as an investment in associate using the equity method.

The deemed consideration for the acquisition of the REIT by the International REIT consists of:

- $320,946 representing the fair value of the outstanding REIT units not owned by the International REIT immediately before the Combination, valued at the closing price of the REITs trust units of $9.23 per unit on the transaction date;

- Previously acquired 25.5% interest of the REIT owned by the International REIT having a carrying value of $138,227, which was the estimated fair value.

The purchase equation is summarized as follows:

| | | |
|---|---|---|
| Investment properties | $ | 1,223,429 |
| Loan receivable | | 8,000 |
| Accounts receivable | | 7,573 |
| Other assets | | 3,125 |
| Cash and cash equivalents | | 2,514 |
| Mortgages payable | | (653,626) |
| Convertible debentures | | (40,854) |
| Loans payable | | (16,529) |
| Other financial instruments | | (1,087) |
| Accounts payable and accrued liabilities | | (23,721) |
| Distributions payable | | (2,608) |
| | $ | 506,216 |
| | | |
| Consideration comprised of: | | |
| Deemed consideration issued to outside REIT unitholders | $ | 320,946 |
| 25.5% interest in the REIT held by the International REIT | | 138,227 |
| | $ | 459,173 |
| | | |
| Gain on business combination | $ | (47,043) |

The above equation reflects the identifiable assets and liabilities of the REIT at their provisional fair values had the transaction occurred on December 31, 2014. The only fair value adjustment made to the REIT's stated values of its assets and liabilities at December 31, 2014 was to mortgages payable whereby a mortgage premium of $22,369 was recorded.

**3. Pro Forma Assumptions and Balance Sheet Adjustments (continued)**

(a) Combination Transaction (continued)

As the International REIT's investment in the REIT is eliminated on Combination, a pro forma adjustment has been made to eliminate the International REIT's proportionate share of the REIT's net loss of $5,680 for the year ended December 31, 2014.

On Combination, the 7,551,546 class B limited partnership units of NHP Holdings Limited Partnership, a subsidiary of the REIT, owned by the International REIT, valued at $70,078 as at December 31, 2014, will be eliminated on a tax deferred basis. Accordingly, a pro forma adjustment has also been made to the unaudited pro forma consolidated statement of comprehensive income (loss) to eliminate the distributions and fair value adjustment related to the REIT's exchangeable units of $6,042 and $8,760 respectively, for the year ended December 31, 2014.

In the unaudited pro forma consolidated statement of financial position, an adjustment of $90,518 has been made to Unitholders' equity as a result of the Combination transaction. The adjustment reflects the removal of unitholders' equity of the REIT of $458,507, partially offset by the fair value of the units deemed to be issued to outside REIT unitholders of $320,946 plus the gain on the business combination of $47,043.

(b) Elimination of Intercompany Balances

Included in the International REIT's accounts receivable as at December 31, 2014 is $793 of distributions receivable from the REIT. The REIT also has accounts payable and distributions payable to the International REIT of $290 and $503 respectively. Accordingly, a pro forma adjustment has been made to eliminate these intercompany balances as a result of the Combination.

(c) Transaction costs

As at December 31, 2014, the International REIT had included in other assets $141 of costs related to the Combination transaction. A pro forma adjustment has been made to expense these transaction costs relating to the Combination on closing.

Total transaction costs relating to the Combination transaction have been estimated at $11,793. Already included in the REIT's net loss for the year ended December 31, 2014, are transaction costs of $793 expensed related to the Combination transaction. For purposes of the unaudited pro forma consolidated financial statements, it is assumed that the unpaid transaction costs are funded with pro forma cash resources. The incremental estimated costs have been expensed as a pro forma adjustment in the unaudited pro forma consolidated statement of comprehensive income (loss) for the year ended December 31, 2014.

**3. Pro Forma Assumptions and Balance Sheet Adjustments (continued)**

(d) Settlement of the International REIT's related party balances

As at December 31, 2014, the International REIT has balances due from related parties totalling $30,208 related to amounts owing from NorthWest Value Partners Inc. ("NWVP") (a related party) and affiliates. Included in the International REIT's accounts payable and accrued liabilities is $13,356 of distributions payable owing to NWVP and affiliates.

The arrangement agreement contemplates that the net related party balances between the International REIT and NWVP and affiliates are settled. To reflect the settlement, a pro forma adjustment has been made on the unaudited pro forma consolidated statement of financial position to eliminate the International REIT's balances owing to and from related parties which results in a net cash receipt of $16,852.

A portion of the balances due from related parties was interest bearing. During the year ended December 31, 2014, the International REIT recorded interest income of $1,360 on the balances owing from related parties. As a result of repayment in full of the International REIT's balances owing from related parties on closing of the Combination transaction, a pro forma adjustment has been made to reverse the interest income earned for the year ended December 31, 2014 of $1,360.

(e) Refinancing of the International REIT's margin facilities

Included in the International REIT's mortgages and loan's payable balance are two margin facilities with a combined outstanding balance at December 31, 2014 of $67,927, which are secured by the International REIT's 25.5% interest in the REIT. The weighted average interest rate on the margin facilities as at December 31, 2014 was 8.02%. As a result of the Combination transaction, the International REIT's investment in the REIT is eliminated, and the REIT is therefore required to repay the margin facilities.

In order to repay the margin facilities, upon closing of the Combination transaction, the REIT entered into a non-binding term sheet(1) with respect to a blanket mortgage secured by existing properties in an aggregate principal amount of up to $50,000. For purposes of the unaudited pro forma consolidated financial statements, management assumed the REIT would use pro forma cash resources to the extent available and the remainder would be financed with the new blanket mortgage facility, bearing a floating annual interest rate and assumed at 5.6%, which is the current interest rate contemplated in the term sheet.

An adjustment of ($28,247) has been made to the unaudited pro forma consolidated statement of financial position, which reflects the repayment of the margin facilities of ($67,927), borrowings of $40,000 on the new blanket mortgage facility and the payment of financing fees (using pro forma cash) associated with the new blanket mortgage facility of ($320).

(1) The proposed blanket mortgage is subject to a number of conditions, and there is a risk that one or more of these conditions will not be satisfied. If these conditions are not satisfied, then the funds under the blanket mortgage may not be available to the parties for purposes of consummating the Combination transaction.

**3. Pro Forma Assumptions and Balance Sheet Adjustments (continued)**

(e) Refinancing of the International REIT's margin facilities (continued)

As a result of the refinancing and reduction in net debt of $27,927, an adjustment has also been made on the unaudited pro forma consolidated statement of comprehensive income (loss) of ($4,207) to reduce mortgage and loan interest expense.

As at December 31, 2014, the International REIT had capitalized financing fees associated with the margin facilities related to its investment in the REIT of $837. On the unaudited consolidated pro forma statement of financial position these financing fees have been written off as a result of the Combination transaction. On the unaudited consolidated pro forma statement of comprehensive income (loss), and adjustment of $187 has been made to amortization of financing costs, which reflects the write off of the margin facility financing fees of $837, incremental amortization of financing fees of $160 on the new blanket mortgage, offset by the reversal of the amortization of financing fees related to the International REIT's margin facilities of $1,184.

(f) Finance costs

Finance costs have been adjusted to reflect the amortization of the estimated mark-to-market premium resulting from the fair value of the mortgages and loans payable assumed on the effective date of the Combination transaction of $5,037. Adjustments have also been made to reverse the mark-to-market amortization recorded by the REIT for the year ended December 31, 2014 of $769, which related to existing mark-to-market premiums being amortized and to reverse the REIT's amortization of financing costs of ($411), resulting in a net adjustment to finance costs of $4,679.

(g) Fair value adjustment of deferred unit plan liability

The REIT's deferred units under the deferred unit plan are stated at fair value with the changes in fair vale being recognized in comprehensive income (loss). For purposes of the unaudited pro forma consolidated statement of comprehensive income (loss), no fair value changes are recognized relating to the REIT's deferred unit liability and therefore the fair value changes recognized by the REIT of $169 in the year have been reversed.

(h) Fair value adjustment on convertible debentures

The REIT has elected to record the full amount of the convertible debentures at their fair value with the changes in fair value being recognized in comprehensive income. For purposes of the unaudited pro forma consolidated statement of comprehensive income (loss), no changes in the fair value of the REIT's convertible debentures have been assumed and therefore the fair value changes recognized by the REIT of ($604) in the year have been reversed.

**3. Pro Forma Assumptions and Balance Sheet Adjustments (continued)**

(i) Fair value adjustment of other financial instruments

The REIT has entered into interest rate swaps to limit its exposure to fluctuations in the interest rates on certain variable rate mortgages. Gains of losses arising from the changes in fair values of the interest rate swap contracts are recognized in comprehensive income (loss). For purposes of the unaudited pro forma consolidated statement of comprehensive income (loss), no changes in the fair value of the REIT's interest rate swaps have been assumed and therefore the fair value changes recognized by the REIT of ($2,859) in the year have been reversed.

(j) Fair value adjustment of investment properties

Subsequent to initial recognition, investment properties will be adjusted to their fair values at each reporting period with changes in fair value recorded in comprehensive income. For the purposes of the unaudited pro forma consolidated statement of comprehensive income (loss), no changes in fair value of the investment properties of the REIT have been assumed and therefore the fair value changes recognized by the REIT of ($59,702) in the year have been reversed.

(k) Impairment of goodwill

During the year ended December 31, 2014, the REIT recognized an impairment charge for goodwill of $4,458. For purposes of the unaudited pro forma consolidated statement of comprehensive income (loss), no changes in goodwill of the REIT have been assumed and therefore the impairment of goodwill recognized by the REIT of ($4,458) in the year has been reversed.

**4. Related Party Balances**

Included in the REIT's loan receivable balance at December 31, 2014 is $4,000 owing from an affiliate of NWVP and included in the REIT's accounts receivable balance at December 31, 2014 is $4,406 also owing from an affiliate of NWVP. Subsequent to year end, on February 12, 2015, the loan receivable and accounts receivable from affiliates of NWVP were settled in full.

**APPENDIX C**
**ARRANGEMENT RESOLUTION**

**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. the arrangement ("**Arrangement**") under section 193 of the *Business Corporations Act* (Alberta), all as more particularly described and set forth in the plan of arrangement (as may be modified or amended, the "**Plan of Arrangement**") attached to the joint management information circular of NorthWest International Healthcare Properties Real Estate Investment Trust ("**NWI**") and NorthWest Healthcare Properties Real Estate Investment Trust ("**NWH**") in connection therewith (the "**Circular**"), and all transactions contemplated thereby, be and are hereby authorized, approved and adopted;

2. the Plan of Arrangement be and is hereby authorized, approved and adopted;

3. the arrangement agreement dated March 10, 2015 between, *inter alia*, NWI and NWH, as it may be amended from time to time (the "**Arrangement Agreement**"), and all transactions contemplated therein, and the actions of the trustees of NWI in approving the Arrangement and the Arrangement Agreement and the actions of the trustees and officers of NWI in executing and delivering the Arrangement Agreement and causing the performance by NWI of its obligations thereunder, be and are hereby confirmed, ratified, authorized and approved;

4. the Second Amended and Restated Declaration of Trust of NWH, which will form the declaration of trust for the combined entity upon completion of the Arrangement, is hereby approved, a copy of which (blacklined to show the proposed amendments to the current NWH Amended and Restated Declaration of Trust) is included as Appendix O to Circular, and any one of the trustees or officers of NWI be and is hereby authorized for and on behalf of NWI to execute and deliver all documents and instruments and to take all such other actions as such trustee or officer may deem necessary or desirable to implement this resolution and the matters authorized hereby;

5. notwithstanding that this resolution has been duly passed (and the Arrangement approved and agreed) by the voting unitholders of NWI or that the Arrangement has been approved by the Court of Queen's Bench of Alberta, the trustees of NWI be and are hereby authorized and empowered, without further notice to, or approval of, the voting unitholders of NWI (i) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and to revoke this resolution at any time prior to the Effective Time (as defined in the Arrangement Agreement); and

6. any trustee or officer of NWI is hereby authorized, for and on behalf of NWI, to execute and, if appropriate, deliver any and all other agreements, applications, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do, or cause to be done, any and all such other acts and things as in the opinion of such trustee or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement, the completion of the Arrangement and related transactions in accordance with the Arrangement Agreement and the matters authorized hereby, including, without limitation, (i) all actions required to be taken by or on behalf of NWI, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities and (ii) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by NWI, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument, and the taking or doing of any such action.

**APPENDIX D**
**NWH RESOLUTION**

**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. the arrangement agreement dated March 10, 2015 between NorthWest Healthcare Properties Real Estate Investment Trust ("**NWH**"), NorthWest International Healthcare Properties Real Estate Investment Trust ("**NWI**"), NWI Asset Management Inc., NWI Healthcare Properties LP, NHP Holdings Limited Partnership and Health Care Properties LP, as it may be amended from time to time (the "**Arrangement Agreement**"), and all transactions contemplated therein including the plan of arrangement (the "**Plan of Arrangement**"), and the actions of the trustees of NWH in approving the Arrangement Agreement and the actions of the trustees and officers of NWH in executing and delivering the Arrangement Agreement and causing the performance by NWH of its obligations thereunder and under the Plan of Arrangement, be and are hereby confirmed, ratified, authorized and approved;

2. the issuance and reservation for issuance, as applicable, of an aggregate of up to 46,699,230 participating voting trust units of NWH (or such higher number as may be permitted under the policies of the Toronto Stock Exchange), as required to be issued and reserved, as applicable, pursuant to the terms of the Plan of Arrangement, be and is hereby authorized and approved;

3. the Second Amended and Restated Declaration of Trust of NWH is hereby adopted, a copy of which (blacklined to show the proposed amendments to the current NWH Amended and Restated Declaration of Trust) is included as Appendix O to the joint management information circular of NWH and NWI dated April 7, 2015, effective as of the closing of the Plan of Arrangement, to permit NWH to comply with its obligations under the Arrangement Agreement, facilitate the completion of the Plan of Arrangement, eliminate provisions that are no longer relevant to NWH following the completion of the Plan of Arrangement and more closely align NWH following the completion of the Plan of Arrangement with the governing documents of other Canadian publicly-listed real estate investment trusts of similar size and complexity, and any one of the trustees or officers of NWH be and is hereby authorized for and on behalf of NWH to execute and deliver all documents and instruments and to take all such other actions as such trustee or officer may deem necessary or desirable to implement this resolution and the matters authorized hereby;

4. notwithstanding that this resolution has been duly passed by the unitholders of NWH or that the Plan of Arrangement has been approved by the Court of Queen's Bench of Alberta, the trustees of NWH be and are hereby authorized and empowered, without further notice to, or approval of, the unitholders of NWH (i) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Plan of Arrangement and to revoke this resolution at any time prior to the Effective Time (as defined in the Arrangement Agreement); and

5. each trustee or officer of NWH is hereby authorized, for and on behalf of NWH, to execute, with or without the corporate seal and, if appropriate, deliver any and all other agreements, applications, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do, or cause to be done, any and all such other acts and things as in the opinion of such trustee or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement, the completion of the Plan of Arrangement and related transactions in accordance with the Arrangement Agreement and the matters authorized hereby, including, without limitation, (i) all actions required to be taken by or on behalf of NWH, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities and (ii) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by NWH, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument, and the taking or doing of any such action.

**APPENDIX E**
**PLAN OF ARRANGEMENT**

## PLAN OF ARRANGEMENT

## PLAN OF ARRANGEMENT UNDER SECTION 193 OF THE *BUSINESS CORPORATIONS ACT* (ALBERTA)

### ARTICLE 1
### INTERPRETATION

1.1 In this Plan of Arrangement, the following terms have the following meanings:

(a) "**6.50% Debentures**" means the 6.50% convertible unsecured subordinated debentures of NWI issued in an initial aggregate principal amount of $22.6 million in March 2013 and due on March 31, 2018;

(b) "**7.25% Debentures**" means the 7.25% convertible unsecured subordinated debentures of NWI issued in an initial aggregate principal amount of $35 million in September 2014 and due on October 31, 2019;

(c) "**7.50% Debentures**" means the 7.50% convertible unsecured subordinated debentures of NWI issued in an initial aggregate principal amount of $17.5 million in August 2013 and due on September 30, 2018;

(d) "**ABCA**" means the Business Corporations Act (Alberta);

(e) "**affiliate**" means an "affiliate" as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*;

(f) "**Arrangement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to the arrangement pursuant to section 193 of the ABCA set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;

(g) "**Arrangement Agreement**" means the arrangement agreement dated March 10, 2015 among NWI, NWI LP, NWI AM, NWH, NHP LP and HP LP including all schedules annexed thereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;

(h) "**Arrangement Resolution**" means the special resolution in respect of the Arrangement to be considered at the NWI Unitholder Meeting, which shall be substantially in the form and content of Schedule "B" to the Arrangement Agreement;

(i) "**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under Section 193(10) of the ABCA to be filed with the

Registrar after the Final Order has been granted giving effect to the Arrangement;

(j) "**Business Day**" means any day, other than a Saturday, Sunday, any statutory holiday in Toronto, Ontario;

(k) "**Certificate**" means the certificate or other confirmation of filing giving effect to the Arrangement to be issued by the Registrar pursuant to section 193(11) of the ABCA after the Articles of Arrangement have been filed;

(l) "**Court**" means the Court of Queen's Bench of Alberta;

(m) "**Depositary**" means Computershare Trust Company of Canada;

(n) "**Designated NWH Unit**" has the meaning set out in Section 2.4;

(o) "**Dissent Right**" means the right of a registered NWI Unitholder in accordance with Section 191 of the ABCA, as modified by the Interim Order and Section 4.1 of this Plan of Arrangement, to dissent to the Arrangement Resolution and to be paid the fair value of the NWI Units in respect of which the NWI Unitholder dissents;

(p) "**Dissenting NWI Unitholders**" means registered holders of NWI Units who validly exercise the Dissent Rights and whose Dissent Rights remain valid immediately prior to the Effective Time;

(q) "**Dissenting Units**" means the NWI Units held by Dissenting NWI Unitholders in respect of which Dissent Rights have been and remain validly exercised at the Effective Time;

(r) "**Effective Date**" means the date on which the Arrangement becomes effective under the ABCA, being the date on which the Articles of Arrangement are filed;

(s) "**Effective Time**" means 10:00 a.m. (Calgary time) or such other time as the parties may agree on the Effective Date;

(t) "**Encumbrance**" includes any hypothec, mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, adverse claim, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Laws, contract or otherwise) capable of becoming any of the foregoing;

(u) "**Exchange Ratio**" means 0.208;

(v) "**Final Order**" means the order of the Court approving this Arrangement pursuant to Section 193(9) of the ABCA, as such order may be affirmed, amended or modified by the Court (with the consent of both NWI and NWH, each acting reasonably) at any time prior to the Effective Date or, if appealed,

then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both NWI and NWH, each acting reasonably) on appeal;

(w) "**Governmental Entity**" means: (i) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government; (ii) any multinational or supranational body or organization, nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission, instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) or taxing authority thereof, or any ministry or department or agency of any of the foregoing; and (iii) any self-regulatory organization or stock exchange;

(x) "**HP LP**" means Healthcare Properties LP, a Manitoba limited partnership;

(y) "**Interim Order"** means the interim order of the Court concerning the Arrangement under subsection 193(4) of the ABCA, as such order may be affirmed, amended or modified by the Court (with the consent of both NWH and NWI, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both NWH and NWI, each acting reasonably) on appeal;

(z) "**Joint Circular**" means the notice of the NWI Unitholder Meeting and the notice of the NWH Unitholder Meeting to be sent to the NWI Unitholders in connection with the NWI Unitholder Meeting and to the NWH Unitholders in connection with the NWH Unitholder Meeting, respectively, and the accompanying management information circular, including all schedules, appendices and exhibits thereto, and information incorporated by reference therein, as amended, supplemented or otherwise modified from time to time;

(aa) "**Laws**" means any international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, notices, by-laws, rules, regulations, ordinances, policies, directives or other requirements of any Governmental Entity and the term "applicable" with respect to such Laws and in a context that refers to one or more persons, means such Laws as are applicable to such person or its business, undertaking, property or securities and emanate from a person having jurisdiction over the person or persons or its or their business, undertaking, property or securities;

(bb) "**Letter of Transmittal and Election Form**" means the letter of transmittal and election form accompanying the Joint Circular sent to the NWI Unitholders;

(cc) "**NHP GP**" means NHP Holdings Inc., an Ontario corporation;

(dd) "**NHP LP**" means NHP Holdings Limited Partnership, an Ontario limited partnership;

(ee) "**NHP LP Note**" means the meaning set out in Section 2.4(b);

(ff) "**NWH**" means NorthWest Healthcare Properties Real Estate Investment Trust, an Ontario trust;

(gg) "**NWH Class B Units**" means class B limited partnership units of NHP LP;

(hh) "**NWH Declaration of Trust**" means the amended and restated declaration of trust of NWH dated March 25, 2010;

(ii) "**NWH Deferred Unit Account**" means the account maintained by NWH in respect of the holders of NWH Deferred Units;

(jj) "**NWH Deferred Unit Plan**" means the deferred unit plan of NWH dated as of March 25, 2010;

(kk) "**NWH Deferred Units**" means the deferred units issued under and subject to the NWH Deferred Unit Plan;

(ll) "**NWH Exchange Agreement**" means the exchange agreement between NWH, NHP GP, NHP LP and NorthWest Operating Trust dated March 25, 2010;

(mm) "**NWH Material Documents**" means the NWH Declaration of Trust, the NHP LP limited partnership agreement, the NWH Exchange Agreement and such other documents as determined by the parties;

(nn) "**NWH Ordinary Units**" means the participating trust voting units of NWH;

(oo) "**NWH Replacement Deferred Units**" has the meaning set out in Section 2.4;

(pp) "**NWH Rights**" means board appointment, registration, pre-emptive, drag-along and tag-along rights in respect of NWH; which board appointment and other rights will be similar to such rights currently held by NorthWest Operating Trust in respect of NWH (as more particularly set out in the NWH Material Documents); provided that (i) such rights shall include tag-along rights; (ii) the thresholds for the registration, pre-emptive and drag-along rights shall be set at 5%; and (iii) restrictions on transferability shall be subject to exceptions for transfers to affiliates, internal reorganizations and pledges;

(qq) "**NWH Rights Agreement**" means the agreement to be entered into at the Effective Time among NWVP, NorthWest Operating Trust, NWI, NWI LP, NWH and NHP LP pursuant to which NWVP will transfer the NWI Rights in consideration for the NWH Rights;

(rr) "**NWH Special Voting Units**" means the voting non-participating trust units issued in association with the NWH Class B LP Units;

(ss) "**NWH Unitholder Rights Plan**" means the rights plan agreement dated as of March 25, 2010, entered into between NWH and Computershare Trust Company of Canada, as rights agent, as modified or amended, or superseded by any replacement unitholder rights plan;

(tt) "**NWH Units**" means the NWH Ordinary Units and the NWH Special Voting Units;

(uu) "**NWI**" means NorthWest International Healthcare Properties Real Estate Investment Trust, an Ontario trust;

(vv) "**NWI AM**" means NWI Asset Management Inc., an Alberta corporation;

(ww) "**NWI Class B Units**" means Class B limited partnership units of NWI LP;

(xx) "**NWI Debenture Indenture**" means, collectively, the trust indenture dated March 25, 2013 between NWI and the NWI Debenture Trustee, as amended and supplemented by the first supplemental trust indenture dated August 29, 2013 between NWI and the NWI Debenture Trustee and the second supplemental trust indenture dated September 23, 2014 between NWI and the NWI Debenture Trustee, in each case, governing the terms and conditions of the respective NWI Debentures;

(yy) "**NWI Debenture Supplemental Indenture**" means a supplemental indenture or supplemental indentures, as applicable, in form and content satisfactory to each of NWI, NWH and the NWI Debenture Trustee, acting reasonably, to be entered into by NWI, NWH and the NWI Debenture Trustee to evidence the succession of NWH as the successor pursuant to and in accordance with the terms of the NWI Debenture Indenture;

(zz) "**NWI Debenture Trustee**" means Computershare Trust Company of Canada;

(aaa) "**NWI Debentures**" means the 6.50% Debentures, the 7.25% Debentures and the 7.50% Debentures;

(bbb) "**NWI Declaration of Trust**" means the amended and restated declaration of trust of NWI dated November 16, 2012, as amended January 3, 2014, February 3, 2014 and January 7, 2015;

(ccc) "**NWI Deferred Unit Plan**" means the second amended and restated deferred unit plan of NWI dated as of January 28, 2015;

(ddd) "**NWI Deferred Units**" means the deferred units issued under and subject to the NWI Deferred Unit Plan;

(eee) "**NWI Exchange Agreement**" means the amended and restated exchange agreement between NWI, NWI LP, NWI GP and NWVP dated January 28, 2015;

(fff) "**NWI GP**" means NWI Healthcare Properties GP Inc., a corporation incorporated under the laws of the Province of Ontario;

(ggg) "**NWI LP**" means NWI Healthcare Properties LP, an Ontario limited partnership;

(hhh) "**NWI Material Documents**" means the NWI Declaration of Trust, the NWI Exchange Agreement, the NWI LP limited partnership agreement and such other documents as determined by the parties;

(iii) "**NWI Ordinary Units**" means the voting participating trust units of NWI;

(jjj) "**NWI Permitted Encumbrances**" means, as of any particular time and in respect of any Property, each of the following Encumbrances:

(i) any subsisting restrictions, exceptions, reservations, limitations, provisos and conditions (including, without limitation, royalties, reservation of mines, mineral rights and timber rights, access to navigable waters and similar rights) expressed in any original grants from the Crown;

(i) restrictive covenants, private deed restrictions, and other similar land use control agreements that do not materially impair the current use, operation or marketability of such property;

(ii) unregistered, undetermined or inchoate construction or mechanic's liens or legal hypothecs incidental to construction of improvements on the property, a claim for which shall not at the time have been registered against the property and of which notice in writing shall not at the time have been given to NWI pursuant to the applicable provincial construction or builder's lien legislation;

(iii) any registered liens relating to work done for or for the benefit of a tenant of the property so long as:

(A) NWI has not assumed responsibility for such lien; and

(B) NWI is taking all reasonable steps and proceedings to cause any such lien to be discharged or vacated from the property;

(iv) permits, reservations, covenants, servitudes, watercourse, rights of water, rights of access or user licenses, easements, rights-of-way and rights in the nature of easements (including, without in any way limiting the generality of the foregoing, licenses, easements, rights-of-way and rights in the nature of easements for railways, sidewalks, public ways, sewers, drains, gas and oil pipelines, steam and water mains or electric light and power, or

telephone and telegraph conduits, poles, wires and cables) in favour of any Governmental Entity or utility company in connection with the development, servicing, use or operation of the property, which do not materially impair the current use and operation or marketability of the property;

(v) permits, reservations, covenants, servitudes, rights of access or user licenses, easements, rights-of-way and rights in the nature of easements in favour of any person, in each case registered on title to the property, which do not in the aggregate materially and adversely affect the value or the use of the property;

(vi) any encroachments, title defects or irregularities existing as of the Effective Time which do not in the aggregate materially and adversely affect the use or value of the property;

(vii) any matters disclosed by a survey (or certificate of location) of the property provided such matters do not in the aggregate materially and adversely affect the use or value of the property;

(viii) registered development agreements, subdivision agreements, site plan control agreements, servicing agreements and other similar agreements with any Governmental Entity or utility company affecting the development, servicing, use or operation of the property;

(ix) registered cost sharing, servicing, reciprocal or other similar agreements relating to the use and/or operation of the property;

(x) municipal zoning, land use and building restrictions, by-laws, regulations and ordinances of federal, provincial, municipal or other Governmental Entities, including municipal by-laws and regulations, airport zoning regulations, restrictive covenants and other land use limitations, public or private, by-laws and regulations and other restrictions as to the use of the property so long as same have been complied with in all material respects or such non-compliance does not materially impair the current use, operation or marketability of the property;

(xi) the Existing NWI Mortgages (as defined in the Arrangement Agreement) and related security;

(xii) the NWI Credit Facilities (as defined in the Arrangement Agreement) and related security;

(xiii) security interests granted in connection with the leasing or financing of personal property and similar transactions (including renewals of existing leases of personal property) in the ordinary course of business to secure the unpaid purchase price or lease cost of such personal property, provided that (A) the personal property leased is readily replaceable without

material interference or interruption to the operation of the property taken as a whole, and (B) such lease is secured only by the personal property leased therein;

(xiv) existing leases, charges of existing leases and all new leases and renewals, extensions, modifications, restatements and replacements thereof entered into subsequent to the date of this Agreement in compliance with the terms of this Agreement;

(xv) servicing agreements and contracts for services to the property entered into in the ordinary course of business on arm's length terms and conditions;

(xvi) any instrument or other document registered against title to the property as at the date of this Agreement; and

(xvii) any matter insured over by an owner's title insurance policy for the property, provided that such policy remains in full force and effect following the Effective Date;

(kkk) "**NWI Rights**" means the board appointment, registration, pre-emptive, tag-along, drag-along and other contractual rights held by NWVP and its affiliates in respect of NWI contained in the NWI Material Documents;

(lll) "**NWI Special Voting Unitholders**" means holders of NWI Special Voting Units;

(mmm) "**NWI Special Voting Units**" means the voting non-participating trust units issued in association with the NWI Class B Units;

(nnn) "**NWI Unitholder Meeting**" means the special meeting of NWI Voting Unitholders, including any adjournment or postponement thereof in accordance with the terms of this Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution;

(ooo) "**NWI Unitholders**" means holders of NWI Units from time to time;

(ppp) "**NWI Units**" means the NWI Ordinary Units and the NWI Special Voting Units;

(qqq) "**NWI Voting Unitholders**" means the NWI Unitholders and NWI Special Voting Unitholders;

(rrr) "**NWVP**" means Northwest Value Partners Inc., an Ontario corporation;

(sss) "**person**" includes an individual, general partnership, limited partnership, corporation, company, limited liability company, body corporate, joint venture, unincorporated organization, other form of business organization, trust, trustee, executor, administrator or other legal representative, government (including

any Governmental Entity) or any other entity, whether or not having legal status;

(ttt) "**QE Redemption**" has the meaning set out in Section 2.4(q);

(uuu) "**QE Transactions**" has the meaning set out in Section 2.17 of the Arrangement Agreement;

(vvv) "**Redeemable Units**" has the meaning set out in Section 2.4(j);

(www) "**Registrar**" means the Registrar of Corporations for the Province of Alberta duly appointed under the ABCA;

(xxx) "**Tax Act**" means the *Income Tax Act* (Canada), provided that for purposes of this Plan of Arrangement any proposed amendments to the Tax Act publicly announced by the Department of Finance (Canada), to the extent not withdrawn or superseded, shall be treated as having been enacted and to have come into force as provided in the proposed amendments;

(yyy) "**Taxable Income**" means income (including net realized taxable capital gains) determined in accordance with the Tax Act (read without reference to paragraph 82(1)(b) and subsection 104(6));

(zzz) "**TSX**" means the Toronto Stock Exchange; and

(aaaa) "**TSXV**" means the TSX Venture Exchange.

1.2 Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in, and all payments provided for herein shall be made in, Canadian currency and "**$**" refers to Canadian dollars.

1.3 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.4 Unless reference is specifically made to some other document or instrument, all references herein to "Articles" and "Sections" are to articles and sections of this Plan of Arrangement;

1.5 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders. Wherever the term "includes" or "including" is used, it shall be deemed to mean "includes, without limitation" or "including, without limitation", respectively.

1.6 In the event that the date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.7 A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Plan of Arrangement by a person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

1.8 References to time herein or in any Letter of Transmittal and Election Form are to local time, Calgary, Alberta, Canada.

1.9 References to any legislation or to any provision of any legislation shall include any legislative provision substituted therefor and all regulations, rules and interpretations issued thereunder or pursuant thereto, in each case as the same may have been or may hereafter be amended or re-enacted from time to time.

## ARTICLE 2
## THE ARRANGEMENT

**Arrangement Agreement**

2.1 This Plan of Arrangement is made pursuant to and subject to the provisions of the Arrangement Agreement.

**Binding Effect**

2.2 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate, if any, shall become effective on, and be binding on NWI, NWI LP, NWI NWI AM, NWH, NHP LP, HP LP, NWVP, all holders of NWI Units (including Dissenting NWI Unitholders),and NWI Deferred Units, the Depositary, and all other persons, at and after, the Effective Time without any further act or formality required on the part of any person.

2.3 The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to the Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Section 2.4 has become effective in the sequence and at the times set out therein.

**Arrangement**

2.4 Commencing at the Effective Time, the following shall occur and shall be deemed to occur in the following order (at two minute intervals, unless indicated otherwise) without any further act or formality:

(a) The NWI Material Documents and the NWH Material Documents shall be amended to the extent necessary to facilitate the Arrangement and the implementation of the steps and transactions described herein;

(b) The articles of NWI AM will be amended to create a new class of redeemable and retractable preferred shares.

(c) NWI LP will subscribe for 10 preferred shares of NWI AM for consideration of $100.

(d) NHP LP will make a distribution of partnership capital to NWH and in payment therefor will issue to NWH a demand, non-interest bearing promissory note (the "**NHP LP Note**") having a principal amount equal to the fair market value of the NWH Units held by NWI LP;

(e) NWH will redeem the NWH Units held by NWI LP and in satisfaction thereof will deliver the NHP LP Note to NWI LP;

(f) NorthWest Operating Trust, will allocate and make payable to its beneficiary its Taxable Income for its taxation year ending immediately prior to the commencement of the steps set out in Section 2.4(m). If the amount of Taxable Income allocated and made payable by NorthWest Operating Trust, to its beneficiary (such amount to be reduced to take into account any deductions under subsection 104(6) of the Tax Act in respect of prior distributions during that period) exceeds the amount of cash distributed by such trust throughout the current taxation year, NorthWest Operating Trust, will satisfy its obligation to pay to its beneficiary the balance of the Taxable Income so allocated by issuing units to its beneficiary;

(g) Simultaneously:

(i) NWH will allocate and make payable to its beneficiaries its Taxable Income for its taxation year that will be deemed, by section 132.2 of the Tax Act, to end as a result of the QE Transactions (such amount to be reduced to take into account available tax attributes, including any deductions under subsection 104(6) of the Tax Act in respect of prior distributions during that period);

(ii) NWI will allocate and make payable to its beneficiaries its Taxable Income for its taxation year that will be deemed, by section 132.2 of the Tax Act, to end as a result of the QE Transactions (such amount to be reduced to take into account available tax attributes, including any deductions under subsection 104(6) of the Tax Act in respect of prior distributions during that period); and

in each case, if the amount of Taxable Income allocated and made payable by NWH or NWI, as the case may be, to its beneficiaries (such amount to be reduced to take into account any deductions under subsection 104(6) of the Tax Act in respect of prior distributions during that period) exceeds the amount of cash distributed by such trust throughout the current taxation year, such trust will satisfy its obligation to pay to its beneficiaries the balance of the Taxable Income so allocated by issuing units to its beneficiaries and then immediately consolidating the number of outstanding units such that the number of outstanding units is the same before and after the consolidation;

(h) Each of the Dissenting Units shall be transferred to NWI (free and clear of all Encumbrances) and (i) the Dissenting NWI Unitholders shall cease to be the holders of such NWI Units and to have any rights as holders of such NWI Units, other than the right to be paid fair value for such NWI Units, as determined under Article 4, (ii) the Dissenting NWI Unitholders' names shall be removed as the holders of such NWI Units from the registers of NWI Units maintained by or on behalf of NWI, and (iii) NWI shall be deemed to be the transferee of such NWI Units (free and clear of all Encumbrances) and such NWI Units shall thereupon be cancelled;

(i) all rights issued pursuant to the NWH Unitholder Rights Plan shall be redeemed in accordance with Section 5.1 of the NWH Unitholder Rights Plan, and as a result thereof the NWH Unitholder Rights Plan shall terminate and no person will have any further liability or obligation to the former holders of rights under such plan and the former holders of rights will have no further rights under such plan;

(j) the NWI LP limited partnership agreement shall be amended to create a new class of limited partnership units (the "**Redeemable Units**") that will be redeemable, at the option of the holder, for such number of aggregate NWH Ordinary Units that is equal to the product obtained by multiplying the number of NWI Ordinary Units to which the NWI Class B Units are currently exchangeable into by the Exchange Ratio;

(k) the holders of NWI Class B Units will exchange their NWI Class B Units for Redeemable Units on a one-for-one basis in accordance with subsection 97(2) of the Tax Act such that the exchange will be effected on an income tax-deferred basis;

(l) NWVP and any of its affiliates that hold NWI Rights will transfer the NWI Rights to NWH in consideration for the NWH Rights, as set out in the NWH Rights Agreement;

(m) Pursuant to and in accordance with the definition of "qualifying exchange" in section 132.2 of the Tax Act, NWI shall sell, transfer, convey, assign and deliver to NWH, and NWH shall acquire from NWI, all of the right, title and interest of NWI in and to all of its property, other than the shares of NWI GP, free and clear of all Encumbrances other than NWI Permitted Encumbrances, in exchange for:

(i) the issuance by NWH to NWI of such number of NWH Ordinary Units as is equal to the product obtained by multiplying the number of NWI Ordinary Units by the Exchange Ratio;

(ii) the issuance by NWH to NWI of such number of NWH Special Voting Units as is equal to the product obtained by multiplying the number of NWI Special Voting Units by the Exchange Ratio;

(iii) the assumption by NWH of the due and punctual payment of all of the NWI Debentures as sole obligor, including the agreement to perform substantially all of the covenants of NWI under the NWI Debentures as the successor to NWI by the execution of the NWI Debenture Supplemental Indenture; and

(iv) the assumption by NWH of all liabilities of NWI other than those assumed pursuant to the previous clause.

Effective at this time, NWI shall be deemed to be the owner of the NWH Ordinary Units and NWH Special Voting Units issued pursuant to this Section (free and clear of all Encumbrances) and shall be entered in the register of NWH Units maintained by or on behalf of NWH;

(n) Simultaneously with the immediately preceding step, pursuant to and in accordance with the NWI Debenture Supplemental Indenture, the NWI Debentures and the NWI Debenture Indenture will be amended and supplemented so that the applicable "Conversion Price" specified therein will become:

(i) in respect of the 6.50% Debentures, $13.70 such that approximately 72.9927 NWH Ordinary Units shall be issued for each $1,000 principal amount of 6.50% Debentures so converted;

(ii) in respect of the 7.25% Debentures, $12.50 such that approximately 80.0000 NWH Ordinary Units shall be issued for each $1,000 principal amount of 7.25% Debentures so converted;

(iii) in respect of the 7.50% Debentures, $11.54 such that approximately 86.6551 NWH Ordinary Units shall be issued for each $1,000 principal amount of 7.50% Debentures so converted;

(o) NWH shall subscribe for one (1) NWI Ordinary Unit (the "**Designated NWH Unit**") by making a cash payment to NWI in an amount equal to the closing price of an NWI Ordinary Unit on the TSXV for the last trading day which precedes the Effective Date;

(p) At the "depreciables acquisition time" for purposes of Section 132.2 of the Tax Act, each NWI Deferred Unit (whether vested or unvested) shall be transferred by the holder thereof to NWI and thereupon cancelled. In exchange therefor each such former holder of NWI Deferred Units shall receive consideration consisting solely of substitute deferred units issued by NWH ("**NWH Replacement Deferred Units**"), all pursuant to and in accordance with subsection 7(1.4) of the Tax Act. The NWH Deferred Unit Account for each former holder of NWI Deferred Units shall be credited with such number of NWH Replacement Deferred Units that is equal to the aggregate number of NWI Deferred Units in such former holder's NWI Deferred Unit Account multiplied by the Exchange Ratio, in each case rounded down to the nearest

whole number of NWH Deferred Units, and the vesting schedule in respect of such NWH Replacement Deferred Units shall be the same as the vesting schedule for the NWI Deferred Units so transferred (as adjusted by the Exchange Ratio);

(q) Pursuant to and in accordance with the definition of "qualifying exchange" in Section 132.2 of the Tax Act, NWI shall redeem and retract all of the outstanding NWI Units (other than the Designated NWH Unit which shall, for the avoidance of doubt, be retained by NWH) (the "**QE Redemption**") as follows:

(i) Each NWI Ordinary Unit (other than the Designated NWH Unit) will be redeemed and retracted by NWI for consideration consisting solely of 0.208 of a NWH Ordinary Unit provided that if any holder of NWI Ordinary Units becomes entitled to receive a fractional number of NWH Ordinary Units, such fraction will be rounded down to the nearest whole number. No consideration shall be receivable by a former holder of a NWI Ordinary Unit (or any portion thereof) for the redemption of such holder's NWI Ordinary Unit (or any portion thereof) other than NWH Ordinary Units on the basis described in the preceding sentence.

(ii) Each NWI Special Voting Unit will be redeemed and retracted by NWI for consideration consisting solely of 0.208 of a NWH Special Voting Unit; provided that if any holder of NWI Special Voting Units becomes entitled to receive a fractional number of NWH Special Voting Units, such fraction will be rounded down to the nearest whole number. No consideration shall be receivable by a former holder of a NWI Special Voting Unit (or any portion thereof) for the redemption of such holder's NWI Special Voting Unit (or any portion thereof) other than NWH Special Voting Units on the basis described in the preceding sentence.

Effective at the time of this step, (i) holders of NWI Ordinary Units and NWI Special Voting Units, as the case may be, redeemed and retracted pursuant to the QE Redemption shall cease to be the holders of such NWI Units (or any portion thereof) and to have any rights as holders of such NWI Units, (ii) such former NWI Unitholders' names shall be removed as the holders of such NWI Units (or percentage thereof) from the registers of NWI Units maintained by or on behalf of NWI, and (iii) such former NWI Unitholders shall be deemed to be owners of the NWH Ordinary Units or NWH Special Voting Units, as the case may be, to which they are entitled, free and clear of all Encumbrances, and shall be entered into the registers of NWH maintained by or on behalf of NWH. NWI shall only deliver to the former holders of NWI Units redeemed and retracted in this step a whole number of NWH Ordinary Units or NWH Special Voting Units, as the case may be;

(r) All of the issued and outstanding common shares of NWI AM will be transferred by NWI LP to HP LP free and clear of all Encumbrances, other than Permitted Encumbrances.

(s) The terms of the NWH Class B Units shall be amended to remove any reference to the feature that permits the holder of NWH Class B Units to exchange the NWH Class B Units for NWH Ordinary Units;

(t) The NWH Exchange Agreement will be terminated.

## ARTICLE 3
## CONSIDERATION AND CERTIFICATES

**Payment of Consideration by Depositary**

3.1 In accordance with the timing set out in Section 2.4, the Depositary shall cause certificates representing NWH Ordinary Units to be sent to those persons who have deposited the NWI Unit certificates for such NWH Ordinary Units, and such certificates shall be:

(a) forwarded by first class mail, postage pre-paid, to the person and at the address specified in the relevant Letter of Transmittal and Election Form or, if no address has been specified therein, at the address specified for the particular NWI Unitholder in the register of NWI Unitholders of NWI Units; or

(b) if requested by such NWI Unitholder in the Letter of Transmittal and Election Form, made available or caused to be made available at the Depositary for pick up by such NWI Unitholder,

and any such NWI Unit certificates so deposited shall forthwith be cancelled. Certificates mailed pursuant hereto will be deemed to have been delivered at the time of delivery thereof to the post office.

3.2 The Depositary shall make the registrations provided in this Plan of Arrangement (to be in the name of a NWI Unitholder) in the name of each NWI Unitholder or as otherwise instructed in the Letter of Transmittal and Election Form deposited by such NWI Unitholder and shall deliver certificates representing NWH Ordinary Units in accordance with Section 3.1 and this Section 3.2. In the event of a transfer of ownership of NWI Units that was not registered in the securities register of NWI, a certificate representing the proper number of NWH Ordinary Units may be issued to the transferee if the certificate representing such NWI Units is presented to the Depositary as provided above, accompanied by all documents required to evidence and effect such transfer and to evidence that any applicable taxes have been paid.

3.3 From and after the Effective Time, each certificate that immediately prior to the Effective Time represented NWI Units shall be deemed to represent only the right to receive the consideration as required under this Plan of Arrangement, less any amounts withheld as provided under the Arrangement Agreement or this Plan of Arrangement or, as to those NWI Units held by Dissenting NWI Unitholders, to receive the fair value of the Dissenting Units represented by such certificates.

3.4 No former holder of NWI Units shall be entitled to receive any consideration with respect to such NWI Units other than the consideration to which such former holder is entitled to as

required under this Plan of Arrangement, less any amounts withheld as provided under the Arrangement Agreement or this Plan of Arrangement.

**Distributions with Respect to Unsurrendered Certificates**

3.5 No distributions declared or made with respect to the NWI Units with a record date after the Effective Time shall be paid to a NWI Unitholder for any unsurrendered certificate which immediately prior to the Effective Time represented outstanding NWI Units.

**Lost Instruments of Certificates**

3.6 In the event that any instrument or certificate which immediately prior to the Effective Time represented one or more outstanding NWI Ordinary Units that were cancelled or transferred pursuant to Section 2.4 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the NWI Unitholder claiming such instrument or certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed instrument or certificate a certificate representing NWH Ordinary Units in the applicable amount deliverable to such NWI Unitholder in accordance with the provisions of Section 3.1. When authorizing such payment in exchange for any lost, stolen or destroyed instrument or certificate, the NWI Unitholder to whom such payment is to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to NWH, NWI and the Depositary in such sum as NWH, NWI or the Depositary may direct, acting reasonably, or otherwise indemnify NWH, NWI and the Depositary in a manner satisfactory to NWH, NWI and the Depositary, acting reasonably, against any claim that may be made against NWH, NWI or the Depositary with respect to the instrument or certificate alleged to have been lost, stolen or destroyed.

**Extinction of Rights**

3.7 Any instrument or certificate which immediately prior to the Effective Time represented outstanding NWI Units that were cancelled, redeemed or transferred pursuant to Section 2.4 or an affidavit of loss and bond or other indemnity pursuant to Section 3.6, on or prior to the sixth anniversary of the Effective Date shall cease to represent a claim or interest of any kind or nature against NWI and NWH. On such date, the aggregate NWH Ordinary Units to which the former NWI Unitholder referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered for no consideration to NWH and shall be returned to NWH by the Depositary. None of NWH, NWI or the Depositary shall be liable to any person in respect of any amount for NWI Units delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

**Withholding Rights**

3.8 NWH, NWI and the Depositary shall be entitled to deduct and withhold from any payment to any person pursuant to this Plan of Arrangement, such amounts as NWH, NWI or the Depositary, as the case may be, determines, acting reasonably, are required or permitted pursuant to the Tax Act or any successor provision thereto to be deducted and withheld with respect to such payment under the Tax Act, the United States Internal Revenue Code of 1986, or any provision of federal, provincial, territorial, state, local or

foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to such person as the remainder of the payment in respect of which such deduction and withholding was made; provided that, such withheld amounts are actually remitted to the appropriate taxing authority.

## ARTICLE 4
## DISSENTING UNITHOLDERS

**Dissent Rights**

4.1 Each registered holder of NWI Units shall have the right to dissent with respect to the Arrangement in accordance with Section 191 of the ABCA, but as modified by the Interim Order and this Article 4. A Dissenting NWI Unitholder shall, at the time of the step set out in Section 2.4(h), cease to have any rights as a holder of Dissenting Units and shall only be entitled to be paid the fair value of the holder's Dissenting Units by NWI. A Dissenting NWI Unitholder who is paid the fair value of the holder's Dissenting Units, shall be deemed to have transferred the holder's Dissenting Units to NWI at the time of the step set out in Section 2.4(h), notwithstanding the provisions of section 191 of the ABCA and such Dissenting Units shall thereupon be cancelled. The fair value of the Dissenting Units shall be determined as of the close of business on the last business day before the day on which the Arrangement is approved by the holders of NWI Units at the NWI Unitholder Meeting.

**Recognition of Dissenting Unitholders**

4.2 In no circumstances shall NWH or NWI or any other person be required to recognize a person exercising Dissent Rights unless such person is the registered holder of those NWI Units in respect of which such rights are sought to be exercised. For greater certainty, in no case shall NWH or NWI or any other person be required to recognize a Dissenting NWI Unitholder as a holder of NWI Units in respect of which Dissent Rights have been validly exercised after the completion of the transfer under Section 2.4(h), and the names of such Dissenting NWI Unitholders shall be removed from NWI's register of NWI Unitholders in respect of Dissenting Units for which Dissent Rights have been validly exercised as of the time of the step set out in Section 2.4(h). In addition to any other restrictions in section 191 of the ABCA, no person who has voted in favour of the Arrangement shall be entitled to dissent with respect to the Arrangement.

**Rights of Dissenting Unitholders**

4.3 Dissenting NWI Unitholder who for any reason is not entitled to be paid the fair value of the holder's Dissenting Units shall be treated as if the holder had participated in the Arrangement on the same basis as a non-dissenting NWI Unitholder notwithstanding the provisions of section 191 of the ABCA.

## ARTICLE 5
## AMENDMENTS

5.1 NWI and NWH may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be: (a) set out in writing; (b) approved by NWI and NWH; (c) filed with the Court and, if made following the NWI Unitholder Meeting, approved by the Court; and (d) communicated to holders of NWI Units if and as required by the Court.

5.2 Any amendment to this Plan of Arrangement may be proposed by NWI or NWH at any time prior to the NWI Unitholder Meeting (provided that NWH and NWI shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the NWI Unitholder Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

5.3 Any amendment, modification and/or supplement to this Plan of Arrangement that is approved or directed by the Court following the NWI Unitholder Meeting shall be effective only if (a) it is consented to in writing by each of NWI and NWH (in each case, acting reasonably), and (b) if required by the Court, it is consented to by some or all of the NWI Unitholders voting in the manner directed by the Court.

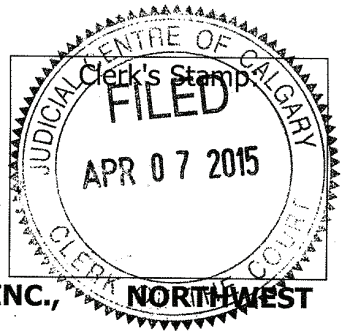
5.4 Notwithstanding anything else in this Article 5, any amendment, modification and/or supplement to this Plan of Arrangement may be made following the NWI Unitholder Meeting, without requiring filing with, or approval of, the Court, provided that it (a) is consented to in writing by each of NWI and NWH (in each case, acting reasonably), and (b) it concerns a matter which is of an administrative nature and is required to better give effect to the implementation of this Plan of Arrangement.

5.5 This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

## ARTICLE 6
## FURTHER ASSURANCES

6.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein. NWI and NWH may agree not to implement this Plan of Arrangement, notwithstanding the passing of the Arrangement Resolution and receipt of the Final Order.

**APPENDIX F**
**INTERIM ORDER**




Clerk's Stamp

| | |
|---|---|
| COURT FILE NUMBER | 1501-03355 |
| COURT | COURT OF QUEEN'S BENCH OF ALBERTA |
| JUDICIAL CENTRE | CALGARY |
| APPLICANTS | **NWI ASSET MANAGEMENT INC., NORTHWEST INTERNATIONAL HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST, NWI HEALTHCARE PROPERTIES GP INC. AND NWI HEALTHCARE PROPERTIES LP** |
| RESPONDENTS | Not Applicable |
| DOCUMENT | **INTERIM ORDER** |

I hereby certify this to be a true copy of the original
Dated this 7 day of April, 2015
for Clerk of the Court


ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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Date on Which Order Was Pronounced: April 7, 2015

Name of Judge Who Made This Order: Justice K.M. Horner

## ORDER

**UPON** the Originating Application (the "**Application**") of NWI Asset Management Inc. ("**NWI AM**"), NorthWest International Healthcare Properties Real Estate Investment Trust ("**NWI**"), NWI Healthcare Properties GP Inc. ("**NWI GP**") and NWI Healthcare Properties LP ("**NWI LP**" and collectively with NWI AM, NWI and NWI GP, the "**NWI Entities**") filed herein, coming

before this Honourable Court for an initial order (the "**Order**") in connection with a proposed arrangement (the "**Arrangement**") pursuant to the *Business Corporations Act*, R.S.A. 2000, c. B-9 (the "**ABCA**");

**AND UPON** reading the Affidavit of Paul Dalla Lana, Chair of the board of trustees of NWI ("**NWI Board**") and Chief Executive Officer of NWI sworn April 6, 2015 and the documents referred to therein (the "**Affidavit**");

**AND UPON** hearing the submissions of counsel for the NWI Entities;

**FOR THE PURPOSES OF THIS ORDER:**

(a) the capitalized terms not defined in this Order shall have the meanings attributed to them in the Joint Information Circular and Proxy Statement of NorthWest Healthcare Properties Real Estate Investment Trust ("**NWH**") and NWI (the "**Information Circular**"), a draft copy of which is attached as Exhibit "A" to the Affidavit; and

(b) all references to "**Arrangement**" used herein mean the plan of arrangement as described in the Affidavit and in the form attached as Appendix E to the Information Circular.

**IT IS HEREBY ORDERED AND ADJUDGED THAT:**

**General**

1. NWI shall seek approval of the Arrangement by the holders (the "**NWI Unitholders**") of voting participating trust units of NWI ("**NWI Ordinary Units**") and voting non-participating trust units of NWI ("**NWI Special Voting Units**" and collectively with the NWI Ordinary Units, the "**NWI Units**"), in the manner set forth below.

2. The Arrangement shall be conducted as an arrangement under the process set forth in Section 193 of the ABCA.

**The Meeting**

3. NWI shall call and conduct an annual and special meeting (the "**Meeting**") of NWI Unitholders on or about May 8, 2015. At the Meeting, NWI Unitholders will consider and

vote upon the Arrangement Resolution and such other business as may properly be brought before the Meeting or any adjournment thereof, all as more particularly described in the Information Circular.

4. A quorum at the Meeting shall be persons present in person or represented by proxy, being not fewer than two in number and holding or representing by proxy not less than 5% of the outstanding NWI Units entitled to vote at the Meeting. If a quorum is not present at the time appointed for the Meeting, the Meeting shall be adjourned to a fixed time and place as may be appointed by the Chairman of the Meeting. No notice of the adjourned Meeting shall be required if the Meeting is adjourned for less than 30 days and, if at such adjourned meeting a quorum is not present, the NWI Unitholders present in person or by proxy, shall be a quorum for all purposes. The record date for the Meeting has been fixed by the NWI Board at the close of business on March 18, 2015 (the "**Record Date**"). NWI Unitholders of record as at the Record Date shall be entitled to receive notice of the Meeting. NWI Unitholders of record will be entitled to vote those NWI Units included in the list of NWI Unitholders prepared as at the Record Date.

5. NWI is authorized and directed to send the Information Circular to the NWI Unitholders.

**Conduct of the Meeting**

6. The Meeting shall be called, held and conducted in accordance with the Information Circular, the terms of this Order, any further orders of the Court as may be granted, and the rulings and directions of the Chair of the Meeting. To the extent of any discrepancy or inconsistency among the foregoing, the terms of this Order shall prevail.

7. The Chairman of the Meeting shall be any officer or trustee of NWI.

8. The scrutineer of the Meeting shall be appointed by the Chairman at the Meeting.

9. The only persons entitled to attend and speak at the Meeting shall be NWI Unitholders or their authorized representatives or proxyholders, the trustees, officers, directors, employees and solicitors of the parties to the Arrangement, the auditors of NWI, the scrutineer and its representatives, and such other persons who may be permitted to attend by the Chairman of the Meeting.

10. Only NWI Unitholders who are registered as such as at the Record Date and holders of proxies of the foregoing shall be entitled to vote at the Meeting in respect of the Arrangement Resolution.

11. The number of votes required to pass the Arrangement Resolution shall be not less than 66 2/3% of the aggregate votes cast by the NWI Unitholders, either in person or by proxy at the Meeting.

12. Holders of NWI Ordinary Units and NWI Special Voting Units entitled to vote at the Meeting shall vote together as one class with each such NWI Unitholder being entitled to one vote for each NWI Unit they hold.

13. NWI is hereby authorized to solicit proxies from NWI Unitholders, directly or through their officers, directors and employees and through such agents or representatives as they may retain for that purpose, by mail, telephone or such other forms and means of personal or electronic communication as they may determine.

14. To be valid, a proxy must be deposited with Computershare Investor Services Inc. in the manner described in the Information Circular.

15. The procedure for the use of proxies at the Meeting, the communication of voting instructions to intermediaries and the revocation of such proxies and voting instructions shall be as set out in the Information Circular or as the Chair of the Meeting shall determine.

16. The only proxies to be counted at the Meeting shall be those tendered on behalf of registered NWI Unitholders on completed forms of proxy prepared for the purposes of the Meeting included with the Information Circular.

17. The Chair of the Meeting may waive generally any time limits for the deposit of proxies or communication of voting instructions, if in the exercise of his discretion he deems it advisable to do so.

18. The accidental omission to give notice of the Meeting or the non-receipt of the notice shall not invalidate any resolution passed or proceedings taken at the Meeting.

**Dissent Rights**

19. The registered holders of NWI Units are, subject to the provisions of this Order and Sections 4.1, 4.2 and 4.3 of the Plan of Arrangement, accorded the right to dissent under Section 191 of the ABCA with respect to the Arrangement Resolution, as if such holders of NWI Units were shareholders of a corporation, and NWI being the said corporation.

20. In order to exercise such right of dissent under subsection 191(5) of the *ABCA*:

    (a) a written objection to the Arrangement Resolution must be received by NWI c/o Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, Ontario M5H 2S7, Attention: Brad Ross or by facsimile (416-979-1234), by 2:00 p.m. (Toronto time) on the second last Business Day prior to the date of the Meeting;

    (b) a dissenting NWI Unitholder shall not have voted his or her NWI Units at the Meeting either by proxy or in person, in favour of the Arrangement Resolution;

    (c) a holder of NWI Units may not exercise the right of dissent in respect of only a portion of the holder's NWI Units but may dissent only with respect to all of the NWI Units held by the holder; and

    (d) a holder exercising such right of dissent must otherwise comply with the requirements of Section 191 of the ABCA, as modified by the Arrangement.

21. The fair value of the NWI Units shall be determined as of the close of business on the last business day before the day on which the Arrangement is approved by the NWI Unitholders. Payment of such fair value shall be made to the dissenting NWI Unitholders by NWH.

22. Subject to further order of this Court, the rights available to the NWI Unitholders under the ABCA and the Plan of Arrangement to dissent from the Arrangement Resolution shall constitute full and sufficient right of dissent for the NWI Unitholders with respect to the Arrangement Resolution.

23. Notice to the NWI Unitholders of their right of dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the ABCA, the Plan of Arrangement and the Arrangement, the fair value of their NWI Units, shall be given by including information with respect to this right in the Information Circular to be sent to NWI Unitholders in accordance with paragraph 24 of this Order and shall be deemed to have been received with the Information Circular as provided in paragraph 25 of this Order.

**Notice**

24. An Information Circular, substantially in the form attached as Exhibit "A" to the Affidavit with amendments thereto as counsel for NWI may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order), shall be mailed by prepaid ordinary mail or delivery, at least 21 days prior to the date of the Meeting to: (a) NWI Unitholders at the addresses for such holders recorded in the records of NWI at the close of business on the Record Date; (b) holders of NWI Deferred Units at the addresses for such holders recorded in the records of NWI at the close of business on the Record Date; (c) holders of NWI Debentures at the address of the debenture trustee of the NWI Debentures, on behalf of the holders of NWI Debentures, as set out in the trust indenture governing the NWI Debentures; and (d) and to the trustees and auditors of NWI. In calculating the 21-day period, the date of mailing shall be included and the date of the Meeting shall be excluded.

25. Delivery of the Information Circular in the manner directed by this Order shall be deemed to be good and sufficient service upon the NWI Unitholders, holders of NWI Debentures, holders of NWI Deferred Units, the trustees of NWI and the auditors of NWI of:

(a) the Application;

(b) this Order; and

(c) the notice of the Meeting;

all in substantially the forms set forth in the Information Circular together with instruments of proxy and such other material as NWI may consider fit and shall be deemed to have been received 3 days after mailing.

26. Any notice of any amendments, updates or supplements to any of the information provided in the Information Circular that is deemed necessary or advisable prior to the Meeting, including for greater certainty disclosure of any material change to any of the parties to the Arrangement or affected by the Plan of Arrangement may be communicated to NWI Unitholders, holders of NWI Debentures, holders of NWI Deferred Units, the trustees of NWI and the auditors of NWI by press release or by prepaid ordinary mail in the same manner as provided herein for delivery of the Information Circular, or by such other means as is determined by the trustees of NWI to be the most appropriate and effective means of communication in the circumstances. Notice of any such amendment, update or supplement, if given by press release or ordinary prepaid mail, shall be deemed to have been received by the NWI Unitholders, holders of NWI Debentures, holders of NWI Deferred Units, the trustees of NWI, the auditors of NWI, and all other persons entitled to such notice on the day that is two days following such press release or date of mailing.

**Adjournments and Postponements**

27. NWI, if it deems it to be advisable, may adjourn or postpone the Meeting on one or more occasions and for such period or periods of time as NWI deems advisable, without the necessity of first convening such Meeting or first obtaining any vote of NWI Unitholders respecting the adjournment or postponement. Notice of any such adjournment or postponement shall be given by press release, newspaper advertisement, or by notice to the NWI Unitholders by one of the methods specified in this Interim Order, as determined to be the most appropriate method of communication by the NWI Board (provided that such authorization shall not derogate from the rights of NWH or the other parties to the Arrangement Agreement). If the Meeting is adjourned or postponed in accordance with this Interim Order, the references to the Meeting in this Interim Order shall be deemed to be the Meeting as adjourned or postponed.

**Final Application**

28. Subject to further order of this Court, and provided that the NWI Unitholders have approved the Arrangement in the manner directed by this Court and the NWI Board have not revoked that approval, the NWI Entities may proceed with an application for approval of the Arrangement and the Final Order on May 13, 2015 at 1:00 p.m. (Calgary time) or so soon thereafter as counsel may be heard at the Calgary Courts Centre, Calgary, Alberta. Subject to the Final Order, and to the issuance of the proof of filing of the Articles of Arrangement, all NWI Unitholders, the NWI Entities, the NWH Entities and all other persons will be bound by the Arrangement in accordance with its terms.

29. Any NWI Unitholder or any other interested party ("**Interested Party**") desiring to appear at the hearing of the application for the Final Order is required to file with this Court and serve upon NWI on or before 4:00 p.m. (Calgary time) on May 1, 2015 (or the Business Day that is five Business Days prior to the date of the Meeting if the Meeting is not held on May 8, 2015), a Notice of Intention to Appear including an address for service in the Province of Alberta, indicating whether such Interested Party intends to support or oppose the application or make submission thereat, together with a summary of the position such Interested Party intends to advocate before the Court and any evidence or materials which are to be presented to the Court. Service of this notice on NWI shall be effected by service upon the solicitors for NWI c/o Burnet, Duckworth & Palmer LLP, Suite 2400, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1, facsimile: (403) 260-0332, Attention: Jeff Sharpe.

30. In the event that the application for the Final Order is adjourned, only those parties appearing before this Court for the application for the Final Order, and those Interested Parties serving a Notice of Intention to Appear in accordance with paragraph 29 of this Order, shall have notice of the adjourned date.

**Leave to Vary Interim Order**

31. The NWI Entities are entitled at any time to seek leave to vary this Order upon such terms and the giving of such notice as this Court may direct.

"K. Horner"

**Justice of the Court of Queen's Bench of Alberta**

**APPENDIX G**
**ORIGINATING APPLICATION**

| | |
|---|---|
| COURT FILE NUMBER | 1501-03355 |
| COURT | COURT OF QUEEN'S BENCH OF ALBERTA |
| JUDICIAL CENTRE | CALGARY |
| APPLICANTS | **NWI ASSET MANAGEMENT INC., NORTHWEST INTERNATIONAL HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST, NWI HEALTHCARE PROPERTIES GP INC. AND NWI HEALTHCARE PROPERTIES LP** |

CLERK OF THE COURT
FILED
Clerk's Stamp:
APR 02 2015
CALGARY, ALBERTA

| | |
|---|---|
| RESPONDENTS | Not Applicable |
| DOCUMENT | **ORIGINATING APPLICATION** |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | Burnet, Duckworth & Palmer LLP<br>Suite 2400, 525-8th Avenue S.W.<br>Calgary, Alberta T2P 1G1<br>Lawyer: Jeff Sharpe<br>Phone Number: (403) 260-0100<br>Fax Number: (403) 260-0332<br>Email Address: jes@bdplaw.com<br>File No. 28306-1222<br><br>Goodmans LLP<br>333 Bay Street, Suite 3400<br>Toronto, Ontario M5H 2S7<br>Lawyer: Tom Friedland<br>Phone Number: (416) 979-2211<br>Fax Number: (416) 979-1234<br>Email Address: tfriedland@goodmans.ca |

**NOTICE**

This application will be heard as shown below:

| | |
|---|---|
| DATE | Tuesday, April 7, 2015 |
| TIME | 2:00 p.m. |
| WHERE | Calgary – Calgary Courts Centre<br>601 – 5th Street S.W.<br>Calgary, AB T2P 5P7 |
| BEFORE WHOM | Justice K.M. Horner |

**Basis for this claim:**

1. Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Notice of Annual and Special Meeting of Unitholders and Joint Information Circular (the "**Information Circular**") of NorthWest International Healthcare Properties Real Estate Investment Trust ("**NWI**") and NorthWest Healthcare Properties Real Estate Investment Trust ("**NWH**") describing, among other things, the Arrangement.

2. The Applicants, NWI Asset Management Inc. ("**NWI AM**"), NWI, NWI Healthcare Properties GP Inc. ("**NWI GP**") and NWI Healthcare Properties LP ("**NWI LP**", and collectively with NWI AM, NWI and NWI GP, the "**NWI Entities**") state that:

   (a) NWI AM is a body corporate continued into Alberta under the *Business Corporations Act*, R.S.A., 2000, c. B-9 (the "**ABCA**") on March 6, 2015.

   (b) NWI is a trust established under the laws of the Province of Ontario. NWI is a "reporting issuer" (or the equivalent) in each of the provinces and territories of Canada including pursuant to the *Securities Act*, R.S.A. 2000, c. S-4, as amended.

   (c) NWI GP is a body corporate existing under the Business Corporations Act, R.S.O., 1990, c. B.16.

   (d) NWI LP is a limited partnership existing under the *Partnership Act*, R.S.O., 1990 c. P.5.

   (e) The head and registered offices of the NWI Entities are in Toronto, Ontario.

3. The NWI Entities seek approval of this Honourable Court pursuant to Section 193 of the ABCA for a plan of arrangement (the "**Arrangement**") which is proposed pursuant to the terms of the arrangement agreement dated March 10, 2015 among the NWI Entities NWH, NHP Holdings Limited Partnership ("**NHP LP**") and Healthcare Properties LP ("**HP LP**", and collectively with NWH and NHP LP, the "**NWH Entities**") (the "**Arrangement Agreement**").

4. It is impracticable to effect the result contemplated by the Arrangement under any provision of the ABCA other than Section 193 thereof.

5. The Order of this Honourable Court approving the Arrangement will constitute the basis for an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, pursuant to Section 3(a)(10) thereof, with respect to the issuance of voting participating trust units and voting non-participating trust units of NWH (collectively, "**NWH Units**") to holders (the "**NWI Unitholders**") of voting participating trust units of NWI ("**NWI Ordinary Units**") and voting non-participating trust units of NWI ("**NWI Special Voting Units**" and collectively with the NWI Ordinary Units, the "**NWI Units**"), respectively, pursuant to the Arrangement.

6. The registered holders of NWI Units will be granted the right to dissent in respect of the Arrangement Resolution in accordance with the provisions of Section 191 of the ABCA as if such holders of NWI Units were shareholders of a corporation, as modified by the Arrangement and the Interim Order.

7. Subject to the approval of NWI Unitholders, the Arrangement is specifically permitted under section 13.3(g) of NWI's amended and restated declaration of trust, dated November 16, 2012 (the "**NWI Declaration of Trust**"). Article 4 of the NWI Declaration of Trust grants the trustees the powers to seek this Arrangement. A copy of the NWI Declaration of Trust will be attached as Exhibit "D" to the Affidavit of Paul Dalla Lana that will be filed in support of this Application.

8. All statutory requirements under the ABCA and any interim order have been or will be satisfied by the return date of this Application.

9. No creditor of the NWI Entities will be adversely affected by the Arrangement.

10. The NWI Entities seek approval of the Arrangement in good faith.

11. Such further and other grounds that counsel may advise and this Honourable Court may permit.

12. The Arrangement will result in NWI Unitholders receiving 0.208 (the "**Exchange Ratio**") of a NWH Unit for each NWI Unit held.

13. The Arrangement will result in holders of NWI Deferred Units receiving 0.208 of a NWH Deferred Unit for each NWI Deferred Unit held.

14. Holders of NWI Debentures may convert their debentures in accordance with their terms and participate in the Arrangement on the same basis as other NWI Unitholders. Any NWI Debentures outstanding at the time of the closing of Arrangement will be assumed by NWH, and following closing, holders of the NWI Debentures will be entitled to receive NWH Units upon conversion based on the Exchange Ratio contemplated by the Arrangement.

**Remedy Sought:**

15. The NWI Entities seek the following relief:

    (a) an interim order and directions for the calling and holding of a meeting of the NWI Unitholders to, among other things:

        (i) consider and vote upon the Arrangement Resolution to be approved by a vote of not less than 66 2/3% of the votes cast by NWI Unitholders;

        (ii) for the giving of notice of such meeting and for the return of this Application;

        (iii) for the manner of conducting the vote in respect of such meeting;

        (iv) the procedures to be followed if there are any amendments, revisions or supplements to the documents to be provided to NWI Unitholders; and

        (v) for such other matters as may be required for the proper consideration of the Arrangement;

    (b) an interim order declaring that the registered NWI Unitholders shall have the right to dissent in respect of the Arrangement pursuant to the provisions of Section 191 of the ABCA as if such holders of NWI Units were shareholders of a corporation, as modified by the Arrangement and the Interim Order;

(c) a declaration that the Arrangement will, upon the filing of Articles of Arrangement under the ABCA and the issuance of the Proof of Filing of Articles of Arrangement under the ABCA, be effective under the ABCA in accordance with its terms and will be binding on: (i) the NWI Entities; (ii) the NWI Unitholders; (iii) holders of NWI Deferred Units; (iv) the NWH Entities; (v) Computershare Investor Services Inc., as depositary; and (vi) all other persons, at and after the Effective Time of the Arrangement;

(d) a declaration that the terms and conditions of the Arrangement, and the procedures relating thereto, are fair and reasonable to NWI Unitholders and other affected parties, from a substantive and procedural point of view;

(e) an order approving the Arrangement pursuant to Section 193 of the ABCA and pursuant to the terms and conditions of the Arrangement Agreement as described in the Affidavit of Paul Dalla Lana, Chair of the NWI Board and Chief Executive Officer of NWI, filed herein; and

(f) such further and other orders, declarations and directions as this Honourable Court may deem just.

**Affidavit or other evidence to be used in support of this application:**

16. The Affidavit of Paul Dalla Lana, Chair of the NWI Board and Chief Executive Officer of NWI, sworn on April 7, 2015.

17. Further affidavit(s) to be sworn on behalf of NWI, reporting as to compliance with any Interim Order and the results of any meeting conducted pursuant to such Interim Order, with exhibits thereto.

18. Such further information as counsel may advise and as this Honourable Court may permit.

**Applicable Acts and Regulations:**

19. *Business Corporations Act*, R.S.A. 2000, c.B-9, as amended.

20. Alberta Rules of Court (AR 124/2010).

**APPENDIX H**
**CANACCORD GENUITY FORMAL VALUATION AND NWH FAIRNESS OPINION**

Canaccord Genuity Corp.

BCE Place
161 Bay Street, Suite 3100
P.O. Box 516, Toronto, ON
Canada M5J 2S1

T: 416.869.7368
F: 416.869.3876

CANACCORD Genuity

March 10, 2015

The Independent Committee of the Board of Trustees
NorthWest Healthcare Properties Real Estate Investment Trust
284 King Street East
Toronto, Ontario
M5A 1K4

To the Independent Committee:

Canaccord Genuity Corp. ("**Canaccord Genuity**") understands that NorthWest Healthcare Properties Real Estate Investment Trust ("**NWH**") is considering entering into an arrangement agreement (the "**Arrangement Agreement**") with NorthWest International Healthcare Properties Real Estate Investment Trust ("**NWI**"), under which NWH and NWI will combine pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta) (the "**Transaction**"). Under the terms of the Arrangement Agreement, NWH will acquire all of the outstanding trust units of NWI and units exchangeable into trust units of NWI (collectively, the "**NWI Units**") and each holder of NWI Units will be entitled to receive 0.208 (the "**Exchange Ratio**") of a trust unit of NWH (a "**NWH Unit**") in exchange for each NWI Unit held (the "**Consideration**").

The terms of the Transaction are set out in the Arrangement Agreement and will be described in a joint management information circular (the "**Circular**") of NWH and NWI which is to be sent to holders of NWH Units (the "**NWH Unitholders**") and holders of NWI Units (the "**NWI Unitholders**") in connection with the Transaction.

Canaccord Genuity also understands that NWI owns 4,345,900 NWH units and 7,551,546 Class B Limited Partnership units ("Class B Units") of NHP Holdings Limited Partnership, each of which is exchangeable into one NWH unit for a total of 11,897,446, representing approximately 25.3% of the outstanding NWH Units on a fully diluted basis. NWI has agreed to vote its NWH units and Class B Units in favour of the Transaction. Canaccord Genuity understands that a committee of members of the board of trustees of NWH (the "**Board**") who are independent of NWI (the "**Independent Committee**") has been constituted to consider the Transaction and make recommendations thereon to the Board. Canaccord Genuity has been advised by counsel to the Independent Committee that the Transaction is a "business combination" for NWH, as such term is defined in Multilateral Instrument MI 61-101 *"Protection of Minority Securityholders in Special Transactions"* ("**MI 61-101**"). The Independent Committee has retained Canaccord Genuity to prepare and deliver to the Independent Committee: (i) a formal valuation of the NWH Units (the "**NWH Valuation**") that complies with the requirements of MI 61-101, (ii) a formal valuation of the NWI Units (the "**NWI Valuation**" and together with the NWH Valuation, the "**Valuations**") that complies with the requirements of MI 61-101, and (iii) an opinion (the "**Fairness Opinion**", and together with the Valuations, the "**Valuations and Fairness Opinion**") as to the fairness to NWH Unitholders (other than NWI) from a financial point of view, of the Consideration to be paid by NWH to NWI Unitholders pursuant to the Transaction.

Canaccord Genuity has prepared the Valuations and Fairness Opinion effective as of March 10, 2015 (the "**Valuation Date**"). Any events subsequent to the Valuation Date may affect the validity of the Valuations and Canaccord Genuity makes no representations that the Valuations will be accurate after the Valuation Date.

All dollar amounts herein are expressed in Canadian dollars, unless stated otherwise.

**Engagement**

Pursuant to the terms of an agreement between the Independent Committee and Canaccord Genuity (the "**Engagement Agreement**") dated November 17, 2014, Canaccord Genuity is to be paid: (i) a fee of $100,000

(the "**Work Fee**"), and (ii) a fee of $950,000 (the "**Valuations Fee**") payable upon delivery of the Valuations and the Fairness Opinion. In addition, Canaccord Genuity is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by NWH in certain circumstances. The compensation of Canaccord Genuity under the Engagement Agreement, including either of the Work Fee, or the Valuations Fee, does not depend in whole or in part on the conclusions reached in the NWH Valuation, the NWI Valuation, the Fairness Opinion or the outcome of the Transaction.

The Valuations have been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinion of Investment Industry Regulatory Organization of Canada (IIROC) but IIROC has not been involved in the preparation or review of the Valuations.

Canaccord Genuity consents to the inclusion of the Valuations and Fairness Opinion in their entirety and summaries thereof (provided such summaries are in a form acceptable to Canaccord Genuity) in the Circular and to the filing thereof, as necessary, by NWH with the securities commissions or similar regulatory authorities in each province of Canada.

**Independence of Canaccord Genuity**

Neither Canaccord Genuity, nor any of its affiliated entities (as such term is defined for the purposes of MI 61-101) (i) is an associated or affiliated entity or issuer insider (as such terms are defined for the purposes of MI 61-101) of NWH, NWI, or any of their respective associates or affiliates (each an "**Interested Party**"), (ii) is an advisor to NWI, NWH or any of their respective associates or affiliates in connection with the Transaction, or (iii) is a manager or co-manager of a soliciting dealer group formed in respect of the Transaction (or a member of such a group performing services beyond the customary soliciting dealer's functions or receiving more than the per security or per security holder fees payable to the other members of the group). Canaccord Genuity has not been engaged to provide any financial advisory services to NWH, NWI or any of their respective associates or affiliates in connection with the Transaction other than the services provided under the Engagement Agreement and as described herein. Canaccord Genuity has not participated in any financings involving NWH, NWI or any of their respective associates or affiliates, within the past two years, other than as co-manager on NWH's $40,250,000 bought deal offering of 5.25% convertible debentures that closed on September 11, 2013, and with respect to NWI as co-manager on: a $22,600,000 bought deal offering of 6.50% convertible debentures that closed on March 25, 2013, a $17,500,000 bought deal offering of 7.50% convertible debentures that closed on August 29, 2013, a $19,704,140 bought deal offering of trust units at $2.00 that closed on December 18, 2013, a $23,000,002 bought deal offering of trust units at $2.05 that closed on May 21, 2014, a $38,750,000 bought deal offering of 7.25% convertible debentures that closed on September 23, 2014, and a $30,001,100 bought deal offering of trust units at $2.15 that closed on November 25, 2014

The fees paid to Canaccord Genuity in connection with the forgoing activities, together with the fees payable to Canaccord Genuity pursuant to the Engagement Agreement, are not, in the aggregate, financially material to Canaccord Genuity and do not give Canaccord Genuity any financial incentive in respect of the conclusions reached in the Valuations or the Fairness Opinion or the outcome of the Transaction. There are no understandings, agreements or commitments between Canaccord Genuity and NWH, NWI or any of their respective associates or affiliates with respect to any future business dealings. Canaccord Genuity may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for NWH, NWI or any of their respective associates or affiliates.

Canaccord Genuity acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of NWH, NWI or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, Canaccord Genuity conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to NWH, NWI or the Transaction.

Canaccord Genuity is of the view that it is independent of all Interested Parties in the Transaction as defined by MI 61-101.

**Credentials of Canaccord Genuity**

Canaccord Genuity is an independent investment bank providing a full range of corporate finance, merger and acquisition, financial restructuring, institutional sales and trading, and equity research services. Canaccord Genuity has professionals and offices across Canada, as well as in the United States, the United Kingdom, France, Australia, Hong Kong and China.

The Valuations and Fairness Opinion represent the views and opinions of Canaccord Genuity, and the form and content of the Valuations and Fairness Opinion has been approved by a committee of Canaccord Genuity senior officers, each of whom is experienced in merger, acquisition, divestiture, valuation and capital markets matters.

**Scope of Review**

In connection with the Valuations, Canaccord Genuity reviewed, considered, and relied upon (without attempting to verify independently the completeness or accuracy thereof) or carried out, among other things, the following:

1. The annual financial statements of each of NWH and NWI (including related management's discussion and analysis) for the years ended December 31, 2011, 2012, 2013 and 2014;
2. The annual information forms of each of NWH and NWI for each of the fiscal years ended December 31, 2011, 2012, and 2013, as applicable;
3. The notice of meeting and management information circulars of each of NWH and NWI with respect to the annual meetings of unitholders for each of the fiscal years ended December 31, 2011, 2012, and 2013;
4. All Material Change Reports publicly filed by each of NWH and NWI with the Canadian securities regulatory authorities since January 1, 2014;
5. Recent press releases and other public documents filed by each of NWH and NWI on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com;
6. The unitholder rights plan agreement of NWH dated March 25, 2010;
7. A draft of the press release with respect to the Transaction;
8. Discussions with the senior management of each of NWH and NWI concerning their financial condition, future business prospects, and the background to the Transaction;
9. Discussions with the Independent Committee and their legal counsel;
10. Discussions with NWI's financial advisors;
11. Third party appraisals of the material assets of each of NWH and NWI;
12. Summary tax information for NWH and NWI provided by their respective management;
13. Credit agreements relating to NWH's and NWI's current indebtedness;
14. The Deed of Amendment and Restatement of Trust Deed relating to Vital Healthcare Property Trust dated November 1, 2012;
15. The asset management agreement between NWVP and NWI dated November 16, 2012 and amended December 18, 2013 and terminated effective January 1, 2015;
16. Financial projections provided by management of each of NWH and NWI for the fiscal years ending December 31, 2015 through 2024;
17. Certain other internal financial, operational and corporate information prepared or provided by management of NWH and NWI;
18. The investor presentation dated November 2014 prepared by NWH management and the investor presentation dated Q3 2014 prepared by NWI management;
19. Trading and liquidity statistics for each of NWH and NWI;

20. The financial and operating performance and market multiples for each of NWH and NWI and other selected public companies that Canaccord Genuity considered relevant;
21. Research reports for NWH and for the comparable companies of each of NWH and NWI and general industry reports;
22. An analysis of comparable industry transactions, which Canaccord Genuity considered relevant;
23. A review of the methodologies used in valuations for comparable transactions, which Canaccord Genuity considered relevant;
24. Such other corporate, industry and financial market information, investigations and analyses as considered necessary or appropriate in the circumstances.

Canaccord Genuity has not, to the best of its knowledge, been denied access by NWH or NWI to any information requested by Canaccord Genuity.

Canaccord Genuity did not meet with the auditors of either NWH or NWI as part of its review and has assumed the accuracy and fair presentation of and relied upon the financial statements of NWH and NWI, as presented.

**Prior Valuations**

NWH has represented to Canaccord Genuity that there have not been any prior valuations (as defined in MI 61-101) relating to NWH or NWI, of all or a material part of the assets or the securities of NWH and NWI or any of their respective subsidiaries made in the two years preceding the Valuation Date and in the possession or control of NWH other than certain asset appraisals which have been provided to Canaccord Genuity.

NWI has represented to Canaccord Genuity that there have not been any prior valuations (as defined in MI 61-101) relating to NWI or NWH, of all or a material part of the assets or the securities of NWI and NWH or any of their respective subsidiaries made in the two years preceding the Valuation Date and in the possession or control of NWI other than certain asset appraisals which have been provided to Canaccord Genuity.

**Assumptions and Limitations**

With the Independent Committee's approval and as provided for in the Engagement Agreement, Canaccord Genuity has relied upon the completeness, accuracy and fair presentation of all of the financial and other information, data, documents, advice, opinions or representations, whether in written, electronic or oral form, obtained by it from public sources, senior management of NWH, NWI and their respective consultants and advisors (collectively, the "**Information**"). The Valuations and Fairness Opinion are conditional upon such completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment and except as expressly described herein, we have not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information.

Senior officers of NWH have represented to Canaccord Genuity in a certificate delivered as of the date hereof, among other things, that (i) the Information, whether in written, electronic or oral form, provided by NWH or any of its subsidiaries (as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*) or their respective agents or representatives to Canaccord Genuity (the "**NWH Information**") for the purpose of preparing the NWH Valuation and the Fairness Opinion was, at the date the NWH Information was provided to Canaccord Genuity, and is (except to the extent superseded by more current NWH Information provided to Canaccord Genuity), at the date hereof, complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact and did not and does not omit to state a material fact necessary to make the NWH Information or any statement contained therein not misleading in light of the circumstances under which the NWH Information was provided or any statement was made; (ii) since the dates on which the NWH Information was provided to Canaccord Genuity, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of NWH or any of its subsidiaries and no material change has occurred in the NWH Information or any part thereof which would have or which would reasonably be expected to have a material effect on the NWH Valuation or the Fairness Opinion; (iii) there are no material independent appraisals or valuations or material non-independent appraisals, valuations or material expert reports relating to NWH, its securities, or any of its subsidiaries or any of their respective material assets or liabilities within their

possession or control or knowledge that have been prepared as of a date within the two years preceding the date hereof that have not been provided to Canaccord Genuity; (iv) since the dates on which the NWH Information was provided to Canaccord Genuity, no material transaction has been entered into by NWH or any of its subsidiaries, and, except for the Transaction, NWH has no plans and management of NWH is not aware of any circumstances or developments that could reasonably be expected to have a material effect on the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of NWH or any of its subsidiaries or that would constitute a "material change" (as such term is defined in the Securities Act (Ontario) (the "**Act**")); (v) such senior officers of NWH have no knowledge of any facts or circumstances, public or otherwise, not contained in or referred to in the NWH Information that could reasonably be expected to affect the NWH Valuation or the Fairness Opinion, including the assumptions used, procedures adopted, the scope of the review undertaken or the conclusions reached; (vi) other than as disclosed in the NWH Information, none of NWH or its subsidiaries has any material contingent liabilities (on a consolidated or non-consolidated basis) and, to the best of the knowledge, information and belief of the certifying officers after due inquiry, there are no material actions, suits, proceedings or inquiries pending or threatened against or affecting NWH or any of its subsidiaries, at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, bureau, board agency or instrumentality which may in any way materially affect NWH and its subsidiaries, taken as a whole; (vii) all financial material, documentation and other data concerning NWH, its subsidiaries and the Transaction provided to Canaccord Genuity, other than the NWH Forecasts (as defined below), were prepared on a basis consistent in all material respects with the accounting policies of NWH applied in the audited consolidated financial statements of NWH dated as at December 31, 2014, which have been presented in accordance with International Financial Reporting Standards ("**IFRS**"); (viii) with respect to any portions of the NWH Information that constitute budgets, strategic plans, financial forecasts, projections, models or estimates (collectively, "**NWH Forecasts**"), such NWH Forecasts (other than those superseded by more current NWH Forecasts provided to Canaccord Genuity) (a) were reasonably prepared on bases reflecting reasonable estimates and judgment of NWH; (b) were prepared using the assumptions identified therein, which in the reasonable belief of the management of NWH are (or were at the time of preparation) reasonable in the circumstances; and (c) are not, in the reasonable belief of the management of NWH, misleading in any material respect in light of the assumptions used or in light of any developments since the time of their preparation; (ix) no verbal or written offers for, at any one time, all or a material part of the properties and assets owned by, or the securities of, NWH or any of its subsidiaries, have been received or made and no negotiations have occurred relating to any such offer within the two years preceding the date hereof that have not been disclosed to Canaccord Genuity; (x) there are no agreements, undertakings, commitments or understandings (written or oral, formal or informal) relating to the Transaction, except as have been disclosed in writing to Canaccord Genuity; and (xi) the contents of NWH's public disclosure documents are true and correct in all material respects and do not contain any misrepresentation (as such term is defined in the Act) and such disclosure documents comply in all material respects with all requirements under applicable laws.

Senior officers of NWI have represented to Canaccord Genuity in a certificate delivered as of the date hereof, among other things, that (i) the Information, whether in written, electronic or oral form, provided by NWI or any of its subsidiaries (as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*) or their respective agents or representatives to Canaccord Genuity (the "**NWI Information**") for the purpose of preparing the NWI Valuation and the Fairness Opinion was, at the date the NWI Information was provided to Canaccord Genuity, and is (except to the extent superseded by more current NWI Information provided to Canaccord Genuity), at the date hereof, complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact and did not and does not omit to state a material fact necessary to make the NWI Information or any statement contained therein not misleading in light of the circumstances under which the NWI Information was provided or any statement was made; (ii) since the dates on which the NWI Information was provided to Canaccord Genuity, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of NWI or any of its subsidiaries and no material change has occurred in the NWI Information or any part thereof which would have or which would reasonably be expected to have a material effect on the NWI Valuation or the Fairness Opinion; (iii) there are no material independent appraisals or valuations or material non-independent appraisals, valuations or material expert reports relating to NWI, its securities, or any of its subsidiaries or any of their respective material assets or liabilities within their possession or control or knowledge that have been prepared as of a date within the two years preceding the date hereof that have not been provided to Canaccord Genuity; (iv) since the dates on which the NWI Information was provided to Canaccord Genuity, no material transaction has been entered into by NWI or any

of its subsidiaries, and, except for the Transaction, NWI has no plans and management of NWI is not aware of any circumstances or developments that could reasonably be expected to have a material effect on the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of NWI, or any of its subsidiaries or that would constitute a "material change" (as such term is defined in the Act); (v) such senior officers of NWI have no knowledge of any facts or circumstances, public or otherwise, not contained in or referred to in the NWI Information that could reasonably be expected to affect the NWI Valuation or the Fairness Opinion, including the assumptions used, procedures adopted, the scope of the review undertaken or the conclusions reached; (vi) other than as disclosed in the NWI Information, none of NWI or its subsidiaries has any material contingent liabilities (on a consolidated or non-consolidated basis) and, to the best of our knowledge, information and belief after due inquiry, there are no material actions, suits, proceedings or inquiries pending or threatened against or affecting NWI or any of its subsidiaries, at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, bureau, board agency or instrumentality which may in any way materially affect NWI and its subsidiaries, taken as a whole; (vii) all financial material, documentation and other data concerning NWI, its subsidiaries and the Transaction provided to Canaccord Genuity, other than the NWI Forecasts (as defined below), were prepared on a basis consistent in all material respects with the accounting policies of NWH applied in the audited consolidated financial statements of NWI dated as at December 31, 2014, which have been presented in accordance with IFRS; (viii) with respect to any portions of the NWI Information that constitute budgets, strategic plans, financial forecasts, projections, models or estimates (collectively, "**NWI Forecasts**"), such NWI Forecasts (other than those superseded by more current NWI Forecasts provided to Canaccord Genuity) (a) were reasonably prepared on bases reflecting reasonable estimates and judgment of NWI; (b) were prepared using the assumptions identified therein, which in the reasonable belief of the management of NWI are (or were at the time of preparation) reasonable in the circumstances; and (c) are not, in the reasonable belief of the management of NWI, misleading in any material respect in light of the assumptions used or in light of any developments since the time of their preparation; (ix) no verbal or written offers for, at any one time, all or a material part of the properties and assets owned by, or the securities of, NWI or any of its subsidiaries, have been received or made and no negotiations have occurred relating to any such offer within the two years preceding the date hereof that have not been disclosed to Canaccord Genuity; (x) there are no agreements, undertakings, commitments or understandings (written or oral, formal or informal) relating to the Transaction, except as have been disclosed in writing to Canaccord Genuity; and (xi) the contents of NWI's public disclosure documents are true and correct in all material respects and do not contain any misrepresentation (as such term is defined in the Act) and such disclosure documents comply in all material respects with all requirements under applicable laws.

Canaccord Genuity has also assumed that all draft documents referred to under "**Scope of Review**" above are accurate reflections, in all material respects, of the final form of such documents.

The Valuations and Fairness Opinion have been rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of NWH, NWI and their respective subsidiaries and affiliates, as they were reflected in the Information and as they have been represented to Canaccord Genuity in discussion with management of NWH and NWI. In its analyses and in preparing the Valuations and Fairness Opinion, Canaccord Genuity made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Canaccord Genuity or any party involved in the Transaction.

The Valuations and Fairness Opinion have been provided for the use of the Independent Committee and the Board and may not be used by any other person or relied upon by any person other than the Independent Committee and the Board without the express prior written consent of Canaccord Genuity. The Valuations and Fairness Opinion are given as of the Valuation Date and Canaccord Genuity disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Valuations and Fairness Opinion which may come or be brought to Canaccord Genuity's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Valuations and Fairness Opinion after the date hereof, Canaccord Genuity reserves the right to change, modify or withdraw the Valuations and Fairness Opinion and disclaims any undertaking or obligation to update the Valuations and Fairness Opinion after the date hereof.

Canaccord Genuity believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a

misleading view of the process underlying the Valuations and Fairness Opinion. The preparation of a valuation or a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. The Valuations and Fairness Opinion are not to be construed as a recommendation to any NWH Unitholder or NWI Unitholder as to whether or not to vote in favour of the Transaction. The Valuations and Fairness Opinion do not address the relative merits of the Transaction as compared to other transactions or business strategies that might be available to NWI and NWH.

**Definition of Fair Market Value**

For purposes of the Valuations, fair market value means the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act. In determining the fair market value of the NWH Units and the NWI Units, as the case may be, Canaccord Genuity has not made any downward adjustment to the value of the NWH Units or the NWI Units to reflect the liquidity of the NWH Units or the NWI Units, the effect of the Transaction on the NWH Units or the NWI Units or whether or not the NWH Units or the NWI Units form part of a controlling interest. Values determined on the foregoing basis represent "en bloc" values, that is, values that an acquirer of 100% of the NWH Units or the NWI Units would be expected to pay in an open auction of NWH and NWI, respectively.

**Approach to Value**

The Valuations are based upon the methodologies and assumptions that Canaccord Genuity considered appropriate in the circumstances for the purposes of arriving at an opinion as to the range of fair market values of the NWH Units and the NWI Units. Fair market value of the NWH Units and the NWI Units was analysed on a going-concern basis and is expressed on a per unit basis.

**Valuation Methodologies and Analysis**

Canaccord Genuity considered two principal methodologies in its approach to the Valuations:

1. Comparable companies trading analysis ("**Comparable Companies Analysis**"), including an analysis of multiples of funds from operations ("**FFO**") and adjusted funds from operations ("**AFFO**") and premium/discount to Net Asset Value ("**NAV**"). In order to calculate en bloc value, a control premium was applied to the results of the analysis.
2. Precedent transactions analysis ("**Precedent Transactions Analysis**"), including an analysis of multiples of FFO and AFFO, and the premiums to NAV and trading prices paid in acquisition transactions involving relevant public real estate entities.

With respect to NWH, Canaccord Genuity applied a normalizing adjustment to FFO and AFFO in each year of the forecast period, in order to reduce the impact from any year to year irregularities in the expected expenditures for capital expenditures, tenant inducements, and leasing costs in any particular year but to still reflect the aggregate expenditures over the forecast period.

In addition, Canaccord Genuity considered NAV Analysis, IFRS Valuation, and trading data for each of the NWH Units and NWI Units.

*Comparable Companies Analysis*

Comparable companies trading analysis is a relative valuation analysis that evaluates the value of a company or asset using the trading and financial metrics of other publicly traded companies or assets determined to have similar characteristics. While the set of comparable companies is different for each of NWH and NWI, multiples considered in both the NWH Valuation and NWI Valuation included Price/FFO for 2015E and 2016E, Price/ AFFO for 2015E and 2016E and premium/discount to NAV. In order to determine an en bloc value for the NWH Units and NWI Units with respect to the comparable companies trading analysis, a control premium has been applied to the result. The value that an arms-length acquirer would be expected to pay for synergies is assumed to be a component of the control premium.

*Precedent Transactions Analysis*

Canaccord Genuity reviewed a number of transactions involving real estate companies generally, as well as those in the healthcare sector specifically. While the set of transactions considered is different for each of NWH and NWI, multiples considered in both the NWH Valuation and NWI Valuation included Price/FFO, Price/AFFO and premium/discount to NAV. The prices paid in precedent transactions reflect en bloc value as they represent transactions for 100% of the outstanding equity of the target entities. These multiples also reflect an implicit value for synergies.

*NAV Analysis*

Canaccord Genuity primarily relied on NAV Analysis as an input into the Comparable Companies Analysis and the Precedent Transactions Analysis. NAV Analysis is commonly used in valuations of real estate companies in that they consider the value of each asset and liability at a point in time on a segmented basis. However, we do not consider NAV Analysis to be a primary approach, in and of itself, in evaluating the fair market value of the units of a REIT which would reflect an ongoing real estate business.

The key components of a NAV Analysis include:

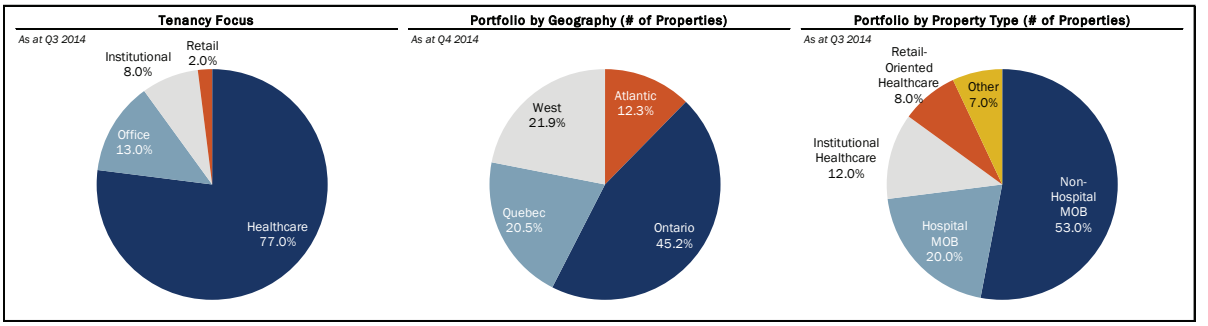
- Income producing properties (using both discounted cash flow and income capitalization approaches)
- Other properties / investments in public companies
- Capitalized general and administrative ("G&A") expenses
- Secured, unsecured and convertible debt
- Other assets and liabilities
- Synergies

The NAV that is used in the Comparable Companies Analysis and the Precedent Transactions Analysis, through the application of discounts/premia to NAV, was adjusted to reverse the impact of capitalized G&A expenses and synergies, in order to make the NAV Analysis applicable to the NAV estimates published by equity research analysts for those companies or transactions, as the case may be. Synergy value was reintroduced to these analyses with the application of control premiums, in the case of Comparable Companies Analysis, and with en bloc multiples, in the case of Precedent Transactions Analysis.

## NWH VALUATION

### Overview of NWH

NWH's business is the ownership and management of a portfolio of medical office buildings ("**MOBs**") in 38 urban centres across 7 provinces in Canada. NWH's portfolio currently consists of 73 properties, representing approximately 4.5 million square feet of gross leasable area. NWH's properties have approximately 1,600 tenants. NWH's list of properties is included as Appendix A. NWH is based in Toronto, Ontario and employs approximately 140 individuals.



For the year ended December 31, 2014, NWH reported revenue from operations of $150.4 million, net operating income ("**NOI**") of $80.8 million, FFO of $46.3 million and AFFO of $38.8 million. As at December 31, 2014, NWH reported total assets of $1,245 million and total debt of $689 million.

### Historical Financial Results

The following table summarizes NWH's select income statement information for the years ended December 31, 2012, 2013 and 2014:

| Consolidated Statements of Income and Comprehensive Income | | | |
|---|---|---|---|
| *(C$ thousands, for the period ending Dec. 31)* | **2012[1]** | **2013** | **2014** |
| Revenue from Operations | 134,458 | 150,110 | 150,429 |
| Property Operating Expenses | 60,826 | 68,589 | 69,641 |
| **Property Operating Income** | **73,632** | **81,521** | **80,788** |
| Finance Costs | 28,424 | 34,075 | 32,777 |
| Interest Income | (2,002) | (816) | (834) |
| Trust Expenses | 3,587 | 3,642 | 4,852 |
| **Income before Class B Exchangeable Unit Distributions, Fair Value Adjustments, Net Loss on Disposal of Investment Property and Goodwill Impairment** | **43,623** | **44,620** | **43,993** |
| Finance Costs (including distributions on exchangeable units) | (14,679) | 12,150 | (745) |
| Fair Value Adjustment of Investment Properties | 63,549 | (20,177) | (59,702) |
| Net Loss on Disposal of Investment Properties | - | (73) | (1,283) |
| Goodwill Impairment | - | - | (4,458) |
| **Net Income (Loss) and Comprehensive Income (Loss)** | **92,493** | **36,520** | **(22,195)** |
| Finance Costs | 14,679 | (10,058) | 745 |
| Fair Value Adjustment of Investment Properties | (63,549) | 20,177 | 59,702 |
| Net Loss on Disposal of Investment Properties | - | 73 | 1,283 |
| Goodwill Impairment | - | - | 4,458 |
| Acquisition Related Costs | - | - | 793 |
| Internal Leasing Costs | - | 1,481 | 1,730 |
| Fair Value Adjustment to Deferred Unit Liability Plan | - | (125) | (169) |
| **Funds From Operations** | **43,623** | **48,068** | **46,347** |
| Amortization | (2,008) | (1,596) | (860) |
| Deferred Unit Plan Compensation Expense | 1,104 | 927 | 1,539 |
| Debt Repayment Costs | - | 208 | 768 |
| Reserve for Stabilized Leasing Costs, Tenant Improvements and Growth Capital Expenditures | (6,029) | (8,958) | (9,017) |
| **Adjusted Funds from Operations** | **36,690** | **38,649** | **38,777** |

*1. As reported (not restated to conform to NWH's current presentation)*

The following table summarizes NWH's balance sheet as at the end of December 31, 2012, 2013 and 2014:

| Consolidated Balance Sheets | | | |
|---|---|---|---|
| *(C$ thousands, as at Dec. 31)* | **2012[1]** | **2013** | **2014** |
| **Assets** | | | |
| Investment Properties | 1,244,875 | 1,286,843 | 1,223,429 |
| Goodwill | 4,458 | 4,458 | - |
| Loan Receivable | 8,000 | 8,000 | 8,000 |
| Accounts Receivable | 3,059 | 7,448 | 7,573 |
| Other Assets | 16,721 | 6,163 | 3,125 |
| Restricted Cash | 175 | 175 | - |
| Cash and Cash Equivalents | 4,189 | 1,905 | 2,514 |
| **Total Assets** | **1,281,477** | **1,314,992** | **1,244,641** |
| **Liabilities and Unitholders' Equity** | | | |
| **Liabilities** | | | |
| Mortgages Payable | 626,426 | 647,912 | 631,257 |
| Convertible Debentures | - | 40,250 | 40,854 |
| Loans Payable | 34,796 | 10,467 | 16,529 |
| Class B Exchangeable Units | 95,042 | 78,838 | 70,078 |
| Other Financial Instruments | 1,047 | - | 1,087 |
| Accounts Payable and Accrued Liabilities | 21,820 | 26,295 | 23,721 |
| Distributions Payable | 2,567 | 2,586 | 2,608 |
| **Total Liabilities** | **781,698** | **806,348** | **786,134** |
| **Unitholders' Equity** | **499,779** | **508,644** | **458,507** |
| **Total Liabilities and Unitholders' Equity** | **1,281,477** | **1,314,992** | **1,244,641** |

*1. As reported (not restated to conform to NWH's current presentation)*

## Trading Summary

The NWH Units are listed under the symbol NWH.UN on the Toronto Stock Exchange ("**TSX**") and on various other stock exchanges. As at January 31, 2015, there were 39,147,684 NWH Units issued and outstanding and 7,551,546 Class B Units outstanding of NHP Holdings Limited Partnership, each of which is convertible into one NWH Unit and through a special voting unit is entitled to one vote at an NWH Unitholder meeting. The following table sets forth, for the periods indicated, the low and high closing prices and the volumes traded of the NWH Units on all exchanges:

| Period | High | Low | Volume |
|---|---|---|---|
| Mar-14 | $10.28 | $9.52 | 4,473,783 |
| Apr-14 | $10.18 | $9.53 | 2,310,318 |
| May-14 | $10.26 | $9.94 | 2,894,049 |
| Jun-14 | $10.13 | $9.89 | 2,043,846 |
| Jul-14 | $10.22 | $9.88 | 2,821,177 |
| Aug-14 | $10.34 | $9.87 | 2,305,980 |
| Sep-14 | $10.18 | $9.61 | 2,540,433 |
| Oct-14 | $10.02 | $9.52 | 1,689,095 |
| Nov-14 | $10.00 | $9.04 | 2,288,918 |
| Dec-14 | $9.29 | $8.20 | 2,268,316 |
| Jan-15 | $9.67 | $9.22 | 1,426,297 |
| Feb-15 | $10.03 | $9.03 | 1,623,866 |
| Mar. 1 - Mar. 9, 2015 | $10.05 | $9.47 | 464,596 |

*Source: Bloomberg, all Canadian exchanges*

## Comparable Companies Analysis

In applying the comparable company valuation approach to the NWH Units, Canaccord Genuity reviewed the public market trading multiples of selected listed real estate investment trusts ("REITs") and real estate

operating companies ("REOCs"). Canaccord Genuity considered a broad set of REITs and REOCs worldwide, including a number of entities that own real estate properties used by healthcare providers. Ultimately, the relevant universe was limited to REITs that are listed in Canada with significant exposure to the office asset class. This was primarily due to significant differences with the healthcare markets served by those companies located outside Canada, as well is differences in real estate valuations in those markets as compared to NWH's market.

The following is a summary of the comparable companies Canaccord Genuity identified as relevant:

| *(C$ millions)* | | Market | Price | P/FFO | | P/AFFO | | FFO Conv. | Prem.(Disc.) | Debt/GBV | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | TEV | Capitalization | 9-Mar-15 | CY2015E | CY2016E | CY2015E | CY2016E | CY2015E | to NAV | Inc. Conv. | Exc. Conv. |
| H&R REIT | 11,952 | 6,585 | 22.56 | 12.4x | 11.9x | 14.2x | 13.6x | 87.6% | (9.6%) | 46.5% | 44.7% |
| Cominar REIT | 7,481 | 3,135 | 18.79 | 9.9x | 9.7x | 11.5x | 11.2x | 86.2% | (5.7%) | 54.2% | 51.9% |
| Allied Properties REIT | 4,278 | 2,970 | 38.08 | 16.2x | 14.9x | 18.4x | 16.9x | 88.2% | 13.2% | 33.9% | 33.9% |
| Dream Office REIT | 5,694 | 2,797 | 25.92 | 9.1x | 9.1x | 10.8x | 10.8x | 84.2% | (19.6%) | 44.1% | 43.4% |
| Artis REIT | 4,939 | 1,992 | 14.58 | 9.8x | 9.5x | 11.4x | 11.0x | 86.3% | (12.0%) | 55.6% | 52.1% |
| Morguard REIT | 2,394 | 1,071 | 17.23 | 10.1x | 9.7x | 13.1x | 12.6x | 77.0% | (23.9%) | 45.3% | 40.3% |
| Melcor REIT | 497 | 223 | 8.60 | 8.7x | 8.2x | 10.2x | 9.6x | 85.7% | (21.2%) | 42.8% | 37.5% |
| Agellan Commercial REIT | 527 | 215 | 9.15 | 7.4x | 7.1x | 10.0x | 9.5x | 73.8% | (14.6%) | 54.3% | 54.3% |
| FAM REIT | 426 | 161 | 8.01 | 8.3x | 8.0x | 9.5x | 9.1x | 87.5% | (14.2%) | 58.5% | 58.5% |

*Applied Multiple and Premium*

In deriving appropriate price/FFO and price/AFFO multiples for 2015E and 2016E and a discount to NAV to apply to the NWH Units, Canaccord Genuity also reviewed the relative size and leverage of the universe of comparable companies.

Market trading prices generally do not reflect "en bloc" value. To adjust for "en bloc" value, Canaccord Genuity considered, and reviewed take-out premiums paid in precedent Canadian public REIT transactions. For the purpose of this analysis, premium is defined as the amount, in percent, by which prices paid per share or unit under the precedent transactions exceeded the trading price prior to the transaction. Based on the analysis, Canaccord Genuity applied a 20.0%-25.0% premium to the value ranges determined using the comparable companies approach.

| Comparable Companies Approach | | | | |
|---|---|---|---|---|
| | Multiples Applied | | Value Range (Incl. Prem.) | |
| | Low | High | Low | High |
| **FFO** | 8.0x | 10.0x | $9.84 | $12.17 |
| **AFFO** | 11.0x | 13.5x | $9.72 | $12.22 |
| **Discount to NAV** | (20.0%) | (5.0%) | $9.03 | $13.14 |

**Precedent Transactions Analysis**

The following table illustrates the multiples of FFO and AFFO and the premia to NAV at which transactions have been completed involving public real estate entities with exposure to the healthcare and office asset classes, with consideration given to transaction size relative to NWH:

*(C$ millions)*

| Closed | | | | Equity | Premium | Price/FFO | | Price/AFFO | | Prem/(Disc) |
|---|---|---|---|---|---|---|---|---|---|---|
| Date | Target | Acquiror | Asset Class | Value | To Last Price | FY Est | FY+1 Est | FY Est | FY+1 Est | to NAV |
| 19-Nov-14 | HealthLease Properties REIT | Health Care REIT | Senior Living | 529 | 31.1% | 12.9x | 12.3x | 14.3x | 13.5x | 39.4% |
| 4-Nov-14 | Huntingdon Capital | Slate Properties | Diversified | 143 | 11.5% | 13.5x | 12.3x | 16.2x | 14.2x | (8.6%) |
| 2-Mar-12 | Whiterock REIT | Dundee REIT | Diversified | 686 | 13.6% | 12.3x | 11.9x | 14.4x | 13.9x | 16.1% |
| 1-Mar-12 | CANMARC REIT | Cominar REIT | Diversified | 867 | 24.2% | 15.1x | 13.4x | 18.6x | 16.1x | 17.3% |
| 8-Feb-11 | Realex Properties | Dundee REIT | Office | 144 | 3.1% | 7.8x | 7.8x | 10.7x | 9.7x | (18.3%) |

*Applied Multiple*

In deriving appropriate price/FFO and price/AFFO multiples and premium to NAV to apply to the NWH Units, Canaccord Genuity considered the relative size and leverage of the universe of target companies.

| Precedent Transaction Approach | | | | |
|---|---|---|---|---|
| | Multiples Applied | | Value Range | |
| | Low | High | Low | High |
| FFO | 12.0x | 13.0x | $11.65 | $12.62 |
| AFFO | 13.5x | 16.0x | $9.51 | $11.27 |
| Premium to NAV | 0.0% | 15.0% | $9.40 | $12.73 |

**NAV Analysis**

*Income Producing Properties*

NWH's income producing properties portfolio consists of 73 medical office building properties. To value the income producing properties, Canaccord Genuity used: i) a 10-year discounted cash flow ("**DCF**") approach; and (ii) an income capitalization approach. In both cases, there is no specific contribution assumed for future developments or acquisitions.

*i. DCF Approach*

The DCF approach takes into account the amount, timing and relative certainty of projected unlevered free cash flows of the properties, using the forecast prepared by NWH management. A terminal value is calculated using a capitalization rate to the year 10 cash flows and appropriate discount rates are applied to calculate a net present value for the assets.

Canaccord Genuity applied a range of terminal capitalization rates of 7.00% to 7.25% and the resulting unlevered cash flows, including the terminal value were discounted using a range of rates between 7.50% to 8.00%.

The following is a summary of the unlevered free cash flow projections, excluding synergies, used in the DCF analysis on a consolidated basis.

| *(C$ millions)* | 2015E | 2016E | 2017E | 2018E | 2019E | 2020E | 2021E | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Revenues** | 150 | 154 | 157 | 161 | 165 | 169 | 172 | 177 | 181 | 184 |
| Operating Expenses | 68 | 70 | 71 | 73 | 75 | 76 | 78 | 80 | 81 | 83 |
| **Net Operating Income** | 82 | 84 | 85 | 88 | 90 | 92 | 95 | 97 | 99 | 101 |
| Capital Expenditures, Tenant Inducements and Leasing Costs | 21 | 18 | 18 | 12 | 13 | 10 | 14 | 13 | 13 | 12 |
| **Net Cash Flow** | **60** | **66** | **67** | **76** | **77** | **82** | **80** | **84** | **86** | **88** |

*ii. Income Capitalization Approach*

Net Operating Income ("**NOI**") projections for 2015 were prepared and provided by management of NWH for each property and normalized for stabilized vacancy rates in certain properties. A range of cap rates of 6.75% to 7.00%, selected based on current market parameters, were applied to the expected 2015 NOI, with improvements due to stabilization being valued at a future date with a cap rate range of 7.00% to 7.25% and discounted to present value, with further adjustments made to reflect expected capital expenditures above reserve levels.

*Other Properties*

NWH owns several non-income producing properties, including development land parcels and one leasehold property. For purposes of the NAV analysis, these properties were included at book value, except in the case of the leasehold property under the DCF approach, where the income and operating expenses from such property were included in the cash flow forecast. In addition, on February 12, 2015 NWH announced the acquisition of the Owen Sound Medical Building, which for the purposes of the NAV analysis has been included at the purchase price.

*Capitalized G&A Expenses*

For the purposes of the NAV analysis, Canaccord Genuity deducted an amount equal to 7.0x – 8.0x the run rate corporate non-recoverable general and administrative expenses of approximately $3.7 million.

*Secured, Unsecured and Convertible Debt*

NWH has total mortgage debt with a principal amount of approximately $641.0 million. As at December 31, 2014, a mark to market adjustment increasing the value of the debt by approximately $21.9 million was applied to NWH's balance sheet. For the purposes of the NAV analysis, Canaccord Genuity used a range based on the mark to market adjusted amount, and the principal amount outstanding.

NWH also has convertible debentures with a principal value of $40.3 million and current market value of $41.2 million. For the purposes of the NAV analysis, Canaccord Genuity used a range based on the market value and the principal amount outstanding. Each convertible debenture is convertible based on a price per NWH Unit of $14.20.

NWH also has a loan payable of $32.6 million which has been included at principal amount owing.

*Other Assets and Liabilities*

For the purposes of the NAV analysis, NWH's other non-real estate assets and liabilities, including working capital, were valued at book value, except a financial instrument liability, for which no value was ascribed.

*Synergies*

Canaccord Genuity considered whether any material benefit and corresponding value would accrue to a purchaser of all the outstanding NWH Units. Synergies would be available through a reduction of G&A and certain other expenses, including public company costs.

Synergies for an arms-length acquirer were estimated to be approximately $1.5 million annually and were valued at a 7.0x-8.0x multiple. One-time implementation costs of $0.75 million were estimated to be required to realize such savings. Canaccord Genuity estimated that a third party purchaser would pay for 50% of such savings in an open and unrestricted market resulting in a range of value of $4.9 million to $5.6 million.

*NAV Summary*

The following table summarizes Canaccord Genuity's NAV analysis of NWH:

| NWH Net Asset Value | | | | |
|---|---|---|---|---|
| | DCF Approach | | Capitalization Approach | |
| | Low | High | Low | High |
| **Assets** | | | | |
| Investment properties | 1,190,793 | 1,255,813 | 1,203,459 | 1,249,402 |
| Loan receivable | - | - | - | - |
| Accounts receivable | 3,167 | 3,167 | 3,167 | 3,167 |
| Other assets | 3,125 | 3,125 | 3,125 | 3,125 |
| Cash and cash equivalents | 1,847 | 1,847 | 1,847 | 1,847 |
| Synergies | 4,875 | 5,625 | 4,875 | 5,625 |
| | **1,203,807** | **1,269,577** | **1,216,473** | **1,263,166** |
| **Liabilities** | | | | |
| Mortgages payable | 662,904 | 641,040 | 662,904 | 641,040 |
| Convertible debentures | 41,156 | 40,250 | 41,156 | 40,250 |
| Loans payable | 32,638 | 32,638 | 32,638 | 32,638 |
| AP & AL | 23,721 | 23,721 | 23,721 | 23,721 |
| Distributions payable | 2,608 | 2,608 | 2,608 | 2,608 |
| Capitalized G&A expenses | 29,594 | 25,895 | 29,594 | 25,895 |
| | **792,621** | **766,152** | **792,621** | **766,152** |
| **Unitholders' equity** | **411,186** | **503,425** | **423,852** | **497,015** |
| Units o/s (incl. Class B and deferred units) | 47,030 | 47,030 | 47,030 | 47,030 |
| **NAV per unit** | **8.74** | **10.70** | **9.01** | **10.57** |
| **NAV per unit (Excl. Synergies and G&A)** | **9.27** | **11.14** | **9.54** | **11.00** |

**Other Analysis**

*Historical Trading Range*

Over the past 52 weeks, the NWH Units have traded in a range of $8.20 - $10.28 on all exchanges.

*IFRS Value*

Canaccord Genuity reviewed and considered NWH's estimated IFRS valuation of $11.24 per NWH Unit as of December 31, 2014, adjusted for subsequent events. IFRS value does not adjust for capitalized G&A expense or synergy value. IFRS value does not reflect an en bloc value of the REIT Units.

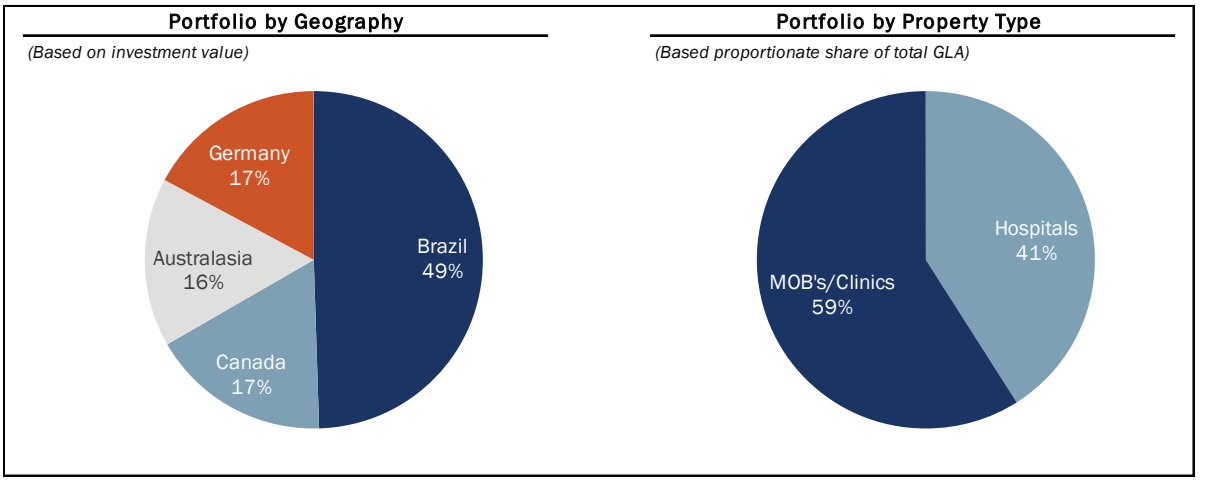
**NWH Valuation Conclusions**

Based upon and subject to the foregoing, in addition to such other factors that it considered relevant, Canaccord Genuity is of the opinion that, as of the date hereof, the fair market value of the NWH Units is in the range of $10.25 to $11.75 per NWH Unit.

## NWI VALUATION

### Overview of NWI

NWI's business is the ownership and management of healthcare real estate globally. NWI directly owns a portfolio of 5 hospitals in Brazil and 19 medical office buildings in Germany. In addition NWI owns a 25.3% stake in NWH (on a fully diluted basis) and a 23.9% interest in Vital Healthcare Property Trust ("**Vital**"), a New Zealand Stock Exchange listed company that owns a portfolio of healthcare properties including surgical, rehabilitation, psychiatric hospitals and medical office buildings. In addition, NWI acts as the external manager of Vital under a management contract. NWI's list of directly owned properties is included as Appendix B. NWI is based in Toronto, Ontario.




For the year ended December 31, 2014, NWI reported revenue from investment properties of $44.1 million, NOI of $39.4 million, FFO of $14.9 million and AFFO of $33.2 million. As at December 31, 2014, NWI reported total assets of $846.3 million and total debt of $514.4 million (inclusive of $41.3 million of deferred consideration and $12.9 million of deferred revenue).

### Historical Financial Results

The following table summarizes the NWI's select income statement information for the years ended December 31, 2012, 2013 and 2014:

| Consolidated Statements of Income and Comprehensive Income | | | |
|---|---|---|---|
| *(C$ thousands, for the period ending Dec.31)* | **2012** | **2013** | **2014** |
| Revenue from Investment Properties | 1,442 | 20,177 | 44,084 |
| Property Operating Costs | 324 | 2,151 | 4,680 |
| **Net Operating Income** | **1,118** | **18,026** | **39,404** |
| **Other Income** | | | |
| Interest | 278 | 1,921 | 1,813 |
| Management Fee Participation | 453 | 1,749 | 2,372 |
| Share of Profit of Associates | 1,169 | 10,157 | 2,027 |
| | **3,017** | **31,853** | **6,212** |
| **Expenses** | | | |
| Mortgage and Loan Interest Expense | 738 | 12,100 | 29,313 |
| General and Administrative Expenses | 1,695 | 3,181 | 5,805 |
| Transaction Costs | 7,527 | 468 | - |
| Incentive FEE | - | 4,104 | - |
| Amortization of Intangible Asset | - | 1,561 | 1,561 |
| Foreign Exchange Loss | 328 | 2,915 | 1,115 |
| | 10,287 | 24,329 | 37,794 |
| **Income (Loss) Before Other Finance Costs, Fair Value Adjustments, and Net Loss on Disposal of Investment Property** | (7,270) | 7,524 | 7,822 |
| Finance Costs (including distributions on exchangeable units) | (12,532) | (21,360) | (46,478) |
| Fair Value Adjustment of Derivative Financial Instruments | (13,598) | 22,984 | (3,209) |
| Fair Value Adjustment of Investment Properties | (8,536) | 24,120 | 26,814 |
| Net Loss on Disposal of Investment Property | - | - | (98) |
| Fair Value Adjustment of Deferred Unit Plan Liability | 58 | (4) | 13 |
| **Income (Loss) Before Taxes** | **(41,878)** | **33,264** | **(15,137)** |
| Income Tax Expense | 181 | 12,187 | 11,541 |
| Net Income from Discontinued Operations | 9,575 | - | - |
| **Net Income (Loss)** | **(32,483)** | **21,077** | **(26,678)** |
| Foreign Currency Translation Adjustment | 455 | (2,520) | 3,150 |
| Share of Other Comprehensive Loss of Associates, Net of Tax | (109) | (2,082) | (887) |
| **Total Comprehensive Income (Loss) for the Year** | **(32,138)** | **16,476** | **(24,415)** |
| Fair Market Value Loss (Gains) | 32,482 | (48,186) | (27,886) |
| Finance Costs - Class B LP and Class D GP Exchangeable Unit Distributions | 2,181 | 12,169 | 20,219 |
| Revaluation of Financial Liabilities | - | 6,073 | 16,804 |
| Unrealized Foreign Exchange Loss (Gains) | 328 | 2,915 | 1,503 |
| Deferred Taxes | 119 | 10,508 | 11,272 |
| Non-Recurring Transaction Costs | 7,527 | 468 | - |
| Convertible Debenture Issuance Costs | - | 3,566 | 3,045 |
| Net Adjustments for Equity Accounted Entities | 159 | 2,190 | 16,537 |
| Net Loss on Disposal of Investment Properties | (3,276) | - | 98 |
| **Funds from Operations** | **7,037** | **10,780** | **14,914** |
| Asset Management Fees to be Paid in Units | - | 1,964 | 3,319 |
| Amortization of Intangible Asset | - | 1,561 | 1,561 |
| Instalment Note | 206 | 851 | 215 |
| Interest Rate Subsidy | - | 1,442 | 2,713 |
| Amortization of Deferred Financing Charges | 58 | 639 | 10,679 |
| Straight Line Revenue | (35) | (263) | (84) |
| Actual Capex and Leasing Costs | - | (35) | (369) |
| Amortization of Leasing Costs and Tenant Inducements | (16) | - | - |
| Unit-Based Compensation Expense | 1,063 | 181 | 221 |
| Incentive Fee | - | 4,104 | - |
| **Adjusted Funds from Operations** | **8,313** | **21,224** | **33,168** |

The following table summarizes the NWI's balance sheet as at the end of December 31, 2012, 2013 and 2014:

| Consolidated Balance Sheets | | | |
|---|---|---|---|
| *(C$ thousands, as at Dec. 31)* | **2012** | **2013** | **2014** |
| **Assets** | | | |
| Investment Properties | 205,502 | 448,832 | 524,230 |
| Investment in Associates | 80,706 | 259,503 | 255,930 |
| Intangible Asset | 15,613 | 14,051 | 12,490 |
| Due from Related Parties | 42,523 | 26,254 | 30,208 |
| Accounts Receivable | 467 | 1,629 | 1,421 |
| Other Assets | 993 | 1,575 | 1,043 |
| Cash and Restricted Cash | 3,750 | 4,415 | 20,948 |
| **Total Assets** | **349,554** | **756,258** | **846,271** |
| **Liabilities and Unitholders' Equity** | | | |
| **Liabilities** | | | |
| Mortgages and Loans Payable | 116,498 | 357,527 | 388,312 |
| Deferred Consideration | 30,993 | 70,115 | 41,280 |
| Convertible Debentures | - | 35,423 | 71,920 |
| Deferred Revenue | 18,264 | 14,637 | 12,869 |
| Deferred Tax Liability | 121 | 10,000 | 20,747 |
| Derivative Financial Instruments | 23,083 | 659 | 2,894 |
| Income Taxes Payable | - | 552 | 64 |
| Accounts Payable and Accrued Liabilities | 3,060 | 8,597 | 21,810 |
| Distributions Payable | 568 | 733 | 1,591 |
| | **192,587** | **498,243** | **561,487** |
| Deferred Unit Plan Liability | 185 | 370 | 457 |
| Class B LP and Class D GP Exchangeable Units | 114,686 | 183,958 | 184,358 |
| **Total Liabilities** | **307,458** | **682,571** | **746,302** |
| **Unit Holders' Equity** | **42,096** | 73,687 | **99,969** |
| **Total Liabilities and Unitholders' Equity** | **349,554** | **756,258** | **846,271** |

## Trading Summary

The NWI Units are listed under the symbol MOB.UN on the TSX Venture Exchange ("**TSXV**") and on various other stock exchanges. As at February 28, 2015, there were 87,060,635 NWI Units issued and outstanding and 92,250,303 NWI Healthcare Properties Limited Partnership units outstanding, each of which is convertible into one NWI Unit, and through a special voting unit is entitled to one vote at an NWI unitholder meeting. The following table sets forth, for the periods indicated, the low and high closing prices and the volumes traded of the NWI Units on all exchanges:

| Period | High | Low | Volume |
|---|---|---|---|
| Mar-14 | $2.19 | $2.13 | 1,239,980 |
| Apr-14 | $2.19 | $2.08 | 1,630,360 |
| May-14 | $2.11 | $1.90 | 3,856,500 |
| Jun-14 | $2.04 | $1.92 | 2,631,666 |
| Jul-14 | $2.24 | $2.02 | 4,512,760 |
| Aug-14 | $2.40 | $2.08 | 4,203,048 |
| Sep-14 | $2.27 | $2.10 | 2,231,164 |
| Oct-14 | $2.27 | $2.07 | 2,082,673 |
| Nov-14 | $2.26 | $2.01 | 2,367,233 |
| Dec-14 | $2.13 | $1.84 | 2,067,753 |
| Jan-15 | $2.07 | $1.88 | 2,367,170 |
| Feb-15 | $2.04 | $1.93 | 1,714,769 |
| Mar. 1 - Mar. 9, 2015 | $2.05 | $1.96 | 1,438,957 |

*Source: Bloomberg, all Canadian exchanges*

**Comparable Companies Analysis**

In applying the comparable company valuation approach to the NWI Units, Canaccord Genuity reviewed the public market trading multiples of selected listed REITs and REOCs. Canaccord Genuity considered a broad set of REITs and real estate operating companies worldwide, including a number of real estate companies that own real estate properties used by healthcare providers. Ultimately, the relevant universe was limited to REITs that are listed in Canada with international assets and certain global healthcare real estate owners.

The following is a summary of the comparable companies Canaccord Genuity identified as relevant:

| *(C$ millions, except per share)* | | Market | Price | P/FFO | | P/AFFO | | FFO Conv. | Prem.(Disc.) | Debt/GBV | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | TEV | Cap. | (9-Mar-15) | CY2015E | CY2016E | CY2015E | CY2016E | CY2015E | to NAV | Inc. Conv. | Exc. Conv. |
| **TSX-Listed REITs/REOCs with International Assets (Non-U.S.)** | | | | | | | | | | | |
| Gazit-Globe | 18,457 | 2,821 | 15.71 | 13.1x | 12.7x | na | na | na | 8.7% | 58.6% | 56.7% |
| Granite REIT | 2,439 | 2,040 | 43.19 | 12.5x | 11.9x | 13.6x | 12.8x | 92.4% | 4.8% | 21.3% | 21.3% |
| Dream Global REIT | 2,284 | 1,045 | 9.26 | 10.5x | 10.1x | 11.8x | 11.3x | 88.8% | (6.2%) | 52.1% | 45.8% |
| Inovalis REIT | 313 | 155 | 9.25 | 9.4x | 9.6x | 9.6x | 9.5x | 98.4% | (3.0%) | 51.4% | 51.4% |
| **Global Healthcare REITs/REOCs** | | | | | | | | | | | |
| Healthcare Trust of America | 5,954 | 4,191 | 33.30 | 17.0x | 15.9x | 19.3x | 17.7x | 88.2% | 2.7% | 38.3% | 38.3% |
| Healthcare Realty Trust | 5,169 | 3,356 | 33.27 | 16.9x | 16.2x | 18.9x | 18.1x | 89.2% | (6.5%) | 41.2% | 41.2% |
| Medical Properties Trust | 6,292 | 3,151 | 18.06 | 11.5x | 10.7x | 12.2x | 10.9x | 94.4% | 21.1% | 59.2% | 59.2% |
| Parkway Life REIT | 1,727 | 1,325 | 2.19 | 18.5x | 20.0x | na | na | na | 41.0% | 35.2% | 35.2% |
| Physicians Realty Trust | 1,258 | 1,048 | 20.01 | 15.6x | 14.1x | 16.3x | 14.7x | 95.5% | 0.8% | 21.9% | 21.9% |

*Applied Multiple and Premium*

In deriving appropriate price/FFO and price/AFFO multiples for 2015E and 2016E and a premium to NAV to apply to the NWI Units, Canaccord Genuity also considered the relative size and leverage of the universe of comparable companies.

For purposes of applying the multiples to calculate a value for the NWI Units, NWI's FFO and AFFO were adjusted to remove the contribution to FFO and AFFO resulting from NWI's equity accounted investments in NWH and Vital (including the cost of financing those investments through the margin loans). The value of those investments, consistent with the range applied in the NAV analysis, net of the margin loans, was then added to the resulting value per NWI Unit.

Market trading prices generally do not reflect "en bloc" value. To adjust for "en bloc" value, Canaccord Genuity considered, and reviewed take-out premiums paid in precedent Canadian public REIT transactions. For the purpose of this analysis, premium is defined as the amount, in percent, by which prices paid per share or unit under the precedent transactions exceeded the trading price prior to the transaction. Based on the analysis, Canaccord Genuity applied a 20.0%-25.0% premium to the value ranges determined using the comparable companies approach.

| Comparable Companies Approach | | | | |
|---|---|---|---|---|
| | Multiples Applied | | Value Range (Incl. Prem.) | |
| | Low | High | Low | High |
| FFO | 10.5x | 13.5x | $1.91 | $2.54 |
| AFFO | 11.0x | 14.0x | $1.91 | $2.56 |
| Premium to NAV | 0.0% | 10.0% | $1.84 | $2.67 |

**Precedent Transactions Analysis**

The following table illustrates the premia to NAV, and multiples of FFO and AFFO at which transactions have been completed involving healthcare assets, primarily in Canada and the United States:

*(C$ millions)*

| Closed Date | Target | Acquiror | Asset Clas | Equity Value | Premium To Last Price | Price / FFO | | Price / AFFO | | Prem/(Disc) to NAV |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | FY Est | FY+1 Est | FY Est | FY+1 Est | |
| Pending | Arena REIT | Folkestone Education Trust | Childcare, Healthcare | 318 | 3.5% | na | na | na | na | 10.2% |
| Pending | Aviv REIT | Omega Healthcare Investors | Skilled Nursing | 2,311 | 16.2% | 19.6x | 17.4x | 18.1x | 15.6x | 63.9% |
| 19-Nov-14 | HealthLease Properties REIT | Health Care REIT | Senior Living | 529 | 31.1% | 12.9x | 12.3x | 14.3x | 13.5x | 39.4% |
| 2-Apr-12 | Cogdell Spencer | Ventas | Medical Office | 307 | 8.4% | 13.9x | 10.9x | 25.0x | 14.2x | (23.5%) |
| 1-Jul-11 | Nationwide Health Properties | Ventas | Healthcare | 5,512 | 15.5% | 17.9x | 17.3x | 18.5x | 18.3x | 50.2% |

*Applied Multiple*

In deriving appropriate price/FFO and price/AFFO multiples and premium to NAV to apply to the NWI Units, Canaccord Genuity considered the relative size and leverage of the universe of target companies.

| Precedent Transaction Approach | | | | |
|---|---|---|---|---|
| | Multiples Applied | | Value Range | |
| | Low | High | Low | High |
| FFO | 13.5x | 17.0x | $1.94 | $2.42 |
| AFFO | 14.5x | 18.0x | $1.97 | $2.44 |
| Premium to NAV | 10.0% | 40.0% | $1.68 | $2.72 |

**NAV Analysis**

*Income Producing Properties*

NWI's income producing properties portfolio consists of 5 hospitals located in Brazil and 19 medical office building properties located in Germany. To value the income producing properties, Canaccord Genuity used: i) a 10-year discounted cash flow ("**DCF**") approach; and (ii) an income capitalization approach. In both cases, there is no specific contribution assumed for future developments or acquisitions, however, given NWI's unique relationship with certain healthcare operators and potential financial partners in Brazil which are expected to provide a pipeline of growth through expansion and acquisition opportunities, a portfolio premium of 5% was applied to the value of the income producing properties in Brazil.

*i. DCF Approach*

The DCF approach takes into account the amount, timing and relative certainty of projected unlevered free cash flows of the properties, using the forecast prepared by NWI management. A terminal value is calculated using a capitalization rate to the year 10 cash flows and appropriate discount rates are applied to calculate a net present value for the assets. A separate DCF analysis was conducted for each of the Brazilian and German portfolios. The exchange rate prevailing on March 10, 2015 with respect to the Brazilian Real and the Euro was applied as a constant throughout the forecast period.

For the Brazilian portfolio, Canaccord Genuity applied a range of terminal capitalization rates of 9.50% to 10.00% and the resulting unlevered cash flows, including the terminal value were discounted using a range of rates of 15.00% to 16.00%.

For the German portfolio, Canaccord Genuity applied a range of terminal capitalization rates of 7.00% to 7.50% and the resulting unlevered cash flows, including the terminal value were discounted using a range of rates of 6.50% to 7.00%.

The following is a summary of the unlevered free cash flow projections, excluding synergies, used in the DCF analysis for the owned asset portfolio.

| *(C$ millions)* | 2015E | 2016E | 2017E | 2018E | 2019E | 2020E | 2021E | 2022E | 2023E | 2024E |
|---|---|---|---|---|---|---|---|---|---|---|
| **Effective Gross Rent** | **46.1** | **48.6** | **51.0** | **53.7** | **56.3** | **58.6** | **62.7** | **66.0** | **69.6** | **71.6** |
| Operating costs | (3.4) | (3.5) | (3.5) | (3.6) | (3.6) | (3.7) | (3.8) | (3.8) | (3.9) | (3.9) |
| **NOI** | **42.6** | **45.2** | **47.4** | **50.1** | **52.6** | **54.9** | **58.9** | **62.2** | **65.8** | **67.7** |
| Capital Expenditures, Tenant Inducements and Leasing Costs | (0.7) | (0.6) | (0.5) | (0.4) | (1.0) | (1.3) | (0.9) | (0.5) | (0.8) | (1.1) |
| **Net Cash Flow** | **41.9** | **44.6** | **46.9** | **49.7** | **51.7** | **53.6** | **58.0** | **61.7** | **64.9** | **66.6** |

*ii. Income Capitalization Approach*

Net Operating Income ("**NOI**") projections for 2015 were prepared and provided by management of NWI for each property. For the Brazilian portfolio, a range of cap rates of 9.00% to 9.50%, and for the German portfolio, a range of cap rates of 6.25% to 6.75%, selected based on current market parameters, were applied to the expected 2015 NOI.

*Investments in Public Companies*

NWI owns significant interests in two public companies: 11,897,446 NWH Units and 81,659,866 units of Vital, listed on the New Zealand Stock Exchange.

*i. NWH*

For purposes of the NAV analysis, the value of the NWH Units was considered using two methodologies – the NAV analysis performed in the context of the NWH Valuation, and the current trading price of the NWH Units, plus a 15% premium reflecting NWI"s existing level of control in NWH resulting from its ownership and board representation.

*i. Vital*

Canaccord Genuity reviewed and considered a number of factors with respect to determining the appropriate value to be attributed to NWI's investment in Vital including:

- The trading price of the Vital units
- Liquidity of the Vital units
- The percentage of outstanding Vital units owned by NWI
- NWI's representation on Vital's board
- The Vital management contract
- CAD/NZD and CAD/AUD historical exchange rates

| Period | High | Low | Volume |
|---|---|---|---|
| Mar-14 | $1.31 | $1.26 | 3,405,174 |
| Apr-14 | $1.40 | $1.25 | 7,328,469 |
| May-14 | $1.40 | $1.33 | 3,132,549 |
| Jun-14 | $1.39 | $1.32 | 2,630,380 |
| Jul-14 | $1.40 | $1.34 | 3,555,842 |
| Aug-14 | $1.48 | $1.34 | 2,011,126 |
| Sep-14 | $1.50 | $1.42 | 3,935,623 |
| Oct-14 | $1.52 | $1.42 | 4,539,872 |
| Nov-14 | $1.58 | $1.48 | 8,469,543 |
| Dec-14 | $1.60 | $1.50 | 2,233,932 |
| Jan-15 | $1.65 | $1.54 | 5,235,205 |
| Feb-15 | $1.66 | $1.60 | 3,749,835 |
| Mar. 1 - Mar. 9, 2015 | $1.67 | $1.62 | 993,850 |

| Period | VWAP | Vol. (M) | % of Float | Avg. Daily Value (M) |
|---|---|---|---|---|
| Spot | $1.64 | 0.0 | 0.0% | $0.04 |
| 5 Day | $1.64 | 0.6 | 0.6% | $0.21 |
| 20 Day | $1.64 | 3.7 | 3.2% | $0.30 |
| 60 Day | $1.62 | 11.1 | 9.5% | $0.30 |
| Since. Jan. '14 | $1.44 | 55.3 | 47.6% | $0.27 |

Based on the foregoing, Canaccord Genuity has relied on the public trading value for Vital, using the 20 day volume weighted average price to March 9, 2015, plus a premium range of 10% to 15% to reflect NWI's level of control in Vital resulting from its ownership, board representation and management contract.

*Vital Management Contract*

For the purposes of the NAV analysis, the Vital Management Contract was valued at 5.0x the expected 2015 management fees of $6.4 million.

*Capitalized G&A Expenses*

For the purposes of the NAV analysis, Canaccord Genuity deducted an amount equal to 7.0x – 8.0x the estimated 2015 corporate G&A, pro forma for the internalization of the asset management contract from NWVP, of approximately $7.2 million.

*Secured, Unsecured and Convertible Debt*

NWI has total mortgage debt with a principal amount of approximately $76.6 million. As at December 31, 2014, a mark to market adjustment increasing the value of the debt by $1.2 million was applied to NWI's balance sheet. For the purposes of the NAV analysis, Canaccord Genuity used a range based on the mark to market adjusted amount, and the principal amount outstanding.

NWI has term loans with a principal amount of approximately $172.4 million. As at December 31, 2014, a mark to market adjustment reducing the value of the debt by $0.5 million was applied to NWI's balance sheet. For the purposes of the NAV analysis, Canaccord Genuity used a range based on the mark to market adjusted amount, and the principal amount outstanding.

NWI has margin loans with a principal amount of approximately $68.5 million secured by the NWH Units owned by NWI and approximately $45.9 million secured by the Vital units owned by NWI. For the purposes of the NAV analysis, Canaccord Genuity used the principal amount outstanding on the margin loans.

NWI also has three series of convertible debentures. The first has a principal value of $22.6 million and current market value of $19.7 million with a conversion price per NWI Unit of $2.85. The second has a principal value of $17.5 million and current market value of $16.0 million with a conversion price per NWI Unit of $2.40. The third has a principal value of $38.8 million and current market value of $32.2 million with a conversion price per NWI Unit of $2.60. For the purposes of the NAV analysis, Canaccord Genuity used a range based on the market value and the principal amount outstanding.

NWI also has a drawn acquisition facility of $24.0 million which has been included at principal amount owing.

*Other Assets and Liabilities*

For the purposes of the NAV analysis, NWI's other non-real assets and liabilities, including working capital and a deferred consideration owing to a third party resulting from a prior acquisition, were valued at book value, excluding a deferred tax liability and income tax payable, for which no value was ascribed.

*Synergies*

Canaccord Genuity considered whether any material benefit and corresponding value would accrue to a purchaser of all the outstanding NWI Units. Synergies would be available through a reduction of G&A and certain other expenses.

Synergies were estimated to be approximately $3 million annually and were valued at a 7.0x-8.0x multiple. One-time implementation costs of $1.5 million were estimated to be required to realize such savings. Canaccord Genuity estimated that a third party purchaser would pay for 50% of such savings in an open and unrestricted market resulting in a range of value of $9.75 million to $11.25 million.

*NAV Summary*

The following table summarizes Canaccord Genuity's NAV analysis of NWI:

| MOB Net Asset Value | | | | |
|---|---|---|---|---|
| | DCF Approach | | Capitalization Approach | |
| | Low | High | Low | High |
| **Assets** | | | | |
| Investment properties | 510,451 | 550,109 | 504,629 | 535,881 |
| Investment in Vital Trust | 135,904 | 142,081 | 135,904 | 142,081 |
| Investment in NWHP REIT | 110,488 | 133,698 | 110,488 | 133,698 |
| Due from related parties | 31,688 | 31,688 | 31,688 | 31,688 |
| Accounts receivable | 1,421 | 1,421 | 1,421 | 1,421 |
| Other assets | 155 | 155 | 155 | 155 |
| Land | 3,065 | 3,065 | 3,065 | 3,065 |
| Cash and restricted cash | 13,266 | 13,266 | 13,266 | 13,266 |
| Vital Trust management contract | 31,685 | 31,685 | 31,685 | 31,685 |
| Synergies | 9,750 | 11,250 | 9,750 | 11,250 |
| | **847,874** | **918,421** | **842,052** | **904,193** |
| **Liabilities** | | | | |
| Mortgages and loans payable | 77,855 | 76,624 | 77,855 | 76,624 |
| Margin facilities | 114,429 | 114,429 | 114,429 | 114,429 |
| Term loans | 172,417 | 171,910 | 172,417 | 171,910 |
| Acquisition facility | 24,000 | 24,000 | 24,000 | 24,000 |
| Deferred consideration | 41,280 | 41,280 | 41,280 | 41,280 |
| Convertible debentures - 6.50% / $2.85 | 22,600 | 19,662 | 22,600 | 19,662 |
| Convertible debentures - 7.50% / $2.40 | 17,500 | 15,950 | 17,500 | 15,950 |
| Convertible debentures - 7.25% / $2.60 | 38,750 | 32,163 | 38,750 | 32,163 |
| Deferred revenue | 12,869 | 12,869 | 12,869 | 12,869 |
| Income tax payable | 64 | 64 | 64 | 64 |
| AP & AL | 21,810 | 21,810 | 21,810 | 21,810 |
| Distributions payable | 1,591 | 1,591 | 1,591 | 1,591 |
| Capitalized G&A expenses | 57,992 | 50,743 | 57,992 | 50,743 |
| | **603,156** | **583,094** | **603,156** | **583,094** |
| **Unitholders' equity** | **244,717** | **335,327** | **238,895** | **321,099** |
| Units o/s (incl. Class B units and deferred units) | 189,446 | 189,446 | 189,446 | 189,446 |
| **NAV per unit** | **1.29** | **1.77** | **1.26** | **1.69** |
| **NAV per unit (excl synergies and G&A)** | **1.55** | **1.98** | **1.52** | **1.90** |

**Other Analysis**

*Historical Trading Range*

Over the past 52 weeks, the NWI Units have traded in a range of $1.88 - $2.40 on all exchanges.

*IFRS Value*

Canaccord Genuity reviewed and considered NWI's estimated IFRS valuation of $1.51 per NWI Unit as of December 31, 2014, adjusted for subsequent events. IFRS value does not adjust for capitalized G&A expense or synergy value. IFRS value does not reflect an en bloc value of the REIT Units.

**NWI Valuation Conclusions**

Based upon and subject to the foregoing, in addition to such other factors that it considered relevant, Canaccord Genuity is of the opinion that, as of the date hereof, the fair market value of the NWI Units is in the range of $2.15 to $2.40 per NWI Unit.

**FAIRNESS OPINION**

Based upon and subject to the foregoing and such other matters as Canaccord Genuity considered relevant, Canaccord Genuity is of the opinion that, as of the date hereof, the Consideration to be paid by NWH to NWI Unitholders pursuant to the Transaction is fair, from a financial point of view, to NWH unitholders, other than NWI.

Yours Very Truly,

Canaccord Genuity

**CANACCORD GENUITY CORP.**

## Appendix A

| | # | Property [1] | City/Province | Year Built [2] | Area (sf) | Occupancy[3] | Number of Tenants[3] | Percentage Healthcare[4] | Parking Stalls |
|---|---|---|---|---|---|---|---|---|---|
| **Western Canada** | | | | | | | | | |
| **British Columbia** | | | | | | | | | |
| | **1** | Continental Building | Kamloops, BC | 1989 | 59,689 | 75.40% | 14 | 37.10% | 119 |
| **Alberta** | | | | | | | | | |
| **Calgary / Airdrie** | | | | | | | | | |
| | **2** | Glenmore Professional Centre | Calgary, AB | 2007 | 137,821 | 100.00% | 1 | 0.00% | 513[5] |
| | **3** | Sun ridge Professional Centre | Calgary, AB | 1985 | 131,319 | 99.40% | 33 | 87.10% | 378[5] |
| | **4** | Riley Park Health Centre[4] | Calgary, AB | 1956/92 | 93,080 | 98.90% | 11 | 73.80% | 273 |
| | **5** | Rockyview Health Centre I | Calgary, AB | 1977/97/2013/14 | 68,974 | 71.20% | 24 | 97.30% | 124 |
| | **6** | Foothills Professional Building | Calgary, AB | 1980/2013 | 58,607 | 97.30% | 20 | 95.60% | 241[5] |
| | **7** | Sunpark Plaza | Calgary, AB | 2005 | 53,760 | 100.00% | 9 | 50.40% | 184 |
| | **8** | Rockyview Health Centre 11[6] | Calgary, AB | 1975/2009 | 53,872 | 95.00% | 6 | 64.60% | 294 |
| | **9** | Willow Brook Medical Centre | Airdrie,AB | 2010 | 34,822 | 83.60% | 4 | 100.00% | 111 |
| **Edmonton / Spruce Grove** | | | | | | | | | |
| | **10** | Hys Centre[7] | Edmonton, AB | 1978/87/90 | 178,729 | 96.10% | 35 | 95.20% | 430 |
| | **11** | Tawa Centre | Edmonton, AB | 1986 | 94,989 | 95.30% | 25 | 77.00% | 257[5] |
| | **12** | Mira Health Centre | Edmonton, AB | 1992 | 67,286 | 94.60% | 16 | 92.60% | 265 |
| | **13** | Garneau Professional Building | Edmonton, AB | 1980 | 58,545 | 92.50% | 17 | 37.30% | 151 |
| | **14** | Queen Street Place | Spruce Grove, AB | 2007 | 69,380 | 100.00% | 19 | 89.30% | 376 |
| **Manitoba** | | | | | | | | | |
| **Winnipeg** | | | | | | | | | |
| | **15** | WRHA Downtown West Community | Winnipeg, MB | 1974/91/2009 | 43,750 | 100.00% | 3 | 80.50% | 129 |
| | **16** | Hargrave Place | Winnipeg, MB | 1977/88/2011/12 | 70,947 | 99.00% | 3 | 83.60% | 168 |
| **Subtotal/Weighted Average (Western Canada)** | | | | | **1,275,570** | **94.80%** | **240** | **70.40%** | **4,013** |
| **Ontario** | | | | | | | | | |
| **Greater Toronto Area** | | | | | | | | | |
| | **17** | Dundas-Edward Centre | Toronto, ON | 1964/78/87/90 | 416,087 | 90.40% | 81 | 45.80% | 303 |
| | **18** | Davisville Medical Dental Centre | Toronto, ON | 1964 | 95,768 | 93.70% | 83 | 97.20% | 320 |
| | **19** | Fairview Health Centre | Toronto, ON | 1971 | 87,144 | 97.90% | 56 | 88.20% | 191 |
| | **20** | North York Medical Arts Building | Toronto, ON | 1969 | 75,817 | 95.50% | 60 | 97.30% | 371 |
| | **21** | The Stewart Building | Toronto, ON | 1892/1999 | 43,118 | 100.00% | 1 | 0.00% | 58 |
| | **22** | Malvern Medical Arts | Toronto, ON | 1987 | 40,674 | 90.30% | 16 | 94.80% | 180[5] |
| | **23** | Albany Medical Clinic | Toronto, ON | 2010 | 42,582 | 100.00% | 1 | 100.00% | 30 |
| | **24** | One Medical Place | Toronto, ON | 1964 | 40,508 | 80.80% | 18 | 100.00% | 131 |
| | **25** | Danforth Health Centre | Toronto, ON | 1991 | 29,491 | 92.50% | 8 | 32.40% | 23 |
| | **26** | Bathurst Health Centre | Toronto, ON | 1984 | 29,230 | 88.50% | 16 | 100.00% | 135 |
| | **27** | Queensway Professional Centre | Mississauga, ON | 1977/80 | 169,940 | 92.40% | 62 | 69.20% | 505 |
| | **28** | Trafalgar Professional Centre | Oakville, ON | 1985 | 66,391 | 99.20% | 31 | 96.10% | 276[5] |
| | **29** | Dundas-Centre Medical | Whitby, ON | 1987 | 28,339 | 91.40% | 22 | 96.70% | 103 |
| **Hamilton** | | | | | | | | | |
| | **30** | Wentworth-Limeridge Medical Centre | Hamilton, ON | 1989 | 40,506 | 87.60% | 18 | 100.00% | 145 |
| | **31** | Queenston Medical-Dental Centre | Hamilton, ON | 1992 | 17,053 | 92.90% | 14 | 98.80% | 79 |
| **London / St. Thomas** | | | | | | | | | |
| | **32** | Oxford Health Centre | London, ON | 1994 | 39,198 | 47.60% | 15 | 93.50% | 183 |
| | **33** | Springbank Medical Centre | London, ON | 2011 | 53,082 | 98.90% | 31 | 97.70% | 232 |
| | **34** | St. Thomas Family Health Centre | St. Thomas, ON | 1986 | 16,965 | 100.00% | 14 | 100.00% | 148 |
| **Southern** | | | | | | | | | |
| | **35** | Canamera Medical Centre | Cambridge, ON | 2007 | 81,919 | 98.40% | 19 | 92.50% | 382 |
| | **36** | Guelph Medical Place I | Guelph, ON | 1991/2008 | 34,400 | 93.60% | 12 | 100.00% | 223 |
| | **37** | Guelph Medical Place II | Guelph, ON | 2011 | 23,621 | 77.20% | 8 | 100.00% | 195 |
| | **38** | Chatham Professional Building | Chatham, ON | 1977/87 | 26,366 | 66.70% | 10 | 100.00% | 134 |
| | **39** | Windsor Health Centre | Windsor,ON | 1970/71/88/89 | 175,747 | 64.70% | 63 | 88.50% | 913 |
| | **40** | Shoppers Drug Mart | Windsor,ON | 1998/2011 | 20,870 | 100.00% | 1 | 100.00% | 100 |
| **Central** | | | | | | | | | |
| | **41** | Collingwood Health Centre | Collingwood, ON | 1989/2013 | 26,312 | 93.80% | 18 | 100.00% | 118 |
| | **42** | Orillia Professional Arts Building | Orillia,ON | 1982 | 21,160 | 68.60% | 11 | 100.00% | 74 |
| | **43** | Huronia Medical Centre | Midland, ON | 1986 | 24,809 | 100.00% | 19 | 100.00% | 160 |
| **East** | | | | | | | | | |
| | **44** | Lindsay Medical Centre | Lindsay, ON | 1990 | 17,026 | 85.50% | 15 | 100.00% | 95 |
| | **45** | Alexander Medical Building | Peterborough, ON | 1973/89 | 29,261 | 73.10% | 18 | 94.10% | 158 |
| | **46** | Port Hope Medical Centre | Port Hope, ON | 1974/91 | 25,951 | 88.30% | 19 | 95.70% | 157 |
| | **47** | Smyth Medical Centre | Ottawa, ON | 1983 | 17,524 | 91.20% | 15 | 89.80% | 167 |
| **North** | | | | | | | | | |
| | **48** | Four Corners Medical Arts Centre | Sudbury, ON | 1991 | 49,085 | 98.40% | 26 | 85.10% | 170 |
| | **49** | Sudbury Medical Centre | Sudbury, ON | 1981/90 | 57,565 | 83.60% | 24 | 97.90% | 77 |
| **Subtotal/Weighted Average (Ontario)** | | | | | **1,963,509** | **88.50%** | **825** | **78.90%** | **6,536** |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Quebec** | | | | | | | | | |
| **Greater Montreal *Area*/ Ianaudiere** | | | | | | | | | |
| | **50** | CSSS Haut-Richelieu | Richelieu, QC | 2009 | 54,659 | 100.00% | 1 | 100.00% | 320 |
| | **51** | Clinique Bois-De-Boulogne | Montreal, QC | 1976/89 | 95,374 | 92.10% | 32 | 87.80% | 79 |
| | **52** | Pierrefonds Family Care Centre | Montreal, QC | 1990 | 18,034 | 97.20% | 11 | 79.70% | 87 |
| | **53** | le Carrefour Medical | laval, QC | 1990 | 117,014 | 98.20% | 38 | 47.80% | 377 |
| | **54** | Clinique CAMU | longueuil, QC | 1988 | 25,887 | 81.80% | 7 | 100.00% | 45 |
| | **55** | 2924 Taschereau Boulevard | longueuil, QC | 1988/2010 | 24,644 | 100.00% | 1 | 100.00% | 41 |
| | **56** | CISC Saint-Hubert | Saint Hubert, QC | 1991 | 46,639 | 100.00% | 2 | 100.00% | 155 |
| | **57** | 950 Montee des Pionniers | lachenaie, QC | 2004 | 64,159 | 73.80% | 16 | 69.90% | 289 |
| | **58** | Agence Ianaudiere | Joliette, QC | 1994/2008 | 53,771 | 100.00% | 1 | 100.00% | 195 |
| **Quebec City** | | | | | | | | | |
| | **59** | CSSS Grand littoral | levis,QC | 2008 | 64,563 | 100.00% | 2 | 66.70% | 326 |
| | **60** | Polyclinique de la Capitale | Quebec City, QC | 1975/81/89 | 52,205 | 92.40% | 12 | 99.70% | 140 |
| | **61** | Polyclinique Val-Belair | Quebec City, QC | 2009 | 46,053 | 100.00% | 12 | 67.90% | 194 |
| | **62** | CISC Orleans | Quebec City, QC | 1989 | 20,419 | 100.00% | 1 | 100.00% | 93 |
| | **63** | Centre Medicale de l'Hetriere | Quebec City, QC | 2007 | 36,502 | 94.50% | 7 | 93.10% | 210 |
| **Subtotal/Weighted Average (Quebec)** | | | | | **719,923** | **94.80%** | **143** | **81.30%** | **2,551** |
| **Atlantic Canada** | | | | | | | | | |
| **New Brunswick** | | | | | | | | | |
| | **64** | Fredericton Medical Centre | Fredericton, NB | 1985 | 69,985 | 87.20% | 44 | 99.20% | 356 |
| | **65** | Moncton Medical Clinic | Moncton, NB | 1984 | 40,944 | 100.00% | 17 | 99.10% | 273[5] |
| **Nova Scotia** | | | | | | | | | |
| | **66** | Cobequid Centre | lower Sackville, NS | 2006 | 30,009 | 100.00% | 1 | 100.00% | 162 |
| | **67** | Halifax Professional Centre | Halifax, NS | 1969/74 | 115,201 | 92.90% | 84 | 69.50% | 193 |
| | **68** | Gladstone Professional Centre | Halifax, NS | 1985 | 41,281 | 97.90% | 11 | 100.00% | 271[5] |
| | **69** | Royal Bank Building | Dartmouth, NS | 1964/71 | 100,335 | 90.60% | 33 | 41.60% | 200[5] |
| | **70** | New Glasgow Medical Centre | New Glasgow, NS | 2009 | 33,800 | 100.00% | 1 | 100.00% | 130 |
| | **71** | HealthPark[6] | Sydney, NS | 2006 | 79,896 | 97.70% | 39 | 84.20% | 500 |
| | **72** | Sydney Medical Arts Building | Sydney, NS | 1964/84 | 32,922 | 86.30% | 17 | 92.50% | 100 |
| **Subtotal/Weighted Average (Atlantic Canada)** | | | | | **544,373** | **93.80%** | **247** | **80.20%** | **2,185** |
| **TOTAL/WEIGHTED AVERAGE** | | | | | **4,503,375** | **91.90%** | **1,455** | **77.00%** | **15,285** |
| **Redevelopment Properties:** | | | | | | | | | |
| | **73** | 490 Harwood Boulevard | Vaudreuil-Dorion, QC | 1985 | 24,457 | N/A | N/A | N/A | 107 |
| **TOTAL including Redevelopment Properties** | | | | | **4,527,832** | | | | **15,392** |

(1) The table does not include properties acquired since December 31, 2014, but the relevant information with respect to such acquisitions is included under " General Development of the Business - Acquisition Activities" above.
(2) Year built/renovated or expanded, as applicable.
(3) As of December 31, 2014, plus Head Leases.
(4) Based on occupied GLA and includes medical offices, imaging/diagnostic laboratories, pharmacies and medical-related institutional tenancies.
(5) Parking Stall figure includes parking stalls located on owned and leased property.
(6) Property is subject to a Head Lease. See "Retained Interest - Head Leases."
(7) Includes residential space except for calculation of Healthcare Percentage.

## Appendix B

| Property | Date Acquired | Year Built | Approximate Area (sf) | # of Tenants | Occupancy % | WALE[1] |
|---|---|---|---|---|---|---|
| **Brazil** | | | | | | |
| Sahara Children's Hospital | 16-Nov-12 | 2010 | 104,915 | 1 | 100.0% | 9.8 |
| Hospital e Matemedade Brasil | 27-Dec-12 | 1970 - 2007 | 342,000 | | 100.0% | 23.0 |
| Hospital Santa Luzia | 23-Dec-13 | 2003 | 185,139 | 1 | 100.0% | 24.0 |
| Hospital Do Coracao | 23-Dec-13 | 2007 | 96,875 | | 100.0% | 24.0 |
| Hospital Caxias | 23-Dec-13 | 2013 | 290,626 | | 100.0% | 24.0 |
| | | | **1,019,555** | **2** | **100.0%** | **22.2** |
| **Germany** | | | | | | |
| Adlershof 1 | 16-Nov-12 | 2004 | 57,603 | 35 | 99.9% | 2.0 |
| Adlershof2 | 16-Nov-12 | 2010 | 48,539 | 32 | 96.9% | 5.7 |
| Berlin Neukolln | 16-Nov-12 | 2000 | 36,370 | 16 | 100.0% | 3.1 |
| Konigs Wusterhausen 1 | 16-Nov-12 | 2001 | 40,365 | 23 | 90.9% | 1.6 |
| Fulda | 31-Mar-13 | 2010 | 99,515 | 33 | 100.0% | 5.4 |
| Polimedica Centre | 25-Jun-14 | 2007 | 101,020 | 32 | 95.8% | 8.0 |
| Hollis Centre | 25-Jun-14 | 1996 | 79,029 | 35 | 100.0% | 3.9 |
| Leipzig | 25-Jun-14 | 1975 - 1989 | 169,576 | 89 | 87.8% | 4.1 |
| Hohenschonhausen | 30-Aug-14 | 1996 | 57,695 | 37 | 94.6% | 4.8 |
| | | | **689,712** | **332** | **95.2%** | **4.6** |
| **Australasia _ Vital Interest[2]** | | | **1,629,053** | **109** | **99.5%** | **15.2** |
| Canada - NWHP REIT Interest[3] | | | **4,503,375** | **1,460** | **91.9%** | **4.5** |
| Portfolio Totals / Weighted Averages | | | **7,841,695** | **1,903** | **94.8%** | **9.0** |
| **Portfolio Totals / Weighted Averages _ Proportionate Consolidation[4]** | | | **3,247,145** | | **96.0%** | **11.4** |

Notes

(1) As at December 31, 2014. Weighted average lease expiry in years.

(2) Represents 100% of Vital Trust. The REIT has an exposure to an approximate 24% interest in Vital Trust.

(3) Represents 100% ofNWHP REIT. TheREIT has an exposure to an approximate 25% interest in NWHP REIT.

(4) Calculation is based on the REIT's proportionate interest in Vital Trust and NWHP REIT.

**APPENDIX I**
**BMO CAPITAL MARKETS NWI FAIRNESS OPINION**

BMO Capital Markets

Investment & Corporate Banking
100 King Street West, 5th Floor
Toronto, Ontario M5X1H3

Tel : 416-359-4000

March 10, 2015

The Board of Trustees
NorthWest International Healthcare Properties Real Estate Investment Trust
284 King Street East
Suite 100
Toronto Ontario M5A 1K4

To the Board of Trustees:

BMO Nesbitt Burns Inc. ("BMO Capital Markets" or "we" or "us") understands that NorthWest International Healthcare Properties Real Estate Investment Trust (the "REIT") and NorthWest Healthcare Properties Real Estate Investment Trust ("NWH" or the "Acquiror") propose to enter into an arrangement agreement to be dated March 10, 2015 (the "Arrangement Agreement") pursuant to which, among other things, NWH will acquire all of the assets of the REIT and the REIT unitholders (the "Unitholders") will receive 0.208 of a NWH trust unit for each REIT trust unit held (the "Consideration") by way of an arrangement under the *Business Corporations Act* (Alberta) (the "Arrangement"). The terms and conditions of the Arrangement will be summarized in the REIT's and the Acquiror's joint management information circular (the "Circular") to be mailed to the Unitholders in connection with a special meeting of the Unitholders to be held to consider and, if deemed advisable, approve the Arrangement.

We have been retained to provide financial advice to the REIT, including our opinion (the "Opinion") to the board of trustees of the REIT (the "Board of Trustees") as to the fairness from a financial point of view of the Consideration to be received by the Unitholders pursuant to the Arrangement.

***Engagement of BMO Capital Markets***

The REIT initially contacted BMO Capital Markets regarding a potential advisory assignment in April 2014. BMO Capital Markets was initially formally engaged by the REIT pursuant to an agreement dated May 1, 2014 (the "Initial Engagement Agreement"). The Initial Engagement Agreement expired on December 31, 2014 and a subsequent engagement letter (the "Updated Engagement Agreement" dated March 8, 2015 was executed. Under the terms of the Updated Engagement Agreement, BMO Capital Markets has agreed to provide the REIT and the Board of Trustees with various advisory services in connection with the Arrangement including, among other things, the provision of the Opinion.

BMO Capital Markets will receive a fee for rendering the Opinion. We will also receive certain fees for our advisory services under the Updated Engagement Agreement, a substantial portion of which is contingent upon the successful completion of the Arrangement. The REIT has also agreed to reimburse us for our reasonable out-of-pocket expenses and to indemnify us against certain liabilities that might arise out of our engagement.

***Credentials of BMO Capital Markets***

BMO Capital Markets is one of North America's largest investment banking firms, with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, investment research and investment management. BMO Capital Markets has been a financial advisor in a significant number of transactions throughout North America involving public and private companies in various industry sectors and has extensive experience in preparing fairness opinions.

The Opinion represents the opinion of BMO Capital Markets, the form and content of which have been approved for release by a committee of our officers who are collectively experienced in merger and acquisition, divestiture, restructuring, valuation, fairness opinion and capital markets matters.

***Independence of BMO Capital Markets***

Neither BMO Capital Markets, nor any of our affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) or the rules made thereunder) of the REIT, the Acquiror, or NorthWest Value Partners Inc. or any of their respective associates or affiliates (collectively, the "Interested Parties").

BMO Capital Markets has not been engaged to provide any financial advisory services nor has it participated in any financings involving the Interested Parties within the past two years, other than acting as: (i) financial advisor to the REIT and the Board of Trustees pursuant to the Updated Engagement Agreement; (ii) joint-bookrunner for the REIT's offering of Units which closed on November 25, 2014; (iii) co-manager for the REIT's offering of 7.25% convertible unsecured subordinated debentures which closed on September 23, 2014; (iv) co-manager for the REIT's offering of Units which closed on May 21, 2014; (v) co-manager for the Acquiror's offering of 5.25% convertible unsecured debentures which closed on September 11, 2013; and (vi) lender to the Acquiror in respect of its existing syndicated revolving credit facility.

There are no understandings, agreements or commitments between BMO Capital Markets and any of the Interested Parties with respect to future business dealings. BMO Capital Markets may, in the future, in the ordinary course of business, provide financial advisory, investment banking, or other financial services to one or more of the Interested Parties from time to time.

BMO Capital Markets and certain of our affiliates act as traders and dealers, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of one or more of the Interested Parties and, from time to time, may have executed or may execute transactions on behalf of one or more Interested Parties for which

BMO Capital Markets or such affiliates received or may receive compensation. As investment dealers, BMO Capital Markets and certain of our affiliates conduct research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to one or more of the Interested Parties or the Arrangement. In addition, Bank of Montreal ("BMO"), of which BMO Capital Markets is a wholly-owned subsidiary, or one or more affiliates of BMO, may provide banking or other financial services, including mortgage financing, to one or more of the Interested Parties in the ordinary course of business.

***Scope of Review***

In connection with rendering the Opinion, we have reviewed and relied upon, or carried out, among other things, the following:

1. a draft of the Arrangement Agreement dated March 9, 2015;

2. drafts of the voting and support agreements dated March 9, 2015;

3. draft REIT and NWH disclosure letters dated March 7, 2015;

4. certain publicly available information relating to the business, operations, financial condition and trading history of the REIT and NWH and other selected public entities we considered relevant as at March 6, 2015;

5. internal REIT and NWH management forecasts, projections, estimates and budgets prepared, provided or made available by or on behalf of the REIT;

6. certain other internal financial, operating, corporate and other information prepared, provided or made available by or on behalf of management of the REIT or NWH relating to the business, operations and financial condition of the REIT or NWH;

7. draft annual financial statements and management's discussion and analysis of the REIT and NWH for the year ended December 31, 2014;

8. discussions with the legal counsel to the Board of Trustees including with respect to MI 61-101 requirements in the case of the REIT;

9. discussions with senior management of the REIT relating to the REIT's and NWH's current business, plan, financial condition and future business prospects;

10. discussions with senior management of NWH relating to NWH's current business, plan, financial condition and future business prospects;

11. operational, historical and forecast information of the REIT and NWH including: rent rolls, lease expiry schedules, net operating income budget, and additional lease term and gross rent information;

12. a letter of representation as to certain factual matters and the completeness and accuracy of certain information upon which the Opinion is based, addressed to us and dated as of the date

hereof, provided by the Chief Executive Officer, Chief Financial Officer and Vice President, Investments of the REIT;

13. a letter of representation as to certain factual matters and the completeness and accuracy of certain information upon which the Opinion is based, addressed to us and dated as of the date hereof, provided by the Chief Executive Officer and Interim Chief Financial Officer of NWH; and

14. such other information, investigations, analyses and discussions as we considered necessary or appropriate in the circumstances.

BMO Capital Markets has not, to the best of its knowledge, been denied access by the REIT or NWH to any information under the REIT's control requested by BMO Capital Markets.

***Prior Valuations***

The REIT and NWH have each separately represented to BMO Capital Markets that there have not been any prior valuations (as defined in Canadian Securities Administrators' Multilateral Instrument 61-101 – Protection of Minority Shareholders in Special Transactions) of the REIT or NWH, as the case may be, and any of their respective material assets or securities in the past twenty-four month period, other than those which have been provided to BMO Capital Markets.

***Assumptions and Limitations***

We have relied upon and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, representations and other material obtained by us from public sources or provided to us by or on behalf of the REIT or NWH or otherwise obtained by us in connection with our engagement (the "Information"). The Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to, and have not assumed any obligation to, independently verify the completeness, accuracy or fair presentation of any such Information. We have assumed that forecasts, projections, estimates and budgets provided to us and used in our analyses were reasonably prepared on bases reflecting the best currently available assumptions, estimates and judgments of management of the REIT and NWH, having regard to the REIT's and NWH's business, plans, financial condition and prospects, respectively.

Senior officers of the REIT and NWH have each represented to BMO Capital Markets in a letter of representation delivered as of the date hereof, among other things, that: (i) the Information provided to BMO Capital Markets orally by, or in the presence of, an officer or employee of, the REIT or NWH, or in writing by the REIT or NWH or any of their respective subsidiaries (as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*) or any of their representatives in connection with our engagement was, at the date the Information was provided to BMO Capital Markets, and is (except to the extent superseded by more current Information), as of the date hereof, complete, true and correct in all material respects, and did not and does not contain a misrepresentation (as defined in the *Securities Act* (Ontario)); and (ii) since the dates on which the Information was provided to BMO Capital Markets, except as disclosed to BMO Capital Markets, there has been no material change, financial or otherwise, in the financial

condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the REIT or NWH or any of their respective subsidiaries and no change has occurred in the Information or any part thereof which would have or which could reasonably be expected to have a material effect on the Opinion.

In preparing the Opinion, we have assumed that the executed Arrangement Agreement will not differ in any material respect from the draft that we reviewed, and that the Arrangement will be consummated in accordance with the terms and conditions of the Arrangement Agreement without waiver of, or amendment to, any term or condition that is in any way material to our analyses.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as of March 6, 2015 and the condition and prospects, financial and otherwise, of the REIT and NWH as they are reflected in the Information and as they have been represented to BMO Capital Markets in discussions with management of the REIT and NWH and their representatives. In our analyses and in preparing the Opinion, BMO Capital Markets made numerous judgments and assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond our control or that of any party involved in the Arrangement.

This Opinion is provided to the Board of Trustees for its exclusive use only in considering the Arrangement and may not be used or relied upon by any other person or for any other purpose without our prior written consent. The Opinion does not constitute a recommendation as to how any Unitholder should vote or act on any matter relating to the Arrangement and we express no opinion as to whether or not holders of convertible debentures or other convertible securities should exercise their conversion rights. Except for the inclusion of the Opinion in its entirety and a summary thereof (in a form acceptable to us) in the Circular, the Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without our prior written consent.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of the securities or assets of the REIT or NWH or of any of their respective affiliates, and the Opinion should not be construed as such. The Opinion is not, and should not be construed as, advice as to the price at which the securities of the REIT or NWH may trade at any time. BMO Capital Markets was not engaged to review any legal, tax or regulatory aspects of the Arrangement and the Opinion does not address any such matters. We have relied upon, without independent verification, the assessment by the REIT and its legal and tax advisors with respect to such matters. In addition, the Opinion does not address the relative merits of the Arrangement as compared to any strategic alternatives that may be available to the REIT.

The Opinion is rendered as of the date hereof and BMO Capital Markets disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of BMO Capital Markets after the date hereof. Without limiting the foregoing, if we learn that any of the information we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, BMO Capital Markets reserves the right to change or withdraw the Opinion.

***Conclusion***

Based upon and subject to the foregoing, BMO Capital Markets is of the opinion that, as of the date hereof, the Consideration to be received by the Unitholders pursuant to the Arrangement is fair, from a financial point of view, to the Unitholders.

Yours truly,

**BMO Nesbitt Burns Inc.**

**APPENDIX J**
**NBF NWI FAIRNESS OPINION**

NATIONAL BANK
FINANCIAL MARKETS

March 10, 2015

NorthWest International Healthcare Properties Real Estate Investment Trust
As represented by
The Board of Trustees
284 King Street East, Suite 100
Toronto, Ontario
M5A 1K4

To the Board of Trustees:

National Bank Financial Inc. ("NBF", "we", or "us") understands that NorthWest International Healthcare Properties Real Estate Investment Trust ("NWI" or the "REIT") proposes to enter into an arrangement agreement to be dated March 10, 2015 (the "Arrangement Agreement") with NorthWest Healthcare Properties Real Estate Investment Trust ("NWH"). Under the terms of the Arrangement Agreement, NWH will, among other things, acquire all of the assets of NWI and NWI unitholders (the "NWI Unitholders") will receive 0.208 of a NWH trust unit (each a "NWH Unit" and collectively the "NWH Units") for each NWI trust unit (each a "NWI Unit" and collectively the "NWI Units") held (the "Consideration"). The transactions contemplated by the Arrangement Agreement will be effected pursuant to a court-approved plan of arrangement under the *Business Corporations Act* (Alberta) (the "Arrangement").

NBF also understands that NWH proposes to enter into lock-up agreements (the "Lock-Up Agreements") with NorthWest Value Partners Inc. ("NWVP"), a private company wholly-owned and controlled by Paul Dalla Lana, Chairman and CEO of NWI, and each of the trustees and senior officers of NWI representing in aggregate approximately 65% of the NWI Units (collectively, the "Locked-Up Securityholders"), whereby the Locked-Up Securityholders will commit to vote such securities in favour of the Arrangement, subject to the terms and conditions of the Lock-Up Agreements.

We understand that the terms and conditions of the Arrangement will be summarized in a joint information circular (the "Information Circular") to be prepared by NWI and NWH and mailed to NWI Unitholders in connection with a unitholders' meeting to be called by NWI to seek unitholder approval of the Arrangement.

NBF further understands that an independent committee (the "Independent Committee") of the board of trustees of NWI (the "Board of Trustees") has been formed to consider the Arrangement and make recommendations with respect thereto to the Board of Trustees.

## Engagement of National Bank Financial Inc.

NBF was initially approached in April 2014 by NWI and was formally retained by NWI pursuant to an engagement agreement dated effective March 8, 2015 (the "Engagement Agreement") to provide financial advice to the REIT, including providing our opinion (the "Fairness Opinion") to the Board of Trustees as to the fairness, from a financial point of view, to NWI Unitholders of the Consideration to be received by NWI Unitholders pursuant to the Arrangement.

NBF has not been asked to prepare and has not prepared a valuation of NWI or NWH or a valuation of any of their respective securities or assets and this Fairness Opinion should not be construed as such.

NBF will be paid fees for its services as financial advisor to NWI, including for the delivery of the Fairness Opinion. A substantial portion of the fees payable to NBF are contingent on the completion of the Arrangement. In addition, NBF is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by NWI in certain circumstances.

NBF understands that the Fairness Opinion and a summary thereof will be included in the Information Circular and, subject to the terms of the Engagement Agreement, NBF consents to such disclosure.

## Independence of National Bank Financial Inc.

NBF is not an "associated" or "affiliated" entity or "issuer insider" (as such terms are used in Multilateral Instrument 61-101 of the Ontario Securities Commission and the Québec Autorité des marchés financiers ("MI 61-101")) of NWI or NWVP or NWH (collectively, the "Interested Parties"), nor is it a financial advisor to NWVP or NWH in connection with the Arrangement.

In 2013 and 2014, NBF acted as co-lead underwriter and joint bookrunner for six public offerings of trust units and convertible debentures of NWI. In 2013, NBF acted as co-manager for one public offering of convertible debentures of NWH. NBF or its affiliates may, in the future, in the ordinary course of their respective businesses, perform financial advisory or investment banking or other services to the Interested Parties or any of their respective associated entities or affiliated entities.

NBF acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Interested Parties and, from time to time, may have executed or may execute transactions for such companies and clients from whom it received or may receive compensation. NBF, as an investment dealer, conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Interested Parties.

## Credentials of National Bank Financial

National Bank Financial is a leading Canadian investment dealer whose businesses include corporate finance, mergers and acquisitions, equity and fixed income sales and trading and investment research. The Fairness Opinion is the opinion of NBF and the form and content herein has been reviewed and approved for release by a group of managing directors of NBF,

each of whom is experienced in merger, acquisition, divestiture, valuation and fairness opinion matters.

**Scope of Review**

In connection with rendering our Fairness Opinion, we have reviewed and relied upon, or carried out (as the case may be), among other things, the following:

a) a draft of the Arrangement Agreement dated March 9, 2015, including the corresponding disclosure letters of NWI and NWH;

b) a draft of the Lock-Up Agreements dated March 9, 2015;

c) publicly available documents regarding NWI and NWH, including annual and quarterly reports, financial statements, annual information forms, management information circulars, prospectuses, and other filings deemed relevant;

d) certain non-public documents regarding NWI and NWH, including operational and financial information, internal management budgets, independent property appraisals, rent rolls, lease expiry schedules, and additional lease term and gross rent information;

e) a long-term financial forecast of NWI prepared by management of NWI;

f) a long-term financial forecast of NWH prepared by management of NWH;

g) trading statistics and related financial information in respect of NWI, NWH and other selected public companies considered by NBF to be relevant;

h) various reports published by equity research analysts and industry sources regarding NWH and other public companies considered by NBF to be relevant;

i) public information regarding the real estate industry generally, and the medical office building and healthcare sectors in particular considered by NBF to be relevant;

j) certain precedent merger and acquisition transactions considered by NBF to be relevant;

k) discussions with senior management of NWI and NWH;

l) discussions with the Board of Trustees of NWI including with respect to MI 61-101 requirements in the case of NWI;

m) discussions with the legal counsel to the Board of Trustees of NWI;

n) various research publications prepared by industry and equity research analysts regarding NWH and other selected public companies considered by NBF to be relevant;

o) representations contained in certificates, addressed to NBF and dated the date hereof, from senior officers of NWI and NWH as to the completeness and accuracy of the information upon which this Fairness Opinion is based and certain other matters; and

p) other information, analysis, investigations and discussions we considered necessary or appropriate in the circumstances.

NBF has not, to the best of its knowledge, been denied access by NWI to any information under the control of NWI that has been requested by NBF.

**Prior Valuations**

NWI and NWH have each separately represented to NBF that there have not been any prior valuations (as defined in Canadian Securities Administrators' Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions*) of NWI and NWH, as the case may be, and any of their respective material assets or securities in the past twenty-four month period, other than those which have been provided to NBF.

**Assumptions and Limitations**

With the Board of Trustees' approval and as provided for in the Engagement Agreement, we have relied upon the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, representations and other material obtained by us from public sources, or provided to us by NWI and NWH, as the case may be, and their respective subsidiaries (as defined in National Instrument 45-106 Prospectus and Registration Exemptions) or any of its or their respective representatives in connection with NBF's engagement (collectively, the "Information"). Our Fairness Opinion is conditional upon the completeness, accuracy and fair presentation of the Information. We have not been requested to nor, subject to the exercise of professional judgment, have we attempted to verify independently the completeness, accuracy or fair presentation of the Information.

Senior officers of each of NWI and NWH have separately represented to NBF in a certificate delivered as of the date hereof, among other things, that (i) the Information provided orally by, or in the presence of, an officer or employee of NWI or NWH, as the case may be, or in writing by NWI or NWH, as the case may be, or any of their respective subsidiaries, or any of their respective representatives, was at the date the Information provided to NBF and is (except to the extent superseded by more current Information) as of the date hereof, complete true and correct in all material respects, and did not and does not contain a misrepresentation (as defined in the *Securities Act* (Ontario)); (ii) since the dates on which the Information was provided to NBF, except as disclosed to NBF, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of NWI or NWH, as the case may be, or any of their respective subsidiaries and no change has occurred in the Information or any part thereof which would have or which could reasonably be expected to have a material effect on the Fairness Opinion; and (iii) public disclosure documents of NWI and NWH, as the case may be, did not, at the time they were filed with the applicable securities regulatory authorities, contain a misrepresentation (as defined in the *Securities Act* (Ontario)) and complied in all material respects with applicable securities laws at the time they were filed.

With respect to any forecasts, projections, estimates and/or budgets provided to NBF and used in its analyses, NBF notes that projecting future results of any company is inherently subject to uncertainty. NBF has assumed, however, that such forecasts, projections, estimates and/or budgets were prepared using the assumptions identified therein and that such assumptions in the opinion of NWI or NWH, as the case may be, (i) were reasonably prepared on bases reflecting the best currently available assumptions, estimates and

judgments of management of NWI and NWH, as the case may be, having regard to their respective business, plans, financial condition and prospects; (ii) reasonably present the views of management of NWI and NWH, as the case may be, as to the financial prospects and forecasted performance of NWI and NWH; and (iii) are not, in the reasonable belief of management of NWI and NWH, as the case may be, misleading in any material respect.

NBF has assumed that, in all respects material to its analysis, the Arrangement Agreement executed by the parties will be in substantially the form of the draft provided to us, the Arrangement will be made as provided for in the Arrangement Agreement, the representations and warranties of the parties to the Arrangement Agreement contained therein are true, accurate and complete in all material respects, such parties will each perform all of the respective covenants and agreements to be performed by them under the Arrangement Agreement, NWI and NWH will each perform their respective obligations under the Arrangement, and all conditions to the obligations of such parties as specified in the Arrangement Agreement and the Arrangement will be satisfied without any waiver thereof. NBF has also assumed that all material approvals and consents required in connection with the consummation of the Arrangement will be obtained and that, in connection with obtaining any necessary approvals and consents, no limitations, restrictions or conditions will be imposed that would have a material adverse effect on NWI or NWH, as the case may be.

We have also assumed that the Lock-Up Agreements will be entered into by the Locked-Up Securityholders, as the case may be, substantially in the form of the drafts provided to us, that all of the representations and warranties to be contained in the Lock-Up Agreements, as the case may be, will be correct as of the date hereof and that the Locked-Up Securityholders, as the case may be, will vote all of their securities in favour of the Arrangement.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Arrangement and have relied upon, without independent verification, the assessment by NWI and its legal and tax advisors with respect to such matters. We express no opinion as to the value at which NWH may trade following completion of the Arrangement.

This Fairness Opinion is rendered as at the date hereof and on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of NWI and NWH as they are reflected in the Information and as they were represented to us in our discussions with the management of NWI and NWH, as the case may be. In our analyses and in connection with the preparation of our Fairness Opinion, we made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of NBF and any party involved in the Arrangement Agreement and the Arrangement. This Fairness Opinion is provided to the Board of Trustees for their use only and may not be relied upon by any other person. NBF disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion which may come or be brought to the attention of NBF after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Fairness Opinion after the date hereof, NBF reserves the right to change, modify or withdraw the Fairness Opinion.

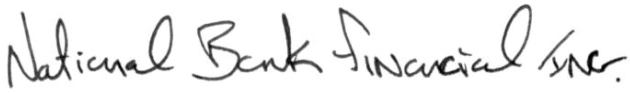
This Fairness Opinion is addressed to the Board of Trustees and is for the sole use and benefit of the Board of Trustees, and may not be referred to, summarized, circulated, publicized or

reproduced or disclosed to or used or relied upon by any party without the express written consent of NBF. This Fairness Opinion is not to be construed as a recommendation to any NWI Unitholder to vote in favour or against the Arrangement. We express no opinion as to whether or not holders of convertible debentures or other convertible securities should exercise their conversion rights.

**Conclusion**

Based upon and subject to the foregoing, and such other matters as NBF considered relevant, NBF is of the opinion, as of the date hereof, that the Consideration to be received by NWI Unitholders pursuant to the Arrangement is fair, from a financial point of view, to NWI Unitholders.

Yours very truly,



**NATIONAL BANK FINANCIAL INC.**

**APPENDIX K**
**INFORMATION REGARDING NWH ANNUAL GENERAL MEETING MATTERS AND RELATED DISCLOSURE**

## ELECTION OF TRUSTEES

The number of trustees on the NWH Board has been previously fixed at seven. NorthWest Operating Trust, based on its current ownership interest in NWH, has the right to appoint two trustees at the NWH Meeting. Accordingly, NWH Voting Unitholders will be asked to vote on an ordinary resolution to elect the remaining five trustees at the NWH Meeting. Each nominee elected as a trustee will hold office until the close of the next annual meeting of the NWH Voting Unitholders or until his successor is elected or appointed. Should Robert Baron be elected as a trustee of NWH at the NWH Meeting, his appointment to the NWH Board shall occur on the earlier of (a) the completion of the Arrangement, and (b) the termination of the Arrangement Agreement. Each NorthWest Operating Trust Appointee will hold office for such period as NorthWest Operating Trust shall provide, subject to the appointment of any successors by NorthWest Operating Trust.

Biographies for the five NWH Nominees and each of the two NorthWest Operating Trust Appointee (who are Paul Dalla Lana and Bernard Crotty**),** which include a summary of their respective principal occupation and employment within the five preceding years, are set out below.

Effective January 15, 2014, Jan Krizan, a trustee since the closing of NWH's initial public offering in March, 2010, resigned from the NWH Board and Elisabeth Stroback was appointed to the NWH Board in his place. Bernard Crotty replaced Jan Krizan as one of the two NorthWest Operating Trust Appointees at that time. Elisabeth Stroback resigned from the NWH Board effective October 6, 2014 and Brian Petersen was appointed to the NWH Board in her place on October 7, 2014. Michael Knowlton resigned from the NWH Board effective November 28, 2014 and Colin Loudon was appointed to the NWH Board in his place on December 8, 2014. Robert Baron resigned from the NWH Board effective March 10, 2015. With the exception of Brian Petersen and Colin Loudon, each member of the NWH Board for the year ended December 31, 2014 has been a trustee since NWH's initial public offering.

*Dr. Martin Barkin*

Toronto, Ontario, Canada. Dr. Barkin is a director of Vivientia Biotech and of Viable Healthworks. Dr. Barkin was also a professor in the Faculty of Medicine at the University of Toronto, in the Department of Surgery as well as the Department of Health Administration and was President of the Surgical Alumni Association of the University of Toronto. From 1993 to 2007 Dr. Barkin was the President and CEO of DRAXIS Health Inc., as well as a Director of several TSX and NASDAQ listed companies. Dr. Barkin was the Chief Executive Officer of Sunnybrook Health Sciences Centre from 1983 to 1987 and was its Chairman of the Board from 1998 to 2003. Dr. Barkin served as the Deputy Minister of Health, Ontario, from 1987 to 1991, and received the Queen Elizabeth II Silver Jubilee Award. Dr. Barkin has received the degrees of M.D., B.Sc. (Med.), M.A. and is a Fellow of the Royal College of Surgeons of Canada.

*Bernard Crotty*

Oakville, Ontario, Canada. Mr. Crotty is a Co-President and a trustee of NWI and a Director of Vital Trust. Mr. Crotty was a principal of Silver and White Management, Inc., a private investment firm. From September 2001 to February 2008, Mr. Crotty acted as Chairman and/or Chief Executive Officer of Certicom Corp, a provider of cryptographic software and services that was acquired by Research in Motion Ltd. From January 2004 to February 2007, Mr. Crotty acted as Chairman and/or Chief Executive Officer of Comnetix Inc., a provider of biometric identification and authorization solutions that was acquired by L-1 Identity Solutions, Inc. In addition Mr. Crotty has served on a variety of public company boards and was counsel to the law firm Gibson, Dunn & Crutcher LLP in Los Angeles and a partner at the law firm McCarthy Tétrault LLP in Toronto and London, England. Mr. Crotty received his B.A. from the University of Alberta, LL.B. from the University of Toronto, LL.M from the London School of Economics and his M.B.A. from Duke University. He is also a graduate of the Toronto ICD-Rotman Directors Education Program.

*Paul Dalla Lana*

Toronto, Ontario, Canada. Mr. Dalla Lana is the founder and Chairman of NWH. Mr. Dalla Lana has over 20 years of experience in real estate acquisition, development, and finance and is the Founder and President of NWVP, the Founder, Chairman and Chief Executive Officer of NWI and a Director of Vital Healthcare Property Trust. He is an advisory board

member of the Dalla Lana School of Public Health and is on the President's Advisory Council at The University of Toronto. Mr. Dalla Lana received his B.A. and his M.B.A. from the University of British Columbia.

*Colin Loudon*

Toronto, Ontario, Canada. Mr. Loudon is currently Executive Vice President, Strategy at Oxford Properties Group. At Oxford he is a member of the Executive Committee and the Investment Committee and is responsible for executive oversight of debt financing, treasury operations, risk management, strategic planning and research for Oxford globally, as well as for a number of key strategic initiatives within both Oxford and its parent company, OMERS. Prior to his current role, Mr. Loudon was Chief Financial Officer at Oxford. Prior to joining Oxford in 2009, Mr. Loudon was a senior Partner and National Real Estate Industry Leader at KPMG. Mr. Loudon holds a Bachelor of Commerce degree (Honours) from Queen's University as well as Chartered Professional Accountant and Chartered Business Valuator designations.

*Brian Petersen*

Calgary, Alberta, Canada. Mr. Petersen is currently an independent financial consultant and merchant banker based in Calgary, Alberta. Previously, he has been an investment banker for over 23 years and held executive-level roles in financial advisory and investment banking, including as a Managing Director at RBC Capital Markets. He has extensive experience with royalty and income trusts and has been a board member of several private and public companies. Mr. Petersen currently serves as a director of Ceiba Energy Services Inc. and Qwick Media Inc. Mr. Petersen received his Bachelor of Commerce, Finance from the University of British Columbia and later received his Chartered Financial Analyst (CFA) designation. He is also active with the United Way as well as other community-based organizations.

*Peter Riggin*

Toronto, Ontario, Canada. Mr. Riggin is the CEO of NWH and is responsible for the overall direction and operations of NWH while also taking an active role in NWH's acquisition and leasing initiatives. Prior to joining the predecessor REIT in October 2004, Mr. Riggin worked at pension fund advisory firms Beutel Goodman Real Estate Group and Bentall Capital. Mr. Riggin's past experience in the real estate industry includes positions with Campeau Corporation and the Prudential Insurance Company of America in the areas of asset management, development and leasing/marketing. Mr. Riggin has an Honours B.A. in urban development from the University of Western Ontario. Mr. Riggin volunteers as a Governor on the board of the North York General Hospital Foundation where he chairs the board's Audit & Finance Committee.

*Robert Baron*

Toronto, Ontario, Canada. Mr. Baron is the founder and President of Toronto-based BCGI Baron Consulting Group and New York-based American Real Estate Executive Search. Both firms act on behalf of private and institutional real estate investors and lenders throughout North America. Prior to forming BCGI in 1995 Mr. Baron was employed in Investment Banking at CIBC Wood Gundy Inc. from 1991 to 1995 and in Investment Sales at CB Commercial Real Estate from 1987 to 1991. Mr. Baron has a B.A. in Economics from the University of Western Ontario and an MBA from the University of Toronto.

The following table outlines the equity holdings and market value as at March 31, 2015 of each of the proposed nominees:

| **Name and Municipality of Residence** | **NWH Voting Units Beneficially Owned or Controlled** | | **NWH Deferred Units Beneficially Owned or Controlled** | | |
|---|---|---|---|---|---|
| | **Number** | **Market Value($)[9]** | **Number[10]** | **Market Value($)[9]** | **Total Market Value($)** |
| Dr. Martin Barkin[1][2][5][6][11]<br>Toronto, Ontario | 10,503 | 95,787 | 16,535 | 150,799 | 246,586 |
| Bernard Crotty[1][3][7]<br>Oakville, Ontario | 50,000 | 456,000 | 32,576 | 297,091 | 753,091 |
| Paul Dalla Lana[7][8]<br>Toronto, Ontario | 11,897,446 | 108,504,708 | 26,906 | 245,386 | 108,750,094 |

| Name and Municipality of Residence | NWH Voting Units Beneficially Owned or Controlled | | NWH Deferred Units Beneficially Owned or Controlled | | |
|---|---|---|---|---|---|
| | Number | Market Value($)[9] | Number[10] | Market Value($)[9] | Total Market Value($) |
| Colin Loudon[3][4][5][11]<br>Toronto, Ontario | – | – | 2,114 | 19,280 | 19,280 |
| Brian Petersen[3][5][11]<br>Calgary, Alberta | 555 | 5,062 | 3,307 | 30,161 | 35,223 |
| Peter Riggin<br>Toronto, Ontario | 106,035 | 967,039 | 100,775 | 919,068 | 1,886,107 |
| Robert Baron<br>Toronto, Ontario | 4,000 | 36,480 | 32,190 | 293,575 | 330,055 |

Notes:
(1) Member of NWH CGN Committee.
(2) Chair of NWH CGN Committee.
(3) Member of the NWH Audit Committee.
(4) Chair of the NWH Audit Committee.
(5) Member of NWH Special Committee.
(6) Chair of the NWH Special Committee.
(7) NorthWest Operating Trust Appointee.
(8) As at March 31, 2015, NorthWest Operating Trust, together with its affiliates, beneficially owned or controlled, directly or indirectly, 25.4% of the voting securities of NWH (23.8% calculated on a fully-diluted basis) through the ownership of 4,345,900 NWH Units and 7,551,546 NWH Special Voting Units. NWI is the 100% owner of NorthWest Operating Trust. Paul Dalla Lana is the majority unitholder of NWI.
(9) These amounts were determined by multiplying the applicable number of NWH Units or NWH Deferred Units by the closing price of the NWI Units on the TSX on March 31, 2015.
(10) These amounts include the vested and unvested NWH Deferred Units issued to these individuals pursuant to the NWH Deferred Unit Plan. For further information, refer to "Executive Compensation."
(11) Member of the NWH Independent Committee. Chair of the NWH Independent Committee is Brian Petersen.

*Orders, Penalties and Bankruptcies*

To the knowledge of NWH, as of the date hereof, no NWH Nominee:

- is, or has been, within 10 years before the date hereof, a trustee, director, chief executive officer or chief financial officer of any company or real estate investment trust (including NWH) that was subject to an order that was issued while the proposed trustee was acting in the capacity as a director, trustee, chief executive officer or chief financial officer, or was subject to an order that was issued after the proposed trustee ceased to be a director, trustee, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, trustee, chief executive officer or chief financial officer;
- is, or has been, within 10 years before the date hereof, a director, trustee or executive officer of any company or real estate investment trust (including NWH) that, while such NWH Nominee was acting in that capacity, or within a year of such NWI Nominee ceased to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such NWH Nominee.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

The Compensation Discussion and Analysis provides information regarding all significant elements of compensation paid, payable, awarded, granted, given or otherwise provided by NWH to (i) the Chief Executive Officer, (ii) the Chief Financial Officer, and (iii) the Executive Vice President, General Counsel and Secretary (collectively, the "**NWH NEOs**"). NWH does not have any other executive officers.

### Role of the Compensation, Governance and Nominating Committee

The NWH CGN Committee consists of two trustees, being Dr. Martin Barkin, as Chairman, and Mr. Bernard Crotty. All members of the NWH CGN Committee are independent trustees of NWH. A trustee is considered to be an independent trustee if such person is independent within the meaning of NI 58-201. Based on recommendations made by the NWH CGN Committee, the NWH Board will make decisions regarding salaries, annual bonuses and equity incentive compensation for NWH's executive officers and will approve goals and objectives relevant to the compensation of the CEO and NWH's other executive officers.

Dr. Barkin is a seasoned business manager with extensive senior level public and private sector experience, including being a past CEO of a public company and a large hospital and as a former Deputy Minister of Health in the Ontario government. Mr. Crotty is currently Co-President of NWI and a past CEO of two companies, as well as a director on a variety of public company boards. Further, he is also a graduate of the Toronto ICD-Rotman Directors Education Program. The NWH Board has adopted a written charter for the NWH CGN Committee setting out its responsibilities for: (i) assessing the effectiveness of the NWH Board, each of its committees and individual trustees; (ii) overseeing the recruitment and selection of candidates as trustees; (iii) organizing an orientation and education program for new trustees; (iv) considering and approving proposals by the trustees to engage outside advisers on behalf of the NWH Board as a whole or on behalf of the independent trustees; (v) reviewing and making recommendations to the NWH Board concerning any change in the number of trustees composing the NWH Board; (vi) considering questions of management succession; (vii) administering any unit option or purchase plan of NWH, and any other compensation incentive programs; (viii) assessing the performance of management of NWH; (ix) reviewing and approving the compensation paid by NWH, if any, to the officers of NWH; and (x) reviewing and making recommendations to the NWH Board concerning the level and nature of the compensation payable to trustees and officers of NWH.

### Compensation Objectives and Strategy

NWH's compensation practices are designed to retain, motivate and reward NWH's executive officers for their performance and contribution to NWH's long-term success. NWH's Board seeks to compensate executive officers by combining short and long-term cash and equity incentives. It also seeks to reward the achievement of corporate and individual performance objectives and to align executive officers' incentives with Unitholder value creation. The Board seeks to tie individual goals to the area of the executive officer's primary responsibility. These goals may include the achievement of specific financial or business development goals.

### NWH Deferred Unit Plan

The NWH Deferred Unit Plan became effective in March, 2010 and was re-approved at the annual general meeting of Unitholders in 2013. The NWH Deferred Unit Plan is administered by the NWH CGN Committee. The purpose of the NWH Deferred Unit Plan is to promote a greater alignment of interests between the trustees and officers of NWH and the NWH Voting Unitholders.

Each trustee and each officer of NWH in respect of the NWH STIP, as defined below (collectively, "**Electing Persons**"), will be given the right to elect to be a participant of the NWH Deferred Unit Plan, and all officers of NWH in respect of the LTIP (as defined below) or a Recognition Bonus (as defined below) for which they are eligible, shall be a participant (together with the Electing Persons, each a "**NWH Participant**") of the NWH Deferred Unit Plan. An Electing Person who elects to be a NWH Participant shall receive their Elected Amount (as defined below) in the form of NWH Deferred Units in lieu of cash, provided that NWH shall match the Elected Amount for each NWH Participant such that the number of NWH Deferred Units issued to each NWH Participant shall be equal in value to two times the Elected Amount in respect of an award pursuant to the NWH STIP or Trustee Fees.

The "Elected Amount" shall be:

i. in respect of a trustee, an amount, as elected by the trustee, between 60% and 100% of the annual retainer paid by NWH to that trustee in a calendar year for service on the NWH Board (the "**Trustee Fees**"), and

ii. in respect of an officer, 25% of the bonus paid by NWH pursuant to the NWH STIP to that officer in a calendar year.

In addition, each NWH Participant shall be paid 100% of their executive Recognition Bonus (the "**Recognition Bonus**") and/or award under the LTIP in the form of NWH Deferred Units. The Recognition Bonus and Long Term Incentive Bonus are described in more detail below under the heading "NWH NEO Compensation".

In order to qualify for a Long Term Incentive Bonus, NWH and the officer in question must meet certain performance criteria set by the NWH CGN Committee on an annual basis.

The number of NWH Deferred Units (including fractional NWH Deferred Units) granted at any particular time pursuant to the NWH Deferred Unit Plan will be calculated by dividing the (i) the Long Term Incentive Bonus or the Recognition Bonus, as applicable, as allocated to the NWH Participant by (ii) the NWH Market Value (as defined below) of a Unit on the award date, and in the case of Trustee Fees or an award in connection with the NWH STIP, will be calculated by dividing (i) two times the dollar amount of the Elected Amount allocated to the NWH Participant by (ii) the NWH Market Value of a Unit on the award date. "NWH Market Value" at any date (i) in respect of the Units and in connection with an award under the NWH STIP, a Long Term Incentive Bonus or a Recognition Bonus means the volume weighted average price of all Units traded on the TSX for the five trading days immediately preceding such date (or, if such Units are not listed and posted for trading on the TSX, on such stock exchange on which such Units are listed and posted for trading as may be selected for such purpose by the trustees), or (ii) in respect of the Units and in connection with Trustee Fees means the volume weighted average price of all Units traded on the TSX for the ten trading days immediately preceding such date (or, if such Units are not listed and posted for trading on the TSX, on such stock exchange on which such Units are listed and posted for trading as may be selected for such purpose by the trustees). In the event that such Units are not listed and posted for trading on any stock exchange, the NWH Market Value shall be the fair market value of such Units as determined by the NWH Board in its sole discretion. For the purposes of awards granted under the NWH STIP, a Long Term Incentive Bonus or a Recognition Bonus, the award date will be the date that is the eighth trading day following the release of the financial results of NWH for the period to which the issuance of NWH Deferred Units relates.

Under no circumstances shall NWH Deferred Units be considered NWH Units nor entitle a NWH Participant to any NWH Voting Unitholder rights, including, without limitation, voting rights, distribution entitlements (other than as set out below) or rights on liquidation. One NWH Deferred Unit is economically equivalent to one NWH Unit. Fractional NWH Units are permitted under the NWH Deferred Unit Plan.

Generally speaking, NWH Deferred Units granted to NWH Participants pursuant to the NWH Deferred Unit Plan shall vest in accordance with the following schedule:

i. 50% of the NWH Deferred Units shall vest on the third anniversary of the date of the grant;

ii. 25% of the NWH Deferred Units shall vest on the fourth anniversary of the date of the grant; and

iii. 25% of the NWH Deferred Units shall vest on the fifth anniversary of the date of the grant.

Notwithstanding the foregoing, the NWH Board shall have the discretion to vary the manner in which NWH Deferred Units vest for any NWH Participant.

The NWH Deferred Units credited to a NWH Participant's Deferred Unit account that have vested may be redeemable in whole or in part on the date in which the NWH Participant files a written notice of redemption with NWH (the "**NWH Redemption Date**"). The NWH Deferred Units credited to a NWH Participant's Deferred Unit account shall vest immediately and be redeemable by the NWH Participant (or, where the NWH Participant has died, his or her estate) following an event, including termination other than for cause, retirement in respect of officers, death or critical illness, or, for a trustee, the failure to be re-elected, causing the NWH Participant to no longer be eligible to participate in the NWH Deferred Unit Plan (the "**Termination Date**"). Where the NWH Participant has been (i) terminated for cause, or (ii) voluntarily resigns from his or her position with NWH (not including retirement) the NWH Deferred Units credited to the

NWH Participant's Deferred Unit account representing all of the NWH Deferred Units granted to them as an award under the NWH STIP or Trustee Fees, as applicable, and one half of the NWH Deferred Units granted to them as a Recognition Bonus, shall be deemed vested. Any NWH Deferred Units granted by NWH representing a match of the Elected Amount under an NWH STIP award or Trustee Fees, or a Long Term Incentive Bonus or the other half of their Recognition Bonus, which have not yet vested at the time of termination or resignation, shall be immediately forfeited by such NWH Participant.

Vesting on retirement depends on whether the NWH Participant has served seven, four or less than four years in their position with NWH.

In the event a NWH Participant redeems NWH Deferred Units for NWH Units, subject to the provisions of the NWH Deferred Unit Plan, the NWH Participant shall receive, within five business days after the Termination Date or NWH Redemption Date, as applicable, a whole number of Units from NWH equal to the whole number of NWH Deferred Units then recorded in the NWH Participant's Deferred Unit account, net of any applicable withholding taxes. NWH shall also make a cash payment, net of any applicable withholding taxes, to the NWH Participant with respect to the value of fractional NWH Deferred Units standing to the NWH Participant's credit after the maximum number of whole Units have been issued by NWH, calculated by multiplying (i) the number of such fractional NWH Deferred Units to be redeemed by (ii) the NWH Market Value of such fractional NWH Deferred Units on the Termination Date or NWH Redemption Date, as applicable. Upon payment in full of the value of the NWH Deferred Units, the NWH Deferred Units shall be cancelled.

Whenever cash distributions are paid on the Units, additional NWH Deferred Units will be credited to the NWH Participant's Deferred Unit account. The number of such additional NWH Deferred Units shall be calculated by dividing (i) the amount determined by multiplying (a) the number of NWH Deferred Units in such NWH Participant's Deferred Unit account on the record date for the payment of such distribution by (b) the distribution paid per NWH Unit, by (iii) 97% of the NWH Market Value of a Unit on the distribution payment date for such distribution, in each case, with fractions computed to two decimal places. Such additional NWH Deferred Units shall vest on the same basis as set out above from the date such additional NWH Deferred Units are credited to the NWH Participant's Deferred Unit account.

As of March 31, 2015 NWH has 39,210,668 NWH Units and 7,551,546 NWH Special Voting Units outstanding, on a fully diluted basis. The NWH Deferred Unit Plan is an "evergreen" plan and the aggregate number of NWH Units authorized for issuance upon the redemption of all NWH Deferred Units granted under the NWH Deferred Unit Plan shall not exceed 5% of the outstanding NWH Voting Units (calculated on an ongoing basis), on a fully diluted basis, or such greater number of NWH Units as may be determined by the NWH Board and approved by the NWH Voting Unitholders and, if required, by any relevant stock exchange or other regulatory authority; provided, however, that (i) at no time shall the number of NWH Units issuable to insiders of NWH pursuant to outstanding NWH Deferred Units, together with the number of NWH Units issuable to such persons pursuant to any other compensation arrangements, exceed 10% of the then outstanding NWH Units, as calculated immediately prior to the issuance in question; and (ii) the number of Units issued to insiders of NWH pursuant to outstanding NWH Deferred Units together with the number of NWH Units issued to such persons pursuant to any other compensation arrangements, within any one year period, shall not exceed 10% of the then outstanding Units. As of March 31, 2015, 403,009 NWH Deferred Units have been issued under the NWH Deferred Unit Plan representing 0.86% of the outstanding Units, on a fully diluted basis. Since each NWH Deferred Unit may be redeemed for one NWH Unit, 403,009 NWH Units (representing 0.86% of the outstanding NWH Units) are potentially issuable pursuant to the NWH Deferred Unit Plan. The NWH Deferred Unit Plan does not provide for a maximum number of Units that may be issued to any one individual.

In no event may the rights or interests of a NWH Participant under the NWH Deferred Unit Plan be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a NWH Participant, by will or by the laws of succession and distribution.

The administration of the NWH Deferred Unit Plan shall be subject to and performed in conformity with all applicable laws, regulations, orders of governmental or regulatory authorities and the requirements of any stock exchange on which the NWH Units are listed. Should the NWH CGN Committee, in its sole discretion, determine that it is not desirable or feasible to provide for the redemption of NWH Deferred Units in Units, including by reason of any such laws, regulations, rules, orders or requirements, it shall notify the NWH Participants of such determination and on receipt of such notice each NWH Participant shall have the option of electing that such redemption obligations be satisfied by means of a cash payment by NWH equal to the NWH Market Value of the Units that would otherwise be delivered to a NWH Participant in settlement of NWH Deferred Units on the redemption date (less any applicable withholding taxes).

The Board has the power to amend, modify, suspend or terminate the NWH Deferred Unit Plan, subject to any necessary regulatory and Unitholder approvals and such actions may not materially adversely affect the rights already accrued under the NWH Deferred Unit Plan, without the consent of the NWH Participant. Subject to the receipt of any necessary regulatory or NWH Voting Unitholder approvals, the NWH Board may also at any time amend or revise the terms of any NWH Deferred Units granted under the NWH Deferred Unit Plan. The TSX will generally not require its listed issuers to obtain securityholder approval for the following types of amendments: (a) amendments of a "housekeeping" nature; (b) a change to the vesting provisions of a security or a plan; (c) a change to the termination provisions of a security or a plan which does not entail an extension beyond the original expiry date; and (d) amendments which, in the opinion of the NWH Board, are necessary or desirable to remove conflicts or inconsistencies in the NWH Deferred Unit Plan. The TSX will generally require its listed issuers to obtain securityholder approval for the following types of amendments: (a) any amendment to the number of securities issuable under the plan, including an increase to a fixed maximum percentage of securities or a change from a fixed maximum percentage of securities to a fixed maximum number; (b) any change to the eligible participants which would have the potential of broadening or increasing insider participation; (c) amendments to the amendment provision of the NWH Deferred Unit Plan; (d) amendments for the purpose of permitting NWH Deferred Units issued to be transferred or assigned other than in accordance with the provisions of the NWH Deferred Unit Plan; and (e) amendments required to be approved by NWH Voting Unitholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

**NWH NEO Compensation**

The NWH CGN Committee is responsible for making recommendations for approval by the NWH Board with respect to remuneration of the NWH NEOs and other senior officers and senior management of NWH.

As it relates to compensation, the main goal of the NWH CGN Committee is to ensure that the compensation provided to NWH's executive officers is determined with regard to NWH's business strategies and objectives. In this manner, the financial interest of the executive officers is aligned with the financial interest of the NWH Voting Unitholders. The NWH CGN Committee strives to ensure that NWH's executive officers are paid fairly and commensurately with their contributions to furthering NWH's strategic decisions and objectives. NWH seeks to attract and retain top quality executives by providing total compensation that is appropriate and competitive with that paid by other real estate investment trusts or companies of comparable size. The NWH CGN Committee reviews all elements of the executive officers' compensation on an annual basis. In performing this review, the committee may engage outside consultants from time to time.

The NWH CGN Committee has developed the following executive compensation philosophy and policies to meet the foregoing objectives:

- Ensure NWH's compensation is appropriate and competitive with that of NWH's peer group and the real estate industry generally;
- Incorporate a variable component within the total compensation to provide recognition and reward executive officers' performance against annual targets; and
- Provide a long-term alignment of executive officers' financial interest with those of the NWH Voting Unitholders with the goal to improve NWH Voting Unitholders' value.
- An executive officer's target total compensation typically comprises of:
- Base salary;
- Performance-based annual incentive bonus, a portion of which is related to individual performance and a portion of which is related to corporate performance, and which is paid partially in cash and partially in NWH Deferred Units; and
- Periodic grants of long-term incentives under the LTIP (as defined below), which may be subject to time-based and/or performance-based vesting requirements.

NWH does not provide pension, group RRSP or other retirement benefits to its NWH NEOs, other than that provided for under government mandated programs (e.g., the Canada Pension Plan).

NWH's compensation for the NWH NEOs will consist primarily of four elements: base salary, short-term incentives, long-term incentives and an executive Recognition Bonus program. Each element of compensation is described in more detail below.

*Base Salary*

Base salary remunerates management for discharging job requirements. The base salaries of all executives, including the CEO, will be reviewed by the NWH CGN Committee annually with the goal of ensuring that each executive is paid fairly, taking into consideration the requirements of the position, the executive's performance, skills, knowledge, experience and equity with other executives within NWH and compared to executives in similar roles in comparable entities. NWH may consider comparable entities to primarily include real estate investment trusts, adjusted as appropriate to reflect differences in total assets, annual revenues, number of employees and market capitalization. However, NWH does not have a policy in respect of the level at which base salary or total compensation must be in relation to any other entity. On occasion, independent professional compensation consultants may assist the NWH CGN Committee with the assessment of base salary and total compensation for all executives.

*Short Term Incentive Program* ("**NWH STIP**")

In addition to base salary, management is eligible for additional annual compensation based on a combination of individual and NWH performance against pre-set goals and targets as will be determined by the NWH Board from time to time. Each NWH NEO will be entitled to awards under NWH's short term incentive program equal to up to 25% of their base salary (the "**Target Bonus**"). 70% of the Target Bonus will be measured against the achievement of annual financial targets set by the NWH Board from time to time and 30% of the Target Bonus will be based on the NWH NEO's individual performance. The NWH NEO's individual performance is based on his / her achievements, on a scale of 0% to 125%, against goals approved by the NWH CGN Committee (the "**Personal Performance Factor**"). To the extent that the financial targets are not achieved by NWH in any year, NWH Performance Portion will be reduced by 20% for each 1% of shortfall. The NWH STIP award, if any, will be paid in cash, provided that a participant may elect to receive up to 25% of the participant's NWH STIP award in NWH Deferred Units in accordance with NWH's NWH Deferred Unit Plan, with NWH matching such portion of the award received in NWH Deferred Units. In 2014, annual AFFO per unit ranged from $0.803 to $0.869. The NWH CGN Committee has not yet set financial targets for the NWH STIP Program for 2015. Personal Performance Factors related to the NWH STIP vary with each NWH STIP participant and reflect their individual responsibilities for achieving certain corporate objectives, all as approved by the NWH CGN Committee. The NWH CGN Committee can exercise discretion to increase or decrease performance-based compensation under the NWH STIP.

*Long Term Incentive Program* ("**LTIP**")

NWH believes that equity based awards allow NWH to reward management for their sustained contributions to NWH. The Board believes the LTIP provides management with a strong link to long-term performance and the creation of NWH Voting Unitholder value. Based on the achievement of pre-set, financial performance targets that will be set by the NWH Board from time to time, as well as each NWH NEO's Personal Performance Factor, the NWH NEOs will be eligible for additional compensation. Awards under the LTIP will be paid in the form of NWH Deferred Units in accordance with the NWH Deferred Unit Plan.

Under the LTIP, assuming NWH meets, but does not exceed, its performance targets established by the NWH Board in any fiscal year, the NWH NEOs will be entitled to an award under the LTIP equal to 25% of their base salary (the "**LTIP Base Award**"). For every 1% that NWH exceeds the pre-established targets for any year, the LTIP Base Award will be increased by 20% up to a maximum of 50% of the NWH NEO's base salary and for every 1% shortfall to the targets, the LTIP Base Award will be decreased by 20%. In 2014, the annual AFFO per unit target ranged from $0.803 to $0.869. The NWH CGN Committee has not yet set financial targets for the LTIP for 2015. The NWH CGN Committee can exercise discretion to increase or decrease performance-based compensation under the LTIP.

*Recognition Bonus (formerly the Retention Bonus)*

In order to encourage a long term commitment to NWH and further align the interests of senior management and the Unitholders, NWH also has a Recognition Bonus plan pursuant to which the CEO and Executive Vice President will be eligible to receive an award of up to 50% (100% for the CEO) of their base salary in the form of NWH Deferred Units under the NWH Deferred Unit Plan. Awards under the Recognition Bonus plan will be based upon pre-set, annual targets as determined by the NWH Board from time to time, as well as Personal Performance Factor for each participant.

For 2015, a corporate performance factor equal to the LTIP financial target will, in conjunction with personal performance factors for each NWH NEO, adjust the amount of the Recognition Bonus payable, as follows:

| Achievement of Financial Target under LTIP | Multiplier for Recognition Bonus Payout |
|---|---|
| At or above 98% of LTIP Financial Target | 100% |
| At or above 97% but below 98% of LTIP Financial Target | 90% |
| At or above 96% but below 97% of LTIP Financial Target | 80% |
| At or above 95% but below 96% of LTIP Financial Target | 70% |
| At or above 93% but below 95% of LTIP Financial Target | 60% |
| At or above 90% but below 93% of LTIP Financial Target | 40% |
| At or above 87% but below 90% of LTIP Financial Target | 25% |
| At or above 85% but below 87% of LTIP Financial Target | 10% |
| Below 85% of LTIP Financial Target | 0 |

The NWH CGN Committee can exercise discretion to increase or decrease performance-based compensation under the Recognition Bonus.

The NWH Participant must be employed by NWH at the time a Recognition Bonus is awarded.

**Compensation Related Risk**

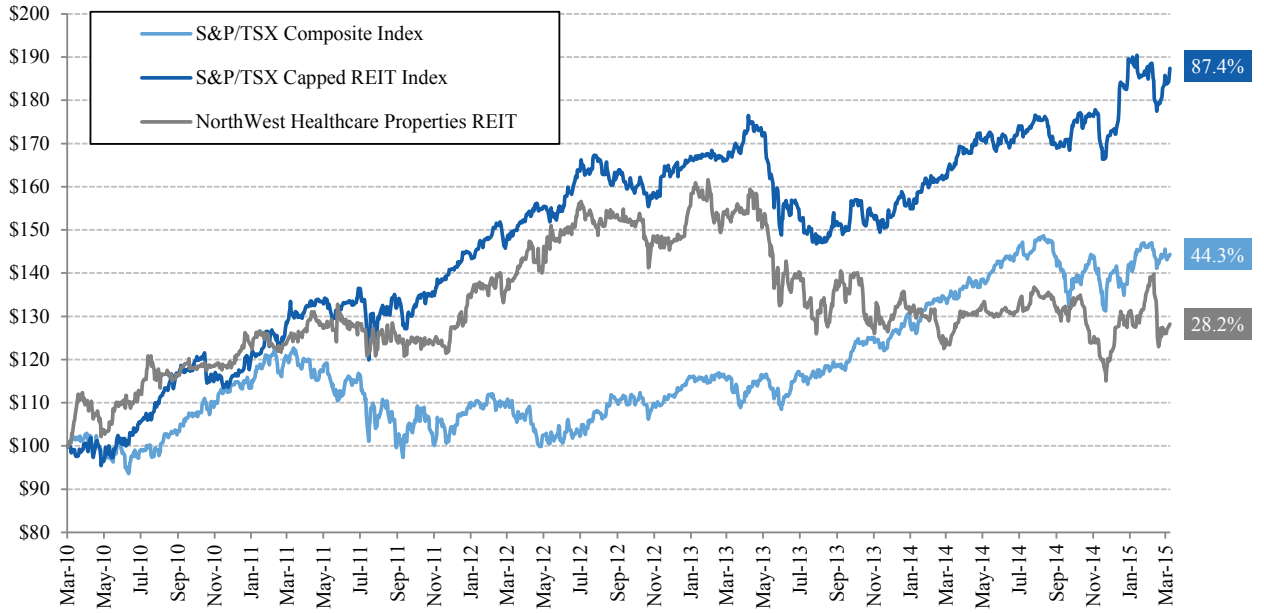
The Board and, as applicable, the NWH CGN Committee, considers and assesses as necessary, risks relating to compensation prior to entering into or amending employment contracts with NWH NEOs and when setting the compensation of trustees. The Board and the NWH CGN Committee believe that NWH's compensation policies and practices are appropriate for its industry and stage of business and that such policies and practices do not have associated with them any risks that are reasonably likely to have a material adverse effect on NWH or which would encourage an NWH NEO to take any inappropriate or excessive risks. The NWH CGN Committee will continue to review NWH's compensation policies, including its compensation-related risk profile, as necessary, to ensure its compensation policies and practices are not reasonably likely to have a material adverse effect on NWH or encourage an NWH NEO to take any inappropriate or excessive risks.

**Financial Instruments**

NWH's compensation program does not provide for the purchase by an NWH NEO or trustee of financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an NWH NEO or trustee.

**Performance Graph**

The following graph shows NWH's cumulative total Unitholder return compared to the cumulative total return of (i) the S&P/TSX Real Estate Capped Index, and (ii) the S&P/TSX Composite Index, assuming an investment of $100 on March 25, 2010 (the date of NWH's initial public offering) and ending March 31, 2015 and reinvestment of distributions during those periods.




**Summary Compensation Table**

The following table provides a summary of the compensation for each of NWH's NWH NEOs for the financial years ending December 31, 2014 and December 31, 2013 and December 31, 2012.

| Name and Principal Position | Year 2014 | Salary ($) | NWH Unit-Based Awards[(1)] ($) | Non-Equity Annual Incentive Plan Compensation[(2)] | All Other Compensation ($) | Total Compensation ($) |
|---|---|---|---|---|---|---|
| Peter Riggin[(3)] | 2014 | 325,000 | 223,444 | 30,469 | - | 578,913 |
| *Chief Executive Officer* | 2013 | 300,000 | 254,955 | 31,444 | - | 586,398 |
| | 2012 | 275,000 | 291,488 | 45,375 | - | 611,863 |
| Matthew Berridge[(4)] *Interim Chief Financial Officer* | 2014 | 56,250 | 42,186 | 42,188 | - | 140,624 |
| Ernest Spraggs[(5)] | 2014 | 213,750 | 213,753 | - | - | 427,503 |
| *Chief Financial Officer* | 2013 | 262,500 | 220,032 | 46,561 | - | 529,093 |
| | 2012 | 250,000 | 205,313 | 45,469 | - | 500,782 |
| Mike Brady | 2014 | 262,500 | 218,206 | 46,758 | - | 527,464 |
| *Executive Vice President, General Counsel and Secretary* | 2013 | 250,000 | 217,247 | 48,375 | - | 515,622 |
| | 2012 | 225,000 | 190,827 | 41,555 | - | 457,382 |

Notes:

(1) These amounts were granted pursuant to the NWH Deferred Unit Plan. The value shown is determined as of the date of grant of the award. For further information, refer to "Executive Compensation".

(2) These amounts represent annual cash incentive bonuses awarded to the NWH NEOs.
(3) Peter Riggin is also a trustee of NWH but does not receive any compensation in that capacity.
(4) Matthew Berridge was appointed Interim Chief Financial Officer on October 16, 2014.
(5) Ernest Spraggs retired on October 15, 2014.

**Incentive Plan Awards – Outstanding Unit-Based Awards**

The following table shows the awards outstanding to each NWH NEO at December 31, 2014.

| | Unit-based Awards | |
|---|---|---|
| **Name** | **Number of Units that have not Vested(#)[(1)]** | **Market or Payout Value of Unit-Based Awards that have not Vested($)[(2)]** |
| Peter Riggin<br>*Chief Executive Officer* | 95,555 | 886,752 |
| Matthew Berridge<br>*Interim Chief Financial Officer* | 4,655 | 43,198 |
| Mike Brady<br>*Executive Vice President, General Counsel and Secretary* | 84,452 | 783,717 |

Notes:
(1) These awards were issued pursuant to NWH's NWH Deferred Unit Plan. For further information, refer to "Executive Compensation".
(2) Market value determined by multiplying the applicable number of units by the closing price of units on the TSX on December 31, 2014.

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

The following table describes the value of awards vested or earned during the financial year ending on December 31, 2014.

| **Name and Principal Position** | **NWH Unit-based Awards -- Value Vested during the Year ($)[(1)]** | **Non-equity Incentive Plan Compensation – Value-Earned during the Year ($)** |
|---|---|---|
| Peter Riggin<br>*Chief Executive Officer* | 33,108 | 30,469 |
| Matthew *Berridge*<br>*Interim Chief Financial Officer* | - | 42,188 |
| Ernest Spraggs[(2)]<br>*Chief Financial Officer* | 949,518 | - |
| Mike Brady<br>*Executive Vice President, General Counsel and Secretary* | 82,895 | 46,758 |

Notes:
(1) These awards are pursuant to the NWH Deferred Unit Plan. For further information, refer to "Executive Compensation".
(2) Ernest Spraggs retired on October 15, 2014. Pursuant to his retirement, the NWH Board used their discretion to vest his NWH Deferred Units.

**Deferred Compensation Plan**

As outlined above under "Executive Compensation – Short Term Incentive Program", "Executive Compensation – Long Term Incentive Program", and "Executive Compensation – Recognition Bonus", each year, the NWH Board will establish targeted awards for those eligible under the NWH STIP, LTIP and Recognition Bonus plan based on a percentage of the individual's base salary. NWH Participants under the NWH STIP have the option of taking the full amount of the annual

award in cash or may elect to receive up to 25% of the award in the form of NWH Deferred Units in accordance with NWH's NWH Deferred Unit Plan. All Awards under the LTIP and Recognition Bonus plan will be paid in the form of NWH Deferred Units in accordance with NWH's NWH Deferred Unit Plan.

**Employment Agreements**

NWH has entered into employment agreements with each of Peter Riggin, Matthew Berridge and Mike Brady. These agreements provide for, among other things, the continuation of the executive's employment for an indeterminate term in accordance with applicable law, as well as their base salary and bonus entitlement.

The agreements provide that NWH may terminate the employment of Messrs. Riggin, Berridge and Brady, without cause, by providing each of them with termination pay in lieu of notice representing the executive's base compensation for three months for each completed year of employment (including employment tenure with the predecessor REIT) to a maximum of eighteen and fifteen months for Mr. Riggin and Mr. Brady respectively, and three months for each completed year of employment to a maximum of fifteen months for Mr. Berridge. The termination payments will be payable by way of salary continuance or in a lump sum payment, at the sole discretion of the NWH Board, and are conditional upon the executive (i) continuing to fulfill the remainder of his contractual obligations towards NWH and (ii) signing a release of any and all claims related to his employment or the termination thereof.

In the event of a termination without cause or due to death or critical illness, 100% of all NWH Deferred Units awarded to the NWH NEO will vest. In the event of a termination for cause or due to the resignation of an NWH NEO, 100% of the amount elected by the NWH NEO to be contributed to the NWH Deferred Unit Plan under NWH's NWH STIP and 50% of the NWH Deferred Unit Plan units awarded under NWH's Recognition Bonus plan will vest and be paid to the NWH NEO with all other awards under the NWH Deferred Unit Plan forfeited. In the event that an NWH NEO retires, the employment agreements provide for vesting of awards under NWH's NWH Deferred Unit Plan depending on the length of time the NWH NEO had been employed with NWH with 100% vesting if the NWH NEO had been employed for seven years or more, 75% vesting if the NWH NEO has been employed between four and seven years and 50% vesting if the NWH NEO has been employed for less than four years. On a change of control of NWH, the employment agreements provide for full vesting of all awards under the NWH Deferred Unit Plan.

The agreements also provide for certain restrictive covenants that continue to apply following the cessation of the executive's employment, including an obligation of non-disclosure of confidential information, assignment of intellectual property rights, and non-competition and non-solicitation covenants, effective for a period of 24 months following the executive's succession of employment.

**Termination and Change of Control Benefits**

Pursuant to the employment agreements outlined in greater detail above, upon the occurrence of a termination for any reason other than cause, or in connection with a change of control, 100% of all NWH Deferred Units awarded to each NWH NEO will vest. Accordingly, if such event were to have occurred on December 31, 2014, based on the closing market price of the Units on such date, Mr. Riggin, Mr. Berridge and Mr. Brady would have been entitled to termination and change of control benefits of $886,752, $43,198 and $283,717 respectively. The employment agreements further provide that, in the event of a termination for any reason other than cause, the NWH NEOs will be entitled to termination pay in lieu of notice representing the executive's base compensation for three months for each completed year of employment (including employment tenure of the predecessor REIT) to a maximum of eighteen and fifteen months for Mr. Riggin and Mr. Brady, and three months for each completed year of employment to a maximum of fifteen months for Mr. Berridge. Accordingly, if such termination were to have occurred on December 31, 2014, the maximum that Mr. Riggin, Mr. Berridge and Mr. Brady would have been entitled to $487,500, $225,000 and $328,125 respectively, in lieu of notice.

**Trustee Compensation**

Each trustee who is not also a member of management of NWH will receive from NWH an annual retainer initially in the amount of $30,000 per year, plus a fee of $1,000 for each day on which the trustee attends a Board meeting. Each trustee may elect to receive between 60% and 100% of the annual retainer in the form of deferred units and NWH will match this elected amount. Members of the NWH CGN Committee, NWH Audit Committee and NWH Special Committee will receive a fee of $1,500 for each committee meeting attended. The chair of the Audit Committee, and the chair of the NWH Special Committee will each receive an additional annual retainer of $15,000. The chair of the NWH CGN Committee will receive an additional annual retainer of $10,000. During the period in which the NWH Independent Committee is constituted, each

member of the NWH Independent Committee will receive a monthly fee of $10,000, with the chair of the NWH Independent Committee to receive a monthly fee of $20,000. Effective January 1, 2015, the fee paid to the chair of the NWH Independent Committee was increased to $30,000 per month. Each trustee will also be reimbursed for reasonable travel and other expenses properly incurred by him or her in attending meetings of the NWH Board or any committee meeting.

The following table provides a summary of the fees earned by trustees for the financial year ending December 31, 2014.

| Name[(1)(9)] | Fees Earned ($)[(1)] | NWH Unit-based Award ($)[(2)] | Total Fees Earned ($) |
|---|---|---|---|
| Martin Barkin | 136,468 | 36,000 | 172,468 |
| Bernard Crotty | 22,000 | 60,000 | 82,000 |
| Paul Dalla Lana | 10,000 | 60,000 | 70,000 |
| Brian Petersen[(3)] | 59,629 | 14,022 | 73,651 |
| Colin Loudon[(4)] | 9,720 | 3,913 | 13,633 |
| Robert Baron[(5)] | 16,000 | 60,000 | 76,000 |
| Jan Krizan[(6)] | 1,250 | – | 1,250 |
| Mike Knowlton[(7)] | 159,149 | - | 159,149 |
| Elisabeth Stroback[(8)] | 89,642 | - | 89,642 |

Notes:

(1) A trustee is entitled to elect to receive their annual retainer in cash or NWH Deferred Units. NWH Units granted to a trustee that elects to receive his annual retainer in units are set out in the column entitled "Unit-Based Awards".

(2) In lieu of a cash payment for a trustee's annual retainer, the trustees were granted NWH Deferred Units. The number of NWH Deferred Units granted to each trustee in lieu of cash payment for fees was based on dividing (i) two times the dollar amount of the fees, by (ii) the market value of a NWH Unit on the award date. For this purpose "market value" means the volume weighted average price of all NWH Units traded on the TSX for the 10 trading days immediately preceding the award date. In accordance with the terms of the NWH Deferred Unit Plan, whenever cash distributions are paid on NWH Units, additional NWH Deferred Units are credited to a participant in a manner equivalent to the DRIP. The number of additional NWH Deferred Units are calculated by dividing (i) the amount determined by multiplying (a) the number of NWH Deferred Units credited to the participant on the relevant record date for the distribution, by (b) the distribution paid per Unit, by (ii) 97% of the market value (as defined above) of an NWH Unit on the distribution payment date where NWH has a DRIP in place. The number of awards granted to trustees as set forth in the above chart do not include these additional automatic grants.

(3) Appointed October 7, 2014.

(4) Appointed December 8, 2014.

(5) Resigned effective March 10, 2015.

(6) Resigned effective January 15, 2014.

(7) Resigned effective November 28, 2014.

(8) Resigned effective October 6, 2014.

(9) Peter Riggin is also a trustee of NWH but does not receive any compensation in that capacity.

**Outstanding Unit-Based Awards – Trustees**

The following table provides a summary of grants of all outstanding unit-based awards at the end of December 31, 2014, to the trustees.

| | NWH Unit-Based Awards | | | |
|---|---|---|---|---|
| Name[(1)(4)] | Number of units that have not Vested (#) | Number of units that have Vested (#) | Market or Payout Value of unit-based Awards that have not Vested[(2)] ($) | Market or Payout Value of unit-based Awards that have Vested[(2)] ($) |
| Dr. Martin Barkin | 12,703 | 2,504 | 117,886 | 23,239 |
| Bernard Crotty | 22,807 | 7,448 | 211,645 | 69,119 |
| Paul Dalla Lana | 21,420 | 3,288 | 198,776 | 30,513 |
| Colin Loudon | 452 | - | 4,193 | - |
| Brian Petersen | 1,619 | - | 15,026 | - |

| | NWH Unit-Based Awards | | | |
|---|---|---|---|---|
| Name[1][4] | Number of units that have not Vested (#) | Number of units that have Vested (#) | Market or Payout Value of unit-based Awards that have not Vested[2] ($) | Market or Payout Value of unit-based Awards that have Vested[2] ($) |
| Robert Baron[3] | 22,807 | 7,448 | 211,645 | 69,119 |

Notes:
(1) For a breakdown of incentive plan awards received by Peter Riggin in his capacity as a trustee, please see above under "Executive Compensation – Incentive Plan Awards".
(2) NWH Market Value determined by multiplying the applicable number of units by the closing price of units on the TSX on December 31, 2014.
(3) Resigned effective March 10, 2015.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of NWH's equity compensation plans as at the end of the fiscal year ended December 31, 2014.

| Name[1] | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted-average exercise price of outstanding options, warrants and rights (b) | Number of Units remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) |
|---|---|---|---|
| Equity compensation plans approved by Unitholders - DUP | 360,388 | - | 1,973,084 |

Notes:
(1) These NWH Units continue to be issuable under the terms of the NWH Deferred Unit Plan. A summary of the material features of the NWH Deferred Unit Plan is provided under "Executive Compensation".

## TRUSTEES' AND OFFICERS' INSURANCE AND INDEMNIFICATION

NWH has obtained trustees' and officers' liability insurance. Under this insurance coverage, NWH will be reimbursed for insured claims where payments have been made under indemnity provisions on behalf of its trustees and officers contained in the NWH Declaration of Trust, subject to a deductible for each loss, which will be paid by NWH. Individual trustees and officers will also be reimbursed for insured claims arising during the performance of their duties for which they are not indemnified by NWH. Excluded from insurance coverage are illegal acts, acts which result in personal profit and certain other acts. The NWH 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. In addition, NWH has entered into indemnification agreements with its trustees and officers for liabilities and costs in respect of any action or suit against them in connection with the execution of their duties, subject to customary limitations prescribed by applicable law.

## INDEBTEDNESS OF TRUSTEES AND OFFICERS

As of March 31, 2015, except as set forth below under the heading "Interest of Informed Persons in Material Transactions", no individual who is a trustee or senior officer of NWH, or at any time during the most recently completed financial year of NWH, was a trustee or senior officer of NWH or any of its subsidiaries, no individual proposed as a nominee for election as a trustee of NWH and no associates of any such trustee, officer or proposed nominee, is indebted to NWH.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the trustees of NWH, no informed person (as defined in NI 51-102) of NWH, no proposed trustee of NWH and no known associate or affiliate of any such informed person or proposed trustee, during the year ended December 31, 2014, has or has had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in

any transaction which has or would materially affect NWH or any of its subsidiaries, except set forth below or as disclosed in the NWH AIF under the heading "Interests of Management and Others in Material Transactions", which is incorporated by reference in this Information Circular and can be accessed on SEDAR at www.sedar.com.

## CORPORATE GOVERNANCE DISCLOSURE

The NWH Board believes that good corporate governance improves corporate performance and benefits all NWH Voting Unitholders. Additionally, NI 58-101 prescribes certain disclosure by NWH of its corporate governance practices. This disclosure is presented below.

**Board of Trustees**

(a) As noted previously, a trustee is considered to be an independent trustee if such person is independent within the meaning of NI 58-201. Pursuant to NI 58-201, an independent trustee is one who is free from any direct or indirect relationship which could, in the view of the NWH Board, be reasonably expected to interfere with a trustee's independent judgment. NWH has determined that Dr. Martin Barkin, Bernard Crotty, Brian Petersen and Colin Loudon are independent under these standards. Peter Riggin, as NWH's CEO, is not independent under these standards. Mr. Dalla Lana is deemed not to be an independent trustee, unless (i) the liability of NW Trust under the Head Leases is less than $2.5 million on a present value basis, no material development agreements are in place between NWH and affiliates of Mr. Dalla Lana and the NWH Board determines that Mr. Dalla Lana is an independent trustee, or (ii) the NWH Board, following consultation with legal counsel, determines that Mr. Dalla Lana is an independent trustee.

(b) Four of the six current members of the NWH Board are independent.

(c) Two of the trustees, Paul Dalla Lana and Bernard Crotty, serve on the board of Vital Trust listed on the New Zealand Stock Exchange. Two of the trustees, Paul Dalla Lana and Bernard Crotty serve on the board of NWI, which is listed on TSXV under the symbol MOB.UN.

(d) While the NWH Board anticipated holding regularly scheduled meetings in 2014 at which only independent trustees were in attendance, in practice, the independent trustees functioned independently of the non-independent trustees by holding in camera meetings after board meetings and informally conferring on board matters as such members determined necessary or desirable. The opinions of independent trustees are also actively solicited by the Chair of the NWH Board at each meeting of the NWH Board. In addition, all of the committees of the NWH Board are composed entirely of independent trustees, thus providing an opportunity for open and candid discussion of issues without the presence of management.

(e) The Chair of the NWH Board, Paul Dalla Lana, is not an independent trustee. The Board has two standing committees (the NWH Audit Committee and the NWH CGN Committee) that are chaired by independent trustees and the committees have independent members. A NWH Special Committee (as defined herein) has been formed to deal with significant related-party matters. When assessing related-party matters, the NWH Special Committee typically engages outside advisors, including independent legal counsel. In addition, during the regularly recurring NWH Board meetings there is typically an in camera meeting whereby the trustees meet without the Chair of the NWH Board and NorthWest Operating Trust's nominee to discuss matters affecting NWH. There is clear delineation between the NWH Board and senior management and all major decisions affecting NWH are made at the NWH Board level. In February 2014, the NWH Board struck the NWH Independent Committee with a mandate to review and, if considered appropriate, negotiate the Arrangement. The NWH Independent Committee is comprised of Brian Petersen (Chair), Martin Barkin and Colin Loudon.

(f) The following table sets forth the number of NWH Board and committee meetings, including NWH Special Committee, held and attendance by trustees for the year ended December 31, 2014.

| Trustee | NWH Board Meetings Attended (in person or by telephone) | Committee Meetings Attended (in person or by telephone) |
|---|---|---|
| Martin Barkin | 10 of 10 | 9 of 9 |
| Bernard Crotty | 10 of 10 | 8 of 8 |

| Trustee | NWH Board Meetings Attended (in person or by telephone) | Committee Meetings Attended (in person or by telephone) |
|---|---|---|
| Paul Dalla Lana | 10 of 10 | N/A |
| Michael Knowlton[(1)] | 9 of 9 | 9 of 9 |
| Jan Krizan[(2)] | N/A | N/A |
| Peter Riggin | 10 of 10 | N/A |
| Robert Baron[(3)] | 10 of 10 | 4 of 4 |
| Elisabeth Stroback[(4)] | 8 of 8 | 8 of 8 |
| Brian Petersen[(5)] | 2 of 2 | 1 of 1 |
| Colin Loudon[(6)] | 1 of 1 | N/A |

Notes:
(1) Resigned effective November 28, 2014.
(2) Resigned effective January 15, 2014.
(3) Resigned effective March 10, 2015.
(4) Resigned effective October 6, 2014.
(5) Appointed October 7, 2014.
(6) Appointed December 8, 2014.

*Mandate of the NWH Board*

The mandate of the NWH Board is included in Appendix O – Blackline Showing Proposed Changes to the Amended and Restated NWH Declaration of Trust.

**Position Descriptions**

*The Chair of the NWH Board and Committee Chairs*

The Board has adopted a written position description for the Chairman of the NWH Board which sets out the Chairman's key responsibilities, including duties relating to setting NWH Board meeting agendas, chairing NWH Board and NWH Voting Unitholder meetings, trustee development and communicating with NWH Voting Unitholders and regulators. The NWH Board has also adopted a written position description for each of the committee chairs which sets out each of the committee chair's key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee. These descriptions will be considered by the NWH Board for approval annually.

*The Chief Executive Officer*

The primary functions of the chief executive officer are to lead the management of NWH's business and affairs and to lead the implementation of the resolutions and the policies of the NWH Board. The NWH Board has developed a written position description and mandate for the chief executive officer which sets out the chief executive officer's key responsibilities, including duties relating to strategic planning, operational direction, NWH Board interaction, succession reporting and communication with NWH Voting Unitholders.

**Orientation and Continuing Education**

The NWH Board encourages the trustees to take relevant training programs offered by different regulatory bodies and gives them the opportunity to expand their knowledge about the nature and operations of NWH.

The NWH CGN Committee is responsible for organizing an orientation and education program for new trustees under which new trustees will meet separately with members of the executive team. A new trustee will be presented with a trustee manual that reviews Board policies and procedures, NWH's current strategic plan, financial plan and capital plan, the most recent annual and quarterly reports and materials relating to key business issues.

**Ethical Business Conduct**

NWH has adopted a written code of conduct (the "**Code of Conduct**") that applies to all trustees, officers, and management of NWH and its subsidiaries. The objective of the Code of Conduct is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of NWH and its subsidiaries. The Code of Conduct addresses conflicts of interest, protecting NWH's assets, confidentiality, fair dealing with securityholders, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. As part of the Code of Conduct, any person subject to the Code of Conduct is required to avoid or fully disclose interests or relationships that are harmful or detrimental to NWH's best interests or that may give rise to real, potential or the appearance of conflicts of interest. The Board will have the ultimate responsibility for the stewardship of the Code of Conduct. The Code of Conduct has been filed with the Canadian securities regulatory authorities on the SEDAR at www.sedar.com.

Through NWH's whistleblower policy, the NWH Board has established procedures that allow employees of NWH to confidentially and anonymously submit concerns to the Chair of the NWH Audit Committee (who is independent of management of NWH) regarding any accounting or auditing matter or any other matter which such employee believes to be in violation of the Code. Any complaints received are acknowledged and promptly investigated by the Chair of the NWH Audit Committee, who will maintain a log of all complaints that are received, tracking their receipt, investigation and resolution. Any complaints that relate to a questionable accounting or auditing matter will be immediately brought to the attention, and reviewed under the direction, of the NWH Audit Committee.

The NWH Board (or any committee to whom that authority has been delegated) can grant waivers of compliance with the Code. No such waiver has been granted since the adoption of the Code and consequently, NWH filed no material change report during the last fiscal year pertaining to any conduct of a trustee or executive officer of NWH that constitutes a departure from the Code.

**Nomination of trustees**

The NWH CGN Committee (See "Compensation – Compensation, Governance and Nominating Committee", below) will designate new candidates for the position of trustee. The NWH CGN Committee will carefully review and assess the professional skills and abilities, the personality and other qualifications of each candidate, including the time and energy that the candidate is able to devote to the task as well as the contribution that he or she can make to the NWH Board. The NWH CGN Committee is composed entirely of independent trustees.

**Compensation**

The NWH CGN Committee will determine the compensation of NWH's trustees and officers. In order to establish the compensation of NWH's trustees and officers, the committee reviews, as appropriate, industry data published by compensation consultants for comparable executive positions. The committee reviews performance annually. The NWH CGN Committee is composed entirely of independent trustees.

*Compensation, Governance and Nominating Committee*

The NWH CGN Committee consists of two trustees. All members of the NWH CGN Committee are independent trustees of NWH. The NWH Board has adopted a written charter for the NWH CGN Committee setting out its responsibilities for: (i) assessing the effectiveness of the NWH Board, each of its committees and individual trustees; (ii) overseeing the recruitment and selection of candidates as trustees; (iii) organizing an orientation and education program for new trustees; (iv) considering and approving proposals by the trustees to engage outside advisers on behalf of the NWH Board as a whole or on behalf of the independent trustees; (v) reviewing and making recommendations to the NWH Board concerning any change in the number of trustees composing the NWH Board; (vi) considering questions of management succession; (vii) administering any Unit option or purchase plan of NWH, and any other compensation incentive programs; (viii) assessing the performance of management of NWH; (ix) reviewing and approving the compensation paid by NWH, if any, to the officers of NWH; and (x) reviewing and making recommendations to the NWH Board concerning the level and nature of the compensation payable to trustees and officers of NWH.

**Other Board Committees**

The NWH Board has established two standing committees: the NWH Audit Committee and the NWH CGN Committee. During 2010, for purposes of considering the acquisition of the Glenmore Professional Centre from NW Trust, which

acquisition was considered to be a "related party transaction" under applicable securities legislation, the NWH Board also established a special committee (the "**NWH Special Committee**"). The NWH Special Committee was reconstituted in 2011 with a broader mandate to monitor related party issues, which include, until concluded in February, 2015: 1) the development arrangement for a potential second phase of Glenmore Professional Centre, 2) a potential master development arrangement, 3) the terms of a loan that was advanced in conjunction with a new medical office building in Owen Sound, Ontario and 4) any other related party issues that may arise. The NWH Special Committee is comprised of three trustees, all of whom are independent trustees – Dr. Barkin, chair of the committee, Brian Petersen and Colin Loudon. The NWH Special Committee does not have the authority to approve a transaction, but only to report back to the NWH Board with a recommendation. The NWH Special Committee's responsibility included the supervision of management throughout the negotiation process in each instance. Each of the NWH Audit Committee, the NWH CGN Committee and the NWH Special Committee are chaired by independent trustees and the committees each have independent members. So long as there are trustees on the NWH Board appointed by NorthWest Operating Trust, one trustee appointed by NorthWest Operating Trust shall be appointed to any committee of trustees, except for the NWH Special Committee and the NWH Independent Committee, at NorthWest Operating Trust's option, unless (i) such appointee is not permitted to be a member of such committee under applicable securities legislation, or (ii) such appointee would result in NorthWest Operating Trust appointees representing more than 50% of the number of trustees on such committee. Subject to applicable securities laws, Mr. Dalla Lana shall not be appointed to any committee of trustees unless the liability of NorthWest Operating Trust under the Head Leases (as described in the NWH AIF under "Relationship with NW Trust – "Head Leases") is less than $2.5 million on a present value basis, no material development agreements are in place between NWH and affiliates of Mr. Dalla Lana and the NWH Board determines Mr. Dalla Lana is an independent trustee. In February 2014, the NWH Board struck the NWH Independent Committee with a mandate to review and, if considered appropriate, negotiate the Arrangement. The NWH Independent Committee is comprised of Brian Petersen (Chair), Martin Barkin and Colin Loudon. See "The Arrangement – Background to the Arrangement" in the Circular.

**Assessments**

The trustees completed a NWH Board assessment questionnaire. The Chair of the NWH CGN Committee reviewed and consolidated all the responses of individual trustees and reported the consolidated responses to the NWH Board and the REIT's management.

**Trustee Term Limits and Other Mechanisms of Board Renewal**

NWH does not impose term limits on its trustees as it takes the view that term limits are an arbitrary mechanism for removing trustees that can result in valuable, experienced trustees being forced to leave the board solely because of length of service. Instead, NWH believes that trustees should be assessed a minimum of annually based on their ability to continue to make a meaningful contribution. NWH is committed to ensuring that its board is comprised of individuals with appropriate skill sets and annually asks its trustees to evaluate the effectiveness of the board and the individual trustees.

**Representation of Women on the NWH Board and in Executive Officer Positions**

NWH has not adopted a written policy on the identification and nomination of female executive officers or trustees, or a target for the number of women in these roles. We do not believe that quotas, strict rules or targets necessarily result in the identification or selection of the best candidates for trustees and executive officers. However, we are mindful of the benefit of diversity in the workplace and on the NWH Board, and the need to maximize our effectiveness and the effectiveness of the NWH Board and the NWH Board's decision making abilities. Accordingly, we consider both the level of female representation and diversity as essential considerations in the selection process for new trustees and executive officers, in addition to the expertise and experience required. The NWH Board intends to consider whether it should adopt specific policies and practices regarding the representation of women on the Board and in executive positions, including the setting of targets for such representation. As of the date of this Circular, no women are members of the NWH Board and two hold an executive position, representing approximately 25% of such positions.

**APPENDIX L**
**INFORMATION REGARDING NWI ANNUAL GENERAL MEETING MATTERS AND RELATED DISCLOSURE**

## ELECTION OF TRUSTEES

The number of trustees on the NWI Board has been previously fixed at four. NWVP, based on its current ownership interest in NWI, has the right to appoint three trustees at the NWI Meeting. However, NWVP has elected to appoint two trustees, and as a result, NWI Voting Unitholders will be asked to vote on an ordinary resolution to elect the remaining two trustees. Each trustee elected or appointed will hold office until the conclusion of the next annual meeting or until his or her successor is appointed, unless his or her office is earlier vacated in accordance with the NWI Declaration of Trust.

The following table and the notes thereto state the names of each NWI Nominee, all other positions or offices with NWI now held by them, their principal occupations of employment, the year in which they became trustees for NWI, the approximate number of securities beneficially owned, or controlled or directed, directly or indirectly, by each of them, as of the date hereof. Each of the trustees, other than Dr. Naylor, has been a trustee since May 31, 2012. Dr. Naylor has been a Trustee since February 3, 2014.

| Name and Province/State of Residence | Present Principal Occupation | Date First Appointed as a Trustee | Number of NWI Voting Units Beneficially Owned, Directly or Indirectly, Controlled or Directed as at the date of this Circular | Principal Amount of NWI Debentures Owned as at the date of this Circular |
|---|---|---|---|---|
| Robert Baron [(1)(2)(4)(9)]<br>Ontario, Canada<br>*Trustee* | Principal of BCGI Baron Consulting Group Inc. | May 31, 2012 | 100,000 NWI Units | Nil |
| Bernard Crotty [(5)(8)]<br>Ontario, Canada<br>*Trustee* | Co-President of NWI | May 31, 2012 | 902,369 NWI Units | Nil |
| Paul Dalla Lana [(2)(3)(4)(6)(7)(8)]<br>Ontario, Canada<br>*Trustee and Chairman of the NWI Board* | President and Founder of NorthWest Value Partners Inc.; Chairman and Trustee of Northwest Healthcare Properties REIT | May 31, 2012 | 24,030,771 NWI Units and 92,250,303 NWI Special Voting Units | Nil |
| Dr. C. David Naylor [(1)(4)(9)]<br>Ontario, Canada<br>*Trustee* | President Emeritus and Professor of Medicine, University of Toronto | February 3, 2014 | 10,800 NWI Units | $12,000 |

Notes:
(1) Independent Trustee.
(2) Member of NWI's Compensation and Corporate Governance Committee. NWI's Compensation and Corporate Governance Committee is chaired by Robert Baron.
(3) Chair of the NWI Board.
(4) Member of the NWI Audit Committee. The NWI Audit Committee is chaired by Robert Baron.
(5) Mr. Crotty is not an independent trustee due to the fact that he serves as Co-President of NWI.
(6) Mr. Dalla Lana is not an independent trustee due to the fact that he serves as Chief Executive Officer of NWI.
(7) Mr. Dalla Lana indirectly owns all of the securities of NWVP, which, together with its affiliates, owns 24,030,771 NWI Units. NWVP and its affiliates also own 92,250,303 NWI Class B LP Units. NWI has issued one NWI Special Voting Unit for every NWI Class B LP held for the sole purpose of providing voting rights at the NWI level to the holders of the NWI Class B LP Units; therefore, Mr. Dalla Lana also indirectly owns 92,250,303 NWI Special Voting Units.
(8) Member of the NWI Investment Committee. The NWI Investment Committee is chaired by Paul Dalla Lana.
(9) Member of NWI Independent Committee. NWI Independent Committee is chaired by Robert Baron.

Set forth below is a description of the principal occupation of each of the NWI Nominees during the past five years:

*Robert Baron*

Mr. Baron is the founder and President of Toronto-based BCGI Baron Consulting Group and New York-based American Real Estate Executive Search. Both firms act on behalf of private and institutional real estate investors and lenders throughout North America. Prior to forming BCGI in 1995, Mr. Baron was employed in Investment Banking at CIBC Wood Gundy Inc. from 1991 to 1995 and in Investment Sales at CB Commercial Real Estate from 1987 to 1991. Mr. Baron also serves as a trustee of NWH. Mr. Baron has a B.A. in Economics from the University of Western Ontario and an MBA from the University of Toronto.

*Bernard Crotty*

Mr. Crotty is a Co-President and a trustee of NWI and a Director of Vital Trust. Mr. Crotty was a principal of Silver and White Management, Inc., a private investment firm. From September 2001 to February 2008, Mr. Crotty acted as Chairman and/or Chief Executive Officer of Certicom Corp, a provider of cryptographic software and services that was acquired by Research in Motion Ltd. From January 2004 to February 2007, Mr. Crotty acted as Chairman and/or Chief Executive Officer of Comnetix Inc., a provider of biometric identification and authorization solutions that was acquired by L-1 Identity Solutions, Inc. In addition Mr. Crotty has served on a variety of public company boards and was counsel to the law firm Gibson, Dunn & Crutcher LLP in Los Angeles and a partner at the law firm McCarthy Tétrault LLP in Toronto and London, England. Mr. Crotty received his B.A. from the University of Alberta, LL.B. from the University of Toronto, LL.M from the London School of Economics and his M.B.A. from Duke University. He is also a graduate of the Toronto ICD-Rotman Directors Education Program.

*Paul Dalla Lana*

Mr. Dalla Lana is the founder, Chairman and Chief Executive Officer of NWI. Mr. Dalla Lana has more than 20 years of experience in real estate acquisition, development, and finance. Mr. Dalla Lana is the Founder and President of NWVP, the Founder and Chairman of NWH and a Director of Vital Trust. He is an Advisory Board member of the Dalla Lana School of Public Health and is on the President's Advisory Council at The University of Toronto. Mr. Dalla Lana received his B.A. and his M.B.A. (Finance and Real Estate) from the University of British Columbia.

*Dr. C. David Naylor*

Dr. Naylor is president emeritus and professor of medicine at the University of Toronto. Dr. Naylor previously served as president (2005-13) and dean of medicine (1999-2005) at the University of Toronto. Co-author of over 300 scholarly publications, Dr. Naylor was also founding CEO of the Institute for Clinical Evaluative Sciences (1991-1999) and founding director of clinical epidemiology at Sunnybrook Health Sciences Centre (1990-96). Dr. Naylor has extensive hospital and academic governance experience, and his counsel on healthcare strategy and policy has been sought by governments, associations and companies across Canada and abroad over the course of more than 25 years. Dr. Naylor currently serves as a director of Barrick Gold Corporation. Dr. Naylor is an Officer of the Order of Canada, a Fellow of the Royal Society of Canada and the Canadian Academy of Health Sciences, and a Foreign Associate of the U.S. Institute of Medicine.

*Orders, Penalties and Bankruptcies*

To the knowledge of NWI, as of the date hereof, no NWI Nominee:

- is, or has been, within 10 years before the date hereof, a trustee, director, chief executive officer or chief financial officer of
- any company or real estate investment trust (including NWI) that was subject to an order that was issued while the proposed trustee was acting in the capacity as a director, trustee, chief executive officer or chief financial officer, or was subject to an order that was issued after the proposed trustee ceased to be a director, trustee, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, trustee, chief executive officer or chief financial officer;
- is, or has been, within 10 years before the date hereof, a director, trustee or executive officer of any company or real estate investment trust (including NWI) that, while such NWI Nominee was acting in that capacity, or within a year of such NWI Nominee ceased to act in that capacity, became bankrupt, made a proposal under any legislation

relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such NWI Nominee.

## EXECUTIVE COMPENSATION

NWI closed the Internalization on January 28, 2015. The Internalization resulted in NWI internalizing the asset management, property management and development functions of the REIT previously carried out by affiliates of NWVP. NWI also acquired from NWVP all of the rights and obligations relating to the management of Vital Trust. Consequently, effective January 1, 2015:

- NWI entered into employment or consulting services agreements with certain key individuals previously employed by NWVP (or its affiliates) prior to the Internalization, including all of the REIT's named executive officers;
- NWI and its subsidiaries no longer have any obligations owing to NWVP under the NWI Asset Management Agreement, NWI Property Management Agreement and the NWI Development Agreement; and
- NWI indirectly holds all of the assets, tangible and intangible, that are used by affiliates of NWVP to manage the REIT and Vital Trust free and clear of all encumbrances (other than permitted encumbrances as agreed to by the parties), and all employees involved in the management of NWI and Vital Trust have been offered employment by the REIT or its subsidiaries.

Unless specifically indicated, the discussion that follows only describes NWI's executive compensation structure for the 12-month period ending December 31, 2014 (prior to the effective date of the Internalization).

### Overview

Prior to the Internalization, NWI's senior management team consisted of individuals employed by NWVP. NWVP provided asset management advisory services to NWI pursuant to the NWI Asset Management Agreement, under which NWI paid certain fees.

Prior to the Internalization, NWI did not have any employment agreements with members of senior management and did not pay any cash compensation to any individuals serving as its officers. Rather, those individuals were compensated by NWVP. A portion of the compensation paid to certain employees of NWVP was attributable to time spent on NWI's activities.

The board of directors of NWVP had sole responsibility for determining the compensation of the senior management team of NWI, other than the granting of NWI Deferred Units under the NWI Deferred Unit Plan, which was the responsibility of NWI's Compensation and Corporate Governance Committee. As a private company, NWVP is not required to disclose the basis for determining the compensation of its employees.

### Summary Compensation Table

The following table provides a summary of the significant elements of compensation that was paid by NWVP to each of the named executive officers, along with a summary of the total compensation earned during each of the 12-month periods ended December 31, 2014, December 31, 2013 and December 31, 2012, respectively, in each case that related to time spent on NWI activities.

| Name and Principal Position of NEO | Year | Salary ($) | NWI Unit-Based Awards ($)[4][5] | Option-Based Awards ($) | Non–Equity Incentive Plan Compensation | | Pension Value | All Other Compensation ($) | Total Compensation ($) |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Annual Incentive Plans ($) | Long-Term Incentive Plans ($) | | | |
| Paul Dalla Lana<br>*Chief Executive Officer* | 2014<br>2013<br>2012 | 125,000<br>125,000<br>58,333 | –<br>–<br>11,666 | –<br>–<br>– | –<br>–<br>– | –<br>–<br>– | N/A | –<br>– | 125,000<br>125,000<br>69,999 |
| Bernard Crotty[1]<br>*Co-President* | 2014<br>2013<br>2012 | 305,032<br>44,949<br>– | 1,000,000<br>75,945<br>86,666 | –<br>–<br>– | –<br>–<br>– | –<br>–<br>– | N/A | –<br>–<br>– | 1,305,032<br>120,895<br>86,666 |
| Vincent M. Cozzi[2]<br>*Co-President and Chief Investment Officer* | 2014 | 104,110 | – | – | – | – | N/A | 43,051[6] | 147,161 |
| Teresa Neto[3]<br>*Chief Financial Officer* | 2014<br>2013 | 187,500<br>39,714 | 750,000<br>– | –<br>– | –<br>– | –<br>– | N/A | –<br>– | 937,500 |

Notes:

(1) Mr. Crotty was appointed Co-President on November 3, 2013.

(2) Mr. Cozzi was appointed Co-President and Chief Investment Officer on October 17, 2014.

(3) Ms. Neto was appointed Chief Financial Officer on November 3, 2013.

(4) For Paul Dalla Lana and Bernard Crotty, for the years 2012 and 2013, represents dollar value of NWI Deferred Units granted pursuant to NWI's Deferred Unit Plan in respect of trustee fees earned.

(5) For Bernard Crotty and Teresa Neto, for the year 2014, represents the dollar value of NWI Deferred Units issued on January 28, 2015, in relation to historical incentive compensation previously earned with NWVP, all in connection with the Internalization.

(6) Represents travel allowance including reimbursement for private U.S. health insurance premiums.

**Incentive Plan Awards – Outstanding Unit-Based Awards and Option-Based Awards**

The following table shows the awards outstanding for each of the named executive officers of NWI as at December 31, 2014.

| Name and Position | Option-Based Awards | | | | NWI Unit-Based Awards | | |
|---|---|---|---|---|---|---|---|
| | Number of NWI Units Underlying Unexercised Options | Option Exercise Price($) | Option Expiration Date | Value of Unexercised In-The-Money Options ($) | Number of NWI Units that have not Vested | Market or Payout Value of Unit-Based Awards that have not Vested ($) | Market or Payout Value of Vested Unit-Based Awards not Paid Out or Distributed ($) |
| Paul Dalla Lana, Chief Executive Officer | N/A | N/A | N/A | N/A | Nil | Nil | 14,017 |
| Bernard Crotty, Co-President | N/A | N/A | N/A | N/A | Nil | Nil | 70,116 |

| | Option-Based Awards | | | | NWI Unit-Based Awards | | |
|---|---|---|---|---|---|---|---|
| **Name and Position** | **Number of NWI Units Underlying Unexercised Options** | **Option Exercise Price($)** | **Option Expiration Date** | **Value of Unexercised In-The-Money Options ($)** | **Number of NWI Units that have not Vested** | **Market or Payout Value of Unit-Based Awards that have not Vested ($)** | **Market or Payout Value of Vested Unit-Based Awards not Paid Out or Distributed ($)** |
| Vincent M. Cozzi Co-President and Chief Investment Officer | N/A | N/A | N/A | N/A | Nil | Nil | Nil |
| Teresa Neto, Chief Financial Officer | N/A | N/A | N/A | N/A | Nil | Nil | Nil |

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

The following table describes the value of awards vested or earned during the financial year ending on December 31, 2014.

| **Name and Position** | **Option-based awards – value vested during the year ($)** | **NWI Unit-based awards – value vested during the year ($)** | **Non-equity incentive plan compensation – Value earned during the year ($)** |
|---|---|---|---|
| Paul Dalla Lana, Chief Executive Officer | Nil | Nil | Nil |
| Bernard Crotty, Co-President | Nil | Nil | Nil |
| Vincent M. Cozzi Co-President and Chief Investment Officer | Nil | Nil | Nil |
| Teresa Neto, Chief Financial Officer | Nil | Nil | Nil |

**Compensation and Corporate Governance Committee**

NWI's Compensation and Corporate Governance Committee is currently comprised of Messrs. Baron and Dalla Lana, of which Mr. Baron is "independent" within the meaning of NI 52-110.

**Description of the NWI Deferred Unit Plan**

In April 2014, NWI announced its intention to pursue the Internalization transaction. On January 7, 2015, NWI entered into an agreement in respect of the Internalization that provided for, among other things, the issuance of NWI Deferred Units to new employees of the REIT (other than Paul Dalla Lana). The Previous Plan did not have sufficient capacity to accommodate the granting of these NWI Deferred Units and, as a result, the NWI Board adopted the NWI Deferred Unit Plan (in substantially the same form as the Previous Plan but with an increased limit on the number of NWI Units issuable thereunder), subject to the approval of the TSXV and NWI Voting Unitholders. The following summary is subject to the

specific provisions of the NWI Deferred Unit Plan, a copy of which has been filed on SEDAR and is available at www.sedar.com.

The purpose of the NWI Deferred Unit Plan is to align more closely the interests of NWI trustees, officers and employees of NWI and certain other individuals with those of NWI Unitholders. The NWI Deferred Unit Plan provides for the grant of Deferred Units to (i) NWI trustees and officers, (ii) employees of NWI and its affiliates, and (iii) consultants to NWI (collectively, the "**Eligible Persons**"). When compensation amounts for participants become due and payable, a number of NWI Deferred Units is allocated to the Eligible Person in lieu of cash payment of remuneration based on the market value of the NWI Units at the time of the allocation.

On the date that compensation is payable to an Eligible Person who has elected to participate in the NWI Deferred Unit Plan (a "**NWI Participant**"), a number of NWI Deferred Units is allocated to the NWI Participant in lieu of cash payment of remuneration based on, in the case of an award granted in connection with an annual bonus, the volume weighted average price of NWI Units for the five trading days immediately preceding such date and, in the case of an award granted in connection with the payment of trustee fees, the volume weighted average price of NWI Units for the ten trading days immediately preceding such date (the "**NWI Market Value**"). The resulting number of NWI Deferred Units are then awarded to that NWI Participant and recorded in their Deferred Unit account. When cash distributions are paid on NWI Units, additional NWI Deferred Units equal in value to the applicable distribution amount, are awarded to each NWI Participant. The number of such additional NWI Deferred Units granted to such a NWI Participant is calculated by dividing (i) the amount determined by multiplying (a) the number of NWI Deferred Units held by such NWI Participant on the record date for the payment of such distribution by (b) the distribution paid per NWI Unit, by (ii) 97% of the NWI Market Value of an NWI Unit on the distribution payment date for such distribution where NWI has a distribution reinvestment plan in place, or 100% of the NWI Market Value of an NWI Unit on the distribution payment date for such distribution where no such distribution reinvestment plan exists, in each case, with fractions computed to two decimal places.

NWI Deferred Units granted to NWI Participants who are non-U.S. taxpayers generally shall vest in accordance with the following schedule:

- 50% on the third anniversary of the date of the award;
- 25% on the fourth anniversary of the date of the award; and
- 25% on the fifth anniversary of the date of the award;

provided, however, that in the event of any change of control (as defined in the NWI Deferred Unit Plan), any unvested NWI Deferred Units shall vest upon the earlier of (i) the next applicable vesting date determined in accordance with the schedule outlined above and (ii) the date which is immediately prior to the date upon which the change of control is completed. Notwithstanding the foregoing or anything else herein contained, the NWI Board shall have the discretion to provide for the vesting of NWI Deferred Units granted under the NWI Deferred Unit Plan in a manner different from the foregoing

NWI Deferred Units granted to NWI Participants who are U.S. taxpayers shall vest in accordance with the deferred unit grant agreement to be entered into between NWI and the U.S. taxpayer NWI Participant at the time of grant.

For NWI Participants that are not U.S. taxpayers, the NWI Deferred Units that have vested may be redeemable in whole or in part for NWI Units or, subject to the approval of NWI's Compensation and Corporate Governance Committee, cash, as elected by the NWI Participant, on the date in which the NWI Participant files a written notice of redemption in the form attached to the NWI Deferred Unit Plan. For NWI Participants that are U.S. taxpayers, the NWI Deferred Units that have vested will be redeemed automatically for NWI Units or, subject to the approval of NWI's Compensation and Corporate Governance Committee, cash, as elected by the NWI Participant in the deferred unit grant agreement to be entered into between NWI and a US taxpayer NWI Participant at the time of the grant. NWI Deferred Units can be redeemed for either (a) a whole number of NWI Units equal to the whole number of NWI Deferred Units being redeemed (net of any applicable withholding taxes), or (b) a cash payment (net of any applicable withholding taxes) equal to the value of the NWI Deferred Units being redeemed, calculated by multiplying the number of NWI Deferred Units being redeemed by the NWI Market Value of the NWI Deferred Units on the date of such redemption.

The NWI Deferred Unit Plan provides that the aggregate number of NWI Units reserved for issuance from treasury under the Deferred Unit Plan shall not exceed 17,898,368 NWI Units, or such greater number of NWI Units as may be determined by the NWI Board and approved by NWI Voting Unitholders; provided, however, that: (i) at no time shall the number of NWI

Units reserved for issuance to insiders (as defined in the Securities Laws) of NWI pursuant to outstanding NWI Deferred Units, together with the number of NWI Units reserved for issuance to such persons pursuant to any other compensation arrangements, exceed 10% of the then outstanding NWI Units, as calculated immediately prior to the issuance in question; and (ii) the number of NWI Units issued to insiders of NWI pursuant to outstanding NWI Deferred Units together with the number of NWI Units issued to such persons pursuant to any other compensation arrangements, within any one year period, shall not exceed 10% of the then outstanding NWI Units.

The NWI Board may amend, suspend or terminate the NWI Deferred Unit Plan or any provision hereof at any time, provided, however, that such amendment, suspension or termination (i) is subject to any necessary regulatory or NWI Voting Unitholder approval, and (ii) may not materially adversely affect the rights already accrued under the NWI Deferred Unit Plan by a NWI Participant, without the consent of the NWI Participant. Subject to the receipt of any necessary regulatory or NWI Voting Unitholder approvals, the Board may also at any time amend or revise the terms of any NWI Deferred Units granted under the NWI Deferred Unit Plan. A NWI Participant may not assign, transfer or charge any right or interest.

In connection with the Internalization, NWI issued 3,994,661 deferred units to the new employees of the REIT. Of these, 1,711,412 were fully vested and the balance remains subject to future vesting conditions. In addition, on January 28, 2015, NWI issued 75,000 fully-vested deferred units to Mr. Baron and Mr. Naylor as compensation for their work on the special committee to NWI in respect of the Internalization. Following the Internalization, NWI issued an additional 5,764,494 deferred units to new employees as a future equity incentive (all of which are subject to vesting conditions). Unvested NWI Deferred Units will not vest as a result of the Arrangement.

**Compensation Discussion and Analysis**

***Overview***

Prior to the Internalization, NWI's senior management team was employed by NWVP and NWI did not pay any direct compensation to them. Rather, those individuals were compensated by NWVP, with a portion of each individual's compensation being attributable to time spent on activities of NWI.

The compensation of NWVP, as NWI's former asset manager and the general partner of NWI LP, was calculated in accordance with the NWI Asset Management Agreement and the NWI LP Agreement, respectively, and was not subject to the general discretion of the NWI Board. Instead, the principal of NWVP had sole responsibility for determining the compensation of the named executive officers.

As a private company, NWVP is not required to disclose the basis for determining the compensation of its employees. However, NWVP did provide NWI with the following information in order to describe the portion of the 2014 compensation paid to NWI's named executive officers that was attributable to time spent on NWI's activities and supplement the more detailed information concerning executive compensation that appears in the summary compensation table above.

***Principal Elements of Compensation Prior to the Internalization***

In 2014, the compensation of NWI's named executive officers employed by NWVP consisted of two primary elements: (a) base salary, and (b) long-term equity incentives. In 2014, NWI's named executive officers did not benefit from any short-term or medium-term incentives or pension plan participation. In addition, perquisites and personal benefits were not a significant element of compensation of the named executive officers.

As a private company, NWVP's process for determining executive compensation was relatively straightforward, with input from senior management of the company. There was no specific formula for determining the amount of each element, nor was there a formal approach applied by NWVP for determining how one element of compensation fit into the overall compensation objectives in respect of NWI's activities. Objectives and performance measures have varied from year to year as determined to be appropriate by the principal of NWVP.

*Base salaries*

Base salaries were determined on an individual basis, taking into consideration the past, current and potential contribution to NWI's success, the position and responsibilities of the named executive officers and competitive industry pay practices for other real estate investment trusts and corporations of comparable size. NWVP did not engage compensation consultants for the purposes of performing benchmarking or apply specific criteria for the selection of comparable real estate businesses.

*Long-term equity incentives*

Long-term equity incentives were designed to align the interests of the named executive officers more closely with the interests of the organization. In 2014, NWVP's employees received equity-based incentives from NWVP that were based on the individual's performance and contributions to NWI's success. These equity incentives were exchanged for NWI Deferred Units in connection with the Internalization.

***Principal Elements of Compensation Following the Internalization***

Following the Internalization, the compensation of NWI's named executive officers is expected to include the following three elements: (a) base salary, (b) an annual cash bonus, and (c) long-term equity incentives consisting of NWI Deferred Units granted under the NWI Deferred Unit Plan.

***Securities Authorized for Issuance under Equity Compensation Plans***

The table below sets out for the equity compensation plans of NWI under which NWI Units are authorized for issuance as of the date of this Circular.

| Plan Category | Number of securities to be issued upon exercise of outstanding options and deferred units (a) | Weighted-average exercise price of outstanding options (b) | Number of securities remaining available under equity compensation plan (excluding securities reflected in column (a)) (c) |
|---|---|---|---|
| NWI Deferred Unit Plan | 10,361,043 | N/A | 7,462,869[(1)] |

Notes:

(1) The aggregate number of NWI Units reserved for issuance from treasury under the NWI Deferred Unit Plan and any other unit compensation arrangement of NWI is currently fixed at 17,898,368. Securities remaining available considers all NWI Deferred Units issued to date, including those that have been redeemed. See "Executive Compensation – Description of the NWI Deferred Unit Plan".

## TRUSTEE COMPENSATION

**Trustee Compensation**

The trustees' compensation program is designed to attract and retain the most qualified individuals to serve on the NWI Board while aligning the interests of the trustees more closely with the interests of NWI's unitholders. For 2014, trustees compensation comprised of a fixed annual retainer of $90,000 for independent trustees only, pro-rated for any period in which the trustee did not serve as an independent trustee. Trustees that are officers of NWI and therefore not independent, do not receive trustee fees. Trustees do not earn per meeting fees, nor additional fees for chairing an NWI Board committee. Trustee fees for 2014 were 100% settled through the issuance of NWI Deferred Units issued in quarterly installments (such NWI Deferred Units are fully vested and redeemable, as approved by the NWI Board).

For 2015, trustee compensation has been set at a fixed annual retainer of $90,000 payable in equal quarterly installments of NWI Deferred Units. The NWI Board deemed that all NWI Deferred Units earned as trustee fees in 2015 are fully vested and redeemable upon issuance.

The trustees are also reimbursed for their out-of-pocket expenses incurred in acting as trustees. In addition, trustees are entitled to receive remuneration for services rendered to us in any other capacity, except in respect of their service as directors of any of NWI's subsidiaries. Certain of NWI's trustees receive compensation for their roles as trustees of Vital Trust and NWH, as applicable.

The following table provides a summary of all amounts of compensation provided to the trustees of NWI during the fiscal year ended December 31, 2014.

| Name | Fees Earned ($)[1] | NWI Unit-Based Awards ($) | Total ($) |
|---|---|---|---|
| Paul Dalla Lana | Nil | – | Nil |
| Robert Baron | 90,000 | – | 90,000 |
| Bernard Crotty | Nil | – | Nil |
| Dr. C. David Naylor | 90,000 | – | 90,000 |

Notes:
(1) All fees were payable in fully-vested NWI Deferred Units.

**Incentive Plan Awards Paid to Trustees**

Set out below is a table summarizing all NWI Deferred Units issued under NWI's Deferred Unit Plan to each of NWI's current trustees, as of March 31, 2015.

| | NWI Unit-Based Awards | |
|---|---|---|
| Name | Aggregate Holdings of NWI Deferred Units[1] (#) | Unvested NWI Deferred Units as at March 31, 2015 (#) |
| Robert Baron | 200,946 | Nil |
| Bernard Crotty | 733,897 | Nil |
| Paul Dalla Lana | 7,214 | Nil |
| Dr. C. David Naylor | 91,738 | Nil |

Notes:
(1) These NWI Deferred Units are fully-vested and redeemable.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

NWI has adopted certain practices and procedures to ensure that effective corporate governance practices are followed and to ensure that the NWI Board functions independently of management.

**Corporate Governance**

Corporate governance relates to the activities of the NWI Board, the members of which will be elected by and are accountable to the NWI Voting Unitholders, and takes into account the role of the individual members of management who are appointed by the board and who are charged with the day–to–day management of NWI. NP 58-201 establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The NWI Board is committed to sound corporate governance practices, which are both in the interest of the NWI Voting Unitholders and contribute to effective and efficient decision making.

**NWI Board**

NP 58–201 suggests that the board of every listed company should be constituted with a majority of individuals who qualify as "independent", within the meaning set out under NI 52-110, which provides that a director or trustee is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of a company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Paul Dalla Lana is not considered "independent" as a result of him being the Chief Executive Officer of NWI. Mr. Crotty is not considered "independent" as a result of him being the Co-President of NWI. Mr. Crotty was an "independent" trustee for the period January 1, 2013 to November 3, 2013 when he was appointed Co-President of NWI. The remaining trustees are considered to be independent since they are all independent of management and free from any material relationship with NWI. The basis for this determination is that, since the beginning of the fiscal year ended December 31, 2014, none of the independent trustees have worked for NWI, received remuneration from NWI (other than in their capacity as trustees) or had material contracts with or material interests in NWI which could interfere with their ability to act with a view to the best interests of NWI.

The NWI Board believes that it functions independently of management. The independent trustees do not have regularly scheduled meetings. However, they do hold in camera sessions and have the opportunity to hold ad hoc meetings that are not attended by the non-independent trustees and members of management and they avail themselves of this opportunity, at their entire discretion, whenever they deem necessary.

In the event of a conflict of interest at a meeting of the board, the conflicted trustee will, in accordance with the NWI Declaration of Trust and in accordance with his or her fiduciary obligations as a trustee of NWI, disclose the nature and extent of his or her interest to the meeting and abstain from voting on or against the approval of such participation.

**Role of the Chair**

In addition to chairing all board meetings and setting the board's agenda, the chair's role is to facilitate and chair discussions among the independent trustees, and to facilitate communication between the independent trustees and management. The chair is also charged with the responsibility of leading the board and organizing it to function in partnership with, but independently of, management, in order to facilitate the achievement of the goals of NWI. The chair reviews any comments or requests made by independent trustees and oversees the process by which unfettered information to independent trustees is made available regarding NWI's activities.

**Board Mandate**

The mandate of the NWI Board, which is discharged directly or through one of the two committees of the NWI Board, is one of stewardship and oversight of the REIT and its business, and includes responsibility for the oversight of strategic planning, review of operations, disclosure and communication policies, oversight of financial and other internal controls, corporate governance, trustee orientation and education, and trustee compensation and assessment.

**Other Reporting Issuer Directorships**

The following table sets out the trustees of NWI that are directors or trustees of other issuers that are reporting issuers in any Canadian jurisdiction (or the equivalent in other jurisdictions).

| Name | Name of Reporting Issuer | Name of exchange or market (if applicable) | Position | From | To |
|---|---|---|---|---|---|
| Bernard Crotty | NorthWest Healthcare Properties REIT | TSX | Trustee | March 2010 | – |
| | Vital Healthcare Property Trust | New Zealand Stock Exchange | Trustee | January 2012 | – |
| Paul Dalla Lana | NorthWest Healthcare Properties REIT | TSX | Chairman | March 2010 | – |
| | Vital Healthcare Property Trust | New Zealand Stock Exchange | Trustee | January 2012 | – |
| Dr. C. David Naylor | Barrick Gold Corporation | TSX | Director | April 30, 2014 | – |

**Orientation and Continuing Education**

To date, NWI has not adopted formal orientation and training programs. New board members are provided with access to recent, publicly filed documents of NWI, technical reports, the REIT's internal financial information and access to management. New trustees are also briefed with the policies of the board and other relevant corporate and business information.

NWI's continuing education program for its trustees involves the ongoing evaluation by the Compensation and Corporate Governance Committee of the skills and competencies of existing trustees. The NWI Board is currently comprised of highly qualified and experienced trustees with extensive levels of skill and knowledge. Many of the trustees are seasoned business executives, directors or professionals with considerable amounts of experience, including as directors of other significant public companies. The Compensation and Corporate Governance and Nominating Committee continually monitors the composition of the NWI Board and will recommend the adoption of a formal continuing education program should it be determined to be necessary.

As part of NWI's continuing education program, trustees: (a) obtain at minimum a quarterly report on the REIT's operations and markets from senior management; (b) receive a comprehensive electronic package of information prior to each board and committee meeting; (c) are invited and urged to tour and visit NWI's properties and regional offices; and (d) are encouraged to attend industry conferences and events.

**Ethical Business Conduct**

NWI's Code of Business Conduct and Ethics assists all personnel in making ethical decisions regarding the affairs of the REIT. The Code of Business Conduct and Ethics also addresses such matters as compliance with laws, conflicts of interest, confidential information, protection and proper use of NWI's assets, fair dealing, rules and regulations and the reporting of illegal and unethical behaviour.

NWI encourages personnel who become aware of a conflict or potential conflict or departures from the Code of Business Conduct and Ethics to bring it to the attention of the chair of the NWI Audit Committee. In addition, the NWI Board requires every trustee and executive officer to disclose any direct or indirect conflict of interest that he or she has, and intends to obtain annually from each trustee and executive officer formal confirmation of compliance with the Code of Business Conduct and Ethics.

NWI also has policies and procedures for confidential and anonymous reporting of complaints concerning accounting, internal accounting controls and auditing matters.

**Audit Committee**

The NWI Audit Committee is comprised of a majority of independent trustees responsible for the NWI's financial reporting process and the quality of its financial reporting. In addition to its other duties, the NWI Audit Committee reviews all financial statements, annual and interim, other public documents such as the Management's Discussion and Analysis, Annual Information Form and earning press releases, intended for circulation among NWI Voting Unitholders and reports upon these to the NWI Board. In addition, the NWI Board may refer to the NWI Audit Committee other matters and questions relating to the financial position of the REIT. In performing its duties, the NWI Audit Committee will maintain effective working relationships with the NWI Board, management and the external auditors and monitors independence of those auditors.

**Compensation, and Corporate Governance Committee**

NWI has established the Compensation and Corporate Governance Committee, comprised of two trustees (Messrs. Baron and Dalla Lana). The NWI Board has adopted a written charter for the Compensation and Corporate Governance Committee setting outs its responsibilities (as outlined in further detail below).

**Nomination of Trustees**

The Compensation and Corporate Governance Committee is responsible for identifying and recommending to the NWI Board individuals qualified to become members of the NWI Board, based primarily on the following criteria:

- judgment, character, expertise, skills and knowledge useful to the oversight of the REIT's business,

- diversity of viewpoints, backgrounds, experiences and other demographics,
- business or other relevant experience, and
- the extent to which the interplay of the individual's expertise, skills, knowledge and experience with that of other members of the board will build a board that is effective, collegial and responsive to the needs of the REIT.

These criteria are to be applied in respect of each individual trustee, and in respect of the NWI Board and each committee as a whole.

The Compensation and Corporate Governance Committee is also responsible for initially assessing whether a candidate would be independent within the meaning of NI 52-110, and advising the board of that assessment.

**Compensation**

The Compensation and Corporate Governance Committee is responsible for reviewing the compensation structure for the board and considering equity-based compensation matters. The NWI Board is responsible for approving the recommendations made by the Compensation and Corporate Governance Committee.

**Assessments**

The Compensation and Corporate Governance Committee oversees the review of the performance of the NWI Board, its committees and individual members along with an assessment of their respective charters. The Compensation and Corporate Governance Committee:

- reviews the size of the NWI Board and number of trustees who are "independent" of the REIT (as that term is defined in NI 52-110);
- reviews the adequacy of the Code of Business Conduct and Ethics of the REIT and recommends any proposed changes to the board for approval;
- reviews the practices of the NWI Board (including separate meetings of non–management trustees and of independent trustees) to ensure compliance with its written charter;
- reviews the powers, mandates and performance, and the membership of the various committees of the NWI Board and, if appropriate, makes recommendations to the NWI Board;
- reviews the relationship between senior management and the NWI Board and, if appropriate, makes recommendations to the NWI Board with a view to ensuring that the Board is able to function independently of senior management; and
- reports to the NWI Board on a regular basis with an assessment of the performance of the board, its committees and individual trustees and discusses the report with the NWI Board.

The NWI Board, with the assistance of the Compensation and Corporate Governance Committee, is responsible for reviewing the contribution, performance and effectiveness of the board, its committees and its members. The NWI Board also monitors the adequacy of information given to trustees, communication between the NWI Board and management and the strategic direction and processes of the NWI Board and its committees.

**Meetings of the Board of Trustees**

The following table summarizes the number of NWI Board and committee meetings attended by trustees during the year ended December 31, 2014. The independent trustees meet, when necessary, without the presence of management and the other non-independent trustees to facilitate open and candid discussion among the independent trustees.

| Name | Board Meetings Attended in 2014 |
|---|---|
| Paul Dalla Lana | 13 of 13 |
| Robert Baron | 13 of 13 |
| Bernard Crotty | 13 of 13 |
| Dr. C. David Naylor | 13 of 13 |

## INDEBTEDNESS OF TRUSTEES AND EXECUTIVE OFFICERS

No trustee, executive officer or employee or former executive officer, trustee or employee of NWI or any of its subsidiaries is indebted to NWI, except for Mr. Dalla Lana.

Mr. Dalla Lana's relationship with, and indebtedness to, NWI, as at December 31, 2014, are described more fully under the notes titled "*Related Party Transactions*" and "*Due From Related Parties*" in the NWI's most recently filed financial statements, which notes are hereby incorporated by reference in this Circular and can be accessed on SEDAR at www.sedar.com.

As described in those notes to the financial statements, up to January 1, 2015, affiliates of NWVP acted as property manager, asset manager and development manager for NWI. Furthermore, NWVP and its affiliates have sold certain assets to NWI, including NWI's initial portfolio of international assets and NWH Units. As a consequence of these various transactions, as at December 31, 2014, Mr. Dalla Lana was indirectly indebted to NWI in the amount of approximately $16,831,040 (representing loans receivable from NWVP and affiliates of $30,207,844 less NWI Class B LP Units distributions owing to NWVP and affiliates of $13,376,804) as detailed in the notes to those financial statements.

**APPENDIX M**
**DUP AMENDMENT RESOLUTION**

**BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. the NWI Deferred Unit Plan, as defined and more particularly described in the joint management information circular of NorthWest International Healthcare Properties Real Estate Investment Trust ("**NWI**") and NorthWest Healthcare Properties Real Estate Investment Trust and available on SEDAR at www.sedar.com, be and is hereby confirmed, ratified, authorized and approved; and

2. any one or more trustees or officers of NWI, be and is hereby authorized and empowered to execute or cause to be executed in the name and on behalf of NWI or to deliver or cause to be delivered all such documents, agreements and instruments and do or cause to be done all such acts and things as such person shall determine to be necessary or desirable in order to carry out the intent of this resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

**APPENDIX N**
**DUP RESERVATION RESOLUTION**

**BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. the reservation for issuance of an additional 15,876,459 trust units of NorthWest International Healthcare Properties Real Estate Investment Trust ("**NWI**") under the NWI Deferred Unit Plan, as defined and more particularly described in the joint management information circular of NWI and NorthWest Healthcare Properties Real Estate Investment Trust and available on SEDAR at www.sedar.com, be and is hereby confirmed, ratified, authorized and approved; and

2. any one or more trustees or officers of NWI, be and is hereby authorized and empowered to execute or cause to be executed in the name and on behalf of NWI or to deliver or cause to be delivered all such documents, agreements and instruments and do or cause to be done all such acts and things as such person shall determine to be necessary or desirable in order to carry out the intent of this resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

**APPENDIX O**
**BLACKLINE SHOWING PROPOSED CHANGES TO THE AMENDED AND RESTATED NWH DECLARATION OF TRUST**

**NORTHWEST HEALTHCARE PROPERTIES**
**REAL ESTATE INVESTMENT TRUST**

# SECOND AMENDED AND RESTATED DECLARATION OF TRUST

**Dated as of ~~March 25, 2010~~●, 2015**

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**NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**

**SECOND AMENDED AND RESTATED DECLARATION OF TRUST**

**THIS SECOND AMENDED AND RESTATED DECLARATION OF TRUST** made in Toronto, Ontario as of the ~~25th~~● day of ~~March~~●, ~~2010.~~2015.

~~**BETWEEN:**~~

~~**Paul Dalla Lana, Bernard Crotty and Peter Riggin**, the trustees of the trust constituted by this amended and restated declaration of trust, and each person who after the date hereof becomes a trustee of the Trust as herein provided (each person, while a trustee of the trust as herein provided, hereinafter called a "**Trustee**" and collectively at any time, the individuals each of whom is at that time a Trustee, hereinafter called the "**Trustees**"),~~

~~OF THE FIRST PART,~~

~~- and -~~

~~**NORTHWEST VALUE PARTNERS INC.**, (hereinafter called the "**Initial Unitholder**") and all persons who after the date hereof become holders of units of the trust as herein provided (collectively at any time, the "**Trust Unitholders**"),~~

~~OF THE SECOND PART.~~

**WHEREAS** the Trust ~~was established pursuant to a Declaration of Trust dated the 1st day of January,~~is governed by an amended and restated declaration of trust dated March 25, 2010 (the "~~**Original**~~**First Amended and Restated Declaration of Trust**");

**AND WHEREAS** the ~~Trust was on that date settled with $10.00 (the "**Initial Contribution**") by the Initial Unitholder, which the Initial Trustee thereupon held in trust, in exchange for the Initial Trust Unit;~~Trustees and Unitholders of the REIT wish to amend and restate the First Amended and Restated Declaration of Trust on the terms set out herein;

~~**AND WHEREAS** the sole Trustee appointed Bernard Crotty and Peter Riggin as additional Trustees of the Trust;~~

~~**AND WHEREAS** the Initial Unitholder and the Trustees desire that the Trust shall qualify as a "mutual fund trust" pursuant to subsection 132(6) of the Tax Act;~~

**AND WHEREAS** for greater certainty, this ~~Amended and Restated~~ Declaration of Trust shall not be deemed to constitute a termination of the ~~REIT~~Trust or a resettlement of the ~~Original~~First Amended and Restated Declaration of Trust or the Trust created thereby;

**AND WHEREAS** the Trustees ~~wish to amend and restate the Original Declaration of Trust by executing this amended and restated Declaration of Trust~~desire that the Trust qualify as a "mutual fund trust" pursuant to subsection 132(6) of the Tax Act;

**AND WHEREAS** the parties hereto desire to set out the agreements, terms and conditions which shall govern their mutual and respective rights, powers and obligations with respect to the settlement and administration of the Trust;

**NOW THEREFORE**, the undersigned ~~Trustees~~, being all of the Trustees, hereby confirm and declare that they agree with the ~~Trust~~ Unitholders to continue to hold in trust, as trustees, ~~the Initial Contribution and any and all other~~all property, real, personal or otherwise, tangible or intangible, which has been at the date hereof or is hereafter transferred, conveyed or paid to or otherwise received by them as Trustees or to which the Trust is otherwise entitled and all rents, income, profits and gains therefrom for the benefit of the Unitholders hereunder in accordance with and subject to the express provisions of this Declaration of Trust, as follows:

## ARTICLE 1
## THE TRUST AND DEFINITIONS

### 1.1 Definitions and Interpretation

In this Declaration of Trust, words in the singular number include the plural and words in the plural number include the singular, and the masculine includes the feminine. In this Declaration of Trust, except where the context otherwise requires, the following terms shall have the following meanings:

~~(a)~~ ~~"**Acquisition Agreement**" means the agreement of purchase and sale to be entered into on Closing between the Limited Partnership, NW Trust, Healthcare Properties Limited Partnership, the Trust and Healthcare Properties Holdings Ltd. relating to the acquisition of the limited partnership interests of Healthcare Properties Limited Partnership and the common shares of Healthcare Properties Holdings Ltd. by the Limited Partnership;~~

(a) ~~(b)~~ "**affiliate**" of a person means any person or company that would be deemed to be an affiliated entity of such person within the meaning of National Instrument 45-106 – *Prospectus and Registration Exemptions*, as replaced or amended from time to time;

(b) ~~(c)~~ "**Annuitant**" means the annuitant or beneficiary of ~~a~~an Exempt Plan or any other plan of which a Unitholder acts as trustee or carrier;

(c) ~~(d)~~ "**associate**" when used to indicate a relationship with a person or company has the meaning ascribed thereto in the *Securities Act* (Ontario), as replaced or amended from time to time;

(d) ~~(e)~~ "**Audit Committee**" has the meaning given thereto in Section 10.1;

(e) ~~(f)~~ "**Auditors**" means the firm of chartered accountants appointed as the auditors of the Trust from time to time in accordance with the provisions hereof ~~and, initially, means KPMG LLP, Chartered Accountants~~;

(f) ~~(g)~~ "**Book-Entry System**" means the record-entry securities transfer and pledge system known, as of the date hereof, by such name, which is administered by CDS in accordance with the operating rules and procedures of the Securities Settlement Service of CDS in force from time to time, or any successor system which CDS may offer from time to time;

(g) ~~(h)~~ "**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the Provinces of Ontario;

(h) ~~(i)~~ "**CDS**" means CDS Clearing and Depository Services Inc. and its successors;

(i) ~~(j)~~ "**CDS Participant**" means a broker, dealer, bank, other financial institution or other person who, directly or indirectly, from time to time, effects book-based transfers with CDS and pledges of securities deposited with CDS;

(j) ~~(k)~~ "**Chair**", "**President**", "**Vice-Chair**", "**Chief Executive Officer**", "**Chief Financial Officer**", "**Chief Operating Officer**", "**Treasurer**" and "**Secretary**" mean the person(s) holding the respective office from time to time if so elected, appointed, engaged or employed by the Trustees;

~~(l) "**Closing**" means the closing of the Offering as described in the Prospectus; and "**Closing Date**" means the date on which the Closing occurs;~~

(k) ~~(m)~~ "**Declaration of Trust**" means this ~~amended and restated declaration~~Second Amended and Restated Declaration of Trust as amended, supplemented or amended and restated from time to time;

(l) ~~(n)~~ "**dissenting offeree**" means, where a take-over bid is made for all of the Trust Units other than those held by the offeror (its affiliates and associates), a holder of Trust Units who does not accept the take-over bid and includes a subsequent holder of those Trust Units who acquires them from the first mentioned holder;

(m) ~~(o)~~ "**Distribution Date**" means, any date on which the Trustees have determined that a distribution will be made by the Trust to the Trust Unitholders;

(n) ~~(p) "**Exchange Agreement**" means the exchange agreement to be entered into on Closing among the Trust, NHP GP, the Limited Partnership and NW Trust, as such agreement may be amended, supplemented or amended and restated from time to time;~~**Equity Investee**" has the meaning given thereto in Section 4.10(c);

(o) ~~(q) "**Exchangeable Units**" means the class B limited partnership units of the Limited Partnership;~~**Exempt Plans**" means, collectively, trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts, each as defined in the Tax Act, and "Exempt Plan" means any of them;

(p) ~~(r)~~ "**Fiscal Year**" means each fiscal year of the Trust;

(q) ~~(s) "**generally accepted accounting principles**" or "**GAAP**" means Canadian generally accepted accounting principles determined with reference to the Handbook of the Canadian Institute of Chartered Accountants, as amended from time to time and, upon adoption in Canada for public entities, means IFRS. Except as otherwise specified, all accounting terms used in this Declaration of Trust shall be construed in accordance with GAAP;~~**First Amended and Restated Declaration of Trust**" has the meaning given thereto in the Recitals;

(r) ~~(t)~~ "**Global Unit Certificate**" has the meaning given thereto in Section ~~7.14~~7.13;

(s) ~~(u)~~ "**Gross Book Value**" means, at any time, the ~~book value~~ acquisition cost of the assets of the Trust ~~and its consolidated subsidiaries, as shown on its then most recent consolidated balance sheet,~~ plus: (i) the cumulative impact of fair value adjustments; (ii) acquisition related costs in respect of completed investment property acquisitions that were expensed in the period incurred; (iii) accumulated ~~depreciation and~~ amortization ~~in respect of the Trust's properties (and related intangible assets) shown thereon or in the notes thereto, less (i) the amount of any receivable reflecting interest rate subsidies on any debt assumed by the Trust; and (ii) the amount of future income tax liability arising out of the fair value adjustment in respect of the indirect acquisitions of certain properties~~on property, plant and equipment, and other assets including intangible assets; and (iv) deferred loan costs; provided, however, that if approved by a majority of the Trustees, the appraised value of the assets of the Trust ~~and its consolidated subsidiaries~~ may be used instead of ~~book value;~~

~~(v) "**Head Leases**" means, collectively, the head lease agreements to be entered into on Closing between Healthcare Properties Holdings Ltd., as landlord, and NW Trust, as tenant, as such agreements may be amended, supplemented or amended and restated from time to time;~~the acquisition cost;

(t) ~~(w)~~ "**herein**", "**hereof**, "**hereby**", "**hereunder**", "**this Declaration of Trust**", "**this Declaration**" and similar expressions refer to this Declaration of Trust and include every instrument supplemental or ancillary to or in implementation of this Declaration of Trust and, except where the context otherwise requires, does not refer to any particular article, section or other portion hereof or thereof;

(u) ~~(x)~~ "**IFRS**" means International Financial Reporting Standards, issued by the International Accounting Standards Committee, and as adopted by the Canadian Institute of Chartered Accountants, as amended from time to time;

(v) ~~(y)~~ "**including**" means "including, without limitation";

(w) ~~(z)~~ "**indebtedness**" means (without duplication) on a consolidated basis

(i) any obligation of the Trust for borrowed money (excluding any premium in respect of indebtedness assumed by the Trust for which the Trust has the benefit of an interest rate subsidy, but only to the extent an amount receivable has been excluded in the calculation of Gross Book Value with respect to such interest rate subsidy);

(ii) any obligation of the Trust incurred in connection with the acquisition of property, assets or business other than the amount of future income tax liability arising out of indirect acquisitions;

(iii) any obligation of the Trust issued or assumed as the deferred purchase price of property;

(iv) any capital lease obligation of the Trust; and

(v) any obligation of the type referred to in clauses (i) through (iv) of another person, the payment of which the Trust has guaranteed or for which the Trust is responsible for or liable,

provided that (A) for the purposes of (i) through (iv), an obligation will constitute indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of the Trust in accordance with ~~GAAP~~IFRS; (B) obligations referred to in clauses (i) through (iii) exclude trade accounts payable, distributions payable to Trust Unitholders and accrued liabilities arising in the ordinary course of business; ~~and~~ (C) exchangeable units issued by subsidiaries of the Trust shall not constitute indebtedness notwithstanding the classification of such securities as debt under ~~GAAP;~~IFRS; (D) any liabilities associated with revenue securitization arrangements will not constitute indebtedness notwithstanding the classification of such obligations as debt under IFRS; and (E) any unsecured liabilities of the Trust will not constitute indebtedness notwithstanding the classification of such obligations as debt under IFRS.

~~(aa)~~ ~~"**Initial Contribution**" means the amount of $10 paid by the Initial Unitholder to the Trustees for the purpose of establishing the Trust;~~

~~(bb)~~ ~~"**Initial Properties**" means the 45 commercial properties to be owned indirectly by the Trust on Closing, as described in the Prospectus;~~

~~(cc)~~ ~~"**Initial Trust Unit**" means the initial Trust Unit issued by the Trust to the Initial Unitholder;~~

~~(dd)~~ ~~"**Initial Unitholder**" means the person named herein as the first unit holder of the Initial Unit;~~

~~(ee)~~ ~~"**Institutional Tenant**" means a tenant that is, or where the lease or sublease for such tenant is guaranteed by: (i) the Government of Canada, the Government of the United States, any province, state or territory of Canada or the United States, any municipality or city in Canada or the United States, any agency or crown corporation thereof or any boards, departments or authorities (including health authorities or regions or Centre Local de Services Communautaires or their equivalent) thereof; (ii) any entity, of which any of the bonds, debentures or other evidences of indebtedness of, or guaranteed by, such entity, or any of the other securities of such entity, have received and continue to hold, an investment grade rating from a recognized credit rating agency, in each case at the time the lease or sublease is entered into, or at the time other satisfactory leasing or pre-leasing arrangements (as determined by the Trustees) were entered into; (iii) a bank or a trust company or insurance company registered or licensed under the laws of Canada or the United States or any province, state or territory thereof; or (iv) a university, college or hospital;~~

(x) "**Investor Rights Agreement**" means that certain investor rights agreement between the Trust, the Limited Partnership and NWVP dated as of the date hereof;

(y) ~~(ff)~~ "**Limited Partnership**" means ~~NHP Holdings Limited Partnership~~NWI Healthcare Properties LP, a limited partnership formed under the laws of Ontario;

(z) ~~(gg)~~ "**LP Units**" means the limited partnership units of the Limited Partnership;

~~(hh)~~ ~~"**Material Agreements**" means, collectively, the Acquisition Agreement, the Exchange Agreement, the Non-Competition Agreement entered into among NW Trust, Paul Dalla Lana and the Trust, the Head Leases, the limited partnership agreement for the Limited Partnership, the unitholder rights plan agreement between the Trust and Computershare~~

~~Trust Company of Canada and the underwriting agreement for the Offering as described in the Prospectus;~~

(aa) ~~(ii)~~ "**Monthly Limit**" has the meaning given thereto in Subparagraph ~~7.15~~7.14(d)(i);

(bb) ~~(jj)~~ "**mortgage**" means any mortgage, charge, hypothec, bond, debenture, note or other evidence of indebtedness, in each case which is directly or indirectly secured by real property;

(cc) ~~(kk)~~ "**net realized capital gains of the Trust**" for any period means the amount, if any, by which the amount of the realized capital gains of the Trust for the period exceeds the aggregate of (i) the amount of any realized capital losses of the Trust for the period determined in accordance with the Tax Act, and (ii) the amount of any net capital losses of the Trust carried forward from a previous period to the extent not previously deducted from realized capital gains of the Trust determined in accordance with the Tax Act;

~~(ll) "**Non-Competition Agreements**" means the non-competition agreements to be entered into on Closing between the Trust and/or certain of its affiliates and each of: (i) Paul Dalla Lana and NW Trust, and (ii) the senior officers of each of the Trust and the Limited Partnership;~~

(dd) ~~(mm)~~ "**Non-Resident**" means a person who is not a Resident and a partnership that is not a Canadian partnership within the meaning of the Tax Act;

(ee) ~~(nn)~~ "~~**NW Trust**~~**NWVP**" means NorthWest ~~Operating Trust~~Value Partners Inc. and includes its successors;

(ff) ~~(oo)~~ "~~**NW Trust**~~**NWVP Trustee**" means a trustee of the Trust appointed pursuant to Section 3.8(c);

(gg) ~~(pp)~~ "**offeree**" means a person to whom a take-over bid is made;

~~(qq) "**Offering**" means the issuance of Trust Units in connection with the initial public offering of the Trust;~~

(hh) ~~(rr)~~ "**offeror**" means a person, other than an agent, who makes a take-over bid; and includes two or more persons who, directly or indirectly:

(i) make a take-over bid jointly or in concert; or

(ii) intend to exercise jointly or in concert voting rights attached to the Trust Units for which a take-over bid is made;

~~(ss) "**Original Declaration of Trust**" has the meaning given thereto in the Recitals;~~

(ii) ~~(tt)~~ "**OSC**" means the Ontario Securities Commission, and any successors thereto;

(jj) ~~(uu)~~ "**person**" means and includes any individual, general partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, joint stock company, association, trust, trust company, bank, pension fund, trustee, executor, administrator or other legal personal representative,

regulatory body or agency, government or governmental agency, authority or other organization or entity, whether or not a legal entity, however designated or constituted;

~~(vv)~~ ~~"**Plans**" means, collectively, trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free saving accounts, each as described in the Tax Act;~~

~~(ww)~~ ~~"**Prospectus**" means the final prospectus of the Trust dated March 16, 2010 relating to the Offering as filed with the securities commissions or similar authorities in Canada, as the same may be amended or amended and restated;~~

(kk) ~~(xx)~~ "**real property**" means property which in law is real property and includes, whether or not the same would in law be real property, leaseholds, mortgages, undivided joint interests in real property (whether by way of tenancy-in-common, joint tenancy, co-ownership, joint venture or otherwise), any interests in any of the foregoing and securities of trusts, corporations or partnerships the sole or principal purpose and activity of which is to invest in, hold and deal in real property;

(ll) "**Redeemable Units**" means the class **[B]** limited partnership units of the Limited Partnership;

(mm) ~~(yy)~~ "**Redemption Date**" has the meaning given thereto in Subparagraph ~~7.15~~7.14(c)(i);

(nn) ~~(zz)~~ "**Redemption Notes**" means unsecured subordinated promissory notes of the Trust having a maturity date to be determined at the time of issuance by the Trustees (provided that in no event shall the maturity date be set at a date subsequent to the first Business Day following the fifth anniversary of the date of issuance of such note), bearing interest from the date of issue at a market rate of interest determined at the time of issuance by the Trustees, payable for each month during the term on the 15th day of each subsequent month with all principal being due on maturity, such promissory notes to provide that the Trust shall at any time be allowed to prepay all or any part of the outstanding principal without notice or bonus;

(oo) ~~(aaa)~~ "**Redemption Price**" has the meaning given thereto in Subparagraph ~~7.15~~7.14(c)(i);

(pp) ~~(bbb)~~ "**Register**" has the meaning given thereto in Section ~~7.20~~7.19;

(qq) ~~(ccc)~~ "**Resident**" means a person who is, or is deemed to be, resident in Canada for purposes of the Tax Act;

(rr) ~~(ddd)~~ "**Retiring Trustee**" has the meaning given thereto in Section 3.7;

(ss) ~~(eee)~~ "**Securities Laws**" means, collectively, the applicable securities laws of each of the provinces and territories of Canada and the respective regulations and rules made under those securities laws together with all published policy statements, instruments, blanket orders and rulings of Canadian securities commissions and all discretionary orders or rulings, if any, of Canadian securities commissions~~ made in connection with the transactions contemplated by the Prospectus and this Declaration of Trust~~;

(tt) ~~(fff)~~ "**SIFT Tax**" means the tax payable by a SIFT Trust pursuant to section 122 of the Tax Act or by a SIFT partnership pursuant to section 197 of the Tax Act;

(uu) ~~(ggg)~~ "**SIFT Trust**" has the meaning given thereto in the Tax Act;

(vv) ~~(hhh)~~ "**Special Resolution**" has the meaning given thereto in Section 8.16;

(ww) ~~(iii)~~ "**Special Voting Units**" means the special voting units of the Trust;

(xx) ~~(jjj)~~ "**Special Voting Unitholders**" means at any time the holders at that time of one or more Special Voting Units, as shown on the register of such holders maintained by the Transfer Agent on behalf of the Trust;

(yy) ~~(kkk)~~ "**subsidiary**" and "**subsidiaries**" has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus and Registration Exemptions*, as replaced or amended from time to time;

(zz) ~~(lll)~~ "**take-over bid**" has the meaning given thereto in the *Securities Act* (Ontario) as replaced or amended from time to time;

(aaa) ~~(mmm)~~ "**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, as replaced or amended from time to time;

(bbb) ~~(nnn)~~ "**Taxation Year**" means the taxation year of the Trust for the purposes of the Tax Act;

(ccc) ~~(ooo)~~ "**Transfer Agent**" means any such company as may from time to time be appointed by the Trust to act as registrar and transfer agent of the Units, together with any sub-transfer agent duly appointed by the Transfer Agent;

(ddd) ~~(ppp)~~ "**Trust**" means NorthWest Healthcare Properties Real Estate Investment Trust, a trust created pursuant to the Original Declaration of Trust and governed by this Declaration of Trust pursuant to the laws of the Province of Ontario;

(eee) ~~(qqq)~~ "**Trust Unit**" means a unit of interest in the Trust or a fraction thereof but, for greater certainty, excludes a Special Voting Unit;

(fff) ~~(rrr)~~ "**Trust Unitholder**" means a person whose name appears on the Register as a holder of one or more Trust Units or of a fraction of a Trust Unit;

(ggg) ~~(sss)~~ "**Trustees**" means the trustee or trustees of the Trust holding office under and in accordance with this Declaration of Trust from time to time and "**Trustee**" means any one of them;

(hhh) ~~(ttt)~~ "**Trustees' Regulations**" means the regulations adopted by the Trustees pursuant to Section 4.3;

(iii) ~~(uuu)~~ "**TSX**" means the Toronto Stock Exchange;

(jjj) ~~(vvv)~~ "**Units**" means, collectively, the Trust Units and Special Voting Units;

(kkk) ~~(www)~~ "**Unit Certificate**" means a certificate, in the form stipulated by Article 7, evidencing one or more Trust Units, issued and certified in accordance with the provisions hereof; and

(lll) ~~(xxx)~~ "**Unitholder**" means a person whose name appears on the Register as a holder of one or more Trust Units or Special Voting Units, or a fraction thereof.

**1.2 Tax Act**

Any reference herein to a particular provision of the Tax Act shall include a reference to that provision as it may be replaced, renumbered or amended from time to time. Where there are proposals for amendments to the Tax Act that have not been enacted into law or proclaimed into force on or before the date on which such proposals are to become effective, the Trustees may take such proposals into consideration and apply the provisions hereof as if such proposals had been enacted into law and proclaimed into force.

**1.3 Day Not a Business Day**

Except as expressly specified in this Declaration of Trust, in the event that any day on which any amount is to be determined or any action is required to be taken hereunder is not a Business Day, then such amount shall be determined or such action shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day. Notwithstanding the foregoing, this Section 1.3 is not applicable to Sections 11.1, 11.2 and 11.3.

**1.4 Time of Essence**

Time shall be of essence in this Declaration of Trust.

## ARTICLE 2
## DECLARATION OF TRUST

**2.1 Establishment of the Trust**

The Trustees hereby agree to hold and administer the property, real, personal or otherwise, tangible or intangible, which has been or is hereafter transferred, conveyed or paid to or otherwise received by the Trust or to which the Trust is otherwise entitled, ~~including the Initial Contribution,~~ and all rents, income, profits and gains therefrom in trust for the use and benefit of the Unitholders, their successors, permitted assigns and personal representatives upon the trusts and subject to the terms and conditions hereinafter declared and set forth, such trust to constitute the Trust hereunder.

~~**2.2 Initial Contribution**~~

~~The Trustees hereby acknowledge and confirm that the Initial Unitholder has made the Initial Contribution to the initial Trustee for the purpose of establishing the Trust.~~

**2.2 ~~2.3~~ Name**

The name of the Trust is NorthWest Healthcare Properties Real Estate Investment Trust. As far as practicable and except as otherwise provided in this Declaration of Trust, the Trustees shall conduct the affairs of the Trust, hold property, execute all documents and take all legal proceedings under that name. For greater certainty, where any reference is made in this Declaration of Trust, or any other instrument to which the Trust or the Trustees, as trustees of the Trust, are a party, to an act to be performed by, an

appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against, or a covenant, representation or warranty by or with respect to (i) the Trust; or (ii) the Trustees, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding taken by or against, or a covenant, representation or warranty by or with respect to the Trustees as trustees of the Trust.

**2.3 ~~2.4~~ Use of Name**

Should the Trustees determine that the use of the name NorthWest Healthcare Properties Real Estate Investment Trust is not practicable, legal or convenient, they may use such other designation or they may adopt such other name for the Trust as they deem appropriate and the Trust may hold property and conduct its activities under such other designation or name.

**2.4 ~~2.5~~ Office**

The principal, registered and head office and centre of administration of the Trust shall be located at 284 King Street East, Suite 200, Toronto, Ontario, unless changed by the Trustees to another location in Canada. The Trust may have such other offices or places for the conduct of its affairs as the Trustees may from time to time determine as necessary or desirable.

**2.5 ~~2.6~~ Nature of the Trust**

The Trust is an unincorporated open-end limited purpose trust. The Trust, its Trustees and its property shall be governed by the general law of trusts, except as such general law of trusts has been or is from time to time modified, altered or abridged for trusts or for the Trust by:

(a) applicable laws, regulations or other requirements imposed by applicable securities or other regulatory authorities; and

(b) the terms, conditions and trusts set forth in this Declaration of Trust.

The Trust is not and is not intended to be, shall not be deemed to be and shall not be treated, as a general partnership, limited partnership, syndicate, association, joint venture, company, corporation or joint stock company nor shall the Trustees or the Unitholders or any of them or any officers or other employees of the Trust or any one of them for any purpose be, or be deemed to be, treated in any way whatsoever to be, liable or responsible hereunder as partners or joint venturers. Neither the Trustees nor any officer or other employee of the Trust shall be, or be deemed to be, agents of the Unitholders. The relationship of the Unitholders to the Trustees, to the Trust and to the property of the Trust shall be solely that of beneficiaries of the Trust and their rights shall be limited to those conferred upon them by this Declaration of Trust. In filing a return of income for the Trust with respect to its first taxation year under the Tax Act, the Trust shall elect, assuming that the requirements for such election are met, that the Trust shall be deemed a "mutual fund trust" for purposes of the Tax Act throughout such year.

**2.6 ~~2.7~~ Rights of Unitholders**

The rights of each Unitholder to call for a distribution or division of assets, monies, funds, income and capital gains held, received or realized by the Trustees are limited to those contained herein and, except as provided herein, no Unitholder shall be entitled to call for any partition or division of the Trust's property or for a distribution of any particular asset forming part of the Trust's property or of any particular monies or funds received by the Trustees. The legal ownership of the property of the Trust and

the right to conduct the activities of the Trust are vested exclusively in the Trustees, and no Unitholder has or is deemed to have any right of ownership in any of the property of the Trust, except as specifically provided herein. Except as specifically provided herein, no Unitholder shall be entitled to interfere with or give any direction to the Trustees with respect to the affairs of the Trust or in connection with the exercise of any powers or authorities conferred upon the Trustees under this Declaration of Trust. The Units shall be personal property and shall confer upon the holders thereof only the interest and rights specifically set forth in this Declaration of Trust.

## ARTICLE 3
## TRUSTEES AND OFFICERS

### 3.1 Number

There shall be a minimum of one and a maximum of nine Trustees. The number of Trustees within such minimum and maximum numbers may be changed by the Unitholders or by the Trustees from time to time at their discretion provided that ~~NW Trust~~NWVP's approval shall be required for any change to the number of Trustees for so long as ~~NW Trust owns 10~~NWVP and its affiliates own 5% or more of the ~~Trust~~ Units~~ calculated on a fully-diluted basis~~.

### 3.2 Term

Other than the ~~NW Trust~~NWVP Trustees, Trustees elected at an annual meeting will be elected for a term expiring at the close of the next annual meeting and will be eligible for re-election. Trustees appointed by the Trustees between meetings of Unitholders in accordance with Subsection 3.8 shall be appointed for a term expiring at the conclusion of the next annual meeting and will be eligible for election or re-election, as the case may be.

### 3.3 Qualifications of Trustees

A Trustee shall be an individual that is at least 18 years of age, not under any legal disability and not found to be of unsound mind or incapable of managing property by a court in Canada or elsewhere, and not have the status of bankrupt.

### 3.4 Residency of Trustees

A majority of the Trustees must be Residents. If at any time a majority of the Trustees or a majority of the Trustees of any committee of the Trustees are not Residents because of the death, resignation, insolvency, bankruptcy, adjudicated incompetence or incapacity, removal or change in circumstance of any Trustee who was a Resident Trustee, or there are no Trustees who are Residents, the Trustee or Trustees who are Non-Residents shall, immediately before that time, be deemed to have resigned and shall cease to be Trustees with effect from the time of such deemed resignation and the remaining Trustees shall appoint a sufficient number of Resident Trustees to comply with this requirement. If at any time the number of Trustees is less than the number required under this Declaration of Trust and the remaining Trustee or Trustees fail or are unable to act in accordance with Section 3.7 and/or Section 3.12 to appoint one or more additional Trustees or if, upon the resignation or deemed resignation of one or more Trustees there would be no Trustees, then the board of Trustees of the Trust shall appoint one or more Trustees so that following such appointment a majority of the Trustees are Residents and, failing such appointment, any remaining Trustee or Unitholder or officer of the Trust or the Auditors, as the case may be, may apply to the Superior Court of Justice of Ontario for an order appointing one or more Trustees so that following such appointment a majority of the Trustees are Residents, to act until the next annual meeting of Unitholders or on such other terms as the Court may order. Any Trustee who is a Resident who proposes to become a Non-Resident shall notify the other Trustees thereof as soon as

reasonably practicable and shall resign as a Trustee effective upon the day of such notification and shall be replaced with a Trustee who is a Resident.

### 3.5 Election of Trustees

Subject to Sections 3.1, 3.3, 3.4, 3.8 and 3.12, the election of the Trustees shall be by the vote of Unitholders. The appointment or election of any Trustee (other than an individual who is serving as a Trustee immediately prior to such appointment or election) shall not become effective unless and until such person shall have in writing accepted such appointment or election and agreed to be bound by the terms of this Declaration of Trust.

### 3.6 Independent Trustees

A majority of the Trustees must qualify as "independent" within the meaning of National Instrument 58-201 – *Corporate Governance Guidelines* provided, however, that if at any time a majority of the Trustees are not independent because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any Trustee who was an independent Trustee, this requirement shall not be applicable for a period of 60 days thereafter, during which time the remaining Trustees shall appoint a sufficient number of Trustees who qualify as "independent" to comply with this requirement. ~~Paul Dalla Lana will be deemed not to be an independent Trustee unless, subject to applicable law, (i) the liability of NW Trust under the Head Leases is less than $2.5 million on a present value basis, and no material development agreements are in place between the Trust and Mr. Dalla Lana or any of his affiliates and the Trustees determine that Mr. Dalla Lana is an independent Trustee, or (ii) the Trustees, following consultation with legal counsel, determine that Mr. Dalla Lana is an independent Trustee.~~

### 3.7 Resignations, Removal, Incapacity and Death of Trustees

(a) A Trustee may resign at any time by an instrument in writing signed by the Trustee and delivered or mailed to the board of Trustees or the ~~President or, if there is no President, the~~ Chief Executive Officer~~,~~ or, if there is no Chief Executive Officer, the President, or, if there is no President, the Unitholders. A resignation of a Trustee becomes effective at the time a written resignation is received by the Trust upon 30 days' written notice, or at the time specified in the resignation, whichever is later, provided that if, upon the resignation becoming effective, the number of remaining Trustees would be less than the number necessary to constitute a quorum for a meeting of Trustees, the resignation is not effective until the resigning Trustee's successor is duly appointed as a Trustee, except in the case of a deemed resignation under Section 3.4 which shall be effective at the time therein prescribed.

(b) Other than an ~~NW Trust~~NWVP Trustee who will be appointed and removed at the discretion of ~~NW Trust~~NWVP, a Trustee may be removed at any time with or without cause by a majority of the votes cast at a meeting of Unitholders called for that purpose or with cause by the resolution passed by an affirmative vote of not less than two-thirds of the remaining Trustees. Any removal of a Trustee shall take effect immediately following the aforesaid vote or resolution or at any later time specified in the notice without need for prior accounting, and any Trustee so removed shall be so notified by the Chief Executive Officer or another officer of the Trust or if there is no officer of the Trust, by any remaining Trustee or if there is no Trustee then remaining, by the Unitholders, following such removal.

(c) Upon the resignation or removal of any Trustee, or such Trustee otherwise ceasing to be a Trustee (in each case, a "**Retiring Trustee**"), such Retiring Trustee shall cease to have

the rights, privileges and powers of a Trustee hereunder, shall account to the remaining Trustees as they may require for all property which he or she holds as Trustee and do all such other things as may be required pursuant to Subsection 3.11(b) hereof; provided however that notwithstanding any other provision of this Declaration of Trust, each such Retiring Trustee shall always continue to have the protections afforded to Trustees in Article 16.

(d) Upon the incapacity or death of any Trustee, such Retiring Trustee's legal representative shall execute and deliver on such Trustee's behalf such documents as the remaining Trustees may require as provided in this Section 3.7. In the event that a Trustee or his legal representatives, as applicable, are unable or unwilling to execute and deliver such required documents, each of the remaining Trustees is hereby appointed as the attorney of such Trustee for the purpose of executing and delivering such required documents.

**3.8 Appointment of Trustees**

The appointment of the Trustees named of the First Part above is hereby confirmed and the term of office applicable to each Trustee shall expire at the close of the first annual meeting of Unitholders. Except as otherwise provided herein, Trustees shall be elected (including the re-election of incumbent Trustees) at each annual meeting of Unitholders, and may be elected at a special meeting of Unitholders. Any such election shall be made either by a resolution approved by a majority of the votes cast at a meeting of Unitholders or shall be made by resolution in writing in the manner set out in Section 8.14. Notwithstanding the foregoing:

(a) if no Trustees are elected at the annual meeting of Unitholders held immediately before the term of office of the then existing Trustees expires, such existing Trustees shall continue to hold the office of Trustees under this Declaration of Trust until successors have been appointed or they cease to hold office; and

(b) the Trustees may, between annual meetings of the Unitholders, appoint one or more additional Trustees to serve until the next annual meeting of Unitholders; provided that the number of additional Trustees so appointed will not at any time exceed one-third of the number of Trustees who held such office at the conclusion of the immediately preceding annual meeting of Unitholders (rounding to the nearest whole number).

(c) So long as the number of Trustees is set at seven Trustees, ~~NW Trust~~NWVP shall have the exclusive right to appoint: (i) three Trustees so long as ~~NW Trust holds Units or securities exchangeable into Units representing~~NWVP and its affiliates hold 30% or more of the outstanding Units~~, calculated on a fully-diluted basis~~, (ii) two Trustees so long as ~~NW Trust holds Units or securities exchangeable into Units representing~~NWVP and its affiliates hold 20% or more but less than 30% of the outstanding Units~~, calculated on a fully-diluted basis~~, and (iii) one trustee so long as ~~NW Trust holds Units or securities exchangeable into Units representing~~NWVP and its affiliates hold 10% or more but less than 20% of the outstanding Units~~, calculated on a fully-diluted basis~~. The number of Trustees entitled to be appointed by ~~NW Trust~~NWVP will be proportionately adjusted (rounding the number of appointees upwards) to account for any increase or decrease in the number of Trustees of the REIT, provided that appointees of ~~NW Trust~~NWVP shall at no time represent 50% or more of the number of Trustees (except for temporary periods where a Trustee position is vacant and the board size has not been changed). ~~NW Trust~~NWVP shall specify its appointees to the board of Trustees by written notice delivered or mailed to the Chair of Trustees, the President or the Secretary, to hold office for such period as ~~NW Trust~~NWVP shall provide, subject to the

appointment of any successors by ~~NW Trust~~NWVP; provided that upon any reduction or increase in the number of Units held by ~~NW Trust, calculated on a fully-diluted basis,~~NWVP and its affiliates which would result in ~~NW Trust~~NWVP being entitled to appoint fewer or more Trustees than the number of ~~NW Trust~~NWVP Trustees then serving on the board of Trustees, prior to mailing the information circular for the Trust's next annual meeting of Unitholders, ~~NW Trust~~NWVP shall deliver to the Chair, the President or the Secretary a written notice specifying the ~~NW Trust~~NWVP Trustee(s) which ~~NW Trust~~NWVP shall be required to remove, in the case of a reduction, or appoint, in the case of an increase, so that the number of ~~NW Trust~~NWVP Trustees to be in place immediately following such annual meeting is equal to the number entitled to be appointed by ~~NW Trust~~NWVP hereunder. In the event of an increase in the number of ~~NW Trust~~NWVP Trustees, the board of Trustees shall increase the size of the board of Trustees to accommodate the additional ~~NW Trust~~NWVP Trustee. ~~NW Trust~~NWVP appointees shall be required to meet the requirements of ~~Sections~~Section 3.3. So long as Paul Dalla Lana is a Trustee, he will comprise one of the ~~NW Trust~~NWVP Trustees.

**3.9 Consent to Act**

(a) A person who is appointed a Trustee hereunder shall not become a Trustee until the person has, either before or after such appointment, executed and delivered to the Trust a consent, or such consent is evidenced in minutes of a meeting of Trustees, substantially in the form as follows:

"To: NorthWest Healthcare Properties Real Estate Investment Trust (the "Trust")
And to: The Trustees thereof

The undersigned hereby certifies that he or she or it is/is not a resident of Canada within the meaning of the *Income Tax Act* (Canada) and consents to act as a Trustee of the Trust and hereby agrees, upon the later of the date of this consent and the date of the undersigned's appointment as a Trustee of the Trust, to thereby become a party, as a Trustee, to the Second Amended and Restated Declaration of Trust dated the ~~1st~~● day of ~~January~~●, ~~2010,~~2015, as amended, supplemented or amended and restated from time to time, constituting the Trust.

Dated: _____
[Signature]
Dated: _____
[Signature]

(b) Upon the later of a person being appointed a Trustee hereunder and executing and delivering to the Trust a form of consent substantially as set forth in Subsection 3.9(a), such person shall become a Trustee hereunder and shall be deemed to be a party (as a Trustee) to this Declaration of Trust, as amended, supplemented or amended and restated from time to time.

(c) An act of a Trustee is valid notwithstanding an irregularity in the appointment or election of the Trustee or a defect in the qualification of the Trustee.

### 3.10 Failure to Elect Minimum Number of Trustees

If a meeting of Unitholders fails to elect the minimum number of Trustees required by this Declaration of Trust by reason of the disqualification or death of any nominee, the Trustees elected at the meeting may exercise all of the powers of the Trustees if the number of Trustees so elected constitutes a quorum.

### 3.11 Ceasing to Hold Office

(a) A Trustee ceases to hold office when:

(i) the Trustee ceases to be duly qualified to act as a Trustee as provided under Section 3.3;

(ii) the Trustee ceases to be a Trustee in accordance with Section 3.4;

(iii) the Trustee dies or resigns; or

(iv) the Trustee is removed in accordance with Sections 3.7.

(b) Upon a Trustee ceasing to hold office as such hereunder, such Trustee shall cease to be a party (as a Trustee) to this Declaration of Trust; provided, however, that such Trustee shall continue to be entitled to be paid any amounts owing by the Trust to the Trustee and to the benefits of the indemnity provided in Section 16.2. Such Trustee shall execute and deliver such documents as the remaining Trustees shall reasonably require for the conveyance of any Trust property held in that Trustee's name, shall account to the remaining Trustees as they may reasonably require for all property which that Trustee holds as Trustee, shall resign from all directorship or similar positions held by such Trustee in any entity in which the Trust has an interest and shall thereupon be discharged as Trustee. Upon the incapacity or death of any Trustee, his legal representative shall execute and deliver on his behalf such documents as the remaining Trustees may reasonably require as provided in this Subsection 3.11(b). In the event that a Trustee or his legal representatives, as applicable, are unable or unwilling to execute and deliver such required documents, each of the remaining Trustees is hereby appointed as the attorney of such Trustee for the purposes of executing and delivering such required documents. This power of attorney granted to each of the remaining Trustees is not intended to be a continuing power of attorney within the meaning of the *Substitute Decisions Act, 1992* (Ontario), exercisable during a Trustee's incapacity to manage property, or any similar power of attorney under equivalent legislation in any of the provinces or territories of Canada (a "**CPOA**"). The execution of this power of attorney will not terminate any CPOA granted by the Trustee previously and will not be terminated by the execution by the Trustee in the future of a CPOA, and the Trustee hereby agrees not to take any action in future which results in the termination of this power of attorney.

### 3.12 Vacancies by Trustees

The death, resignation, bankruptcy, adjudicated incompetence or other incapacity to exercise the duties of the office of a Trustee or the removal or other cessation to hold office of a Trustee shall not operate to annul this Declaration of Trust or affect the continuity of the Trust. Until vacancies are filled, the remaining Trustee or Trustees (even if less than a quorum) may exercise the powers of the Trustees hereunder. In the case of a vacancy, the Unitholders or, so long as they constitute a quorum and a majority of the Trustees constituting such quorum are Residents, a majority of the Trustees continuing in

office may fill such vacancy, except a vacancy resulting from an increase in the number of Trustees or from a failure of the Unitholders to elect the minimum number of Trustees fixed by or pursuant to this Declaration of Trust. If there is not such a quorum of Trustees and there is a failure by the Unitholders to elect the minimum number of Trustees required by or pursuant to this Declaration of Trust, the Trustees then in office shall promptly call a special meeting of Unitholders to fill the vacancy and, if they fail to call a meeting or if there are no Trustees then in office, the meeting may be called by any Unitholder. A Trustee appointed to fill a vacancy holds office, subject to Section 3.7 and Section 3.11, until the close of the next annual meeting of the Unitholders, unless such Trustee is elected at the next annual meeting.

### 3.13 Successor and Additional Trustees

The right, title and interest of the Trustees in and to the property and assets of the Trust shall vest automatically in all persons who may hereafter become Trustees upon their due election or appointment and qualification and acceptance thereof without any further act and they shall thereupon have all the rights, privileges, powers, obligations and immunities of Trustees hereunder. Such right, title and interest shall vest in the Trustees whether or not conveyancing documents have been executed and delivered pursuant to Section 3.11 or otherwise.

### 3.14 Compensation and Other Remuneration

Only Trustees who are not officers or employees of and who do not receive salary from the Trust, or any of its subsidiaries shall receive such fees and other reasonable compensation (including, without limitation, fees for serving as Chair of the Trust, for serving as chair of any committee of Trustees and for attendance at each meeting of Trustees and of each committee of Trustees) as the Trustees may determine from time to time, as well as reimbursement of their reasonable travel and out-of-pocket expenses properly incurred in acting as a Trustee.

Each of the Trustees, either directly or indirectly, shall also be entitled to receive remuneration for services rendered to the Trust in any other capacity. Such services may include, without limitation, services as an officer of the Trust, legal, accounting or other professional services or services as a broker, transfer agent or underwriter, whether performed by a Trustee or any Person affiliated with a Trustee. Trustees who are employees of and who receive salary from the Trust or its affiliates shall not be entitled to receive any remuneration for their services as Trustees but shall be entitled to reimbursement from the Trust of their out-of-pocket expenses incurred in acting as a Trustee.

### 3.15 Validity of Acts

Any act of a Trustee is valid notwithstanding any irregularity in the appointment of the Trustees or a defect in the qualifications of the Trustees.

## ARTICLE 4
## TRUSTEES' POWERS AND DUTIES

### 4.1 General Powers

The Trustees, subject only to the terms and conditions contained in this Declaration of Trust, including without limitation, Sections 6.1, 6.2 and 8.7, shall have, without further or other authorization and free from any control or direction on the part of the Unitholders, full, absolute and exclusive power, control and authority over the assets of the Trust and over the operations of the Trust to the same extent as if the Trustees were the sole and absolute legal and beneficial owners of such assets in their own right, to do all such acts and things as in their sole judgment and discretion are necessary or incidental to, or desirable for, the carrying out of any of the purposes of the Trust or the conducting of the affairs of the Trust. In

construing the provisions of this Declaration of Trust, there shall be a presumption in favour of the power and authority having been granted to the Trustees. The enumeration of any specific power or authority herein shall not be construed as limiting the general powers or authority or any other specified power or authority conferred herein on the Trustees. Except as specifically required by such laws, the Trustees shall in carrying out investment activities not be in any way restricted by the provisions of the laws of any jurisdiction limiting or purporting to limit investments which may be made by trustees. Without limiting the generality of the foregoing, the Trustees may, subject to the terms and conditions contained in this Declaration of Trust, make any investments without being required to adhere to all of, or any particular portion of the investment criteria or diversification requirements set forth in the *Trustee Act* (Ontario), as replaced or amended from time to time, including, without limitation, investments in mutual funds, common trust funds, unit trusts and similar types of investment vehicles, to alter or vary such investments from time to time in a like manner, to retain such investments for such length of time as the Trustees, in their discretion determine and to delegate management and authority to discretionary managers of investment funds as the Trustees in their discretion determine appropriate.

~~For greater certainty and without limiting the generality of this Section 4.1, the Trust is authorized to complete the transactions set forth in the Prospectus, including to (i) prepare, file, execute and deliver the Prospectus and all other agreements, documents and instruments as may be necessary or, in the Trustees' discretion, desirable to complete the Offering; (ii) indirectly acquire on the Closing Date the Initial Properties and pay the purchase price therefor; (iii) enter into the Material Agreements to which it is a party; and (iv) negotiate and enter into any financing arrangements, including those described in the Prospectus. For greater certainty, the Trust is not required to complete the Offering unless and until the Trustees are satisfied with the terms and conditions thereof.~~

**4.2 Specific Powers and Authorities**

Subject only to the terms and conditions contained in this Declaration of Trust including, without limitation in Sections 6.1, 6.2 and 8.7, and in addition to any powers and authorities conferred by this Declaration of Trust or which the Trustees may have by virtue of any present or future statute or rule of law, the Trustees, without any action or consent by the Unitholders, shall have and may exercise, on behalf of the Trust or otherwise, at any time and from time to time the following powers and authorities which may or may not be exercised by them in their sole judgment and discretion and in such manner and upon such terms and conditions as they may from time to time deem proper:

(a) to retain, invest and re-invest the capital or other funds of the Trust in real or personal property of any kind, all without regard to whether any such properties are authorized by law for the investment of trust funds, and to possess and exercise all the rights, powers and privileges appertaining to the ownership of the property of the Trust and to increase the capital of the Trust at any time by the issuance of additional Units for such consideration as they deem appropriate;

(b) for such consideration as they deem proper, to invest in, purchase or otherwise acquire for cash or other property or through the issuance of Units or through the issuance of notes, debentures, bonds or other obligations or securities of the Trust and hold for investment the entire or any participating interest in any mortgages. In connection with any such investment, purchase or acquisition, the Trustees shall have the power to acquire a share of rents, lease payments or other gross income from or a share of the profits from or a share in the equity or ownership of real property;

(c) to sell, rent, lease, hire, exchange, release, partition, assign, mortgage, pledge, hypothecate, grant security interests in, encumber, negotiate, convey, transfer or otherwise dispose of any or all of the property of the Trust by deeds, trust deeds,

assignments, bills of sale, transfers, leases, mortgages, financing statements, security agreements and other instruments for any of such purposes executed and delivered for and on behalf of the Trust by one or more of the Trustees or by a duly authorized officer, employee, agent or any nominee of the Trust;

(d) to enter into leases, contracts, obligations and other agreements for a term extending beyond the term of office of the Trustees and beyond the possible termination of the Trust or for a lesser term;

(e) to borrow money from or incur indebtedness to any person, to guarantee, indemnify or act as surety with respect to payment or performance of obligations of third parties; to enter into other obligations on behalf of the Trust; and to assign, convey, transfer, mortgage, subordinate, pledge, grant security interests in, encumber or hypothecate the property of the Trust to secure any of the foregoing;

(f) without limit as to amount, to issue any type of debt securities or convertible debt securities and to borrow money or incur any other form of indebtedness for the purpose of carrying out the purposes of the Trust or for other expenses incurred in connection with the Trust and for such purposes may draw, make, execute and issue promissory notes and other negotiable and non-negotiable instruments or securities and evidences of indebtedness, secure the payment of sums so borrowed or indebtedness incurred and mortgage, pledge, assign or grant a security interest in any money owing to the Trust or its property or engage in any other means of financing the Trust;

(g) to lend money or other property of the Trust, whether secured or unsecured;

(h) to incur and pay out of the property of the Trust any charges or expenses and disburse any funds of the Trust, which charges, expenses or disbursements are, in the opinion of the Trustees, necessary or incidental to or desirable for the carrying out of any of the purposes of the Trust or conducting the affairs of the Trust including, without limitation, taxes or other governmental levies, charges and assessments of whatever kind or nature, imposed upon or against the Trustees in connection with the Trust or the property of the Trust or upon or against the property of the Trust or any part thereof and for any of the purposes herein;

(i) to deposit funds of the Trust in banks, trust companies and other depositories, whether or not such deposits will earn interest, the same to be subject to withdrawal on such terms and in such manner and by such person or persons (including, without limitation, any one or more Trustees, officers, agents or representatives) as the Trustees may determine;

(j) to possess and exercise all the rights, powers and privileges appertaining to the ownership of or interest in all or any mortgages or securities, issued or created by, or interest in, any person, forming part of the assets of the Trust, to the same extent that an individual might and, without limiting the generality of the foregoing, to vote or give any consent, request or notice, or waive any notice, either in person or by proxy or power of attorney, with or without power of substitution, to one or more persons, which proxies and powers of attorney may be for meetings or action generally or for any particular meeting or action and may include the exercise of discretionary power;

(k) to exercise any conversion privilege, subscription right, warrant or other right or option available in connection with any property of the Trust at any time held by it and to make payments incidental thereto; to consent, or otherwise participate in or dissent from, the

reorganization, consolidation, amalgamation, merger or readjustment of the finances of any person (other than the Trust), any of the securities of which may at any time be held, directly or indirectly, by the Trust, including LP Units, or to the sale, mortgage or lease of the property of any such person; and to do any act with reference thereto, including (without limitation) the delegation of discretionary powers, the exercise of options, the making of agreements or subscriptions and the payment of expenses, assessments or subscriptions which it may consider necessary or advisable in connection therewith;

(l) to elect, appoint, engage or employ officers for the Trust (including, without limitation, the Chair of Trustees, Vice-Chair, President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Secretary, Treasurer and such vice-presidents and other officers as the Trustees may determine), who may be removed or discharged at the discretion of the Trustees, such officers to have such powers and duties, and to serve such terms as may be prescribed by the Trustees or by the Trustees' Regulations; to engage, appoint, employ or contract with any persons as agents, representatives, employees or independent contractors or otherwise (including, without limitation, real estate advisors, investment advisors, registrars, underwriters, accountants, lawyers, real estate agents, property managers, appraisers, brokers, architects, engineers, construction managers, general contractors or otherwise) in one or more capacities, and to pay compensation from the Trust for services in as many capacities as such persons may be so engaged or employed; and, except as prohibited by law or this Declaration of Trust, to delegate any of the powers and duties of the Trustees (including, without limitation, the power of delegation) to any one or more Trustees, agents, representatives, officers, employees, independent contractors or other persons without regard to whether such power, authority or duty is normally granted or delegated by Trustees;

(m) to collect, sue for and receive sums of money coming due to the Trust, and to engage in, intervene in, prosecute, join, defend, compromise, abandon or adjust, by arbitration or otherwise, any actions, suits, proceedings, disputes, claims, demands or other litigation relating to the Trust, the assets of the Trust or the Trust's affairs, to enter into agreements therefor whether or not any suit is commenced or claim accrued or asserted and, in advance of any controversy, to enter into agreements regarding the arbitration, adjudication or settlement thereof;

(n) to renew, modify, release, compromise, extend, consolidate or cancel, in whole or in part, any obligation to or of the Trust;

(o) to purchase and pay for, out of the assets of the Trust, insurance contracts and policies insuring the assets of the Trust against any and all risks and insuring the Trust and/or any or all of the Trustees, the Unitholders or officers of the Trust against any and all claims and liabilities of any nature asserted by any person arising by reason of any action alleged to have been taken or omitted by the Trust or by the Trustees, the Unitholders or the officers of the Trust;

(p) to cause legal title to any of the assets of the Trust to be held by and/or in the name of the Trustees, or by and/or in the name of the Trust or one or more of the Trustees or any other person, on such terms, in such manner with such powers in such person as the Trustees may determine and with or without disclosure that the Trust or Trustees are interested therein provided, however, that should legal title to any of the assets of the Trust be held by and/or in the name of any person or persons other than the Trust, the Trustees shall require such person or persons to execute a declaration of trust acknowledging that legal title to such assets is held in trust for the benefit of the Trust;

(q) to determine conclusively the allocation to capital, income or other appropriate accounts for all receipts, expenses, disbursements and, property of the Trust;

(r) to issue Units for such consideration as the Trustees may deem appropriate in their sole discretion, such issuance to be subject to the terms and conditions of this Declaration of Trust;

(s) to make or cause to be made application for the listing on any stock exchange of any Units or other securities of the Trust, and to do all things which in the opinion of the Trustees may be necessary or desirable to effect or maintain such listing or listings;

(t) to prepare, sign and file or cause to be prepared, signed and filed any prospectus, offering memorandum or similar document, and any amendment thereto and all agreements contemplated therein or ancillary thereto or relating to or resulting from any offerings of the Units or other securities issued or held by the Trust and to pay the cost thereof and related thereto out of the property of the Trust whether or not such offering is or was of direct benefit to the Trust or those persons (if any) who were Unitholders immediately prior to such offering;

(u) in addition to the mandatory indemnification provided for in Section 16.2, to the extent permitted by law, to indemnify, or enter into agreements with respect to the indemnification of any person with whom the Trust has dealings including, without limitation, the Trustees, the depository, the Transfer Agent or any escrow agent, to such extent as the Trustees shall determine;

(v) to hold interests in subsidiary entities and exercise voting rights associated with such interests;

(w) ~~(v)~~ to determine conclusively the value of any or all of the property of the Trust from time to time and, in determining such value, to consider such information and advice as the Trustees, in their sole judgment, may deem material and reliable;

(x) ~~(w)~~ to do all such acts and things and to exercise such powers as may be delegated to the Trustees by any person who co-owns real property with the Trust;

(y) ~~(x)~~ to pay all taxes or assessments, of whatever kind or nature, whether within or outside Canada, imposed upon or against the Trustees in connection with the Trust's assets, undertaking or income of the Trust, or imposed upon or against the Trust's assets, undertaking or income of the Trust, or any part thereof and to settle or compromise disputed tax liabilities and for the foregoing purposes to make such returns, take such deductions, and make such designations, elections and determinations in respect of the income or net realized capital gains of the Trust and any other matter as shall be permitted under the Tax Act or other tax statute (provided that to the extent necessary the Trustees will seek the advice of the Trust's counsel or the Auditor), and do all such other acts and things as may be deemed by the Trustees in their sole discretion to be necessary, desirable or convenient in connection with the foregoing; and

(z) ~~(y)~~ to do all such other acts and things as are incidental to the foregoing, and to exercise all powers that are necessary or useful to carry on the business of the Trust, to promote any of the purposes for which the Trust is formed and to carry out the provisions of this Declaration of Trust.

### 4.3 Further Powers of the Trustees

The Trustees shall have the power to prescribe any form provided for or contemplated by this Declaration of Trust. The Trustees may make, adopt, amend, or repeal regulations containing provisions relating to the Trust, the conduct of its affairs, the rights or powers of the Trustees and the rights or powers of the Unitholders or officers, provided that such regulations shall not be inconsistent with law or with this Declaration of Trust and not, in the opinion of the Trustees, prejudicial to Unitholders. The Trustees shall also be entitled to make any reasonable decisions, designations or determinations not inconsistent with law or with this Declaration of Trust which they may determine are necessary or desirable in interpreting, applying or administering this Declaration of Trust or in administering, managing or operating the Trust. To the extent of any inconsistency between this Declaration of Trust and any regulation, decision, designation or determination made by the Trustees, this Declaration of Trust shall prevail and such regulation, decision, designation or determination shall be deemed to be modified to eliminate such inconsistency. Any regulations, decisions, designations or determinations made in accordance with this Section 4.3 shall be conclusive and binding upon all persons affected thereby.

Subject to any agreement between the Trust and any Trustee and subject as otherwise herein provided, the Trustees may from time to time in their discretion appoint, employ, invest in, contract or deal with any person including, without limitation, any affiliate of any of them and any person in which any one or more of them may be directly or indirectly interested and, without limiting the generality of the foregoing, any Trustee may purchase, hold, sell, invest in or otherwise deal with real property or other property of the same class and nature as may be held by the Trustees as property of the Trust, whether for the Trustee's own account or for the account of another (in a fiduciary capacity or otherwise), without being liable to account therefor and without being in breach of his duties and responsibilities hereunder.

### 4.4 Banking

The banking activities of the Trust, or any part thereof, including, but without restricting the generality of the foregoing, the operation of the Trust's accounts; the making, signing, drawing, accepting, endorsing, negotiation, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money; the giving of receipts for orders relating to any property of the Trust; the execution of any agreement relating to any property of the Trust; the execution of any agreement relating to any such banking activities and defining the rights and powers of the parties thereto; and the authorizing of any officer of such bank to do any act or thing on the Trust's behalf to facilitate such banking activities, shall be transacted with such bank, trust company, or other firm or corporation carrying on a banking business as the Trustees may designate, appoint or authorize from time to time and shall be transacted on the Trust's behalf by one or more officers of the Trust as the Trustees may designate, appoint or authorize from time to time.

### 4.5 Standard of Care

The exclusive standard of care required of the Trustees in exercising their powers and carrying out their functions hereunder shall be that they exercise their powers and discharge their duties hereunder as Trustees honestly, in good faith and in the best interests of the Trust and the Unitholders and in connection therewith, that they exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Unless otherwise required by law, no Trustee shall be required to give bond, surety or security in any jurisdiction for the performance of any duties or obligations hereunder. The Trustees in their capacity as Trustees shall not be required to devote their entire time to the investments, business or affairs of the Trust.

No Trustee shall be liable in carrying out such Trustee's duties under this Declaration of Trust except in cases where the Trustee fails to act honestly, in good faith and in the best interests of the Trust and the Unitholders or, in connection therewith, fails to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The duties and standard of care of the Trustees provided as aforesaid are intended to be similar to, and not to be any greater than, those imposed on a director of a corporation governed by the *Canada Business Corporations Act*.

**4.6 Fees and Expenses**

As part of the expenses of the Trust, the Trustees may pay or cause to be paid out of the Trust's property, reasonable fees, costs and expenses incurred in connection with the administration and management of the Trust, including (without limitation) real property and brokerage commissions in respect of investments and dispositions of real property made by the Trust, fees of auditors, accountants, lawyers, engineers, appraisers and other agents, consultants and professional advisors employed by or on behalf of the Trust, fees of stock exchanges and the cost of reporting or giving notices to Unitholders. All costs, charges and expenses properly incurred by the Trustees on behalf of the Trust shall be payable out of the Trust's property.

**4.7 Reliance Upon Trustees**

Any person dealing with the Trust in respect of any matters pertaining to the assets of the Trust and any right, title or interest therein or to securities of the Trust shall be entitled to rely on a certificate or statutory declaration (including, without limiting the foregoing, a certificate or statutory declaration as to the passing of a resolution of the Trustees) executed by any single Trustee or officer of the Trust or, without limiting the foregoing, such other person as may be authorized by the Trustees as to the capacity, power and authority of the Trustees or any such other person to act for and on behalf and in the name of the Trust. No person dealing with the Trustees or officers of the Trust shall be bound to see to the application of any funds or property passing into the hands or control of the Trustees. The receipt by or on behalf of the Trustees or officers of the Trust for monies or other consideration shall be binding upon the Trust.

**4.8 Determinations of Trustees Binding**

All determinations of the Trustees which are made in good faith with respect to any matters relating to the Trust, including, without limitation, whether any particular investment or disposition meets the requirements of this Declaration of Trust, shall be final and conclusive and shall be binding upon the Trust and all Unitholders (and, where the Unitholder is ~~a~~an Exempt Plan, or other similar fund or plan registered under the Tax Act, upon plan beneficiaries and plan holders past, present and future) and Units of the Trust shall be issued and sold on the condition and understanding that any and all such determinations shall be binding as aforesaid.

**4.9 Limitations on Liability of Trustees**

(a) Subject to the standard of care set forth in Section 4.5, none of the Trustees nor any officers, employees or agents of the Trust shall be liable to any Unitholder or any other person in tort, contract or otherwise for any action taken or not taken in good faith in reliance on any documents that are, *prima facie*, properly executed; for any depreciation of, or loss to, the Trust incurred by reason of the sale of any security; for the loss or disposition of monies or securities; for any action or failure to act by any person to whom the Trustees are permitted to delegate and have delegated any of their duties hereunder; or for any other action or failure to act including, without limitation, the failure to compel in any way any former Trustee to redress any breach of trust or any

failure by any person to perform obligations or pay monies owed to the Trust, unless such liabilities arise out of a breach of the standard of care, diligence and skill as set out in Section 4.5. If the Trustees have retained an appropriate expert, advisor or legal counsel with respect to any matter connected with their duties under this Declaration of Trust, the Trustees may act or refuse to act based on the advice of such expert, advisor or legal counsel and, notwithstanding any provision of this Declaration of Trust, including, without limitation, the standard of care, diligence and skill set out in Section 4.5 hereof, the Trustees shall not be liable for and shall be fully protected from any action or refusal to act based on the advice of any such expert, advisor or legal counsel which it is reasonable to conclude is within the expertise of such expert or advisor to give.

(b) The Trustees shall not be subject to any personal liability for any debts, liabilities, obligations, claims, demands, judgments, costs, charges or expenses against or with respect to the Trust arising out of anything done or permitted or omitted to be done in respect of the execution of the duties of the office of Trustees for or in respect to the affairs of the Trust unless such Trustee shall have failed to meet the standard of care set out in Section 4.5. No property or assets of the Trustees, owned in their personal capacity or otherwise, will be subject to any levy, execution or other enforcement procedure with regard to any obligations under this Declaration of Trust or under any other related agreements unless such Trustee shall have failed to meet the standard of care set out in Section 4.5. No recourse may be had or taken, directly or indirectly, against the Trustees in their personal capacity or against any incorporator, shareholder, director, officer, employee or agent of the Trustees or any successor of the Trustees unless such Trustee shall have failed to meet the standard of care set out in Section 4.5. The Trust shall be solely liable therefor and resort shall be had solely to the Trust's property for payment or performance thereof unless such Trustee shall have failed to meet the standard of care set out in Section 4.5.

In the exercise of the powers, authorities or discretion conferred upon the Trustees under this Declaration of Trust, the Trustees are and shall be conclusively deemed to be acting as trustees of the Trust's property.

**4.10 Conflict of Interest**

(a) ~~Subject to Section 17.20, if~~If a Trustee or officer of the Trust:

(i) is a party to a material contract or transaction or proposed material contract or transaction with the Trust (or an affiliate thereof), including a material contract or transaction involving the making or disposition of any investment in real property or a joint venture agreement; or

(ii) is a director or officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Trust (or an affiliate thereof),

such Trustee or officer of the Trust shall disclose in writing to the Trustees or request to have entered into the minutes of meetings of the Trustees the nature and extent of such interest as follows:

(iii) the disclosure required in the case of a Trustee shall be made:

(A) at the meeting of Trustees at which a proposed contract or transaction is first considered;

(B) if the Trustee was not then interested in a proposed contract or transaction, at the first such meeting after he becomes so interested;

(C) if the Trustee becomes interested after a contract is made or a transaction is entered into, at the first meeting after he becomes so interested; or

(D) if a person who is interested in a contract or transaction later becomes a Trustee, at the first such meeting after he becomes a Trustee;

(iv) the disclosure required in the case of an officer of the Trust who is not a Trustee shall be made:

(A) forthwith after such person becomes aware that the contract or transaction or proposed contract or transaction is to be considered or has been considered at a meeting of the Trustees;

(B) if such person becomes interested after a contract is made or transaction is entered into, forthwith after such person becomes aware that he has become so interested; or

(C) if a person who is interested in a contract or a transaction later becomes an officer of the Trust, forthwith after he becomes an officer of the Trust.

(b) Notwithstanding Subsections 4.10(a)(i) and 4.10(a)(ii), where this Section applies to any person in respect of a material contract or transaction or proposed material contract or transaction that, in the ordinary course of the affairs of the Trust, would not require approval by the Trustees or the Unitholders, such person shall disclose in writing to the Trustees or request to have entered into the minutes of meetings of the Trustees the nature and extent of such person's interest forthwith after such person becomes aware of the contract or transaction or proposed contract or transaction.

(c) A Trustee referred to in this Section 4.10 shall not vote on any resolution to approve the said contract or transaction unless the contract or transaction is:

(i) one relating primarily to such Trustee's remuneration as a Trustee, officer, employee or agent of the Trust; ~~or~~

(ii) one for indemnity of such Trustee under Section 16.1 hereof or the purchase of liability insurance~~;~~; or

(iii) one relating to a person of which the Trust is a "control person" (as such term is defined in the Securities Act (Ontario) (an "**Equity Investee**"), so long as (A) such Trustee does not beneficially own or exercise control or direction over, other than through its interest in the Trust, more than five per cent of any class of voting or equity securities of the Equity Investee, (B) such Trustee is not involved in any approvals as a director or trustee of the Equity Investee (to the extent applicable) with respect to said contract or transaction, and (C) such

Trustee does not otherwise have a material interest in such contract or transaction,

provided, however, that the presence of such Trustee at the relevant meeting or the written recognition by such Trustee of any resolution in writing shall be counted toward any quorum requirement or requirement that at least a minimum number of Trustees act. ~~In the event that Paul Dalla Lana is not permitted to vote on any resolution pursuant to this Section 4.10(c), none of the NW Trust Trustees shall be permitted to vote on such resolution.~~

(d) For the purposes hereof, a general notice to the Trustees by a Trustee or an officer of the Trust disclosing that such person is a director or officer of or has a material interest in a person and is to be regarded as interested in any contract made or any transaction entered into with that person, is a sufficient disclosure of interest in relation to any contract so made or transaction so entered into. In the event that a meeting of Unitholders is called to confirm or approve a contract or transaction which is the subject of a general notice to the Trustees, the notice and extent of the interest in the contract or transaction of the person giving such general notice shall be disclosed in reasonable detail in the notice calling the said meeting of Unitholders or in any information circular to be provided by this Declaration of Trust or by law.

(e) Where a material contract is made or a material transaction is entered into between the Trust and a Trustee or an officer of the Trust, or between the Trust and another person in which a Trustee or an officer of the Trust is a director or officer or in which he has a material interest:

(i) such person is not accountable to the Trust or to the Unitholders for any profit or gain realized from the contract or transaction; and

(ii) the contract or transaction is neither void nor voidable, by reason only of that relationship or by reason only that such person is present at or is counted to determine the presence of a quorum at the meeting of the Trustees that authorized the contract or transaction, if such person disclosed such person's interest in accordance with this Section 4.10, and the contract or transaction was reasonable and fair to the Trust at the time it was so approved.

(f) Notwithstanding anything in this Section 4.10, but without limiting the effect of Subsection 4.10(c) hereof, a Trustee or an officer of the Trust, acting honestly and in good faith, is not accountable to the Trust or to the Unitholders for any profit or gain realized from any such contract or transaction by reason only of such person holding such office or position, and the contract or transaction, if it was reasonable and fair to the Trust at the time it was approved, is not by reason only of such person's interest therein void or voidable, where:

(i) the contract or transaction is confirmed or approved at a meeting of Unitholders duly called for that purpose; and

(ii) the nature and extent of such person's interest in the contract or transaction are disclosed in reasonable detail in the notice calling the meeting or in any information circular to be provided by this Declaration of Trust or by law.

(g) Subject to Subsections 4.10(c), 4.10(e) and 4.10(f) hereof, where a Trustee or an officer of the Trust fails to disclose such person's interest in a ~~Material Agreement or~~ material contract or transaction in accordance with this Declaration of Trust or otherwise fails to comply with this Section 4.10, the Trustees or any Unitholder, in addition to exercising any other rights, or remedies in connection with such failure exercisable at law or in equity, may apply to a court for an order setting aside the contract or transaction and directing that such person account to the Trust for any profit or gain realized.

### 4.11 Conditions Precedent

The obligation of the Trustees to commence or continue any act, action, suit or proceeding or to represent the Trust in any action, suit or proceeding shall be conditional upon sufficient funds being available to the Trustees from the Trust's property to commence or continue such act, action, suit or proceeding or to represent the Trust in any action, suit or proceeding and an indemnity reasonably satisfactory to the Trustees to protect and hold harmless the Trustees against the costs, charges and expenses and liabilities to be incurred therein and any loss and damage it may suffer by reason thereof. None of the provisions contained in this Declaration of Trust shall require the Trustees to expend or risk their own funds or otherwise incur financial liability in the performance of their duties or in the exercise of any of their rights or powers unless they are given an indemnity and funding satisfactory to the Trustees, acting reasonably.

## ARTICLE 5
## OFFICERS OF THE TRUST

### 5.1 General

The Trust shall have a Chair of Trustees, and may have one or more other officers as the Trustees may appoint from time to time, including without limitation a Chief Executive Officer and Chief Financial Officer. Any officer of the Trust, other than the Chair of Trustees may, but need not be, a Trustee. One person may hold two or more offices. Officers of the Trust may be appointed and, without prejudice to rights under any employment contract, removed or discharged, and their powers, responsibilities and remuneration determined by the Trustees and, in the absence of such determination, their responsibilities shall be those usually applicable to the office held. All officers so appointed shall be Residents.

### 5.2 Chair of Trustees

The Chair of Trustees shall be appointed from among the Trustees ~~provided that the Chair of Trustees shall be a non-executive appointment~~. When present, the Chair of Trustees shall be chairperson of meetings of Trustees and Unitholders and shall have such other powers and duties as the Trustees may determine from time to time to manage the affairs of the board of Trustees and monitor the effectiveness of the Trustees.

### 5.3 Senior Management

The responsibilities of senior management of the Trust shall include, but not be limited to, the following activities:

(a) providing the board of Trustees with information and advice relating to the operation of the Trust's properties, acquisitions and financings;

(b) establishing, at least on an annual basis, investment and operating plans for the ensuing period;

(c) conducting and supervising the due diligence required in connection with proposed acquisitions and completing any acquisitions or dispositions;

(d) maintaining the books and financial records of the Trust;

(e) determining and preparing designations, elections and determinations to be made in connection with the income and capital gains of the Trust for tax and accounting purposes;

(f) preparing reports and other information required to be sent to Unitholders and other persons, including investment dealers, lenders and professionals; and

(g) administering or supervising the administration, on behalf of the board of Trustee, of the payment of distributions by the Trust.

**5.4 Term of Office**

The Chair of Trustees and any officer appointed by the Trustees shall hold such position until his or her successor is elected or appointed, provided, without prejudice to rights under any employment contract, that the Trustees may at any time remove an officer from office at any time in their sole discretion.

**5.5 Independent Contractors**

Any office of the Trust appointed by the Trustees may be held by an individual who is not an employee of the Trust but has been retained by the Trust to hold such office pursuant to an independent service agreement entered into between the Trust and that individual or that individual's employer.

## ARTICLE 6
## INVESTMENT GUIDELINES AND OPERATING POLICIES

**6.1 Investment Guidelines**

Notwithstanding any other provision hereof, the assets of the Trust may be invested only with the approval of the Trustees and only in accordance with the following restrictions:

(a) ~~The~~the Trust may only invest, directly or indirectly, in interests (including fee ownership and leasehold interests) in income-producing ~~commercial~~ real estate ~~located primarily in Canada~~ and assets ancillary thereto necessary for the operation of such real estate and such other activities as are consistent with the ~~investment guidelines included in this Section 6.1 and the~~ other investment guidelines of the Trust;

(b) notwithstanding anything else contained in this Declaration of Trust, the Trust shall not make or hold any investment, take any action or omit to take any action ~~that would result in Units not being units of a "mutual fund trust" within the meaning of the Tax Act or that would result in the Units not being qualified investments for Plans;~~or permit a subsidiary to make or hold any investment or take any action or omit to take any action that would result in:

~~(c) the Trust shall not invest in any interest in a single real property that derives less than 50% of its revenue from Institutional Tenants if, after giving effect to the proposed investment, the cost to the Trust of such investment (net of the amount of debt incurred~~

~~or assumed in connection with such investment) will exceed 20% of Gross Book Value at the time the investment is made;~~

(i) the Trust not qualifying as a "mutual fund trust" or "unit trust" both within the meaning of the Tax Act; or

(ii) Units not qualifying as qualified investments for Exempt Plans;

(c) ~~(d) the Trust may, directly or indirectly, invest in a joint venture arrangement for the purposes of owning interests or investments otherwise permitted to be held by the Trust, provided that such joint venture arrangement contains terms and conditions which, in the opinion of management, are commercially reasonable, including without limitation such terms and conditions relating to restrictions on the transfer, acquisition and sale of the Trust's and any joint venturer's interest in the joint venture arrangement, provisions to provide liquidity to the Trust, provisions to limit the liability of the Trust and its Unitholders to third parties, and provisions to provide for the participation of the Trust in the management of the joint venture arrangement. For purposes hereof, a joint venture arrangement is an arrangement between the Trust and one or more other persons pursuant to which the Trust, directly or indirectly, conducts an undertaking for one or more of the purposes set out in the investment guidelines of the Trust and in respect of which the Trust may hold its interest jointly or in common or in another manner with others either directly or through the ownership of securities of a corporation or other entity;~~the Trust may make its investments and conduct its activities, directly or indirectly, through an investment in one or more persons on such terms as the Trustees may from time to time determine, including by way of joint ventures, partnerships (general or limited) and limited liability companies;

~~(e) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, short-term government debt securities or money market instruments maturing prior to one year from the date of issue and except as permitted pursuant to the investment guidelines and operating policies of the Trust, the Trust may not hold securities of a person other than to the extent such securities would constitute an investment in real property (as determined by the Trustees) and provided further that, notwithstanding anything contained in the Declaration of Trust to the contrary, but in all events subject to Subsection (b) above, the Trust may acquire securities of other real estate investment trusts;~~

(d) ~~(f)~~ the Trust shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as ~~ancillary~~incidental to an investment in real property;

~~(g) the Trust shall not invest, directly or indirectly, in operating businesses unless such investment is an indirect investment and is incidental to a transaction:~~

~~(i) where revenue will be derived, directly or indirectly, principally from real property; or~~

~~(ii) which principally involves the ownership, maintenance, improvement, leasing or management, directly or indirectly, of real property (in each case as determined by the Trustees);~~

(e) ~~(h)~~ the Trust shall not invest in raw land for development, except ~~(i) for existing properties with additional development or properties adjacent to existing properties of~~

~~the Trust for the purpose of the renovation or expansion of existing properties, or (ii)~~for the development of new properties which ~~will be~~may become capital property of the Trust, provided that the aggregate value of the investments of the Trust in raw land, excluding raw land under development~~, after giving effect to the proposed investment, will not exceed 5~~ which may be capital property, after giving effect to the proposed investment, will not exceed 10% of the Gross Book Value;

~~(i) the Trust may invest in mortgages and mortgage bonds (including participating or convertible mortgages) and similar instruments where:~~

~~(i) the real property which is security therefor is income producing real property which otherwise meets the other investment guidelines of the Trust; and~~

~~(ii) the aggregate book value of the investments of the Trust in mortgages, after giving effect to the proposed investment, will not exceed 15% of Gross Book Value; and~~

(f) ~~(i)~~ the Trust may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any debt incurred or assumed in connection with such investment) up to ~~15~~25% of the Gross Book Value ~~of the Trust~~ in investments which do not comply with one or more of ~~Subsections 6.1(a), 6.1(d), 6.1(e), 6.1(g) and 6.1(h~~the investment guidelines in this Section 6.1 so long as the investment does not contravene Section 6.1(b).

For the purpose of the foregoing restrictions, the assets, liabilities and transactions of a corporation or other entity wholly or partially-owned by the Trust will be deemed to be those of the Trust on a proportionate consolidation basis. In addition, any references in the foregoing to investment in real property will be deemed to include an investment in a joint venture arrangement that invests in real property.

**6.2 Operating Policies**

The operations and affairs of the Trust are to be conducted in accordance with the following policies:

~~(a) the Trust shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof, the term "hedging" has the meaning ascribed thereto by National Instrument 81-102 — *Mutual Funds* adopted by the Canadian Securities Administrators, as replaced or amended from time to time;~~

(a) ~~(b)~~ (i) any written instrument creating an obligation which is or includes the granting by the Trust of a mortgage; and

(ii) to the extent the Trustees determine to be practicable and consistent with their fiduciary duties to act in the best interest of the Unitholders, any written instrument which is, in the judgment of the Trustees, a material obligation,

shall contain a provision, or be subject to an acknowledgement to the effect, that the obligation being created is not personally binding upon, and that resort must not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise the private property of any of the Trustees, Unitholders, annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the

Trust, but that only property of the Trust or a specific portion thereof is bound; the Trust, however, is not required, but must use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the Trust upon the acquisition of real property;

~~(c) the Trust shall not lease or sublease to any tenant that is not an Institutional Tenant any real property, premises or space where that person and its affiliates would, after the contemplated lease or sublease, be leasing or subleasing real property, premises or space having a fair market value net of encumbrances in excess of 20% of Gross Book Value;~~

(b) ~~(d)~~ subsidiaries of the Trust may engage in construction or development of real property~~:~~ ~~(i) to maintain its real properties in good repair or to improve the income producing potential of properties in which the Trust has an interest; and (ii) to develop new properties that will be capital properties of the Trust on completion, provided that the aggregate value of the investments of the Trust in properties under development after giving effect to the proposed investment in the construction or development, will not exceed 15% of the Gross Book Value~~ provided such real property meets the Trust's investment guidelines and operating policies;

(c) ~~(e)~~ title to each real property shall be held by and registered in the name of the Trust, the Trustees, or a corporation or other entity ~~wholly~~majority-owned, directly or indirectly, by the Trust or jointly-owned, directly or indirectly, by the Trust, with joint venturers;

~~(f) the Trust shall not incur or assume any indebtedness (other than by the assumption of existing indebtedness and the renewal, extension or modification thereof from time to time) or renew or refinance any indebtedness under a mortgage on any of the real property (other than on raw land and/or land under development and/or assumed debt) of the Trust where (i) in the case of an individual property, the total amount of indebtedness, excluding operating lines, secured by mortgages on such property exceeds 75% of the market value of such individual property; or (ii) in the case of more than one property or a pool or portfolio of properties, the total amount of indebtedness, excluding operating lines, secured by mortgages on such properties exceeds 75% of the market value of such properties on an aggregate basis;~~

(d) ~~(g)~~ the Trust shall not incur or assume any indebtedness if, after giving effect to the incurrence or assumption of such indebtedness, the total indebtedness of the Trust would be more than 65% of Gross Book Value;

(e) ~~(h)~~ the Trust shall not directly or indirectly guarantee any indebtedness or liabilities of any kind of a third party, except indebtedness or liabilities assumed or incurred by an entity in which the Trust holds an interest, directly or indirectly, or by an entity jointly owned by the Trust with joint venturers and operated solely for the purpose of holding a particular property or properties, where such indebtedness, if granted by the Trust directly, would cause the Trust to contravene its investment guidelines or operating policies. The Trust is not required but shall use its reasonable best efforts to comply with this requirement (i) in respect of obligations assumed by the Trust pursuant to the acquisition of real property; or (ii) if doing so is necessary or desirable in order to further the initiatives of the Trust permitted under the Declaration of Trust; and

(f) ~~(i)~~ the Trust shall directly or indirectly obtain and maintain at all times property insurance coverage in respect of potential liabilities of the Trust and the accidental loss of value of the assets of the Trust from risks, in amounts, with such insurers, and on such

terms as the Trustees consider appropriate, taking into account all relevant factors including the practice of owners of comparable properties~~; and~~

~~(j) the Trust shall obtain a Phase I environmental site assessment of each real property to be acquired by it and, if the Phase I environmental site assessment report recommends that a further environmental site assessment be conducted, the Trust shall have conducted such further environmental site assessments, in each case by an independent and experienced environmental consultant; as a condition to any acquisition such assessments shall be satisfactory to the Trustees~~.

For the purpose of the foregoing restrictions, the assets, liabilities and transactions of a corporation or other entity wholly or partially-owned by the Trust will be deemed to be those of the Trust on a proportionate consolidation basis. In addition, any references in the foregoing to investment in real property will be deemed to include an investment in a joint venture arrangement that invests in real property.

### 6.3 Amendments to Investment Guidelines and Operating Policies

All of the investment guidelines set out in Section 6.1 and the operating policies contained in Subsections 6.2(a), 6.2(~~b~~d), ~~6.2(f),~~ 6.2(~~g), 6.2(h), 6.2(i~~e) and 6.2(~~j~~f) may be amended only with the approval of two-thirds of the votes cast by Unitholders at a meeting called for such purpose. The remaining operating policies may be amended with the approval of a majority of the votes cast by Unitholders at a meeting called for such purpose.

### 6.4 Tax Status

~~The Trustees shall cause the Trust to elect, in its return of income for the first taxation year of the Trust, pursuant to Subsection 132(6.1) of the Tax Act, that the Trust be deemed to be a "mutual fund trust" for the purposes of the Tax Act from the date it was established, provided that prior to filing such return of income the Trust has sufficient unitholders so as to be entitled to make such election and has otherwise complied with the requirements thereof.~~ Notwithstanding anything else contained in this Declaration of Trust, the Trust shall not make any investment, take any action or omit to take any action that would result in the Trust failing or ceasing to qualify as a "mutual fund trust" within the meaning of the Tax Act and the Trust shall use its reasonable efforts not to be a SIFT Trust at any time, provided it is in the best interests of Unitholders as determined by the Trustees, acting reasonably.

### 6.5 Application of Investment Guidelines and Operating Policies

With respect to the investment guidelines and operating policies contained in Sections 6.1 and 6.2 and where any maximum or minimum percentage limitation is specified in any of the guidelines and policies therein contained, such guidelines and policies shall, unless otherwise specified, be applied on the basis of the relevant amounts calculated immediately after the making of such investment or the taking of such action. Any subsequent change relative to any percentage limitation, which results from a subsequent change in the Gross Book Value, will not require divestiture of any investment.

### 6.6 Regulatory Matters

If at any time a government or regulatory authority having jurisdiction over the Trust or any property of the Trust shall enact any law, regulation or requirement which is in conflict with any investment guideline of the Trust then in force (other than Subsection 6.1(b)), such guideline in conflict shall, if the Trustees on the advice of legal counsel to the Trust so resolve, be deemed to have been amended to the

extent necessary to resolve any such conflict and, notwithstanding anything to the contrary herein contained, any such resolution of the Trustees shall not require the prior approval of Unitholders.

## ARTICLE 7
## UNITS

### 7.1 Units

(a) The beneficial interests in the Trust shall be divided into interests of two classes, described and designated as "Trust Units" and "Special Voting Units", respectively, which shall be entitled to the rights and subject to the limitations, restrictions and conditions set out herein. Each Trust Unit and Special Voting Unit shall vest infeasibly in the holder thereof and the interest of each Unitholder shall be determined by the number of Trust Units and Special Voting Units registered in the name of the Trust Unitholder and Special Voting Unitholder, respectively.

(b) The interest of each Unitholder shall be determined by the number of Units registered in the name of the Unitholder. The number of Trust Units and Special Voting Units that the Trust may issue shall be unlimited.

(c) The issued and outstanding Trust Units and Special Voting Units may be subdivided or consolidated from time to time by the Trustees without notice to or approval of the Unitholders.

### 7.2 Special Voting Units

(a) Special Voting Units shall have no economic entitlement in the Trust but shall entitle the holder to one vote per Special Voting Unit at any meeting of the Unitholders. Special Voting Units may only be issued in connection with or in relation to ~~Exchangeable~~Redeemable Units for the purpose of providing voting rights with respect to the Trust to the holders of such securities.

(b) Special Voting Units shall not be transferable separately from the ~~Exchangeable~~Redeemable Units to which they are attached, except to an affiliate of the holder, and will automatically be transferred upon the transfer of any such ~~Exchangeable~~Redeemable Unit.

(c) Upon the exchange or surrender of an ~~Exchangeable~~Redeemable Unit for a Trust Unit, the Special Voting Unit attached to such ~~Exchangeable~~Redeemable Unit will automatically be redeemed and cancelled for no consideration without any further action of the Trustees, and the former holder of such Special Voting Unit will cease to have any rights with respect thereto.

(d) Concurrently with the issuance of Special Voting Units attached to ~~Exchangeable~~Redeemable Units issued from time to time by the Limited Partnership, the Trust shall enter into such agreements (including the ~~Exchange Agreement and the~~ agreement of limited partnership of the Limited Partnership) as may be necessary or desirable to properly provide for the terms of the ~~Exchangeable~~Redeemable Units, including to provide for the voting of such Special Voting Units.

**7.3 Trust Units**

Each Trust Unit shall represent a proportionate, undivided beneficial ownership interest in the Trust and shall confer the right to one vote at any meeting of Unitholders and to participate *pro rata* in any distributions by the Trust and, in the event of termination or winding-up of the Trust, in the net assets of the Trust remaining after satisfaction of all liabilities. No Trust Unit shall have any preference or priority over any other. Trust Units shall rank among themselves equally and rateably without discrimination, preference or priority. Trust Units will be fully paid and non-assessable when issued (unless issued on an instalment receipt basis) and are transferable.

**7.4 Consideration for Units**

No Units shall be issued other than as fully paid and non-assessable. A Unit shall not be fully paid until the consideration therefor has been received in full by or on behalf of the Trust. The consideration for any Unit shall be paid in money or in property or in past services that are not less in value than the fair equivalent of the money that the Trust would have received if the Unit had been issued for money. In determining whether property or past services are the fair equivalent of consideration paid in money, the Trustees may take into account reasonable charges and expenses of organization and reorganization and payments for property and past services reasonably expected to benefit the Trust.

~~**7.5 Re-Purchase of Initial Unit by Trust**~~

~~Immediately after the issuance of the Units as contemplated in the Prospectus, the Trust will re-purchase the Initial Trust Unit from the Initial Unitholder, and the Initial Unitholder will sell the Initial Trust Unit to the Trust, for a purchase price of $10 and, upon the completion of such purchase and sale, the Initial Trust Unit shall be cancelled and shall no longer be outstanding for any purpose of this Declaration of Trust.~~

**7.5 ~~7.6~~ Pre-Emptive Rights**

Subject to any binding agreement entered into by the Trust, no person shall be entitled, as a matter of right, to subscribe for or purchase any Units of the Trust. There are no pre-emptive rights attaching to the Units except as set out in the ~~Exchange~~Investor Rights Agreement.

**7.6 ~~7.7~~ Fractional Units**

If as a result of any act of the Trustees hereunder any person becomes entitled to a fraction of a Unit, such person shall not be entitled to receive a certificate therefor. ~~Following the Offering, fractional~~Fractional Units shall not, except to the extent that they may represent in the aggregate one or more whole Units, entitle the holders thereof to notice of or to attend or to vote at, meetings of Unitholders. Subject to the foregoing, such fractional Units shall have attached thereto the rights, restrictions, conditions and limitations attaching to whole Units in the proportion that they bear to a whole Unit.

**7.7 ~~7.8~~ Allotment and Issue**

Subject to the pre-emptive and registration rights of ~~NW Trust~~NWVP contained in the ~~Exchange~~Investor Rights Agreement, the Trustees may allot and issue Units at such time or times and in such manner (including, without limitation, pursuant to any plan from time to time in effect relating to reinvestment by Unitholders of distributions of the Trust in Units and as consideration for the acquisition of new properties or assets, at a price or for such consideration as determined by the Trustees) and for such consideration and to such person, persons or class of persons as the Trustees in their sole discretion shall

determine, except that Special Voting Units may only be issued in connection with or in relation to ~~class B limited partnership units of the Limited Partnership~~Redeemable Units for the purpose of providing voting rights to the holders of such securities with respect to the Trust. In the event that Units are issued in whole or in part for a consideration other than money, the resolution of the Trustees allotting and issuing such Units shall express the fair equivalent in money of the other consideration received. The price or value of the consideration for which Units may be issued will be determined by the Trustees in their sole discretion, generally in consultation with investment dealers or brokers who may act as underwriters in connection with offerings of Units.

**7.8 ~~7.9~~ Rights, Warrants and Options**

The Trust may create and issue rights, warrants or options or other instruments or securities to subscribe for fully paid Units which rights, warrants, options, instruments or securities may be exercisable at such subscription price or prices and at such time or times as the Trustees may determine. The rights, warrants, options, instruments or securities so created may be issued for such consideration or for no consideration, all as the Trustees may determine. A right, warrant, option, instrument or security shall not be a Unit and a holder thereof shall not be a Unitholder. Upon the approval by the Trustees of any unit option plan for the Trustees, officers and/or employees of the Trust or any subsidiary of the Trust and/or their personal holding companies or family trusts and/or persons who provide services to the Trust, the Trustees may grant options upon the terms and subject to the conditions set forth in such plan.

Subject to the provisions of Article 6 hereof, the Trustees may create and issue indebtedness of the Trust in respect of which interest, premium or principal payable thereon may be paid, at the option of the Trust or the holder, in fully paid Units, or which indebtedness, by its terms, may be convertible into Units at such time and for such prices as the Trustees may determine. Any indebtedness so created shall not be a Unit and a holder thereof shall not be a Unitholder unless and until fully paid Units are issued in accordance with the terms of such indebtedness.

**7.9 ~~7.10~~ Commissions and Discounts**

The Trustees may provide for the payment of commissions or may allow discounts to persons in consideration of their subscribing or agreeing to subscribe, whether absolutely or conditionally, for Units or other securities issued by the Trust or of their agreeing to procure subscriptions therefor, whether absolute or conditional.

**7.10 ~~7.11~~ Transferability**

The Trust Units are freely transferable and, except as stipulated in Section ~~7.12~~7.11, the Trustees shall not impose any restriction on the transfer of Trust Units by any Trust Unitholder except with the consent of such Trust Unitholder. Special Voting Units will not be transferable separately from the ~~Exchangeable~~Redeemable Units to which they are attached, except to an affiliate of the holder, and will be automatically transferred upon the transfer of such ~~Exchangeable~~Redeemable Unit.

**7.11 ~~7.12~~ Transfer of Units**

(a) Subject to the provisions of this Article 7, the Units shall be for all purposes of the Trust and this Declaration of Trust, personal and moveable property, and the Units shall be fully transferable without charge as between persons, but no transfer of Units shall be effective as against the Trustees or shall be in any way binding upon the Trustees until the transfer has been recorded on the Register maintained by the Trustees, the Trust or the Transfer Agent. No transfer of a Unit shall be recognized unless such transfer is of a whole Unit.

(b) Subject to the provisions of this Article 7, Units shall be transferable on the Register only by the holders of record thereof or their executors, administrators or other legal representatives or by their agents or attorneys duly authorized in writing, and only upon delivery to the Trust or to the Transfer Agent of the certificate therefor, properly endorsed or accompanied by a duly executed instrument of transfer or power of attorney and accompanied by all necessary transfer or other taxes imposed by law, together with such evidence of the genuineness of such endorsement, execution and authorization and other matters that may reasonably be required by the Trustees or the Transfer Agent. Upon such delivery the transfer shall be recorded on the Register or branch transfer registers and a new Unit Certificate for the Units shall be issued to the transferee and a new Unit Certificate for the balance of Units not transferred shall be issued to the transferor.

(c) Unit Certificates representing any number of Trust Units may be exchanged without charge for Unit Certificates representing an equivalent number of Trust Units in the aggregate. Any exchange of Unit Certificates may be made at the offices of the Trust or the Transfer Agent where registers are maintained for Unit Certificates pursuant to the provisions of this Article 7. Any Unit Certificates tendered for exchange shall be surrendered to the Trustees or appropriate Transfer Agent and then shall be cancelled.

**7.12 ~~7.13~~ Non-Resident Ownership Constraint**

At no time may Non-Residents be the beneficial owners of more than 49% of the Trust Units or the Units then outstanding and the Trustees will inform the Transfer Agent and Registrar of this restriction. The Trustees may require declarations as to the jurisdictions in which beneficial owners of Units are resident for the purposes of the Tax Act. If the Trustees become aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 49% of the Trust Units or the Units then outstanding are, or may be, Non-Residents or that such a situation is imminent, the Trustees may make a public announcement thereof and the Transfer Agent shall not accept a subscription for Units from or issue Units to a person unless the person provides a declaration that the person is not a Non-Resident.

If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Trust Units or the Units are held by Non-Residents, the Trustees may send a notice to Non-Resident holders of Units, chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may, on behalf of such Unitholders sell such Units without further notice and, in the interim, must suspend the voting and distribution rights attached to such Units. Upon such sale the affected holders shall cease to be holders of Units and their rights will be limited to receiving the net proceeds of sale, subject to the right to receive payment of any distribution declared by the Trustees which is unpaid and owing to such Unitholders. The Trustees shall have no liability for the amount received provided that they act in good faith.

For greater certainty, the Trust may sell Units in accordance with the terms hereof despite the fact that the Trust does not possess the Unit Certificate or Unit Certificates, if any, representing the Units at the time of the sale. Where, in accordance with this Section ~~7.13~~7.12, Units are sold by the Trust without possession of the Unit Certificate or Unit Certificates, if any, representing the same and, after the sale, a person establishes that it is a *bona fide* purchaser without notice of the Units from the Unitholder, then, subject to applicable law:

(a) the Trust shall be entitled to treat the Units so purchased by the *bona fide* purchaser as validly issued and outstanding Units in addition to the Units sold by the Trust; and

(b) notwithstanding any other provisions of this Declaration of Trust, the Trust is entitled to the deposit made with respect to such sale and shall add the amount of the deposit to the capital account maintained by the Trust in respect of outstanding Units.

The Trustees shall have the sole right and authority to make any determination required or contemplated under this Section ~~7.13~~7.12. The Trustees shall make all determinations necessary for the administration of the provisions of this Section ~~7.13~~7.12 and, without limiting the generality of the foregoing, if the Trustees consider that there are reasonable grounds for believing that a contravention of the non-resident ownership restriction has occurred or will occur, the Trustees shall make a determination with respect to the matter. Any such determination shall be conclusive, final and binding except to the extent modified by any subsequent determination by the Trustees. Notwithstanding the foregoing, the Trustees may delegate, in whole or in part, their power to make a determination to any officer of the Trust.

**7.13 ~~7.14~~ Book-Based System**

The provisions of this Section ~~7.14~~7.13 shall not in any way alter the nature of Units or the relationships of a Unitholder to the Trustees and of one Unitholder to another but are intended only to facilitate the issuance of certificates evidencing the ownership of Units, if desirable to issue them to Unitholders, and the recording of all transactions in respect of Units and Unit Certificates whether by the Trust, securities dealers, stock exchanges, transfer agents, registrars or other persons.

At the option of the Trustees, one or more Global Unit Certificates (each a "**Global Unit Certificate**") may be issued in the name of and deposited by the Transfer Agent with, or on behalf of, CDS as custodian of such Global Unit Certificate and registered by the Transfer Agent in the name of CDS or its nominee. No beneficial holder of Units represented in part by a Global Unit Certificate will be entitled to a certificate or other instrument from the Trust or CDS evidencing that beneficial holder's ownership thereof except in the circumstances where CDS resigns or is removed from its responsibilities as depository and the Trust is unable or does not wish to locate a qualified successor. Beneficial interests in a Global Unit Certificate will be represented only through the Book-Entry System. Transfers of Trust Units between CDS Participants shall occur in accordance with CDS's rules and procedures.

Units issued in the form of a Global Unit Certificate will be issued in fully registered form to holders or their nominees, other than CDS or its nominee, only if: (i) the Trust is required to do so by applicable law; (ii) the depository system of CDS ceases to exist; (iii) the Trust determines that CDS is no longer willing or able or qualified to discharge properly its responsibility as depository and the Trust is unable to locate a qualified successor; or (iv) the Trust at its option elects to terminate the Book-Entry System in respect of such Units through CDS.

All references herein to actions by, notices given or payments made to Unitholders shall, where such Units are held through CDS, refer to actions taken by, or notices given or payments made to, CDS upon instruction from the CDS Participants in accordance with CDS's rules and procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of Unitholders evidencing a specified percentage of the aggregate Units outstanding, such direction or consent may be given by Unitholders acting through CDS and the CDS Participants owning Units evidencing the requisite percentage of the Units. The rights of a Unitholder whose Units are held through CDS shall be exercised only through CDS and the CDS Participants and shall be limited to those established by law and agreements between such Unitholders and CDS and/or the CDS Participants or upon instruction from the CDS Participants. Each of the Transfer Agent and the Trustees may deal with CDS for all purposes (including the making of payments) as the authorized representative of the

respective Unitholders and such dealing with CDS shall constitute satisfaction or performance, as applicable, towards their respective obligations hereunder.

For so long as Units are held through CDS, if any notice or other communication is required to be given to Unitholders holding such Units, the Trustees and the Transfer Agent will give all such notices and communications to CDS.

If CDS resigns or is removed from its responsibilities as depository and the Trustees are unable or do not wish to locate a qualified successor, CDS shall surrender the Global Unit Certificate to the Transfer Agent with instructions from CDS for registration of Units in the name and in the amounts specified by CDS and the Trust shall issue and the Trustee and Transfer Agent shall execute and deliver the aggregate number of Units then outstanding in the form of definitive Unit Certificates representing such Units.

**7.14 ~~7.15~~ Redemption of Trust Units**

(a) Each Trust Unitholder shall be entitled to require the Trust to redeem at any time or from time to time at the demand of the Trust Unitholder all or any part of the Trust Units registered in the name of the Trust Unitholder at the prices determined and payable in accordance with the conditions hereinafter provided.

(b) (i) To exercise a Trust Unitholder's right to require redemption under this Section ~~7.15~~7.14, a duly completed and properly executed notice requiring the Trust to redeem Trust Units, in a form reasonably acceptable to the Trustees, together with written instructions as to the number of Trust Units to be redeemed, shall be sent to the Transfer Agent with a copy to the Trust at the head office of the Trust. A Unitholder not otherwise holding a registered Trust Unit certificate that wishes to exercise the redemption right will be required to obtain a redemption notice form from the Unitholder's investment dealer who will be required to deliver the completed redemption notice form to the Trust and to CDS. No form or manner of completion or execution shall be sufficient unless the same is in all respects reasonably acceptable to the Trustees and is accompanied by any further evidence that the Trustees may reasonably require with respect to the identity, capacity or authority of the person giving such notice.

(ii) Upon receipt by the Transfer Agent and the Trust of the notice to redeem Trust Units, the Trust Unitholder shall thereafter cease to have any rights with respect to the Trust Units tendered for redemption (other than to receive the redemption payment therefor) including the right to receive any distributions thereon which are declared payable to the Trust Unitholders of record on a date which is subsequent to the day of receipt by the Trust of such notice. Trust Units shall be considered to be tendered for redemption on the date that the Trust has, to the satisfaction of the Trustees, received the notice and other required documents or evidence as aforesaid.

(c) (i) Upon receipt by the Transfer Agent and the Trust of the notice to redeem Trust Units in accordance with this Section ~~7.15~~7.14, the holder of the Trust Units tendered for redemption shall be entitled to receive a price per Trust Unit (the "**Redemption Price**") equal to the lesser of:

(A) 90% of the "market price" of the Trust Units calculated on the date (the "**Redemption Date**") on which the Trust Units were surrendered for redemption; and

(B) 100% of the "closing market price" on the principal market on which the Trust Units are listed for trading, on the Redemption Date;

For the purposes of this calculation, "market price" as at a specified date will be:

(x) an amount equal to the weighted average trading price of a Trust Unit on the principal exchange or market on which the Trust Units are listed or quoted for trading during the period of 10 consecutive trading days ending on such date;

(y) an amount equal to the weighted average of the closing market prices of a Trust Unit on the principal exchange or market on which the Trust Units are listed or quoted for trading during the period of 10 consecutive trading days ending on such date, if the applicable exchange or market does not provide information necessary to compute a weighted average trading price; or

(z) if there was trading on the applicable exchange or market for fewer than five of the 10 trading days, an amount equal to the simple average of the following prices established for each of the 10 consecutive trading days ending on such date: the simple average of the last bid and last asking price of the Trust Units for each day on which there was no trading; the closing price of the Trust Units for each day that there was trading if the exchange or market provides a closing price; and the simple average of the highest and lowest prices of the Trust Units for each day that there was trading, if the market provides only the highest and lowest prices of Trust Units traded on a particular day.

The "closing market price" of a Trust Unit for the purpose of the foregoing calculations, as at any date will be:

(w) an amount equal to the weighted average trading price of a Trust Unit on the principal exchange or market on which the Trust Units are listed or quoted for trading on the specified date and the principal exchange or market provides information necessary to compute a weighted average trading price of the Trust Units on the specified date;

(x) an amount equal to the closing price of a Trust Unit on the principal market or exchange if there was a trade on the specified date and the principal exchange or market provides only a closing price of the Trust Units on the specified date;

(y) an amount equal to the simple average of the highest and lowest prices of the Trust Units on the principal market or exchange, if there was trading on the specified date and the principal exchange or market provides only the highest and lowest trading prices of the Trust Units on the specified date; or

(z) the simple average of the last bid and last asking prices of the Trust Units on the principal market or exchange, if there was no trading on the specified date.

If Trust Units are not listed or quoted for trading in a public market, the Redemption Price will be the fair market value of the Trust Units, which will be determined by the Trustees in their sole discretion.

(ii) Subject to Subsections ~~7.15~~7.14(d) and ~~7.15~~7.14(e), the Redemption Price payable in respect of the Trust Units tendered for redemption during any calendar month shall be paid by cheque, drawn on a Canadian chartered bank or a trust company in lawful money of Canada, payable at par to, or to the order of, the Unitholder who exercised the right of redemption within 30 days after the end of the calendar month in which the Trust Units were tendered for redemption. Payments made by the Trust of the Redemption Price are conclusively deemed to have been made upon the mailing of a cheque in a postage prepaid envelope addressed to the former Unitholder unless such cheque is dishonoured upon presentment. Upon such payment, the Trust shall be discharged from all liability to the former Unitholder in respect of the Trust Units so redeemed.

(d) Paragraph ~~7.15~~7.14(c)(ii) shall not be applicable to Trust Units tendered for redemption by a Trust Unitholder, if:

(i) the total amount payable by the Trust pursuant to Subsection ~~7.15~~7.14(c) in respect of such Trust Units and all other Trust Units tendered for redemption in the same calendar month exceeds $50,000 (the "**Monthly Limit**"); provided that the Trustees may, in their sole discretion, waive such limitation in respect of all Trust Units tendered for redemption in any calendar month and, in the absence of such a waiver, Trust Units tendered for redemption in any calendar month in which the total amount payable by the Trust pursuant to Paragraph ~~7.15~~7.14(c)(ii) exceeds the Monthly Limit will be redeemed for cash pursuant to Paragraph ~~7.15~~7.14(c)(ii) and, subject to any applicable regulatory approvals, by a distribution *in specie* under Section ~~7.15~~7.14(e), on a *pro rata* basis;

(ii) on the date the Trust Units are tendered for redemption, the outstanding Trust Units are not listed for trading on the TSX or traded or quoted on any stock exchange or market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Trust Units;

(iii) the normal trading of the outstanding Trust Units is suspended or halted on any stock exchange on which the Trust Units are listed for trading, or if not so listed, on any market on which the Trust Units are quoted for trading, on the Redemption Date for such Trust Units or for more than five trading days during the 10 trading day period commencing immediately before the Redemption Date for such Trust Units; or

(iv) the redemption of the Trust Units will result in the delisting of the Trust Units from the principal stock exchange on which the Trust Units are listed.

(e) To the extent that Paragraph ~~7.15~~7.14(c)(ii) is not applicable to all of the Trust Units tendered for redemption by a Unitholder pursuant to Subsection ~~7.15~~7.14(d), the balance of the Redemption Price per Trust Unit specified in Subsection ~~7.15~~7.14(c) shall, subject to receipt of all necessary regulatory approvals (which the Trust shall use reasonable commercial efforts to obtain forthwith), be paid and satisfied by way of a distribution *in specie* to such Unitholder of Redemption Notes. Upon such payment, together with any

cash payable to the Trust Unitholder pursuant to Paragraph ~~7.15~~7.14(c)(ii), the Trust shall be discharged from all liability to such former Trust Unitholder and any party having a security interest in respect of the Trust Units so redeemed. In the event of distributions of Redemption Notes, each Redemption Note so distributed to the redeeming holder of Trust Units shall be in the principal amount of $100 or such other amount as may be determined by the Trustees. No fractional Redemption Notes shall be distributed and where the number of Redemption Notes to be received upon redemption by a holder of Trust Units would otherwise include a fraction, that number shall be rounded down to the next lowest whole number. The Trustees may deduct or withhold from all payments or other distributions payable to any Unitholder pursuant to this Article 7 all amounts required by law to be so withheld. Where the Trust makes a distribution *in specie* pursuant to this Section, the Trustees may, in their sole discretion, designate and treat as having been paid to the redeeming Trust Unitholders any amount of the capital gains or income realized by the Trust on or in connection with the distribution of such securities to the Trust Unitholder.

(f) All Trust Units redeemed under this Section ~~7.15~~7.14 shall be cancelled and such Trust Units shall no longer be outstanding and shall not be reissued.

**7.15 ~~7.16~~ Certificate Fee**

The Trustees may establish a reasonable fee to be charged for every Unit Certificate issued.

**7.16 ~~7.17~~ Form of Unit Certificate**

The form of certificate representing Trust Units and the instrument of transfer, if any, on the reverse side thereof shall be in such form as is from time to time authorized by the Trustees.

**7.17 ~~7.18~~ Unit Certificates**

(a) Unit Certificates shall, subject to the provisions hereof, be in such form as is authorized from time to time by the Trustees.

(b) If issued, Unit Certificates are issuable only in fully registered form.

(c) The definitive form of the Unit Certificates shall:

(i) be in the English language or in the English language and the French language;

(ii) be dated as of the date of issue thereof; and

(iii) contain such distinguishing letters and numbers as the Trustees shall prescribe.

(d) In the event that the Unit Certificate is translated into the French language and any provision of the Unit Certificate in the French language shall be susceptible of an interpretation different from the equivalent provision in the English language, the interpretation of such provision in the English language shall be determinative.

(e) Each Unit Certificate shall be signed on behalf of the Trustees and, unless otherwise decided by the Trustees, signed or certified by the Transfer Agent of the Trust. The signature of the Trustees required to appear on such certificate may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid as if they had been signed manually. If a Unit

Certificate contains the printed or mechanically reproduced signature of a person, then the Trust may issue the Unit Certificate even though such person has ceased to be a Trustee or an authorized representative thereof and such Unit Certificate is a valid as if such person continued to be a Trustee or an authorized representative thereof at the date of its issue.

**7.18 ~~7.19~~ Contents of Unit Certificates**

(a) Until otherwise determined by the Trustees, each Unit Certificate shall legibly set forth on the face thereof, *inter alia*, the following:

(i) the name of the Trust and the words "A trust governed under the laws of the Province of Ontario governed by ~~an~~a Second Amended and Restated Declaration of Trust made the ~~25th~~● day of ~~March~~●, ~~2010,~~ as amended or amended and restated from time to time" or words of like effect;

(ii) the name of the person to whom the Unit Certificate is issued as Unitholder;

(iii) the number of Units represented thereby and whether or not the Units represented thereby are fully paid;

(iv) that the Units represented thereby are transferable;

(v) "The Units represented by this certificate are issued upon the terms and subject to the conditions of the Declaration of Trust, which Declaration of Trust is binding upon all holders of Units and, by acceptance of this certificate, the holder assents to the terms and conditions of the Declaration of Trust. A copy of the Declaration of Trust, pursuant to which this certificate and the Units represented thereby are issued, may be obtained by a Unitholder on demand and without fee from the head office of the Trust" or words of like effect; and

(vi) "For information as to personal liability of a Unitholder, see the reverse side of this certificate" or words of like effect.

(b) Until otherwise determined by the Trustees, each such certificate shall legibly set forth on the reverse side thereof, *inter alia*, the following:

(i) "The Declaration of Trust provides that no Unitholder shall be subject to any personal liability whatsoever, in tort, contract or otherwise, to any person in connection with the assets of the Trust or the obligations or the affairs of the Trust and all such persons shall look solely to the assets of the Trust for satisfaction of claims of any nature arising out of or in connection therewith and the assets of the Trust only shall be subject to levy or execution", or words of like effect; and

(ii) appropriate forms of notice of exercise of the right of redemption and of powers of attorney for transferring Units.

The Unit Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Trustees may determine.

**7.19 ~~7.20~~ Register of Unitholders**

A register (the "**Register**") shall be kept at the principal office in Toronto, Ontario of the Trust, which Register shall contain the names and addresses of the Unitholders, the respective numbers of Units held by them, the certificate numbers of certificates representing such Units and a record of all transfers and redemptions thereof. Only Unitholders whose certificates are so recorded shall be entitled to receive distributions or to exercise or enjoy the rights of Unitholders hereunder. The Trustees shall have the right to treat the person registered as a Unitholder on the Register as the owner of such Units for all purposes, including, without limitation, payment of any distribution, giving notice to Unitholders and determining the right to attend and vote at meetings of Unitholders.

**7.20 ~~7.21~~ Successors in Interest to Unitholders**

Any person purporting to become entitled to any Units as a consequence of the death, bankruptcy or incompetence of any Unitholder or otherwise by operation of law, shall be recorded in the Register as the holder of such Units, but until such record is made, the Unitholder of record shall continue to be and shall be deemed to be the holder of such Units for all purposes whether or not the Trust, the Trustees or the Transfer Agent or registrar of the Trust shall have actual or other notice of such death, bankruptcy, incompetence or other event and any person becoming entitled to such Units shall be bound by every notice or other document in respect of the Units which shall have been duly given to the person from whom such person derives title to such Units. Once such record is made, the Trustees shall deal with the new holder of such units as Unitholder from thereon and shall have no liability to any other person purporting to have been entitled to the Units prior to the making of such record.

**7.21 ~~7.22~~ Units Held Jointly or in Fiduciary Capacity**

The Trust may treat two or more persons holding any Unit as joint tenants of the entire interest therein unless the ownership is expressly otherwise recorded in the Register, but no entry shall be made in the Register that any person is in any other manner entitled to any future, limited or contingent interest in any Unit; provided, however, that any person recorded in the Register as a Unitholder may, subject to the provisions herein contained, be described in the Register as a fiduciary of any kind and any customary words may be added to the description of the holder to identify the nature of such fiduciary relationship.

**7.22 ~~7.23~~ Performance of Trusts**

None of the Trustees of the Trust, the officers of the Trust, the Unitholders or the Transfer Agent or other agent of the Trust or the Trustees shall have a duty to inquire into any claim that a transfer of a Unit or other security of the Trust was or would be wrongful or that a particular adverse person is the owner of or has an interest in the Unit or other security or any other adverse claim, or be bound to see to the performance of any trust, express, implied or constructive, or of any charge, pledge or equity to which any of the Units or other securities or any interest therein are or may be subject, or to ascertain or inquire whether any sale or transfer of any such Units or other securities or interest therein by any such Unitholder or holder of such security or his personal representatives is authorized by such trust, charge, pledge or equity, or to recognize any person as having any interest therein, except for the person recorded as Unitholder.

**7.23 ~~7.24~~ Lost Unit Certificates**

In the event that any Unit Certificate is lost, stolen, destroyed or mutilated, the Trustees may authorize the issuance of a new Unit Certificate for the same number of Trust Units in lieu thereof. The Trustees may in their discretion, before the issuance of such new Unit Certificate, require the owner of the lost, stolen, destroyed or mutilated Unit Certificate, or the legal representative of the owner, to make such

affidavit or statutory declaration, setting forth such facts as to the loss, theft, destruction or mutilation as the Trustees or any officers of the Trust deem necessary and may require the applicant to surrender any mutilated Unit Certificate and to require the applicant to supply to the Trust a "lost certificate bond" or similar bond in such reasonable amount as the Trustees direct indemnifying the Trustees or any officers of the Trust and the Transfer Agent for so doing. The Trustees or any officers of the Trust shall have the power to acquire from an insurer or insurers a blanket lost security bond or bonds in respect of the replacement of lost, stolen, destroyed or mutilated Unit Certificates. The Trust shall pay all premiums and other sums of money payable for such purpose out of the property of the Trust with such contribution, if any, by those insured as may be determined by the Trustees or any officers of the Trust. If such blanket lost security bond is acquired, the Trustees or any officers of the Trust may authorize and direct (upon such terms and conditions as they from time to time impose) any registrar, transfer agent, trustee or others to whom the indemnity of such bond extends to take such action to replace such lost, stolen, destroyed or mutilated Unit Certificates without further action or approval by the Trustees or any officers of the Trust.

**7.24 ~~7.25~~ Death of Unitholders**

The death of a Unitholder during the continuance of the Trust shall not terminate the Trust or give the personal representatives or the heirs of the estate of the deceased Unitholder a right to an accounting or to take any action in the courts or otherwise against other Unitholders or the Trustees, officers of the Trust or the property of the Trust, but shall only entitle the personal representatives or the heirs of the estate of the deceased Unitholder to succeed to all rights of the deceased Unitholder under this Declaration of Trust.

**7.25 ~~7.26~~ Unclaimed Payments**

In the event that the Trustees hold any amounts to be paid to Trust Unitholders under Article 11 or otherwise because such amounts are unclaimed or cannot be paid for any reason, neither the Trustees nor any distribution disbursing agent shall be under any obligation to invest or reinvest the same and shall only be obligated to hold the same in a current or other non-interest bearing account with a chartered bank or trust company, pending payment to the person or persons entitled thereto. The Trustees shall, as and when required by law, and may at any time prior to such required time, pay all or part of such amounts so held to a court in the province where the Trust has its principal office or to the Public Guardian and Trustee (or other similar government official or agency) in the province where the Trust has its principal office whose receipt shall be a good and sufficient discharge of the obligations of the Trustees.

**7.26 ~~7.27~~ Repurchase of Units**

The Trust shall be entitled to purchase for cancellation at any time the whole or from time to time any part of the outstanding Units, at a price per Unit and on a basis determined by the Trustees in compliance with all applicable Securities Laws or the rules or policies of any applicable stock exchange.

**7.27 ~~7.28~~ Take-Over Bids**

(a) If within 120 days after the date of a take-over bid the bid is accepted by the holders of not less than 90% of the Units, calculated on a fully diluted basis, other than Units held at the date of the take-over bid by or on behalf of the offeror or an affiliate or associate of the offeror, the offeror is entitled, on complying with this Section ~~7.28~~7.27, to acquire the Units held by holders of Units that did not tender to the take-over bid (the "**dissenting offerees**").

(b) An offeror may acquire Units held by a dissenting offeree by sending by registered mail within 60 days after the date of termination of the take-over bid and in any event within 180 days after the date of the take-over bid, an offeror's notice to each dissenting offeree stating that:

(i) the offerees holding more than 90% of the Units, calculated on a fully diluted basis, accepted the take-over bid, other than Units held at the date of the take-over bid by or on behalf of the offeror or an affiliate or associate of the offeror;

(ii) the offeror is bound to take up and pay for or has taken up and paid for the Units of the offerees who accepted the take-over bid;

(iii) a dissenting offeree is required to elect:

(A) to transfer his Units to the offeror on the terms on which the offeror acquired the Units of the offerees who accepted the takeover bid, or

(B) to demand payment of the fair value of his Units in accordance with Subsections ~~7.28~~7.27(h) to ~~7.28~~7.27(q) by notifying the offeror within 20 days after he receives the offeror's notice;

(iv) a dissenting offeree who does not notify the offeror in accordance with Subparagraph ~~7.28~~7.27(b)(iii)(B) is deemed to have elected to transfer his Units to the offeror on the same terms that the offeror acquired the Units from the offerees who accepted the take-over bid; and

(v) a dissenting offeree must send his Units to which the take-over bid relates to the Trust within 20 days after he receives the offeror's notice.

(c) Concurrently with sending the offeror's notice under Subsection ~~7.28~~7.27(b), the offeror shall send to the Trust a notice of adverse claim disclosing the name and address of the offeror and the name of the dissenting offeree with respect to each Unit held by a dissenting offeree.

(d) A dissenting offeree to whom an offeror's notice is sent under Subsection ~~7.28~~7.27(b) shall, within 20 days after he receives that notice, send his Unit Certificates, or the Unit Certificates issuable upon the exchange of his ~~Exchangeable~~Redeemable Units, to the Trust.

(e) Within 20 days after the offeror sends an offeror's notice under Subsection ~~7.28~~7.27(b), the offeror shall pay or transfer to the Trust the amount of money or other consideration that the offeror would have had to pay or transfer to a dissenting offeree if the dissenting offeree had elected to accept the take-over bid under Subparagraph ~~7.28~~7.27(b)(iii)(A).

(f) The Trust is deemed to hold in trust for the dissenting offeree the money or other consideration it receives under Subsection ~~7.28~~7.27(e) and the Trust shall deposit the money in a separate account in a bank or other body corporate any deposits of which are insured by the Canada Deposit Insurance Corporation or guaranteed by the Québec Deposit Insurance Board, and shall place the other consideration in the custody of a bank or such other body corporate.

(g) Within 30 days after the offeror sends an offeror's notice under Subsection ~~7.28~~7.27(b), the Trust shall:

(i) issue to the offeror a Unit Certificate in respect of the Units that were held by dissenting offerees;

(ii) give to each dissenting offeree who elects to accept the take-over bid terms under Subparagraph ~~7.28~~7.27(b)(iii)(A) and who sends his Unit Certificates, or the Unit Certificates issuable upon the exchange of his ~~Exchangeable~~Redeemable Units, as required under Subsection ~~7.28~~7.27(d), the money or other consideration to which he is entitled, disregarding fractional Units, if any, which may be paid for in money; and

(iii) send to each dissenting offeree who has not sent his Unit Certificates, or the Unit Certificates issuable upon the exchange of his ~~Exchangeable~~Redeemable Units, as required under Subsection ~~7.28~~7.27(d)a notice stating that:

(A) his Units have been cancelled,

(B) the Trust or some designated person holds in trust for him the money or other consideration to which he is entitled as payment for or in exchange for his Units, and

(C) the Trust will, subject to Subsections ~~7.28~~7.27(h) to ~~7.28~~7.27(q), send that money or other consideration to him forthwith after receiving his Units.

(h) If a dissenting offeree has elected to demand payment of the fair value of his Units under Subparagraph ~~7.28~~7.27(b)(iii)(B), the offeror may, within 20 days after it has paid the money or transferred the other consideration, under Subsection ~~7.28~~7.27(e), apply to a court to fix the fair value of the Units of that dissenting offeree.

(i) If an offeror fails to apply to a court under Subsection ~~7.28~~7.27(h), a dissenting offeree may apply to a court for the same purpose within a further period of 20 days.

(j) Where no application is made to a court under Subsection ~~7.28~~7.27(i) within the period set out in that subsection, a dissenting offeree is deemed to have elected to transfer his Units to the offeror on the same terms that the offeror acquired the Units from the offerees who accepted the take-over bid.

(k) An application under Subsections ~~7.28~~7.27(h) or ~~7.28~~7.27(i) shall be made to a court having jurisdiction in the place where the Trust has its registered office.

(l) A dissenting offeree is not required to give security for costs in an application made under Subsections ~~7.28~~7.27(h) or ~~7.28~~7.27(i).

(m) On an application under Subsections ~~7.28~~7.27(h) or ~~7.28~~7.27(i):

(i) all dissenting offerees referred to in Subparagraph ~~7.28~~7.27(b)(iii)(B) whose Units have not been acquired by the offeror shall be joined as parties and shall be bound by the decision of the court; and

(ii) the offeror shall notify each affected dissenting offeree of the date, place and consequences of the application and of his right to appear and be heard in person or by counsel.

(n) On an application to a court under Subsections ~~7.28~~7.27(h) or ~~7.28~~7.27(i) the court may determine whether any other person is a dissenting offeree who should be joined as a party, and the court shall then fix a fair value for the Units of all dissenting offerees.

(o) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the Units of a dissenting offeree.

(p) The final order of the court shall be made against the offeror in favour of each dissenting offeree and for the amount for his Units as fixed by the court.

(q) In connection with proceedings under this Section ~~7.28~~7.27, a court may make any order it thinks fit and, without limiting the generality of the foregoing, it may:

(i) fix the amount of money or other consideration that is required to be held in trust under Subsection ~~7.28~~7.27(f);

(ii) order that money or other consideration be held in trust by a person other than the Trust; and

(iii) allow a reasonable rate of interest on the amount payable to each dissenting offeree from the date he sends or delivers his Unit Certificates under Subsection ~~7.28~~7.27(d) until the date of payment.

(r) Where an offeror is entitled to acquire Units held by a dissenting offeree pursuant to Subsection ~~7.28~~7.27(b) and the offeror wishes to exercise such right, the offeror shall also deliver an offer (the "**Exchange Offer**") to the Trustees, at the same time that an offeror's notice is delivered pursuant to Subsection ~~7.28~~7.27(b), addressed to each holder of ~~Exchangeable~~Redeemable Units to acquire all Trust Units issued to such holder by the Trust following the ~~exchange~~redemption of the holder's ~~Exchangeable~~Redeemable Units for Trust Units ~~pursuant to the Exchange Agreement~~in accordance with the terms of the Redeemable Units. The Exchange Offer shall be made on the same terms as the Offeror acquired the Trust Units of the Trust Unitholders who accepted the take-over bid and the exchange by the holder of the ~~Exchangeable~~Redeemable Units and the acquisition by the Offeror of the Trust Units issuable upon exchange thereof shall occur within 30 days of delivery of the Exchange Offer to the Trustees. The Trustees shall deliver the Exchange Offer to each holder of ~~Exchangeable~~Redeemable Units forthwith upon receipt, if any such holders exist.

(s) In the event that a non-exempt take-over bid from a person acting at arm's length to holders of ~~Exchangeable~~Redeemable Units (or any affiliate or associate thereof) is made for Trust Units, unless the take-over bid is structured to permit holders of ~~Exchangeable~~Redeemable Units to both exchange and tender conditional on take-up, then, from and after the first take-up of Trust Units under the said take-over bid (provided that not less than 25% of the Trust Units other than Trust Units held at the date of the take-over bid by the offeror or associates or affiliates of the offeror are so taken up) the terms and conditions of the ~~Exchangeable~~Redeemable Units will be amended such that the exchange ratio shall be varied to equal 110% of the exchange ratio then in effect (such that on conversion, exercise or exchange the holder shall receive 1.1 Trust

Units for each Trust Unit that the holder would otherwise have received). For greater certainty, notwithstanding any adjustment contemplated by this section, the holders of such ~~Exchangeable~~Redeemable Units shall not be entitled to any adjustment to their entitlement to distributions until such time as such ~~Exchangeable~~Redeemable Units are exchanged for Trust Units.

## ARTICLE 8
## MEETINGS OF UNITHOLDERS

### 8.1 Annual Meeting

There shall be an annual meeting of the Unitholders~~, commencing in 2011 (for the Trust's 2010 fiscal year),~~ at such time and place in Canada and for such purposes as the Trustees may prescribe for the purpose of electing Trustees, appointing or removing the Auditors of the Trust and transacting such other business as the Trustees may determine or as may properly be brought before the meeting. The annual meeting of Unitholders shall be held after delivery to the Unitholders of the annual report referred to in Section 17.8 and, in any event, within 270 days after the end of each Fiscal Year.

### 8.2 Other Meetings

The Trustees shall have power at any time to call special meetings of the Unitholders at such time and place as the Trustees may determine. Unitholders holding in the aggregate not less than 10% of the outstanding Units of the Trust may requisition the Trustees in writing to call a special meeting of the Unitholders for the purposes stated in the requisition. If there are no Trustees, the officers of the Trust shall promptly call a special meeting of the Unitholders for the election of successor Trustees. The requisition shall state in reasonable detail the business proposed to be transacted at the meeting and shall be sent to each of the Trustees at the principal office of the Trust. Unitholders shall have the right to obtain a list of Unitholders to the same extent and upon the same conditions as those which apply to shareholders of a corporation governed by the *Canada Business Corporations Act*. Upon receiving the requisition, the Trustees shall call a meeting of Unitholders to transact the business referred to in the requisition, unless:

(a) a record date for a meeting of the Unitholders has been fixed and notice thereof has been given to each stock exchange in Canada on which the Units are listed for trading;

(b) the Trustees have called a meeting of the Unitholders and have given notice thereof pursuant to Section 8.3; or

(c) in connection with the business as stated in the requisition:

(i) it clearly appears to the Trustees, acting reasonably, that the matter covered by the requisition is submitted by the Unitholder primarily for the purpose of enforcing a personal claim or redressing a personal grievance against the Trust, the Trustees, the officers of the Trust or its security holders, or primarily for the purpose of promoting general economic, political, racial, religious, social or similar causes;

(ii) the Trust, at the Unitholder's request, included a matter covered by a requisition in an information circular relating to a meeting of Unitholders held within two years preceding the receipt of such request, and the Unitholder failed to present the matter, in person or by proxy, at the meeting;

(iii) substantially the same matter covered by the requisition was submitted to Unitholders in an information circular (including a dissident's information circular) relating to a meeting of Unitholders held within two years preceding the receipt of the Unitholder's request and the matter covered by the requisition was defeated; or

(iv) the rights conferred by this Section 8.2 are being abused to secure publicity.

Subject to the foregoing, if the Trustees do not within 21 days after receiving the requisition call a meeting, any Unitholder who signed the requisition may call the meeting in accordance with the provisions of Section 8.3 and Section 8.8 and the Trustees' Regulations, *mutatis mutandis*. If there shall be no Trustees, the officers of the Trust shall promptly call a special meeting of the Unitholders for the election of successor Trustees. The phrase "meeting of the Unitholders" wherever it appears in this Declaration of Trust shall mean and include both an annual meeting and any other meeting of Unitholders.

**8.3 Notice of Meeting of Unitholders**

Notice of all meetings of the Unitholders shall be mailed or delivered by the Trustees to each Trustee and to the Auditors of the Trust not less than 21 nor more than 60 days or within such other number of days as required by law or relevant stock exchange before the meeting. Such notice shall specify the time when, and the place where, such meeting is to be held and shall state briefly the general nature of the business to be transacted at such meeting, and shall otherwise include such information as would be provided to shareholders of a corporation governed by the *Canada Business Corporations Act* in connection with a meeting of shareholders. Notice of any meeting of the Unitholders shall state the purposes of the meeting. Any adjourned meeting, other than a meeting adjourned for lack of a quorum under Section 8.5, may be held as adjourned without further notice. Notwithstanding the foregoing, a meeting of Unitholders may be held at any time without notice if all the Unitholders are present or represented thereat or those not so present or represented have waived notice. Any Unitholder (or a duly appointed proxy of a Unitholder) may waive any notice required to be given under the provisions of this Section 8.3, and such waiver, whether given before or after the meeting, shall cure any default in the giving of such notice. Attendance at a meeting of Unitholders shall constitute a waiver of notice unless the Unitholder or other person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not properly called.

**8.4 Chairperson**

The chairperson of any annual or special meeting shall be the Chair of the Trustees or any other Trustee specified by resolutions of the Trustees or, in the absence of any Trustee, any person appointed as chairperson of the meeting by the Unitholders present.

**8.5 Quorum**

A quorum for any meeting of the Unitholders shall be individuals present in person or represented by proxy, not being less than two in number and such persons holding or representing by proxy in aggregate not less than 5% of the total number of outstanding Units, provided that if the Trust has only one Unitholder, the Unitholder present in person or by proxy constitutes a meeting and a quorum for such meeting. If a quorum is present at the opening of a meeting, the Unitholders may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting. The Chair of any meeting at which a quorum of Unitholders is present may, with the consent of the majority of the Unitholders present in person or by proxy, adjourn at such meeting and no notice of any such adjournment need be given. In the event of such quorum not being present at the appointed place on the

date for which the meeting is called within 30 minutes after the time fixed for the holding of such meeting, the meeting, if called by request of Unitholders, shall be terminated and, if otherwise called, shall stand adjourned to such day being not less than 14 days later and to such place and time as may be appointed by the chairperson of the meeting. If at such adjourned meeting a quorum as above defined is not present, the Unitholders present either personally or by proxy shall form a quorum, and any business may be brought before or dealt with at such an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

**8.6 Voting**

Holders of Units may attend and vote at all meetings of the Unitholders either in person or by proxy. Each Trust Unit shall entitle the holder of record thereof to one vote at all meetings of the Unitholders. Each Special Voting Unit will entitle the holder thereof to that number of votes at any meeting of Unitholders that is equal to the number of Trust Units that may be obtained upon the exchange of the ~~Exchangeable~~Redeemable Unit to which such Special Voting Unit is attached.

Any action to be taken by the Unitholders shall, except as otherwise required by this Declaration of Trust or by law, be authorized when approved by a majority of the votes cast at a meeting of the Unitholders. The Chair of any such meeting shall not have a second or casting vote. Every question submitted to a meeting, other than a Special Resolution, shall, unless a poll vote is demanded, be decided by a show of hands, on which every person present and entitled to vote shall be entitled to one vote.

At any such meeting, unless a poll is demanded, a declaration by the Chair that a resolution has been carried or carried unanimously or by a particular majority, or lost or not carried by a particular majority, shall be conclusive evidence of that fact. If a poll is demanded concerning the election of a chairperson or an adjournment, it shall be taken immediately upon request and, in any other case, it shall be taken at such time as the Chair may direct. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question on which the poll has been demanded.

At any meeting of Unitholders, on a show of hands every person who is present and entitled to vote, whether as a Unitholder or as a proxy, shall have one vote. At any meeting of Unitholders on a poll, each Unitholder present in person or represented by a duly appointed proxy shall have one vote for each Unit held on the applicable record date, except as otherwise set forth herein.

**8.7 Matters on which Unitholders Shall Vote**

~~None~~Subject to Section 8.14, none of the following shall occur unless the same has been duly approved by the Unitholders at a meeting duly called and held:

(a) except as provided in Sections 3.4, 3.7, 3.8, 3.11 or 3.12, the appointment, election or removal of Trustees;

(b) except as provided in Section 17.6, the appointment or removal of Auditors;

(c) any amendment to the Declaration of Trust (except as provided in Sections 6.6~~,~~ or 13.1~~ or 13.4)~~;

(d) the sale or transfer of the assets of the Trust and its subsidiaries as an entirety or substantially as an entirety (other than as a part of an internal reorganization of the assets of the Trust and its subsidiaries as approved by the Trustees); or

(e) the termination of the Trust.

Nothing in this Section 8.7, however, shall prevent the Trustees from submitting to a vote of Unitholders any matter which they deem appropriate. Except with respect to the matters specified in Sections 8.7, 13.2, 13.3, ~~13.4~~ and 15.2 or matters submitted to a vote of the Unitholders by the Trustees, no vote of the Unitholders shall in any way bind the Trustees.

**8.8 Record Dates**

For the purpose of determining the Unitholders who are entitled to receive notice of and vote at any meeting or any adjournment thereof or for the purpose of any other action, the Trustees may from time to time, without notice to the Unitholders, close the transfer books for such period, not exceeding 35 days, as the Trustees may determine; or without closing the transfer books the Trustees may fix a date not more than 60 days prior to the date of any meeting of the Unitholders or other action as a record date for the determination of Unitholders entitled to receive notice of and to vote at such meeting or any adjournment thereof or to be treated as Unitholders of record for purposes of such other action, and any Unitholder who was a Unitholder at the time so fixed shall be entitled to receive notice of and vote at such meeting or any adjournment thereof, even though he has since that date disposed of his Units, and no Unitholder becoming such after that date shall be entitled to receive notice of and vote at such meeting or any adjournment thereof or to be treated as a Unitholder of record for purposes of such other action. If, in the case of any meeting of Unitholders, no record date with respect to voting has been fixed by the Trustees, the record date for voting shall be 5:00 p.m. on the last business day before the meeting.

**8.9 Proxies**

Whenever the vote or consent of Unitholders is required or permitted under this Declaration of Trust, such vote or consent may be given either directly by the Unitholder or by a proxy in such form as the Trustees may prescribe from time to time or, in the case of a Unitholder who is a body corporate or association, by an individual authorized by the board of directors or governing body of the body corporate or association to represent it at a meeting of the Unitholders. A proxy need not be a Unitholder. The Trustees may solicit such proxies from the Unitholders or any of them in any matter requiring or permitting the Unitholders' vote, approval or consent.

The Trustees may adopt, amend or repeal such rules relating to the appointment of proxyholders and the solicitation, execution, validity, revocation and deposit of proxies, as they in their discretion from time to time determine.

An instrument of proxy executed in compliance with the foregoing shall be valid unless challenged at the time of or prior to its exercise and the person challenging the instrument shall have the burden of proving, to the satisfaction of the chairperson of the meeting at which the instrument is proposed to be used, that the instrument of proxy is invalid. Any decision of the chairperson of the meeting in respect of the validity of an instrument of proxy shall be final and binding upon all persons. An instrument of proxy shall be valid only at the meeting with respect to which it was solicited or any adjournment thereof.

A vote cast in accordance with any proxy shall be valid notwithstanding the death, incapacity, insolvency or bankruptcy of the Unitholder giving the proxy or the revocation of the proxy unless written notice of the death, incapacity, insolvency, bankruptcy or revocation of the proxy has been received by the chairperson of the meeting prior to the time the vote is cast.

**8.10 Personal Representatives**

If a Unitholder is deceased, his personal representative, upon filing with the secretary of the meeting such proof of his appointment as the secretary considers sufficient, shall be entitled to exercise the same voting rights at any meeting of Unitholders as the Unitholder would have been entitled to exercise if he

were living and for the purpose of the meeting shall be considered to be a Unitholder. Subject to the provisions of the will of a deceased Unitholder, if there is more than one personal representative, the provisions of Section ~~7.22~~7.21 relating to joint holders shall apply. When any Unit is held jointly by several persons, any one of them may vote at any meeting in person or by proxy in respect of such Unit, but if more than one of them shall be present at such meeting in person or by proxy, and such joint owners or their proxies so present disagree as to any vote to be cast, such vote purporting to be executed by or on behalf of a Unitholder shall be deemed valid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger.

**8.11 Attendance by Others**

Any Trustee, officer of the Trust, officer, director or employee of the operating subsidiaries, representative of the auditors of the Trust or other individual approved by the Trustees may attend and speak at any meeting of Unitholders.

**8.12 Conduct of Meetings**

To the extent that the rules and procedures for the conduct of a meeting of Unitholders are not prescribed herein, the rules and procedures shall be such reasonable rules and procedures as are determined by the chairperson of the meeting and such rules and procedures shall be binding upon all parties participating in the meeting.

**8.13 Binding Effect of Resolutions**

Every resolution passed at a meeting in accordance with the provisions of this Article 8 shall be binding upon all Unitholders, whether present at or absent from the meeting. Subject to Section 8.7, no action taken by Unitholders at any meeting of Unitholders shall in any way bind the Trust or the Trustees without approval of the Trustees.

**8.14 Resolution in Lieu of Meeting**

A resolution signed in writing by all of the Unitholders entitled to vote on that resolution at a meeting of Unitholders is as valid as if it had been passed at a meeting of Unitholders. Notwithstanding any other provision of this Declaration of Trust, a resolution in writing executed by Unitholders holding a proportion of the outstanding Units equal to the proportion required to vote in favour thereof at a meeting of Unitholders to approve that resolution is valid as if it had been passed at a meeting of Unitholders.

**8.15 Actions by Unitholders**

Any action, change, approval, decision or determination required or permitted to be taken or made by the Unitholders hereunder shall be effected by a resolution passed by the Unitholders at a duly constituted meeting (or a Special Resolution in lieu thereof) in accordance with this Article 8.

**8.16 Meaning of "Special Resolution"**

(a) The expression "Special Resolution" when used in this Declaration of Trust means, subject to this Article 8, a resolution proposed to be passed as a special resolution at a meeting of Unitholders (including an adjourned meeting) duly convened for that purpose and held in accordance with the provisions of this Section 8.16 at which two or more individuals present in person or represented by proxy and holding or representing by proxy in aggregate not less than 5% of the total number of outstanding Units and passed

by the affirmative votes of the holders of more than 66⅔% of the Units represented at the meeting and voted on a poll upon such resolution.

(b) Votes on a Special Resolution shall always be given on a poll and no demand for a poll on a Special Resolution shall be necessary.

**8.17 Meaning of "Outstanding"**

Every Unit and Special Voting Unit issued, certified and delivered hereunder shall be deemed to be outstanding until it shall be cancelled or delivered to the Trustees or Transfer Agent for cancellation provided that:

(a) when a new certificate has been issued in substitution for a Unit Certificate which has been lost, stolen, mutilated or destroyed, only one of such Unit Certificates shall be counted for the purposes of determining the number of Units outstanding; and

(b) for the purpose of any provision of this Declaration of Trust entitling holders of outstanding Units to vote, sign consents, requisitions or other instruments or take any action under this Declaration of Trust, Units owned directly or indirectly, legally or equitably, by the Trust or any ~~affiliate~~subsidiary thereof shall be disregarded, except that:

(i) for the purpose of determining whether the Trustees shall be protected in relying on any such vote, consent, requisition or other instrument or action only the Units which the Trustees know are so owned shall be so disregarded; and

(ii) Units so owned which have been pledged in good faith other than to the Trust or an affiliate thereof shall not be so disregarded if the pledgee shall establish to the satisfaction of the Trustees the pledgee's right to vote such Units in his or her discretion free from the control of the Trust or any affiliate thereof.

## ARTICLE 9
## MEETINGS OF THE TRUSTEES

**9.1 Trustees May Act Without Meeting**

The Trustees may act with or without a meeting. Any action of the Trustees or any committee of the Trustees may be taken at a meeting by vote, or without a meeting by written consent signed by all of the Trustees or the members of the applicable committee, as the case may be.

**9.2 Notice of Meeting**

Meetings of the Trustees may be held from time to time upon the giving of notice by any Trustee. Regular meetings of the Trustees may be held without call or notice at a time and place fixed in accordance with the Trustees' Regulations. Notice of the time and place of any other meetings shall be mailed or otherwise verbally, by telephone or by other means of communication given not less than 48 hours before the meeting but may be waived in writing by any Trustee either before or after such meeting. Notice of a meeting of Trustees need not specify the purpose of or the business to be transacted at the meeting. If a quorum of Trustees is present, the Trustees may without notice hold a meeting immediately following an annual meeting of Unitholders. The attendance of a Trustee at a meeting, in person or by telephone shall constitute a waiver of notice of such meeting except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the

meeting has not been lawfully called or convened. Each committee of Trustees appointed by the Trustees may adopt its own rules or procedures for the calling, conduct, adjournment and regulation of the meetings of such committees as it sees fit and may amend or repeal such rules or procedures from time to time; provided, however, that the Trustees' Regulations and any such rules or procedures shall not be inconsistent with this Declaration of Trust.

**9.3 Place of Meeting**

Meetings of the Trustees may be held at any place in Canada and may not be held outside Canada. A Trustee who attends a meeting of Trustees, in person or by telephone, is deemed to have consented to the location of the meeting except when he or she attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not lawfully called or convened. A majority of Trustees participating in a meeting of Trustees must be present in person in Canada or participating from a location in Canada.

**9.4 Chair**

The chair of any meeting of the Trustees shall be the Trustee present at the meeting who holds the office of Chair of the Trustees or if such person is not present, the Trustees present shall choose one of their number to be chairperson. The Chair of the Trustees and the chairperson of any meeting of Trustees shall be a Resident.

**9.5 Quorum**

A quorum for all meetings of the Trustees or any committee thereof shall be a majority of the Trustees then holding office or of the Trustees on such committee, provided that a majority of the Trustees comprising the quorum must be Residents. Notwithstanding any vacancy among the number of Trustees, a quorum of Trustees may exercise all of the powers of the Trustees.

**9.6 Adjourned Meeting**

Any meeting of Trustees may be adjourned from time to time by the chairperson of the meeting with the consent of the meeting to a fixed time and place. Further notice of the adjourned meeting need not be given. The adjourned meeting shall be duly constituted if a quorum is present and if it is held in accordance with the terms of the adjournment. If there is not a quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated upon its adjournment.

**9.7 Voting at Meetings**

(a) Questions arising at any meeting of the Trustees or of a committee of Trustees shall unless otherwise specified herein, be decided by a majority of the votes cast.

(b) In the case of an equality of votes at any meeting of Trustees or of a committee of Trustees, the chairperson of the meeting shall not have a second or casting vote in addition to his original vote, if any. The powers of the Trustees may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed by all Trustees. Resolutions in writing may be signed in counterparts each of which shall be deemed to be an original and all originals together shall be deemed to be one and the same instrument.

### 9.8 Meeting by Telephone

Any Trustee may participate in a meeting of the Trustees or any committee thereof by means of a conference telephone or other communication facilities by means of which all persons participating in the meeting can hear each other and a Trustee so participating shall be considered for the purposes of this Declaration of Trust to be present in person at that meeting, provided that a majority of Trustees are present in person in Canada or participating from a location in Canada.

## ARTICLE 10
## COMMITTEES OF TRUSTEES

### 10.1 General

Except as prohibited by law, the Trustees may appoint from among their number a committee of Trustees and may delegate to such committee any of the powers of the Trustees, provided that ~~(i)~~ a majority of the Trustees appointed to any committee, shall be Residents~~, and (ii) all of the Trustees appointed to any committee shall be persons determined by the Trustees to be independent within the meaning of National Instrument 58-201 – *Corporate Governance Guidelines*, except for temporary periods where a sufficient number of independent Trustees are not available to form the committee and then only until such time as a new independent Trustee is appointed. Notwithstanding any other provision of this Section 10.1, for~~, For so long as ~~NW Trust~~NWVP has appointees on the board of Trustees, at least one ~~NW Trust~~NWVP appointee shall be appointed to any committee of Trustees established hereunder unless ~~(i)~~ a ~~NW Trust~~NWVP appointee is not permitted to sit on such committee under applicable Securities Laws~~, or (ii) such appointment would result in NW Trust appointees representing more than 50% of the number of Trustees on such committee. Mr. Dalla Lana shall not be appointed to any committee of Trustees unless the Liability of NW Trust under the Head Leases is less than $2.5 million on a present value basis and no material development agreements are in place between the Trust and Mr. Dalla Lana or any of his affiliates and the Trustees determine that Mr. Dalla Lana is an independent Trustee.~~ . The Trustees shall have the power to appoint, employ or contract with any person for any matter relating to the Trust or its assets or affairs. For greater certainty, the Trustees may delegate to any person (including, without limitation any one or more officers of the Trust) the power to execute any document or enter into any agreement on behalf of the Trust or exercise any discretion or make any amendment in relation thereto. The Trustees may grant or delegate such authority to an advisor or a committee of Trustees as the Trustees may in their sole discretion deem necessary or desirable without regard to whether such authority is normally granted or delegated by trustees. The Trustees shall have the power to determine the term and compensation of an advisor or any other person whom they may employ or with whom they may contract. The Trustees shall have the power to grant powers of attorney as required in connection with any financing or security relating thereto.

Without in any way limiting the generality of the foregoing, the Trustees shall appoint an audit committee (the "**Audit Committee**") to consist of at least three Trustees, all of whom shall be independent within the meaning of National Instrument 52-110 – *Audit Committees*, except for temporary periods where a sufficient number of independent Trustees are not available to form the committee until such time as a new Independent Trustee is appointed, and who shall meet any requirements imposed by applicable law for the purpose of membership on such committee.

The Audit Committee shall have the powers, rights and responsibilities as the Trustees may approve, all as set out in any written charter for such purpose approved by the Trustees.

### 10.2 Additional Committees

The Trustees may create such additional committees as they, in their discretion, determine to be necessary or desirable for the purposes of properly governing the affairs of the Trust; provided that the Trustees may not delegate to any committee any powers or authority in respect of which a board of directors of a corporation governed by the *Canada Business Corporations Act* may not so delegate.

### 10.3 Procedure

Unless otherwise determined by the Trustees, a quorum for meetings of any committee shall be a majority of its members provided that a majority of the Trustees comprising such quorum must be Residents. Each committee shall have the power to appoint its chairperson who must be a Resident and the rules for calling, holding, conducting and adjourning meetings of the committee shall be the same as those governing meetings of the Trustees. Each member of a committee shall serve during the pleasure of the Trustees and, in any event, only so long as he or she shall be a Trustee. The Trustees may fill vacancies in a committee by appointment from among their members. Provided that a quorum is maintained, the committee may continue to exercise its powers notwithstanding any vacancy among its members.

## ARTICLE 11
## DISTRIBUTIONS

### 11.1 Distributions

The Trust shall have full discretion respecting the timing and the amount of any distributions, provided that any distribution shall be made on a Distribution Date on Trust Units held by Trust Unitholders as of the close of business on the record date for such distribution as is fixed by the Trustees in accordance with Section 8.8. The Trustees may adopt a distribution policy pursuant to which distribution will be made by the Trust to Trust Unitholders, and the Trustees may amend or revoke such distribution policy from time to time. Provided the Trust is not a SIFT Trust, in calculating the Trust's income for tax purposes for any taxation year, the Trust intends to deduct such amounts that the Trustees paid or declared payable to Trust Unitholders in the taxation year as is necessary to reduce or eliminate the Trust's liability for income tax under Part I of the Tax Act in the taxation year to the maximum extent possible. The Trustees, if they so determine when income has been accrued but not collected may, on a temporary basis, transfer sufficient moneys from the capital to the income account of the Trust to permit distributions under this Section 11.1 to be effected.

### 11.2 Allocation

Income of the Trust for a Taxation Year and net taxable capital gains of the Trust for the purposes of the Tax Act will be allocated to the Trust Unitholders in the same proportions as the distributions received by Trust Unitholders.

### 11.3 Payment of Distributions

Distributions shall be made by cheque payable to or to the order of the Trust Unitholder or by electronic fund transfer or by such other manner of payment approved by the Trustees from time to time. The payment, if made by cheque, shall be conclusively deemed to have been made upon hand-delivery of a cheque to the Trust Unitholder or to his agent duly authorized in writing or upon the mailing of a cheque by prepaid first-class mail addressed to the Trust Unitholder at his address as it appears in the Register unless the cheque is not paid on presentation. The Trustees may issue a replacement cheque if they are satisfied that the original cheque has not been received or has been lost or destroyed upon being

furnished with such evidence of loss, indemnity or other document in connection therewith that they may in their discretion consider necessary.

The Trustees shall deduct or withhold from distributions payable to any Trust Unitholder all amounts required by law to be withheld from such distribution and the Trust shall remit such taxes to the appropriate governmental authority within the times prescribed by law. Trust Unitholders who are Non-Residents will be required to pay all withholding taxes payable in respect of any distributions of income by the Trust, whether such distributions are in the form of cash or additional Units.

If the Trustees determine that the Trust does not have cash in an amount sufficient to make payment of the full amount of any distribution, the payment may include or consist entirely of the issuance of additional Units, or fractions of Units, having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustees to be available for the payment of such distribution. Immediately after a *pro rata* distribution of such Units to all Trust Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated so that each Trust Unitholder will hold after the consolidation the same number of Units as the Trust Unitholder held before the non-cash distribution. Each Unit Certificate representing a number of Units prior to the non-cash distribution is deemed to represent the same number of Units after the non-cash distribution and the consolidation. Such additional Units will be issued pursuant to applicable exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing. The value of each Unit that is issued pursuant to this Section will be the market price (determined in accordance with Section ~~7.15~~7.14(c)) of the Units determined as of the trading day immediately prior to the applicable record date in respect of the distribution.

Notwithstanding the foregoing, where tax is required to be withheld from a Trust Unitholder's share of the distribution and such amount is not paid by the Trust Unitholder to the Trust, the consolidation will result in such Trust Unitholder holding that number of Units equal to (i) the number of Units held by such Trust Unitholder prior to the distribution plus the number of Units received by such Trust Unitholder in connection with the distribution (net of the number of whole and part Units withheld on account of withholding taxes) multiplied by; (ii) the fraction obtained by dividing the aggregate number of Units outstanding prior to the distribution by the aggregate number of Units that would be outstanding following the distribution and before the consolidation if no withholding were required in respect of any part of the distribution payable to any Trust Unitholder. Such Trust Unitholder will be required to surrender the Unit Certificates, if any, representing such Trust Unitholder's original Units, in exchange for a Unit Certificate representing such Trust Unitholders' post-consolidation Units.

### 11.4 Income Tax Matters

In computing the net income of the Trust for income tax purposes for any year, the Trust shall claim the maximum amount available to it as deductions under the relevant law, including but not limited to maximum capital cost allowance, unless the Trustees determine otherwise.

### 11.5 Designations

The Trustees shall make such elections, designations or other filings for tax purposes in respect of amounts paid or payable to Trust Unitholders for such amounts that the Trustees consider to be reasonable, including, without limitation, elections, designations or other filings relating to taxable dividends received by the Trust in the year on shares of taxable Canadian corporations, net taxable capital gains of the Trust in the year and foreign source income of the Trust for the year.

### 11.6 Definitions

Unless otherwise specified or the context otherwise requires, any term in this Article 11 which is defined in the Tax Act shall have for the purposes of this Article 11 the meaning that it has in the Tax Act.

## ARTICLE 12
## FEES AND EXPENSES

### 12.1 Expenses

The Trust shall pay all expenses incurred in connection with the administration and management of the Trust and its investments out of the property of the Trust, including without limitation:

(a) interest and other costs of borrowed money;

(b) fees and expenses of lawyers, accountants, auditors, appraisers and other agents or consultants employed by or on behalf of the Trust or the Trustees;

(c) fees and expenses of the Trustees;

(d) fees and expenses connected with the acquisition, disposition and ownership of real property interests or mortgage loans or other property;

(e) insurance as considered necessary by the Trustees;

(f) expenses in connection with payments of distributions of Units of the Trust;

(g) expenses in connection with communications to Unitholders and the other bookkeeping and clerical work necessary in maintaining relations with Unitholders;

(h) expenses of changing or terminating the Trust;

(i) fees and charges of transfer agents, registrars, indenture trustees and other trustees and custodians;

(j) all fees, expenses, taxes and other costs incurred in connection with the issuance, distribution, transfer and qualification for distribution to the public of Units and other required governmental filings; and

(k) all costs and expenses in connection with the incorporation or establishment, organization and maintenance of corporations and other entities formed to hold real property or other property of the Trust.

### 12.2 Payment of Real Property and Brokerage Commissions

The Trust may pay real property and brokerage commissions at commercial rates in respect of the acquisition and disposition of any investment acquired or disposed of by it.

### 12.3 Asset Management, Leasing and Financing Fees

The Trust may pay asset management fees, leasing fees and financing fees in respect of any real property owned by it.

## ARTICLE 13
## AMENDMENTS TO THE DECLARATION OF TRUST

### 13.1 Amendments by the Trustees

Notwithstanding Section 13.3, the Trustees may, without the approval of the Unitholders, make certain amendments to the Declaration of Trust, including amendments:

(a) aimed at ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over: (i) the Trustees or the Trust; (ii) the status of the Trust as a "mutual fund trust"; or (iii) the distribution of Units;

(b) which, in the opinion of the Trustees, provide additional protection for the Unitholders;

(c) to remove any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Unitholders;

~~(d) which, in the opinion of the Trustees, are necessary or desirable to remove conflicts or inconsistencies between the disclosure in the Prospectus and the Declaration of Trust;~~

(d) ~~(e)~~ of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest omissions or errors, which amendments, in the opinion of the Trustees, are necessary or desirable and not prejudicial to the Unitholders;

(e) ~~(f)~~ which, in the opinion of the Trustees, are necessary or desirable~~: (i) to ensure continuing compliance with IFRS for January 1, 2011 and thereafter; or (ii~~ as a result of changes in taxation or other laws, or accounting standards (including the implementation of IFRS) from time to time which may affect the Trust or its beneficiaries or to ensure that the Trust Units qualify as equity for the purposes of IFRS~~ for January 1, 2011 and thereafter~~;

(f) ~~(g)~~ which, in the opinion of the Trustees, are necessary or desirable to enable the Trust to implement a Trust Unit option or purchase plan or issue Units for which the purchase price is payable in instalments;

(g) ~~(h)~~ which, in the opinion of the Trustees, are necessary or desirable and not prejudicial to the Unitholders, (i) to create and issue one or more new classes of preferred equity securities of the Trust (each of which may be comprised of unlimited series) that rank in priority to the Units (in payment of distributions and in connection with any termination or winding up of the Trust), and/or (ii) to remove the redemption right attaching to the Trust Units and convert the Trust into a closed-end limited purpose trust;

(h) ~~(i)~~ which, in the opinion of the Trustees, are necessary or desirable for the REIT to qualify for a particular status under, or as a result of changes in, taxation or other laws, or the interpretation of such laws, including to qualify for the definition of "real estate investment trust" in the Tax Act or to otherwise prevent the Trust or any of its subsidiaries from becoming subject to the SIFT Tax;

(i) ~~(j)~~ to create one or more additional classes of units solely to provide voting rights to holders of shares, units or other securities that are exchangeable for Trust Units entitling

the holder thereof to a number of votes not exceeding the number of Trust Units into which the exchangeable shares, units or other securities are exchangeable or convertible but that do not otherwise entitle the holder thereof to any rights with respect to the Trust's property or income other than a return of capital;

(j) to restrict ownership of the Trust Units to less than 20 percent of the outstanding Trust Units if, in the opinion of the Trustees, such limitation is desirable for foreign tax purposes; and

(k) for any purpose (except one in respect of which a Unitholder vote is specifically otherwise required) which, in the opinion of the Trustees, is not prejudicial to Unitholders and is necessary or desirable,

but notwithstanding the foregoing, no such amendment shall modify the right to vote attached to any Unit or reduce the equal undivided interest in the property of the Trust or the entitlement to distributions from the Trust provided hereunder (including those provided for in Article 11 and Article 15) represented by any Unit without the consent of the Unitholders provided in accordance with Sections 13.2 and 13.3, as applicable.

**13.2 Amendments by Unitholders**

Subject to Sections 13.3 and ~~13.4~~8.14, this Declaration of Trust may be amended by the vote of a majority of the votes cast at a meeting of Unitholders called for that purpose.

**13.3 Approval by Special Resolution**

Subject to Section 13.1, none of the following shall occur unless the same has been duly approved by Special Resolution:

(a) any amendment to this Section 13.3;

(b) an exchange, reclassification or cancellation of all or part of the Units;

(c) other than as provided for in this Declaration of Trust, the addition, change or removal of the rights, privileges, restrictions or conditions attached to the Units, including:

(i) the removal or change of rights to distributions;

(ii) the addition or removal of or change to conversion privileges, options, voting, transfer or pre-emptive rights; or

(iii) the reduction or removal of a distribution preference or liquidation preference;

(d) other than as provided for in this Declaration of Trust, any constraint of the issue, transfer or ownership of Units or the change or removal of such constraint;

(e) any sale or transfer of the assets of the Trust or its subsidiaries as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the Trust or its subsidiaries as approved by the Trustees);

(f) the termination of the Trust or its subsidiaries;

(g) the combination, amalgamation or arrangement of any of the Trust or its subsidiaries with any other entity; or

(h) any amendment referred to in the first sentence of Section 6.3.

~~**13.4 Amendment by the Sole Unitholder**~~

~~Notwithstanding Sections 13.1, 13.2 and 13.3, so long as the Initial Unitholder is the sole Unitholder of the Trust, the Initial Unitholder may make any amendment to this Declaration of Trust including this Section 13.4.~~

**13.4 ~~13.5~~ Internal Restructuring**

Notwithstanding anything to the contrary herein contained, if at any time the Trustees so resolve to implement an internal reorganization of the assets of the Trust and/or any of the Trust's subsidiaries (including, without limitation, forming additional trusts or limited partnerships to be subsidiaries of the Trust), any such resolution or reorganization shall not require the prior approval of Unitholders provided that such reorganization is not prejudicial to Unitholders.

**13.5 ~~13.6~~ No Termination**

No amendment to or amendment and restatement of this Declaration of Trust, whether pursuant to this Article 13 or otherwise, shall be construed as a termination of the Trust and the settlement or establishment of a new trust.

**13.6 ~~13.7~~ Trustees to Sign Amendment**

When a vote of the Unitholders approves an amendment to this Declaration of Trust or when the Trustees may amend this Declaration of Trust alone as provided herein, then the Trustees shall sign such documents as may be necessary to effect such amendment.

**13.7 ~~13.8~~ Restriction on Amendments Affecting Certain Rights of ~~NW Trust~~NWVP**

No amendment may be made to this Section ~~13.8~~13.7 or shall be made that limits or alters the rights of ~~NW Trust~~NWVP contained in ~~Section 3.1, Subsection 3.8(c) or Section 10.1~~Article 3 or Article 10 without the express written consent of ~~NW Trust~~NWVP provided that ~~NW Trust~~NWVP and its affiliates hold, directly or indirectly, at least ~~10~~5% of the outstanding Units.

## ARTICLE 14
## SUPPLEMENTAL INDENTURES

### 14.1 Provision for Supplemental Indentures for Certain Purposes

The Trustees may, without approval of the Unitholders and subject to the provisions hereof, and shall, when so directed in accordance with the provisions hereof, execute and deliver indentures or instruments supplemental hereto which thereafter shall form part hereof, for any one or more or all of the following purposes:

(a) modifying or amending any provisions of this Declaration of Trust in the circumstances set forth in Section 13.1 where the Trustees may do so without the consent, approval or ratification of the Unitholders or any other person; and

(b) modifying or amending any provisions of this Declaration of Trust where the modification or amendment has been approved by Ordinary Resolution, Special Resolution or, if required, with the consent of the holders of all of the Units.

## ARTICLE 15
## TERMINATION OF THE TRUST

### 15.1 Duration of the Trust

Unless the Trust is sooner terminated as otherwise provided herein, the Trust shall continue in full force and effect so long as the Trustees hold any property of the Trust, and the Trustees shall have all the powers and discretions, expressed and implied, conferred upon them by law or by this Declaration of Trust.

### 15.2 Termination

The Trust shall terminate at the time specified in a decision to terminate the Trust by a Special Resolution passed at a meeting of Unitholders called for that purpose.

### 15.3 Effect of Termination

Upon the termination of the Trust, the liabilities of the Trust shall be discharged with due speed and the net assets of the Trust shall be liquidated and the proceeds distributed proportionately to the Trust Unitholders. Such distribution may be made in cash or in kind or partly in each, all as the Trustees in their sole discretion may determine.

### 15.4 Procedure Upon Termination

Forthwith upon being required to commence to wind up the affairs of the Trust, the Trustees shall give notice thereof to the Unitholders, which notice shall designate the time or times at which Unitholders may surrender their Units for cancellation and the date at which the Registers shall be closed.

### 15.5 Powers of the Trustees Upon Termination

After the date on which the Trustees are required to commence to wind up the affairs of the Trust, the Trustees shall undertake no activities except for the purpose of winding-up the affairs of the Trust as hereinafter provided and, for this purpose, the Trustees shall continue to be vested with and may exercise all or any of the powers conferred upon the Trustees under this Declaration of Trust.

### 15.6 Further Notice to Unitholders

In the event that less than all of the Unitholders have surrendered their Units for cancellation within six months after the time specified in the notice referred to in Section 15.4, the Trustees shall give further notice to the remaining Unitholders to surrender their Units for cancellation and if, within one year after the further notice, all the Units shall not have been surrendered for cancellation, such remaining Units shall be deemed to be cancelled without prejudice to the rights of the holders of such Units to receive their *pro rata* share of the remaining property of the Trust, and the Trustees may either take appropriate steps, or appoint an agent to take appropriate steps, to contact such Unitholders (deducting all expenses thereby incurred from the amounts to which such Unitholders are entitled as aforesaid) or, in the discretion of the Trustees, may pay such amounts into court.

### 15.7 Responsibility of the Trustees after Sale and Conversion

The Trustees shall be under no obligation to invest the proceeds of any sale of investments or other assets or cash forming part of the Trust's property after the date referred to in Section 15.4 and, after such sale, the sole obligation of the Trustees under this Declaration of Trust shall be to hold such proceeds or assets in trust for distribution under Section 15.3.

## ARTICLE 16
## LIABILITIES OF TRUSTEES AND OTHERS

### 16.1 Liability and Indemnification of the Trustees

The Trustees shall at all times, including, for the purposes of this Article 16, the time after they have ceased to be a Trustee, be indemnified and saved harmless out of the property of the Trust from and against all liabilities, damages, losses, debts and claims whatsoever, including costs, charges and expenses in connection therewith, sustained, incurred, brought, commenced or prosecuted against them for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of their duties as Trustees and also from and against all other liabilities, damages, losses, debts, claims, costs, charges, and expenses (including, without limitation, legal fees and disbursements on a solicitor and client basis) which they sustain or incur in or about or in relation to the affairs of the Trust (whether accrued, actual, contingent or otherwise), claims, costs, charges or expenses arising out of or in connection with the presence, release, discharge or disposal of any hazardous substance or any adverse environmental conditions at, on, under or near any real property or any investigation, remediation or clean up action required to be undertaken in connection with any real property. Further, the Trustees shall not be liable to the Trust or to any Unitholder or Annuitant for any loss or damages relating to any matter regarding the Trust, including, without limitation, any loss or diminution in the value of the Trust or its assets. The foregoing provisions of this Section 16.1 in favour of any Trustee do not apply unless:

(a) the Trustee acted honestly and in good faith with a view to the best interests of the Trust and the Unitholders; and

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Trustee had reasonable grounds for believing his conduct was lawful.

### 16.2 Indemnification of Trustees

Each Trustee, each former Trustee, each officer of the Trust and each former officer of the Trust shall be entitled to be and shall be indemnified and reimbursed out of the Trust's property in respect of any and all taxes, penalties or interest in respect of unpaid taxes or other governmental charges imposed upon the Trustee or former Trustee or officer or former officer in consequence of its performance of its duties hereunder and in respect of any and all costs, charges and expenses, including amounts paid to settle an action or satisfy a judgment, reasonably incurred in respect of any civil, criminal or administrative action or proceeding to which the Trustee, former Trustee, officer or former officer is made a party by reason of being or having been a Trustee or officer of the Trust or, at the request of the Trust, a trustee or officer or any subsidiary or affiliate thereof, provided that a Trustee, former Trustee, officer or former officer shall not be indemnified out of the Trust's property in respect of unpaid taxes or other governmental charges or in respect of such costs, charges and expenses that arise out of or as a result or in the course of a breach of the standard of care, diligence and skill set out in Section 4.5. A Trustee, former Trustee, officer or former officer shall not be entitled to satisfy any right of indemnity or reimbursement granted herein, or otherwise existing under law, except out of the Trust's property, and no Unitholder or other

Trustee or officer shall be personally liable to any person with respect to any claim for such indemnity or reimbursement as aforesaid.

### 16.3 Contractual Obligations of the Trust

The omission of the statement described in Subsection 6.2(~~b~~a)(ii) from any document or instrument shall not render the Trustees or the Unitholders liable to any person, nor shall the Trustees or the Unitholders be liable for such omission. If, the Trustees or any Unitholder shall be held liable to any person by reason of the omission of such statement from any such agreement, undertaking or obligation, such Trustee or Unitholder shall be entitled to indemnity and reimbursement out of the Trust's property to the full extent of such liability.

### 16.4 Liability of the Trustees

The Trustees shall not be liable to the Trust or to any Unitholder, Annuitant or any other person for the acts, omissions, receipts, neglects or defaults of any person, firm or corporation employed or engaged by it as permitted hereunder, or for joining in any receipt or act of conformity or for any loss, damage or expense caused to the Trust through the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Trust shall be paid out or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation with whom or which any monies, securities or property of the Trust shall be lodged or deposited, or for any loss occasioned by error in judgment or oversight on the part of the Trustees, or for any other loss, damage or misfortune which may happen in the execution by the Trustees of their duties hereunder, except to the extent the Trustees have not acted in accordance with Subsections 16.1(a) and 16.1(b).

### 16.5 Reliance Upon Advice

The Trustees may rely and act upon any statement, report or opinion prepared by or any advice received from the auditors, lawyers or other professional advisors of the Trust and shall not be responsible or held liable for any loss or damage resulting from so relying or acting.

### 16.6 Liability of Unitholders and Others

No Unitholder or Annuitant or any officer, employee or agent of the Trust shall be held to have any personal liability as such, and no resort shall be had to his private property (including, without limitation, any property consisting of or arising from a distribution of any kind or nature by the Trust) for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Trust or of the Trustees or any obligation which a Unitholder or Annuitant would otherwise have to indemnify a Trustee for any personal liability incurred by the Trustee as such, but rather the assets of the Trust only are intended to be liable and subject to levy or execution for such satisfaction. Any written instrument creating an obligation which is or includes the granting by the Trust of a lease, sublease or mortgage or which is, in the judgment of the Trustees, a material obligation, shall contain a provision to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property (including, without limitation, any property consisting of or arising from a distribution of any kind or nature by the Trust) of any of the Unitholders or Annuitant or officers, employees and agents of the Trust, but the property of the Trust or a specific portion thereof only shall be bound. If the Trust acquires any real property investment subject to existing contractual obligations, the Trustees shall use their reasonable efforts to have any such obligations under material agreements (including mortgages), other than leases, modified so as to achieve the aforesaid disavowal of contractual liability. Further, the Trustees shall cause the operations of the Trust to be conducted in such a way and in such jurisdictions as to avoid, as far as reasonably possible, any material risk of liability on the Unitholders or Annuitant for claims against the Trust, and shall, to the

extent which they determine to be possible and reasonable, including in the cost or premiums, to cause the Trust to carry insurance for the benefit of such persons in such amounts as they consider adequate to cover any foreseeable non-contractual or non-excluded contractual liability. Any potential liability of the Trustees with respect to their foregoing obligations or their failure to perform the same shall be governed by the provisions of Sections 16.1, 16.4 and 16.5. Nothing in this Declaration will preclude the Trustees from exercising any rights granted to them under the Tax Act or any other applicable taxation legislation to withhold from amounts payable to Unitholders or otherwise recover from Unitholders any taxes that the Trustees have paid on behalf of Unitholders.

## ARTICLE 17
## GENERAL

### 17.1 Execution of Instruments

The Trustees shall have power from time to time to appoint any Trustee or Trustees or officer or officers of the Trust or any person or persons on behalf of the Trust either to sign instruments in writing generally or to sign specific instruments in writing. Provisions respecting the foregoing may be contained in the Trustees' Regulations.

### 17.2 Manner of Giving Notice

(a) Any notice or other document required or permitted by the provisions of this Declaration of Trust to be given to a Unitholder, a Trustee or the Auditors shall be deemed conclusively to have been given if given either by delivery or by prepaid first-class mail addressed to the Unitholder at the address shown in the Register, to a Trustee at the last address provided by such Trustee to the President of the Trust, or to the Auditors of the Trust at the last address provided by the Auditors to the Trustees, as the case may be provided that if there is a general discontinuance of postal service due to strike, lockout or otherwise, such notice may be given by publication twice in the Report on Business section of the National Edition of The Globe and Mail or similar section of any other newspaper having national circulation in Canada provided further that if there is no newspaper having national circulation, then by publishing twice in the business section of a newspaper in each city where the register or a branch register is maintained. Any notice so given shall be deemed to have been given on the day following that on which the letter or circular was posted or, in the case of notice being given by publication, after publishing such notice twice in the designated newspaper or newspapers. In proving notice was posted, it shall be sufficient to prove that such letter or circular was properly addressed, stamped and posted.

(b) Any written notice or written communication given to the Trustees shall be addressed to the Trustees at the head office of the Trust, and shall be deemed to have been given on the date of delivery or date sent by facsimile or other means of prepaid, transmitted or recorded communications or, if mailed, five days from the date of mailing. If any such notice or communication shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such notice or communication shall be deemed to have been received 48 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted any notice or other communication shall be given by personal delivery or by facsimile or other means of prepaid, transmitted or recorded communication.

### 17.3 Failure to Give Notice

The failure by the Trustees, by accident or omission or otherwise unintentionally, to give any Unitholder, any Trustee or the Auditors any notice provided for herein shall not affect the validity, effect, taking effect or time of taking effect of any action referred to in such notice, and the Trustees shall not be liable to any Unitholder for any such failure.

### 17.4 Joint Holders

Service of a notice or document on any one of several joint holders of Units shall be deemed effective service on the other joint holders.

### 17.5 Service of Notice

Any notice or document sent by post to or left at the address of a Unitholder pursuant to this Article 17 shall, notwithstanding the death or bankruptcy of such Unitholder, and whether or not the Trustees have notice of such death or bankruptcy, be deemed to have been fully served and such service shall be deemed sufficient service on all persons having an interest in the Units concerned.

### 17.6 Trust Auditors

The Auditors shall be appointed at each annual meeting save that, until the first such annual meeting, such Auditors shall be appointed by the Trustees. If at any time a vacancy occurs in the position of auditors of the Trust, the Trustees may appoint a firm of chartered accountants qualified to practice in all provinces of Canada to act as the Auditors at the next annual meeting of Unitholders. The Auditors shall report to the Trustees and the Unitholders on the annual financial statements of the Trust and shall fulfil such other responsibilities as they may properly be called upon by the Trustees to assume. The Auditors shall have access to all records relating to the affairs of the Trust.

### 17.7 Fiscal Year

The Fiscal Year of the Trust shall end on December 31 in each year.

### 17.8 Reports to Unitholders

The Trust will furnish to Unitholders such financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by this Declaration of Trust and by applicable law.

Prior to a meeting of Unitholders, the Trustees will provide the Unitholders (along with notice of such meeting) information required by applicable tax laws and Securities Laws.

### 17.9 Trust Property to be Kept Separate

The Trustees shall maintain the property of the Trust separate from all other property in their possession.

### 17.10 Electronic Documents

Any requirement under this Declaration of Trust, the *Securities Act* (Ontario) or any other applicable law that a notice, statement, document or other information be created or provided is satisfied by the creation or provision of an electronic document to the extent permitted by law.

**17.11 Trustees May hold Units**

Any Trustee or associate of a Trustee may be a Unitholder or may be an Annuitant, and may be required to hold Units as the board of Trustees may determine from time to time.

**17.12 Trust Records**

The Trustees shall prepare and maintain, at the Trust's principal office or at any other place in Canada designated by the Trustees, records containing (i) the Declaration of Trust; and (ii) minutes of meetings and, resolutions of Unitholders. The Trust shall also prepare and maintain adequate accounting records and records containing minutes of meetings and resolutions of the Trustees and any committee thereof. Such records shall be kept at the principal office of the Trust or at such other place as the Trustees think fit and shall at all reasonable times be open to inspection by the Trustees.

**17.13 Right to Inspect Documents**

A Unitholder and any agent, consultant or creditor of the Trust shall have the right to examine the Declaration of Trust, the Trustees' Regulations, the minutes of meetings and resolutions of Unitholders, and any other documents or records which the Trustees determine should be available for inspection by such Persons, during normal business hours at the principal office of the Trust. Unitholders and creditors of the Trust shall have the right to obtain or make or cause to be made a list of all or any of the registered holders of Units, to the same extent and upon the same conditions as those which apply to shareholders and creditors of a corporation governed by the *Canada Business Corporations Act*, as replaced or amended from time to time.

**17.14 Taxation Information**

On or before March 30 in each year, or such earlier day as is required by applicable legislation or regulation, the Trust will provide to Trust Unitholders who received distributions from the Trust in the prior calendar year, such information required by Canadian law to be submitted to Trust Unitholders for income tax purposes to enable Trust Unitholders to complete their tax returns in respect of such distributions. In particular, each Trust Unitholder shall be informed each year of the composition of the amounts payable by the Trust to such Trust Unitholder in terms of net income, taxable dividends, net taxable gains, foreign source income and return of capital, and will be informed of the portion of such net income that has been designated as taxable dividends on shares of taxable Canadian corporations and taxable capital gains and of the amount of any foreign taxes paid by the Trust in respect of which the Trust Unitholder may claim a credit for tax purposes to the extent permitted by the Tax Act, where those items are applicable.

**17.15 Consolidations**

Any one or more Trustees may prepare consolidated copies of the Declaration of Trust as it may from time to time be amended, supplemented or amended and restated from time to time, and may certify the same to be a true consolidated copy of the Declaration of Trust, as amended, supplemented or amended and restated from time to time.

**17.16 Counterparts**

This Declaration of Trust may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

### 17.17 Severability

The provisions of this Declaration of Trust are severable. If any provision of this Declaration of Trust shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Declaration of Trust in any jurisdiction.

### 17.18 Headings for Reference Only

The headings preceding the articles and sections hereof have been inserted for convenience and reference only and shall not be construed to affect the meaning, construction, interpretation or effect of this Declaration of Trust.

### 17.19 Governing Law

This Declaration of Trust and the Unit Certificates shall be interpreted and governed by and take effect exclusively in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. Any and all disputes arising under this Declaration of Trust, whether as to interpretation, performance or otherwise, shall be subject to the exclusive jurisdiction of the courts of the Province of Ontario and each of the Trustees hereby irrevocably attorns, and each Unitholder shall be deemed to hereby irrevocably attorn, to the exclusive jurisdiction of the courts of such province.

### ~~17.20 Transition~~

~~Notwithstanding any other provision hereof, if otherwise applicable, the approval of a majority of the independent Trustees shall not be required, and the provisions of Section 4.10 shall not be operative or effective with respect to the entering into of, any Material Agreement, transaction or arrangement or proposed Material Agreement, transaction or arrangement disclosed in the Prospectus.~~

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

**IN WITNESS WHEREOF** the Trustees ~~and the Initial Unitholder~~ have caused these presents to be signed as of the date first above written.

Martin Barkin, Trustee

Bernard Crotty, Trustee

Robert Baron, Trustee

~~*"Paul Dalla Lana"*~~
Paul Dalla Lana, Trustee

~~*"Bernard Crotty"*~~
~~Bernard Crotty,~~Colin Loudon Trustee

C. David Naylor, Trustee

Brian Peterson, Trustee

~~*"Peter Riggin"*~~
Peter Riggin, Trustee

~~**NORTHWEST VALUE PARTNERS INC., the Initial Unitholder**~~

~~Per:~~ ~~*"Paul Dalla Lana"*~~
~~Paul Dalla Lana~~
~~President~~

[Signature page of Second Amended and Restated Declaration of Trust]

## SCHEDULE A

## NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST

## TRUSTEES' REGULATIONS

### INTERPRETATION

1. **Interpretation**. In these Trustees' Regulations, unless the context otherwise specifies or requires:

   (a) all terms used in these Trustees' Regulations not otherwise defined herein shall have the meanings given to such terms in the Declaration of Trust;

   (b) words importing the singular number only shall include the plural and vice versa and words importing a specific gender shall include the other gender; and

   (c) the headings used in these Trustees' Regulations are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

### MEETINGS OF TRUSTEES

2. **Place and Time of Meeting**. All meetings of the Trustees called by the giving of notice shall be held at a place in Canada and, unless consented to in writing by a majority of the Trustees, on a business day which place and time shall be specified in the notice.

3. **Notice**. The notice of any meeting may but need not specify the purpose of or the business to be transacted at the meeting.

4. **Adjournment**. Any meeting of Trustees may be adjourned from time to time by the chairperson of the meeting, with the consent of the meeting, to another business day at a fixed time and place. Notice of any adjourned meeting of Trustees is not required to be given if the time and place of the adjourned meeting is announced at the original meeting, but notice of the adjourned meeting shall be given to the Trustees not present at such original meeting by delivering (not mailing) the same not less than one day (exclusive of the day on which the notice is delivered but inclusive of the day for which notice is given) before the adjourned meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The Trustees who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

5. **Minutes of Meetings**. The Chairperson shall appoint a secretary to act as secretary of each meeting of the Trustees and of the Unitholders. Written records and minutes of all meetings of Trustees shall be maintained by the secretary of each meeting and shall be placed in the minute book of the Trust. Any written records and minutes of meetings of any committee of Trustees shall be maintained by the secretary of such meeting may but need not be placed in the minute book of the Trust. There shall be inserted or entered into the records and minutes of the meetings

of Trustees all written disclosures or requests made to have entered into the minutes of the meeting, of the nature and extent of a Person's interest in a material agreement or transaction or proposed material agreement or transaction with the Trust made pursuant to Section 4.10 of the Declaration of Trust.

**FOR THE PROTECTION OF TRUSTEES AND OFFICERS**

6. **For the Protection of Trustees and Officers**. The provisions of the Declaration of Trust pertaining to the liability and indemnification of Trustees shall apply *mutatis mutandis* to the officers of the Trust or Persons who act or acted at the Trust's request as a director or officer of a body corporate of which the Trust is or was a shareholder or creditor, and his heirs and legal representatives.

   The Trust shall also indemnify any such Person in such other circumstances as the Declaration of Trust or law permits, subject to the Declaration of Trust, or requires. Nothing in these Trustees' Regulations shall limit the right of any Person entitled to indemnity to claim indemnity apart from the provisions of these Trustees' Regulations to the extent permitted by the Declaration of Trust or law.

**OFFICERS**

7. **Appointment and Removal**. The Trustees may annually or more often, pursuant to the provisions of the Declaration of Trust, appoint the officers of the Trust who may or may not be Trustees. Notwithstanding the foregoing, each incumbent officer of the Trust shall continue in office until the earliest of (a) his resignation, which resignation shall be effective at the time a written resignation is received by the Trust or at the time specified in the resignation, whichever is later, (b) the appointment of his successor, (c) his removal, and (d) his death. The Trustees may from time to time and subject to the provisions of the Declaration of Trust, prescribe, vary, add to or limit the duties and powers of any officer.

   All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the Trustees at any time, with or without cause.

8. **Chairperson**. The Chairperson of Trustees shall be appointed from among the Trustees. The Chairperson shall preside as chair at all meetings of the Trustees and at all meetings of the Unitholders, unless a Trustee who is not the Chairperson is selected to do so by the Trustees in accordance with Section 8.4 of the Declaration of Trust.

9. **Powers and Duties**. Subject to the provisions of the Declaration of Trust, all officers of the Trust shall sign such contracts, documents or instruments in writing as require their respective signatures and shall respectively have and perform all powers and duties incident to their respective offices and such other powers and duties respectively as may from time to time be assigned to them by the Trustees.

10. **Duties May be Delegated**. Subject to the provisions of the Declaration of Trust, in case of the absence or inability to act of any officer of the Trust or for any other reason that the Trustees may deem sufficient, the Trustees may delegate all or any of the powers of such officer to any other officer or to any Trustee for the time being.

11. **Vacancies**. If the office of any officer of the Trust shall be or become vacant by reason of death, resignation, removal or otherwise, the Trustees may appoint a Person to fill such vacancy.

**UNITHOLDERS' MEETINGS**

12. **Place and Time of Meetings**. Each meeting of the Unitholders shall be held at a place in Canada on a Business Day which place and time shall be specified in the notice calling the meeting.

13. **Notice**. A printed, written or typewritten notice stating the day, hour and place of any meeting of the Unitholders as well as the purpose shall be given by serving such notice on each Unitholder entitled to vote at such meeting, on each Trustee and on the auditor of the Trust in the manner provided for in the Declaration of Trust and in these Trustees' Regulations. A meeting of the Unitholders may be held for any purpose on any day and at any time without notice if all of the Unitholders and all other Persons entitled to attend such meeting are present in Person or, where appropriate, represented by proxy at the meeting (except where a Unitholder or other Person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all of the Unitholders and all other Persons entitled to attend such meeting who are not present in Person or, where appropriate, represented by proxy thereat waive notice before or after the date of such meeting.

14. **Waiver of Notice**. A Unitholder and any other Person entitled to attend a meeting of the Unitholders may in any manner waive notice of a meeting of the Unitholders and attendance of any such Person at a meeting of the Unitholders shall constitute a waiver of notice of the meeting except where such Person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

15. **Votes**. Every question submitted to any meeting of the Unitholders, other than in respect of a Special Resolution, shall be decided in the first instance by a show of hands unless a Person entitled to vote at the meeting has demanded a ballot.

    A ballot may be demanded either before or after any vote by show of hands by any Person entitled to vote at the meeting. If at any meeting a ballot is demanded on the election of a chairperson or on the question of adjournment it shall be taken forthwith without adjournment. If at any meeting a ballot is demanded on any other question or as to the election of Trustees, the vote shall be taken by ballot in such manner and either at once, later in the meeting or after adjournment as the chairperson of the meeting directs. The result of a ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded. A demand for a ballot may be withdrawn.

    Where two or more Persons hold the same Unit or Units jointly, one of those holders present at a meeting of the Unitholders may, in the absence of the other or others, vote the Unit or Units but if two or more of those Persons who are present, in Person or by proxy vote, they shall vote as one on the Unit or Units jointly held by them.

    At any meeting of the Unitholders unless a ballot is demanded, a declaration by the chairperson of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

16. **Proxies**. At every meeting at which he is entitled to vote, every Unitholder and/or Person appointed by proxy and/or individual so authorized to represent a Unitholder who is present in Person shall have one vote on a show of hands. Upon a ballot at which he is entitled to vote, every Unitholder present in Person or represented by proxy or by an individual so authorized shall (subject to the provisions, if any, of the Declaration of Trust) have one vote for every Unit held by him.

A proxy shall be executed by the Unitholder or his attorney authorized in writing or, if the Unitholder is a body corporate or association, by an officer or attorney thereof duly authorized. If the Units are publicly traded, a proxy appointing a proxyholder ceases to be valid one year from its date.

A proxy may be in the following form:

> The undersigned Unitholder of NorthWest Healthcare Properties Real Estate Investment Trust hereby appoints _____ of _____ or falling him, _____ as the nominee of the undersigned to attend and act for the undersigned and on behalf of the undersigned at the said meeting of the Unitholders of the said Trust to be held on the day of and at any adjournment thereof in the same manner, to the same extent and with the same power as if the undersigned were present at the said meeting or such adjournment thereof. This proxy is [not] solicited by or on behalf of management of the Trust.
>
> DATED this day of
>
> _____
> Signature of Unitholder

The Trustees may from time to time institute procedures regarding the lodging of proxies at some place or places other than the place at which a meeting or adjourned meeting of the Unitholders is to be held and for particulars of such proxies to be sent by telecopier or in writing before the meeting or adjourned meeting to the Trust or any agent of the Trust for the purpose of receiving such particulars and providing that proxies so lodged may be voted upon as though the proxies themselves were produced at the meeting or adjourned meeting and votes given in accordance with such procedures shall be valid and shall be counted. The chairperson of any meeting of the Unitholders may, in his discretion, accept telecopier or written communication as to the authority of any Person claiming to vote on behalf of and to represent a Unitholder notwithstanding that no proxy conferring such authority has been lodged with the Trust, and any votes given in accordance with such telecopier or written communication accepted by the chairperson of the meeting shall be valid and shall be counted.

17. **Adjournment**. The chairperson of any meeting of the Unitholders may with the consent of the meeting adjourn the same from time to time to another Business Day at a fixed time and place and no notice of such adjournment need be given to the Unitholders. Any business may be brought before or dealt with at any adjourned meeting for which no notice is required which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

    Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The Persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting the original meeting shall be deemed to have terminated forthwith after its adjournment.

18. **Quorum**. No business shall be transacted at any meeting of the Unitholders unless the requisite quorum be present at the time of the transaction of such business. If a quorum is not present at the time appointed for a meeting of the Unitholders or within 30 minutes thereafter, the Persons present and entitled to vote may adjourn the meeting to another business day not less than 14

days later at a fixed time and place but may not transact any other business and the provisions of paragraph 17 with regard to notice shall apply to such adjournment.

19. **Minutes of Meetings**. Written records and minutes of each meeting of the Unitholders shall be maintained by the secretary of each meeting and shall be placed in the minute book of the Trust.

**CERTIFICATES**

20. **Certificates**. Certificates representing Units shall be signed by at least one Trustee or officer of the Trust holding office at the time of signing and unless otherwise decided by the Trustees, by or on behalf of a registrar, transfer agent, branch transfer agent or issuing or other authenticating agent of the Trust and any signatures required on a certificate representing Units may be printed or otherwise mechanically reproduced thereon.

A certificate representing Units containing the signature of a Person which is printed, engraved, lithographed or otherwise mechanically reproduced thereon may be issued notwithstanding that the Person has ceased to be a Trustee or an officer, as the case may be, of the Trust and shall be as valid as if he were a Trustee or an officer, as the case may be, at the date of its issue.

**TRANSFER OF UNITS**

21. **Register**. The Register shall be kept as provided for in the Declaration of Trust at the principal office of the REIT in Toronto, Ontario.

**VOTING SHARES AND SECURITIES IN BODIES CORPORATE**

22. **Voting Shares and Securities in Bodies Corporate**. All of the shares or other securities carrying voting rights of any body corporate held from time to time by the Trust may be voted at any and all meetings of shareholders or holders of other securities (as the case may be) of such body corporate and in such manner and by such Person or Persons as the Trustees shall from time to time determine. The duly authorized signing officers of the Trust may also from time to time execute and deliver for and on behalf of the Trust proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the Trustees.

**NOTICES**

23. **Service**. If a notice or document is sent to a Unitholder by prepaid first-class mail in accordance with the provisions of the Declaration of Trust and the notice or document is returned on three consecutive occasions because the Unitholder cannot be found, it shall not be necessary to send any further notices or documents to the Unitholder until he informs the Trust in writing of his new address.

24. **Units Registered in More Than One Name**. All notices or other documents with respect to any Units registered in more than one name shall be given to whichever of such Persons is named first in the records of the Trust and any notice or other document so given shall be sufficiently given to all of the holders of such Units.

25. **Deceased Unitholders**. Any notice or other document delivered or sent in a manner contemplated in the Declaration of Trust to the address of any Unitholder as the same appears in the records of the Trust shall, notwithstanding that such Unitholder be then deceased, and whether or not the Trust has notice of his death, be deemed to have been duly served in respect of

the Units held by such Unitholder (whether held solely or with any other Person or Persons) until some other Person be entered in his stead in the records of the Trust as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all Persons, if any, interested through him or with him in such Units.

26. **Signature to Notices**. The signature of any Trustee or officer of the Trust to any notice or document to be given by the Trust may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

27. **Computation of Time**. Where a given number of days' notice or notice extending over a period is required to be given under any provisions of the Declaration of Trust or these Trustees' Regulations, the day of service or posting of the notice or document shall not, unless it is otherwise provided, be counted in such number of days or other period, but the day of receipt of the notice or document shall, unless it is otherwise provided, be counted in such number of days or other period.

28. **Proof of Service**. With respect to every notice or other document sent by post it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed as provided in the Declaration of Trust and in these Trustees' Regulations and put into a post office or into a letter box. A certificate of an officer of the Trust in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of Units of the Trust as to facts in relation to the sending or delivery of any notice or other document to any Unitholder, Trustee, officer or auditor of the Trust or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every Unitholder, Trustee, officer or auditor of the Trust, as the case may be.

**CHEQUES, DRAFTS AND NOTES**

29. **Cheques, Drafts and Notes**. All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or officers of the Trust or Person or Persons, whether or not officers of the Trust, and in such manner as the Trustees may from time to time designate.

**CUSTODY OF SECURITIES**

30. **Custody of Securities**. All shares and other securities owned by the Trust shall be lodged (in the name of the Trust) with a chartered bank or a trust company, in a safety deposit box or with a law firm acting on behalf of the Trust or, if so authorized by resolution of the Trustees, with such other depositories or in such other manner as may be determined from time to time by the Trustees.

All shares and other securities belonging to the Trust may be issued, or held in the name of a nominee or nominees of the Trust (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with right of survivorship) and any shares or other securities so issued or held shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

**EXECUTION OF INSTRUMENTS**

31. **Execution of Instruments**. All contracts, documents or instruments in writing requiring the signature of the Trust may be signed by any officer or Trustee of the Trust and all contracts,

documents and instruments in writing so signed shall be binding upon the Trust without any further authorization or formality. The Trustees shall have power from time to time to appoint any officer or officers, or any Person or Persons, on behalf of the Trust either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The term "contracts, documents or instruments in writing" as used in these Trustees' Regulations shall include (without limitation) security certificates, deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations and conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures or other securities and all paper writings.

Without limiting the foregoing, any officer or Trustee of the trust shall have authority to sell, assign, transfer, exchange, convert or convey any and all shares, stocks, bonds, debentures, rights, warrants or other securities owned by or registered in the name of the Trust and to sign and execute all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such shares, stocks, bonds, debentures, rights, warrants or other securities.

The signature or signatures of the officers and Trustees of the Trust and/or of any other Person or Persons appointed as aforesaid by the Trustees may, if specifically authorized by the Trustees, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures or other securities of the Trust executed or issued by or on behalf of the Trust and all contracts, documents or instruments in writing or bonds, debentures or other securities of the Trust on which the signature or signatures of any one or more of the foregoing officers or Trustees or the officers or Persons authorized as aforesaid shall be so reproduced pursuant to such authorization by the Trustees shall be deemed to have been manually signed by each such officer, Trustee or Person whose signature is so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that any such officer, Trustee or Person whose signature is so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures or other securities of the Trust.

**INCONSISTENCIES WITH DECLARATION OF TRUST OF TRUST**

32. **Inconsistencies**. In the event of any conflict or inconsistency between these Trustees' Regulations and the provisions of the Declaration of Trust, as amended, restated or amended and restated from time to time, the provisions hereof shall be ineffective and shall be superseded by the provisions of such Declaration of Trust to the extent necessary to resolve such conflict or inconsistency.

**APPENDIX P**
**SECTION 191 OF THE ABCA**

**(1)** Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to

(a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,

(b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,

(b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),

(c) amalgamate with another corporation, otherwise than under section 184 or 187,

(d) be continued under the laws of another jurisdiction under section 189, or

(e) sell, lease or exchange all or substantially all its property under section 190.

**(2)** A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.

**(3)** In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.

**(4)** A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

**(5)** A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)

(a) at or before any meeting of shareholders at which the resolution is to be voted on, or

(b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder's right to dissent.

**(6)** An application may be made to the Court after the adoption of a resolution referred to in subsection (1) or (2),

(a) by the corporation, or

(b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5),

to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

**(7)** If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.

**(8)** Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder

(a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or

(b) within 10 days after the corporation is served with a copy of the application, if a shareholder is the applicant.

**(9)** Every offer made under subsection (7) shall

(a) be made on the same terms, and

(b) contain or be accompanied with a statement showing how the fair value was determined.

**(10)** A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.

**(11)** A dissenting shareholder

(a) is not required to give security for costs in respect of an

application under subsection (6), and

(b) except in special circumstances must not be required to pay the costs of the application or appraisal.

**(12)** In connection with an application under subsection (6), the Court may give directions for

(a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,

(b) the trial of issues and interlocutory matters, including pleadings and questioning under Part 5 of the *Alberta Rules of Court*,

(c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,

(d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,

(e) the appointment and payment of independent appraisers, and the procedures to be followed by them,

(f) the service of documents, and

(g) the burden of proof on the parties.

**(13)** On an application under subsection (6), the Court shall make an order

(a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,

(b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,

(c) fixing the time within which the corporation must pay that amount to a shareholder, and

(d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.

**(14)** On

(a) the action approved by the resolution from which the shareholder dissents becoming effective,

(b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or

(c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

**(15)** Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

**(16)** Until one of the events mentioned in subsection (14) occurs,

(a) the shareholder may withdraw the shareholder's dissent, or

(b) the corporation may rescind the resolution,

and in either event proceedings under this section shall be discontinued.

**(17)** The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

**(18)** If subsection (20) applies, the corporation shall, within 10 days after

(a) the pronouncement of an order under subsection (13), or

(b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

**(19)** Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

**(20)** A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(a) the corporation is or would after the payment be unable to pay its liabilities as they become due, or

(b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.

Any questions and requests for assistance may be directed to the
Proxy Solicitation Agent:

The Exchange Tower
130 King Street West, Suite 2950, P.O. Box 361
Toronto, Ontario
M5X 1E2

**North American Toll Free Phone:**

# 1-877-659-1822

**Email: contactus@kingsdaleshareholder.com**

**Facsimile: 416-867-2271**

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**Outside North America, Banks and Brokers Call Collect: 416-867-2272**