

RIOCAN REAL ESTATE INVESTMENT TRUST



NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS AND MANAGEMENT INFORMATION CIRCULAR

**ANNUAL AND SPECIAL MEETING OF UNITHOLDERS
TO BE HELD ON MAY 28, 2014**

April 11, 2014

These materials require your immediate attention.
Should you not understand the contents of this document, please consult your professional advisors.

RIOCAN REAL ESTATE INVESTMENT TRUST

NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “**Meeting**”) of the holders of Units of RioCan Real Estate Investment Trust (the “**Trust**” or “**RioCan**”) will be held at the SilverCity Theatres located at RioCan Yonge Eglinton Centre, 2300 Yonge Street, Toronto, Ontario on Wednesday May 28, 2014 at the hour of 10:00 a.m. (Toronto time) for the following purposes:

1. **TO RECEIVE** the financial statements of the Trust for the year ended December 31, 2013, together with the report of the auditors thereon;
2. **TO ELECT** members of the Board of Trustees of the Trust;
3. **TO APPOINT** auditors and authorize the Board of Trustees of the Trust to fix the remuneration of the auditors;
4. **TO CONSIDER** and, if thought advisable, to pass a resolution (in the form attached as Appendix A to the accompanying information circular) authorizing and approving the adoption of a deferred unit plan for RioCan’s non-employee trustees, all as more particularly set forth in the accompanying information circular;
5. **TO CONSIDER** and, if thought advisable, to pass the non-binding advisory say-on-pay resolution on executive compensation, as more particularly set forth in the accompanying information circular; and
6. **TO TRANSACT** such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

A registered Unitholder of the Trust wishing to be represented by proxy at the Meeting or any adjournment thereof must have deposited his or her duly executed form of proxy not later than 10:00 a.m. (Toronto time) on May 26, 2014 or, if the Meeting is adjourned, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) preceding the time of such adjourned meeting, at the offices of CST Trust Company, Proxy Department, by mail (using the enclosed envelope, if desired) to P.O. Box 721, Agincourt, Ontario M1S 0A1, online at www.cstvotemyproxy.com or by fax to 416-368-2502 (toll-free within North America to 1-866-781-3111). Unitholders holding Units beneficially through an intermediary (“**Non-Registered Unitholders**”) wishing to be represented by proxy at the Meeting or any adjournment thereof must have deposited his or her duly completed voting instruction form in accordance with the directions provided on the voting instruction form. A form of proxy solicited by management of the Trust or a voting information form in respect of the Meeting is enclosed herewith. Unitholders of the Trust who are unable to be present personally at the Meeting are requested to sign and return (in the envelope provided for that purpose) such form of proxy or provide a completed voting instruction form to their broker or intermediary in accordance with the instructions provided therein.

Only holders of Units of the Trust of record at the close of business on March 31, 2014 (the “**Record Date**”) will be entitled to vote at the Meeting, even though they may have since that date disposed of their Units, and, except as otherwise determined from time to time by the Trustees, no Unitholder becoming such after the Record Date will be entitled to receive notice of and vote at such Meeting or any adjournment thereof.

The Trust is using “notice and access” delivery to furnish proxy materials to Unitholders over the internet. We believe that this delivery process will expedite Unitholders’ receipt of proxy materials and lower the costs and reduce the environmental impact of the Meeting. On or about April 28, 2014, we will send to our Unitholders of record as of the Record Date a Notice and Access Notification to Unitholders (the “**Notice**”) containing instructions on how to access our proxy materials for the fiscal year ended December 31, 2013. This Notice also provides instructions on how to vote online and includes instructions on how to receive a paper copy of the proxy materials by mail.

For Unitholders that are unable to attend the Meeting in person, a webcast of the Meeting will be available. Unitholders are instructed to visit www.riocan.com for further information on how to access the webcast. **Voting will not be accepted by webcast (in order to vote Unitholders must follow the instructions above).**

The accompanying information circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

DATED at Toronto, Ontario this 11 day of April, 2014.

BY ORDER OF THE BOARD OF TRUSTEES of RioCan
Real Estate Investment Trust

“Paul Godfrey”

PAUL GODFREY, C.M., O.ONT.
Chairman

Dear Unitholder:

We are pleased to invite you to the annual and special meeting (the "**Meeting**") of RioCan Real Estate Investment Trust ("**RioCan**" or the "**Trust**") to be held at 10:00 a.m. (local time) on Wednesday, May 28, 2014 at the SilverCity Theatres located at RioCan Yonge Eglinton Centre, 2300 Yonge Street in Toronto, Ontario.

The Meeting provides RioCan's Unitholders with an important opportunity to consider and participate in key matters for the Trust. The accompanying Information Circular describes the business to be conducted at the Meeting and provides information on RioCan's executive compensation and governance practices. At the Meeting, there will be an opportunity to ask questions and meet with management and the Board of Trustees. Edward Sonshine, the Chief Executive Officer of the Trust, will also provide an overview on the direction for RioCan in the coming years.

Throughout RioCan's twenty years as a publicly traded real estate investment trust it has always been committed to strong governance. This year, the Board of Trustees is proposing the adoption of a deferred unit plan in an effort to further align the compensation of non-employee Trustees with the interests of Unitholders.

As part of RioCan's ongoing mandate to ensure RioCan's compensation programs align the interests of management, Trustees and unitholders, in 2013 the HRCC undertook a comprehensive review of RioCan's executive and Trustee compensation programs. This review was completed in the first quarter of 2014 and has resulted in changes that have been adopted for implementation in 2015, as well as certain changes adopted for 2014. These changes include the introduction of a performance equity unit plan for executives, which will reduce the proportion of long term incentives granted through Unit options and introduce grants of performance equity units, which will be subject to both internal and external relative measures of performance. This will increase the alignment of executives' interests with those of Unitholders. For certain executives, we will also introduce a new mix of short and long-term compensation resulting in an increased emphasis on long-term performance. For 2014, we have adopted enhanced unit ownership requirements and introduced a post departure holding requirement of Units for executives. For more detail on the in-depth review conducted by the HRCC and the resulting changes adopted by the Board, please refer to the Letter from the Chair of the HRCC and the related Compensation Discussion & Analysis set forth herein commencing on page 16.

As a unitholder, your participation in the affairs of the Trust is important to us. If you are unable to attend the Meeting in person, please refer to your enclosed proxy or to the voting information form and "Management Solicitation" section of the accompanying Information Circular for further information on how to ensure that your vote is recorded.

We will also webcast the Meeting at www.riocan.com. Unitholders are encouraged to visit RioCan's website at any time before the Meeting as it provides useful information about the Trust and details for accessing the webcast.

The Board of Trustees and management look forward to your participation at the Meeting and thank you for your continued support.

Sincerely,

Paul Godfrey, CM, O.Ont.

Chairman, Board of Trustees of RioCan Real Estate Investment Trust

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RIOCAN REAL ESTATE INVESTMENT TRUST MANAGEMENT INFORMATION CIRCULAR

MANAGEMENT SOLICITATION

Solicitation of Proxies

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by management of RioCan Real Estate Investment Trust (the “**Trust**” or “**RioCan**”) for use at the annual and special meeting (the “**Meeting**”) of the holders (“**Unitholders**”) of units of the Trust which are not preferred units (“**Units**”) to be held at the SilverCity Theatres located at RioCan Yonge Eglinton Centre, 2300 Yonge Street, Toronto, Ontario, on Wednesday, May 28, 2014, at 10:00 a.m. (Toronto time) for the purposes set forth in the attached Notice of Meeting. The Trust will use the notice and access mechanism to conduct the solicitation. Proxies may also be solicited personally or by telephone by individual trustees of the Trust (“**Trustees**”) or by officers and/or other employees of the Trust. The cost of solicitation, if any, will be borne by the Trust. Except as otherwise stated, the information contained herein is given as of March 31, 2014.

Copies of the Trust’s 2013 Annual Report and current Annual Information Form are available on the internet site of SEDAR (the System for Electronic Document Analysis and Retrieval, as established by the Canadian Securities Administrators) at www.sedar.com and on RioCan’s website at www.riocan.com. In the alternative, copies will be provided upon request to the Trust (at RioCan Yonge Eglinton Centre, 2300 Yonge Street, Suite 500, PO Box 2386, Toronto, Ontario M4P 1E4, Attention: Executive Vice President, Secretary and Chief Financial Officer).

Registered Unitholders who are unable to attend the Meeting in person are requested to vote their proxy online at www.cstvotemyproxy.com or complete, sign, date and return the form of proxy mailed to them to CST Trust Company, Proxy Department, by mail (using the enclosed envelope, if desired) to P.O. Box 721, Agincourt, Ontario, M1S 0A1 or by fax to 416-368-2502 (toll-free within North America to 1-866-781-3111), at any time up to and including 10:00 a.m. (Toronto time) on May 26, 2014, or if the meeting is adjourned, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) preceding the time of such adjourned meeting.

In addition to the description of the voting and proxy requirements and procedures described under the heading “Management Solicitation”, various common questions, and answers to such questions, on proxy voting are set out below under the heading “Questions and Answers on Proxy Voting”.

Notice and Access

The Trust is using the notice and access mechanism (“**Notice and Access**”) that allows the Trust to furnish proxy materials over the internet to Unitholders instead of mailing paper copies. Under Notice and Access, the Trust can deliver proxy-related materials by (i) posting the Information Circular (and other proxy related materials) on a website other than SEDAR and (ii) sending a notice informing Unitholders that the Information Circular and proxy related materials have been posted and explaining how to access them (the “**Notice**”).

On or about April 28, 2014, the Trust will send to Unitholders a notice package containing the Notice and the relevant voting document (a form of proxy or voting instruction form) (collectively, the “**Meeting Materials**”). The Notice contains basic information about the Meeting and the matters to be voted on, explains the Notice and Access process, and explains how to obtain a paper copy of the Information Circular.

The Trust has determined that those beneficial Unitholders with existing instructions on their account to receive paper material and those beneficial Unitholders with addresses outside of Canada and the United States will receive a paper copy of the Information Circular with the Notice.

Appointment of Proxies

The persons named in the form of proxy sent to you in the Meeting Materials are officers of the Trust. A registered Unitholder desiring to appoint some other person (who need not be a Unitholder) to represent him or her at the Meeting may do so by inserting such person’s name in the blank space provided in the form of proxy and returning the completed proxy to CST Trust Company, Proxy Department, by mail (using the enclosed envelope, if desired) to P.O. Box 721, Agincourt, Ontario, M1S 0A1 or by fax to 416-368-2502 (toll-free within North America to 1-866-781-3111), at any time up to and including 10:00 a.m. (Toronto time) on May 26, 2014 or, if the Meeting is adjourned, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) preceding the time of such adjourned meeting. Registered Unitholders may also do this online at www.cstvotemyproxy.com.

Non-Registered Unitholders

Only registered Unitholders, or the persons they appoint as their proxies, are permitted to vote at the Meeting. However, in many cases, Units of the Trust beneficially owned by a holder (a “**Non-Registered Unitholder**”) are registered either in the name of a broker or intermediary (an “**Intermediary**”) that the Non-Registered Unitholder deals with in respect of the Units (Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, tax-free savings accounts and similar plans), or in the name of a clearing agency (such as The Canadian Depository for Securities Limited).

In accordance with Canadian securities laws, the Trust has distributed copies of the Meeting Materials to the clearing agencies and Intermediaries for onward distribution to Non-Registered Unitholders.

Intermediaries are required to forward Meeting Materials to Non-Registered Unitholders unless a Non-Registered Unitholder has waived the right to receive them. Typically, Intermediaries will use a service company such as Broadridge Investor Communications Solutions (“**Broadridge**”) to forward Meeting Materials to Non-Registered Unitholders.

Generally, Non-Registered Unitholders who have not waived the right to receive Meeting Materials will:

- have received as part of the Meeting Materials a voting instruction form which must be completed, signed and delivered by the Non-Registered Unitholder in accordance with the directions on the voting instruction form. Voting instruction forms sent by Broadridge permit the completion of the voting instruction form by telephone at the phone number listed thereon, by mail in the envelope provided, or through the internet at www.proxyvote.com; or
- less typically, be given a proxy which has already been signed by the Intermediary (typically by a facsimile or stamped signature) and is restricted to the number of Units beneficially owned by the Non-Registered Unitholder but which is otherwise uncompleted. The form of proxy need not be signed by the Non-Registered Unitholder. In this case, the Non-Registered Unitholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with CST Trust Company as described above.

The purpose of these procedures is to permit Non-Registered Unitholders to direct the voting of the Units they beneficially own. Should a Non-Registered Unitholder who receives either a proxy or a voting instruction form wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Unitholder), the Non-Registered Unitholder must instruct the Trust to do so by either (i) filing and submitting the voting information form (Form 54-101F6) previously sent to such Non-Registered Unitholder by the Trust; or (ii) submitting any other document in writing to the Trust that requests that the Non-Registered Unitholder or a nominee thereof should be appointed as proxyholder. **In either case, Non-Registered Unitholders should carefully follow the instructions of their Intermediaries and their service companies.**

Voting of Units Represented by Management Proxies

The form of proxy forwarded to Unitholders with the Notice confers discretionary authority upon the proxy nominees with respect to amendments or variations of matters identified in the Notice or other matters that may properly come before the Meeting. The form of proxy affords the Unitholder an opportunity to specify that the Units registered in his or her name are to be voted for or withheld from voting in respect of the election of each Trustee and the appointment of auditors, and for or against the adoption of the deferred unit plan, and the advisory say on pay resolution (collectively, the “Additional Matters”).

On any vote that may be called for, the Units represented by proxies in favour of management nominees will be voted or withheld from voting in respect of the election of each Trustee and the appointment of auditors, and for or against the Additional Matters, in accordance with the specifications made by Unitholders in the manner referred to above.

In respect of proxies in which Unitholders have not specified that the proxy nominees are required to vote or withhold from voting in respect of the election of each Trustee and the appointment of auditors, and for or against the Additional Matters, the Units represented by proxies in favour of management nominees will be voted in favour of the election of the Trustees listed in the Information Circular and the appointment of the auditors and the Additional Matters.

The Trustees know of no matters to come before the Meeting other than the matters referred to in the Notice. However, if any other matters that are not now known to the Trustees should properly come before the Meeting, the Units represented by proxies in favour of management nominees will be voted on such matters in accordance with the best judgment of the proxy nominee.

Revocation of Proxies

A proxy given by a Unitholder for use at the Meeting may be revoked at any time prior to its use. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the Unitholder or by his or her attorney authorized in writing or, if the Unitholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized and deposited with CST Trust Company, Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1 or by fax to 416-368-2502 (toll-free within North America to 1-866-781-3111) at any time up to and including two business days preceding the Meeting or any adjournment thereof at which the proxy is to be used or with the Chairman of the Meeting on the date of the Meeting or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

A Non-Registered Unitholder may revoke a voting instruction form by written notice to the Intermediary in accordance with the instructions provided by the Intermediary, including any time frames required by the Intermediaries for such purpose.

Advance Notice Policy

At the annual and special meeting of Unitholders held on June 5, 2013, Unitholders approved certain amendments to the Declaration of Trust to implement a policy requiring advance notice to be given to the Trust of Unitholder proposals relating to the nomination of Trustees (the “**Advance Notice Policy**”). The Advance Notice Policy requires a nominating Unitholder to provide notice to the Trustees of proposed Trustee nominations not less than 30 days, but not more than 65 days, prior to the date of the applicable annual or special meeting. This advanced notice period is intended to give the Trust and its Unitholders sufficient time to consider any proposed nominees. A copy of the Declaration of Trust may be viewed under the Trust’s profile on SEDAR at www.sedar.com.

Webcast of Meeting

For Unitholders that are unable to attend the Meeting in person, but still wish to listen to the Meeting, the Trust will be holding a webcast of the Meeting. Unitholders are instructed to visit www.riocan.com for further information on how to access the webcast.

Voting will not be accepted by webcast (in order to vote Unitholders must follow the instructions above).

Voting Results

Voting results of the Meeting will be filed on SEDAR at www.sedar.com following the Meeting.

Voting results from the Trust's annual and special meeting of Unitholders held on June 5, 2013 are as follows:

Brief Description of Matters Voted Upon	Outcome of the Vote	Percentage of Votes Cast (if the vote was conducted by ballot) (1)		
		For	Against	Withheld
In respect of the election of each of the following proposed nominees as members of the Board of Trustees of the Trust for the ensuing year:				
Bonnie Brooks	Approved (by show of hands)	99.50%	–	0.50%
Clare R. Copeland	Approved (by show of hands)	52.66%	–	47.34%
Raymond M. Gelgoot	Approved (by show of hands)	90.28%	–	9.72%
Paul Godfrey, C.M., O.Ont.	Approved (by show of hands)	85.57%	–	14.43%
Dale H. Lastman	Approved (by show of hands)	90.27%	–	9.73%
Sharon Sallows	Approved (by show of hands)	99.64%	–	0.36%
Edward Sonshine, O.Ont., Q.C.	Approved (by show of hands)	99.25%	–	0.75%
Charles Winograd	Approved (by show of hands)	99.77%	–	0.23%
In respect of the appointment of the auditors of the Trust for the ensuing year and authorization of the Board of Trustees of the Trust to fix the remuneration of the auditors.	Approved (by show of hands)	99.69%	–	0.31%
In respect of the ordinary resolution authorizing and approving certain amendments to the Amended and Restated Declaration of Trust to implement a policy requiring advance notice to be given to the Trust of Unitholder proposals relating to the nomination of Trustees.	Approved (by show of hands)	99.32%	0.68%	
In respect of the ordinary resolution authorizing and approving certain amendments to the Amended and Restated Declaration of Trust to more closely align certain provisions of the Amended and Restated Declaration of Trust with corresponding provisions applicable to corporations governed by the <i>Canada Business Corporations Act</i> .	Approved (by show of hands)	99.68%	0.32%	

(1) Since no ballot was required or held on any of the matters put before the meeting, this information reflects the proxy tabulation results.

AUTHORIZED CAPITAL AND PRINCIPAL HOLDERS THEREOF

RioCan's authorized capital is divided into equity interests of two classes: Units and preferred units (the "Preferred Units"). The Preferred Units may be issued from time to time in one or more series, and the Trustees may fix from time to time before such issue the number of Preferred Units which is to comprise each series and the designation, rights, privileges, restrictions and conditions (including the voting rights of a particular series) attaching to each series of Preferred Units.

Units

The number of Units which RioCan may issue is unlimited. As at March 31, 2014, there were 304,433,229 Units issued and outstanding. Each Unit confers the right to one vote at any meeting of Unitholders. Each Unit confers the right to, subject to the rights of the holders of the Preferred Units, participate equally and rateably in distributions by the Trust and, on termination of the

Trust, in the net assets of the Trust remaining after satisfaction of all liabilities, including the rights of the holders of the Preferred Units. The Units are listed for trading on the Toronto Stock Exchange (the "TSX") under the symbol "REI.UN".

In addition, there are issued and outstanding as at March 31, 2014 an aggregate of 1,165,871 exchangeable limited partnership units of limited partnerships that are subsidiaries of the Trust that have been issued to vendors, as partial consideration, in connection with property acquisitions. These exchangeable limited partnership units do not vote at a meeting of Unitholders, are exchangeable into Units on a one-for-one basis (subject to certain adjustment provisions) and entitle the holder thereof to distributions on the exchangeable units which are equivalent to the distributions paid on the Units into which they may be exchanged.

To the knowledge of the Trustees, no person or company beneficially owns or exercises control or direction, directly or indirectly, over more than 10% of the Units.

Preferred Units

The number of Preferred Units which RioCan may issue is limited to 50,000,000. As at March 31, 2014, there were 5,000,000 preferred units, Series A ("**Series A Units**") and 5,980,000 preferred units, Series C ("**Series C Units**") issued and outstanding. Both the Series A Units and the Series C Units are listed for trading on the TSX under the symbols "REI.PR.A" and "REI.PR.C", respectively. In addition, the Trust has authorized the issuance of up to 5,000,000 preferred units, Series B ("**Series B Units**") and up to 5,980,000 preferred units, Series D ("**Series D Units**") that the Series A Units and Series C Units, respectively, may be reclassified as commencing in 2016 and 2017, respectively.

The Series A Units carry a right to be reclassified into Series B Units in certain circumstances and only at certain time periods commencing in 2016. The Series C Units carry a right to be reclassified into Series D Units in certain circumstances and only at certain time periods commencing in 2017. The holders of Series A Units, Series B Units, Series C Units or Series D Units will not (except as otherwise provided by law, and except for meetings of the holders of Preferred Units as a class and meetings of the holders of Series A Units, Series B Units, Series C Units or Series D Units as a series as contemplated by the Declaration of Trust) be entitled to receive notice of, attend, or vote at any meeting of Unitholders unless and until the Trust shall have failed to pay eight quarterly distributions on such series of Preferred Units, as applicable, whether or not consecutive and whether or not such distributions have been declared or whether or not there are any monies of the Trust properly applicable to the payment of distributions. In the event of such non-payment, and for only so long as any such distributions remain in arrears, the holders of the Series A Units, Series B Units, Series C Units or Series D Units, as applicable, will be entitled to receive notice of and to attend each meeting of Unitholders (other than any meetings at which only holders of another specified class or series are entitled to vote) and such holders will have the right at any such meeting to one vote for each Series A Unit, Series B Unit, Series C Unit or Series D Unit held, as the case may be. No other voting rights attach to the Series A Units, Series B Units, Series C Units or Series D Units in any circumstances. Upon payment of the entire amount of all distributions in arrears, the voting rights of the holders of such series as noted in the foregoing shall forthwith cease (unless and until the same default shall arise again).

The terms of the Series A Units, the Series B Units which the Series A Units may be reclassified as, the Series C Units, and the Series D Units which the Series C Units may be reclassified as, are set out in a "Certificate of Preferred Unit Terms" for each series, which certificates form part of the Declaration of Trust and copies of which have been filed on SEDAR at www.sedar.com.

Eligibility for Voting

Only holders of Units of record at the close of business on March 31, 2014 (the "**Record Date**") are entitled to vote at the Meeting, even though they may have since that date disposed of their Units, and, except as otherwise determined from time to time by the Trustees, no Unitholder becoming such after the Record Date will 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.

QUORUM FOR MEETING

Two Unitholders entitled to vote at a meeting of the Unitholders at any meeting represented in person or by proxy will constitute a quorum for the Meeting or any adjournment thereof.

QUESTIONS AND ANSWERS ON PROXY VOTING

Q: What am I voting on?

A: Unitholders are voting on the election of Trustees for the coming year, the appointment of auditors and the adoption of a deferred unit plan for non-employee trustees as set out in further detail herein. Unitholders will also vote on a non-binding say-on-pay advisory resolution as set out in further detail herein.

Q: Who is entitled to vote?

A: Unitholders as of the close of business on the Record Date (being March 31, 2014) are entitled to vote. Each Unit entitles the holder to one vote on those items of business identified in the Notice.

Q: What if ownership of Units has been transferred after the Record Date?

A: The Declaration of Trust provides that only holders of Units of record at the close of business on the Record Date are entitled to vote at the Meeting, even though such Unitholder has since that date disposed of his or her Units, and, except as otherwise determined from time to time by the Trustees, no Unitholder becoming such after the Record Date will 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.

Q: How do I vote?

A: There are two ways you can vote your Units if you are a registered Unitholder. You may vote in person at the Meeting or you may sign the form of proxy sent to you appointing the named persons or some other person you choose, who need not be a Unitholder, to represent you as proxyholder and vote your Units at the Meeting. If your Units are held in the name of an Intermediary, please refer to the section herein entitled "Management Solicitation – Non-Registered Unitholders", together with the answer to the question "If my Units are not registered in my name but are held in the name of an Intermediary (a bank, trust company, securities broker, trustee or other), how do I vote my Units?" to determine how you may vote your Units.

Q: What if I plan to attend the Meeting and vote in person?

A: If you are a registered Unitholder and plan to attend the Meeting and wish to vote your Units in person at the Meeting, do not complete or return the form of proxy. Your vote will be taken and counted at the Meeting. Please register with our transfer agent, CST Trust Company, upon arrival at the Meeting. If your Units are held in the name of an Intermediary and you wish to vote in person at the Meeting, refer to the section herein entitled "Management Solicitation – Non-Registered Unitholders", together with the answer to the question "If my Units are not registered in my name but are held in the name of an Intermediary (a bank, trust company, securities broker, trustee or other), how do I vote my Units?" for voting instructions.

Q: Who is soliciting my proxy?

A: The form of proxy sent to you is being solicited by management and the associated costs will be borne by the Trust. The solicitation will be made primarily by mail but may also be made by telephone, in writing or in person by the Trustees or by officers and/or employees of the Trust.

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

A: Signing the form of proxy sent to you gives authority to Edward Sonshine, O.Ont., Q.C., the Chief Executive Officer of the Trust, or Raghunath Davloor, the Executive Vice President, Secretary and Chief Financial Officer of the Trust, or to another person you have appointed, to vote your Units at the Meeting.

Q: Can I appoint someone other than these representatives to vote my Units?

A: Yes. If you are a registered Unitholder, write the name of this person, who need not be a Unitholder, in the blank space provided in the form of proxy. If you do so, please ensure that the person you appoint attends the Meeting and votes your Units. Proxyholders should, upon arrival at the Meeting, present themselves to a representative of our transfer agent, CST Trust Company. If your Units are held in the name of an Intermediary you must instruct the Trust to appoint a different representative as proxy by either (i) filing and submitting the voting information form (Form 54-101F6) previously sent to you by the Trust or (ii) submitting any other document in writing that requests that you or your nominee be appointed as proxyholder.

Q: What do I do with my completed proxy?

A: For registered Unitholders, you may submit your proxy online at www.cstvotemyproxy.com, or return it to our transfer agent, CST Trust Company, in the envelope provided or by fax to (416) 368-2502 (toll free within North America to 1-866-781-3111), so that it arrives no later than 10:00 a.m. (Toronto time) on May 26, 2014. This will ensure that your vote is recorded. Non-Registered Unitholders should complete and send the voting instruction form in accordance with the instructions provided by their broker or other Intermediary.

Q: If I change my mind, can I take back my proxy once I have given it?

A: Yes. If you change your mind and wish to revoke your proxy, prepare a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing or, if Units are held by a corporation, under the corporation's corporate seal or by an officer or attorney of the corporation duly authorized. This statement must be delivered either to our transfer agent as described above (please see "What do I do with my completed proxy?") or to the Chairman on the day of the Meeting or any adjournment of the Meeting, prior to the time of voting.

Q: How will my Units be voted if I give my proxy?

A: The persons named on the form of proxy must vote for or against or withhold from voting your Units in accordance with your directions. In the absence of such directions, however, your Units will be voted in the discretion of the proxyholder. If the proxyholder is management's representatives, your Units will be voted in favour of the election of each of the Trustees and the appointment of auditors and in favour of the Additional Matters.

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

A: The persons named in the form of proxy will have discretionary authority with respect to amendments or variations to matters identified in the Notice and with respect to other matters that may properly come before the Meeting. As of the date of this circular, the Trustees know of no such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the persons named in the form of proxy will vote on them in accordance with their best judgement.

Q: How many Units are entitled to vote?

A: As of March 31, 2014, there are 304,433,229 Units outstanding. Each Unitholder has one vote for each Unit held at the close of business on the Record Date.

Q: How will the votes be counted?

A: Each question brought before the Meeting for which there is a vote for or against, is determined by a majority of votes cast on the question. In the case of equal votes, the Chairman of the Meeting is not entitled to a second or casting vote.

Q: If I need to contact the transfer agent, how do I reach it?

A: You can contact the transfer agent by mail at:

CST Trust Company
P.O. Box 700, Station B
Montreal, Quebec H3B 3K3

or by telephone: (416) 682-3860
or toll-free throughout North America: 1-800-387-0825
or by email: inquiries@canstockta.com

Q: If my Units are not registered in my name but are held in the name of a nominee or Intermediary (a bank, trust company, securities broker, trustee or other), how do I vote my Units?

A: There are two ways you can vote your Units held by your Intermediary.

For Units to be voted for you, please follow the instructions provided by your Intermediary on the voting instruction form. As an alternative to completing the voting instruction form provided by your Intermediary, you can enter your vote by telephone or internet in accordance with the instructions on the voting instruction form. If you are a Non-Registered Unitholder who has voted and want to change your mind and vote in person, contact your Intermediary to discuss whether this is possible and what procedure to follow.

Since we do not have access to the names of all of our Non-Registered Unitholders, if you attend the Meeting, we will have no record of your unitholdings or of your entitlement to vote unless your Intermediary has appointed you as proxyholder. Therefore, if you are a Non-Registered Unitholder and wish to vote in person at the Meeting (or appoint another representative to vote on your behalf), you must instruct the Trust to appoint a different representative as proxy by either (i) filing and submitting the voting information form (the Form 54-101F6) previously sent to you by the Trust or (ii) submitting any other document in writing that requests that you or your nominee should be appointed as proxyholder.

Q: Why does the Board want to adopt a Deferred Unit Plan?

A: The Board of Trustees is proposing the adoption of a deferred unit plan for non-employee Trustees of the Trust to further align the interests of the Trustees of RioCan and the Unitholders. If the Deferred Unit Plan is approved by Unitholders, the Deferred Unit Plan will replace the Restricted Equity Unit Plan as the form of Unit-based incentive compensation to Trustees. The Board of Trustees determined that the Trustees should no longer receive REUs under the REU Plan because the Deferred Unit Plan will provide for the accumulation of Unit equivalents and will not require a cash payment after three years. The implementation of the Deferred Unit Plan, if approved by Unitholders, and corresponding cease of use of the REU Plan, will commence as of immediately following the Meeting.

Q: What is an advisory say-on-pay vote?

A: The advisory vote on say-on-pay is being provided to allow Unitholders to show their approval or disapproval of the Trust's executive compensation policies which are described in detail in this Circular. An advisory vote is non-binding on the Trust and it remains the duty of the Board and HRCC to develop and implement appropriate executive compensation policies for the Trust. If the advisory vote is not approved by at least 70% of votes cast at the Meeting, the Board undertakes to discuss with Unitholders why they do not approve of the Trust's executive compensation policies and to consider modifications to such policies. The Board will disclose to Unitholders as soon as is practicable, but not later than six months following the meeting, a summary of the comments received from Unitholders in the engagement process and the changes to the executive compensation policies made or to be made by the Board.

MATTERS REQUIRING UNITHOLDER APPROVAL

Election of Trustees

Pursuant to the Declaration of Trust, there are to be no fewer than five nor more than fifteen Trustees. Nine Trustees are to be elected at the Meeting.

The Board of Trustees has adopted a policy that entitles each Unitholder to vote for each nominee on an individual basis. Each Trustee should be elected by the vote of a majority of the Units represented in person or proxy at the Meeting that are voted in respect of that Trustee. If any nominee for election as Trustee receives, from the Units voted at the Meeting in person or by proxy, a greater number of votes "withheld" than votes "for" his or her election, the Trustee will be expected to immediately tender his or her resignation to the Chairman of the Board of Trustees following the Meeting, to take effect upon acceptance by the Board of Trustees.

In such circumstances, the Nominating and Corporate Governance Committee would expeditiously consider such Trustee's offer to resign and would make a recommendation to the Board of Trustees whether or not to accept such offer to resign. Within 90 days of the meeting of Unitholders, the Board of Trustees would make a final decision concerning the acceptance of such Trustee's resignation and would announce that decision by way of a news release. A Trustee's resignation will become effective immediately upon acceptance by the Board of Trustees. If the Board does not accept the resignation, the news release must fully state the reasons for such decision. Any Trustee who tenders his or her resignation would not participate in the deliberations of the Board of Trustees or any of its committees pertaining to the resignation.

The process applies only in circumstances involving an "uncontested" election of Trustees – where the number of Trustee nominees does not exceed the number of Trustees to be elected and where no proxy materials are circulated in support of one or more nominees who are not part of the slate supported by the Board of Trustees for election at the meeting. If any Trustee fails to tender his or her resignation as contemplated above, the Board of Trustees would not re-nominate that Trustee. Subject to any restrictions in the Declaration of Trust, where the Board of Trustees accepts the offer of resignation of a Trustee and that Trustee resigns, the Board of Trustees may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resulting vacancy unfilled until the next annual meeting of Unitholders, fill the vacancy through the appointment of a new Trustee whom the Board of Trustees considers to merit the confidence of the Unitholders, or call a special meeting of Unitholders to elect a new nominee to fill the vacant position.

In accordance with TSX guidelines, a majority of the current members of the Board of Trustees are neither employees nor officers of the Trust. The following individuals are management's nominees for appointment as Trustees: Bonnie Brooks, Clare R. Copeland, Raymond M. Gelgoot, Paul Godfrey, C.M., O.Ont., Dale H. Lastman, Sharon Sallows, Edward Sonshine, O.Ont., Q.C., Luc Vanneste and Charles M. Winograd. Assuming that the Unitholders of the Trust vote in favour of all of management's nominees, eight of nine Trustees appointed at the Meeting would be neither employees nor officers of the Trust, and a majority of the Trustees would be independent within the meaning of applicable securities laws. For additional discussion with respect to the Board of Trustees' determination of which Trustees are independent and which are not independent please refer to the disclosure set out below under the heading "Statement of Governance Practices – Composition of the Board of Trustees and Independence" on page 46 of this Circular.

Nominees for Appointment

The present term of office of each Trustee will expire immediately prior to the election of Trustees at the Meeting. It is proposed that each of the persons whose name appears below be elected as a Trustee to serve until the close of the next annual meeting of Unitholders or until his or her successor is elected.

Following Ronald Osborne's passing on April 9, 2013, the Board reduced the size of the Board to eight Trustees and eight individuals were elected at the Annual and Special Meeting of the Unitholders held on June 5, 2013. Following the opportunity to consider an appropriate replacement for Mr. Osbourne, on July 30, 2013 the size of the Board was increased to nine and Luc Vanneste was appointed as a Trustee. On July 31, 2013, Mr. Vanneste was appointed Chair of the Audit Committee, replacing Charles M. Winograd, who acted as Interim Chair of the Audit Committee since the passing of Mr. Osborne on April 9, 2013.

On any vote that may be called for the election of Trustees, the Units represented by proxies in favour of the management nominees will be voted in favour of the election of such persons as Trustees, except to the extent a Unitholder has specified in his or her proxy that his or her Units are to be withheld from voting in the election of some or all of the Trustees. Management does not anticipate that any of the nominees listed below will be unable to serve as a Trustee but, if that should occur for any reason prior to the Meeting, then the person named in the form of proxy may vote for the election of another person or persons in their discretion.

Name and Municipality of Residence	Age	Present Principal Occupation	Period of Service as a Trustee	Units Beneficially Owned, Directly or Indirectly, or Controlled or Directed, as at March 31, 2014	REUs Beneficially Owned, Directly or Indirectly, or Controlled or Directed, as at March 31, 2014*
BONNIE BROOKS (3)/(4) Toronto, Ontario, Canada	60	Vice Chairman, Hudson's Bay Company	Since June 5, 2013	0	4,173
CLARE R. COPELAND (1)/(2) Toronto, Ontario, Canada	78	Vice-Chair of Falls Management Company	Since February 18, 1994	6,400	13,150
RAYMOND M. GELGOOT Toronto, Ontario, Canada	68	Partner, Fogler, Rubinoff LLP	Since February 19, 1996	70,163	13,150
PAUL GODFREY, C.M., O.Ont. (1)/(2)/(3)/(4)/(5)/(6) Toronto, Ontario, Canada	75	President and Chief Executive Officer of Postmedia Network Canada Corp.	Since December 14, 1993	168,941	39,450
DALE H. LASTMAN Toronto, Ontario, Canada	56	Chair and Partner, Goodmans LLP	Since June 2, 2004	22,841	13,150
SHARON SALLOWS (1)/(2)/(3) Toronto, Ontario, Canada	64	Director of Ontario Teachers' Pension Plan Board and a Trustee of Chartwell Senior Housing REIT	Since June 1, 1999	97,490	13,150
EDWARD SONSHINE, O.Ont., Q.C. Toronto, Ontario, Canada	67	Chief Executive Officer of the Trust	Since December 14, 1993	400,000	Nil
Luc Vanneste (1)/(2) Toronto, Ontario, Canada	61	Chair of the Audit Committee, RioCan	Since July 30, 2013	0	4,136
CHARLES M. WINOGRAD (3)/(4) Toronto, Ontario, Canada	66	President, Winograd Capital Inc.	Since February 1, 2009	15,256	13,150

* The Trustees are entitled to receive Restricted Equity Units ("REUs") of the Trust. These REUs are not convertible into Units of the Trust though their value appreciates or depreciates with changes in the market price of the Units and consequently reflect an economic interest in the Trust that is equivalent to the holding of Units. For further information on the REUs, please see "Compensation Discussion and Analysis – Trustee Compensation" below. For details regarding the aggregate Unit and Unit equivalent interest in the form of REUs held by each of the Trustees as at December 31, 2013 (based on the then market value of a Unit) refer to the chart and information set out under the heading "Compensation Discussion & Analysis – Option-based and Unit-based Awards – Trustees" on page 44 hereof.

- (1) Member of the Audit Committee.
- (2) Member of the Human Resources and Compensation Committee.
- (3) Member of the Investment Committee.
- (4) Member of the Nominating and Governance Committee.
- (5) Pursuant to an Order of the Ontario Superior Court of Justice dated October 6, 2009, Canwest Global Communications Corp. ("Canwest") and certain of its affiliates obtained protection from their creditors under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA"). Similarly, on October 6, 2009, the subordinate voting shares and the non-voting shares of Canwest were suspended from trading on the Toronto Stock Exchange (the "TSX") while a review to determine whether the company was meeting the continued listing requirements of the TSX was being conducted. On October 15, 2009, Canwest received a notice from the TSX informing the company that its subordinate voting shares and non-voting shares would be delisted from the exchange effective November 13, 2009 for failure to meet the continued listing requirements. In response to this notice, on November 13, 2009, Canwest announced that its subordinate voting shares and non-voting shares would begin trading on the TSX Venture Exchange effective November 16, 2009. Thereafter, in connection with the implementation of the amended and restated plan of compromise, arrangement and reorganization under the CCAA and the *Canada Business Corporations Act* in respect of Canwest and certain of its affiliates on or about October 27, 2010, the shares of Canwest were delisted from the TSX Venture Exchange. Mr. Godfrey was a senior officer of certain subsidiaries of Canwest throughout the period described above.
- (6) Prior to his mandate with Postmedia Network Canada Corp. ("Postmedia"), Mr. Godfrey was an executive officer of certain of the subsidiaries of Canwest. On January 8, 2010, the Ontario Superior Court of Justice issued an order that, among other things, granted Canwest Limited Partnership, Canwest Publishing Inc. and other entities (the "LP Entities") protection from their creditors under the *Companies' Creditors Arrangement Act* (the "CCAA"). Postmedia acquired substantially all of the newspaper and online publishing and digital media businesses previously owned by the LP Entities pursuant to a plan of compromise or arrangement that was implemented during the course of the LP Entities' proceedings under the CCAA. The LP Entities remain under CCAA protection as of the date hereof.

All committees of the Board of Trustees are comprised entirely of independent Trustees.

Nominee Profiles

Further background information with respect to these nominees is set forth below:

Bonnie Brooks – Bonnie Brooks is Vice Chairman of the Hudson's Bay Company (Saks Fifth Avenue, Lord and Taylor and Hudson's Bay). Previously, she was President, Hudson's Bay Company from 2012 to 2014 and prior to that was CEO and President, Hudson's Bay Department Stores from 2008 to 2012. Ms. Brooks has been a Trustee of the Trust since June 2013. Ms. Brooks served as an executive officer, including as President, of the Lane Crawford Joyce Group based out of Hong Kong from 1997 to 2008 with over 500 stores in Asia, and prior to that served as Executive Vice President/General Merchandise Manager and Senior Vice President of Marketing at Holt Renfrew in Canada. Ms. Brooks is a member of the board of directors of Empire Company Limited (Sobey's), is Chair of the Board of Trustees of the Royal Ontario Museum and is a member of the Jobs and Prosperity Council appointed by the Premier of Ontario. Ms. Brooks has a Master of Business Administration degree from the University of Western Ontario.

Clare R. Copeland – Mr. Copeland is Vice-Chair of Falls Management Company, the developer and operator of Casino Niagara and Fallsview Casino Resort. Mr. Copeland has been a trustee of the Trust since February 1994. From 1999 to 2013, Mr. Copeland was the Chairman of Toronto Hydro Corporation, an energy distribution company. From 2000 to 2002, Mr. Copeland was Chairman and Chief Executive Officer of OSF Inc. and from 1993 to 1999, he was Chief Executive Officer of Peoples Jewellers Corporation. Mr. Copeland also served as Chairman of Sun Media Corporation from 1997 to 1999, as Chief Operating Officer of Zale Corporation from 1991 to 1993 and as Chair of Ontario Place from 1987 to 1997. Mr. Copeland is also a director of Danier Leather Inc., Chesswood Group Limited, Entertainment One Ltd., MDC Corporation and Telesat Canada.

Raymond M. Gelgoot – Mr. Gelgoot is a partner at Fogler, Rubinoff LLP where he practices all aspects of real estate law. He has been a trustee of the Trust since February 1996. Mr. Gelgoot was selected by his peers to be included in *The Best Lawyers in Canada* in the field of Real Estate Law, 2011, 2012 and 2013. He earned an LL.B. from Osgoode Hall Law School in 1970 and was called to the Bar in Ontario in 1972.

Paul Godfrey, C.M., O.Ont. – Mr. Godfrey is the President and Chief Executive Officer of Postmedia Network Canada Corp. He has been a trustee of the Trust since December 1993. From 2000 to 2008, Mr. Godfrey was President and Chief Executive Officer of the Toronto Blue Jays Baseball Club. From 1992 to 2000, Mr. Godfrey was President and Chief Executive Officer of the Sun Media Corporation, from 1991 to 1992 he was the President and Chief Operating Officer of The Toronto Sun Publishing Corporation and from 1984 to 1991 he was the Publisher and Chief Executive Officer of The Toronto Sun. Mr. Godfrey also served as the Chairman of the Municipality of Metropolitan Toronto. Mr. Godfrey serves as a trustee of Cargojet Income Fund and as Vice Chair of the Baycrest Centre for Geriatric Care. In 1999, Mr. Godfrey was made a member of the Order of Canada and, in 2010, Mr. Godfrey was appointed to the Order of Ontario.

Dale H. Lastman – Mr. Lastman is the chair and a partner at Goodmans LLP. He practices corporate, commercial and securities law and provides counsel in connection with public offerings, mergers and acquisitions, and business restructurings. He has been a trustee of the Trust since June 2004. Mr. Lastman earned a LL.B. from Osgoode Hall Law School in 1982. He sits on the board of directors of Maple Leaf Sports & Entertainment Ltd. and is an Alternate Governor for the National Hockey League and the National Basketball Association.

Sharon Sallows – Ms. Sallows is currently a member of the board of directors and Chair of the Governance Committee of the Ontario Teachers' Pension Plan Board and is a member of the board of directors of Chartwell Retirement Residences REIT. Ms. Sallows has been a trustee of the Trust since June 1999. Until 2009, Ms. Sallows was a principal in Ryegate Capital Corporation, a company engaged in merchant banking as well as the provision of financial and strategic advisory services to institutional and corporate clients. Ms. Sallows is a former Executive Vice President of MICC Properties Inc. and previously held various positions at the Bank of Montreal, including Senior Vice President, Real Estate, Corporate Banking. Ms. Sallows received a B.A. from Carleton University in 1970, a M.Sc. from the London School of Economics in 1973, a Ph.D. from The Wharton School, University of Pennsylvania in 1978 and also holds the ICD.D designation.

Edward Sonshine, O.Ont., Q.C. – Mr. Sonshine is the founder and Chief Executive Officer of RioCan Real Estate Investment Trust. Mr. Sonshine has been the Chief Executive Officer and a Trustee of RioCan since it became a REIT in late 1993 and has overseen its growth starting from an enterprise value of under \$100 million to its current enterprise value in excess of \$13.8 billion. Mr. Sonshine is a member of the board of directors of Royal Bank of Canada and Cineplex Inc. Mr. Sonshine is active in the community and serves as Vice Chair of the Mount Sinai Hospital and as Chair of State of Israel Bonds/Canada-Israel Securities, Limited. In January of 2011, Mr. Sonshine was recognized for his entrepreneurial and philanthropic contributions to the community with the Order of Ontario. In 2013, Mr. Sonshine was named Canada's Outstanding CEO of the Year.

Luc Vanneste – Mr. Vanneste is a senior business executive with a broad range of experience. He retired from Scotiabank in September 2013 after more than 14 years of service in executive and senior positions. Mr. Vanneste joined Scotiabank in 1999 as Senior Vice-President and Chief Auditor, was appointed Executive Vice-President in 2003 and Chief Financial Officer in 2005. In 2011 Mr. Vanneste was appointed Executive Vice-President, Enterprise Effectiveness with responsibility for enhancing organizational effectiveness as the bank aligned its global priorities and its approach to evolving regulatory, compliance and governance trends. Prior to joining Scotiabank, Mr. Vanneste spent 24 years with KPMG LLP, where he served most recently as a partner, focusing on banking and finance. Mr. Vanneste is actively involved with several not-for-profit entities, including Writers' Trust of Canada and New College, University of Toronto. Mr. Vanneste graduated from the University of Toronto in 1975 and obtained an MBA (with distinction) from the Richard Ivey School of Business, Western University in 1999. Mr. Vanneste has been a member of the Institute of Chartered Accountants of Ontario since 1977 and was appointed a Fellow of the Institute in June 2006.

Charles M. Winograd – Mr. Winograd is Senior Managing Partner of Elm Park Capital Management, a mid-market lending limited partnership. He is also President of Winograd Capital Inc., an external consulting and private investment firm. Mr. Winograd retired from RBC Capital Markets in December 2008, where he was Deputy Chairman from 1996 to 1998, President and Chief Operating Officer from 1998 to 2001 and then Chairman and Chief Executive Officer from 2001 to 2008. Mr. Winograd began his career at Richardson Securities in 1971 as an investment analyst and had several progressively senior positions with Richardson Greenshields and predecessor companies becoming President and Chief Executive Officer in 1987 and Chairman and Chief Executive Officer in 1991 until it merged into RBC Dominion Securities in 1996. Mr. Winograd is Chairman of the Board of Directors of TMX Group Inc. He is presently on the Board of Talisman Energy Inc., Calgary, James Richardson and Sons Limited, Winnipeg, and has been a trustee of the Trust since February 2009. Mr. Winograd is also a director of Mt. Sinai Hospital and Chairman of its Business Development committee. Mr. Winograd is an Advisor with RP Investment Advisors. He also serves on the Board of Pathways to Education Canada and is on the Advisory Council for Promoting Women on Boards. Mr. Winograd is past Chairman of the Investment Dealers Association of Canada. Mr. Winograd received his MBA from the University of Western Ontario in 1971 and earned a Chartered Financial Analyst (CFA) designation in 1979.

Management of the Trust and the Trustees, as a group (35 persons), own beneficially or exercise control or direction over 1,311,384 Units, or approximately 0.43% of the outstanding Units, as at the date hereof.

The following tables set forth the number of Board and committee meetings held and attendance by Trustees for the year ended December 31, 2013:

Board of Trustees/Committee	Number of Meetings Held in 2013
Board of Trustees (“ BOT ”)	7
Audit Committee (“ AC ”)	4
Human Resources and Compensation Committee (“ HRCC ”)	4
Nominating and Governance Committee (“ NGC ”)	3
Investment Committee (“ IC ”)	5

As noted below under the heading “Statement of Governance Practices – Board Mandate”, the Board has a policy of holding *in camera* sessions at each regularly scheduled Board meeting without members of management, Trustees who are members of management or other non-independent Trustees being present. The Board Chair, who is an independent Trustee, chairs the meeting and ensures that all Trustees have an opportunity to comment and provide their input. Of the seven Board of Trustees meetings held in 2013, seven private *in camera* sessions occurred in the absence of management and of the seven Board of Trustees meetings held, six private *in camera* sessions occurred in the absence of non-independent Trustees. Although an *in camera* session in the absence of non-independent Trustees did not occur at the February 2013 Board of Trustees meeting, the Board subsequently adopted a policy of holding *in camera* sessions at all Board of Trustees meetings and such policy has been implemented at all subsequent Board of Trustees meetings since February 2013. Going forward, the Board expects, consistent with this policy, to hold an *in camera* meeting in the absence of management and the non-independent trustees at every Board of Trustees meeting.

At each meeting of the Audit Committee in 2013, an *in camera* session occurred with management present and in the absence of the external auditor as well as holding an *in camera* session among themselves in the absence of management. Sessions were also held with the Trust’s internal and external auditors in the absence of management.

Attendance of Trustees at Board and Committee Meetings Held in 2013

Trustee	Trustee Meetings Attended	Committee Meetings Attended
Bonnie Brooks	3 of 7 (1)	NGC 1 of 3 (1) IC 1 of 5 (1)
Clare R. Copeland	7 of 7	AC 4 of 4 HRCC 4 of 4 IC 4 of 5 (2)
Raymond M. Gelgoot	7 of 7	n/a
Paul Godfrey, C.M., O.Ont.	7 of 7	AC 4 of 4 HRCC 4 of 4 NGC 3 of 3 IC 5 of 5
Frank W. King, O.C. (3)	5 of 7	AC 2 of 4 HRCC 1 of 4
Dale H. Lastman	7 of 7	n/a
Ronald W. Osborne (4)	2 of 7	AC 1 of 4
Sharon Sallows	7 of 7	AC 2 of 4 (5) HRCC 2 of 4 (5) NGC 1 of 3 (5) IC 5 of 5
Edward Sonshine, O.Ont., Q.C.	7 of 7	n/a
Luc Vanneste	2 of 7 (6)	AC 2 of 4 (6) HRCC 2 of 4 (6)
Charles M. Winograd	7 of 7	AC 2 of 4 (7) NGC 3 of 3 IC 5 of 5

- (1) Bonnie Brooks was appointed to the Board on June 5, 2013. As a result, Ms. Brooks was not at the four Board meetings that were held in February and April 2013. Ms. Brooks also (i) joined the NGC on June 5, 2013, and as a result was not at the NGC meeting held in March 2013 and was absent at the September 2013 meeting; and (ii) joined the IC on June 5, 2013, and as a result, was not at the three IC meetings that were held in January and May 2013 and was absent at one IC meeting held in September 2013.
- (2) Clare Copeland resigned as a member of the IC on June 5, 2013. Following his resignation, Mr. Copeland was invited to attend, and did attend, the IC meeting in June 2013. Mr. Copeland did not attend the IC meeting in September 2013.
- (3) Frank W. King did not stand for re-election as a Trustee at the Annual and Special Meeting of the Unitholders held on June 5, 2013. Consequently, his term of service as a Trustee ended on such date.
- (4) Ronald W. Osborne served as a Trustee until his passing on April 9, 2013.
- (5) Sharon Sallows (i) joined the Audit Committee on June 5, 2013, and as a result, was not at the two AC meetings that were held in February and May 2013; (ii) joined the HRCC on June 5, 2013, and as a result, was not at the two HRCC meetings that were held in February and May 2013; and (iii) resigned as a member of the NGC on June 5, 2013, and as a result, was not at the two NGC meetings that were held in September and October 2013.
- (6) Luc Vanneste was appointed to the Board on July 30, 2013. As a result, Mr. Vanneste was not at the five Board meetings that were held in February, April and June 2013. Mr. Vanneste also (i) joined the Audit Committee on July 31, 2013, and as a result, was not at the two AC meetings that were held in February and May 2013 but attended the July 30 meeting by invitation; and (ii) Luc Vanneste joined the HRCC on September 25, 2013, and as a result, was not at the two HRCC meetings that were held in February and May 2013.
- (7) Mr. Winograd was appointed as Interim Chair of the Audit Committee as a result of the passing of Ronald Osborne in April 2013, and resigned as a member of the Audit Committee on July 31, 2013. Consequently Mr. Winograd only attended the two AC meetings that were held in May and July of 2013.

Appointment of Auditors

Management of the Trust proposes to Unitholders that Ernst & Young LLP, Chartered Accountants, be reappointed as auditors of the Trust until the next annual meeting of Unitholders. Ernst & Young LLP was first appointed as auditors of the Trust on February 7, 2006.

In the past, the Trustees (through management) have negotiated with the auditors on an arm's length basis in determining the fees to be paid to the auditors. Such fees have been based upon the complexity of the matters in question and the time incurred by the auditor. Management believes that the fees negotiated in the past with the auditors were reasonable in the circumstances and would be comparable to fees charged by auditors providing similar services.

On any vote that may be called relating to the appointment of auditors and the fixing of their remuneration, the Units represented by proxies in favour of management nominees will be voted in favour of the appointment of Ernst & Young LLP as auditors of the Trust and in favour of authorizing the Trustees to fix the remuneration of the auditors, unless a Unitholder specifies in his or her proxy that his or her Units are to be withheld from voting on the appointment of auditors and the fixing of their remuneration.

Special Business: Approval of a Deferred Unit Plan for Non-Employee Trustees

Background

To better align the interests of Trustees with those of Unitholders, the Board has proposed for adoption a deferred unit plan (the "**Deferred Unit Plan**") for non-employee Trustees (each, an "**Eligible Person**"), subject to the approval of such plan by the Unitholders at the Meeting and by the Toronto Stock Exchange. The Deferred Unit Plan will be overseen by the Board and the HRCC.

The Deferred Unit Plan (as described more fully below) was developed by the HRCC in consultation with Mercer (Canada) Limited ("**Mercer**") and, subject to approval by Unitholders, will replace the current Trustee Restricted Equity Unit Plan as the Unit-based incentive compensation to Trustees. Deferred Units (as defined below) reflect an equity-like ownership interest equivalent to Unit ownership on a tax efficient basis, and allow the non-employee Trustees to participate in the long-term success of the Trust. For further information on the rationale behind the development of the Deferred Unit Plan and the HRCC's recommendation please see the section entitled, "Certain Changes to Trustee Compensation".

Summary

Non-employee Trustees will be participants in the Deferred Unit Plan ("**Participants**"). Participants may be awarded deferred units, each of which are economically equivalent to one Unit ("**Deferred Units**"), from time to time at the discretion of the Board on recommendation of the HRCC ("**Granted DUs**"), subject to a maximum amount of Granted DUs per year not to exceed that number which is \$150,000 divided by the Average Market Price of a Unit (defined below) on the award date. Participants may also, subject to the terms of the Deferred Unit Plan, elect to receive up to 100% of his or her annual retainer (including fees for serving as Chair of the Board or a committee of the Board) and meeting fees for a calendar year otherwise payable in cash ("**Trustee Fees**") in the form of Deferred Units ("**Elected DUs**" and, together with the Granted DUs, shall all be considered Deferred Units for purposes of the Deferred Unit Plan).

The number of Deferred Units (including fractional Deferred Units) granted at any particular time pursuant to the Deferred Unit Plan will be equal to (i) the elected amount in respect of Trustee Fees, as determined by a Trustee, divided by the Average Market Price of a Unit on the award date, plus (ii) the Granted DUs, if any, granted to such Trustee. "**Average Market Price**" of a Unit 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 Board). In the event that the Units are not listed and posted for trading on any stock exchange, the market value shall be the fair market value of the Units as determined by the Board in its sole discretion.

Under no circumstances shall Deferred Units be considered Units nor entitle a Participant to any rights as a Unitholder, including, without limitation, voting rights, distribution entitlements (other than as set out below) or rights on liquidation. One (1) Deferred Unit is economically equivalent to one (1) Unit. Fractional Units are permitted under the Deferred Unit Plan.

Whenever cash distributions are paid on the Units, additional Deferred Units will be credited to the Participant's Deferred Unit account ("**Additional Deferred Units**"). The number of such Additional Deferred Units to be credited to a Participant's Deferred Unit account in respect of a cash distribution paid on the Units shall be calculated in a manner consistent with the Trust's Distribution Reinvestment Plan, by dividing the amount which is equal to the aggregate distributions that would have been paid to such Participant on the Deferred Units in the Participant's Deferred Unit Account had such Deferred Units been Units, divided by the average market price (as such term is used and defined in the Trust's Distribution Reinvestment Plan, and for greater certainty prior to taking into account any discount contemplated in the Trust's Distribution Reinvestment Plan) on the distribution payment date. Such additional Deferred Units shall vest on the same basis as the initial Deferred Units granted from the date of grant.

Deferred Units credited to a Participant shall count towards a Trustees' ownership requirements as prescribed from time to time by the Board.

Deferred Units granted to Trustees pursuant to the terms of the Deferred Unit Plan will vest immediately upon grant. The Deferred Units shall be redeemable by the Participant (or, where the Participant has died, by his or her estate) on or after the date on which the Participant ceases to be a Trustee, provided that any such redemption date is not later than two (2) years following the date the Participant ceased to be a Trustee. For greater certainty, in the event that a Participant (or his or her estate) has not redeemed his or her Deferred Units prior to the date that is two years following the date the Participant ceases to be a Trustee, such Deferred Units shall be automatically redeemed on the date that is two years following the date the Participant ceases to be a Trustee without any action required on the part of the Participant (or his or her estate).

For Participants that are Canadian residents and are not U.S. taxpayers, the Deferred Units credited to a Participant's Deferred Unit account may be redeemed in whole or in part for Units issued from treasury or, to the extent elected by the Participant in his or her sole discretion, for cash, on the date on which the Participant files a written notice of redemption with the Chief Financial Officer of the Trust.

The maximum number of Units reserved for issuance under the Deferred Unit Plan at any time shall be 750,000 (representing approximately 0.24% of the Trust's outstanding Units as of the date hereof). Notwithstanding the above, subject to applicable law or the requirements of the TSX or any other stock exchange upon which the Units are listed and any Unitholder or other approval which may be required, the Board may, in its discretion, amend this Deferred Unit Plan to increase such limit without notice to Participants subject to unitholder approval. If any Deferred Unit granted under this Deferred Unit Plan is terminated, expired or is cancelled, new Deferred Units may thereafter be granted covering such Units, subject to any required prior approval by the TSX or other stock exchange upon which the Units are listed. At all times, the REIT will reserve and keep available a sufficient number of Units to satisfy the requirements of all outstanding Deferred Units granted under the Deferred Unit Plan.

The administration of the 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 Units are listed. Should the Board, in its sole discretion, determine that it is not desirable or feasible to provide for the redemption of Deferred Units in Units, including by reason of any such laws, regulations, rules, orders or requirements, it shall notify the Participants of such determination and on receipt of such notice each Participant shall have the option of electing that such redemption obligation be satisfied by means of a cash payment by the Trust equal to the Average Market Price of the Units that would otherwise be delivered to a Participant in settlement of Deferred Units on the Redemption Date (less any applicable withholding taxes). Each Participant shall comply with all such laws, regulations, rules, orders and requirements, and shall furnish the Trust with any and all information and undertakings, as may be required to ensure compliance therewith.

The Deferred Unit Plan provides that Unitholder approval is not required for any amendment to the Plan except for any amendment or modification that:

- (a) results in any increase in the number of Deferred Units issuable under the plan; or
- (b) permit Deferred Units granted under the plan to be transferable or assignable other than for normal estate settlement purposes;

Without limiting the general amendment powers described above and for greater certainty, Unitholder approval is not required for amendments to the Deferred Unit Plan to do the following:

- (a) for the purpose of making formal, minor or technical modifications to any of the provisions of the plan, including amendments of a "housekeeping" nature;
- (b) to correct any ambiguity, defective provisions, error or omission in the provisions of the plan;
- (c) to amend the vesting provisions of the Deferred Units;
- (d) to change the termination provisions of the Deferred Units of the plan; or
- (e) any other amendment that does not require unitholder approval under applicable laws or the rules of the TSX,

provided, however, that no such act shall diminish any rights accrued in respect of grants of Deferred Units made prior to the effective date of such amendment.

The TSX has conditionally approved the Deferred Unit Plan and the listing of the Units issued pursuant to the Deferred Unit Plan. Listing is subject to RioCan fulfilling all of the listing requirements of the TSX.

Unitholder Approval

Pursuant to the Declaration of Trust and the rules of the TSX, the adoption of the Deferred Unit Plan requires the approval of a majority of the votes cast at a meeting of Unitholders. Accordingly, Unitholders of the Trust will be asked to pass an ordinary resolution in the form set out in Appendix A to this Information Circular to authorize and approve the adoption of the Deferred Unit Plan.

On any vote that may be called relating to the foregoing proposed adoption of the Deferred Unit Plan, the Units represented by proxies in favour of management nominees will be voted in favour of the authorization and approval of such adoption, unless a Unitholder specifies in his or her proxy that his or her Units are to be voted against such proposed adoption.

Say-On-Pay Non-Binding Advisory Vote

The Board believes that Unitholders should have the opportunity to fully understand the objectives, philosophy and principles the Board has used in its approach to executive compensation decisions. Detailed disclosure of the Trust's compensation program, including the recent changes to the compensation program that have been adopted, can be found under the heading "Compensation Discussion and Analysis".

The Board has decided that Unitholders should have the opportunity to vote on the Trust's approach to executive compensation. This non-binding advisory vote (a "Say on Pay") forms an important part of the ongoing process of engagement between Unitholders and the Board on executive compensation. The Say on Pay will ensure Trustee accountability for the compensation decisions by giving Unitholders a formal opportunity to provide their views through an annual non-binding advisory vote, which

requires an affirmative vote of a majority of the votes cast. The Trust will disclose the results of the vote as part of its report on voting results for the Meeting. Although the results will not be binding, the Board will take the results into account when considering the policies, procedures, and decisions and in determining whether there is a need to increase engagement with Unitholders, and the HRCC will take the results into account when considering future executive compensation arrangements. In the event the Say on Pay does not receive the support of at least 70% of the votes cast, the Board will consult with Unitholders to fully understand their concerns, and will review the approach to compensation in the context of those concerns. The Board will disclose to Unitholders as soon as is practicable, and no later than six months following the Meeting, a summary of the comments received and the changes to the executive compensation plans made, or the reasons why no changes will be made.

The Board recognizes that Say on Pay policies are evolving in Canada and will undertake an annual review to ensure the policy is effective in achieving its objectives.

We would encourage all Unitholders to carefully review the disclosure of our executive compensation program, particularly with respect to the 2015 Executive Compensation Program, which will commence January 1, 2015, starting under the heading "Compensation Discussion and Analysis", before voting on this matter. At the Meeting, Unitholders will be asked to consider a non-binding advisory Say on Pay resolution on executive compensation, as follows:

"BE IT RESOLVED THAT on an advisory basis, and not to diminish the role and responsibilities of the Board, that the unitholders accept the Board's approach to executive compensation disclosed in the Trust's management information circular delivered in advance of the 2014 annual and special meeting of unitholders."

On any vote that may be called relating to the foregoing proposed adoption of the Say on Pay resolution, the Units represented by proxies in favour of management nominees will be voted in favour of the authorization and approval of such adoption, unless a Unitholder specifies in his or her proxy that his or her Units are to be voted against such proposed adoption.

COMPENSATION DISCUSSION AND ANALYSIS

Letter from the Chair of the Human Resources and Compensation Committee

Dear Unitholders,

The primary purpose of RioCan's fully independent HRCC is to oversee the Trust's executive compensation program. The HRCC has designed the program to attract and motivate executives by linking pay to Trust and individual performance in order to align their interests with those of our investors. It is the HRCC's responsibility to ensure that our compensation methods reward and retain the executives whose performance has enhanced the Trust's long-term value. The HRCC uses a combination of the following components to achieve these objectives: base salary, annual bonus, long-term incentives, pension and other benefits.

Performance results and bonus payouts

RioCan had very strong results this past year and celebrated the milestone of 20 years of operation. The Trust assumed the operations of nearly all of its U.S. properties and opened its first two offices outside of Canada, in New Jersey and Texas. The Trust's portfolio has been streamlined and enhanced through the disposition of many of its lower growth assets. The Trust's development pipeline, which we expect will be a significant driver of future growth, has expanded and contains a number of high profile projects across Canada including urban retail, mixed use, outlet shopping centres and new format retail centre developments. Our recently announced development plans for a visionary new neighbourhood in Toronto to be known as "The Well" have been filed with the city, and we expect that this truly exciting development will be a unique and welcoming gathering place in Toronto's rapidly expanding city centre where people can live, work and shop.

RioCan also had strong financial and operating performance in 2013 with the following results:

- Operating funds from operations ("OFFO") was increased by 12% to \$492 million compared to \$440 million for 2012 and OFFO per Unit increased 7% to \$1.63 per unit from \$1.52 per unit for 2012;
- Payout ratio, as a percentage of OFFO, was reduced to 86.5% in 2013 as compared to 90.8% in 2012;
- Occupancy remained as strong at 96.9% at December 31, 2013;
- RioCan's concentration in Canada's six major markets increased to 71.7% at December 31, 2013 from 67.5% at December 31, 2012;
- RioCan acquired interests in 32 income properties in Canada and the U.S. aggregating to 3 million square feet at an aggregate purchase price of approximately \$849 million at RioCan's interest at a weighted average capitalization rate of 5.7%;
- RioCan completed the sale of 18 properties, selling 13 properties at a total sale price of \$616 million at a weighted average capitalization rate of 5.9% in Canada, with \$160 million in associated debt, as well as five properties in the US as part of its US joint venture dissolutions at a total sale price of US\$103 million at a weighted average capitalization rate of 6.8%, with \$54 million in associated debt;
- During 2013, RioCan consolidated its ownership of virtually all of its U.S. properties previously owned through joint venture arrangements and established regional offices in New Jersey and Texas to manage its U.S. portfolio;
- RioCan renegotiated the terms of its operating lines by increasing capacity of the facilities, extending the maturity dates and reducing the interest rates on the facilities;
- Increasing the size of RioCan's unencumbered pool to \$2.1 billion at December 31, 2013 from \$1.4 billion the prior year; and
- RioCan renewed 3.9 million square feet in the Canadian portfolio at an average rent increase of \$1.80 per square foot, representing an increase of 11.0%.

For the year ended December 31, 2013 targeted OFFO was \$1.60 per Unit (\$491.1 million) and actual OFFO of \$1.63 per Unit (\$492.4 million), yielding a result of 101.9% of targeted OFFO per Unit.

Compensation Review and Changes – 2014 and 2015

In 2013, as part of its ongoing mandate to ensure RioCan's compensation programs align the interests of management, Trustees and Unitholders, the HRCC undertook a comprehensive review of RioCan's Executive and Trustee compensation programs. This review, which was completed in the first quarter of 2014, resulted in changes to these programs to be implemented for 2015, as well as certain changes adopted for 2014.

Our review examined all aspects of our compensation programs and practices with a view to ensuring that our programs continue our commitment to competitive performance based compensation designs that drive and sustain value for our Unitholders. Our existing programs have always provided a strong pay for performance linkage but this review provides an opportunity to strengthen this linkage.

Our Executive Management Bonus Plan ensures that annual incentive opportunities are based on the achievement of OFFO results which rewards the executive team for achieving challenging expectations of performance. OFFO continues to be the most comparable standard of performance for REITs. Our stock option program ensured that executives benefited only when Unitholders benefited and motivated our executives to seek business strategies that would result in sustainable growth in our unit value while preserving our distributions.

Notwithstanding the success of these programs, we recognize that it was possible to strengthen these relationships further through change to the mix of short and long term compensation and with the introduction of new measures of performance which supplement the measures that served RioCan well.

In developing these new programs, the HRCC considered the perspectives of our Unitholders, best governance practices, feedback from advisor groups like ISS and engaged an independent consultant to advise our committee through this process. As part of conducting its review and formulating the 2015 Executive Compensation Program, the Chair of the HRCC attended meetings with representatives from ISS and certain significant Unitholders to gather perspectives with respect to RioCan's executive and Trustee compensation practices.

As part of this review RioCan has refreshed its compensation comparator group to ensure that comparator organizations are of similar size and complexity of business. These new comparators have both similar assets and revenues to RioCan and operate under similar business models with comparable risk.

On April 7, 2014, the Board approved the introduction of a new performance equity unit plan (the "**PEU Plan**") for implementation in 2015. The implementation of the PEU Plan will reduce the proportion of long-term incentives granted through Unit options and introduce grants of PEUs which will be subject to both internal and external measures of performance. The PEU Plan will increase the alignment of executives' interests with those of Unitholders by enhancing the focus on OFFO results over the long term and by ensuring that total unitholder return ("**TUR**") performance is appropriate relative to the performance of other REITs. In addition, we are changing the compensation mix for some executives which will result in an increased emphasis on long-term performance as described on page 23. The new compensation program for 2015 (the "**2015 Executive Compensation Program**") will help ensure the continued alignment between executive compensation and our investor expectations. This new program will be implemented in Fiscal 2015.

In addition to the changes to the compensation program we further enhanced our policies to ensure that other aspects of our compensation programs reflect best governance practices. This review was completed in the first quarter of 2014 and has resulted in changes to executive compensation that have been adopted for implementation in 2015, as well as certain changes primarily relating to trustee compensation that have been adopted for 2014.

Our Unit ownership requirements have been enhanced to further strengthen the alignment of Unitholder interests and those of our executives. Only actual Units held directly or indirectly are considered in the determination of compliance and we are pleased that all NEO's meet these increased expectations.

To strengthen our commitment to shareholder alignment we have introduced post departure holding requirements which requires all NEO's to maintain their Unit ownership obligations for a period of one year post departure.

Finally, we reviewed the competitiveness of Trustee compensation, modified Trustee annual retainers and recommended for approval a Trustee Deferred Unit Plan to replace the REU plan previously in place. This compensation recommendation ensures that Trustee compensation continues to be competitive with Trustee practices within RioCan's comparator group and reflects market best practice.

RioCan going forward

The modifications to our short and long term compensation programs in 2015 will create greater alignment between executive pay and Trust performance. We continue our commitment to provide compensation practices that will further inspire executives to drive the Trust's growth and increase Unitholder value. We are committed to transparency and welcome Unitholder feedback on our programs. In furtherance of the foregoing, a non-binding say-on-pay advisory vote will be held at the Meeting. We are confident that we have established an executive compensation program that is well aligned with Unitholder interest and reflect best governance practices. We look forward to your continued support.

Sincerely,

Sharon Sallows

Chair, Human Resources and Compensation Committee, RioCan Real Estate Investment Trust

Compensation Overview

The following discussion and analysis sets out RioCan's philosophy for compensating its executives and Trustees, and explains how its policies and practices implement that philosophy. To ensure a full understanding of RioCan's compensation practices, the following discussion should be read together with the tables, set out below on executive and Trustee pay. These tables and this discussion and analysis set forth the compensation for RioCan's Trustees and its Named Executive Officers ("NEOs"), which for 2013 included the following executives:

- Edward Sonshine: Chief Executive Officer
- Frederic Waks: President and Chief Operating Officer
- Raghunath Davloor: Executive Vice President, Secretary and Chief Financial Officer
- Jordan Robins: Senior Vice President, Planning and Development
- Jeff Ross: Senior Vice President, Leasing

Compensation Governance

RioCan's executive compensation practices are overseen by the HRCC, consisting of Chair Sharon Sallows, Paul Godfrey, C.M., O.Ont., Clare R. Copeland and Luc Vanneste, as well as RioCan's Board of Trustees. The HRCC is governed by a charter, which is available to the public on RioCan's website at www.riocan.com. All of the members of the HRCC are knowledgeable and experienced in executive compensation and are able to fulfill the Committee's obligations to the Trust and its Unitholders. All members have significant experience as senior leaders of organizations including varied experience in human resources and compensation.

Each member of the HRCC is independent under applicable securities laws and none provides services to RioCan other than in connection with his or her services as a Trustee and/or Chair. The HRCC welcomes the input and recommendations of RioCan management, but is fully independent both in composition and decision-making. Members of management sometimes attend a portion of HRCC meetings, but decision-making on compensation matters occurs during an *in camera* session (without management present).

Compensation Objectives

In considering executive compensation issues, the main goal of the HRCC is to ensure that the compensation provided to the Trust's executive officers is determined with regard to the Trust's business strategies and objectives. The Trust's executive compensation policy is to provide total compensation that is generally competitive with the median of its comparator group, taking into consideration additional Trust-specific issues such as the achievement of financial and operational objectives, and the specific roles and responsibilities of different executive positions. Total compensation plans are structured to provide compensation that is above market median when results exceed the Trust's business objectives and below market median when results are below target. In this manner, the financial interest of the executive officers is aligned with the financial interest of the Unitholders.

The HRCC has developed the following executive compensation philosophy and policies to meet the foregoing objectives:

- Link compensation with the Trust's annual and long-term strategic and financial objectives;
- Align executive officers' financial interest with those of the Unitholders with the goal to improve Unitholders' value;
- Ensure the Trust's compensation is appropriate and competitive with that paid by other companies in which the Trust competes for talent;
- Attract, motivate and retain high quality, key employees needed to support the Trust's strategic growth and success; and
- Customize executive compensation to provide recognition and reward executive officers' performance, responsibilities, experience, skill, value and contribution to the Trust.

RioCan has designed its compensation program based on the foregoing key guiding principles. To achieve these objectives, the current NEO compensation program (the "**Current Compensation Program**") is comprised of the following components: annual base salary; annual bonus; long-term incentive in the form of Unit options; and pension plan and other benefits.

Compensation Risk Management

The Board has overall responsibility for the oversight of the Trust's risk management plans, policies and practices. The HRCC is responsible for overseeing the Trust's compensation policies and practices to ensure they do not encourage executives to take risks that would be reasonably likely to have a material adverse effect on RioCan. The Trust's pay program is designed to motivate and reward executives who take appropriate business risks to help the Trust achieve its goals. The Board has determined that the Trust's compensation policies and practices do not encourage excessive or inappropriate risk-taking behaviour. The following features of the compensation program serve to ensure that the plan design does not encourage excessive risk-taking:

- A cap on annual bonus awards;
- A mix of pay programs, including short and long-term, fixed and variable and cash and equity;
- A pay-for-performance philosophy;
- Performance thresholds that include minimum and maximum awards;
- Option awards that vest over time;
- Ownership and retention guidelines that require executives to hold a certain amount of units including after departure;

- Clawback policy that allows the Trust to recoup incentive compensation paid based on financial performance that was later restated if the NEO engaged in fraud that caused the restatement; and an
- Anti-hedging policy that prohibits Trustees and executives from monetizing the value of their ownership in the Trust.

In addition, beginning in 2015, the long-term incentive plan will include multiple performance factors that will further enhance the alignment of interests between management of the Trust and Unitholders by measuring performance against both absolute financial and relative external measures.

Stress Testing

To ensure that the Trust's total compensation is aligned with the Trust's compensation objectives, the HRCC worked with Mercer to stress-test the existing and proposed executive compensation plans under various performance scenarios. These scenarios illustrate the impact of various corporate performance outcomes relative to the incentive awards that would be earned by executives. Stress testing helps determine whether the incentive plans would pay out as anticipated and remain consistent with the Trust's pay-for-performance philosophy, while avoiding the creation of excessive risks that could threaten the Trust's value.

The various scenarios contemplate Trust performance ranging from 'weak' to 'extraordinary' and calculate incentive plan payouts based on these results to ensure an appropriate pay-for-performance linkage. In light of this analysis, the HRCC believes that the relationship between pay and performance is appropriate and that the objectives of the Trust's performance-based compensation program are achieved.

Anti-hedging Policy

The Trust has adopted an anti-hedging policy whereby Trustees and executives of the Trust are prohibited from investing in or purchasing financial instruments or derivatives, including prepaid variable forward contracts, equity swaps, collars or units of exchanged funds, that are designed to hedge or offset a decrease in market value of equity securities held by such Trustee or executive officer.

Recoupment/Clawback Policy

To further align management's interests with those of the Unitholders, the Trust adopted a recoupment policy or "clawback" policy in May 2012 (as it applies to the CEO) and March 2013 (as it applies to other NEOs and non-NEOs at the vice-president level and higher). This policy discourages unnecessary or excessive risk taking. The policy provides that the Board, at the recommendation of the HRCC, may seek reimbursement of annual or long-term incentive compensation awarded to the NEOs or other executives if in the Board's view, the amount of the compensation was based on financial results that were subject to a material restatement (other than a restatement due to, or to comply with, changes in applicable accounting principles or related to an acquisition or disposition). Reimbursement could be sought for any excess amount that relates to the material restatement that occurred within 24 months of payment of the compensation, if the NEO engaged in fraud that caused the material restatement.

Minimum Unit Ownership Policy for NEOs

The NEOs must meet specified Unit ownership guidelines to better align the interests of executives with those of Unitholders. Executives are given up to five years from their appointment to an executive position, to reach the minimum required level of Unit ownership. The following table provides a summary of the required holdings of each NEO. Currently, only actual Units held are considered in meeting the Unit ownership obligation.

For 2014, RioCan increased the Unit ownership guidelines for the President and Chief Operating Officer, Executive Vice President, Secretary and Chief Financial Officer and all other senior vice presidents, including non-NEOs (see table below). For purposes of these new guidelines, Unit ownership includes any units owned, directly or indirectly, by an executive or his or her spouse or held by such person or his or her immediate family members as part of a tax or estate plan. Under the modified Unit ownership guidelines, executives will have up to five years to reach the minimum required level of unit ownership.

Unit Ownership Guidelines

Executive Position	2013 Unit Ownership Guidelines: Multiple of Salary	2014 Unit Ownership Guidelines: Multiple of Salary	Actual Multiple of Salary Held as of December 31, 2013	As of December 31, 2013
Edward Sonshine Chief Executive Officer	3.0	3.0	8.3	Guideline is met
Frederic Waks President and Chief Operating Officer	2.0	3.0	8.6	Guideline is met
Raghunath Davloor Executive Vice President, Secretary and Chief Financial Officer	2.0	3.0	3.1	Guideline is met
Jordan Robins Senior Vice President, Planning and Development	1.0	2.0	2.6	Guideline is met
Jeff Ross Senior Vice President, Leasing	1.0	2.0	2.5	Guideline is met

Post Departure Holding Requirements

In the event an executive, subject to the foregoing ownership policy, provides written notice to the Trust of his or her resignation or retirement, such executive shall maintain the equity ownership value required in accordance with the policy for a period of one year following the date of resignation or retirement, as the case may be.

Independent Compensation Consultant

The HRCC originally engaged Mercer in 2013 as its independent compensation consultant to review the Trust's executive and Trustee compensation plans and to assist in setting compensation for the NEOs. As part of its mandate, Mercer evaluated the competitiveness of compensation relative to the market and reviewed the Trust's short and long-term incentive design and practices. In this role, Mercer provided the following services:

- Market data, benchmarking, and analysis;
- Independent evaluation of proposals, data, and analysis prepared by our senior management; and,
- Commentary on executive compensation principles, trends, and best practices.

In the course of performing its services, Mercer received instructions from, and consulted on a regular basis with, the HRCC Chair and senior management, including members of the Trust's Human Resources department. While the HRCC takes the information and advice provided by its independent compensation consultant into consideration, the HRCC is ultimately responsible for its own decisions and recommendations to the Board.

In fiscal 2013, Mercer billed the Trust an amount totalling \$339,607.59 in executive and Trustee compensation-related fees. Mercer was not engaged to provide any executive and Trustee compensation consulting services in fiscal 2012. In addition to the executive and Trustee compensation services provided during 2013, a subsidiary of Mercer provided ancillary services to the Trust pursuant to a prior engagement relating to the senior management pension plan and the 401K Plan. Following the completion of these services, the Trust has discontinued the engagement of Mercer in this regard. In any event, the pre-approval of the HRCC is required prior to engaging Mercer to provide any other services.

Compensation Consultant Fees for 2012 and 2013

Description	2012 Fees	2013 Fees (1)
Executive compensation-related fees	\$ 0	\$ 217,910
All other fees	\$ 52,432	\$ 121,697

(1) Including HST.

Benchmarking

RioCan assesses compensation levels compared to the marketplace on a regular basis and at least every three years, as necessary, consistent with market conditions. The last review was conducted in 2011. On behalf of the HRCC, Mercer conducted a comprehensive compensation study of pay levels and practices at similar companies. The list of comparator companies ("**Comparator Group**") included in a report (the "**Mercer Report**") was reviewed by the HRCC and management against a list of selection criteria so that the pool represented the most appropriate and relevant comparators based on factors such as size, operating scope, geographical reach, and various other financial considerations.

Due to RioCan's size in assets and scope in operations relative to other real estate companies in Canada, there is a lack of directly comparable Canadian companies in the Trust's industry. As such, similarly to 2011, the final comparator group for the Mercer Report also included U.S. companies. The Comparator Group is largely comprised of companies of similar size and complexity that are in the real estate businesses and have long-cycle and capital-intensive business segments.

In addition, RioCan reviewed compensation against the practices of large Canadian companies to ensure the reasonableness of the Trust's compensation practices.

The following table lists the companies included in the Comparator Group used to review our 2013 compensation and which Mercer has advised is reasonable:

In Canada:	In the United States:
Brookfield Office Properties	Vornado Realty
First Capital Realty	HCP
Calloway	Health Care
Boardwalk	Equity Residential
Cominar	Boston Properties
Canadian Apartment Properties	SL Green Realty
	American Tower
	AvalonBay Communities
	Kimco Realty
	Digital Realty
	Public Storage
	Duke Realty
	CBL & Associates Properties

The following table lists RioCan's ranking in terms of NEO total direct compensation relative to the Comparator Group:

As of September 30, 2013	Assets (in billions)	Revenue (in millions)
25th percentile	\$ 7,204	\$ 819
Median	\$ 9,741	\$ 1,289
75th percentile	\$ 16,332	\$ 1,946
RioCan	\$ 12,943	\$ 2,041
Percentile rank	59%	81%

Note: Revenues and assets are for the most recently available 12 months for each company.

Mercer determined that RioCan's NEO total direct compensation was generally positioned between the 25th and 50th percentile of the Comparator Group although positioning may vary by role. While the Mercer Report was a relevant factor in the decision-making of the Trust, the Trust ultimately relied on its own experience, information and deliberations in making compensation decisions. As RioCan is generally positioned around the median of the Comparator Group in terms of assets, RioCan generally establishes target total direct compensation at the median of the Comparator Group.

Description of Compensation Elements

The Current Compensation Program is comprised of the following components:

- annual base salary;
- annual bonus;
- long-term incentive in the form of Unit options; and
- pension and other benefits.

Annual Base Salary

The annual base salary of each NEO is determined having regard to Comparator Group salaries and the overall expertise and contribution of the given NEO to RioCan's value. The HRCC determines each NEO's salary on an annual basis, depending on the specific NEO. In making its salary decisions, the HRCC considers the NEO's past performance, competitive compensation levels, the Trust's performance, the recommendation and/or input of the CEO and the role the NEO is expected to play in the upcoming period. Having a competitive annual salary is important for both recruitment and retention.

Executive	Base Salaries and Percentage Change		
	Salary 2012	Salary 2013	Percentage change
Edward Sonshine Chief Executive Officer	\$1,200,000	\$1,200,000	0%
Frederic Waks President and Chief Operating Officer	\$ 750,000	\$ 750,000	0%
Raghunath Davloor Executive Vice President, Secretary and Chief Financial Officer	\$ 550,000	\$ 550,000	0%
Jordan Robins Senior Vice President, Planning and Development	\$ 375,000	\$ 400,000	6.7%
Jeff Ross Senior Vice President, Leasing	\$ 375,000	\$ 400,000	6.7%

Salary increases in 2013 for Mr. Robins and Mr. Ross were made in connection with the increased size and complexity of each of such NEO's responsibilities as a result of the Trust's increased focus on urban intensification activities and the establishment of the Trust's US management platform.

Annual Bonus

The annual Executive Management Bonus Plan ("**EMBP**") provides an incentive for the achievement of objectives that support the financial and strategic interests of the Trust, and thereby its Unitholders. The bonuses of Mr. Sonshine, Mr. Waks and Mr. Davloor are contingent solely upon the Trust's performance. For 2013, the bonuses of Mr. Robins and Mr. Ross were contingent upon individual performance and the Trust's performance however, for 2014 the bonuses of Mr. Robins and Mr. Ross will be contingent solely upon the Trust's performance.

The EMBP ensures that the NEOs' goals are aligned with those of the Unitholders. In addition to having a retention aspect, the annual cash bonus is important for recruitment purposes, as it enables the Trust to attract executives who expect their talents to contribute to the continued success of RioCan and wish to be rewarded for their contributions. The annual cash bonus also provides a financial incentive to enhance the self-motivation of NEOs to perform at their peak throughout each compensation assessment period.

The 2015 Executive Compensation Program will reduce the amount of short-term incentive compensation under the EMBP for Mr. Sonshine, Mr. Waks and Mr. Davloor in favour of enhanced long-term incentive compensation. The details of the reduction in short-term incentive compensation for these NEOs is described below in the section entitled, "EMBP – Overview and Details".

Fiscal 2013 Target and Results

For the year ended December 31, 2013, targeted OFFO was \$1.60 per Unit (\$491.1 million) and actual OFFO was \$1.63 per Unit (\$492.4 million), yielding a result of 101.9% of targeted OFFO per Unit. All results for the year ended December 31, 2013, and the resulting bonus payable to each executive, were determined in accordance with IFRS, adjusted to determine OFFO as set out in the Trust's MD&A. For Fiscal 2013, the aggregate amount paid under the EMBP to executives that were entitled to participate was \$6,683,959.

The terms of the EMBP for fiscal 2013 are as follows:

% of Budget	<Threshold	Threshold	Target	Maximum	Actual OFFO Achieved and Bonus Payout	Individual Performance		Total Bonus
	<95%	95%	100%	105%	(%)	Target	Achieved	
OFFO	<\$1.52	\$1.52	\$1.60	\$ 1.68	\$1.63 (101.9%)			
Edward Sonshine Chief Executive Officer	0%	175%	200%	225%	205%	n/a	n/a	\$ 2,460,000
Frederic Waks President and Chief Operating Officer	0%	125%	150%	175%	155%	n/a	n/a	\$ 1,162,500
Raghunath Davloor Executive Vice President, Secretary and Chief Financial Officer	0%	75%	100%	125%	105%	n/a	n/a	\$ 577,500
Jordan Robins Senior Vice President, Planning and Development	0%	12%	60%	60%	60%	15%	15%	\$ 300,000
Jeff Ross Senior Vice President, Leasing	0%	12%	60%	60%	60%	15%	15%	\$ 300,000

Note: Unless otherwise stated, all bonus paid percentages represent a percentage of base salary. For Mr. Sonshine, Mr. Waks and Mr. Davloor, the bonus paid under the EMBP is 100% based on consolidated OFFO results. For other NEOs, in 2013 80% of their EMBP award is based on consolidated OFFO, i.e. 60% out of 75% (target and maximum payout is capped at 60% of base salary) and 20% based on individual performance, i.e. 15% out of 75%; however for 2014 for these other NEOs bonus paid under the EMBP is 100% based on consolidated OFFO results.

The OFFO per Unit in the budget is approved by the Board of Trustees for the 2013 fiscal year. OFFO is defined in the Trust's MD&A for the two years ending December 31, 2013 and 2012 (the "MD&A") under the heading "Use of Non-GAAP Measures – Operating Funds From Operations". OFFO is a supplemental non-GAAP financial measure of operating performance which is net of general and administrative expenses, which includes all bonuses paid to RioCan executives.

2013 Fiscal Year (and 2014 Fiscal Year)

Under the Current Compensation Program, achievement by the Trust of the fiscal year's budgets for OFFO (which budgets are approved by the Board of Trustees for the fiscal year) and the related bonus for Mr. Sonshine, Mr. Waks and Mr. Davloor will be determined according to a sliding scale, where no bonus is payable if the Trust achieves less than 95% of the budgeted target for the fiscal year (the "Minimum Threshold"). For each full 1% increase in the OFFO, payout increases by 5%, resulting in a target payout if budget OFFO is reached and a payout at maximum if budget OFFO is exceeded by 5% or more.

Approved Changes for 2015

The Board has approved a change to the incentive mix for NEOs commencing in fiscal 2015. The effect of this change is to modify the EMBP target bonus awards as follows:

Position	2014		2015	
	Target Bonus as a Percent of Base Salary	Maximum Bonus as a Percent of Base Salary	Target Bonus as a Percent of Base Salary	Maximum Bonus as a Percent of Base Salary
Edward Sonshine Chief Executive Officer	200%	225%	135%	160%
Frederic Waks President and Chief Operating Officer	150%	175%	100%	125%
Raghunath Davloor Executive Vice President, Secretary and Chief Financial Officer	100%	125%	85%	110%
Jordan Robins Senior Vice President, Planning and Development	75%	75%	75%	100%
Jeff Ross Senior Vice President, Leasing	75%	75%	75%	100%

Commencing in 2015, under the 2015 Executive Compensation Program Mr. Sonshine, Mr. Waks and Mr. Davloor will receive a reduction in the maximum amount of annual bonus payable under the EMBP to focus them more on long-term performance-based pay; and Mr. Robins and Mr. Ross will receive an amount of annual bonus payable under the EMBP using the same sliding scale as currently in place for Mr. Sonshine, Mr. Waks and Mr. Davloor, where no bonus is payable if the Trust achieves less than the Minimum Threshold and for each full 1% increase in the OFFO, payout increases by 5%, resulting in a target payout if budget OFFO is reached and a payout at maximum if budget OFFO is exceeded by 5% or more.

Determination of Bonus – For Senior Vice President, Planning and Development and Senior Vice President, Leasing

2013 and 2014

The actual bonus payable to Mr. Robins and Mr. Ross in 2013 was based on achievement of two criteria, as follows:

- 20% of the Maximum Bonus was based on achievement by the EMBP Participant of the individual performance goals set for the EMBP Participant and approved by the Chief Executive Officer of the Trust.
Any bonus payable pursuant to the individual component of the EMBP was approved by the Board of Trustees.
- 80% of the Maximum Bonus was earned as the Trust achieved the OFFO in the budget approved by the Board of Trustees for the 2013 fiscal year.

In respect of the foregoing OFFO portion of the bonus criteria, achievement by the Trust of the fiscal year's OFFO budget is according to a sliding scale, where no bonus is payable if the Trust achieves less than the Minimum Threshold. Upon reaching the Minimum Threshold, the bonus amount commences at 20% of target and increases for each full 1% increase (above 95% and up to 100%) in the OFFO.

For 2014, 100% of the actual bonus payable to Mr. Robins and Mr. Ross will be based on whether the Trust achieves the OFFO in the budget approved by the Board of Trustees for the 2014 fiscal year, eliminating the 20% individual performance criteria.

Accordingly, bonuses paid in 2013 and 2014 to these NEOs in respect of the OFFO portion of overall bonus criteria is determined according to this sliding scale are as follows:

Achievement of the Trust's budgets for OFFO	Bonus Payout 2013 (attributable to achievement of target of OFFO)	Bonus Payout 2014 (attributable to achievement of target of OFFO)
Achieve budget (at 100% or more)	60%	75%
At 99% but below 100% of budget	48%	60%
At 98% but below 99% of budget	42%	52.5%
At 97% but below 98% of budget	36%	45%
At 96% but below 97% of budget	24%	30%
At 95% but below 96% of budget	12%	15%
Below Minimum Threshold (95% of budget)	0%	0%

2015

Under the 2015 Executive Compensation Program, Mr. Robins and Mr. Ross will move to a sliding scale as currently in place for Mr. Sonshine, Mr. Waks and Mr. Davloor, where no bonus is payable if the Trust achieves less than the Minimum Threshold and for each full 1% increase in the OFFO, payout increases by 5%, resulting in a target payout if budget OFFO is reached and a payout at maximum if budget OFFO is exceeded by 5% or more. Consistent with changes implemented for 2014, the actual bonus payable to Mr. Robins and Mr. Ross for 2015 will solely be based on budgeted OFFO as approved by the Board of Trustees without any individual performance component. Accordingly, bonuses payable in 2015 for Mr. Robins and Mr. Ross will be according to this sliding scale as follows:

Achievement of the Trust's budgets for OFFO	Bonus Payout (attributable to achievement of target of OFFO)
Budget exceeded by 5% or more	100%
Budget exceeded by 4% to 4.9%	95%
Budget exceeded by 3% to 3.9%	90%
Budget exceeded by 2% to 2.9%	85%
Budget exceeded by 1% to 1.9%	80%
Achieve budget (at 100%)	75%
At 99% but below 100% of budget	70%
At 98% but below 99% of budget	65%
At 97% but below 98% of budget	60%
At 96% but below 97% of budget	55%
At 95% but below 96% of budget	50%
Below Minimum Threshold (95% of budget)	0%

Long-Term Incentive Plan

In 2013, under the Unit Option Plan, the Trust issued options to the NEOs. The number of options granted satisfies existing employment obligations and when not specified, the number of options granted is based on the recommendation of the CEO and approved by the Board. No other long-term incentive program was in place for 2013. The number of options granted to NEOs did not change from 2012.

Following the compensation review conducted in 2013, the Board approved a change to the long-term incentive program at RioCan. In addition to granting options, the Board approved the implementation of a new PEU Plan for implementation in 2015 as described on page 36. The HRCC and the Board determined that it was in the best interest of the Trust to implement any changes to the executive compensation structure at the commencement of a business cycle. Accordingly, upon completion of the HRCC's in-depth review and recommendations with respect to the 2015 Executive Compensation Program in the first quarter of 2014, the HRCC and the Board determined to implement the 2015 Executive Compensation Program at the commencement of the 2015 fiscal year.

The implementation of the 2015 Executive Compensation Program will result in the following:

- Long-term incentive mix will change from 100% Unit options to 50% Unit options and 50% PEUs; and
- New long-term incentive targets as a percentage of base salary will be defined for each executive.

Type of grants	Purpose of grant	Vesting	Payment characteristics
PEUs	<ul style="list-style-type: none"> • To encourage executives to pursue opportunities aligned with RioCan's strategic objectives • To ensure that LTIP payouts to executives are directly linked to corporate performance 	<ul style="list-style-type: none"> • Performance vesting: cliff vesting at the end of 3 years based 1/3 on cumulative growth of OFFO, 1/3 on relative TUR vs. comparator group, and 1/3 on relative TUR vs. REIT indices 	<ul style="list-style-type: none"> • Based on RioCan's performance at the end of the vesting period, anywhere from 0% to 200% of the PEUs may vest • Vested awards will be settled in cash.
Unit Options	<ul style="list-style-type: none"> • To encourage executives to pursue opportunities that will increase shareholder value over the long-term • To promote executive retention over the long-term 	<ul style="list-style-type: none"> • Time vesting: over 4 years from the date of grant at a rate of 25% per year • Unit Options will expire after a 10-year term 	<ul style="list-style-type: none"> • Unit Options are issued with an exercise price equal to the volume weighted average trading price on the TSX during the 5 trading days immediately preceding the day on which the option is granted • Unit Options provide value to executives only if the stock price increases above the exercise price before the end of the term

Each year, the HRCC recommends, for approval by the Board, grants to the NEOs under the Trust's long-term incentive programs.

2015 Long-Term Incentive Mix

Position	Target as % of Base Salary (1)	2015 LTI Mix
Edward Sonshine Chief Executive Officer	200%	
Frederic Waks President and Chief Operating Officer	140%	
Raghunath Davloor Executive Vice President, Secretary and Chief Financial Officer	90%	50% PEUs 50% Unit Options
Jordan Robins Senior Vice President, Planning and Development	85%	
Jeff Ross Senior Vice President, Leasing	85%	

(1) Target as a percentage of base salary is applicable to 2015 only, as prior year long-term incentive grants were based on a fixed number of Unit options.

Under the 2015 Executive Compensation Program, all NEOs will receive a package of long-term incentive compensation grants consisting of 50% Unit options and 50% PEUs (the "New LTIP"). The effect of this change is to reduce the proportion of options in the long-term incentive grant from 100% to 50%. The specific details of the New LTIP are summarized below in the section entitled, "2015 Executive Compensation Program – Changes to the Long Term Incentive Plan".

Components of Executive Compensation – Summary

The following summary table sets out the components of executive compensation pursuant to the existing compensation arrangements as well as the arrangements that will be implemented in 2015 under the 2015 Executive Compensation Program.

Compensation Element and Purpose	Measurement	Range (% of Base Salary)	Form	Eligibility	Performance Period		
Annual Base Salary – Competitive compensation levels, recruitment and retention	Overall expertise and contribution to the Trust's value	Fixed	Cash	All executives and permanent employees	Annual		
Executive Management Bonus Plan ("EMBP") (1) – Reinforce and drive the Trust's financial and strategic short-term performance – Reward and recognize Trust and individual performance	Actual OFFO relative to targeted / budget OFFO	Incumbent	2013/2014	2015	Cash	All executives	1 year
		Edward Sunshine	0%–225%	0%–160%			
		Frederic Waks	0%–175%	0%–125%			
		Raghunath Davloor	0%–125%	0%–110%			
		Jordan Robins (including individual performance for 2013)	0%–75%	0%–100%			
Jeff Ross (including individual performance for 2013)							
Unit Option Plan – To encourage executives to pursue opportunities that will increase shareholder value over the long-term – To promote executive retention over the long-term	None	At the discretion of the Board	Unit options	All executives	N/A (Option term is 10 years)		
Performance Equity Unit (PEU) Plan – 2015 Implementation (1) – To encourage executives to pursue opportunities aligned with the Trust's strategic objectives – To ensure that LTIP payouts to executives are directly linked to corporate performance	Cumulative OFFO, TUR relative to Comparator Group, TUR Relative to blended REIT index	Cumulative OFFO TUR vs. Comparator Group TUR vs. blended REIT Index	0%–200%	PEUs	All executives	3 year	
Retirement Plan Defined Benefit Plan (DB) – To promote recruitment and retention, attracting talented individuals – Plan participation is closed	2% of Final Average Earnings multiplied by years of service	Fixed	Deferred cash	NEOs and select executives	Pensionable service period		

(1) Executive long-term incentive mix will change from 100% Unit options to 50% Unit options and 50% PEUs in 2015. Please see the section entitled "Changes to the Long Term Incentive Plan Program for Executives" for further details.

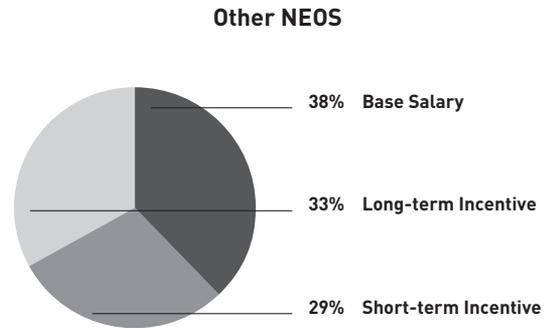
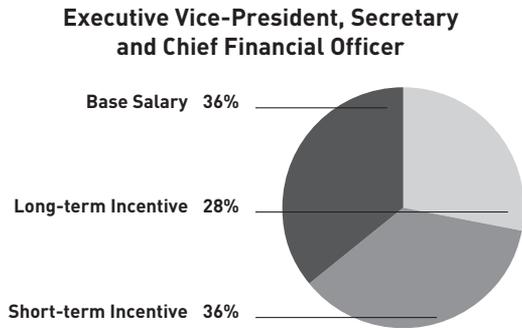
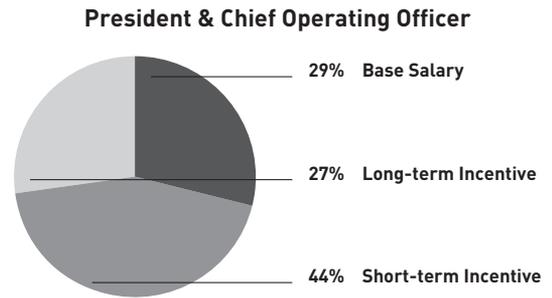
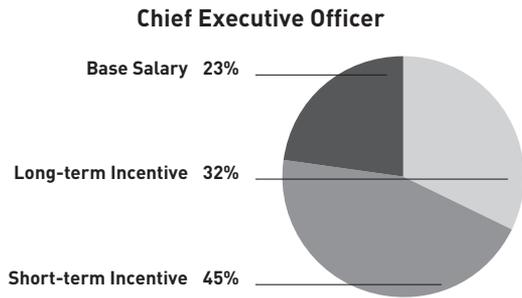
Pension Plans

RioCan has executive pension plans that are available to its NEOs as well as other senior executives. These plans assist RioCan in meeting its recruitment and retention objectives helping it attract talented individuals who have similar plans elsewhere and by retaining those NEOs who wish to meet the pension plan eligibility requirements. The terms of these plans are described on page 40.

Each of the current NEOs and certain other senior executives participate in defined benefit pension plans.

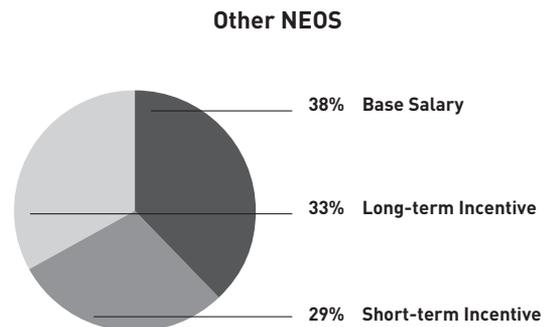
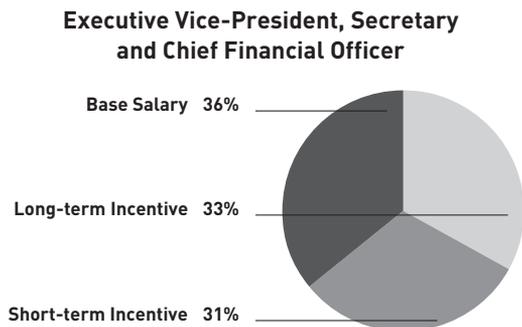
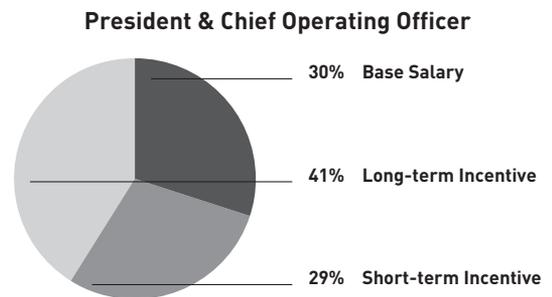
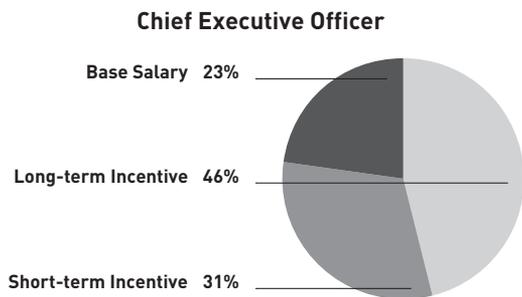
Pay Mix

As illustrated in the following charts, which show the mix of pay elements for the Chief Executive Officer and the other NEOs, a significant portion of each NEO's compensation is performance-based. The percentage of target total compensation that was performance-based and aligned with the interests of Unitholders for the year ended December 31, 2013, was: (i) 77% for the Chief Executive Officer; (ii) 71% for the President and Chief Operating Officer; (iii) 64% for the Executive Vice-President, Secretary and Chief Financial Officer; and (iv) 62% for the other NEOs.



Note: Target long-term incentives in the charts above represent 2013 fair value at grant.

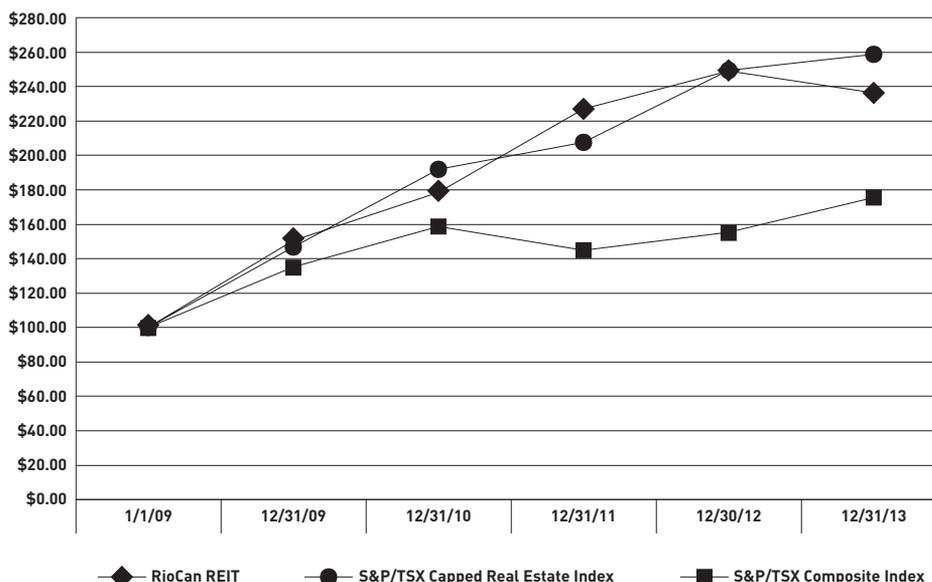
The proposed compensation changes for fiscal 2015 will shift the focus of the NEOs from a short- to a long-term focus. This will be achieved through the change in the mix of pay and the introduction of carefully considered performance metrics designed to ensure that management and Unitholders interests are aligned. The chart below illustrates the change in target total direct compensation pay mix:



Unit Performance Graph

Each of the following graph and chart compares the total cumulative Unitholder return for \$100 invested in Units with the cumulative total return of the S&P/TSX Composite Index and the S&P/TSX Canadian Real Estate Index during the five most recently completed financial years of the Trust. During the period, the total cumulative Unitholder return for \$100 invested in Units was \$236.41 as compared to \$175.61 for the S&P/TSX Composite Index and \$258.71 for the S&P/TSX Canadian Real Estate Index.

**Five-Year Cumulative Total Return on \$100 Investment
Assuming Distributions are Re-Invested
January 1, 2009 - December 31, 2013**



Date	1/1/09	12/31/09	12/31/10	12/30/11	12/31/12	12/31/13
RioCan REIT	\$ 100	\$ 150.52	\$ 178.68	\$ 227.12	\$ 249.13	\$ 236.41
S&P/TSX Capped Real Estate Index	\$ 100	\$ 146.92	\$ 191.84	\$ 207.80	\$ 249.38	\$ 258.71
S&P/TSX Composite Index	\$ 100	\$ 135.05	\$ 158.83	\$ 145.00	\$ 155.42	\$ 175.61

RioCan's Current Compensation Program for its NEOs is largely driven by OFFO results (EMBP) and growth in Unit price (Unit Option Plan). Over time, RioCan views that growth in OFFO and Unit price are aligned objectives. For 2015, RioCan has strengthened this alignment with the introduction of relative performance measures (see the section herein entitled "Changes to the Long Term Incentive Plan Program for Executives – Performance Equity Unit Plan").

Compensation of the Chief Executive Officer – Fiscal 2013

For the financial year ended December 31, 2013, Mr. Sonshine received an annual base salary of \$1,200,000 and was awarded an annual bonus of \$2,460,000 and a grant of 475,000 options with an estimated total fair value (on the date of grant) of \$1,712,814.02. The Chief Executive Officer, who is also a Trustee, is required to have a minimum personal investment in the Trust of at least \$3,600,000. As of December 31, 2013, Mr. Sonshine beneficially owned 400,000 Units (representing a value of \$9,908,000 based on the closing price of the Units on December 31, 2013, an amount which is well in excess of his minimum personal investment requirement) and had a total of 2,868,550 vested and unvested Unit options.

Bonus

The chart below sets out the bonus that was available to the Chief Executive Officer for fiscal 2013, and the amount actually paid.

Base Compensation	Available Bonus based on Achievement of 100% of Target of Budgeted OFFO
\$1,200,000	(200% x \$1,200,000) \$2,400,000
Base Compensation	Actual Bonus based on Achievement of 101.9% of Target of Budgeted OFFO
\$1,200,000	(205% x \$1,200,000) \$2,460,000

Options

In considering an option grant to the Chief Executive Officer in respect of fiscal 2013 as contemplated in Mr. Sonshine's employment agreement, the HRCC considered past practices, past awards and their current value, and results known to it at the time it made its recommendation to the Board of Trustees. The HRCC determined that it was appropriate to award 475,000 options at an exercise price equal to \$27.69, being the market price determined under the Unit Option Plan at the relevant time. The number of options awarded in 2013 was the same number as RioCan awarded in 2012 at \$27.04 per Unit.

Pension

The retirement plan for Mr. Sonshine provides him with certain additional benefits based on service to the Trust to the age of 65. See "Pension Plans – Edward Sonshine".

Compensation of NEOs other than Chief Executive Officer

Frederic Waks – President and Chief Operating Officer

For the financial year ended December 31, 2013, Mr. Waks received a base salary of \$750,000 and was awarded an annual bonus of \$1,162,500 and a grant of 200,000 options with an estimated total fair value (on the date of grant) of \$700,887.01. As of December 31, 2013, Mr. Waks is required to have a minimum personal investment in the Trust of at least \$ 1,500,000. As at December 31, 2013, he beneficially owned 259,307 Units (representing a value of \$6,423,034 based on the closing price of the Units on December 31, 2013, an amount in excess of his minimum personal investment requirement) and had a total of 1,256,514 vested and unvested Unit options. Pursuant to the new Unit ownership guidelines adopted by the Trust on April 7, 2014, as described under "Compensation Overview – Minimum Unit Ownership Policy for NEOs", Mr. Waks is required to have a minimum personal investment in the Trust of at least \$2,250,000, a requirement which Mr. Waks satisfies.

Bonus

The chart below sets out the bonus that was available to the President and Chief Operating Officer, and the amount actually paid.

Base Compensation	Available Bonus based on Achievement of 100% of Target of Budgeted OFFO
\$750,000	(150% x \$750,000) \$1,125,000
<hr/>	
Base Compensation	Actual Bonus based on Achievement of 101.9% of Target of Budgeted OFFO
\$750,000	(155% x \$750,000) 1,162,500

Options

In considering an option grant to the President and Chief Operating Officer for 2013, the HRCC considered Mr. Waks' contract, which required that he be granted 200,000 options. Accordingly, the HRCC awarded Mr. Waks 200,000 options with an estimated total fair value (on the date of grant) of \$700,887.01. RioCan believes that option awards are an effective means of aligning the interests of RioCan's senior management with those of the Unitholders.

Pension

The supplemental executive retirement plan for senior executives provides Mr. Waks the opportunity to accrue a pension based on service to the Trust to the age of 65. See "Pension Plans – Other NEOs".

Raghunath Davloor – Executive Vice President, Secretary and Chief Financial Officer

For the financial year ended December 31, 2013, Mr. Davloor received an annual base salary of \$550,000 and was awarded an annual bonus of \$577,500 and a grant of 125,000 options with an estimated total fair value (on the date of the grant) of \$438,054.37. As of December 31, 2013, Mr. Davloor is required to have a minimum personal investment in the Trust of at least \$1,100,000. As at December 31, 2013, he beneficially owned 69,828 Units (representing a value of \$1,729,640 based on the closing price of the Units on December 31, 2013 an amount in excess of his minimum personal investment requirement) and had a total of 575,000 vested and unvested Unit options. Pursuant to the new Unit ownership guidelines adopted by the Trust on April 7, 2014, as described under "Compensation Overview – Minimum Unit Ownership Policy for NEOs", Mr. Davloor is required to have a minimum personal investment in the Trust of at least \$1,650,000, a requirement which Mr. Davloor satisfies.

Bonus

The chart below sets out the bonus that was available to the Executive Vice President, Secretary and Chief Financial Officer, and the amount actually paid.

Base Compensation	Available Bonus based on Achievement of 100% of Target of Budgeted OFFO
\$550,000	(100% x \$550,000) \$550,000
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Base Compensation	Actual Bonus based on Achievement of 101.9% of Target Budgeted OFFO
\$550,000	(105% x \$550,000) \$577,500

Options

In considering an option grant to the Executive Vice President, Secretary and Chief Financial Officer, the HRCC considered past practices, past awards and their current value, and results known to it at the time it made its recommendation to the Board of Trustees. The HRCC determined that it was appropriate to award 125,000 options with an estimated total fair value (on the date of the grant) of \$438,054.37. RioCan believes that option awards are an effective means of aligning the interests of RioCan's senior management with those of the Unitholders.

Pension

The supplemental executive retirement plan for senior executives provides Mr. Davloor the opportunity to accrue a pension based on service to the Trust to the age of 65. See "Pension Plans – Other NEOs".

Jordan Robins – Senior Vice President, Planning and Development

For the financial year ended December 31, 2013, Mr. Robins received a base salary of \$400,000 and was awarded an annual bonus of \$300,000 and a grant of 100,000 options with an estimated total fair value (on the date of grant) of \$350,443.50. As of December 31, 2013, Mr. Robins is required to have a minimum personal investment in the Trust of at least \$400,000. As at December 31, 2013, he beneficially owned 41,736 Units (representing a value of \$1,033,801 based on the closing price of the Units on December 31, 2013, an amount in excess of his minimum personal investment requirement) and 562,500 vested and unvested Unit options. Pursuant to the new Unit ownership guidelines adopted by the Trust on April 7, 2014, as described under "Compensation Overview – Minimum Unit Ownership Policy for NEOs", Mr. Robins is required to have a minimum personal investment in the Trust of at least \$800,000, a requirement which Mr. Robins satisfies.

Bonus

The chart below sets out the bonus that was available to the Senior Vice President, Planning and Development, and the amount actually paid.

Base Compensation	Available Bonus based on Achievement of 100% of Target of Budgeted OFFO (80% of Total)	Available Bonus based on Achievement of 100% of Target of Personal Assessment (20% of Total)	Available Total Bonus based on Achievement of 100% of Target
\$400,000	(75% x 80% x \$400,000) \$240,000	(75% x 20% x \$400,000) \$60,000	\$300,000
Base Compensation	Actual Bonus based on Achievement of 100% of Target of Budgeted OFFO (80% of Total)	Actual Bonus based on Achievement of 100% of Target of Personal Assessment (20% of Total)	Actual Total Bonus
\$400,000	(75% x 80% x \$400,000) \$240,000	(75% x 20% x \$400,000) \$60,000	(\$240,000+\$60,000) \$300,000

Options

In considering an option grant to the Senior Vice President, Planning and Development, the HRCC considered past practices, past awards and their current value, and results known to it at the time it made its recommendation to the Board of Trustees. The HRCC determined that it was appropriate to award 100,000 options with an estimated total fair value (on the date of grant) of \$350,443.50. RioCan believes that option awards are an effective means of aligning the interests of RioCan's senior management with those of the Unitholders.

Jeff Ross – Senior Vice President, Leasing

For the financial year ended December 31, 2013, Mr. Ross received a base salary of \$400,000 and was awarded an annual bonus of \$300,000 and a grant of 100,000 options with an estimated total fair value (on the date of grant) of \$350,443.50. As of December 31, 2013, Mr. Ross is required to have a minimum personal investment in the Trust of at least \$400,000. As at December 31, 2013, he beneficially owned 41,050 Units (representing a value of \$1,016,809 based on the closing price of the Units on December 31, 2013, an amount in excess of his minimum personal investment requirement) and 635,000 vested and unvested Unit options. Pursuant to the new Unit ownership guidelines adopted by the Trust on April 7, 2014, as described under "Compensation Overview – Minimum Unit Ownership Policy for NEOs", Mr. Ross is required to have a minimum personal investment in the Trust of at least \$800,000, a requirement which Mr. Ross satisfies.

Bonus

The chart below sets out the bonus that was available to the Senior Vice President, Leasing, and the amount actually paid.

Base Compensation	Available Bonus based on Achievement of 100% of Target of Budgeted OFFO (80% of Total)	Available Bonus based on Achievement of 100% of Target of Personal Assessment (20% of Total)	Available Total Bonus based on Achievement of 100% of Target
\$400,000	(75% x 80% x \$400,000) \$240,000	(75% x 20% x \$400,000) \$60,000	\$300,000
Base Compensation	Actual Bonus based on Achievement of 100% of Target of Budgeted OFFO (80% of Total)	Actual Bonus based on Achievement of 100% of Target of Personal Assessment (20% of Total)	Actual Total Bonus
\$400,000	(75% x 80% x \$400,000) \$240,000	(75% x 20% x \$400,000) \$60,000	(\$240,000+\$60,000) \$300,000

Options

In considering an option grant to the Senior Vice President, Leasing, the HRCC considered past practices, past awards and their current value, and results known to it at the time it made its recommendation to the Board of Trustees. The HRCC determined that it was appropriate to award 100,000 options with an estimated total fair value (on the date of grant) of \$350,443.50. RioCan believes that option awards are an effective means of aligning the interests of RioCan's senior management with those of the Unitholders.

Summary Compensation Table – NEOs

The following table sets forth the compensation paid during the 2013 financial year and the two immediately preceding financial years in respect of each of the individuals who were, during 2013, the Chief Executive Officer or Chief Financial Officer, and the three other most highly compensated executive officers of the Trust during such year. The total compensation for the five NEOs was \$11.98 million which represents 2.4% of RioCan's OFFO during 2013.

Name and Principal Position	Year	Salary (\$)	Unit-based awards (\$)	Non-equity incentive plan compensation (\$)			Pension value (\$)	All other compensation (\$) (3)	Total compensation (\$)
				Option-based awards (1) (\$)	Annual incentive plans (2)	Long-term incentive plans			
EDWARD SONSHINE Chief Executive Officer	2013	1,200,000	0	1,712,814	2,460,000	n/a	0	n/a	5,372,814
	2012	1,200,000	0	1,748,404	2,520,000	n/a	22,600	n/a	5,491,004
	2011	1,050,000	0	1,616,807	1,837,500	n/a	322,000	n/a	4,826,307
FREDERIC WAKS President and Chief Operating Officer	2013	750,000	0	700,887	1,162,500	n/a	137,500	n/a	2,750,887
	2012	750,000	0	687,772	1,200,000	n/a	115,400	n/a	2,753,172
	2011	650,000	0	710,280	975,000	n/a	101,400	n/a	2,436,680
RAGHUNATH DAVLOOR Executive Vice President, Secretary and Chief Financial Officer	2013	550,000	0	438,054	577,500	n/a	110,700	n/a	1,676,254
	2012 (4)	550,000	0	429,858	605,000	n/a	89,900	n/a	1,674,758
	2011 (4)	450,000	0	443,925	450,000	n/a	77,300	n/a	1,421,225
JORDAN ROBINS Senior Vice President, Planning and Development	2013	400,000	0	350,444	300,000	n/a	35,000	n/a	1,085,444
	2012	375,000	0	343,886	281,250	n/a	26,300	n/a	1,026,436
	2011	350,000	0	355,140	262,500	n/a	21,500	n/a	989,140
JEFF ROSS Senior Vice President, Leasing	2013	400,000	0	350,444	300,000	n/a	43,000	n/a	1,093,444
	2012	375,000	0	343,886	281,250	n/a	33,800	n/a	1,033,936
	2011	350,000	0	355,140	262,500	n/a	28,500	n/a	996,140

- (1) Amounts in this column reflect the fair value of options granted that will be recognized as compensation expense by the Trust for financial reporting purposes, as determined in accordance with IFRS 2 – "Share-based payments" of the Canadian Institute of Chartered Accountants Handbook. The key assumptions and estimates used for purposes of calculating the value of the option-based awards were holding period of 5.5 to 7 years, a weighted average volatility rate of 25.2%, a distribution yield of 5.1% and a weighted average risk free interest rate of 1.8%. The Trust used the foregoing methodology for purposes of calculating fair value as it is consistent with required accounting practice. There were no options that were adjusted, amended, cancelled, replaced or modified.
- (2) Generally, each NEO is awarded an annual cash bonus based on the EMBP, which is described in greater detail above under the heading "EMBP – Creation and Details".
- (3) Perquisites and other personal benefits, in the aggregate, do not exceed the lesser of \$50,000 and 10 percent of the total of the annual salary and bonus for any of the NEOs.
- (4) The above referenced compensation for Mr. Davloor does not include his compensation received in connection with his prior role as a member of the board of directors of Cedar Realty Trust, Inc. ["Cedar"] in 2011 and 2012. Mr. Davloor was paid US\$26,330 in respect of fiscal 2012, which included \$9,562 in fees for the fourth quarter of 2011 paid in January 2012. In 2012, Mr. Davloor was also paid \$2,763 in dividends on shares of restricted Cedar Stock he held. Mr. Davloor resigned from the board of directors of Cedar on July 3, 2012 and no fees were received from Cedar from and after such date.

Unit Option Plan, Grants and Exercises

Pursuant to the Unit Option Plan of the Trust, the Board grants options to purchase Units to eligible officers, consultants and full-time employees of the Trust based on certain internally set financial benchmarks and, in certain cases, individual performance reviews. Previous grants of options and their current value are taken into account when considering new grants. The Unit Option Plan permits a maximum of 29,200,000 Units to be issued to holders of options granted thereunder. A copy of the Unit Option Plan of the Trust is filed on SEDAR at www.sedar.com.

Since the Unit Option Plan was adopted, 24,970,250 options have been granted and, as of the date hereof, the Trust has outstanding options to purchase 9,882,814 Units (representing approximately 3.25% of the Trust's outstanding Units as of the date hereof) to a total of 47 officers of the Trust. Options to acquire 4,229,750 Units remain available to be granted under the Unit Option Plan (representing approximately 1.56% of the Trust's outstanding Units as of the date hereof). For 2013, the year-end dilution level of outstanding options as a percentage of the total Units outstanding as of December 31, 2013 was 2.55%. A total of 2,035,000 options were granted in 2013, which constitutes a total of 0.67% of the total Units outstanding as of December 31, 2013.

The Unit Option Plan states that the aggregate number of Units reserved for issuance pursuant to all options granted to any one optionee cannot exceed 5% of the number of Units outstanding immediately prior to the Unit issuance in question. Upon the approval by the Unitholders of the Trust, excluding the Units beneficially owned by insiders and associates of insiders: (i) the number of Units reserved for issuance pursuant to options granted to insiders under the Unit Option Plan and under all other Unit compensation arrangements may exceed 10% of the aggregate number of Units outstanding immediately prior to the Unit issuance in question; (ii) the issuance of Units to insiders under the Unit Option Plan and all other Unit compensation arrangements, within a one-year period, may exceed 10% of the number of Units outstanding immediately prior to the Unit issuance in question; and (iii) the issuance of Units to any one insider and such insider's associates under the Unit Option Plan and under all other Unit compensation arrangements, within a one-year period, may exceed 5% of the number of Units outstanding immediately prior to the Unit issuance in question.

Although the Trustees, in their discretion, may vary the term and vesting provisions of options hereafter granted, all options that have been granted to date to management are non-assignable and have a minimum term of one year and a maximum term of ten years in accordance with the Unit Option Plan. Of the options granted prior to January 1, 2004, 20% vest immediately on the date of the grant and 20% vest thereafter on each of the first through fourth anniversaries of the date of the grant. Of the options granted following January 1, 2004, 25% vest thereafter on each of the first through fourth anniversaries of the date of the grant. The Board has the discretion to accelerate the vesting date, extend the termination date for or otherwise permit the exercise of all or a portion of the options held by an optionee which have not vested at a particular time, in connection with the resignation, death or other termination of such optionee, provided that any such exercise of option is on or prior to the original expiry date for such option.

Subject to any determination by the Board made in accordance with the terms of the Unit Option Plan, in the event of an optionee's death under the terms of the Unit Option Plan, the optionee's legal representative has one year from the date of death to exercise the options that had vested at the date of death but had not yet been exercised by the optionee. In the event of: (i) the resignation of an optionee as an employee, (ii) the resignation or removal of an optionee as a Trustee (other than in the circumstances of death), or (iii) the discharge of an optionee as an employee by reason of a wilful and substantial breach of his or her employment duties, all options granted to such optionee shall cease and terminate upon notice of such resignation being received by the Trust or upon notice of such removal or discharge being given by the Trust to such optionee, as the case may be. In the event of termination of employment of an optionee other than in the circumstances referred to above, the optionee may exercise each option then held to the extent that they are entitled to do so at the time of termination, at any time up to and including on the 30th day following the effective date of termination of employment (or the expiry date, whichever is earlier), after which the option shall cease and terminate.

In the event of a *bona fide* offer for Units is made to Unitholders which, if accepted, would result in the offeror exercising control of the Trust within the meaning of subsection 1(3) of the *Securities Act* (Ontario), then all options held will become exercisable for purposes only of tendering the underlying Units to the offer in the manner set forth in the Unit Option Plan. Upon completion of the offer, any options not exercised shall continue to be valid and existing under the Unit Option Plan in accordance with their original terms. If the offer is not completed, all Units underlying options exercised pursuant to the foregoing shall be returned to the option holder and reinstated as options carrying the original terms of its issue, together with the exercise price paid by such holder for the exercise.

In the event that an optionee resigns or is discharged as an employee of the Trust (unless such discharge is based on a wilful and substantial breach of such optionee's employment duties) such that the optionee is no longer an Eligible Participant (as defined in the Unit Option Plan) or an optionee resigns such that the optionee is no longer an Eligible Participant, in either case, within 180 days following a Control Change (as defined below), then such optionee may exercise each option then held by such optionee under the Unit Option Plan, including, for greater certainty, any options which otherwise had not been vested at the time of such termination as an employee of the Trust, at any time up to and including, but not after 5:00 p.m. (Toronto Time) on the 30th day (or such later date as the Board of Trustees or a committee appointed by the Board of Trustees in its sole discretion may determine) following the date of termination of the employment, or the Expiry Date (as defined in the Unit Option Plan), whichever is earlier, after which the option shall in all respects cease and terminate and be of no further force or effect whatsoever as to such of the Units in respect of which such options have not been previously exercised.

For purposes of the Unit Option Plan, "Control Change" is defined as (i) the acquisition or continued ownership of Units and/or securities ("**Convertible Securities**") convertible into, exchangeable for or representing the right to acquire Units as a result of which a person, group of persons or persons acting jointly or in concert or persons associated or affiliated (within the meaning of the *Business Corporations Act* (Ontario)) with any such person, group of persons or any of such persons acting jointly or in concert (collectively, "**Acquirors**") beneficially own Units and/or Convertible Securities such that, assuming only the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, Acquirors would beneficially own Units that would entitle the holders thereof to cast more than 25% of the votes cast attaching to all Units that may be cast to elect members of the Board of Trustees; and (ii) exercise of voting power over all or any such Units so as to cause or result in the election of two or more trustees of the Trust who were not incumbent Trustees.

The exercise price of options granted by the Trust is equal to the volume weighted average trading price ("**VWAP**") of the Units on the Toronto Stock Exchange for the five trading days immediately prior to the day of grant. Annual grants for the NEOs (other than Mr. Sonshine) are made and priced at the meeting of the Board held immediately prior to the Trust's annual meeting.

Prior to 2009, in accordance with the original employment contract entered into with Mr. Sonshine, the annual grant of options to Mr. Sonshine was made and priced on the first business day of each calendar year. On January 2, 2009, Mr. Sonshine entered into an amendment to his employment contract to clarify that options granted to Mr. Sonshine are to be made and priced on the first available date in the year that the Trust is not in a blackout period. In light of the amendment to the Unit Option Plan made on May 27, 2009, which changed the exercise price of options granted thereunder to a 5-day VWAP immediately prior to the date of grant, and in order to remain consistent with the Unit Option Plan as amended following the Trust's 2009 Annual and Special Meeting, on February 8, 2010, Mr. Sonshine entered into a further amendment to his employment contract, such that commencing in 2010 and thereafter, the grant to Mr. Sonshine of options shall take place on the first day in each calendar year which is preceded by five consecutive trading days for which no blackout is in effect. Pursuant to a recent amendment to Mr. Sonshine's employment agreement, the determination of the number of options to be granted to Mr. Sonshine in a given fiscal year, beginning in fiscal 2015, shall be made annually concurrently with the determination of grants made to all other executives. RioCan does not provide financial assistance to optionees in connection with their participation in the Unit Option Plan.

Option-based and Unit-based Awards – NEOs
Option-based Awards
Unit-based Awards

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (1) (\$)	Number of Units that have not vested (#)	Market or payout value of Unit-based awards that have not vested (\$)
EDWARD SONSHINE Chief Executive Officer	475,000	27.69	Feb 25, 2023	0	n/a	n/a
	475,000	27.04	Feb 23, 2022	0		
	475,000	23.78	March 8, 2021	470,250		
	138,000	18.06	Feb 18, 2020	925,980		
	55,550	12.15	Feb 18, 2019	701,041		
	325,000	21.26	Jan 2, 2018	1,140,750		
	475,000	25.06	Jan 2, 2017	0		
	450,000	22.75	Jan 3, 2016	909,000		
FREDERIC WAKS President and Chief Operating Officer	200,000	27.45	June 4, 2023	0	n/a	n/a
	200,000	26.54	June 10, 2022	0		
	200,000	24.94	June 7, 2021	0		
	150,000	19.06	June 3, 2020	856,500		
	26,400	14.06	May 26, 2019	282,744		
	200,000	21.16	May 27, 2018	722,000		
	200,000	26.35	May 14, 2017	0		
	80,114	21.16	May 14, 2016	289,212		
RAGHUNATH DAVLOOR Executive Vice President, Secretary and Chief Financial Officer	125,000	27.45	June 4, 2023	0	n/a	n/a
	125,000	26.54	June 10, 2022	0		
	125,000	24.94	June 7, 2021	0		
	125,000	19.06	June 3, 2020	713,750		
	25,000	14.06	May 26, 2019	267,750		
	25,000	21.16	May 27, 2018	90,250		
	25,000	20.65	Feb 10, 2018	103,000		
JORDAN ROBINS Senior Vice President, Planning and Development	100,000	27.45	June 4, 2023	0	n/a	n/a
	100,000	26.54	June 10, 2022	0		
	100,000	24.94	June 7, 2021	0		
	75,000	19.06	June 3, 2020	428,250		
	37,500	14.06	May 26, 2019	401,625		
	60,000	21.16	May 27, 2018	216,600		
	60,000	26.35	May 14, 2017	0		
	30,000	21.16	May 14, 2016	108,300		
JEFF ROSS Senior Vice President, Leasing	100,000	27.45	June 4, 2023	0	n/a	n/a
	100,000	26.54	June 10, 2022	0		
	100,000	24.94	June 7, 2021	0		
	75,000	19.06	June 3, 2020	428,250		
	50,000	14.06	May 26, 2019	535,500		
	100,000	21.16	May 27, 2018	361,000		
	60,000	26.35	May 14, 2017	0		
	50,000	21.16	May 14, 2016	180,500		

(1) The value of unexercised in-the-money options is calculated by multiplying the difference between the closing market price at December 31, 2013 of \$24.77 and the option exercise price by the total number of unexercised in-the-money options.

Incentive Plan Awards – Value Vested During 2013 – NEOs

Name	Option-based awards – value vested during the year <i>(1)</i> (\$)	Unit-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
EDWARD SONSHINE Chief Executive Officer	7,303,485	n/a	n/a
FREDERIC WAKS President and Chief Operating Officer	4,037,349	n/a	n/a
RAGHUNATH DAVLOOR Executive Vice President, Secretary and Chief Financial Officer	1,612,938	n/a	n/a
JORDAN ROBINS Senior Vice President, Planning and Development	1,950,038	n/a	n/a
JEFF ROSS Senior Vice President, Leasing	2,536,200	n/a	n/a

(1) Represents the net aggregate value that would have been realized if the options had been exercised on the vesting date, which is calculated by determining the difference between the closing market price on the vesting date and the exercise price on the vesting date.

Unit Option Gains Realized Upon Exercise

The following table shows the value of gains realized following the exercise of Unit options in 2013 for the NEOs:

Name	Unit Option Gains Realized Upon Exercise
EDWARD SONSHINE Chief Executive Officer	\$ 3,261,822
FREDERIC WAKS President and Chief Operating Officer	\$ 375,581
RAGHUNATH DAVLOOR Executive Vice President, Secretary and Chief Financial Officer	n/a
JORDAN ROBINS Senior Vice President, Planning and Development	n/a
JEFF ROSS Senior Vice President, Leasing	n/a

Equity Compensation Plan Information

The following table sets forth information as at December 31, 2013.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding amounts referred to in the first column)
Equity Compensation plans approved by securityholders	9,703,814	24.01	4,704,750
Equity compensation plans not approved by securityholders	n/a	n/a	n/a
Total	9,703,814	24.01	4,704,750

The following additional table sets forth information related to equity interests of current NEOs as at December 31, 2013.

Name	Unexercised Options at Financial Year-End (#)	Number of Units Held and Market Value as of December 31, 2013 (1) (#/\$)
EDWARD SONSHINE	2,868,550	400,000/\$9,908,000
FREDERIC WAKS	1,256,514	259,307/\$6,423,034
RAGHUNATH DAVLOOR	575,000	69,828/\$1,729,640
JORDAN ROBINS	562,500	41,736/\$1,033,801
JEFF ROSS	635,000	41,050/\$1,016,809

(1) Based on the closing market price at December 31, 2013 of \$24.77

Changes to the Long Term Incentive Plan Program for Executives

Overview

Under the Current Compensation Program, the long term incentive component was comprised solely of the grant of Unit options with no associated performance measures. The 2015 Executive Compensation Program aims to increase the alignment of the long-term incentive program with Unitholder performance expectations. All NEOs will participate in a new long-term incentive program (the “**New LTIP**”) that commencing January 1, 2015, will include a package of long-term incentive compensation grants consisting of Unit Options and PEUs which for 2015 are allocated equally between Unit Options and PEUs.

For all executives other than Messrs. Sonshine, Waks and Davloor, assuming target performance is achieved, the aggregate amount allocated under the New LTIP will be approximately the same value as the Unit options previously granted under the Current Compensation Program. Messrs. Sonshine, Waks and Davloor will have an increase in their New LTIP target opportunities, which approximately corresponds to the reduction of EMBP target in their short-term compensation.

Performance Equity Unit Plan

On April 7, 2014, the Trust adopted the PEU Plan to form a component of the New LTIP and pursuant to which grants will commence from and after January 1, 2015. A copy of the PEU Plan is attached as Appendix C. Certain officers and senior management of the Trust, as selected by the HRCC, are eligible to participate in the PEU Plan. The purpose of the PEU Plan is to provide designated officers and key employees of the Trust a performance incentive to recognize extraordinary achievement beyond the ordinary course of business of the Trust and to provide a performance incentive to new officers and key employees, thereby promoting the alignment of interests between officers and key employees and the Unitholders of the Trust.

Each PEU notionally represents the value of one Unit on the date of the grant. Whenever distributions are paid on Units, additional PEUs will be credited to each PEU participant.

Grants

The PEU Plan will be administered by the HRCC. The HRCC will determine the term of each grant of PEUs which shall commence on January 1 in the year of the grant and which shall in no event extend beyond December 31 of the second calendar year following the end of such year (the “**Performance Period**”). The HRCC will annually determine, for recommendation to the Board for approval, performance measures for the PEU Plan (the “**Performance Measures**”). The Performance Measures shall consist of a defined metric or set of metrics and performance objectives and an adjustment factor (the “**Performance Adjustment Factor**”) that is linked to the achievement of thresholds set out in the Performance Measures, both of which shall apply during the relevant Performance Period.

Officers or senior management of the Trust who receive a grant of PEUs (each a “**PEU Participant**”) will be notified in writing of their participation in the PEU Plan (the “**Participation Confirmation**”). The Participation Confirmation shall set out the particular Performance Measures and Performance Adjustment Factor, if any, and for the first grant of PEUs to a Participant, an illustrative example of the PEU Plan’s provisions regarding termination of employment, with respect to the particular grant of PEUs that is the subject of the Participation Confirmation. For greater certainty, the illustrative example to be included in a Participation Confirmation for a Participant’s first grant of PEUs will be illustrative only of the mechanics of the Plan and will not be updated for subsequent Participation Confirmation agreements unless the components of the particular Performance Measures change materially, as the HRCC shall determine in its sole discretion.

Performance Measures

The Performance Measures in respect of each grant of PEUs which the Board has currently adopted consists of three components:

(a) 1/3 based on cumulative OFFO growth;

<Threshold	0%
Threshold:	50% payout
Target:	100% payout
Stretch:	150% payout
Maximum:	200% payout

(b) 1/3 based on relative TUR against the Comparator Group;

<Threshold:	<P25 ranking	0% payout
Threshold:	P25 ranking	50% payout
Target:	P50 ranking	100% payout
Stretch:	P75 ranking	150% payout
Maximum:	P90 ranking	200% payout

(c) 1/3 based on relative TUR against a blended REIT index (1).

<Threshold:	<-300 basis points	0% payout
Threshold:	-300 basis points	50% payout
Target:	0 basis points	100% payout
Stretch:	300 basis points	150% payout
Maximum:	500 basis points	200% payout

(1) 75% S&P/TSX Capped REIT Index and 25% iShares Cohen and Steers REIT Index.

Vesting and Redemption

In determining whether the Performance Measures have been met or exceeded for a particular grant, the HRCC will use the Performance Adjustment Factor based on thresholds set out in the Performance Measures attached to such grant of PEUs. The HRCC shall provide a schedule to each PEU Participant for each Performance Period that links levels of performance to a related Performance Adjustment Factor. Results in between thresholds will be interpolated or calculated by other methods, as determined by the HRCC in its sole discretion.

On the applicable Financial Statement Approval Date (as such term is defined in the PEU Plan) which follows each Performance Period, and prior to the vesting of each PEU Participant's PEUs for such Performance Period in accordance with the terms of the PEU Plan, an adjusted award of PEUs (the "**Adjusted Award**") shall be calculated as follows:

$$\text{Adjusted Award} = \frac{\text{PEUs in an individual's PEU Account}}{\text{PEU Account}} \times \text{Performance Adjustment Factor for such individual}$$

On a date selected by the HRCC, which shall be within 30 days after the vesting date, but no later than December 31 of the third calendar year following the plan year of the applicable PEUs (the "**Payment Date**"), a Participant's vested PEUs shall be redeemed and the Trust shall make a payment of a lump sum cash amount less any applicable withholding taxes that are required to be withheld and remitted to a Participant on the Payment Date (a "**PEU Payment**"). The amount of such PEU Payment shall be determined by multiplying the vested PEUs by the Average Market Price (as such term is defined in the PEU Plan) as of the first day following the Financial Statement Approval Date which is preceded by five consecutive trading days for which no blackout period (being a period during which there are restrictions imposed on members of the Board of Trustees or officers of the Trust from trading in Units) is in effect, subject to any applicable statutory withholdings or deductions.

Termination of Employment

If the employment of a PEU Participant is terminated for cause, or a PEU Participant resigns, unless otherwise determined by the Trust in the case of a resignation only, all unvested PEUs are forfeited by the PEU Participant on the termination date.

If the employment of a Participant is terminated without Just Cause or by the Participant for Good Reason (as such terms are defined in the PEU Plan), unless otherwise determined by the Trust, as of such termination date a PEU Participant's PEU Account shall be credited with such number of PEUs that is equal to the Pro Rata Portion (as defined in the PEU Plan) of the total number of PEUs (the "**Pro Rata Award**") that the PEU Participant would be entitled to receive pursuant to the appropriate Performance Measures if the relevant Performance Period had been completed. The Pro Rata Award of PEUs shall immediately vest upon being credited to the Participant's PEU Account and therefore be redeemed automatically and paid out promptly following vesting in accordance with the terms of the PEU Plan. Under such circumstances, the Performance Adjustment Factor to be applied for such PEU Participant's PEUs will be based on: (i) the achievement of each Performance Measure up to the last completed fiscal year

prior to termination, in respect of all PEUs granted in years prior to the year of termination; and (ii) an assumption that the target Performance Measures were achieved, in respect of all PEUs granted in the year of termination.

If the employment of a PEU Participant is terminated by the retirement of a PEU Participant, unless otherwise determined by the Trust, the Pro Rata Award calculated for each respective Performance Period for which PEUs have been credited to such PEU Account shall remain in such Participant's PEU Account and such PEU's shall be redeemable at the end of the relevant Performance Period as if such Participant were still an employee, subject to compliance of such Participant with any non-competition provisions in the Participant's employment agreement. Under such circumstances, the Performance Adjustment Factor to be applied for such Participant's PEUs based on: (i) the achievement of each Performance Measure up to the last completed fiscal year prior to termination, in respect of all PEUs granted in years prior to the year of retirement; and (ii) an assumption that the target Performance Measures were achieved, in respect of all PEUs granted in the year of retirement.

PEUs not included in a Pro Rata Award for a PEU Participant shall immediately be cancelled and such PEU Participant or, his or her legal representative(s), as applicable, shall forfeit all rights, title and interest with respect to such PEUs.

Control Change

Following the occurrence of a "control change", the PEU Plan shall continue in force in an appropriate manner, all as determined at the sole discretion of the HRCC. Under such circumstances, in determining the PEUs to be credited to each Participant, the Performance Adjustment Factor to be applied for each PEU Participant's PEUs will be based on the achievement of each Performance Measure up to the date of the control change and on any other factors that the HRCC deem to be appropriate. Subject to the below, the PEUs credited to the PEU Participant will then vest and be paid out in the ordinary course in accordance with their terms.

If the employment of a PEU Participant is terminated without Just Cause or the Participant resigns for Good Reason upon or within twelve months following a control change, all PEUs shall immediately vest and all amounts payable under the PEU Plan shall be paid to such PEU Participant immediately upon the termination date. Under such circumstances, the HRCC shall calculate the Performance Adjustment Factor to be applied for each PEU Participant, based on the achievement of each Performance Measure up to the date of the control change and on any other factors that the HRCC deem to be appropriate.

For purposes of the PEU Plan, a "control change" is defined as (i) the acquisition or continued ownership of Units and/or securities ("**Convertible Securities**") convertible into, exchangeable for or representing the right to acquire Units as a result of which a person, group of persons or persons acting jointly or in concert or persons associated or affiliated (within the meaning of the Business Corporations Act (Ontario)) with any such person, group of persons or any of such persons acting jointly or in concert (collectively, "**Acquirors**") beneficially own Units and/or Convertible Securities such that, assuming only the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, Acquirors would beneficially own Units that would entitle the holders thereof to cast more than 25% of the votes cast attaching to all Units that may be cast to elect members of the Board of Trustees; and (ii) the exercise of voting power over all or any such Units so as to cause or result in the election of two or more trustees of the Trust who were not Incumbent Trustees (as defined in the PEU Plan).

General

The PEU Plan is unfunded. The terms and conditions of PEUs granted under the PEU Plan are subject to adjustments in certain circumstances, as set forth in the PEU Plan. The Board may amend the PEU Plan at any time (including amendments to change the vesting and termination provisions of any PEU), provided, however, that no such amendment or termination may diminish any rights accrued in respect of grants of PEUs made prior to the effective date of such amendment or termination.

As the PEU Plan was approved by the Board on April 7, 2014, for implementation commencing January 1, 2015, no PEUs will be granted to the NEOs in 2014.

Employment Contracts

Each of our NEOs has entered into an employment contract (each an "**Employment Contract**") with the Trust. These contracts encompass the compensation arrangements noted above. The Employment Contracts for Messrs. Sonshine and Waks were each entered into as of July 1, 1998, as amended. The employment contract for Mr. Davloor was entered into as of February 11, 2008. The Employment Contract for Jordan Robins was entered into as of March 3, 2006, as amended by memorandum dated March 31, 2011. The Employment Contract for Mr. Ross was entered into as of January 1, 1999.

Edward Sonshine

The Employment Contract of Edward Sonshine was amended effective December 1, 2010 such that Mr. Sonshine agreed that he would not retire or resign voluntarily before November 30, 2015. In consideration for such commitment, the Trust agreed that the Trustees would exercise their discretion under the Unit Option Plan to permit all options held by Mr. Sonshine (whether granted before or after the amendment) to remain in full force and effect in the event of death or following November 30, 2015 and would therefore be exercisable on or prior to the original expiry date of such options and vest in accordance with the original terms. Additionally, provided that Mr. Sonshine does not retire or resign voluntarily before November 30, 2015, then Mr. Sonshine will be entitled to certain additional post-retirement benefits (including office space, and, for five years following the date of retirement or resignation, assistance with the costs of a personal secretary and a car allowance).

On April 7, 2014, in connection with the approval of the 2015 Executive Compensation Program, the Board of Trustees determined that it was in the best interests of the Trust and Mr. Sonshine to modify certain provisions of Mr. Sonshine's Employment Contract to preserve and/or clarify particular items in light of the 2015 Executive Compensation Program. As part of the implementation of the 2015 Executive Compensation Program, Mr. Sonshine's Employment Contract was amended to reflect changes made to the EMBP, together with the introduction of the New LTIP which includes the PEU Plan and grants of PEUs thereunder (as discussed in detail under the heading "Compensation Discussion and Analysis"), including applying the same treatment to PEUs as was agreed to with respect to options under the December 1, 2010 amendment discussed above. Specifically, any PEUs held by Mr. Sonshine at the date of termination (but, for greater certainty, provided that such date of termination occurs on or after the five year commitment date referred to in the December 2010 amendment and is not as a result of a termination for Just Cause, as such term is defined in the Employment Contract) shall not terminate but shall remain in full force and effect, shall accelerate, vest and be paid out pursuant to the terms of the PEU Plan (including the calculation of the Pro-Rata Award, as such term is defined in the PEU Plan) based on (i) in respect of grants made in years prior to the year in which the date of termination occurs, actual performance (determined with reference to the respective performance metrics applicable to such grant of PEUs) up to the most recently completed fiscal year prior to the date of termination; and (ii) in respect of grants made in the year the date of termination occurs, target performance (determined with reference to respective performance metrics applicable to such grant of PEUs). Additionally, under the recent amendment, the method by which severance payments would be calculated for Mr. Sonshine in the event of his termination were modified to preserve the calculation of severance that is based on short term bonus amount to apply consistent with the short term bonus in effect as of the date hereof, as opposed to the significantly reduced amount of short term bonus eligible to be earned by Mr. Sonshine under the EMBP for 2015.

For fiscal 2013, Mr. Sonshine received a base salary of \$1,200,000 per annum. For fiscal 2014, Mr. Sonshine's base salary has been set at \$1,200,000 per annum. Mr. Sonshine is eligible for a bonus each year. The current EMBP ties the available bonus solely to the performance of the Trust, as more particularly described above. In 2013 and 2014, such bonus could amount to a maximum of 225% of Mr. Sonshine's base salary. In 2015, such bonus could amount to a maximum of 160% of Mr. Sonshine's base salary. As described above, under the 2015 Executive Compensation Program, Mr. Sonshine will be eligible to receive Unit options and PEUs.

Pursuant to his Employment Contract, the Board of Trustees may grant Mr. Sonshine such number of options to purchase Units of the Trust as it deems appropriate in the circumstances. The Employment Contract required that the determination of the number of options to be granted to Mr. Sonshine in each fiscal year shall be made no later than December 31 of the fiscal year preceding the year in which the grant is to be made and that the grant of such options to Mr. Sonshine shall take place on the first day in each calendar year which is preceded by five consecutive trading days for which no blackout is in effect. Pursuant to the recent amendment to Mr. Sonshine's employment agreement, all future determinations of the number of options to be granted, and the grant of such options shall be made on an annual basis at such time as the Board of Trustees determines, contemporaneously with grants of long-term incentive entitlements to all other executives of the Trust.

The Employment Contract may be terminated by the Trust on the disability or death of Mr. Sonshine or for just cause or by Mr. Sonshine in case of a change of duties, a reduction in remuneration, relocation, or breach by the Trust of specified legal or contractual obligations. If terminated as a result of death, the Trust is obligated to pay 50% of Mr. Sonshine's annual salary to his estate. If the Trust terminates Mr. Sonshine's employment for other than just cause, death or disability, if Mr. Sonshine terminates the Employment Contract for one of the above-mentioned reasons, or if Mr. Sonshine terminates the Employment Contract within six months of a change in control event, the Trust must provide a lump sum payment of three years' compensation.

Frederic Waks

The Employment Contract of Frederic Waks is for a two year term, subject to automatic renewals of the same length at the end of each term until termination as set out in the Employment Contract. For fiscal 2013, Mr. Waks received a base salary of \$750,000 per annum. For fiscal 2014, Mr. Waks' base salary has been set at \$750,000 per annum. Mr. Waks is eligible for a bonus each year. The current EMBP ties the available bonus solely to the performance of the Trust, as more particularly described above. In 2013 and 2014, such bonus could amount to a maximum of 175% of Mr. Waks' base salary. In 2015, such bonus could amount to a maximum of 125% of Mr. Waks' base salary. The Employment Contract provided for an award of 200,000 options to be determined on or about the date of the Trust's annual general meeting. The Employment Contract may be terminated by the Trust on the disability or death of Mr. Waks or for just cause or by Mr. Waks in case of a change of duties, a reduction in remuneration, relocation, or breach by the Trust of specified legal or contractual obligations. If terminated as a result of death, the Trust is obligated to pay 50% of Mr. Waks' annual salary to his estate. If the Trust terminates Mr. Waks' employment for other than just cause, death or disability, if Mr. Waks terminates the Employment Contract for one of the above-mentioned reasons or if Mr. Waks terminates the Employment Contract within six months of a change in control event, the Trust must provide a lump sum payment of two years' compensation.

On April 7, 2014, in connection with the approval of the 2015 Executive Compensation Program, the Board of Trustees determined that it was in the best interests of the Trust and Mr. Waks to modify certain provisions of Mr. Waks' Employment Contract to preserve and/or clarify particular items in light of the 2015 Executive Compensation Program. As part of the implementation of the 2015 Executive Compensation Program, Mr. Waks' Employment Contract was amended to reflect changes made to the EMBP, together with the introduction of the New LTIP which includes the PEU Plan and the grant of PEUs thereunder (as discussed in detail under the heading "Compensation Discussion and Analysis"). Additionally, under the recent amendment, the method by which severance payments would be calculated for Mr. Waks in the event of his termination were modified to preserve the calculation of severance that is based on short term bonus amount to apply consistent with the short term bonus in effect as of the

date hereof, as opposed to the significantly reduced amount of short term bonus eligible to be earned by Mr. Waks under the EMBP for 2015. Mr. Waks' amendment also removed the mandatory grant of 200,000 options in favour of such number of options as the Board may determine subject to the New LTIP, which determination of number of options, and the grant of such options, to be made concurrently with other executives on an annual basis.

Raghunath Davloor

The Employment Contract of Raghunath Davloor is for an undefined term. For fiscal 2013, Mr. Davloor received a base salary of \$550,000 per annum. For fiscal 2014, Mr. Davloor's base salary has been set at \$550,000 per annum. Mr. Davloor is eligible for a bonus each year. The current EMBP ties the available bonus solely to the performance of the Trust, as more particularly described above. In 2013 and 2014, such bonus could amount to a maximum of 125% of Mr. Davloor's base salary. In 2015, such bonus could amount to a maximum of 110% of Mr. Davloor's base salary. The Employment Contract provided for an initial award of 100,000 options and further options to be determined on or about the date of the annual general meeting. The Employment Contract may be terminated by the Trust on the disability or death of Mr. Davloor or for just cause or by Mr. Davloor upon the occurrence of certain stated events. The Employment Contract further provides, in certain instances, for a lump sum payment of two years' compensation on a termination of the Employment Contract, including termination in the event of a change of control of the Trust.

On April 7, 2014, in connection with the approval of the 2015 Executive Compensation Program, the Board of Trustees determined that it was in the best interests of the Trust and Mr. Davloor to modify certain provisions of Mr. Davloor's Employment Contract to preserve and/or clarify particular items in light of the 2015 Executive Compensation Program. As part of the implementation of the 2015 Executive Compensation Program, Mr. Davloor's Employment Contract was amended to reflect changes made to the EMBP, together with the introduction of the New LTIP which includes the PEU Plan and the grant of PEUs thereunder (as discussed in detail under the heading "Compensation Discussion and Analysis"). Additionally, the method by which Mr. Davloor's severance compensation would be calculated in the event of his termination was modified to preserve the calculation of severance that is based on short term bonus amount to apply consistent with the short term bonus in effect as of the date hereof, as opposed to the significantly reduced amount of short term bonus eligible to be earned by Mr. Davloor under the EMBP for 2015. Mr. Davloor's amendment reflects that the number of options determined by the Board to be granted shall be determined, and granted, concurrently with other executives on an annual basis.

Jordan Robins

For fiscal 2013, Jordan Robins received a base salary of \$400,000 per annum. For fiscal 2014, Mr. Robins' base salary has been set at \$400,000 per annum. Mr. Robins is eligible for a bonus each year. The current EMBP ties the available bonus to the performance of the Trust and, in respect of periods up to December 31, 2013, his own personal performance, as more particularly described above. Such bonus could amount to a maximum of 75% of Mr. Robins' base salary. The Employment Contract may be terminated by the Trust on the disability or death of Mr. Robins or for just cause or by Mr. Robins in case of a change of duties, a reduction in remuneration, relocation, or breach by the Trust of specified legal or contractual obligations. If the Trust terminates Mr. Robins' employment for other than just cause, death or disability, or if Mr. Robins terminates the Employment Contract for one of the above-mentioned reasons, the Trust must provide a lump sum payment of one year's compensation.

Jeff Ross

For fiscal 2013, Jeff Ross received a base salary of \$400,000 per annum. For fiscal 2014, Mr. Ross' base salary has been set at \$400,000 per annum. Mr. Ross is eligible for a bonus each year. The current EMBP ties the available bonus to the performance of the Trust and, in respect of periods up to December 31, 2013, his own personal performance, as more particularly described above. Such bonus could amount to a maximum of 75% of Mr. Ross' base salary. The Employment Contract may be terminated by the Trust on the disability or death of Mr. Ross or for just cause or by Mr. Ross in case of a change of duties, a reduction in remuneration, relocation, or breach by the Trust of specified legal or contractual obligations. If the Trust terminates Mr. Ross' employment for other than just cause, death or disability, or if Mr. Ross terminates the Employment Contract for one of the above-mentioned reasons, the Trust must provide a lump sum payment of one year's compensation.

Pension Plans

Edward Sonshine

A retirement plan was established by the Trust for Mr. Sonshine effective as of January 1, 2000, as amended on May 15, 2006 and December 1, 2010. Under the original plan, Mr. Sonshine was entitled to an annual pension equal to 2% of his average total annual compensation calculated based on remuneration in the three fiscal years most recently completed prior to termination multiplied by Mr. Sonshine's years of service to the Trust. The pension was subject to a maximum of \$350,000 per year. However, if Mr. Sonshine's employment is terminated (i) by the Trust without cause, (ii) by Mr. Sonshine based on constructive dismissal or similar circumstances or within six months of a change of control of the Trust, or (iii) by Mr. Sonshine or the Trust as a result of Mr. Sonshine becoming disabled, Mr. Sonshine would have been entitled (at his option) to either receive a lump sum payment of the present value of an annuity that would provide for annual payments determined as if he had remained employed until the age of 60 with such payments to commence at age 60. Under the terms of the current retirement plan, effective as of December 1, 2010, Mr. Sonshine is provided with the opportunity to accrue a pension based on service to the age of 65. Specifically, the recent amendments provided Mr. Sonshine with the entitlement to receive an annual retirement benefit payable in equal monthly instalments commencing on the first day of the month immediately following Mr. Sonshine's retirement, equal to the sum of \$350,000 plus \$2,250 multiplied by the number of months of service from the time Mr. Sonshine attains the age of 60 to the time

his employment with the Trust ceased, subject to a maximum pension benefit of \$485,000 per year. The amendments also provided for certain annual spousal benefits in the event Mr. Sonshine's death occurs either prior to or after the commencement of his retirement benefit (equal to 60% of the amount otherwise payable to him). As at December 31, 2013, the accrued pension liability for Mr. Sonshine was \$5,818,200.

Other NEOs

A registered pension plan and supplemental executive retirement plan were established for RioCan's senior executive officers (other than Mr. Sonshine) effective as of January 1, 2001 (together, the "Executive Plans"). Under the Executive Plans, if the employment of a participant is terminated on or after his or her 60th birthday, such participant will be entitled to an annual pension equal to 2% of such participant's Final Average Earnings (as defined below) multiplied by his or her years of service to the Trust since January 1, 2001. The Executive Plans provide for reduced entitlements for early retirement commencing at age 50, with the amount that would otherwise apply being reduced by 0.5% for each month by which the commencement of early retirement precedes the normal retirement date. The Executive Plans provide for spousal entitlements upon the death of the executive officer. Effective December 1, 2010, the supplemental executive retirement plan for senior executives was amended to provide Mr. Waks and Mr. Davloor the opportunity to accrue a pension based on pensionable service to the age of 65 in the amount of \$250,000 per year and \$200,000 per year, respectively.

Under the registered pension plan, if employment terminates, other than as a result of death or retirement, the participant is entitled to a deferred vested pension payable at the normal retirement date. Under the supplemental plan, if the employment of a participant terminates involuntarily, the participant is entitled to a benefit, calculated in accordance with the plan, based on pensionable service and the best average earnings, as such is defined more specifically in the supplemental plan. Under the supplemental plan, a change in control results in immediate vesting of accrued benefits.

For the purposes of the Executive Plans, the "Final Average Earnings" of a participant is calculated as the average of the best five consecutive calendar years of total remuneration from the Trust to the participant during the participant's final ten years of service to the Trust (or during all of the years of service if less than ten years), to a maximum of \$250,000.

Future NEO's

As described above, current NEOs and certain select executives participate in defined benefit pension plans. Future NEOs and new executives who are not currently in the plan will not be eligible for participation in a defined benefit pension plan.

Defined Benefit Plan Table

Name	Number of years credited service (#)	Annual benefits payable (\$)		Opening present value of defined benefit obligation (\$)(d)	Compensatory change (\$)(e)	Non-compensatory change (\$)	Closing present value of defined benefit obligation (\$)(g)
		At year end	At age 65				
EDWARD SONSHINE Chief Executive Officer	18.08	485,000	485,000	5,664,300	0	153,900	5,818,200
FREDERIC WAKS President and Chief Operating Officer	13.00	151,200	250,000	1,649,400	137,500	10,400	1,797,500
RAGHUNATH DAVLOOR Executive Vice President, Secretary and Chief Financial Officer	5.83	63,900	200,000	534,900	110,700	-9,300	636,300
JORDAN ROBINS Senior Vice President, Planning and Development	9.00	45,000	152,100	279,400	35,000	-19,300	295,100
JEFF ROSS Senior Vice President, Leasing	13.00	65,000	146,650	516,300	43,000	-19,400	539,900

* The actuarial assumptions on which the above is based are: (a) interest at 4.40% for the values in columns (d) and (e) and 4.90% for the values in column (g); (b) salary increase at 3.75% for the values in columns (d) and (e) and 3.50% for the values in column (g); (c) increase in Tax Act maximum pension at 3.25% for the values in columns (d) and (e) and 3.00% for the values in column (g); (d) (i) mortality as set out in uninsured pensioner 94 mortality table with projections of future mortality improvements on a generational basis using Scale AA for the values in columns (d) and (e) and as set out in CPM RPP 2014 Private Sector Mortality Table with generational improvements projected using CPM Scale A, from the July 2013 Draft Report issued by the Canadian Institute of Actuaries for column (g). Mortality is assumed to start at age 0 and end at age 120; and (e), retirement at age 60 (November 30, 2015 for Edward Sonshine) and for the values in column (g), retirement at age 60 (November 30, 2015 for Edward Sonshine).

2013 Trustee Compensation

In 2013, each Trustee (other than Mr. Sonshine and Paul Godfrey, the chairperson of the Board of Trustees) was paid an annual fee of \$40,000 plus \$2,500 per meeting of the Board of Trustees attended. Members of the Human Resources and Compensation Committee, the Nominating and Governance Committee, the Investment Committee and/or the Audit Committee were paid \$2,000 per committee meeting attended. In addition, all Trustees are reimbursed for their expenses in connection with attending meetings of the Board of Trustees and committees thereof. All of these annual and per meeting fees and expenses were paid by the Trust. For the year ended December 31, 2013, a total of \$734,000 was paid to members of the Board of Trustees in respect of per meeting fees. The chairperson of the Board of Trustees (currently Paul Godfrey) received \$175,000 per annum for acting in this capacity. Mr. Godfrey received no additional compensation for acting as a member of the Investment Committee, Nominating and Governance Committee or for attending any meetings.

In addition to the annual and per meeting fees noted above payable to Trustees other than Mr. Sonshine and Mr. Godfrey, the chairpersons of the Human Resources and Compensation Committee, Investment Committee and Nominating and Governance Committee each received an additional \$5,000 per annum for acting in such capacity. Similarly, the chairperson of the Audit Committee received an additional \$15,000 per annum for acting in such capacity.

In addition, members of the Board of Trustees and members of committees of the Board of Trustees received such grants of Restricted Equity Units (as discussed below) as were deemed appropriate by the Board of Trustees and as recommended by the Human Resources and Compensation Committee. Prior to June 5, 2013, each Trustee was required to have an equity ownership interest with a total value equal to three times their annual retainer (\$120,000, or in the case of Paul Godfrey, \$525,000), within five years of becoming a Trustee (the "**Previous Requirement**"). As of June 5, 2013, the Trustee equity ownership requirement was revised so that each Trustee is now required to have an equity ownership interest (including the value of Unit based awards) with a total value equal to three times their annual retainer plus three times the value of their annual Unit based awards, within five years of becoming a Trustee (the "**Current Requirement**"). Any Trustee that does not meet the New Requirement has until June 5, 2016 to do so (provided that during such period such Trustee must, at a minimum, continue to satisfy the Previous Requirements).

As of March 31, 2014, each Trustee meets the Current Requirement, except for Ms. Brooks and Mr. Vanneste who are recently appointed Trustees and have a period of five years from the date of their respective appointments to meet the Current Requirement. The following chart sets out the holdings of Units of the Trustees as of March 31, 2014 in terms of (i) a multiple of the dollar amount of their annual retainer, and (ii) a multiple of the dollar amount of the Current Requirement:

Name	Annual Retainer	Dollar Value of REUs Granted in 2013 (1)	Total Retainer and Value of REUs Granted in 2013	Required Ownership (e.g. three times annual retainer plus three times REUs granted in 2013)	Unit Ownership (Including REUs) #/\$ (2)	Ownership as Multiple of Total Retainer and Value of REUs Granted in 2013	Ownership as Multiple of the Requirement
Bonnie Brooks (3)	\$ 40,000	\$109,612	\$149,612	\$ 448,836	4,173/\$111,127	0.7	0.2
Clare R. Copeland	\$ 40,000	\$109,612	\$149,612	\$ 448,836	19,550/\$520,617	3.5	1.2
Raymond M. Gelgoot	\$ 40,000	\$109,612	\$149,612	\$ 448,836	83,313/\$2,218,625	14.8	4.9
Paul Godfrey, C.M., O.Ont.	\$175,000	\$328,836	\$503,836	\$ 1,511,508	208,391/\$5,549,452	11	3.7
Dale H. Lastman	\$ 40,000	\$109,612	\$149,612	\$ 448,836	35,991/\$958,440	6.4	2.1
Sharon Sallows	\$ 40,000	\$109,612	\$149,612	\$ 448,836	110,640/\$2,946,343	19.7	6.6
Edward Sonshine, O.Ont., Q.C. (4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Luc Vanneste (5)	\$ 40,000	\$ 98,024	\$138,024	\$ 414,072	4,098/\$109,130	0.8	0.3
Charles M. Winograd	\$ 40,000	\$109,612	\$149,612	\$ 448,836	28,406/\$756,452	5.1	1.7

- (1) The dollar value of REUs is calculated by multiplying the number of REUs granted on June 5, 2013 (except Luc Vanneste, which REUs were granted on July 30, 2013) times the 5-day VWAP immediately prior to the date of grant.
- (2) The dollar value of the Unit Ownership is calculated by multiplying the actual number of Units and REUs held by the closing price of Units on March 31, 2014 of \$26.63.
- (3) Ms. Brooks has served as a Trustee only since June 5, 2013, and consequently has until June 5, 2018 to meet the Current Requirement.
- (4) Mr. Sonshine is not paid an annual retainer. As mentioned above under "Compensation of the Chief Executive Officer", Mr. Sonshine holds Units worth \$10,652,000 based on a closing date of March 31, 2014, an amount which is in excess of three times his annual salary.
- (5) Mr. Vanneste has served as a Trustee only since July 30, 2013, and consequently has until July 30, 2018 to meet the Current Requirement.

2013 Trustee Compensation Table

The following table sets out the compensation paid to each Trustee during the most recently completed financial year.

Name	Fees earned (\$)	Unit-based awards (#/\$) (1) (2)	Option-based awards (\$)	Non-equity incentive compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Bonnie Brooks	51,500	4,000/\$109,612	n/a	n/a	n/a	n/a	161,112
Clare R. Copeland	81,500	4,000/\$109,612	n/a	n/a	n/a	n/a	191,112
Raymond M. Gelgoot	57,500	4,000/\$109,612	n/a	n/a	n/a	n/a	167,112
Paul Godfrey, C.M., O.Ont.	175,000	12,000/\$328,836	n/a	n/a	n/a	n/a	503,836
Frank W. King, O.C. (3)	58,500	0/\$0	n/a	n/a	n/a	n/a	58,500
Dale H. Lastman	57,500	4,000/\$109,612	n/a	n/a	n/a	n/a	167,112
Ronald W. Osborne (4)	7,000	0/\$0	n/a	n/a	n/a	n/a	7,000
Sharon Sallows	87,500	4,000/\$109,612	n/a	n/a	n/a	n/a	191,112
Luc Vanneste	68,000	4,000/\$98,024	n/a	n/a	n/a	n/a	166,024
Charles M. Winograd	90,000	4,000/\$109,612	n/a	n/a	n/a	n/a	199,612

- (1) Amounts in this column reflect the number of REUs granted to each Trustee in 2013 and the fair value of such REUs on the grant date (calculated based on the 5-day VWAP immediately prior to June 5, 2013 of \$27.403 per Unit for all Trustees except for Luc Vanneste, whose REUs have been calculated based on the 5-day VWAP immediately prior to August 2, 2013 of \$24.506 per Unit).
- (2) REUs vest three years from the date of issue and are satisfied by payment of a cash amount equal to the number of vested REUs then credited to the member multiplied by the 5-day VWAP of a Unit on the TSX on the five trading days immediately preceding the vesting date, less applicable withholdings. In accordance with the foregoing, the following amounts (less applicable taxes) were paid to each of the following Trustees in connection with those REUs that vested in 2013, the value of which REUs were included in the total dollar value compensation for the Trustees in 2010, the year of grant: Bonnie Brooks (\$0), Clare R. Copeland (\$131,039), Raymond M. Gelgoot (\$131,039), Paul Godfrey (\$393,117), Frank W. King (\$366,804), Dale H. Lastman (\$131,039), the Estate of Ronald W. Osborne (\$491,405), Sharon Sallows (\$131,039), Luc Vanneste (\$0) and Charles M. Winograd (\$131,039).
- (3) Frank W. King did not stand for re-election as a Trustee at the Annual and Special Meeting of the Unitholders held on June 5, 2013. Consequently, his term of service as a Trustee ended on such date.
- (4) Ronald W. Osborne served as a Trustee until his passing on April 9, 2013. In accordance with the REU Plan, all vested and unvested REUs were paid to the estate of Mr. Osborne upon his passing.

Certain Changes to Trustee Compensation

On April 7, 2014, the Board approved certain changes (the "Trustee Compensation Changes") to the Trustee compensation structure to be implemented immediately following the date of the Meeting. A summary of the changes approved (which, in respect of reference to the Deferred Units assumes the approval of the Deferred Unit Plan by Unitholders) is as follows:

Compensation Component	2013	2014
Annual Board Cash Retainer		
Non-Executive Board Chair (Total) (1)	\$175,000	\$225,000
Regular Board Member	\$40,000	\$50,000
Annual Equity Compensation		
Non-Executive Board Chair (Total)	12,000 REUs (~\$328,836) (2)	\$150,000 of Deferred Units
Regular Board Member	4,000 REUs (~\$109,612) (2)	\$100,000 of Deferred Units
Annual Committee Retainer		
Audit Committee Chair	\$15,000	\$20,000
HRCC Chair	\$5,000	\$15,000
Other Committee Chairs	\$5,000	\$10,000
General Board Meeting Fees	\$2,500	\$1,500
Committee Meeting Fees	\$2,000	\$1,500

- (1) The Non-Executive Board Chair attends all committee meetings but receives no meeting fees for attendance.
- (2) Value based on REUs granted on June 4, 2013 at \$27.403.

The REU Plan has been discontinued and replaced with the Deferred Unit Plan, subject to Unitholder approval.

- Compensation of the Board Chair has been reduced in 2014 to \$375,000 (cash and equity retainer) from \$503,836 (2013 cash and equity retainer) and the mix of cash and equity has been adjusted to comply with ISS guidelines;
- The annual cash retainer paid to each Trustee (other than Edward Sonshine, Chief Executive Officer and Paul Godfrey, Chairman) will increase from \$40,000 to \$50,000;
- Fees paid in respect of meetings of the Board of Trustees will decrease from \$2,500 to \$1,500 per meeting attended;
- Fees paid in respect of committee meetings of the Board of Trustees will decreased from \$2,000 to \$1,500 per meeting attended;
- The fee paid to the chairperson of the Audit Committee will increase from \$15,000 to \$20,000 per annum;
- The fee paid to the chairperson of the Human Resources and Compensation Committee will increase from \$10,000 to \$15,000 per annum;
- The fees paid to the chairpersons of each of the Investment Committee and the Nominating and Corporate Governance Committee will increase from \$5,000 to \$10,000 per annum;
- Conditional upon receipt of approvals from the TSX and the Unitholders of the Trust at the Meeting in respect of the adoption and implementation of the Deferred Unit Plan, (i) the number of Deferred Units to be granted to each Trustee, other than Edward Sonshine (as CEO) who will receive no Deferred Units and Paul Godfrey (as Chair), shall be equal to \$100,000 divided by the "average market price" (as such term is defined in the Deferred Unit Plan) as of the date of the Meeting; and (ii) the number of Deferred Units to be granted to Paul Godfrey, as chairperson of the Board, shall be equal to \$150,000 divided by the average market price as of the date of the Meeting. Such grants of Deferred Units shall be in place of the discretionary grants of REUs currently granted to the Trustees;
- In the event that the Deferred Unit Plan does not receive TSX or Unitholder approval or is subsequently not adopted and implemented immediately following the Meeting, then (i) the number of REUs to be granted to each Trustee, other than Edward Sonshine who will receive no REUs and Paul Godfrey, shall be equal to \$100,000 divided by the five-day weighted average closing price of a Unit on the TSX on the immediately preceding five trading days (the "Value of a Unit"), and (ii) the number of REUs to be granted to Paul Godfrey, as chairperson of the Board of Trustees, shall be equal to \$150,000 divided by the Value of a Unit. Such grants of REUs shall be in place of the discretionary grants of REUs currently granted to the Trustees.

Rationale

The Trustee Compensation Changes were made based on a review of the Trust's current trustee compensation by the Board, taking into account a review conducted by Mercer. See "*Benchmarking – Trustee Compensation*".

Option-based and Unit-based Awards – Trustees

Trustee Restricted Equity Unit Plan for Trustees

The following table sets forth the options and REUs held by the Trustees as at December 31, 2013.

Name	Option-based Awards				Unit-based Awards		Market or payout value of vested Unit-based awards not paid out or distributed (\$)
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of REUs that have not vested (#) (1)	Market or payout value of Unit-based awards that have not vested (2) (\$)	
Bonnie Brooks	0	n/a	n/a	n/a	4,134	102,399	0
Clare R. Copeland	0	n/a	n/a	n/a	13,026	322,654	0
Raymond M. Gelgoot	0	n/a	n/a	n/a	13,026	322,654	0
Paul Godfrey, C.M., O.Ont.	0	n/a	n/a	n/a	39,082	968,061	0
Dale H. Lastman	0	n/a	n/a	n/a	13,026	322,654	0
Sharon Sallows	0	n/a	n/a	n/a	13,026	322,654	0
Luc Vanneste	0	n/a	n/a	n/a	4,098	101,507	0
Charles M. Winograd	0	n/a	n/a	n/a	13,026	322,654	0

(1) The number of REUs held that have not vested include REUs credited for distributions paid in respect of Units of the Trust.

(2) The market value of Unit-based awards that have not vested is calculated by multiplying the closing market price at December 31, 2013 of \$24.77 by the number of REUs that have not vested (including the impact of distributions credited).

The following table sets forth the value of REUs held by each Trustee that vested during the 2013 financial year.

Name	Option-based awards – value vested during the year (\$)	Unit-based awards – Value vested during the year (\$) (1)	Non-equity incentive plan compensation – Value earned during the year (\$)
Bonnie Brooks (2)	0	0	0
Clare R. Copeland	0	131,039	0
Raymond M. Gelgoot	0	131,039	0
Paul Godfrey, C.M., O.Ont.	0	393,153	0
Frank W. King, O.C. (3)	0	366,804	0
Dale H. Lastman	0	131,039	0
Ronald W. Osborne (4)	0	491,405	0
Sharon Sallows	0	131,039	0
Luc Vanneste (2)	0	0	0
Charles M. Winograd	0	131,039	0

- (1) The value of an REU that has vested is based upon the amount paid out to the Trustee in respect of such vested REUs in accordance with the REU Plan (including the impact of distributions credited).
- (2) Bonnie Brooks was appointed to the Board on June 5, 2013 and Luc Vanneste was appointed to the Board on July 30, 2013, and as a result no REUs vested in 2013.
- (3) Frank W. King did not stand for re-election as a Trustee at the Annual and Special Meeting of the Unitholders held on June 5, 2013. Consequently, his term of service as a Trustee ended on such date.
- (4) As a result of Ronald Osborne's passing on April 9, 2013, the 17,558.3391 REUs held by Mr. Osborne (as of April 9, 2013) automatically vested with a value of \$491,405.

Following the establishment of the Restricted Equity Unit Plan (the "REU Plan") for Trustees in June 2004 (discussed below), the Board of Trustees determined that the Trustees should no longer receive option grants under the Unit Option Plan. The Board of Trustees determined that the Trustee Restricted Equity Unit Plan provided adequate Unit-based incentive compensation to Trustees. The last options issued to Trustees under the Unit Option Plan expired on May 30, 2012.

The Trustees' REU Plan was established in June 2004 and provided for an allotment of REUs to each non-employee Trustee at the discretion of the Board of Trustees based on the recommendations of the Human Resources and Compensation Committee. The value of the REUs so allotted appreciate (or depreciate) with increases (or decreases) in the market price of the Units in the manner described in the REU Plan. Participants also are entitled to be credited with REUs for distributions paid in respect of Units of the Trust. The number of REUs to be credited in respect of distributions is determined by dividing the amount of distributions that would be payable on a number of Units equal to the number of REUs then credited to the participant by the five-day weighted average closing price of the Units over the immediately preceding five trading days.

REUs vest three years from the date of issue and are to be satisfied by the Trust within 30 days of vesting and, in any event, by no later than December 31 following the vesting date, by payment of a cash amount equal to the number of vested REUs then credited to the member multiplied by the five-day weighted average closing price of a Unit on the TSX on the five trading days immediately preceding the vesting date, less applicable withholdings. The Trust's obligation to make payment on the redemption of REUs is an unfunded and unsecured obligation of the Trust. Certain of the Trustees use the cash payment received upon vesting of his or her REUs to acquire additional Units of the Trust through the facilities of the TSX. In accordance with the foregoing, the following amounts (less applicable taxes) were paid to each of the following Trustees in connection with those REUs that vested in 2013, the value of which REUs were included in the total dollar value compensation for the Trustees in 2010, the year of grant: Bonnie Brooks (\$0), Clare R. Copeland (\$131,039), Raymond M. Gelgoot (\$131,039), Paul Godfrey (\$393,117), Frank W. King (\$366,804), Dale H. Lastman (\$131,039), the Estate of Ronald W. Osborne (\$491,405), Sharon Sallows (\$131,039), Luc Vanneste (\$0) and Charles M. Winograd (\$131,039).

Implementation of the Deferred Unit Plan

If the Deferred Unit Plan is approved by Unitholders, the Deferred Unit Plan will replace the REU Plan as the form of Unit-based incentive compensation to Trustees. The Board of Trustees determined that the Trustees should no longer receive REUs under the REU Plan because the Deferred Unit Plan will provide for the accumulation of Unit equivalents and will not require a cash payment after three years. The implementation of the Deferred Unit Plan, if approved by Unitholders, and corresponding cease of use of the REU Plan, will commence as of immediately following the Meeting. For a detailed summary of the proposed Deferred Unit Plan, please refer to the section herein entitled "Special Business – Approval of a Deferred Unit Plan".

Benchmarking – Trustee Compensation

On behalf of the HRCC, the Mercer Report included a comprehensive Trustee compensation study of pay levels and practices at similar companies. The study was used to examine RioCan's competitive positioning for Trustee compensation relative to proxy peer groups. Mercer selected the Comparator Group utilized in the executive benchmark as being appropriate based on factors such as size, operating scope, geographical reach, and various other financial considerations.

The following table lists the companies included in the Comparator Group used to review the Trustee compensation:

In Canada:	In the United States:
Brookfield Office Properties	Vornado Realty
First Capital Realty	HCP
Calloway	Health Care
Boardwalk	Equity Residential
Cominar	Boston Properties
Canadian Apartment Properties	SL Green Realty
	American Tower
	AvalonBay Communities
	Kimco Realty
	Digital Realty
	Public Storage
	Duke Realty
	CBL & Associates Properties

Mercer determined that the historical compensation for the Trust's Board Chair is positioned near the top of the Comparator Group meanwhile other Trustee compensation is generally aligned near the market median. With respect to pay design, RioCan's practice of granting a fixed number of REUs to Trustees is considered unique. The majority of organizations provide directors with deferred share units which cannot be settled until after the director leaves the Board. Additionally, the majority of equity retainers provided in general industry are defined as dollar value and annually converted into the respective number of Units thus eliminating year-over-year variability in the value of total compensation. Lastly, Board and committee meeting fees are at the higher end of the market however committee chair premiums are modest relative to comparative practice. The Board responded to these findings by making the changes to Trustee compensation described above.

While the study conducted by Mercer was a relevant factor in the decision-making of the HRCC, the HRCC ultimately relied on its own experience, information and deliberations in making compensation decisions. As RioCan is generally positioned around the median of the Comparator Group in terms of assets, RioCan generally establishes target compensation at the median of the Comparator Group.

In light of current compensation practices, a reduction in the overall retainer for the Board Chair was appropriate. The Board Chair agreed to reduce his compensation to bring it more aligned with the stated target positioning of the Trust. Additional modifications to the Trustee compensation is outlined in "*Certain Changes to Trustee Compensation*".

Insurance for Trustees and Officers

The Trust maintains Directors & Officers liability insurance for the Trustees. The current Directors & Officers Liability policies are in effect until October 31, 2014. The annual premium for the Primary Directors & Officers policy is \$55,000, coupled with a combined premium total of \$124,500 for excess D&O coverage for the one year term, and has been paid by the Trust. No portion of the premium is directly paid by any of the Trustees. The total aggregate insurance coverage/limit provided under the Primary policy is \$10,000,000 per loss, with an additional limit of \$50,000,000 provided under the three Excess Side-A DIC policies. The total limit per loss and on an annual aggregate basis for all policies amounts to \$60,000,000. There is also a \$500,000 limit in the aggregate applicable to Investigative Costs (as defined in the policy). Under the policy, there is no deductible for individual Trustees but a deductible of \$250,000 per loss must be absorbed by the Trust. No claims have been made or paid under such policy.

INDEBTEDNESS OF TRUSTEES AND EXECUTIVE OFFICERS

Since January 1, 2013, there has been no indebtedness owed to the Trust by any of our Trustees or executive officers.

STATEMENT OF GOVERNANCE PRACTICES

The following describes the Trust's governance practices with reference to National Policy 58-201 - Corporate Governance Guidelines and National Instrument 58-101 - Disclosure of Corporate Governance Practices (collectively, the "**Governance Guidelines**"), which are initiatives of the Canadian Securities Administrators. The following disclosure of the Trust's approach to governance outlines the various procedures, policies and practices that the Trust and the Board of Trustees of the Trust have implemented to address the foregoing requirements and, where appropriate, reflect current best practices.

Composition of the Board of Trustees and Independence

The Board of Trustees is currently composed of nine Trustees and the number of Trustees to be elected at the Meeting is nine. Seven of the nine members of the Board of Trustees attended each of the seven meetings held by the Board of Trustees during the last fiscal year. Bonnie Brooks was appointed to the Board as a Trustee on June 5, 2013 and attended all of the meetings held by the Board of Trustees since that date. Luc Vanneste was appointed to the Board as a Trustee on July 30, 2013 and attended both of the meetings held by the Board of Trustees since that date. Following a detailed review, the Board of Trustees has determined that six of the nine current Trustees who are standing for re-election are independent as such term is defined in the Governance Guidelines. The independent Trustees who are standing for re-election are Messrs. Godfrey, Copeland, Vanneste and Winograd, Ms. Sallows and Ms. Brooks. Mr. Sonshine is not independent as he is the Chief Executive Officer of the Trust. Messrs. Gelgoot and

Lastman are partners of law firms that provide legal services to the Trust and the Board of Trustees has determined that they should not be considered independent to the Trust. In connection with the pending retirement of Mr. Gelgoot from his legal practice which will occur in the summer 2014, the Board intends to re-assess the independence of Mr. Gelgoot at its meeting of the Board to be held immediately following the Meeting. Two-thirds of the members of the Board of Trustees are independent Trustees, therefore the Trust complies with the Governance Guidelines that stipulate that the Board of Trustees should have a majority of independent trustees. Consistent with corporate governance principles, no non-independent Trustee is a member of any committee of the Board of Trustees.

Each member of the Board of Trustees has demonstrated skills in one or more of the following areas:

- accounting;
- financial literacy;
- business leadership;
- corporate governance;
- finance;
- legal;
- operations;
- real estate; and
- retail.

The following chart illustrates the relevant skills possessed by each Trustee who is proposed for election at the Meeting:

	Accounting	Financial Literacy	Business Leadership	Corporate Governance	Finance	Legal	Operations	Real Estate	Retail
Bonnie Brooks		X	X	X	X		X	X	X
Luc Vanneste	X	X	X	X	X		X		
Clare R. Copeland	X	X	X	X			X		X
Raymond M. Gelgoot			X	X		X		X	
Paul Godfrey	X	X	X	X			X	X	
Dale H. Lastman			X	X		X			
Sharon Sallows		X	X	X	X			X	
Edward Sonshine		X	X	X	X	X	X	X	
Charles M. Winograd		X	X	X	X				

The above inventory is assessed as required to identify any capabilities, competencies, skills and qualities desired to be added to the Board in light of the Board's current needs and priorities.

Board Interlocks

The Trust has a robust process around the annual evaluation of Trustee independence. Although the Board does not set a formal limit on the number of interlocking board and committee memberships, the Corporate Governance Committee reviews them as part of its annual evaluation of Trustee independence. As of the date hereof, there are no interlocking board memberships among our Trustees.

Board Chair

The Board Chair is a duly elected member of the Board of Trustees and is appointed as Chair of the Board by the Board of Trustees each year for a one-year term, with such appointment being (except when a vacancy is being filled) at the first meeting of the Board of Trustees following the annual general meeting of Unitholders. The current Board Chair is Paul Godfrey, C.M., O.Ont., who is independent as such term is defined in the Governance Guidelines.

The responsibilities of the Board Chair are set out in a detailed position description that affirms that the Board Chair is expected to provide leadership to the Trustees in discharging their mandate as set out in the Charter of the Board of Trustees. Among other things, he generally oversees meetings of the Board and presides over meetings of the Unitholders. He is the liaison between the Trustees and management and is responsible for promoting the proper flow of information to the Trustees to keep them fully apprised of all material matters.

Succession Planning for Senior Management

Succession planning is the ultimate responsibility of the Board and decisions related thereto are based in part on reports and recommendations from the HRCC. In accordance with its charter, at the request of the Board, the HRCC submits recommendations to the Board regarding management succession including: (i) policies and principles for CEO selection and performance review with respect to potential successors to the CEO; and (ii) policies regarding succession in the event of an emergency or the retirement of the CEO. In addition, the HRCC works to develop the succession plan of the Trust, which is focused on the CEO and the senior management team. As part of this mandate, members of the HRCC meet periodically with the CEO to review and update the succession plan. The plan includes identifying potential succession candidates for senior management positions and highlights the relevant qualifications and experiences required for each such candidate to be fully prepared to take on such a senior management position.

The Board and the HRCC believe that succession planning is of paramount importance to the Trust. To that end, the HRCC works to foster leadership development within the Trust and to identify and assist the development of high potential talent. In April 2012, the Trust introduced a leadership review process to further address the topic of executive development and succession. The leadership review process solicits input from executives on: (i) personal performance goals and self-assessment of achievement of those goals; (ii) their own development needs; and (iii) identifying potential successors for their position.

Further to the foregoing process, management of the Trust has initiated a process, which includes the retaining of an outside third party advisor, to enhance talent assessment and development processes with a view to increasing efficiencies within the organizational structure of the Trust, as such enhancements will directly benefit succession management through leadership development. As part of this process, the CEO, President and COO and CFO and their outside advisor will meet with executives on an individual basis, discussing key issues, opportunities and priorities of the organization as well as overall strategic initiatives, with a view to developing defined measures of success for financial achievement, operational efficiency, and leadership development, as well as defining individual accountabilities for the various teams within the organization. The findings and outputs from the foregoing process, which will be reported to the HRCC and Board during the course of the year, will be evaluated by the HRCC and Board in future refinements.

The Board will assess and revisit any current terms of employment offered to the existing NEOs upon a new individual being promoted to such a position.

Board Mandate

The Board of Trustees adopted a written mandate for the Board (the “**Charter of the Board of Trustees**”) to confirm and enhance the Board’s ongoing duties and responsibility for stewardship of the Trust. A copy of the Charter of the Board of Trustees is attached to this Circular as Appendix D. The Board of Trustees is ultimately responsible for supervising the management of the Trust’s property portfolio and other affairs of the Trust and, in doing so, is required to act in the best interests of the Trust. The Board of Trustees generally discharges its responsibilities either directly or through the Audit Committee, the Investment Committee, the Human Resources and Compensation Committee or the Nominating and Governance Committee. Specific responsibilities of the Board of Trustees set out in the Charter of the Board of Trustees include:

- **Nominating Trustees and Appointing Management** – including final approval of all Trustee nominees and senior management appointments and the oversight of succession planning programs;
- **Strategic Planning** – including the review and approval of a strategic plan that takes into account, among other things, the opportunities and risks inherent in the Trust’s operations;
- **Monitoring of Financial Performance** – including the review of the Trust’s ongoing financial performance and results of operations and review and approval of the Trust’s audited financial statements and MD&A;
- **Risk Management** – including the identification of the Trust’s principal business risks and the implementation of appropriate systems to effectively monitor and manage such risks;
- **Internal Control and Management Information Systems** – including the review of reports of management and the Audit Committee concerning the adequacy of the Trust’s internal control and management information systems;
- **Establishing Policies and Procedures** – including the approval and monitoring of all policies and procedures such as those related to governance, ethics and confidentiality;
- **Communication and Reporting** – including the oversight of the timely and accurate disclosure of financial reports and other developments; and
- **Other Responsibilities** – including those related to charters and position descriptions, orientation and continuing education, nomination of Trustees and Board evaluations.

The Board functions independently of management and the non-independent Trustees by holding *in camera* sessions without members of management or Trustees who are members of management being present. The Board Chair, who is an independent Trustee, chairs the meeting and ensures that all Trustees have an opportunity to comment and provide their input. The Board has recently implemented a policy of holding *in camera* sessions at each regularly scheduled Board meeting, without members of management, Trustees who are members of management, and non-independent Trustees being present. Before, during an adjournment of or following the conclusion of each meeting of the Board, the Independent Trustees shall, unless the Independent Trustees determine otherwise, meet without the Trustees who are not Independent and any member of management being present, provided that any failure to do so shall not invalidate business transacted at a duly convened meeting of the Board.

Of the seven Board of Trustees meetings held in 2013, seven private *in camera* sessions occurred in the absence of management and six private *in camera* sessions occurred in the absence of non-independent Trustees. Although an *in camera* session in the absence of non-independent Trustees did not occur at the February 2013 Board of Trustees meeting, the Board subsequently adopted a policy of holding *in camera* sessions at all Board of Trustees meetings and such policy has been implemented at all subsequent Board of Trustees meetings since February 2013. Going forward, the Board expects, consistent with this policy, to hold an *in camera* meeting in the absence of management and the non-independent trustees at every meeting of the Board of Trustees.

In connection with the appointment or election of any new Trustee, the Chief Executive Officer, President and Chief Operating Officer, Chief Financial Officer and the Senior Vice President and Chief Accounting Officer hold informal and formal meetings with such new Trustee to answer any questions about the business of the Trust and to provide fulsome information concerning the business of the Trust, the organizational structure, the reporting structure, financial statement requirements and all related matters.

Evaluation of the Composition of the Board of Trustees

The Trust frequently reviews the composition of the Board of Trustees. Regularly at Board meetings, there is discussion regarding the gender balance, skills, qualities and competencies of the Board of Trustees as a whole. There is also discussion regarding the Trustees' skills and areas of expertise, and whether collectively, there is an appropriate balance. The Trust does not currently have a retirement policy that requires Trustees to retire upon reaching a specific age, but rather addresses this issue on a case by case basis. The Corporate Governance Committee identifies possible candidates to join the board. In so doing, it may invite suggestions from other Trustees and management, and on occasion it may engage independent consultants to help in this task. The Board Chair leads the process and the Chief Executive Officer is included with a number of other Trustees in any interview process that may take place. The Corporate Governance Committee regularly looks at potential candidates even when it does not have an immediate vacancy and maintains an "evergreen" list to draw upon should a need arise.

Position Descriptions

The Board has developed and approved detailed position descriptions for the Board Chair, the Chairs of Board Committees and the Chief Executive Officer. In accordance with its charter, the Nominating and Governance Committee is responsible for reviewing and making recommendations to the Board regarding the position descriptions for the Board Chair, the Chair of each Board committee and the Chief Executive Officer.

The Board Chair is responsible for, among other things, overseeing the Board's discharge of its duties, governing the conduct of the Board, assisting Board committees and acting as a liaison between the Board and management. Chairs of Board committees are responsible for, among other things, scheduling, setting agendas for and presiding over committee meetings and acting as a liaison between the committee and the Board. The Chief Executive Officer is responsible for, among other things, overseeing the day-to-day operation of the business of the Trust in accordance with the Trust's strategic plan and annual budget.

Orientation and Continuing Education

New Trustees

When new Trustees are elected to the Board, they will participate in a comprehensive orientation program. The orientation program is intended to familiarize new Trustees with the Trust's business and operations, including management structure, strategic plans, finances, opportunities and risks. They will be briefed on the role of the Board, its committees, the contribution individual Trustees are expected to make. This is consistent with the Governance Guidelines and gives new Trustees an opportunity to better understand the Trust and his or her role and responsibilities.

New Trustees will also receive an orientation package containing all Trustees' Committee Mandates, copies of the Trust's Disclosure Policy, a copy of the Trustees and Officers insurance policies maintained by the Trust, a copy of the Trust's policies and the Trust's most recent significant public disclosure documents. Management will also provide background information on the Trust's business, with a view to ensuring that the new Trustee is properly informed.

Continuing Education

RioCan's continuing education program for its Trustees involves the ongoing evaluation by the Nominating and Governance Committee of the skills and competencies of existing Trustees. The Board is currently comprised of highly qualified and experienced Trustees with impressive 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 Nominating and Governance Committee continually monitors the composition of the Board and will recommend the adoption of a formal continuing education program should it be determined to be necessary.

As part of the Trust's continuing education program, Trustees receive:

- a comprehensive package of information prior to each board and committee meeting;
- an overview of the Trust's business at regular Board meetings from senior officers from different departments. The Trustees discuss any questions with the senior officers;
- updates and handouts provided by management and the internal and external auditors on regulatory updates with respect to its industry at regular Board and Audit Committee meetings;

- access to management and relevant business information. Management makes regular presentations to the Board of Trustees on the main areas of the Trust's business;
- reports on the work of board committees following committee meetings;
- regular updates between board meetings on matters that affect the Trust's businesses;
- a summary on trends in board compensation received by the HRCC;
- a summary on current corporate governance trends, with reference to guidelines, overviews and corporate governance principles established by third party corporate governance organizations;
- presentations or the opportunity to participate in discussions regarding new laws, issues or other developments that are relevant to the Trust, including the transition to IFRS, SIFT legislation or general economic or capital markets trends; and
- periodic presentations by invited speakers on various topics, trends and issues related to the Trust's business.

The Board will be implementing a continuing Trustee education program which will involve presentations at a number of Board meetings each year on areas which are of particular relevance to the Trust's operations, including the retail environment, technology and general industry trends. In addition, the Board is committed to holding at least one Board meeting each year outside of Toronto in a region in which the Trust has operations which will enable the Trustees to see first-hand the Trust's operations in other jurisdictions. The foregoing is in addition to ongoing initiatives that inform Trustees of regulatory, accounting and other developments which are relevant to the Trust or, more generally, the capital markets.

Board Oversight of Risk

Pursuant to the Charter of the Board of Trustees, the Board of Trustees is responsible for identifying the principal risks of the business and satisfying itself that these risks are being appropriately managed. The Board periodically discusses with management the Trust's guidelines and policies with respect to risk assessment, risk management, and major strategic, financial and operational risk exposures, and the steps management has taken to monitor and control any exposure resulting from such risks. The Board of Trustees relies upon the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer to supervise day-to-day risk management, each of whom provides reports directly to the Board of Directors and certain Board Committees, as appropriate.

The practice of providing such a risk assessment, together with the substantive format and criteria used to develop such risk assessment, was initially developed with the assistance of PricewaterhouseCoopers LLP in March, 2010. To assist it in identifying the principal risks faced by the Trust, management annually prepares an assessment of principal risks and presents a report to the Board, along with how such risks are managed or mitigated. The last such assessment was completed in December 2013 and identified the following principal risks for consideration by the Board:

- economic conditions could adversely affect the Trust's financial performance;
- not being able to maintain the debt profile required by the Trust for operations and capital initiatives;
- not being able to recover from a disruption in accordance with the Trust's disaster recovery plan;
- risk of non-compliance with SIFT legislation;
- risk related to managing the continued growth of RioCan, including human capital;
- risk related to land/urban development;
- risk related to the upgrading of the Trust's business systems;
- risks related to the interest rate environment;
- environmental risks and sustainability programs;
- documentation of signing and approval processes;
- risks related to changes in municipal laws, regulations, work orders and other potential municipal code violations;
- credit viability of tenants;
- risks related to U.S. expansion including risks related to the performance of the individual assets, foreign currency exposure and adopting a corporate structure and management platform;
- information technology risks and management of the technology infrastructure for the Trust;
- risks related to the growth in e-commerce; and
- project management related risks, resource prioritization and deployment.

Management will provide the Board with a risk assessment on an annual basis. In addition, on a quarterly basis updates are provided to the Audit Committee by management and its external advisors on the testing of the accuracy of RioCan's continuous disclosure documents. Further, for the purposes of the awarding of bonus amounts under the Trust's executive bonus plan, and its correlation to OFFO target, management annually provides the Board with various risk factors which the Board considers as part of its deliberation and approval of an annual business plan and budget.

Code of Business Conduct and Ethics

The Trust has adopted a Code of Business Conduct and Ethics (the “Code”) that sets out the principles that should guide the behaviour of Trustees, officers and employees of the Trust and all persons who contribute to its operations, image and reputation. The Code deals with such matters as respect for individuals, ethical principles, business standards, Trust policies and the law. It addresses the issues prescribed by the Governance Guidelines such as conflicts of interest, protection and proper use of assets and opportunities, confidentiality of information, compliance with laws and regulations, reporting of illegal or unethical behaviour and fair dealing with the Unitholders, the Trust’s competitors and employees. The Code applies to all Trustees, officers, employees, representatives and agents of the Trust as well as to certain consultants and suppliers in respect of their contractual relationship with the Trust.

The Nominating and Governance Committee reviews compliance with the Code and ensures that management’s systems to disclose and enforce the Code are satisfactory. The Board directly, or by delegation to the Nominating and Governance Committee, can grant waivers of compliance for the benefit of Trustees or executive officers in appropriate circumstances. No such waiver has been granted since the adoption of the Code and consequently, the Trust filed no material change report during the last fiscal year pertaining to any conduct of a Trustee or executive officer that constitutes a departure from the Code.

A Trustee or member of senior management of the Trust must disclose, in writing to the Trust, the nature and extent of any interest they have in an actual or proposed material contract or material transaction. A Trustee required to make disclosure shall not vote on any resolution to approve the contract or transaction unless it relates primarily to his or her remuneration as a Trustee, officer, employee or agent of the Trust or is for indemnity or insurance.

Monitoring of accounting, internal controls and auditing matters, as well as violations of the law, the Code and other policies or directives of the Trust occur through the reporting of complaints and concerns using the reporting methods provided for in the Trust’s Whistleblower Protection Policy.

The Code is available on the Trust’s website at www.riocan.com and on the SEDAR website at www.sedar.com. It may also be obtained upon request to the Trust’s Investor Relations Administrator.

Board Committees

The Board is responsible for the establishment and operation of all Board committees, the appointment of members to serve on such committees, their compensation and their good standing.

The Board has established four standing committees to facilitate the carrying out of its duties and responsibilities and meet applicable statutory and policy requirements. The committees are currently comprised of the following Trustees, all of whom are independent:

Audit Committee	Human Resources and Compensation Committee	Nominating and Governance Committee	Investment Committee
Luc Vanneste (Chair) (1)	Sharon Sallows (Chair)	Charles M. Winograd (Chair)	Sharon Sallows (Chair)
Clare R. Copeland	Clare R. Copeland	Paul Godfrey	Bonnie Brooks
Paul Godfrey	Paul Godfrey	Bonnie Brooks	Paul Godfrey
Sharon Sallows	Luc Vanneste		Charles M. Winograd

(1) Following his appointment to the Board of Trustees on July 30, 2013, Mr. Vanneste was appointed Chair of the Audit Committee on July 31, 2013.

Mr. Osborne, who was the Chair of the Audit Committee, passed away on April 9, 2013 and was replaced by Mr. Winograd who served as the Interim Chair of the Audit Committee, until his resignation as of July 31, 2013. Mr. King, who was a member of the Audit Committee and the HRCC, did not stand for re-election as a Trustee at the Annual and Special Meeting of the Unitholders held on June 5, 2013. Consequently, his terms of service on the Audit Committee and HRCC ended on such date.

The Board of Trustees usually appoints members of the committees, all of whom are independent, at the first meeting of the Board following the annual general meeting of Unitholders.

The charters of the Board, Audit Committee, Investment Committee, HRCC and Nominating and Governance Committee are available at the Trust’s website at www.riocan.com.

Human Resources and Compensation Committee

The HRCC is currently comprised of four independent Trustees, as such term is defined in the Governance Guidelines. The attendance by the members at each of the four meetings of the HRCC held in the year is set out above under the heading "Attendance of the Trustees".

The Human Resources and Compensation Committee reviews the amount and form of compensation of Trustees and officers of the Trust. In making recommendations to the Board, the Human Resources and Compensation Committee considers the time commitment, risks and responsibilities of Trustees as well as comparative data derived from the experiences of the members of the Human Resources and Compensation Committee and advice from outside advisor (including the report Mercer Report provided in 2014.). The Human Resources and Compensation Committee also seeks to align the interests of Trustees with those of the Unitholders.

The Board of Trustees recognizes the importance of appointing knowledgeable and experienced individuals to the Human Resources and Compensation Committee who have the necessary background in executive compensation and risk management to fulfill the Human Resources and Compensation Committee's obligations to the Board of Trustees and Unitholders. All members of the Human Resources and Compensation Committee have significant experience in these areas as senior leaders of complex organizations.

The Human Resources and Compensation Committee has a formal written charter that sets out its duties and responsibilities. They include making recommendations to the Board with respect to the following issues:

- the Trust's general compensation philosophy;
- the Chief Executive Officer's compensation package;
- the long-term incentive component of the Chief Executive Officer's compensation package;
- the compensation structure for NEOs and Trustees, Trustee appointments, incentive awards and incentive plans;
- the administration of the Trust's and senior management's incentive and other compensation related plans;
- making recommendations to the Board with respect to management succession;
- public disclosure of information relating to the Trust's executive compensation, including the disclosure to be included in the Trust's management information circular(s); and
- the Report of the Human Resources and Compensation Committee to be included in the Trust's management information circulars.

Nominating and Governance Committee

The Nominating and Governance Committee is comprised of three Trustees, all of whom are independent as such term is defined in the Governance Guidelines. The attendance by the members at each of the three meetings of the Nominating and Governance Committee held in the year is set out above under the heading "Attendance of the Trustees".

The Nominating and Governance Committee is responsible for reviewing the credentials of proposed nominees for election or appointment to the Board of Trustees and for recommending candidates for Trustee membership, including the candidates proposed to be nominated for the election to the Board of Trustees at the annual meeting of Unitholders. Candidates are assessed in relation to the criteria established by the Board of Trustees to ensure it has the appropriate mix of talent, quality, skills and other requirements necessary to promote sound governance and effectiveness.

The Nominating and Governance Committee has a formal written charter that sets out its responsibilities and duties. They include, among other things, the following responsibilities:

- identifying and recommending new nominees to serve on the Board of Trustees;
- evaluating the competencies and skills of each Trustee and of the Board as a whole;
- developing and recommending to the Board the Trust's approach to governance;
- reviewing the Trust's governance practices at least annually and recommending to the Board any changes to the governance practices that it considers appropriate;
- reviewing and recommending to the Board for approval any disclosure relating to the Trust's governance practices;
- examining the size and composition of the Board, and, if appropriate, recommending to the Board a program to establish a Board comprised of a number of Trustees that will facilitate effective decision-making;
- reviewing the Board's committee structure on an annual basis and recommending to the Board any changes it considers necessary or desirable with respect to committee structure;
- developing and recommending to the Board position descriptions for the chair of each committee of the Board, the chair of the Board, and together with the Chief Executive Officer, a position description for the Chief Executive Officer;
- developing and making recommendations to the Board regarding orientation for new Trustees and continuing education for all Trustees;
- developing and recommending to the Board a process for reviewing the competencies, skills and effectiveness of the Board as a whole, the committees of the Board and the contributions of individual Trustees on a regular basis;

- monitoring the Trust's compliance with its continuous and timely disclosure obligations; and
- monitoring compliance with the Trust's Code of Business Conduct and Ethics and the review system in place to ensure that the Trust's financial statements, reports and other financial information disseminated to governmental organizations and the public satisfy legal requirements.

Audit Committee

The Audit Committee is comprised of four independent Trustees as such term is defined in Multilateral Instrument 52-110. All the members of the Audit Committee are "financially literate" and have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity that can reasonably be expected to be raised by the Trust's financial statements.

The Audit Committee meets on a quarterly basis and holds special meetings as circumstances require. The attendance by the members at each of the four meetings of the Audit Committee held in the year is set out above under the heading "Attendance of the Trustees". The Audit Committee meets *in camera* at each of its regular meetings, without any member of management present. The Chair of the Audit Committee only attended two of the meetings of the Audit Committee held during the last fiscal year, as Mr. Vanneste replaced Mr. Winograd as Chair of the Audit Committee on July 31, 2013.

The Audit Committee has a formal charter setting out its mandate and responsibilities. The text of the charter and other information relating to the Audit Committee can be found at Schedule "A" of the Trust's Annual Information Form dated March 31, 2014, available on the Trust's website at www.riocan.com and on the SEDAR website at www.sedar.com.

The Audit Committee is established by the Board for the purpose of overseeing the accounting and financial reporting processes and audits of the financial statements of the Trust. The Audit Committee's purpose is to assist the Board in fulfilling its oversight responsibilities by reviewing, advising and making recommendations to the Board on:

- the integrity of the financial information;
- the financial reporting process;
- the systems of internal controls which management and the Board of Trustees have established;
- the performance of the Trust's external auditors;
- the external auditors' qualifications and independence;
- the Trust's compliance with related legal and regulatory requirements and internal policies;
- the performance of the Trust's internal auditors; and
- the internal auditors' qualifications and independence.

The Audit Committee has established whistle-blowing procedures for concerns regarding accounting, internal accounting controls or auditing matters ("**Accounting Matters**"). Under these procedures, any complaint submitted regarding Accounting Matters will be maintained confidential to the fullest extent possible, consistent with the need to conduct an adequate review.

For further information regarding the Audit Committee, see the discussion starting on page 113 of the Trust's Annual Information Form dated March 31, 2014, available on the Trust's website at www.riocan.com and on the SEDAR website at www.sedar.com.

Investment Committee

The Investment Committee is comprised of four Trustees, all of whom are independent, three of whom have substantial experience in the commercial real estate field and one of whom has experience in retail. The attendance by the members at each of the five meetings held in the year is set out above under the heading "Attendance of the Trustees". The Investment Committee has been charged with the responsibility of evaluating and deciding upon acquisitions and dispositions for the Trust. The Investment Committee has delegated its responsibility for smaller transactions (defined as transactions with a value of less than \$40 million) to a management committee comprised of four members of senior management, including the Chief Executive Officer, President and Chief Operating Officer and Executive Vice President, Secretary and Chief Financial Officer. Notwithstanding its delegation to the management committee in respect of smaller transactions as described in the preceding sentence, the Investment Committee is periodically advised of smaller transactions.

Assessments

The Nominating and Governance Committee is responsible for developing and recommending to the Board a process for reviewing the competencies, skills and effectiveness of the Board as a whole, the committees of the Board and the contributions of individual Trustees on a regular basis. The Nominating and Governance Committee is also responsible for overseeing the execution of the review process approved by the Board and management. During the review process the Nominating and Governance Committee considers: (i) input from Trustees, where appropriate; (ii) attendance of Trustees at meetings of the Board and any committee; (iii) the Board's written charter; (iv) the charter of each committee of the Board; (v) applicable position descriptions for each individual Trustee and for the Chairs of the Board and each committee of the Board; and (vi) the competencies and skills each individual Trustee is expected to bring to the Board and each committee of the Board.

The Nominating and Governance Committee continues to evolve their board effectiveness evaluation process over time. In 2013, the Chairman of the Board of Trustees conducted an assessment of the Board of Trustees and of each individual Trustee, which included an assessment of each Trustee's experience, financial literacy, independence and other factors. The assessment process included the completion of questionnaires by each Trustee to evaluate their own performance and overall effectiveness as a

Trustee, individual meetings between the Chairman and each Trustee, and a report submitted by the Chairman to the Board of Trustees. A similar evaluation process will occur on an annual basis going forward. As part of the Trust's commitment to effective governance, the Trust has initiated a similar Board and Trustee assessment for 2014. The Trustee questionnaire to be completed as part of this assessment process is designed to give the Board an opportunity to identify and remove obstacles to better performance and highlight best practices. The questionnaire consists of three sections, addressing Board assessment, Chair of the Board assessment and Committee assessment. The results of the questionnaires will be provided on an anonymous basis to the Chair of the Nominating and Governance Committee and a summary report will be prepared for the Chair of the Board, prior to discussion by the full Board of Trustees.

The Board also conducts formal peer review process every three years. This process is used (i) as an assessment tool, (ii) as a component of the regular review process of Board members' participation, and (iii) for the Board's retirement policy and succession planning.

Disclosure Policy

The fundamental objective of the Trust's Disclosure, Confidentiality and Restrictions on Trading Policy (the "**Disclosure Policy**") is to ensure that communications to the investing public regarding the Trust are timely, factual and accurate, as well as broadly disseminated in accordance with all applicable legal and regulatory requirements.

The Disclosure Policy extends to all Trust personnel and to those authorized to speak on the Trust's behalf. It covers disclosures in documents filed with the securities regulators and written statements made in the Trust's annual and quarterly reports, news releases, letters to Unitholders, presentations by senior management and information contained on the Trust's website and other electronic communications. It also extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls.

The Board of Trustees, based on a recommendation of the Nominating and Governance Committee, has established a disclosure policy committee ("**Disclosure Committee**") responsible for overseeing the Trust's disclosure practices. The Disclosure Committee consists of the Chief Executive Officer, the President and Chief Operating Officer and the Executive Vice President and Chief Financial Officer.

The Disclosure Committee sets benchmarks for a preliminary assessment of materiality and determines when developments justify public disclosure. The Disclosure Committee reviews all continuous disclosure documents and meets as conditions dictate. If it is deemed that any information should remain confidential, the Disclosure Committee determines how that inside information will be controlled.

The Disclosure Committee will review and update, if necessary, the Disclosure Policy on an annual basis or as needed to ensure compliance with changing regulatory requirements and to make amendments that may be required as a result of the Disclosure Committee's monitoring of the effectiveness of, and compliance with, the Disclosure Policy. The Disclosure Committee ensures that all Trust personnel are educated about disclosure issues, the Trust's policy regarding confidentiality of material information and restrictions on trading securities. The Disclosure Committee will provide the Nominating and Governance Committee of the Board of Trustees with all updates to the Disclosure Policy for its approval. The Nominating and Governance Committee will in turn provide the updates to the Board of Trustees for its approval. The Disclosure Policy of the Trust is consistent with National Policy 51-201, Disclosure Standards, and other applicable requirements.

Unitholder Feedback

The Board encourages feedback from Unitholders directly or through management. Individual queries, comments or suggestions can be made orally or in writing directly to the Trust's head office. Unitholders' comments, observations from analysts, the press or the public or comments received at the offices of the Trust are considered and, where appropriate, brought to the attention of, and included in, the deliberations of the Board.

INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

To the knowledge of the Trustees, except as otherwise set out in the Information Circular, no Trustee, officer or insider of the Trust together with its consolidated operations, or any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting. Pursuant to Section 15.4 of the Board of Trustee's Charter (a copy of which is attached at Appendix D), the Board of Trustees must approve all related-party transactions of the Trust. There were no related party transactions (as that term is defined in applicable securities laws) of the Trust in the year ended December 31, 2013.

ADDITIONAL INFORMATION

Copies of our most recent Annual Information Form, the Information Circular and the Annual Report of the Trust, including condensed consolidated financial statements for the year ended December 31, 2013 and Management's Discussion and Analysis of Consolidated Financial Position and Results of Operations, and additional information relating to the Trust, are available on the internet site of SEDAR at www.sedar.com or on RioCan's website at www.riocan.com (financial information is provided in our comparative financial statements and Management's Discussion and Analysis). In the alternative, copies will be sent by us to any person upon request addressed in writing to our Executive Vice President, Secretary and Chief Financial Officer, RioCan Yonge Eglinton Centre, 2300 Yonge Street, Suite 500, PO Box 2386, Toronto, Ontario M4P 1E4. Such copies will be sent to any Unitholder without charge.

CERTIFICATE

The contents and the distribution of this circular have been approved by the Trustees.

DATED the 11th day of April, 2014.

**BY ORDER OF THE BOARD OF TRUSTEES OF
RIOCAN REAL ESTATE INVESTMENT TRUST**

Per: "Paul Godfrey"

PAUL GODFREY, C.M., O.ONT.

Chairman

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**APPENDIX A – RESOLUTION REGARDING ADOPTION
OF A DEFERRED UNIT PLAN**

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Appendix A- RESOLUTION REGARDING ADOPTION OF A DEFERRED UNIT PLAN

The following is the text of the ordinary resolution that Unitholders are being asked to approve at the Meeting.

“BE IT RESOLVED THAT:

1. The adoption by RioCan Real Estate Investment Trust (the “**Trust**”) of and the performance of its obligations under the Deferred Unit Plan substantially in the form presented to Unitholders and attached as Appendix “B” to the Information Circular is hereby approved and adopted. The maximum number of Units reserved for issuance under the Deferred Unit Plan at any time shall be 750,000.
2. Notwithstanding that the foregoing resolutions have been duly passed, the Board of Trustees of the Trust may, without further notice to or approval of the holders of Units of the Trust, determine the timing and arrange for the implementation of the Deferred Unit Plan, decide not to proceed with the Deferred Unit Plan, or modify the Deferred Unit Plan, provided that any modification will not be materially prejudicial to Unitholders, or revoke this resolution at any time prior to implementation of the Deferred Unit Plan.
4. The Trustees are hereby authorized to execute or cause to be executed on behalf of the Trust or to deliver or cause to be delivered all such documents, agreements and instruments and do or cause to be done all such other acts and things as they shall determine to be necessary or desirable in order to carry out the intent of the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the executed and delivery of such document, agreement or instrument or the doing of any such act or thing.”

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APPENDIX B – DEFERRED UNIT PLAN
May 28, 2014

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APPENDIX B – DEFERRED UNIT PLAN

May 28, 2014

ARTICLE 1 PURPOSE

The purpose of this Plan is to advance the interests of RioCan Real Estate Investment Trust (the “**REIT**”) by enhancing the ability of the REIT and any of its Subsidiaries to attract, motivate and retain Trustees of the REIT to reward such persons for their sustained contributions and to encourage such persons to take into account the long-term corporate performance of the REIT.

ARTICLE 2 DEFINITIONS

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

- (a) “**Additional Deferred Units**” has the meaning ascribed thereto in Section 8.03;
- (b) “**Affiliate**” has the meaning given to it in Section 1.3 of National Instrument 45-106 – *Prospectus and Registration Exemptions*;
- (c) “**Applicable Withholding Taxes**” means any and all taxes and other source deductions or other amounts that the REIT is required by law to withhold from any amounts to be paid or credited under the Plan;
- (d) “**Average Market Price**” of a Unit 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 Board). In the event that the Units are not listed and posted for trading on any stock exchange, the market value shall be the fair market value of the Units as determined by the Board in its sole discretion;
- (e) “**Award Date**” means the date during the year in which Deferred Units are granted;
- (f) “**Board**” means the Board of Trustees of the REIT;
- (g) “**Business Day**” means a day on which there is trading on the Toronto Stock Exchange or such other stock exchange on which the Units are then listed and posted for trading, and if none, a day that is not Saturday or Sunday or a national legal holiday in Ontario;
- (h) “**Change of Control**” means the occurrence of:
 - (i) the acquisition or continued ownership of Units and/or securities (“**Convertible Securities**”) convertible into, exchangeable for or representing the right to acquire Units as a result of which a person, group of persons or persons acting jointly or in concert or persons associated or affiliated (within the meaning of the *Business Corporations Act* (Ontario)) with any such person, group of persons or any of such persons acting jointly or in concert (collectively, “**Acquirors**”) beneficially own Units and/or Convertible Securities such that, assuming only the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, Acquirors would beneficially own Units that would entitle the holders thereof to cast more than 25% of the votes cast attaching to all Units that may be cast to elect members of the Board; and
 - (ii) exercise of voting power over all or any such Units so as to cause or result in the election of two or more trustees of the REIT who were not Incumbent Trustees;
- (i) “**Code**” shall mean the *United States Internal Revenue Code* of 1986, as amended from time to time and any successor thereto;
- (j) “**Compensation Committee**” means the Human Resources and Compensation Committee of the Board;
- (k) “**Deferred Unit**” means a bookkeeping entry, equivalent in value to a Unit, credited to a Participant’s Deferred Unit Account in accordance with the terms and conditions of the Plan and for greater certainty consists of both Granted DUs and Elected DUs;
- (l) “**Deferred Unit Account**” has the meaning ascribed in Section 8.02;
- (m) “**DRIP**” has the meaning ascribed in Section 8.03;
- (n) “**Elected Amount**” means such portion of the Trustee Fees as an Electing Person elects to receive in Elected DUs;
- (o) “**Elected DUs**” has the meaning ascribed thereto in Section 6.01;
- (p) “**Electing Person**” has the meaning ascribed thereto in Section 6.02;
- (q) “**Election Date**” means the date on which the Trustee files an Election Notice in accordance with Section 6.02;
- (r) “**Election Notice**” has the meaning ascribed thereto in Section 6.02;
- (s) “**Granted DUs**” has the meaning ascribed thereto in Section 5.02;

- (t) “**Incumbent Trustee**” means any member of the Board who was a member of the Board immediately prior to a Change of Control and any successor to an Incumbent Trustee who is recommended or elected or appointed to succeed an Incumbent Trustee by the affirmative vote of the REIT when that affirmative vote includes the affirmative vote of a majority of Incumbent Trustees then on the Board;
- (u) “**Insider**” has the meaning given to such term in the TSX company manual, as such manual may be amended, supplemented or replaced from time to time;
- (v) “**Officer**” means an executive or senior management employee of the REIT or any of its Subsidiaries;
- (w) “**Participant**” has the meaning ascribed thereto in Section 5.01;
- (x) “**Plan**” means this Deferred Unit Plan;
- (y) “**Redemption Date**” has the meaning ascribed thereto in Section 10.02;
- (z) “**REIT**” means RioCan Real Estate Investment Trust;
- (aa) “**Security Based Compensation Arrangement**” means an option, option plan, employee unit purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Units to one or more directors, Trustees or Officers of the REIT or any Subsidiary, current or past full-time or part-time employees of the REIT or any Subsidiary, Insiders or service providers or consultants of the REIT or any Subsidiary including a Unit purchase from treasury by one or more Trustees, Officers, directors or officers of any Subsidiary, current or past full-time or part-time employees of the REIT or any Subsidiary, Insiders or service providers or consultants of the REIT or any Subsidiary which is financially assisted by the REIT or any Subsidiary by way of a loan, guarantee or otherwise;
- (bb) “**Section 409A of the Code**” shall mean Section 409A of the Code, the Treasury Regulations promulgated thereunder as in effect from time to time, and related guidance as may be amended from time to time;
- (cc) “**Separation from Service**” shall have the meaning given to such phrase in Treasury Regulation § 1.409A-1(h);
- (dd) “**Subsidiary**” means any entity controlled by the REIT;
- (ee) “**Trustee**” means a non-employee trustee of the REIT;
- (ff) “**Trustee Fees**” means the annual retainer (including fees for serving as Chair of the Board or a committee of the Board) and meeting fees paid by the REIT to a Trustee in a calendar year for service on the Board;
- (gg) “**TSX**” means the Toronto Stock Exchange;
- (hh) “**Unit**” means a unit of the REIT that is not a preferred unit; and
- (ii) “**Unitholder**” means a holder of Units.

ARTICLE 3 CONSTRUCTION AND INTERPRETATION

- 3.01 The effective date of the Plan is May 28, 2014. The Plan shall be governed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 3.02 If any provision of the Plan or part hereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part hereof.
- 3.03 In the Plan, references to any gender include all genders; reference to the singular shall include the plural and vice versa, as the context shall require.
- 3.04 Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained.

ARTICLE 4 ADMINISTRATION

- 4.01 The Plan shall be administered by the Board and Compensation Committee.
- 4.02 The Compensation Committee is authorized, subject to the provisions of the Plan, to establish such rules and regulations as it deems necessary for the proper administration of the Plan, and to make determinations and take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or action made or taken pursuant to the Plan, including interpretation of the Plan, shall be final and conclusive for all purposes and binding on all parties, absent manifest error.
- 4.03 The REIT will be responsible for all costs relating to the administration of the Plan.

4.04 The Compensation Committee may review and confirm the terms of the Plan from time to time and the Board may, upon recommendation of the Compensation Committee and subject to applicable stock exchange rules, amend or suspend the Plan in whole or in part as well as terminate the Plan without prior notice as it deems appropriate; provided, however, that any amendment to the Plan that would, among other things, result in any increase in the number of Deferred Units issuable under the Plan or permit Deferred Units granted under the plan to be transferable or assignable other than for normal estate settlement purposes will be subject to the approval of Unitholders.

For greater certainty, the Board may at any time and from time to time, without Unitholder approval, amend any provision of the Plan, including, without limitation:

- (a) for the purpose of making formal, minor or technical modifications to any of the provisions of the Plan, including amendments of a "housekeeping" nature;
- (b) to correct any ambiguity, defective provision, error or omission in the provisions of the Plan;
- (c) to amend the vesting provisions of the Deferred Units;
- (d) to change the termination provisions of Deferred Units or the Plan; or
- (e) any other amendment that does not require unitholder approval under applicable laws or the rules of the TSX;

provided, however, that no such act shall diminish any rights accrued in respect of grants of Deferred Units made prior to the effective date of such amendment.

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

4.05 Unless otherwise determined by the Compensation Committee, the Plan shall remain an unfunded obligation of the REIT and the rights of Participants under the Plan shall be general unsecured obligations of the REIT.

4.06 A Participant shall be solely responsible for all federal, provincial, state and local taxes resulting from his or her participation in the Plan. In this regard, the REIT shall be able to deduct from any payments hereunder (whether in the form of securities or cash) or from any other remuneration otherwise payable to a Participant any taxes that are required to be withheld and remitted or to require the Participant, as a condition to receiving entitlements under the Plan, to make arrangements satisfactory to the REIT to enable the REIT to satisfy its withholding obligations. Each Participant agrees to indemnify and save the REIT harmless from any and all amounts payable or incurred by the REIT or any of its Subsidiaries if it is subsequently determined that any greater amount should have been withheld in respect of taxes or any other statutory withholding.

ARTICLE 5 PARTICIPATION AND REGULAR GRANTS

5.01 Trustees of the REIT are participants in the Plan ("**Participants**").

5.02 Participants may be awarded Deferred Units from time to time at the discretion of the Board, on the recommendation of the Compensation Committee ("**Granted DUs**"), up to a maximum amount not to exceed that number which is equal to \$150,000 per year divided by the Average Market Price of a Unit on the Award Date.

5.03 Nothing herein contained shall be deemed to give any person the right to be retained as a Trustee, Officer, employee or service provider of the REIT and its Subsidiaries.

ARTICLE 6 ELECTIONS BY TRUSTEES

6.01 Subject to Section 6.02, a Participant may, subject to the conditions stated herein, elect to receive up to 100% of his or her Trustee Fees otherwise payable in cash, in the form of Deferred Units ("**Elected DUs**" and together with the Granted DUs, shall all be considered Deferred Units). The Award Date for Elected DUs shall be the date that a Participant would have received the Trustee Fees otherwise payable in cash.

6.02 Each Participant that elects to receive Elected DUs (each, an "**Electing Person**") will be required to file a notice of election in the form of Schedule A-1 hereto (the "**Election Notice**") with the Chief Financial Officer of the REIT: (i) in the case of an existing Trustee, by December 31st in the year prior to the year to which such election is to apply (other than for the Trustee Fees payable for the 2014 financial year, in which case the existing Trustee shall file the Election Notice by the date that is 30 days from the effective date of the Plan with respect to compensation paid for services to be performed after such date); and (ii) in the case of a newly appointed Trustee, within 30 days of such appointment with respect to compensation paid for services to be performed after such date. If no election is made within the foregoing time frames, the Trustee shall be deemed to have elected not to receive any Elected DUs and to be paid his or her Trustee Fees entirely in cash.

- 6.03 Subject to Section 6.04, the election of a Trustee to be an Electing Person shall be deemed to apply to such proportion of the Trustee Fees set out in the Election Notice, paid subsequent to the filing of the Election Notice, and such Trustee is not required to file another Election Notice.
- 6.04 Each Electing Person is entitled once per calendar year to terminate his or her Election Notice by filing with the Chief Financial Officer of the REIT a notice in the form of Schedule A-2 hereto electing to terminate the receipt of Elected DUs. Such election shall be effective 30 days following receipt. Thereafter, any portion of such Trustee's Trustee Fees otherwise payable in cash and payable or paid in the same calendar year and, subject to complying with Section 6.02, all subsequent calendar years shall be paid in cash. For greater certainty, to the extent a Trustee terminates his or her Election Notice, he or she shall not be entitled to become an Electing Person again until the calendar year following the year in which the termination notice is delivered.
- 6.05 Any Deferred Units granted under the Plan prior to the effective date of the election shall remain in the Plan and will be redeemable only in accordance with the terms of the Plan.

ARTICLE 7 DEFERRED UNITS

- 7.01 Under no circumstances shall Deferred Units be considered Units nor entitle a Participant to any rights as a Unitholder, including, without limitation, voting rights, distribution entitlements (other than in accordance herewith) or rights on liquidation.
- 7.02 One (1) Deferred Unit is economically equivalent to one (1) Unit. Fractional Units are permitted under the Plan.
- 7.03 Deferred Units granted to Trustees pursuant to the terms of this Plan will vest immediately upon grant, including Additional Deferred Units credited to a Participant's account in connection with cash distributions pursuant to Section 8.03.

ARTICLE 8 DEFERRED UNIT GRANTS AND ACCOUNTS

- 8.01 The number of Deferred Units (including fractional Deferred Units) granted at any particular time pursuant to this Plan will be equal to (i) the Elected Amount in respect of Trustee Fees, as determined by a Trustee divided by the Average Market Price of a Unit on the Award Date, plus (ii) the Granted DUs, if any, granted to such Trustee.
- 8.02 An account, to be known as a "Deferred Unit Account" shall be maintained by the REIT for each Participant and will be credited with grants of Deferred Units received by a Participant from time to time.
- 8.03 Whenever cash distributions are paid on the Units, additional Deferred Units will be credited to the Participant's Deferred Unit Account ("**Additional Deferred Units**"). The number of such Additional Deferred Units to be credited to a Participant's Deferred Unit Account in respect of a cash distribution paid on the Units shall be calculated in a manner consistent with the REIT's Distribution and Reinvestment Plan ("**DRIP**") by dividing the amount which is equal to the aggregate distributions that would have been paid to such Participant if the Deferred Units in the Participant's Deferred Unit Account had been Units divided by the average market price (as such term is defined and used in the DRIP, for greater certainty prior to taking into account any discount to such price contemplated in the DRIP) on the distribution payment date.
- 8.04 For greater certainty, the number of Deferred Units credited to a Participant's Deferred Unit Account shall count towards that Participant's ownership requirements as prescribed from time to time by the Board.

ARTICLE 9 ADJUSTMENTS

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

ARTICLE 10 REDEMPTION AND TERMINATION OF DEFERRED UNITS

- 10.01 The Deferred Units (or a portion thereof) shall be redeemable by the Participant (or, where the Participant has died, his or her estate) on or after the date (the "**Termination Date**") on which the Participant ceases to be a Trustee, provided any such redemption date is not later than two years following the date the Participant ceases to be a Trustee. For greater

certainty, in the event that a Participant (or his or her estate) has not redeemed his or her Deferred Units prior to the date that is two years following the Termination Date, such Deferred Units shall be automatically redeemed on the date that is two years following the Termination Date without any action required on the part of the Participant (or his or her estate).

- 10.02 For Participants that are Canadian residents and are not U.S. taxpayers, the Deferred Units credited to a Participant's Deferred Unit Account may be redeemed in whole or in part for Units issued from treasury or, to the extent elected by the Participant in his or her sole discretion, for cash, on the date on which the Participant files a written notice of redemption in the form of Schedule C hereto with the Chief Financial Officer of the REIT (the "**Redemption Date**").
- 10.03 For Participants that are U.S. taxpayers, the Deferred Units credited to a Participant Deferred Unit Account will be redeemed automatically for Units issued from treasury or, to the extent elected by the Participant in his or her sole discretion, for cash, upon the Trustee's Separation from Service.
- 10.04 Subject to (i) the provisions of the Plan, and (ii) the receipt by CDS Clearing and Depository Services Inc. of the Participant's brokerage account information from his or her securities broker to the extent required, the REIT shall issue and the Participant shall receive, within five (5) business days after the Redemption Date, either (a) a whole number of Units from the REIT equal to the whole number of Deferred Units then recorded in the Participant's Deferred Unit Account, or (b) to the extent elected by the Participant in his or her sole discretion, a cash payment equal to the Redemption Value, in each case after satisfying any Applicable Withholding Taxes.
- 10.05 At the time of redemption fractional Deferred Units shall be rounded down, and no payment shall be made to the Participant with respect to the fractional Deferred Units standing to the Participant's credit after the maximum number of whole Units due to such Participant have been issued by the REIT.
- 10.06 Upon payment in full of the value of the Deferred Units, the Deferred Units shall be cancelled.
- 10.07 Notwithstanding the provisions of Section 10.06, the Board may, in its sole and absolute discretion, subject to applicable laws, at any time prior to or following the events contemplated in Section 10.06, permit the exercise of any or all Deferred Units held by the Participant in the manner and on the terms authorized by the Board.

ARTICLE 11 NUMBER OF UNITS

- 11.01 The maximum number of Units reserved for issuance under this Plan at any time shall be 750,000. Notwithstanding the above, subject to applicable law or the requirements of the TSX or any other stock exchange upon which the Units are listed and any Unitholder or other approval which may be required, the Board may, in its discretion, amend this Plan to increase such limit without notice to Participants, subject to Unitholder approval. If any Deferred Unit granted under this Plan is terminated, expired or is cancelled, new Deferred Units may thereafter be granted covering such Units, subject to any required prior approval by the TSX or other stock exchange upon which the Units are listed. At all times, the REIT will reserve and keep available a sufficient number of Units to satisfy the requirements of all outstanding Deferred Units granted under this Plan.
- 11.02 The maximum aggregate number of Units that may be subject to grants of Deferred Units under this Plan to any one Participant during any 12-month period shall be no greater than 5% of the issued and outstanding Units.
- 11.03 The maximum aggregate number of Units issuable under this Plan to Insiders at any time, including those Units issuable under any other Security Based Compensation Arrangement, shall not exceed 10% of the issued and outstanding Units on a non-diluted basis as of the Award Date of such Deferred Units and the maximum aggregate number of Units that may be issued pursuant to Deferred Units to such Insiders during any 12-month period, including those Units issuable under any other Security Based Compensation Arrangement, shall not exceed 10% of the issued and outstanding Units on a non-diluted basis.
- 11.04 No Deferred Unit may be granted if such grant would have the effect of causing the total number of Units subject to Deferred Units to exceed the total number of Units reserved for issuance pursuant to the exercise of Deferred Units as set forth in Section 11.01.

ARTICLE 12 ASSIGNMENT

- 12.01 In no event may the rights or interests of a Participant under the Plan be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law.
- 12.02 Rights and obligations under the Plan may be assigned by the REIT to a successor in the business of the REIT.

ARTICLE 13 COMPLIANCE WITH APPLICABLE LAWS

- 13.01 The administration of the Plan shall be subject to and performed in conformity with all applicable laws, regulations, orders of governmental or regulatory authorities and the requirements of any stock exchange on which the Units are listed. Should the Compensation Committee, in its sole discretion, determine that it is not desirable or feasible to provide for the redemption of Deferred Units in Units pursuant to the provisions of Article 10, including by reason of any such laws, regulations, rules, orders or requirements, it shall notify the Participants of such determination and on receipt of such notice each Participant shall have the option of electing that such redemption obligations be satisfied by means of a cash payment by the REIT equal to the Average Market Price of the Units that would otherwise be delivered to a Participant in settlement of Deferred Units on the Redemption Date (less any Applicable Withholding Taxes). Each Participant shall comply with all such laws, regulations, rules, orders and requirements, and shall furnish the REIT with any and all information and undertakings, as may be required to ensure compliance therewith.
- 13.02 The REIT intends that the Plan and all Deferred Units be construed to avoid the imposition of additional taxes, interest, and penalties pursuant to Section 409A of the Code. Notwithstanding the REIT's intention, in the event any Deferred Unit is subject to such additional taxes, interest or penalties pursuant to Section 409A of the Code, the Board or the Compensation Committee, as applicable, may, in their sole discretion and without a Participant's prior consent, amend the Plan, adopt policies and procedures, or take any other actions (including amendments, policies, procedures and actions with retroactive effect) as are necessary or appropriate to (a) exempt the Plan and/or any Deferred Unit from the application of Section 409A of the Code, (b) preserve the intended tax treatment of any such Deferred Unit, or (c) comply with the requirements of Section 409A of the Code, including without limitation any such regulations, guidance, compliance programs, and other interpretative authority that may be issued after the date of the grant. In no event shall the REIT or any of its affiliates be liable for any additional tax, interest or penalties that may be imposed on a Participant under Section 409A of the Code or any damages for failing to comply with Section 409A of the Code. To the extent a Participant who is a U.S. taxpayer is a "specified employee" within the meaning of Treasury Regulation § 1.409A-1(i)(1) upon the Participant's Separation from Service, any amount payable upon such Separation from Service pursuant to a redemption under Article 10 will be delayed to the earliest Business Day following the end of the sixth month period from the date of such Participant's Separation from Service. Notwithstanding any provision in the Plan to the contrary, the timing of redemptions set forth in Article 10 with respect to U.S. taxpayers may be modified by the Compensation Committee as provided in Treasury Regulation § 1.409A-3(j)(4)(ix) with respect to the termination of a deferred compensation arrangement.

ARTICLE 14 NON-RECOURSE

- 14.01 Obligations created hereunder and any liability which arises in any manner whatsoever and of or in connection with this Plan are not personally binding upon, nor shall resort be had to, nor shall recourse or satisfaction be sought from, the private property of any trustee or officer of the REIT, any holder of units of the REIT, or annuitants under a plan of which a holder of units of the REIT acts as a trustee or carrier, but only the property of the REIT from time to time or a specific portion thereof shall be bound.

SCHEDULE A-1

RIOCAN REAL ESTATE INVESTMENT TRUST
DEFERRED UNIT PLAN (THE "PLAN")

ELECTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Plan, I hereby elect to receive _____ % of my Trustee Fees otherwise payable in cash, as applicable, in the form of Deferred Units in lieu of cash.

I confirm that:

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

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

Date: _____

(Name of Participant)

(Signature of Participant)

SCHEDULE A-2

RIOCAN REAL ESTATE INVESTMENT TRUST
DEFERRED UNIT PLAN (THE "PLAN")

ELECTION TO TERMINATE RECEIPT OF ELECTED DEFERRED UNITS

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A-1 to the Plan, I hereby elect that no portion of the Trustee Fees otherwise payable in cash, as applicable, accrued after the date hereof shall be paid in Deferred Units in accordance with the terms of the Plan.

I understand that the Deferred Units already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: _____

(Name of Participant)

(Signature of Participant)

Note: An election to terminate receipt of Elected DUs can only be made by a Participant once in a calendar year.

SCHEDULE A-3

RIOCAN REAL ESTATE INVESTMENT TRUST
DEFERRED UNIT PLAN (THE "PLAN")

REDEMPTION NOTICE FOR CANADIAN RESIDENTS

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

I hereby advise RioCan Real Estate Investment Trust (the "**REIT**") that I wish to redeem _____ of the Deferred Units credited to my account under the Plan in accordance with the terms of the Plan in the form of [Units of the REIT/cash].

Date: _____

(Name of Participant)

(Signature of Participant)

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

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APPENDIX C – PERFORMANCE EQUITY UNIT PLAN

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APPENDIX C – PERFORMANCE EQUITY UNIT PLAN

1. PURPOSE

- 1.1 The Plan is hereby established for the purpose of advancing the interests of the REIT and its unitholders by (i) providing to designated officers and key employees of the REIT a performance incentive to recognize extraordinary achievement beyond the ordinary course of business of the REIT; and (ii) providing a performance incentive to new officers and key employees, thereby promoting the alignment of interests between officers and key employees and the unitholders of the REIT.

2. DEFINITIONS

- 2.1 In the Plan, the following terms shall have the following meanings:

- (a) “**Adjusted Award**” has the meaning set forth in Section 6.2;
- (b) “**Administrators**” refers to the Human Resources and Compensation Committee or such other persons as may be designated by the Board from time to time;
- (c) “**Affiliate**” when used to indicate a relationship with a person means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;
- (d) “**Average Market Price**” means the volume weighted average trading price in Canadian dollars (calculated by dividing the total value by the total volume of Units traded on the TSX during the relevant period) of the Units on the TSX for the five trading days immediately preceding the relevant date; provided that if the Units are not then traded on the TSX, the “**Average Market Price**” shall be the 5-day volume weighted average trading price in Canadian dollars of the Units on the over-the-counter market in Toronto, and provided that if the Units are not then traded on any public market, the Board in its sole discretion but subject to compliance with the TSX Rules shall determine “**Average Market Price**” at the relevant date;
- (e) “**Award**” means the PEUs granted to an Eligible Individual under the Plan on a Grant Date, evidenced by a participation agreement and subject to the terms and conditions of the Plan and the participation agreement;
- (f) “**Board**” means the board of trustees of the REIT;
- (g) “**Business Day**” means each day other than a Saturday, Sunday or statutory holiday in Toronto, Ontario, Canada;
- (h) “**CEO**” means the Chief Executive Officer of the REIT;
- (i) “**Control Change**” means the occurrence of:
 - (i) the acquisition or continued ownership of Units and/or securities (“**Convertible Securities**”) convertible into, exchangeable for or representing the right to acquire Units as a result of which a person, group of persons or persons acting jointly or in concert or persons associated or affiliated (within the meaning of the *Business Corporations Act* (Ontario)) with any such person, group of persons or any of such persons acting jointly or in concert (collectively, “**Acquirors**”) beneficially own Units and/or Convertible Securities such that, assuming only the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, Acquirors would beneficially own Units that would entitle the holders thereof to cast more than 25% of the votes cast attaching to all Units that may be cast to elect members of the Board of Trustees; and
 - (ii) exercise of voting power over all or any such Units so as to cause or result in the election of two or more trustees of the REIT who were not Incumbent Trustees;
- (j) “**Distribution Equivalents**” has the meaning set forth in Section 5.3;
- (k) “**DRIP**” has the meaning set forth in Section 5.3;
- (l) “**DRIP Price**” has the meaning set forth in Section 5.3;
- (m) “**Eligible Individual**” means certain officers and key employees of the REIT and its Subsidiaries as may be selected by the CEO and approved by the Administrators from time to time. For clarification, the receipt of a PEU grant in the past does not qualify an employee to PEU grants in future years;
- (n) “**Entity**” means a natural person, corporation, body corporate, limited liability company, unlimited liability company, partnership, limited liability partnership, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity, and pronouns having a similar extended meaning;
- (o) “**Financial Statement Approval Date**” means, for a given fiscal year of the REIT, the date that the Board approves the audited financial statements of the REIT for such fiscal year, but in no event shall a Financial Statement Approval Date for a given fiscal year be later than the last Business Day of the immediately following fiscal year;

- (p) “**Good Reason**” shall have the meaning set forth in a Participant’s written employment agreement with the REIT or one of its Subsidiaries (if a Participant does not have a written employment agreement or such agreement does not include the concept of “Good Reason”, then this term shall mean any act or omission by the REIT or one of its Subsidiaries, as applicable which would be considered tantamount to constructive dismissal at common law);
- (q) “**Grant Date**” means the date a PEU is granted to a Participant under the Plan;
- (r) “**Grant Price**” means the Average Market Price immediately prior to the start of a Performance Period;
- (s) “**Incumbent Trustee**” means any member of the Board who was a member of the Board immediately prior to a Control Change and any successor to an Incumbent Trustee who is recommended or elected or appointed to succeed an Incumbent Trustee by the affirmative vote of the Trust when that affirmative vote includes the affirmative vote of a majority of Incumbent Trustees then on the Board;
- (t) “**Just Cause**” shall have the meaning set forth in a Participant’s written employment agreement with the REIT or one of its Subsidiaries (if a Participant does not have a written employment agreement or such agreement does not include the concept of “Just Cause”, then this term shall mean any act or omission by the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee);
- (u) “**Participant**” means an Eligible Individual who receives a grant of PEUs in accordance with this Plan;
- (v) “**Payment Date**” has the meaning set forth in Section 8.1;
- (w) “**Performance Adjustment Factor**” has the meaning set forth in Section 3.1(e);
- (x) “**Performance Measures**” has the meaning set forth in Section 3.1(e);
- (y) “**Performance Period**” has the meaning set forth in Section 3.1(d);
- (z) “**Permanent Disability**” shall have the same meaning as “Disability” or “Incapacity to Work”, as the case may be, as set forth in a Participant’s written employment agreement with the REIT or one of its Subsidiaries (if a Participant does not have a written employment agreement or such agreement does not include the concept of “Disability” or “Incapacity to Work”, then this term shall mean incapacity due to a physical or mental illness which is determined by the REIT to cause a permanent impairment in the ability of the Participant to perform his or her duties);
- (aa) “**PEU**” means the performance equity units to be issued under the Plan, with each PEU notionally representing the value of one Unit;
- (bb) “**PEU Account**” has the meaning set forth in Section 5.2;
- (cc) “**Plan**” means this Performance Equity Unit Plan, as amended or restated from time to time;
- (dd) “**Plan Year**” means the fiscal year in respect of which the PEUs are granted;
- (ee) “**Pro Rata Award**” has the meaning set forth in Section 9.1;
- (ff) “**Pro Rata Portion**” means, in respect of each individual grant of PEUs for a particular Performance Period, the percentage of PEUs deemed to be earned by a Participant to the date of the calculation of the Pro Rata Portion, calculated as follows:

$$\frac{\text{Days of employment within a Performance Period (inclusive of Saturday, Sunday or holidays within a Performance Period)}}{\text{Number of days in a Performance Period}}$$

- (gg) “**Retire**” or “**Retirement**” means the cessation of employment as a result of the Participant providing written notice of retirement to the REIT;
- (hh) “**REIT**” means RioCan Real Estate Investment Trust;
- (ii) “**Securities Act**” means the *Securities Act* (Ontario);
- (jj) “**Subsidiary**” has the meaning ascribed thereto in the Securities Act and “**Subsidiaries**” shall have a corresponding meaning;
- (kk) “**Trading Day**” means any date on which the TSX is open for the trading of Units;
- (ll) “**TSX**” means the Toronto Stock Exchange;
- (mm) “**Unit**” means a unit of the REIT;
- (nn) “**Vested PEUs**” has the meaning set forth in Section 7.1; and
- (oo) “**Vesting Date**” means the date upon which the Vested PEUs vest to a Participant pursuant to Section 7.1 hereof, or on a date as otherwise determined by the Administrators.

3. ADMINISTRATION

- 3.1 The Plan shall be administered by the Administrators. Subject to the limitations of the Plan, the Administrators shall have the power and authority to:
- (a) adopt rules and regulations for implementing the Plan;
 - (b) determine the eligibility of persons to participate in the Plan, based on a list of Eligible Individuals;
 - (c) determine the number of PEUs to be granted to Eligible Individuals and the Grant Date;
 - (d) determine the term of PEUs, which shall commence on January 1 in the year of the Grant Date and which shall in no event extend beyond December 31 of the second calendar year following the Plan Year (the “**Performance Period**”);
 - (e) annually determine, for recommendation to the Board for approval, performance measures for the Plan (the “**Performance Measures**”), which shall consist of a defined metric or set of metrics and performance objectives and an adjustment factor (the “**Performance Adjustment Factor**”) that is linked to the achievement of thresholds set out in the Performance Measures, both of which shall apply during the relevant Performance Period and both of which shall be set out as an appendix to each participation confirmation as contemplated in Section 4.2 below;
 - (f) interpret and construe the provisions of the Plan;
 - (g) subject to regulatory requirements, make exceptions to the Plan in circumstances which they determine to be exceptional; and
 - (h) make all other determinations and take all other actions as they determine to be necessary or desirable to implement, administer and give effect to the Plan, subject to Sections 12 and 19.
- 3.2 All decisions and determinations of the Administrators respecting the Plan shall be binding and conclusive on the Plan and the Participants.
- 3.3 The REIT shall keep or cause to be kept such records and accounts as may be necessary or appropriate in connection with the administration of the Plan. At such times as the REIT shall determine, the REIT shall furnish each Participant with a statement setting forth the details of the PEUs credited to each Participant in his or her PEU Account. Such statement shall be deemed to have been accepted by the Participant as correct unless written notice to the contrary is given to the REIT within 30 days after such statement is given to the Participant. Participants shall not be entitled to receive any certificate evidencing PEUs.
- 3.4 The REIT may, at its sole discretion, appoint one or more persons or companies to provide services in connection with the Plan including, without limitation, trustee, administrative and record-keeping services.

4. PARTICIPATION CONFIRMATION

- 4.1 Eligible Individuals as are approved by the Administrators shall be entitled to participate in the Plan. The Administrators or the CEO, as applicable, are not obligated to grant any PEUs to any specific individual or to continue granting PEUs to any Participant once such grants have commenced. Neither the designation of an individual as an Eligible Individual nor the grant of any PEUs to any Participant entitles any Eligible Individual to the grant, or any additional grant, as the case may be, of any PEUs under the Plan.
- 4.2 Each participation confirmation agreement shall set out the particular Performance Measures and Performance Adjustment Factor, if any, and for the first grant of PEUs to a Participant, an illustrative example of the provisions set forth in Section 9 hereof, with respect to the particular grant of PEUs that is the subject of the participation confirmation. For greater certainty, the illustrative example to be included in a participation confirmation for a Participant’s first grant of PEUs will be illustrative only of the mechanics of the Plan and will not be updated for subsequent participation confirmation agreements unless the components of the particular Performance Measures change materially, as the Administrators shall determine in their sole discretion.

5. PEU GRANTS AND ACCOUNTS

- 5.1 Grants of PEUs under this Plan will be made at such times and in such amounts as determined by the Board, in its sole discretion, on the recommendation of the Administrators, or by the CEO, as applicable, pursuant to Section 4.1 hereof. Fractional PEUs, to two decimal places, may be credited under the Plan. All PEUs granted hereunder shall be evidenced by a participation confirmation agreement between the REIT and the Participant to be furnished to each Participant, which confirmation shall be substantially in the form attached hereto as Schedule “A”.
- 5.2 An account, to be known as the “**PEU Account**”, shall be maintained by the REIT for each Participant that will show the PEUs granted to a Participant from time to time, together with the relevant terms of the PEUs granted.

5.3 Whenever distributions are paid on Units, additional PEUs will be credited to such Participant's PEU Account ("**Distribution Equivalents**"). The number of such Distribution Equivalents (including fractions computed to two decimal places) to be credited to a Participant's PEU Account in respect of a cash distribution paid on the Units shall be calculated in a manner consistent with the REIT's Distribution and Reinvestment Plan ("**DRIP**") by dividing the amount which is equal to the aggregate distributions that would have been paid to such Participant if the PEUs in the Participant's PEU Account had been Units divided by the average market price as such term is calculated under the REIT's DRIP, for greater certainty prior to taking into account any discount to such price contemplated in the DRIP (the "**DRIP Price**") on the distribution payment date. Distribution Equivalents will accumulate during the Performance Period, rounded to the nearest two decimal places, and will vest and be subject to the same terms and Performance Measures and Performance Adjustment Factor as the original grant of PEUs to which they relate.

6. CALCULATION OF ADJUSTED AWARD

6.1 In determining whether the Performance Measures have been met or exceeded for a particular grant, the Administrators will use the Performance Adjustment Factor based on thresholds set out in the Performance Measures attached to such grant of PEUs. The Administrators shall provide a schedule to each Participant for each Performance Period that links levels of performance to a related Performance Adjustment Factor. Results in between thresholds will be interpolated or calculated by other methods, as determined by the Administrators in their sole discretion.

6.2 On the applicable Financial Statement Approval Date which follows each Performance Period, and prior to the vesting of each Participant's PEUs for such Performance Period in accordance with Section 7 hereof, an adjusted award of PEUs (the "Adjusted Award") shall be calculated as follows:

$$\text{Adjusted Award} = \text{PEUs in an individual's PEU Account*} \times \text{Performance Adjustment Factor for such Individual**}$$

* *Includes, for greater certainty, any PEUs credited pursuant to Section 5.3 hereof on or after the date on which the PEUs are initially granted.*

** *Calculated in accordance with Section 6.1 above.*

and the PEUs in each Participant's PEU Account shall be adjusted accordingly to correspond to the Adjusted Award.

7. VESTING OF PEUS

7.1 Except as otherwise specified herein, a Participant's Award shall vest (such PEUs may hereinafter be referred to as "**Vested PEUs**") on the Financial Statement Approval Date for the last year of the applicable Performance Period, following the determination of the Adjusted Award.

7.2 Any PEUs for a Performance Period that do not vest because the Performance Adjustment Factor is zero shall expire and be of no further force or effect as of the Vesting Date.

7.3 Notwithstanding anything herein to the contrary, the Board, in its sole discretion, may on the Grant Date impose additional vesting requirements to any particular grant of PEUs as required.

8. REDEMPTION OF VESTED PEUS

8.1 On a date selected by the Administrators, which shall be within 30 days after the Vesting Date, but no later than December 31 of the third calendar year following the Plan Year of the applicable PEUs (the "**Payment Date**"), and, in accordance with Section 14, a Participant's Vested PEUs shall be redeemed and the REIT shall make a payment of a lump sum cash amount less any applicable withholding taxes that are required to be withheld and remitted to a Participant on the Payment Date (a "**PEU Payment**"). The amount of such PEU Payment shall be determined by multiplying the Vested PEUs by the Average Market Price as of the first day following the Financial Statement Approval Date which is preceded by five consecutive trading days for which no blackout (being a period during which there are restrictions imposed on members of the Board or officers of the Trust from trading in Units) is in effect, subject to any applicable statutory withholdings or deductions.

8.2 A Participant shall have no further rights respecting any PEU that has been redeemed in accordance with this Section 8.

8.3 Notwithstanding any other provision of this Plan, in no circumstances shall any amounts to which a Participant may be entitled under this Plan be distributed to such Participant on a date which is later than December 31 of the third calendar year following the Plan Year.

8.4 Notwithstanding any provision to the contrary in this Plan, the Board shall have the right in their sole discretion, to make adjustments to the calculation of any grant of PEUs or any PEU Payment to account for significant events which may affect the value of the Units, including, but not limited to, acquisitions, divestitures and major changes in accounting policies, provided, however, that no such adjustment shall diminish any rights accrued in respect of grants of PEUs made prior to the effective date of the adjustment.

9. TERMINATION OF EMPLOYMENT

- 9.1 If the employment of a Participant is terminated without Just Cause or by the Executive for Good Reason, unless otherwise determined by the REIT, as of such termination date a Participant's PEU Account shall be credited with such number of PEUs that is equal to the Pro Rata Portion of the total number of PEUs (the "**Pro Rata Award**") that the Participant would be entitled to receive pursuant to the appropriate Performance Measures if the relevant Performance Period had been completed. The Pro Rata Award of PEUs' shall immediately vest upon being credited to the Participant's PEU Account and therefore be redeemed automatically and paid out promptly following vesting in accordance with the terms set out herein. Under such circumstances, the Performance Adjustment Factor to be applied for such Participant's PEUs will be based on: (i) the achievement of each Performance Measure up to the last completed fiscal year prior to termination, in respect of all PEUs granted in years prior to the year of termination; and (ii) an assumption that the target Performance Measures were achieved, in respect of all PEUs granted in the year of termination. The PEUs not included in the Pro Rata Award for such Participant shall immediately be cancelled and such Participant or, in the event of death, his or her legal representative(s), shall forfeit all rights, title and interest with respect to such non-included PEUs.
- 9.2 If the employment of a Participant is terminated by the death or Permanent Disability of a Participant, all PEUs credited to that Participant's PEU Account shall immediately vest, calculated based on the last completed fiscal year of the applicable Performance Period, and therefore be redeemed automatically upon vesting and paid out promptly following vesting in accordance with the terms set out herein in Section 8.1. Under such circumstances, in determining the PEUs to be credited to such Participant's PEU Account, the Performance Adjustment Factor to be applied for such Participant will be based on the achievement of each Performance Measure up to the last completed fiscal year of the applicable Performance Period.
- 9.3 If the employment of a Participant is terminated by the Retirement of a Participant, unless otherwise determined by the REIT, the Pro Rata Award calculated for each respective Performance Period for which PEUs have been credited to such PEU Account shall remain in such Participant's PEU Account and such PEU's shall be redeemable at the end of the relevant Performance Period as if such Participant were still an employee, subject to compliance of such Participant with any non-competition provisions in the Participant's employment agreement. Under such circumstances, the Performance Adjustment Factor to be applied for such Participant's PEUs will be based on: (i) the achievement of each Performance Measure up to the last completed fiscal year prior to termination, in respect of all PEUs granted in years prior to the year of Retirement; and (ii) an assumption that the target Performance Measures were achieved, in respect of all PEUs granted in the year of Retirement. The PEUs not included in the Pro Rata Award for such Participant shall immediately be cancelled and such Participant shall forfeit all rights, title and interest with respect to such non-included PEUs.
- 9.4 If a Participant resigns other than for Good Reason, unless otherwise determined by the REIT, all unvested PEUs credited to that Participant's PEU Account as of such date of resignation shall be forfeited by the Participant, and be of no further force and effect as of the date of resignation.
- 9.5 If a Participant is terminated for Just Cause, all unvested PEUs credited to that Participant's PEU Account as of such date of termination with Just Cause shall be forfeited by the Participant, and be of no further force and effect as of the date of termination with Just Cause.
- 9.6 For the purposes of this Section 9, a Participant's termination date shall be the date such Participant receives or delivers notice of termination and shall not include any period of statutory or common law notice of termination of employment or period of working notice or salary continuation following such Participant's termination date for vesting or any other purpose under this Plan.
- 9.7 A terminated Participant shall not be entitled to any new grants of PEUs after such Participant receives notice of termination from the REIT, regardless of whether such notice is working notice or pay in lieu thereof.
- 9.8 Notwithstanding any provision to the contrary herein, the Administrators may, at their sole discretion, provide up to the full amount of the PEUs granted with respect to any individual grant of PEUs following the termination of a Participant.

10. CONTROL CHANGE

- 10.1 Following the occurrence of a Control Change, the Plan shall continue in force in an appropriate manner, all as determined at the sole discretion of the Administrators. Under such circumstances, in determining the PEUs to be credited to each Participant's PEU Account, the Performance Adjustment Factor to be applied for each Participant's PEUs will be based on the achievement of each Performance Measure up to the date of the Control Change and on any other factors that the Administrators deem to be appropriate. Subject to Section 10.2, such PEUs shall vest and be payable to the Participants in the ordinary course pursuant to the terms set forth herein.
- 10.2 If the employment of a Participant is terminated without Just Cause or the Participant resigns for Good Reason upon or within twelve months following a Control Change, all PEUs shall immediately vest and all amounts payable under the Plan shall be paid to such Participant immediately upon such termination date. Under such circumstances, the Performance Adjustment Factor to be applied for each Participant's PEUs will be based on the achievement of each Performance Measure up to the date of the Control Change.

11. UNFUNDED PLAN

- 11.1 Unless otherwise determined by the Administrators, the Plan shall be unfunded. To the extent a Participant holds any rights by virtue of participation in the Plan, such rights (unless otherwise determined by the Administrators) shall be no greater than the rights of an unsecured general creditor of the REIT.

12. AMENDMENTS TO THE PLAN

- 12.1 The Administrators may at any time and from time to time, without unitholder approval, amend any provision of the Plan, including, without limitation:
- (a) for the purpose of making formal, minor or technical modifications to any of the provisions of the Plan, including amendments of a "housekeeping" nature;
 - (b) to correct any ambiguity, defective provision, error or omission in the provisions of the Plan;
 - (c) to amend the vesting provisions of PEUs;
 - (d) to change the termination provisions of PEUs or the Plan; or
 - (e) any other amendment that does not require unitholder approval under applicable laws or the rules of the TSX;
- provided, however, that no such act shall diminish any rights accrued in respect of grants of PEUs made prior to the effective date of such amendment.

13. NOTICES

- 13.1 All notices under the Plan shall be in writing and if to the REIT shall be delivered to the REIT by first class post to its head office, and if to a Participant, shall be delivered personally (which shall include electronic delivery to the Participant's work email address) or sent by first class post to the Participant at the address which the Participant shall give for the purpose, or failing any such address to the Participant's last known place of residence. If a notice is sent by post, service shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the same to such address and shall be deemed to be served 48 hours after such posting.

14. WITHHOLDING

- 14.1 A Participant shall be solely responsible for all federal, provincial, state and local taxes resulting from his or her receipt of cash pursuant to the Plan, except to the extent that the REIT has, directly or indirectly, withheld cash for remittance to the statutory authorities. In this regard, the REIT will deduct from any payments hereunder or from any other remuneration otherwise payable to a Participant any taxes that are required to be withheld and remitted.

15. INTERPRETATION

- 15.1 In this Plan, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

16. NO RIGHT TO PARTICIPATION IN THE PLAN

- 16.1 No Participant shall have any claim or right to receive grants under the Plan and the decision as to who will have the opportunity to participate in the Plan and the extent of such participation shall be made by the Administrators, in their sole discretion.

17. NO RIGHT OF EMPLOYMENT OR UNITHOLDER RIGHTS

- 17.1 Nothing contained in the Plan or in any PEU granted under the Plan shall confer upon any person any rights to continued employment with the REIT or any of its Subsidiaries or interfere in any way with the rights of the REIT or any of its Subsidiaries in connection with the employment or termination of employment of any such person.
- 17.2 A Participant shall not have the right or be entitled to exercise any voting rights, receive any distribution or have or be entitled to any other rights as a unitholder in respect of any PEUs.

18. NON-TRANSFERABILITY

- 18.1 A Participant shall not be entitled to transfer, assign, charge, pledge or hypothecate, or otherwise alienate, whether by operation of law or otherwise, the Participant's PEUs or any rights the Participant has in the Plan.

19. TERMINATION

19.1 The Administrators may at any time terminate the Plan provided that such termination shall not diminish any rights accrued in respect of grants of PEUs made prior to the effective date of such termination.

20. GOVERNING LAW

20.1 The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

21. SEVERABILITY

21.1 If any provision or part of any provision of the Plan is determined to be invalid, illegal or unenforceable by reason of the operation of any law or by reason of the interpretation placed thereon by an arbitrator or court of competent jurisdiction, the Plan shall be construed as not containing such provision or part of such provision and such determination shall not affect or impair or be deemed to affect or impair the validity, illegality or enforceability of any other provision or the remainder of such provision of the Plan. All other provisions of the Plan which are otherwise lawful and valid shall be interpreted in such a manner as to render them valid, legal and enforceable to the greatest extent permitted by applicable law.

22. NON-RECOURSE

22.1 Obligations created hereunder and any liability which arises in any manner whatsoever and of or in connection with this Plan are not personally binding upon, nor shall resort be had to, nor shall recourse or satisfaction be sought from, the private property of any trustee or officer of the REIT, any holder of units of the REIT, or annuitants under a plan of which a holder of units of the REIT acts as a trustee or carrier, but only the property of the REIT from time to time or a specific portion thereof shall be bound.

23. DATE OF PLAN

23.1 The Plan is instituted effective as of January 1, 2015.

SCHEDULE "A"
FORM OF PARTICIPATION CONFIRMATION AGREEMENT
CONFIRMATION

TO: ● (the "Participant")

FROM: RioCan Real Estate Investment Trust (the "Trust")

DATE: ●

RE: PEUs granted under the Performance Equity Plan of the Trust (the "Plan")

Reference is made to the Plan. Terms capitalized in this confirmation have the meanings specified in the Plan.

This confirms the following award of PEUs has been granted to the Participant and credited to the Participant's PEU Account:

Number of PEUs	=	●
Date of Grant	=	●

The PEUs granted by the Trust, as evidenced by this confirmation, shall be subject to the Performance Measures, including the Performance Adjustment Factor, as set forth in the illustrative attached hereto as Appendix 1.

Delivery of this confirmation, together with a copy of the Plan, constitutes acceptance by the Participant of all of the terms and conditions of the Plan.

RIOCAN REAL ESTATE INVESTMENT TRUST

Per: _____

Name:

Title:

Acknowledged and agreed to as of the date first stated above.

Name: ●

Participant

6290045

**APPENDIX D – CHARTER OF THE BOARD OF
TRUSTEES OF RIOCAN REAL ESTATE INVESTMENT TRUST**

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APPENDIX D – CHARTER OF THE BOARD OF TRUSTEES OF RIOCAN REAL ESTATE INVESTMENT TRUST

GENERAL

1. PURPOSE AND RESPONSIBILITY OF THE BOARD

Pursuant to the Declaration of Trust, the Trustees are responsible for supervising the activities and managing the investments and affairs of RioCan Real Estate Investment Trust (the “**Trust**”).¹ By approving this Charter, the Board confirms its responsibility for the stewardship of the Trust and its assets. This stewardship function includes responsibility for the matters set out in this Charter. The responsibilities of the Trustees described herein are pursuant to, and subject to, the Declaration of Trust and do not impose any additional responsibilities or liabilities on the Trustees at law or otherwise.

2. REVIEW OF CHARTER

The Board shall review and assess the adequacy of this Charter annually and at such other times as it considers appropriate and shall make such changes as it considers necessary or appropriate.

3. DEFINITIONS AND INTERPRETATION

3.1 Definitions

In this Mandate:

- (a) “**Applicable Laws**” means all applicable provisions of law, domestic or foreign, including, without limitation, the *Securities Act* (Ontario) as amended, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder and the applicable rules and policies of any stock exchange on which the Trust is listed;
- (b) “**Board**” means the Board of Trustees of the Trust;
- (c) “**Canadian Residents**” means resident Canadians for the purposes of the Declaration of Trust;
- (d) “**CEO**” means the chief executive officer of the Trust;
- (e) “**Chair**” means the chair of the Board;
- (f) “**Charter**” means this charter, as amended from time to time;
- (g) “**Declaration of Trust**” means the declaration of trust governing the Trust, as amended from time to time;
- (h) “**Independent**” shall be defined as such term is defined in Applicable Laws;
- (i) “**Named Executive Officer**” shall be defined as such term is defined in Applicable Laws;
- (j) “**Trust**” means RioCan Real Estate Investment Trust; and
- (k) “**Trustees**” means the trustees of the Trust.

3.2 Interpretation

This Charter is subject to and shall be interpreted in a manner consistent with the Declaration of Trust and with any applicable legislation. All terms used and not otherwise defined herein shall have the meaning ascribed thereto in the Declaration of Trust.

CONSTITUTION OF THE BOARD

4. ELECTION AND REMOVAL OF TRUSTEES

4.1 Number of Trustees

The Trust will have a minimum of five Trustees and a maximum of fifteen Trustees, with the number of Trustees from time to time within such range being fixed by resolution of the Trustees.²

4.2 Election of Trustees

Trustees shall be elected (including the reappointment of incumbent Trustees) at each annual meeting of the Unitholders, and may be elected at a special meeting of the Unitholders, in each case to hold office, subject to Section 4.4, for a term expiring at the close of the next annual meeting of the Unitholders following such an appointment.³

Each Trustee should be elected by the vote of a majority of the Units represented in person or proxy at any meeting for the election of trustees. If any nominee for election as Trustee receives, from the Units voted at the meeting in person or by proxy, a greater number of votes “withheld” than votes “for” his or her election, the Trustee will be expected to promptly tender his or her resignation to the Chairman of the Board following the meeting, to take effect upon acceptance by the Board. The Nominating and Corporate Governance Committee will expeditiously consider the Trustee’s offer to resign and make a recommendation to the

¹ Declaration of Trust – sections 3.1 and 3.2.

² Declaration of Trust – s. 2.1.

³ Declaration of Trust – s. 2.2.

Board whether to accept that offer. Within 90 days of the meeting of Unitholders, the Board will make a final decision concerning the acceptance of the Trustee's resignation and announce that decision by way of a news release. A Trustee's resignation will become effective immediately upon acceptance by the Board. If the Board does not accept the resignation, the news release must fully state the reasons for such decision. Any Trustee who tenders his or her resignation will not participate in the deliberations of the 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 Trustee nominees does not exceed the number of Trustees to be elected and where no proxy materials are circulated in support of one or more nominees who are not part of the slate supported by the Board for election at the meeting. If any Trustee fails to tender his or her resignation as contemplated in this paragraph, the Board will not re-nominate that Trustee. Subject to any restrictions in the Declaration of Trust, where the Board accepts the offer of resignation of a Trustee and that Trustee resigns, the 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 Unitholders, fill the vacancy through the appointment of a new Trustee whom the Board considers to merit the confidence of the Unitholders, or call a special meeting of Unitholders to elect a new nominee to fill the vacant position.

4.3 Vacancies

A quorum of Trustees may fill a vacancy among the Trustees, to the extent permitted under the Declaration of Trust.⁴

4.4 Ceasing to Be a Trustee⁵

A Trustee will cease to hold office when:

- (a) he or she dies or resigns;
- (b) he or she is removed in accordance with the provisions of the Declaration of Trust; or
- (c) he or she ceases to be duly qualified to act as a Trustee as set forth in the Declaration of Trust.

5. CRITERIA FOR TRUSTEES

5.1 Qualifications of Trustees

Every Trustee shall be an individual who is at least 18 years of age, has not been determined by a court to be of unsound mind and does not have the status of bankrupt.⁶

5.2 Residency

A majority of the Trustees shall be resident Canadians.⁷

5.3 Independence of Trustees

At least a majority of the Trustees shall be Independent.

5.4 Other Criteria

The Board may establish other criteria for Trustees as contemplated in this Charter.

6. BOARD CHAIR

6.1 Board to Appoint Chair

The Board shall appoint an Independent Trustee to act as Chair.

6.2 Chair to Be Appointed Annually

The Board shall appoint the Chair annually at the first meeting of the Board after a meeting of the Trust's Unitholders at which Trustees are elected. If the Board does not so appoint a Chair, the Trustee who is then serving as Chair shall continue as Chair until his or her successor is appointed.

7. INFORMATION, ADVICE AND REMUNERATION OF TRUSTEES AND RETAINING ADVISORS

7.1 Remuneration

Members of the Board and the Chair shall receive such remuneration for their service on the Board as the Board may determine from time to time, in consultation with the Human Resources and Compensation Committee of the Board.

7.2 Retaining and Compensating Advisors

Individual Trustees shall have the authority to retain at the expense of the Trust outside counsel and any other external advisors from time to time as appropriate with the approval of the Chair of the Board.

⁴ Declaration of Trust – s. 2.6.

⁵ Declaration of Trust – s. 2.5.

⁶ Declaration of Trust – s. 2.3.

⁷ Declaration of Trust – s. 2.3.

7.3 Information

The Board shall have the authority to request from management of the Trust and from other sources, such information as the Board considers necessary in order to discharge its oversight responsibilities.

MEETINGS OF THE BOARD

8. MEETINGS OF THE BOARD

8.1 Time and Place of Meetings

Meetings of the Board shall be called in the manner and at the location contemplated in the Declaration of Trust.⁸

8.2 Frequency of Board Meetings

Subject to the Declaration of Trust, the Board shall meet at least four times per year.

8.3 Quorum

A quorum for all meetings of the Trustees shall be at least 50% of the Trustees present in person, a majority of whom shall be persons who are not officers or other employees of the Trust.⁹ Any Trustee may participate in a meeting of the Trustees by means of teleconference and a Trustee so participating shall be considered to be present at that meeting.¹⁰

8.4 Secretary of the Meeting

The Chair shall designate from time to time a person who may, but need not, be a member of the Board, to be Secretary of any meeting of the Board.

8.5 Right to Vote

Subject to 9.3, each member of the Board shall have the right to vote on matters that come before the Board.

8.6 Invitees

The Board may invite any of the Trust's officers, employees, advisors or consultants or any other person to attend meetings of the Board to assist in the discussion and examination of the matters under consideration by the Board.

9. CONFLICTS OF INTEREST¹¹

9.1 Disclosure of Interest

Each Trustee shall disclose, in writing to the Trust, the nature and extent of any interest that such Trustee has in a material contract or transaction, whether made or proposed, with the Trust, if the Trustee:

- (a) is a party to the contract or transaction;
- (b) is a director or officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or
- (c) has a material interest in a party to the contract or transaction.

9.2 Time of Disclosure

- (a) Each Trustee shall disclose such interest to the Board at the first opportunity to disclose such interest. For example, the Trustee shall disclose such interest at the meeting at which the contract or transaction is first considered or, if the Trustee becomes interested at a later time, at the first meeting after which the Trustee becomes so interested or, if an interested individual later becomes a Trustee, at the first meeting after he or she becomes a Trustee.
- (b) If a material contract or transaction, whether entered into or proposed, is one that, in the ordinary course of the Trust's business, would not require approval by the Trustees, a Trustee shall disclose, in writing to the Trust, the nature and extent of such Trustee's interest immediately after he or she becomes aware of the contract or transaction.

9.3 Voting

A Trustee required to make a disclosure under paragraph 9.2(a) above shall not vote on any resolution to approve the contract or transaction unless the contract or transaction:

- (a) relates primarily to his or her remuneration as a Trustee, officer, employee or agent of the Trust or an affiliate; or
- (b) is for his or her indemnity or insurance.

⁸ Declaration of Trust – Article VII.

⁹ Declaration of Trust – s. 7.3.

¹⁰ Declaration of Trust – s. 7.5.

¹¹ Declaration of Trust – s. 3.7.

9.4 Continuing Disclosure

A Trustee may declare his or her interest in relation to a contract or transaction by a general notice to the Trustees declaring that a Trustee is to be regarded as interested, for any of the following reasons, in a contract or transaction made with a party:

- (a) the Trustee is a director or officer, or an individual acting in a similar capacity, of a party referred to in paragraphs 9.1(b) and (c) above;
- (b) the Trustee has a material interest in the party; or
- (c) where there has been a material change in the nature of the Trustee's interest in the party.

9.5 Avoidance Standards and Unitholder Confirmation

A contract or transaction for which disclosure is required under Section 9.1 above is not invalid, and the Trustee is not accountable to the Trust or its Unitholders for any profit realized from such contract or transaction, because of the Trustee's interest in the contract or transaction or because the Trustee was counted to determine whether a quorum existed at the meeting of the Board or a committee of the Board that considered the contract or transaction, if:

- (a) disclosure of the interest was made as described in this Section 9, the Trustees approved the contract or transaction, and the contract or transaction was reasonable and fair to the Trust when it was approved; or
- (b) the contract or transaction is approved or confirmed by special resolution at a meeting of Unitholders by Unitholders entitled to vote thereat, disclosure of the interest was made to Unitholders in a manner sufficient to indicate its nature before such approval or confirmation, and the contract or transaction was reasonable and fair to the Trust when it was approved or confirmed.

10. IN CAMERA SESSIONS

10.1 In Camera Sessions of Independent Trustees

Before, during an adjournment of or following the conclusion of each meeting of the Board, the Independent Trustees shall, unless the Independent Trustees determine otherwise, meet without the Trustees who are not Independent and any member of management being present, provided that any failure to do so shall not invalidate business transacted at a duly convened meeting of the Board.

10.2 Business Transacted at In Camera Sessions

The Trustees shall not transact business of the Board at an *in camera* session of Trustees.

DELEGATION OF DUTIES AND RESPONSIBILITIES

11. Delegation and Reliance

11.1 Delegation of Powers

The Trustees may appoint from among their number one or more committees and may, subject to Applicable Laws and the Declaration of Trust, delegate to such committees any of the powers of the Trustees. The Trustees may also, subject to Applicable Laws and the Declaration of Trust, delegate such powers to such of the officers of the Trust (or to other persons as the Trustees may deem appropriate) as they, in their sole discretion, may deem necessary or desirable, and define the scope of and manner in which such powers will be exercised by such persons as they may deem appropriate, without regard to whether such authority is normally granted or delegated by trustees, subject, however, to the overall supervision and control of the Trustees.

11.2 Requirement for Certain Committees

The Board shall establish and maintain the following committees of the Board, each having mandates that incorporate all applicable legal and stock exchange requirements and with such recommendations of relevant securities regulatory authorities and stock exchanges as the Board may consider appropriate:

- (a) Audit Committee;
- (b) Investment Committee;
- (c) Nominating and Governance Committee; and
- (d) Human Resources and Compensation Committee.

11.3 Composition of Committees

The Board will appoint and maintain in office members of each of its committees such that the composition of each such committee is in compliance with all Applicable Laws and with such recommendations of relevant securities regulatory authorities and stock exchanges as the Board may consider appropriate and shall require the Nominating and Governance Committee to make recommendations to it with respect to such matters.

11.4 Review of Charters

On an annual basis, the Board will review the recommendations of the Nominating and Governance Committee with respect to the charters of each committee of the Board. The Board will approve those changes to the charters that it determines are appropriate.

11.5 Reliance on Management

The Board is entitled to rely in good faith on the information and advice provided to it by the Trust's management.

11.6 Reliance on Others

The Board is entitled to rely in good faith on information and advice provided to it by advisors, consultants and such other persons as the Board considers appropriate.

11.7 Oversight

The Board retains responsibility for oversight of any matters delegated to any Trustee(s) or any committee of the Board, to management or to other persons.

DUTIES AND RESPONSIBILITIES

12. RESPONSIBILITY FOR SPECIFIC MATTERS

12.1 Responsibility for Specific Matters

The Trustees explicitly assume responsibility for the matters set out below, recognizing that these matters represent, in part, responsibilities reflected in requirements and recommendations adopted by applicable securities regulators and stock exchanges and do not limit the Trustees' responsibilities under the Declaration in Trust. The powers and authorities of the Trustees are set out in part in Schedule A to this Charter, being an extract from the Declaration of Trust.

12.2 Delegation to Committees

Whether or not specific reference is made to committees of the Board in connection with any of the matters referred to below, the Board may direct any committee of the Board to consider such matters and to report and make recommendations to the Board with respect to these matters.

13. GOVERNANCE GENERALLY

13.1 Governance Practices and Principles

The Board shall be responsible for developing the Trust's approach to governance, including, if deemed appropriate, a set of governance principles and guidelines that are specifically applicable to the Trust.

13.2 Governance Disclosure

- (a) Approval of Disclosure. The Board shall approve disclosure about the Trust's governance practices in any document before it is delivered to the Trust's Unitholders or filed with applicable securities regulators or with the stock exchanges.
- (b) Determination that Differences Are Appropriate. If the Trust's governance practices differ from those recommended by applicable securities regulators or the stock exchanges, the Board shall consider these differences and why the Board considers them to be appropriate.

13.3 Delegation to Nominating and Governance Committee

The Board may direct the Nominating and Governance Committee to consider the matters contemplated in this Section 13 and to report and make recommendations to the Board with respect to these matters.

14. RESPONSIBILITIES RELATING TO MANAGEMENT

14.1 Integrity of Management

The Board shall, to the extent feasible, reasonably satisfy itself:

- (a) as to the integrity of the CEO and other executive officers of the Trust; and
- (b) that the CEO and other executive officers of the Trust create a culture of integrity throughout the organization.

14.2 Succession Planning

The Board shall be responsible for succession planning, including appointing, training and monitoring senior management. In discharging this responsibility, the Board may:

- (a) consider recommendations of the Human Resources and Compensation Committee; and
- (b) consider recommendations of management and review and approve (as appropriate) succession plans developed by the CEO for senior management positions.

14.3 Executive Compensation Policy

- (a) Board Approval. The Board shall approve the compensation of the Named Executive Officers.
- (b) Delegation to Human Resources and Compensation Committee. The Board may direct the Human Resources and Compensation Committee to consider the matters contemplated in this Section 14.3 and to report and make recommendations to the Board with respect to these matters.

15. OVERSIGHT OF THE MANAGEMENT OF THE TRUST

15.1 Risk Management

Taking into account the reports of management and such other persons as the Board may consider appropriate, the Board shall identify the principal risks of the Trust's business and satisfy itself as to the implementation of appropriate systems to manage these risks.

15.2 Strategic Planning Process

The Board shall adopt a strategic planning process and shall approve, on at least an annual basis, a strategic plan that takes into account, among other things, the opportunities and risks of the Trust's business.

15.3 Internal Control and Management Information Systems

The Board shall review the reports of management and the Audit Committee concerning the adequacy of the Trust's internal control, disclosure controls and management information systems. Where appropriate, the Board shall require management and the Audit Committee to implement changes to such systems to ensure adequacy of such systems.

15.4 Related Party Transactions

The Board shall approve all transactions or agreements in which the Trust is involved or that the Trust proposes to enter into in respect of which a Trustee or a member of senior management has a material interest.

15.5 Communications Policies

The Board shall review and, if determined appropriate, approve a disclosure policy and such other policies as may be necessary or desirable for communicating with Unitholders, the investment community, the media, governments and their agencies, employees and the general public. All publicly disseminated materials of the Trust shall provide for a mechanism for feedback of stakeholders. Persons designated to receive such information shall be required to provide a report summarizing feedback from stakeholders to the Trustees on a semi-annual basis or at such other more frequent intervals as the Trustees require. The Board shall consider, among other things, the recommendations of management and the Nominating and Governance Committee with respect to such policies.

15.6 Whistleblower Policy

The Board will review and approve a whistleblower policy for the Trust. In adopting the whistleblower policy, the Board will consider the recommendations of the Audit Committee concerning its compliance with Applicable Laws and with such recommendations of relevant securities regulatory authorities and stock exchanges as the Board may consider appropriate.

15.7 Financial Statements

The Board shall review the recommendation of the Audit Committee with respect to the annual financial statements of the Trust to be delivered to Unitholders. If satisfactory, the Board shall approve such financial statements. If the Board has not delegated the approval of interim financial statements to the Audit Committee, the Board shall also review the recommendation of the Audit Committee with respect to the interim financial statements or other material financial disclosure of the Trust prior to its release to the public and, if satisfactory, shall approve such financial statements or other material financial disclosure.

15.8 Code of Business Conduct and Ethics

The Board will review and approve a Code of Business Conduct and Ethics for the Trust. In adopting this Code, the Board will consider the recommendations of the Nominating and Governance Committee concerning its compliance with Applicable Laws and with such recommendations of relevant securities regulatory authorities and stock exchanges as the Board may consider appropriate.

15.9 Compliance and Disclosure

The Board will direct the Nominating and Governance Committee to monitor compliance with the Code of Business Conduct and Ethics and recommend disclosures with respect thereto. The Board will consider any report of the Nominating and Governance Committee concerning these matters, and will approve, if determined appropriate, the disclosure of the Code of Business Conduct and Ethics and of any waiver granted to a Trustee or member of senior management of the Trust from complying with the Code of Business Conduct and Ethics.

15.10 Legal Counsel

The Board shall approve any change in the Trust's regular legal counsel and any retention by the Trust or of other counsel as lead counsel for material transactions or matters.

16. NOMINATION OF TRUSTEES

16.1 Nomination and Appointment of Trustees

- (a) The Board shall nominate individuals for election as Trustees by the Unitholders entitled to vote at a meeting of Unitholders and shall require the Nominating and Governance Committee to make recommendations to it with respect to such nominations.
- (b) In selecting candidates for nomination as Trustees, the Board shall:
 - (i) consider what competencies and skills the Board, as a whole, should possess;
 - (ii) assess what competencies and skills each existing and proposed new Trustee possesses; and
 - (iii) consider whether each nominee can devote sufficient time and resources to his or her duties as a Trustee.
- (c) The Board shall consider recommendations made to it by the Nominating and Governance Committee with respect to the size and composition of the Board.

17. BOARD EFFECTIVENESS

17.1 Position Descriptions

The Board shall review and, if determined appropriate, approve the recommendations of the Nominating and Governance Committee concerning formal position descriptions for:

- (a) the Chair of the Board and for each committee of the Board, and
- (b) the CEO,

provided that in approving a position description for the CEO, the Board shall consider the input of the CEO and shall develop and approve goals and objectives that the CEO is responsible for meeting (which may include goals and objectives relevant to the CEO's compensation, as recommended by the Human Resources and Compensation Committee).

17.2 Trustee Orientation and Continuing Education

The Board shall review and, if determined appropriate, approve the recommendations of the Nominating and Governance Committee concerning:

- (a) orientation for new Trustees; and
- (b) continuing education for all Trustees.

17.3 Board, Committee and Trustee Assessments

The Board shall review and, if determined appropriate, adopt a process recommended by the Nominating and Governance Committee to:

- (a) consider the required competencies and skills the Board as a whole should possess;
- (b) consider the appropriate Board size;
- (c) assess the performance and effectiveness of the Board;
- (d) assess the effectiveness of each Committee; and
- (e) assess the contribution and competencies of each Trustee.

18. REGULAR ASSESSMENT OF THE BOARD

The Board shall assess its performance and effectiveness on a regular basis in accordance with the process established by the Nominating and Governance Committee.

19. POLICY OF PRACTICES FOR TRUSTEES

Trustees are expected to carry out their duties in accordance with the Policy of Practices for Trustees set out in Schedule B to this Charter.

SCHEDULE A EXTRACT FROM DECLARATION OF TRUST

1. General Powers

The Trustees, subject only to the specific limitations contained in this Declaration of Trust, shall have, without further or other authorization and free from any power of control on the part of the Unitholders, full, absolute, and exclusive power, control and authority over the assets of the Trust and over the business and affairs of the Trust to the same extent as if the Trustees were the sole owner thereof 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 business of the Trust. In construing the provisions of this Declaration of Trust, presumption shall be in favour of the granted powers and authority 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.

2. Specific Powers and Authorities

Subject only to the express limitations contained in this Declaration of Trust 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 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 Equity Interests for such consideration as they deem appropriate;
- (a.1) to determine the rights, designation, privileges, restrictions and conditions attaching to each series of Preferred Units authorized for issuance by the Trust in accordance with section 5.2.1;
- (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 Equity Interests or through the issuance of notes, debentures, bonds or other obligations of the Trust and hold for investment the entire or any participating interest in notes, bonds or other obligations. 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 or 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 and give negotiable or non-negotiable instruments therefor, 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) to lend money, whether secured or unsecured;
- (g) 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 business 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;
- (h) to deposit funds of the Trust in banks, trust companies and other depositories, whether or not such deposits will draw interest, the same to be subject to withdrawal on such terms and in such manner and by such person or persons (including any one or more Trustees, officers, agents or representatives) as the Trustee may determine;
- (i) to possess and exercise all the rights, powers and privileges appertaining to the ownership of 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;

- (j) to elect, appoint, engage or otherwise employ officers for the Trust (including the Chief Executive Officer, President, Secretary 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 or employ any persons as agents, representatives, employees or independent contractors (including, without limitation, real estate advisors, investment advisors, registrars, underwriters, accountants, lawyers, real estate agents, property managers, 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, to delegate any of the powers and duties of the Trustees to any one or more Trustees, agents, representatives, officers, employees, independent contractors or other persons;
- (k) to collect, sue for and receive all 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;
- (l) to renew, modify, release, compromise, extend, consolidate or cancel, in whole or in part, any obligation to or of the Trust;
- (m) 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 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, Unitholders or officers;
- (n) 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 except as prohibited by law, by and/or in the name of the Trust or 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 are held in trust for the benefit of the Trust;
- (o) to determine conclusively the allocation to capital, income or other appropriate accounts all receipts, expenses, disbursements and property of the Trust;
- (p) to prepare, sign and file or cause to be prepared, signed and filed a prospectus, offering memorandum, or similar document and any amendment thereto, relating to or resulting from an offering of Equity Interests 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;
- (q) to make or cause to be made application for the listing on any stock exchange of any Equity Interests 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;
- (r) 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 judgement, may deem material and reliable; and
- (s) to do all such other acts and things as are incidental to the foregoing, and to exercise all powers which 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.

SCHEDULE B POLICY OF PRACTICES FOR TRUSTEES

Attendance at Meetings

Each Trustee is expected to maintain a very high record of attendance at meetings of the Board of Trustees, and at meetings of each committee on which the Trustee sits. A Trustee is expected to:

- (i) advise the Chair as to planned attendance at Board and committee meetings shortly after meeting schedules for the year have been distributed;
- (ii) advise the Chair as soon as possible after becoming aware that he or she will not be able to attend a meeting; and
- (iii) attend a meeting by telephone conference if unable to attend in person.

Preparation for Meetings

Trustees are expected to carefully review and consider the materials distributed in advance of a meeting of the Board of Trustees or a committee of the Board of Trustees. Trustees are also encouraged to contact the Chair, the Chief Executive Officer and any other appropriate officers to ask questions and discuss agenda items prior to meetings.

Conduct at Meetings

Trustees are expected to ask questions and participate in discussions at meetings, and to contribute relevant insights and experience. In discussions at meetings, a Trustee should:

- (i) be candid and forthright;
- (ii) not be reluctant to express views contrary to those of the majority; and
- (iii) be courteous to and respectful of other Trustees and guests in attendance.

Knowledge of the Trust's Business

Trustees are expected to be knowledgeable with respect to the various fields and divisions of business. Although management has a duty to keep the Board of Trustees informed about developments in the Trust's business, Trustees have a primary duty of care and diligence, which includes a duty of inquiry. Trustees should:

- ask questions of management and other Trustees, at meetings and otherwise, to increase their knowledge of the business of the Trust;
- educate themselves with the risks and challenges facing the business of the Trust;
- read all internal memoranda and other documents circulated to the Trustees, and all reports and other documents issued by the Trust for external purposes;
- insist on receiving adequate information from management with respect to a proposal before Board approval is requested; and
- familiarize themselves with the legal and regulatory framework within which the Trust manages its assets.

Personal Conduct

Trustees are expected to:

- (i) exhibit high standards of personal integrity, honesty and loyalty to the Trust;
- (ii) project a positive image of the Trust to news media, the financial community, governments and their agencies, Unitholders and employees;
- (iii) be willing to contribute extra efforts, from time to time as may be necessary including, among other things, being willing to serve on committees of the Board; and
- (iv) disclose any potential conflict of interest that may arise with the business or affairs of the Trust and, generally, avoid entering into situations where such conflicts could arise or could reasonably be perceived to arise.

April 7, 2014

RIO  CAN

REAL ESTATE INVESTMENT TRUST