



**SMARTCENTRES REAL ESTATE INVESTMENT TRUST**

**Notice of Annual General Meeting  
of Holders of Units and Special Voting Units to be held on  
May 17, 2023  
- and -  
Management Information Circular**

**April 3, 2023**



April 3, 2023

Dear Fellow Unitholders,

SmartCentres Real Estate Investment Trust (“**SmartCentres**” or “**we**”) is pleased to invite you to join our Board of Trustees and senior management team at the annual general meeting of the holders of our Units and Special Voting Units. The meeting will be held at **11:00 a.m.** (Toronto time) on May 17, 2023 at 3200 Highway 7, Vaughan, Ontario L4K 5Z5.

The annual meeting provides SmartCentres’ Unitholders with an important opportunity to consider and participate in key matters for SmartCentres. The accompanying management information circular describes the business to be conducted at the annual meeting and provides information on SmartCentres’ executive compensation and governance practices. At the annual meeting, there will be an opportunity to ask questions and meet with management and the Board of Trustees.

If you have any questions or need assistance voting, please contact Kingsdale Advisors at 1-800-775-5159 (toll-free in North America) or 1-416-867-2272 (collect outside North America) or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

As a Unitholder, your participation in the affairs of SmartCentres is important to us. On behalf of the Board of Trustees, management and employees, we would like to thank you for your consideration of the matters in this management information circular and for your continued support. We look forward to seeing you at the annual meeting.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mitchell Goldhar', is positioned above the printed name.

Mitchell Goldhar  
Executive Chairman and Chief Executive Officer

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**SMARTCENTRES REAL ESTATE INVESTMENT TRUST**  
**NOTICE OF ANNUAL GENERAL MEETING OF UNITHOLDERS**  
**to be held on May 17, 2023**

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “**Meeting**”) of the holders of Units (“**Units**”) and Special Voting Units (“**Special Voting Units**”) of SmartCentres Real Estate Investment Trust (“**SmartCentres**”) will be held at 3200 Highway 7, Vaughan, Ontario L4K 5Z5 on May 17, 2023 at **11:00 a.m.** (Toronto time) for the following purposes:

1. To receive and consider the consolidated financial statements of SmartCentres for the year ended December 31, 2022 and the auditor’s report thereon;
2. To fix the aggregate number of Trustees to be elected or appointed at the Meeting at no more than eight;
3. To elect the persons named as proposed Trustees in the management information circular accompanying this notice of meeting as Trustees of SmartCentres for the ensuing year;
4. To re-appoint PricewaterhouseCoopers LLP, Chartered Professional Accountants, as the auditor of SmartCentres for the ensuing year and to authorize the Trustees of SmartCentres to fix the remuneration of such auditor;
5. To consider and vote on an advisory resolution on SmartCentres’ approach to executive compensation, as more particularly set forth in the management information circular accompanying this notice of meeting; and
6. To transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The holders of Units and the holders of Special Voting Units are collectively referred to herein as the “**Unitholders**”.

The specific details of the matters proposed to be put before the Unitholders at the Meeting are set forth in the accompanying management information circular. The record date for determination of Unitholders entitled to receive notice of and to vote at the Meeting is March 31, 2023 (the “**Record Date**”). Only Unitholders whose names appear on the register of Unitholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

SmartCentres 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-related materials, lower the costs associated with the Meeting and reduce the environmental impact of producing and distributing paper copies of documents in large quantities. On or about April 11, 2023, we will send a Notice and Access notification to Unitholders (the “**Notification**”) containing instructions on how to access our proxy materials for the fiscal year ended December 31, 2022. The Notification also provides information on how to vote and includes instructions on how to receive a paper copy of the proxy materials by mail.

**Registered Unitholders may attend the Meeting in person or may be represented by proxy. Registered Unitholders who are unable to attend the Meeting or any adjournment or postponement thereof in person are requested to date, sign and return the form of proxy accompanying the Notification sent to them for use at the Meeting or any adjournment or postponement thereof. To be effective:**

- (a) a form of proxy submitted by a registered holder of Units must be received by the Chief Financial Officer of SmartCentres, c/o Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1; and
- (b) a form of proxy submitted by a registered holder of Special Voting Units must be received by the Chief Financial Officer of SmartCentres at the head office of SmartCentres located at 3200 Highway 7, Vaughan, Ontario L4K 5Z5;

**in each case by 11:00 a.m. (Toronto time) on May 15, 2023, or at least 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjournment or postponement of the Meeting. The Chairperson of the Meeting will have the discretion to accept or reject proxies deposited in any other manner, including waiving the time limit for deposit of proxies, without notice.**


Non-registered Unitholders who have received a voting instruction form in connection with the Meeting should follow the instructions for completion and delivery as indicated on the form.

**Unitholders who wish to appoint and register a proxyholder to attend the Meeting on their behalf must carefully follow the instructions in the accompanying management information circular and their form of proxy or voting instruction form, as applicable.**

If you have any questions or need assistance voting, please contact Kingsdale Advisors at 1-800-775-5159 (toll-free in North America) or 1-416-867-2272 (collect outside North America) or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

**DATED** at the City of Vaughan, in the Province of Ontario, this 3<sup>rd</sup> day of April, 2023.

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

By:   
\_\_\_\_\_  
Michael Young  
Lead Independent Trustee

## Q&A RELATING TO THE MEETING

### 1. Where and when is the meeting?

The annual general meeting of Unitholders of SmartCentres will take place at **11:00 a.m.** (Toronto time) on May 17, 2023 at 3200 Highway 7, Vaughan, Ontario L4K 5Z5. You can vote at the meeting in person (if you are a registered Unitholder) or by proxy. See the section entitled “Solicitation of Proxies and Voting at the Meeting - Voting at the Meeting” in the accompanying management information circular for more information.

### 2. What are Unitholders voting upon at the meeting?

Unitholders are voting on the size of the board, the election of Trustees for the coming year and the appointment of auditors. We are seeking the approval of these matters by Unitholders holding at least a majority of the votes cast at the meeting. Unitholders will also vote on a non-binding say-on-pay advisory resolution as set out in further detail below.

### 3. What is an advisory say-on-pay vote?

The advisory vote on say-on-pay is provided to allow Unitholders to show their approval or disapproval of SmartCentres’ executive compensation policies which are described in detail in the accompanying management information circular. An advisory vote is non-binding on SmartCentres and it remains the duty of the Board of Trustees and the Corporate Governance and Compensation Committee of SmartCentres to develop and implement appropriate executive compensation policies for SmartCentres. The Corporate Governance and Compensation Committee will take into account the results of the vote when considering future executive compensation arrangements. See the section entitled “Executive Compensation – Letter from the Chair of the Corporate Governance and Compensation Committee” in the accompanying management information circular for more information.

### 4. How do unitholders vote?

If you are a “non-registered” Unitholder because your units and/or special voting units are not registered in your name but are instead registered in the name of Canadian Depository for Securities Limited, CDS Clearing and Depository Services Inc., CDS INC., CDS Innovations Inc. or their affiliates, or in the name of an intermediary that you deal with in respect of your units and/or special voting units (which may include banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans, tax-free savings accounts and similar plans), SmartCentres has elected to send you copies of the Notification and the voting instruction form (collectively, the “**meeting materials**”) indirectly through intermediaries.

Intermediaries will frequently use service companies to forward the meeting materials to non-registered Unitholders. Generally, a non-registered Unitholder who has not waived the right to receive meeting materials will be given a voting instruction form by the intermediary, which, when properly completed and signed by the non-registered Unitholder and returned to the intermediary or its service company (as directed in such voting instruction form), will constitute voting instructions which the intermediary must follow.

Non-registered Unitholders are kindly asked to return their voting instructions as specified in the voting instruction form. You are encouraged to provide your voting instructions online or by telephone if your intermediary provides you with this option. Non-registered Unitholders who are completing, signing and delivering voting instruction forms should note that those forms specify mandatory delivery dates which generally occur before the deadline that registered Unitholders must deliver completed forms of proxy. You should contact your broker or intermediary for further details. SmartCentres may use the Broadridge QuickVote™ service to assist non-registered Unitholders with voting their units and/or special voting units over the telephone.

If you are a registered Unitholder, or if you are a non-registered Unitholder who wishes to appoint and register yourself or a third party as proxyholder to attend and vote at the meeting, please refer to the sections entitled “Solicitation of Proxies and Voting at the Meeting - Voting at the Meeting” and “Solicitation of Proxies and Voting at the Meeting - Appointment, Registration and Revocation of Proxies” in the accompanying management information circular for further instructions on how to appoint and register a proxyholder and vote.

**SMARTCENTRES REAL ESTATE INVESTMENT TRUST**  
**MANAGEMENT INFORMATION CIRCULAR**  
**For the Annual General Meeting of Unitholders to be held on May 17, 2023**

**MEANING OF CERTAIN REFERENCES**

References to “**SmartCentres**” and “**we**” in this management information circular refer to SmartCentres Real Estate Investment Trust. References to the “**Board**” means the Board of Trustees of SmartCentres and to “**Trustees**” means the Trustees of SmartCentres.

In addition, references to “**Units**” means Variable Voting Units of SmartCentres, to “**Special Voting Units**” means the Special Voting Units of SmartCentres and to “**Voting Units**” means the Special Voting Units and Units. “**Unitholders**” means the holders of Units and Special Voting Units.

All dollar amounts in this management information circular are expressed in Canadian dollars.

**SOLICITATION OF PROXIES AND VOTING AT THE MEETING**

**Solicitation of Proxies**

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of SmartCentres to be used at the annual general meeting of Unitholders (the “**Meeting**”) to be held at 3200 Highway 7, Vaughan, Ontario L4K 5Z5 on May 17, 2023 at **11:00 a.m.** (Toronto time) and at any adjournment thereof, for the purposes set forth in the enclosed notice of meeting.

Solicitations of proxies will be primarily by mail, but may also be by newspaper publication, in person or by telephone, telecopy or oral communication by Trustees, officers, employees or agents of SmartCentres who may be specifically remunerated for such solicitations<sup>1</sup>. All costs of the solicitation will be borne by SmartCentres. The information contained herein is given as of March 31, 2023 unless otherwise specified.

SmartCentres has engaged Kingsdale Advisors (“**Kingsdale**”) as its strategic unitholder advisor and proxy solicitation agent and will pay fees of approximately \$40,000 to Kingsdale for proxy solicitation services in addition to certain out-of-pocket expenses. SmartCentres may also reimburse brokers and other persons holding Units in their name or in the name of nominees for their costs incurred in sending proxy material to their principals in order to obtain their proxies.

If you have any questions or need assistance voting, please contact Kingsdale at 1-800-775-5159 (toll-free in North America) or 1-416-867-2272 (collect outside North America) or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

**Notice and Access**

SmartCentres is using the “notice and access” mechanism (“**Notice and Access**”) that allows SmartCentres to furnish proxy materials over the internet to Unitholders instead of mailing paper copies. Under Notice and Access, SmartCentres can deliver proxy materials by (i) posting the Circular (and other proxy materials) on a website other than SEDAR ([www.sedar.com](http://www.sedar.com)) and (ii) sending a notice informing Unitholders that the Circular and other proxy materials have been posted and explaining how to access them (the “**Notification**”). On or about April 11, 2023, SmartCentres will send to Unitholders of record as of the Record Date a notice package containing the Notification and the relevant voting document (a form of proxy or a voting instruction form), as applicable. The Notification contains basic information about the Meeting, including the matters to be voted on, explains the Notice and Access process, and how to obtain a paper copy of the Circular.

A request for paper copies which are required in advance of the Meeting should be sent so that it is received (a) in the case of registered Unitholders, by Computershare Trust Company of Canada, and (b) in the case of non-registered Unitholders, by Broadridge Investor Communication Solutions (“**Broadridge**”), in either case by May 8, 2023, in order to allow sufficient time for the requesting Unitholder to receive the paper copies and to return the form of proxy



or voting instruction form accompanying the Notification, as applicable, to SmartCentres or to intermediaries, as applicable, by its due date.

SmartCentres has determined that those Unitholders with existing instructions on their account to receive paper materials will receive a paper copy of the Circular with the Notification.

## **Voting at the Meeting**

### *Who may Vote at the Meeting*

Registered Unitholders of record as at the close of business on March 31, 2023 (the “**Record Date**”) are entitled to receive notice of, attend and vote at the Meeting. **Only registered Unitholders or duly appointed proxyholders are permitted to attend and vote at the Meeting.**

Non-registered Unitholders (“**Non-Registered Holders**”) who beneficially own units through an intermediary (an “**Intermediary**”) but have not duly appointed themselves as proxyholder will not be able to vote at the Meeting but will be able to attend as a guest.

If you are a Non-Registered Holder who received a voting instruction form and wish to vote at the Meeting (or wish to appoint someone else to vote at the Meeting on your behalf), you must insert the name of your desired proxyholder in the space provided on the voting instruction form and subsequently appoint and register yourself (or such other person) as proxyholder. In doing so you must follow all of the applicable instructions, including the deadline, provided by your Intermediary. See “ – Appointment, Registration and Revocation of Proxies” below for more information.

You may also vote before the Meeting by completing your form of proxy or voting instruction form in accordance with the instructions provided therein. Registered Unitholders may also vote in advance at [www.investorvote.com](http://www.investorvote.com) or via telephone at 1-866-732-VOTE (8683).

SmartCentres may utilize the Broadridge QuickVote™ system, which involves non-objecting beneficial owners (“**NOBOs**”) being contacted by Kingsdale, which is soliciting proxies on behalf of management of SmartCentres, to obtain voting instructions over the telephone and relaying them to Broadridge (on behalf of the NOBO’s Intermediary). While representatives of Kingsdale are soliciting proxies on behalf of management of SmartCentres, Unitholders are not required to vote in the manner recommended by the Board of Directors. The QuickVote™ system is intended to assist Unitholders in placing their votes, however, there is no obligation for any Unitholders to vote using the QuickVote™ system, and Unitholders may vote (or change or revoke their votes) at any other time and in any other applicable manner described in this Circular. Any voting instructions provided by a Unitholder will be recorded and such Unitholder will receive a letter from Broadridge (on behalf of the Unitholder’s Intermediary) as confirmation that their voting instructions have been accepted.

If you have any questions or need assistance voting, please contact Kingsdale at 1-800-775-5159 (toll-free in North America) or 1-416-867-2272 (collect outside North America) or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

## **Regarding Non-Registered Holders**

**Most Unitholders are Non-Registered Holders because the Voting Units they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Voting Units.** A person is a Non-Registered Holder in respect of Voting Units which are held on behalf of that person but which are registered either in the name of: (i) an Intermediary that a Non-Registered Holder deals with in respect of its Voting Units (which may include banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans, tax-free savings accounts and similar plans), or (ii) a clearing agency such as the Canadian Depository for Securities Limited, CDS Clearing and Depository Services Inc., CDS INC., CDS Innovations Inc. and their affiliates, of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, SmartCentres has elected to send copies of the meeting materials indirectly through Intermediaries to the non-objecting Non-Registered Holders. SmartCentres will pay all costs associated with the sending of the Notification and the voting instruction form by the Intermediary to the Non-Registered Holders.

Intermediaries will frequently use service companies to forward the meeting materials to Non-Registered Holders. Generally, a Non-Registered Holder who has not waived the right to receive meeting materials will be given a voting instruction form by the Intermediary, which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company (as directed in such voting instruction form), will constitute voting instructions which the Intermediary must follow.

Non-Registered Holders are kindly asked to return their voting instructions as specified in the voting instruction form.

Voting instruction forms should be completed and returned in accordance with the specific instructions noted on them. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Voting Units which they beneficially own.

Non-Registered Holders should return their voting instructions as specified in the voting instruction form. Non-Registered Holders should carefully follow the instructions set out in the voting instruction form, including those regarding when and where the voting instruction form is to be delivered.

If you are a Non-Registered Holder and wish to vote at the Meeting (or wish to appoint someone else to vote at the Meeting on your behalf), see “ – Appointment, Registration and Revocation of Proxies” below for more information.

### **Appointment, Registration and Revocation of Proxies**

The following applies to Unitholders who wish to appoint and register someone as their proxyholder other than the SmartCentres proxyholders named in the form of proxy or voting instruction form. This includes Non-Registered Holders who wish to appoint and register themselves or a third party as proxyholder to attend, participate or vote at the Meeting.

**Unitholders have the right to appoint a person or entity (who need not be a unitholder) to attend and act for him/her on his/her behalf at the meeting other than the persons named in the enclosed instrument of proxy. Unitholders who wish to appoint and register someone other than the SmartCentres proxyholders as their proxyholder to attend and participate at the Meeting as their proxy and vote their Units must submit their form of proxy or voting instruction form, as applicable, appointing that person as proxyholder.**

#### *Appointing your Proxyholder*

##### *Registered Unitholders*

If you are a registered Unitholder, you will have received a form of proxy with the Notification. The persons named in the form of proxy are Trustees or officers of SmartCentres. **A registered Unitholder desiring to appoint a person (who need not be a Unitholder) to represent such Unitholder at the Meeting other than the persons designated in the form of proxy may do so either by inserting such person’s name in the blank space provided in the form of proxy and sending or delivering the completed form of proxy to the Chief Financial Officer of SmartCentres. To be effective:**

- (a) **a form of proxy submitted by a registered holder of Units must be received by the Chief Financial Officer of SmartCentres, c/o Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1; and**
- (b) **a form of proxy submitted by a registered holder of Special Voting Units must be received by the Chief Financial Officer of SmartCentres at the head office of SmartCentres located at 3200 Highway 7, Vaughan, Ontario L4K 5Z5,**

**in each case by 11:00 a.m. (Toronto time) on May 15, 2023, or at least 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjournment or postponement of the Meeting. The Chairperson of the Meeting will have the discretion to accept or reject proxies deposited in any other manner, including waiving the time limit for deposit of proxies without notice. Failure to so deposit a form of proxy shall result in its invalidation.**

### *Non-Registered Holders*

If you are a Non-Registered Holder who received a voting instruction form and, instead of completing and returning such voting instruction form in order to vote, wish to vote at the Meeting (or wish to appoint someone else to vote at the Meeting on your behalf), you must insert the name of your desired proxyholder in the space provided on the voting instruction form. In doing so you must follow all applicable instructions, including the deadline, provided by your intermediary. In some cases, your intermediary may send you additional documentation that must be completed for you (or such other person) to vote at the Meeting.

### *Revocation of Proxies*

#### *Registered Unitholders*

**A registered Unitholder who has given a form of proxy may revoke it as to any matter on which a vote has not already been held pursuant to its authority by an instrument in writing executed by such Unitholder or by his or her attorney duly authorized in writing or, if the registered Unitholder is a corporation, by an officer or attorney thereof duly authorized, and deposited either at the abovementioned office of Computershare Trust Company of Canada on or before the last business day preceding the day of the Meeting or any adjournment thereof. Notwithstanding the foregoing, if a registered Unitholder attends personally at the Meeting, such Unitholder may revoke the proxy and vote in person.**

#### *Non-Registered Holders*

Non-Registered Holders should contact their intermediary to find out how to change or revoke voting instructions and for information regarding timing requirements or for other voting questions. Intermediaries may set deadlines for the receipt of revocation notices that are farther in advance of the Meeting than those set out above and, accordingly, any such revocation should be completed well in advance of the deadline prescribed in the form of proxy or voting instruction form to ensure it is given effect at the Meeting.

### **Signature of Proxy**

A form of proxy must be executed by the registered Unitholder or his or her attorney authorized in writing or, if such Unitholder is a corporation, the form of proxy should be signed in its corporate name under its corporate seal by an authorized officer whose title should be indicated. A form of proxy signed by a person acting as attorney or in some other representative capacity should reflect such person's capacity following his or her signature and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with SmartCentres).

### **Voting of Proxies**

The persons named in the form of proxy will vote the Voting Units in respect of which they are appointed in accordance with the direction of the Unitholder appointing them. **In the absence of such direction, such Voting Units will be voted in favour of the following resolutions:**

- 1. Fixing the aggregate number of Trustees to be elected or appointed at the Meeting at no more than eight;**
- 2. Electing the persons named as proposed Trustees in this Circular as Trustees of SmartCentres for the ensuing year;**
- 3. Re-appointing PricewaterhouseCoopers LLP, Chartered Professional Accountants, as the auditor of SmartCentres for the ensuing year and authorizing the Trustees to fix the remuneration of the auditor; and**
- 4. Accepting SmartCentres' approach to executive compensation, as more particularly set forth in this Circular.**

## **Exercise of Discretion of Proxy**

**The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying notice of meeting and the Circular and with respect to other matters that may properly come before the Meeting.** At the date of the Circular, management of SmartCentres knows of no amendments, variations or other matters to come before the Meeting other than the matters referred to in the notice of meeting.

## **Advance Notice Policy**

SmartCentres has implemented a policy requiring advance notice to be given to SmartCentres 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 prior to the date of the applicable annual meeting (being not later than April 17, 2023 for purposes of the Meeting). This advance notice period is intended to give SmartCentres and its Unitholders sufficient time to consider any proposed nominees. A copy of the Declaration of Trust, which sets out SmartCentres’ Advance Notice Policy, may be viewed under the Trust’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Unitholder Proposals**

The Declaration of Trust provides for the ability of an eligible Unitholder (meeting certain specified criteria) to submit a proposal for consideration at an annual meeting of SmartCentres (other than proposals with respect to the nomination of Trustees which must follow the provisions of the Advance Notice Policy referred to above). The deadline for the receipt of Unitholder proposals for the Meeting passed without any such proposals being submitted. The final date for submission of proposals by Unitholders for inclusion in the management information circular in connection with next year’s annual meeting of Unitholders is February 17, 2024.

## **INFORMATION RESPECTING SMARTCENTRES REAL ESTATE INVESTMENT TRUST**

### **General**

SmartCentres is an unincorporated “open-end” real estate investment trust constituted in accordance with the laws of the Province of Alberta, pursuant to a declaration of trust that was most recently amended and restated as of December 9, 2020 (the “**Declaration of Trust**”). SmartCentres is focused on the development and ownership of high-quality retail properties and is also pursuing mixed-use development and intensification opportunities including residential, retirement homes, office and self-storage primarily on properties already owned by SmartCentres and supplemented by further strategic acquisitions with existing and new partners. The principal and head office of SmartCentres is located at 3200 Highway 7, Vaughan, Ontario L4K 5Z5.

### **Meetings of Unitholders**

The Declaration of Trust provides that meetings of Unitholders must be called and held for, among other matters, the election or removal of Trustees (except filling casual vacancies), the appointment or removal of the auditors of SmartCentres, the approval of amendments to the Declaration of Trust, an increase or decrease in the number of Trustees, the sale of the assets of SmartCentres in its entirety or substantially in its entirety (other than as part of an internal reorganization) or the termination of SmartCentres.

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

### **Authorized Capital**

The Declaration of Trust authorizes the issuance of an unlimited number of two classes of units: Units and Special Voting Units.

As of the Record Date, SmartCentres had 144,625,322 Units and 33,542,795 Special Voting Units (not including the Additional Special Voting Units, as defined below) outstanding for a total of 178,168,117 outstanding Voting Units (not including the Additional Special Voting Units).

SmartCentres had 9,729,886 Additional Special Voting Units outstanding as of the Record Date that were issued pursuant to the Voting Top-Up Right and are held by (i) Mitchell Goldhar, (ii) any heir, executor, administrator or legal representative of Mitchell Goldhar; (iii) any individual who is the child, spouse, common law spouse, father, mother, brother, sister, niece or nephew of Mitchell Goldhar, or is married to any such individual; (iv) any trust in respect of which all of the beneficiaries shall be solely one or more of those persons referred to in clause (iii); (v) any combination of persons referred to in clauses (i), (ii), (iii) or (iv); and (vi) any person who is controlled by any person referred to in clauses (i), (ii), (iii) or (iv) or any combination thereof (collectively, the “**MG Entities**”). The Voting Top-Up Right is described in more detail below.

Limited partnership subsidiaries of SmartCentres have issued 33,542,795 securities that are convertible or exchangeable directly for Units without the payment of additional consideration (“**Exchangeable Securities**”), including Class B limited partnership units (“**Class B LP Units**”) and Class D limited partnership units (“**Class D LP Units**”). Such Exchangeable Securities are economically equivalent to Units as they are entitled to distributions equal to those on the Units and are exchangeable for Units on a one-for-one basis. The issuance of a Class B LP Unit and Class D LP Unit is accompanied by a Special Voting Unit that entitles the holder to vote at meetings of Unitholders, as described in more detail below.

### **Units**

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

### **Special Voting Units**

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

Notwithstanding the foregoing, prior to December 31, 2025, if in the 365 day period preceding an Issuance (as defined below), the average weighted aggregate number of Special Voting Units and Units beneficially owned or controlled by Mitchell Goldhar (while he remains alive) or the MG Entities (if Mitchell Goldhar is not alive) (not including any Additional Special Voting Units (as defined below) issued to the MG Entities pursuant to the Voting Top-Up Right) is equal to or greater than the lesser of (i) 20% of the aggregate issued and outstanding voting securities of SmartCentres (excluding any Additional Special Voting Units) and (ii) 22,800,000 voting securities of SmartCentres, provided that such securities represent no less than 10% of the voting rights attached to the issued and outstanding voting securities of SmartCentres (excluding any Additional Special Voting Units) at the time of such Issuance, and Mitchell Goldhar or another individual appointed by the MG Entities remains a Trustee at the time of such Issuance, SmartCentres shall issue (an “**Issuance**”) such number of additional Special Voting Units (the “**Additional Special Voting Units**”) to Mitchell Goldhar or such other MG Entity as is designated in writing to SmartCentres by the MG Entities Representative (as defined below) prior to such Issuance, which will entitle Mitchell Goldhar (while he remains alive) or the MG Entities (if Mitchell Goldhar is not alive) to cast 25% of the aggregate votes eligible to be cast at a meeting of the holders of Units and Special Voting Units or in respect of any written resolution of Unitholders (the “**Voting Top-Up Right**”).

If on any record date for a Unitholder meeting, the number of Units and Special Voting Units (including Additional Special Voting Units issued pursuant to the Voting Top-Up Right) beneficially owned or controlled by Mitchell Goldhar or the MG Entities carry voting rights that represent more than 25% of the aggregate votes eligible to be cast

at such meeting (including the votes attached to the then outstanding Additional Special Voting Units), then a number of the then outstanding Additional Special Voting Units will automatically be cancelled (with such cancellation to be effective immediately prior to such record date) equal to the lesser of (i) all of the issued and outstanding Additional Special Voting Units beneficially owned or controlled by Mitchell Goldhar or the MG Entities immediately prior to such record date; or (ii) the number of Additional Special Voting Units required to reduce the total votes represented by Units and Special Voting Units (including Additional Special Voting Units) beneficially owned or controlled by Mitchell Goldhar or the MG Entities to 25% of the aggregate votes eligible to be cast at such meeting. Any outstanding Additional Special Voting Units issued pursuant to the Voting Top-Up Right will automatically be cancelled forthwith upon the expiry of the Voting Top-Up Right on December 31, 2025 (absent an earlier extension or other amendment to delay or modify such cancellation, in which case such Additional Special Voting Units will remain outstanding until such time as cancelled in accordance with the terms of the Declaration of Trust).

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

Mitchell Goldhar beneficially owned or controlled 25.13% of the Voting Units prior to the Record Date (including all previously issued and outstanding Additional Special Voting Units). As a result, SmartCentres cancelled 323,237 Additional Special Voting Units held by a company owned by Mitchell Goldhar in accordance with the terms of the Voting Top-Up Right.

### Principal Unitholders

To the knowledge of SmartCentres, as at March 31, 2023, no person or company beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of SmartCentres carrying more than 10% of the voting rights attached to any class of voting securities of SmartCentres except as set out below:

Voting Unitholder and Municipality of Residence	Type of Ownership	<u>Units</u>		<u>Special Voting Units<sup>(2)</sup></u>		<u>Voting Units</u>	
		Number	Percentage	Number	Percentage	Number	Percentage
Mitchell Goldhar <sup>(1)</sup> Vaughan, ON	Beneficial	15,233,863	10.5%	31,740,638	73.4%	46,974,501	25.0%


Notes:

- (1) These Voting Units are held by companies owned by Mitchell Goldhar.
- (2) Mitchell Goldhar’s companies also own 22,010,752 Class B LP Units with which such Special Voting Units are associated and that are exchangeable on a one-for-one basis for Units (subject to any anti-dilution adjustments). If such Class B LP Units were exchanged Mr. Goldhar would own 37,244,615 Units or 22.4% of the Units. The total number of Special Voting Units also includes 9,729,886 Additional Special Voting Units issued to the MG Entities pursuant to the Voting Top-Up Right. See “Information Respecting SmartCentres Real Estate Investment Trust – Special Voting Units”.

## **TRUSTEES**

### **Nominees for Election to the Board of Trustees**

The following tables and notes thereto set out certain biographical and other information with respect to each of the individuals to be nominated for election as a Trustee of SmartCentres at the Meeting or to be appointed by the MG Entities upon the conclusion of the Meeting (see “Particulars of Matters to be Acted Upon – Election of Trustees”).

 <b>MITCHELL GOLDHAR</b> Age: 61 Ontario, Canada  <i>Trustee since 2005, Executive Chairman effective February 14, 2018, Chief Executive Officer since September 6, 2021</i>  <b>NOT INDEPENDENT<sup>(1)</sup></b>  <b><u>Areas of Expertise:</u></b> <ul style="list-style-type: none"><li>• Real estate</li><li>• Financial</li><li>• Property development</li><li>• Retail</li><li>• Legal</li><li>• Investment</li></ul>	Principal Occupation	
	<p>Mitchell Goldhar is a Canadian businessman and the founder of SmartCentres. Mr. Goldhar has 39 years of real estate development and operational experience and has developed over 60 million square feet of retail, residential, office and self-storage. He started SmartCentres in 1989 with the belief that Canadians deserve convenient access to affordable retail. With a shared vision, he worked to help Walmart enter the Canadian market, which they did in 1994. Mr. Goldhar is also the sole owner of the Penguin Group of Companies, Penguin PickUp, Revival Film Studios, Cleavelands House Resort in Muskoka and Maccabi Tel Aviv Football Club.</p> <p>Mr. Goldhar holds a BA in Political Science from York University and has been an Adjunct Professor at the University of Toronto’s Rotman School of Management since 2004. He is a member of the Board of Onex Corporation, Indigo Books and Music, the Canadian Concussion Centre at Toronto General Hospital and is Director Emeritus with the SickKids Foundation. Mr. Goldhar has been SmartCentres largest unitholder since 2003 and has been a SmartCentres Trustee since 2005. From May 2015 to February 2018 Mr. Goldhar was the Non-executive Chairman of the Board of Trustees. He has been the Executive Chairman of the Board of Trustees since February 2018 and Chief Executive Officer since September 6, 2021.</p>	
	Other Public Board Memberships	
<p>Onex Corporation Indigo Books &amp; Music Inc. No interlocking outside public company directorships</p>		

Board/Committee Memberships		Attendance at Regular Meetings	Attendance at Special Meetings	Overall Attendance
Board (Chairman)		4/4	1/1	100%
Investment Committee		3/3	n/a	

Securities Beneficially Owned or Controlled as at March 31, 2023							
<u>Voting Units</u>		<u>Deferred Units</u>		<u>Total Units<sup>(6)</sup></u>		<u>Unit Ownership Requirement<sup>(7)</sup></u>	
Number <sup>(2)</sup>	Market Value <sup>(3)</sup>	Number <sup>(4)</sup>	Market Value <sup>(5)</sup>	Number	Market Value	Minimum Ownership Requirement	Complies with Minimum Ownership Requirement
46,974,501	\$989,589,421	248,233	\$6,595,551	47,222,734	\$996,184,971	\$2,029,345	Yes (490.9 times requirement)


Voting Results of 2022 Annual General Meeting	
Mr. Goldhar was appointed as a Trustee by the MG Entities pursuant to their rights under the Declaration of Trust.	

Notes:

- (1) Mr. Goldhar owns companies which are parties to an amended and restated governance and investor rights agreement (the “**Governance and Investor Rights Agreement**”), a development services agreement, the Penguin Services Agreement (see “Executive Compensation – 2022 Compensation for the Named Executive Officers – Penguin Services Agreement”), a trade-mark licence agreement, and various other agreements with SmartCentres and its subsidiaries that are significant to SmartCentres. Mr. Goldhar is also the Executive Chairman and Chief Executive Officer of SmartCentres. He is therefore not considered to be an independent Trustee under National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”). See “Trustees – Independence”.
- (2) This amount includes 15,233,863 Units, 22,010,752 Special Voting Units and 9,729,886 Additional Special Voting Units beneficially owned or controlled by Mr. Goldhar. Mr. Goldhar beneficially owns or controls 22,010,752 Class B LP Units that are associated with the Special Voting Units and are exchangeable into Units on a one-for-one basis.
- (3) This amount was determined by multiplying the number of Voting Units (other than Additional Special Voting Units) held by Mr. Goldhar by the closing price of the Units on the Toronto Stock Exchange (the “**TSX**”) on March 31, 2023. For these purposes, it has been assumed that Special Voting Units (other than Additional Special Voting Units) beneficially owned or controlled by Mr. Goldhar have a value equal to the value of the underlying Exchangeable Securities for which such Special Voting Units have been issued and it has been assumed that such Exchangeable Securities have a value equal to the value of the Units for which they may be exchanged. It has further been assumed that the Additional Special Voting Units have a value of \$nil as they are not coupled with any Exchangeable Securities.



- (4) This amount includes both vested and unvested deferred units of SmartCentres (“**Deferred Units**”) held by Mr. Goldhar pursuant to SmartCentres’ deferred unit plan (the “**Deferred Unit Plan**”). For further information, see “Executive Compensation – Equity Compensation Plan Information – Deferred Unit Plan”.
- (5) This amount was determined by multiplying the aggregate number of Deferred Units held by Mr. Goldhar by the closing price of the Units on the TSX on March 31, 2023.
- (6) Mr. Goldhar also holds 1,033,953 performance units (“**Performance Units**”) pursuant to the SmartCentres’ Equity Incentive Plan (“EIP”) that are currently unvested. See “Executive Compensation – 2022 Compensation for the Named Executive Officers – Outstanding Unit-Based Awards”.
- (7) Mr. Goldhar has agreed to increase his contractually agreed minimum Unit ownership requirement to five times the amount of his annual base salary rather than the three times his annual base salary, as previously agreed. See “Corporate Governance – Alignment of Interests with Unitholders – Minimum Unit Ownership by the Executive Chairman and Chief Executive Officer”.<sup>2</sup>



**JANET BANNISTER**  
Age: 52  
Ontario, Canada  
*Trustee since 2021*  
**INDEPENDENT**  
**Areas of Expertise:**

- Financial
- Investment
- Retail

Principal Occupation

Trustee of SmartCentres since June 15, 2021, Ms. Bannister is the Managing Partner at Real Ventures, one of Canada’s largest early-stage venture capital firms. Real Ventures is a leading source of capital for entrepreneurs who are building the next generation of leading tech companies. She has led investments in over a dozen companies and works actively with founders to help them build large, industry-defining companies. As Managing Partner, Ms. Bannister sets the strategy for the firm, leads investor relationships, and oversees all firm operations. In addition, Ms. Bannister is very active in the Canadian tech ecosystem; she is on the Board of Communtech in Waterloo, Vector Institute in Toronto and C100. She is also an active advisor at Next Canada, Creative Destruction Lab and the Research Board of the University Health Network.

In 2004, Ms. Bannister launched Kijiji.ca and grew it to become one of the most visited websites in Canada. Subsequently, she led the Kijiji Global business, launching the site in new countries and accelerating growth in North America, Europe, and Asia.

Ms. Bannister also spent four years at eBay in Silicon Valley where she helped transform eBay from a Collectibles to a mainstream marketplace. She started her career as a Brand Manager at Procter & Gamble and then joined McKinsey & Co. where she was an Engagement Manager. She also founded and built a successful consulting business and was CEO at a venture-backed start-up prior to joining Real Ventures. Ms. Bannister was a varsity long-distance runner and competed internationally in triathlons. Today she balances her active lifestyle with being a wife and mother to her 17-year-old son.


Other Public Board Memberships

None  
No interlocking outside public company directorships

Board/Committee Memberships		Attendance at Regular Meetings	Attendance at Special Meetings	Overall Attendance			
Board		4/4	1/1	100%			
Audit Committee		4/4	1/1				
ESG Subcommittee		2/2	n/a				
Corporate Governance and Compensation Committee <sup>(1)</sup>		n/a	n/a				
Securities Beneficially Owned or Controlled as at March 31, 2023							
Voting Units		Deferred Units		Total Units		Unit Ownership Requirement <sup>(4)</sup>	
Number	Market Value <sup>(2)</sup>	Number	Market Value <sup>(3)</sup>	Number	Market Value	Minimum Ownership Requirement	Complies with Minimum Ownership Requirement
0	\$0	9,382	\$249,280	9,382	\$249,280	\$275,000	In progress
Voting Results of 2022 Annual General Meeting							
# Votes For		% Votes For		# Votes Withheld		% Votes Withheld	
119,022,459		99.21		950,846		0.79	

Notes:

- (1) Ms. Bannister became a member of the corporate governance and compensation committee of SmartCentres (the "Corporate Governance and Compensation Committee") on March 31, 2023, replacing Mr. Howard.
- (2) This amount was determined by multiplying the number of Voting Units held by Ms. Bannister by the closing price of the Units on the TSX on March 31, 2023.
- (3) This amount was determined by multiplying the aggregate number of Deferred Units held by Ms. Bannister by the closing price of the Units on the TSX on March 31, 2023.
- (4) Ms. Bannister has five years from the date of her appointment in 2021 to meet the minimum unit ownership requirement. See "Corporate Governance – Alignment of Interests with Unitholders – Minimum Unit Ownership by Trustees".

 <b>GARRY FOSTER, FCPA, FCA</b> Age: 71 Ontario, Canada <i>Trustee since 2013</i> <b>INDEPENDENT</b> <u><b>Areas of Expertise:</b></u> <ul style="list-style-type: none"><li>• Real estate</li><li>• Financial</li><li>• Investment</li><li>• Retail</li></ul>	Principal Occupation	
	Trustee of SmartCentres since May 1, 2013. He is a Corporate Director and business leader with extensive experience in board governance and facilitating the growth and transformation of complex businesses. He currently sits on the board of Real Matters Inc., where he is the lead independent director and chairs the Audit Committee, and the Board of Directors of Payments Canada, where he is the Chair of the Board. Mr. Foster is the past Chair of Baycrest Health Sciences, the Baycrest Foundation and Cogniciti Inc, the commercialization arm of Baycrest Health Sciences, past Chair of the Presto Committee of the Metrolinx Board, and past member of the Board of Ontario Health.	
	Mr. Foster had a long career at Deloitte, where he led the Technology, Media and Telecommunications Practice and was Vice Chair of the firm. He sat on the boards of Deloitte Canada and Deloitte US. From 2013 to 2017, Mr. Foster served as the President and CEO of the Baycrest Foundation. He also served two elected terms on the Board of Directors of the Institute of Chartered Accountants of Ontario. Mr. Foster received a MBA and BBA from the Schulich School of Business, is a Fellow of the Institute of Chartered Professional Accountants and received his ICD.D diploma from the Rotman School of Management.	
	Other Public Board Memberships	
Real Matters Inc. No interlocking outside public company directorships		


Board/Committee Memberships		Attendance at Regular Meetings	Attendance at Special Meetings	Overall Attendance
Board		4/4	1/1	100%
Investment Committee		3/3	n/a	
Audit Committee <sup>(1)</sup>		4/4	1/1	
Independent Committee <sup>(2)</sup>		n/a	n/a	

Securities Beneficially Owned or Controlled as at March 31, 2023							
<u>Voting Units</u>		<u>Deferred Units</u>		<u>Total Units</u>		<u>Unit Ownership Requirement<sup>(5)</sup></u>	
Number	Market Value <sup>(3)</sup>	Number	Market Value <sup>(4)</sup>	Number	Market Value	Minimum Ownership Requirement	Complies with Minimum Ownership Requirement
1,870	\$49,686	123,561	\$3,283,016	125,431	\$3,332,702	\$375,000	Yes (8.9 times requirement)

Voting Results of 2022 Annual General and Special Meeting							
# Votes For		% Votes For		# Votes Withheld		% Votes Withheld	
118,048,002		98.40		1,925,303		1.60	

Notes:

- (1) Mr. Foster is the chair of the audit committee of SmartCentres (the “**Audit Committee**”).
- (2) Mr. Foster became a member of the independent committee of SmartCentres (the “**Independent Committee**”) on March 1, 2023. Mr. Foster is the chair of the Independent Committee.
- (3) This amount was determined by multiplying the number of Voting Units held by Mr. Foster by the closing price of the Units on the TSX on March 31, 2023.
- (4) This amount was determined by multiplying the aggregate number of Deferred Units held by Mr. Foster by the closing price of the Units on the TSX on March 31, 2023.
- (5) See “Corporate Governance – Alignment of Interests with Unitholders – Minimum Unit Ownership by Trustees”.

 <b>GREGORY HOWARD</b> Age: 67 Ontario, Canada <i>Trustee since 2015</i> <b>NOT INDEPENDENT</b> <sup>(1)</sup> <b><u>Areas of Expertise:</u></b> <ul style="list-style-type: none"><li>• Real estate</li><li>• Financial</li><li>• Legal</li><li>• Property development</li></ul>	Principal Occupation	
	Trustee of SmartCentres since July 2, 2015. Greg Howard is a senior partner at Davies Ward Phillips & Vineberg LLP, one of Canada’s leading law firms, and is one of Canada’s pre-eminent real estate lawyers. His wide-ranging expertise includes commercial real estate acquisitions and dispositions, joint ventures, development projects, project financing, commercial leasing, real estate investment trusts, private equity funds, workouts, strategic planning and corporate matters. He has been recognized as one of the country’s leading real estate lawyers by Chambers Global, The Legal 500, Real Estate Law and numerous other sources. He obtained his LL.B. (with Honours) from the University of Toronto Faculty of Law in 1978 and was admitted to the Ontario Bar in 1980.	
	Other Public Board Memberships	
None No interlocking outside public company directorships		


Board/Committee Memberships		Attendance at Regular Meetings	Attendance at Special Meetings	Overall Attendance
Board		4/4	1/1	92%
Investment Committee		2/3	n/a	
Corporate Governance and Compensation Committee <sup>(2)</sup>		5/5	n/a	

Securities Beneficially Owned or Controlled as at March 31, 2023							
<u>Voting Units</u>		<u>Deferred Units</u>		<u>Total Units</u>		<u>Unit Ownership Requirement</u> <sup>(5)</sup>	
Number	Market Value <sup>(3)</sup>	Number	Market Value <sup>(4)</sup>	Number	Market Value	Minimum Ownership Requirement	Complies with Minimum Ownership Requirement
1,500	\$39,855	53,812	\$1,429,785	55,312	\$1,469,640	\$275,000	Yes (5.3 times requirement)

Voting Results of 2022 Annual General Meeting							
Mr. Howard was appointed as a Trustee by the MG Entities pursuant to their rights under the Declaration of Trust.							

Notes:

- (1) Mr. Howard is a partner at Davies Ward Phillips & Vineberg LLP, a law firm that provides legal services to SmartCentres and the MG Entities from time to time. He is also appointed to the Board by the MG Entities. Neither of these facts result in Mr. Howard not qualifying as independent under applicable securities laws for general purposes. However, under the TSX rules and the Institutional Shareholder Services guidelines, Mr. Howard may be considered not independent by virtue of his relationships to SmartCentres and the MG Entities. Accordingly, the Board has determined that Mr. Howard is not independent for the purposes of NI 58-101. See "Trustees – Independence".
- (2) Mr. Howard resigned from the Corporate Governance and Compensation Committee on March 31, 2023 and was replaced thereon by Ms. Bannister.
- (3) This amount was determined by multiplying the number of Voting Units held by Mr. Howard by the closing price of the Units on the TSX on March 31, 2023.
- (4) This amount was determined by multiplying the aggregate number of Deferred Units held by Mr. Howard by the closing price of the Units on the TSX on March 31, 2023.
- (5) See "Corporate Governance – Alignment of Interests with Unitholders – Minimum Unit Ownership by Trustees".



**SYLVIE LACHANCE**  
 Age: 63  
 Ontario, Canada  
*Trustee since 2021*

**INDEPENDENT**

**Areas of Expertise:**

- Real Estate
- Financial
- Legal
- Property Development
- Investment
- Retail

**Principal Occupation**

Trustee of SmartCentres since June 15, 2021. Since 2017, Ms. Lachance has been the Managing Director of Tribal Partners Canada Inc., a company involved in the development of industrial and commercial buildings across Canada. From 2010 to April 2017, Ms. Lachance was Executive Vice President, Real Estate Development for Sobeys Inc., a retail and food distribution company. Prior to joining Sobeys Inc., she was Executive Vice President and Chief Operating Officer of First Capital Realty Inc., a large Canadian public developer and operator of community shopping centres. She previously held senior real estate positions with both regional and national grocery retailers.

Ms. Lachance holds an MBA from McGill University in addition to a law degree from Université Laval and was admitted to the Québec Bar in 1982. She is a certified director (ICD.D) of the Institute of Corporate Directors and serves as a board, audit and investment committees member of BTB Real Estate Investment Trust.


**Other Public Board Memberships**

BTB Real Estate Investment Trust  
 No interlocking outside public company directorships

Board/Committee Memberships		Attendance at Regular Meetings	Attendance at Special Meetings	Overall Attendance			
Board		4/4	1/1	100%			
Audit Committee		4/4	1/1				
ESG Subcommittee		2/2	n/a				
Investment Committee <sup>(1)</sup>		n/a	n/a				
Securities Beneficially Owned or Controlled as at March 31, 2023							
Voting Units		Deferred Units		Total Units		Unit Ownership Requirement <sup>(4)</sup>	
Number	Market Value <sup>(2)</sup>	Number	Market Value <sup>(3)</sup>	Number	Market Value	Minimum Ownership Requirement	Complies with Minimum Ownership Requirement
0	\$0	9,382	\$249,280	9,382	\$249,280	\$275,000	In progress
Voting Results of 2022 Annual General Meeting							
# Votes For		% Votes For		# Votes Withheld		% Votes Withheld	
119,023,170		99.21		950,135		0.79	

Notes:

- (1) Ms. Lachance became a member of the investment committee of SmartCentres (the “Investment Committee”) on March 31, 2023, replacing Mr. Howard.
- (2) This amount was determined by multiplying the number of Voting Units held by Ms. Lachance by the closing price of the Units on the TSX on March 31, 2023.
- (3) This amount was determined by multiplying the aggregate number of Deferred Units held by Ms. Lachance by the closing price of the Units on the TSX on March 31, 2023.
- (4) Ms. Lachance has five years from the date of her appointment in 2021 to meet the minimum unit ownership requirement. See “Corporate Governance – Alignment of Interests with Unitholders – Minimum Unit Ownership by Trustees”.

  <b>JAMIE MCVICAR</b> Age: 65 Alberta, Canada  <i>Trustee since 2001</i>  <b>INDEPENDENT</b>  <u><b>Areas of Expertise:</b></u> <ul style="list-style-type: none"><li>• Real estate</li><li>• Financial</li><li>• Legal</li><li>• Property development</li></ul>	Principal Occupation		Chief Financial Officer then Vice President Finance and Administration at Devonian Properties Inc., a property development company, from October 2000 to October 2011. President of Newell Post Developments Ltd., a property development company, from June 1998 to June 2000. Legal counsel for Oxford Development Group, a property development company, from 1988 to June 1998. Trustee of SmartCentres since December 4, 2001. Mr. McVicar has a Bachelor of Commerce from the University of Alberta (1980), Bachelor of Laws from the University of Western Ontario (1981) and Master of Business Administration from the University of Toronto (1982).	
	Other Public Board Memberships			
	None		No interlocking outside public company directorships	


Board/Committee Memberships		Attendance at Regular Meetings	Attendance at Special Meetings	Overall Attendance
Board		4/4	1/1	100%
Audit Committee		4/4	1/1	
Corporate Governance and Compensation Committee		5/5	n/a	

Securities Beneficially Owned or Controlled as at March 31, 2023							
<u>Voting Units</u>		<u>Deferred Units</u>		<u>Total Units</u>		<u>Unit Ownership Requirement</u> <sup>(3)</sup>	
Number	Market Value <sup>(1)</sup>	Number	Market Value <sup>(2)</sup>	Number	Market Value	Minimum Ownership Requirement	Complies with Minimum Ownership Requirement
20,000	\$531,400	113,254	\$3,009,159	133,254	\$3,540,559	\$275,000	Yes (12.9 times requirement)

Voting Results of 2022 Annual General Meeting							
# Votes For		% Votes For		# Votes Withheld		% Votes Withheld	
104,194,583		86.85		15,778,722		13.15	

Notes:

- (1) This amount was determined by multiplying the number of Voting Units held by Mr. McVicar by the closing price of the Units on the TSX on March 31, 2023.
- (2) This amount was determined by multiplying the aggregate number of Deferred Units held by Mr. McVicar by the closing price of the Units on the TSX on March 31, 2023.
- (3) See “Corporate Governance – Alignment of Interests with Unitholders – Minimum Unit Ownership by Trustees”.

 <b>SHARM POWELL</b> Age: 58 Ontario, Canada <i>Trustee since 2019</i> <b>INDEPENDENT</b> <u>Areas of Expertise:</u> <ul style="list-style-type: none"><li>• Real estate</li><li>• Financial</li><li>• Investment</li><li>• Retail</li></ul>	Principal Occupation	
	Trustee of SmartCentres since May 31, 2019. Director, Real Estate Investments at Canada Pension Plan Investment Board (“CPPIB”) from 2010 to 2018 and was head of its Real Estate Investments team for Canada from 2012 to 2018 and head of CPPIB’s Canada and US Retail Real Estate Investments from 2010 to 2016 and head of its US Multi Family (rental apartment) Real Estate Investments from 2011 to 2012. Ms. Powell worked for eight years on the National Investment Team (Toronto) at CB Richard Ellis and spent eight years at BMO Capital Markets in its investment banking group in Toronto, focusing primarily on public real estate companies and real estate investment trusts. Prior to this, Ms. Powell worked at McLeanco Realty, a wholly-owned subsidiary of Deutsche Bank Securities, providing real estate advisory services to public and private institutional real estate clients. Ms. Powell holds a BA in Economics from the University of Western Ontario.	
	Other Public Board Memberships	
	None No interlocking outside public company directorships	

Board/Committee Memberships		Attendance at Regular Meetings <sup>(3)</sup>	Attendance at Special Meetings	Overall Attendance
Board		4/4	1/1	100%
Investment Committee		3/3	n/a	
Corporate Governance and Compensation Committee <sup>(1)</sup>		5/5	n/a	
Independent Committee <sup>(2)</sup>		n/a	n/a	n/a


Securities Beneficially Owned or Controlled as at March 31, 2023							
<u>Voting Units</u>		<u>Deferred Units</u>		<u>Total Units</u>		<u>Unit Ownership Requirement<sup>(6)</sup></u>	
Number	Market Value <sup>(4)</sup>	Number	Market Value <sup>(5)</sup>	Number	Market Value	Minimum Ownership Requirement	Complies with Minimum Ownership Requirement
0	\$0	26,617	\$707,214	26,617	\$707,214	\$362,500	Yes (2.0 times requirement)

Voting Results of 2022 Annual General Meeting							
# Votes For		% Votes For		# Votes Withheld		% Votes Withheld	
107,233,796		89.38		12,739,509		10.62	

Notes:

- (1) Ms. Powell is the chair of the Corporate Governance and Compensation Committee.
- (2) Ms. Powell became a member of the Independent Committee on March 1, 2023.
- (3) Ms. Powell attended two meetings of the Environmental, Social & Governance Committee of SmartCentres (the “ESG Subcommittee”) in 2022 as a participating observer.
- (4) This amount was determined by multiplying the number of Voting Units held by Ms. Powell by the closing price of the Units on the TSX on March 31, 2023.
- (5) This amount was determined by multiplying the aggregate number of Deferred Units held by Ms. Powell by the closing price of the Units on the TSX on March 31, 2023.
- (6) See “Corporate Governance – Alignment of Interests with Unitholders – Minimum Unit Ownership by Trustees”.



 <b>MICHAEL YOUNG</b> Age: 78 Texas, USA <i>Trustee since 2003, Lead Independent Trustee effective May 28, 2015</i> <b>INDEPENDENT</b> <b>Areas of Expertise:</b> <ul style="list-style-type: none"><li>• Real estate</li><li>• Financial</li><li>• Investment</li></ul>	Principal Occupation	
	Trustee of SmartCentres since November 11, 2003, Chairman of the Board of Trustees from July 1, 2014 to May 27, 2015 and Lead Independent Trustee since May 28, 2015. Mr. Young is President of Quadrant Capital Partners Inc., a private equity firm in Dallas, Texas, which he founded in November 2003. From January 1994 to October 2003, Mr. Young served as Managing Director and Head of Real Estate Investment Banking for CIBC World Markets. Mr. Young was appointed Global Head of Real Estate for CIBC World Markets in 1997. He served on the Board of Acasta Enterprises, Inc. from June 2017 until his resignation in February 2018. Mr. Young was a Trustee and Chairman of the Board of Milestone Apartments REIT from March of 2013 until April 2017, when Milestone Apartments REIT completed a “going private” transaction with Starwood Capital Group as the purchaser. He was a Director of Brookfield Residential Properties Inc. from March 2011 until 2015 and a Director of Brookfield Homes from 2007 until 2015. On March 12, 2015 Brookfield Residential Properties completed a “going private” transaction with Brookfield Asset Management as the purchaser. Mr. Young holds a Bachelor’s degree from the University of Western Ontario. He is also a member of Canada’s Sports Hall of Fame.	
	Other Public Board Memberships	
	None No interlocking outside public company directorships	

Board/Committee Memberships		Attendance at Regular Meetings	Attendance at Special Meetings	Overall Attendance
Board (Lead Independent Trustee)		4/4	1/1	100%
Investment Committee <sup>(1)</sup>		3/3	n/a	
Corporate Governance and Compensation Committee		5/5	n/a	
Independent Committee <sup>(2)</sup>		n/a	n/a	

Securities Beneficially Owned or Controlled as at March 31, 2023							
Voting Units		Deferred Units		Total Units		Unit Ownership Requirement <sup>(5)</sup>	
Number	Market Value <sup>(3)</sup>	Number	Market Value <sup>(4)</sup>	Number	Market Value	Minimum Ownership Requirement	Complies with Minimum Ownership Requirement
162,600	\$4,320,282	88,238	\$2,344,484	250,838	\$6,664,766	\$575,000	Yes (11.6 times requirement)

Voting Results of 2022 Annual General Meeting			
# Votes For	% Votes For	# Votes Withheld	% Votes Withheld
102,108,237	85.11	17,865,068	14.89

Notes:

- (1) Mr. Young is the chair of the Investment Committee.
- (2) Mr. Young became a member of the Independent Committee on March 1, 2023.
- (3) This amount was determined by multiplying the number of Voting Units held by Mr. Young by the closing price of the Units on the TSX on March 31, 2023.
- (4) This amount was determined by multiplying the aggregate number of Deferred Units held by Mr. Young by the closing price of the Units on the TSX on March 31, 2023.
- (5) See “Corporate Governance – Alignment of Interests with Unitholders – Minimum Unit Ownership by Trustees”.



## **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the best of the knowledge of the management of SmartCentres, no person who is a proposed Trustee of SmartCentres:

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

For the purposes of (a) above, “**order**” means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

## **Independence**

The principal factor underlying the determination of Trustee “independence” is whether a particular Trustee has a “material relationship” with SmartCentres which is a relationship which could be reasonably expected to interfere with the exercise of the Trustee’s independent judgement. Notwithstanding the foregoing, in the opinion of the Canadian Securities Administrators, as set out in NI 58-101, certain relationships are deemed to be “material relationships”. The following analysis has been based upon the definition of “material relationship” as set out in NI 58-101.

Mitchell Goldhar does not qualify as independent under NI 58-101 because he is the Executive Chairman and Chief Executive Officer of SmartCentres and owns the Penguin group of companies, which has entered into service, licensing and development agreements that are material to SmartCentres.

Gregory Howard was appointed to the Board by the MG Entities effective July 2, 2015. Mr. Howard is a partner at Davies Ward Phillips & Vineberg LLP, a law firm that provides legal services to SmartCentres and the MG Entities from time to time. Neither of these facts result in Mr. Howard not qualifying as independent under applicable securities laws for general purposes. However, under the TSX rules and the Institutional Shareholder Services guidelines, Mr. Howard may be considered not independent by virtue of his relationships to SmartCentres and the MG Entities. Accordingly, the Board has determined that Mr. Howard is not independent for the purposes of NI 58-101.

## **Board and Committee Attendance**

The table below shows the record of attendance by Trustees at meetings of the Board and its committees, as well as the number of Board and Board committee meetings held during the 12 month period ended December 31, 2022.

Trustee	Number and % of Meetings Attended								Overall
	Board <sup>(1)</sup>	Audit Committee	Investment Committee	Corporate Governance and Compensation Committee	ESG Subcommittee	Special Meetings of the Board	Special Meetings of the Audit Committee	Committees (Total)	
Mitchell Goldhar	4/4 100%	n/a <sup>(2)</sup>	3/3	n/a <sup>(2)</sup>	n/a	1/1	n/a	3/3 100%	8/8 100%
Janet Bannister	4/4 100%	4/4	n/a	n/a	2/2	1/1	1/1	7/7 100%	12/12 100%
Garry Foster	4/4 100%	4/4	3/3	n/a	n/a	1/1	1/1	8/8 100%	13/13 100%
Gregory Howard	4/4 100%	n/a	2/3	5/5	n/a	1/1	n/a	7/8 88%	12/13 92%
Sylvie Lachance	4/4 100%	4/4	n/a	n/a	2/2	1/1	1/1	7/7 100%	12/12 100%
Jamie McVicar	4/4 100%	4/4	n/a	5/5	n/a	1/1	1/1	10/10 100%	15/15 100%
Sharm Powell	4/4 100%	n/a	3/3	5/5	n/a <sup>(3)</sup>	1/1	n/a	8/8 100%	13/13 100%
Michael Young	4/4 100%	n/a	3/3	5/5	n/a	1/1	n/a	8/8 100%	13/13 100%

Notes:

- (1) Does not include special meetings.
- (2) Mr. Goldhar attended two meetings of the Audit Committee and one meeting of the Corporate Governance and Compensation Committee as a member of management.
- (3) While not a member of the Audit Committee or its ESG Subcommittee, Ms. Powell attended at, participated in and was compensated for two meetings of the ESG Subcommittee.

### Individual Voting in Trustee Elections

The Board has adopted a policy that allows for Unitholders to vote for the election of individual Trustees at each annual meeting of Unitholders rather than for a fixed slate of Trustees. In addition, the Board has adopted a policy stipulating that if the votes in favour of the election of a Trustee nominee at the Meeting represent less than a majority of the Units voted and withheld, the nominee will submit his or her resignation promptly after the Meeting for the consideration of the Corporate Governance and Compensation Committee. The Corporate Governance and Compensation Committee will make a recommendation to the Board after reviewing the matter, and the Board's decision to accept or reject the resignation offer will be disclosed to the public within 90 days of the Meeting. The Board shall accept the resignation absent exceptional circumstances. The nominee will not participate in any Corporate Governance and Compensation Committee or Board deliberations on the resignation offer. The policy does not apply in circumstances involving contested elections.

### Orientation and Continuing Education

The Board and management of SmartCentres have established an orientation and education program for new Trustees and new committee members regarding the role of the Board, its committees and the Trustees and the nature and operation of SmartCentres' business. This includes the provision of SmartCentres' core governance and financial reporting documents, comprised of the Declaration of Trust, the mandates and recent agendas, materials and minutes of the Board and its committees, the financial statements for the previous four quarters, the latest annual information form and management information circular, the codes of conduct and the disclosure policy, all of which are to be reviewed and discussed with a combination of representatives of management and the chairs of the committees. Further, every Trustee has access to management and relevant business information and management makes regular presentations to the Board on the main areas of SmartCentres' business. At least annually, the Board reviews the skills, knowledge and effectiveness of the Board, its committees and individual Trustees.

Trustees are encouraged to attend industry presentations, seminars and courses to deepen their understanding and knowledge of the business and operations of SmartCentres. In 2022, Trustees participated in the following:

Topic/Event	Date	Presented/Hosted By	Attended By
2022 RealCapital Conference	March 1-2, 2022	Canadian Real Estate Forums	Sharm Powell
CIBC Virtual Real Estate Conference	April 5, 2022	CIBC	Sharm Powell
Navigating the Changing Governance Landscape	October 25, 2022	PricewaterhouseCoopers	Garry Foster
Real Estate Industry Forum	November 7, 2022	Canadian Public Accountability Board	Garry Foster
CEO Succession	November 29, 2022	Korn Ferry	Sharm Powell
Year-End Audit Committee	December 9, 2022	PricewaterhouseCoopers	Garry Foster
Audit Committee Update	October 13, 2022	Deloitte	Garry Foster

### Nomination of Trustees

The Board has appointed the Corporate Governance and Compensation Committee which is responsible for, among other items: (i) reviewing the size and composition of the Board, (ii) recommending candidates for election to the Board, (iii) reviewing credentials of nominees for re-election, and (iv) recommending candidates for filling vacancies on the Board. The Corporate Governance and Compensation Committee may at times engage the services of external resources such as a search firm to assist in sourcing qualified candidates.

The Corporate Governance and Compensation Committee reviews the size and composition of the Board from time to time to determine their impact on the effectiveness of the Board. Each of the Corporate Governance and Compensation Committee and the Board believes that a board of seven to ten Trustees is an appropriate size for a public entity with a capitalization and business of SmartCentres' size. The Board is currently comprised of eight Trustees.

The Board believes that its current Trustees who are also the Trustees to be elected or appointed at the Meeting comprise an appropriate mix of individuals with real estate, financial, legal, property development, non-real estate investment and retail industry experience. Set forth below is a skills matrix, as determined by the Board, with respect to the current and proposed members of the Board.

Trustee	Real Estate	Financial	Legal	Property Development	Investment	Retail Industry
Mitchell Goldhar	x	x	x	x	x	x
Janet Bannister		x			x	x
Garry Foster	x	x			x	x
Gregory Howard	x	x	x	x		
Sylvie Lachance	x	x	x	x	x	x
Jamie McVicar	x	x	x	x		
Sharm Powell	x	x			x	x
Michael Young	x	x			x	

With respect to recommending candidates who are subject to election to the Board, the Corporate Governance and Compensation Committee initially determines the preferred traits, skills and experience of potential candidates. All Trustees and members of management are encouraged to propose candidates to the Corporate Governance and Compensation Committee through their business networks and contacts, with the Corporate Governance and Compensation Committee reviewing and considering all prospects against the identified criteria. All candidates subject to election by Unitholders are vetted by the full committee and selected based on majority vote, which selections are then recommended to the full Board for approval, where the majority of the Trustees are independent. A quorum for the transaction of business of the Corporate Governance and Compensation Committee is two and the Corporate Governance and Compensation Committee must be composed of a minimum of three Trustees, meaning

that the member of the Corporate Governance and Compensation Committee appointed by the MG Entities (if any) does not have a veto in the case of nominating new Trustees. As of March 31, 2023, Mr. Howard resigned from the Corporate Governance and Compensation Committee and was replaced thereon by Ms. Bannister so that such committee is now composed wholly of Trustees who are considered independent.

## **CORPORATE GOVERNANCE**

The Board believes that sound governance practices are essential to achieve the best long-term interests of SmartCentres and the enhancement of value for all security holders. The Canadian Securities Administrators have issued National Policy 58-201 – *Corporate Governance Guidelines* and have also adopted NI 58-101, which requires Canadian reporting issuers to annually disclose their corporate governance practices. Below is a discussion on the current governance practices of SmartCentres.

### **Alignment of Interests with Unitholders**

The Board believes that an important element of sound governance is the alignment of interests between the Trustees, senior officers and Unitholders. This is achieved, in part, by encouraging investment in SmartCentres by the Trustees and senior officers through the Deferred Unit Plan (see “Executive Compensation – Equity Compensation Plan Information – Deferred Unit Plan”). SmartCentres has an equity incentive plan (the “**EIP**”) that further aligns the incentives of certain senior officers of SmartCentres with the long-term interest of its Unitholders (see “Executive Compensation – Equity Compensation Plan Information – Equity Incentive Plan”).

#### ***Minimum Unit Ownership by Trustees***

SmartCentres encourages its Trustees to hold an equity position in SmartCentres. To this end, all Trustee compensation is eligible for investment in the Deferred Unit Plan. For further information, see “Executive Compensation – Equity Compensation Plan Information – Deferred Unit Plan”.

The Board has adopted a policy whereby each Trustee is required to hold Units (and/or Deferred Units under the Deferred Unit Plan) with an aggregate value of not less than five times the annual retainer paid to the Trustee. Each Trustee will have five years from the date of that Trustee’s appointment to meet this ownership requirement. As of March 31, 2023, each of the Trustees then in office, other than Ms. Bannister and Ms. Lachance, has met this ownership requirement. Ms. Bannister and Ms. Lachance, each have five years from the date of their election in 2021 to meet this ownership requirement. Further, the Trustees, in aggregate, have increased the number of Units they hold by approximately 0.1% in the last 12 months. Please see the individual profiles on pages 9 to 17 of this Circular under the section “Trustees – Nominees for Election to the Board of Trustees” which set out the equity holdings, as at March 31, 2023, of each of the Trustee nominees or those individuals to be appointed by the MG Entities upon the conclusion of the Meeting.

#### ***Minimum Unit Ownership by the Executive Chairman and Chief Executive Officer***

Pursuant to the terms of his employment agreement, Mr. Goldhar is required to use commercially reasonable efforts to own, directly or indirectly, Units (and/or Deferred Units under the Deferred Unit Plan) with an aggregate value at least equal to three times the annual base salary paid to him until Mr. Goldhar’s resignation, the expiry of the term of his employment agreement or the termination of Mr. Goldhar’s employment by SmartCentres, whichever is earliest.

Effective as of March 31, 2023, Mr. Goldhar has agreed to use commercially reasonable efforts to own, directly or indirectly, Units (and/or Deferred Units under the Deferred Unit Plan) with an aggregate value at least equal to five times the annual base salary paid to him until one year after Mr. Goldhar’s resignation or retirement as Chief Executive Officer. Mr. Goldhar currently meets this requirement and will use commercially reasonable efforts to maintain such ownership on an ongoing basis.

The following table sets out a summary of Mr. Goldhar’s ownership of Units and Unit equivalents as at March 31, 2023, based on the closing price of the Units on the TSX on March 31, 2023:

Required Multiple	Voting Units (\$)	Deferred Units (\$)	Total Units and Unit Equivalents (\$)	Total Ownership as a Multiple of Base Salary
5x	989,589,421	6,595,551	996,184,971	490.9 x

### *Minimum Unit Ownership by Executive Officers*

In order to further align the interests of executives with the interests of Unitholders, SmartCentres has ownership guidelines for its executive officers. Under the ownership guidelines, each of the named executive officers (as defined in Form 51-102F6 – *Statement of Executive Compensation*) (other than the Executive Chairman and Chief Executive Officer, who is subject to the ownership requirements discussed under “– Minimum Unit Ownership by the Executive Chairman and Chief Executive Officer”) is required to hold Units (and/or Deferred Units under the Deferred Unit Plan) with an aggregate value of not less than 1.5 times the annual base salary paid to such named executive officer. Each named executive officer will have three years from the date of such named executive officer’s appointment to meet this ownership guideline. As of March 31, 2023, each named executive officer subject to the policy, other than Peter Slan, met this requirement. Peter Slan has three years from the date of his appointment in 2022 to meet the minimum unit ownership requirement.

### **Board Mandate**

The Board is responsible for the stewardship of SmartCentres. The Board supervises management of SmartCentres with the goal of providing stable and growing cash distributions and enhancing long-term Unitholder value. Management, in turn, is responsible for the day-to-day management of the business and affairs of SmartCentres and its subsidiaries. Management is also responsible for establishing strategic planning initiatives for SmartCentres. The Board assists in the development of these goals and strategies by acting as a sounding board and by contributing ideas. The Board ultimately approves the strategic plan, taking into account the risks and opportunities of the business of SmartCentres. The Board approves all significant decisions that affect SmartCentres before they are implemented, supervises the implementation and reviews the results.

The Board has specifically assumed responsibility for:

- (a) participating in the development of the strategic plan;
- (b) identifying and managing business risks;
- (c) verifying the integrity and adequacy of SmartCentres’ internal controls and management information systems;
- (d) defining the roles and responsibilities of management;
- (e) reviewing and approving the business and investment objectives to be met by management;
- (f) assessing the performance of management and the performance of its subsidiaries;
- (g) succession planning;
- (h) ensuring effective and adequate communication with Unitholders and other stakeholders as well as the public at large; and
- (i) establishing committees of the Board, where required, and defining their mandates.

In addition, the Board has adopted a mandate that expands upon its objectives and responsibilities. The full text of the Board mandate is attached as Schedule “A” to this Circular.

### **Independent Chairs and Independent Trustees**

SmartCentres believes that having a Lead Independent Trustee on the Board as a separate position from the Executive Chairman is important in effectively providing independent Board oversight and in holding management accountable to the Board for SmartCentres’ operations. SmartCentres has also historically separated the roles of the Executive Chairman and the Chief Executive Officer. However, given the passing of Mr. Forde in 2021, Mr. Goldhar agreed to take on the role of Chief Executive Officer, in addition to his role as Executive Chairman and Trustee. Mr. Goldhar’s vision, expertise and knowledge of SmartCentres’ business makes him uniquely qualified to lead the organization.

Each of the Lead Independent Trustee and the Executive Chairman have separate position descriptions as outlined under the section “– Position Descriptions”.

The majority of the Trustees are independent. In addition, the chair of each Board committee is an independent Trustee. Garry Foster is the Chair of the Audit Committee. Michael Young is the Chair of the Investment Committee and is the Lead Independent Trustee. Sharm Powell is the Chair of the Corporate Governance and Compensation Committee. Garry Foster is the primary contact under the Board's "Whistleblower" policy as discussed under "Ethical Business Conduct". Effective March 1, 2023, an Independent Committee, composed solely of independent Trustees, has been established, with Garry Foster as Chair, to provide oversight with respect to any related party transactions in which SmartCentres or any of its subsidiaries is a party.

The independent Trustees meet without the non-independent Trustees and management at every Board meeting and otherwise as they deem necessary. The goal of the independent Trustees is to provide corporate governance by overseeing the activities of the Board and management to ensure all decisions are made in the best interests of SmartCentres and its Unitholders. The independent Trustees report to the full Board after each meeting with any identified issues. Issues requiring further actions will be tabled, responsibility assigned and a reporting deadline agreed upon.

## **Position Descriptions**

### ***Chair of each Board Committee***

The Board has not developed written position descriptions for the chair of each Board committee, but instead, the Board has adopted written mandates for the Board and for each Board committee. The Board and the members of each Board committee are responsible for taking such steps as may be necessary to ensure that the Board and the committees of the Board fulfill their respective mandates.

### ***Lead Independent Trustee***

The Board has developed a position description for the Lead Independent Trustee of SmartCentres, which affirms that the Lead Independent Trustee is expected to facilitate the functioning of the Board independently of management of SmartCentres and to provide independent leadership to the Board.

The Lead Independent Trustee is responsible for, among other things, acting as a leader for the independent Trustees; in the absence of the Executive Chairman, acting as chair of meetings of the Board; reviewing with the Executive Chairman and Chief Executive Officer items of importance for consideration by the Board; serving as an independent contact for independent Trustees; organizing and presenting the agenda for *in camera* meetings of the independent Trustees based on input from the Trustees and management; and communicating with the Executive Chairman and senior officers of SmartCentres so that they are aware of concerns of the independent Trustees, Unitholders and other stakeholders of SmartCentres.

### ***Executive Chairman and Chief Executive Officer***

The Executive Chairman and Chief Executive Officer is responsible for, among other things, overseeing the Board's discharge of its duties; governing the conduct of the Board; assisting Board committees; reviewing and monitoring the long-term business plan, strategies and policies of SmartCentres; and presiding over meetings of the Board. Key responsibilities outside the traditional Chairman role include driving overall execution of SmartCentres' business strategy as well as driving matters of finance, leasing, asset management and property management and the implementation of the development and intensification initiatives for existing properties and new development initiatives, as well as strengthening SmartCentres' existing strategic relations and establishing new partnerships and other strategic relationships and developing and implementing SmartCentres' overall investor and public relations strategy.

## **Ethical Business Conduct**

The Board has adopted a written code of conduct for the Trustees and a written code of conduct for officers and employees of SmartCentres and its subsidiaries. A copy of each code of conduct may be obtained electronically at [www.sedar.com](http://www.sedar.com).

The SmartCentres Code of Business Conduct (the "**Code of Business Conduct for Associates**") stipulates that officers and employees of SmartCentres and its subsidiaries will deal openly and honestly with investors, tenants, suppliers and colleagues. The Code of Business Conduct for Associates strives to create a culture in SmartCentres and

its subsidiaries that values honesty, high ethical standards and compliance with laws, rules and regulations. In addition, the Code of Business Conduct for Associates includes SmartCentres' policies on human rights, equal opportunity employment, sexual harassment, workplace violence and privacy and protection of information. The Board also adopted a separate insider trading policy effective November 9, 2015.

The SmartCentres Code of Business Conduct for Trustees (the “**Trustee Code of Conduct**”) stipulates that the Trustees must act in an ethical and lawful manner while recognizing their responsibility to represent SmartCentres' best interests. The Trustee Code of Conduct provides that as fiduciaries of SmartCentres, the Trustees are expected to provide leadership in upholding and requiring adherence to applicable laws and must observe a high standard of morality in the conduct of their duties as Trustees regardless of their personal or financial interests. The Trustee Code of Conduct includes SmartCentres' policies on insider trading for Trustees, treatment of confidential information and intellectual property of SmartCentres, media statements, anti-corruption and the receiving and giving of gifts by Trustees.

The Board monitors compliance by having the Trustees and the officers and employees of SmartCentres and its subsidiaries annually certify that they have read and complied with the Trustee Code of Conduct or Code of Business Conduct for Associates, as applicable. The Trustees and the officers and employees of SmartCentres and its subsidiaries are encouraged to raise compliance concerns with the Board, Executive Chairman and Chief Executive Officer, Chief Financial Officer or SmartCentres' EthicsPoint, or the chair of the Corporate Governance and Compensation Committee, in the case of the Trustees, and their manager or executive manager or the human resources department of SmartCentres, in the case of officers and employees of SmartCentres.

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

The Board has advised each of the executive officers of SmartCentres and its subsidiaries that the terms of his or her employment require such executive officers to follow the same disclosure procedures and practices outlined above when such executive officer is in a situation that is, or may be considered to be, a “conflict of interest”.

The Audit Committee has also adopted a “whistleblower” policy that sets out procedures which allow Trustees, directors, officers and employees of SmartCentres and its subsidiaries to file reports on a confidential and anonymous basis with the appropriate arm's length third parties regarding any concerns about accounting, internal accounting controls or auditing matters.

## **ESG and Sustainability**

SmartCentres recognizes the importance of sustainability and environmental, social and governance (“**ESG**”) factors in promoting both a healthy long-term Canadian environment and responsible investments in its portfolio. To this end, SmartCentres takes a long-term view, and embeds this thinking across all levels of its business. SmartCentres believes creating jobs and opportunities, engaging communities, promoting diversity, health, safety and security, efficient use of natural resources (through supply chain, energy, waste and natural resource management) and striving for sustainable design and continued innovation of its properties are all important factors to be considered when making strategic decisions.



ESG and sustainability considerations are woven into the fabric of SmartCentres. SmartCentres' retail centres were founded with the economic realities of the average Canadian household in mind; bringing value and convenience-oriented retail to the Canadian market. Canadians want transit-connected homes with urban amenities. As such, SmartCentres is evolving from 'Shopping Centres to City Centres' and SmartLiving has emerged with a \$15.2 billion transformation plan to enhance Canadian communities. SmartLiving apartments, condos, towns, and seniors' residences are designed around public squares and central parks, within pedestrian-focused, transit-connected master-planned communities; all of which are designed to contribute not only to the quality of the built environment, but also promote sustainability.

Oversight of SmartCentres' approach to ESG and sustainability is embedded at the Board level through consideration of the above and other ESG factors, impacts, approaches and opportunities when reviewing and approving SmartCentres' strategic plan and key initiatives. The ESG Subcommittee of the Audit Committee has been established to assist the Audit Committee and the Board in overseeing all ESG matters other than those for which responsibility has been assigned to the Corporate Governance and Compensation Committee. The ESG Subcommittee oversees SmartCentres' ESG strategy, monitors emerging trends and risks related to ESG, reviews key policies and reviews SmartCentres performance against its short and long-term ESG objectives and measures.

A management taskforce (the "**ESG Taskforce**") has been established to oversee the day-to-day progression and implementation of SmartCentres' key ESG initiatives within its strategic plan. The ESG Taskforce has direct, open communications throughout the year with the ESG Subcommittee, the Executive Committee (as hereinafter defined) and the Executive Chairman and Chief Executive Officer.

In 2021, SmartCentres conducted a Materiality Assessment, identifying the material ESG risks and opportunities and how they contribute to enhancing business value. This helped form the basis of the ESG strategy ensuring SmartCentres is addressing all areas of concern to our stakeholders. Our actions and achievements were shared in the release of the inaugural ESG Report ("**ESG Report**") which will continue to be updated and published on an annual basis. The ESG Report can be found on SmartCentres' website ([www.smartcentres.com](http://www.smartcentres.com)). This report is the summary of how we approached and delivered on ESG areas for the calendar year 2021, while also highlighting initiatives that are ongoing through 2022 and beyond. The information on SmartCentres' website does not form part of this Circular.

In 2022, SmartCentres completed its first submission to the GRESB framework. SmartCentres joined the more than 1,800 real estate companies assessing their ESG performance via GRESB. "**GRESB**" provides a standardized, globally recognized framework so both investors and managers can act on ESG data and insights. With its first assessment complete, SmartCentres is moving to implement actions to address ESG matters most relevant to the organization and in the industry.

## **Environmental Initiatives**

SmartCentres continually looks for new methods of reducing its environmental footprint. Efforts to reduce energy use, improve water efficiency, develop stormwater management solutions and improve waste management are core to its business. SmartCentres employs a third-party utility management company which provides benchmarking and performance measures which enables management to make better informed decisions relating to energy-efficiency initiatives. Electricity is an area of primary focus and one that SmartCentres can impact significantly by reducing overall consumption within the common areas of its properties.

In 2022, SmartCentres increased the number of retail shopping centre properties that are BOMA BEST certified from 38 to 148. This certification involves instituting water and waste management plans, preventative maintenance programs, waste diversion programs, achieving certain standards for environmentally friendly cleaning and achieving goals related to tenant engagement with respect to these and other related programs and standards within the BOMA BEST criteria. This surpasses the target of 85% of the shopping centres portfolio achieving BOMA BEST, in addition to SmartCentres' already LEED certified properties.

## **Diversity**

SmartCentres values the benefits that diversity and inclusion can bring to all levels of the organization in promoting better corporate governance and decision-making. For SmartCentres, diversity includes, but is not limited to, expertise, experience, knowledge, education, gender, age, ethnicity and geographical background. SmartCentres has had a written diversity policy since 2015 that sets out SmartCentres' commitment to diversity. A copy of the current policy



is available on SmartCentres' website at <https://www.smartcentres.com/app/uploads/2019/05/SmartCentres-Board-Diversity-Policy-April-30-2019.pdf>.

### ***Board Diversity***

As set out in the diversity policy, the Board should be comprised of individuals who collectively possess all of the competencies and skills necessary to enable the Board to properly perform its responsibilities. Each Board member should be highly qualified with the necessary expertise, experience, knowledge and personal qualities to enable that individual to make a significant contribution to the Board. The composition of the Board should also consider SmartCentres' commitment to diversity. Gender diversity is a significant aspect of diversity and, accordingly, SmartCentres' aspiration was that women comprise at least 30% of its independent Trustees by the annual meeting of Unitholders in 2022 – a target that we have exceeded. Currently, the Board has three female Trustees, representing 37.5% of the Trustees and 50% of the independent Trustees. One Trustee identifies as a member of a visible minority, representing 12.5% of the Trustees and 16.7% of the independent Trustees. If all nominated Trustees are approved by the Unitholders, the Board will have the same diversity composition following the Meeting.

With a view to identifying and recruiting female candidates for service on the Board, SmartCentres' diversity policy specifies the following requirements:

- when assessing Board composition or identifying suitable candidates for appointment or re-election to the Board, candidates will be considered on their merit, having due regard to the benefits of diversity;
- search protocols for new candidates will extend beyond the networks of existing Board members;
- a reasonable proportion of the identified candidates must be women;
- search firms will be directed to conduct their searches in accordance with the diversity policy, including by seeking to identify a reasonable number of qualified female candidates; and
- a reasonable number of female candidates shall be included in the Board's evergreen list of potential Board nominees.

On other aspects of diversity, the Board seeks to increase the degree to which its Trustees reflect the diversity of SmartCentres' employees and communities it serves while ensuring the collective skills, expertise and experience of the Board members allow the Board to operate effectively. The Board has currently not set specific targets for people of visible minorities, Indigenous people, persons with disabilities and members of the LGBTQ+ community. When looking for new candidates to serve on the Board, the Corporate Governance and Compensation Committee intends to include candidates from these communities in the pool of prospects and the short-list from which SmartCentres identifies potential candidates. The Board will continue to monitor the level of Trustee diversity and consider whether it would be appropriate to include specific reference to, or formal targets for, the representation of from these communities, in the future.

In furtherance of the commitment to diversity at the Board, the Board will annually assess, and SmartCentres will report to its Unitholders on, the diversity of Board members, including the number and percentage of female Trustees and to the number and percentage of ethnically and racially diverse Trustees.

The Corporate Governance and Compensation Committee reviews SmartCentres' diversity policy annually and assesses its effectiveness in promoting a diverse Board. Also, in accordance with the diversity policy the Corporate Governance and Compensation Committee maintains an evergreen list of potential candidates for the Board. At this time a majority of the candidates on that list are women.

### ***Diversity and Inclusion in the Workforce***

As set out in the diversity policy, SmartCentres is also committed to fostering an inclusive workplace culture based on merit and free of conscious and unconscious bias. SmartCentres is committed to the diversity of its management team, and gender diversity is a significant aspect of diversity. Having a merit-based system of advancement is a core principle at SmartCentres and the identification and selection of candidates for executive officer and other management positions is based on merit, having due regard to all relevant criteria, including expertise, experience, knowledge, education, personal qualities and SmartCentres' diversity policy.

The Corporate Governance and Compensation Committee monitors the proportion of female executive officers and the proportion of women at other management levels within SmartCentres. Management reports to the Corporate

Governance and Compensation Committee on initiatives that are designed to support an inclusive culture that provides opportunities to all high-potential employees, free of conscious or unconscious bias.

Some of the practices SmartCentres has adopted to protect against barriers to inclusion include:

- all people managers have been trained in fair selection processes, including specific training on structured interviewing techniques;
- a minimum of two levels of interviews, with a human resources professional directly involved, is conducted for all new recruits;
- allowing flexibility to employees by providing the option to work from home 8 days a month with manager approval;
- SmartCentres periodically reviews its performance review process, promotion practices and compensation structure for bias and hidden barriers – the most recent review of SmartCentres’ pay equity, encompassing compensation structure, performance review process and historical data on promotions by the Ontario Pay Equity Commission, found them to be in order and free of gender bias;
- SmartCentres has a robust talent management program and during the year, several high-potential individuals were identified early in their careers (see “Talent Management and Succession Planning Philosophy” below). Fifty percent of the candidates in this group are women, 30% (106 of 350) identified as a visible minority and 0.1% (2 of 350) as indigenous.
- there is an internal committee comprised of the executive management team that regularly reviews gender diversity at senior levels of the organization to ensure there are no roadblocks to advancement within any function at the organization. This committee reports periodically to the Board on the representation of women and high-potential candidates in general and at different levels within the organization;
- several employee programs support the needs of SmartCentres’ diverse population, including parental leave programs, flexible work arrangements, including a work from home policy, and a company wellness program that provide supports for mental health and overall well-being; and
- internal events are organized to celebrate different cultural traditions and important dates, such as International Women’s Day, National Day for Truth and Reconciliation, and charitable giving at SmartCentres includes recognition of charities focussed on the needs of diverse groups. In addition, a new volunteering program offers all associates a company paid day to participate in a charitable activity of their choosing.

In accordance with the diversity policy, candidates for executive officer and senior officer roles will be identified and selected based on merit, having due regard to all relevant criteria, including expertise, experience, knowledge, education and personal qualities. Gender and non-gender elements of diversity are important factors to be taken into account. SmartCentres has not adopted targets for the proportion of executive officers to be comprised of women or other diverse communities. SmartCentres believes its focus on ensuring there are no barriers to inclusion and promotion based on merit is more effective in building a sustainable inclusive culture.

In furtherance of SmartCentres’ commitment to diversity among the executive officers and management team, the Corporate Governance and Compensation Committee will annually assess, and SmartCentres will report to its Unitholders on, the effectiveness of efforts taken by SmartCentres to adhere to SmartCentres’ diversity policy at the executive and management level.

At SmartCentres, women comprise 52.09% of the total workforce (224 of 430). There is currently one female executive officer and numerous women have made significant progress internally and achieved senior level positions. The table below sets out the proportion of women at different levels of management.

Executive Officers	Senior Leadership (VP, SVP and EVP levels)	Senior Managers (Asst. Dir., Dir. and Sr. Dir. Levels)
1 of 6 (16.7%)	8 of 33 (24.24%)	33 of 56 (58.93%)

One executive officer is a member of a visible minority, representing 16.7% of executive officers.

### **Safety in the Workplace: Response to COVID-19**

In February 2020, SmartCentres formed a senior team of employees, led by the then President and CEO with a mandate to plan for the continued operation of its business throughout the COVID-19 pandemic. The team was named the Business Continuity Leadership Team (the “BCLT”). The following paragraphs highlight some of the initiatives of

the BCLT that have supported SmartCentres' business continuity throughout the COVID-19 pandemic. This leadership team continues to monitor COVID-19 protocols to ensure they remain effective and current. Specifically, safety protocols, including enhanced cleaning and sanitization processes, managed common areas, including office hallway pathways, safety training, use of face masks and sanitizing wipe supplies, touchless door openers, installation of plexiglass around workstations, augmented HVAC system cleaning and increased fresh air intake, continue to be monitored. These safety protocols were continued in 2022 and thereafter, proving very effective in limiting the spread of COVID-19 infections in our offices.

In addition, SmartCentres supplemented its Employee Assistance Program with additional wellness supports, including self-help videos related to isolation, the improvement of mental health and coping with COVID-19 related stress. Managers are constantly encouraged to schedule non-business virtual meetings to allow for socialization amongst team members.

In response to the increase of COVID-19 cases in 2022 in external communities and changing public health guidelines, SmartCentres continued to act nimbly in order to protect the safety of our employees in our offices. SmartCentres is continuously assessing the situation and will adjust according to Public Health guidelines.

To review and validate the COVID-19 office safety initiatives, SmartCentres proactively engaged two reputable and qualified third-party auditors: a risk management auditor to assess COVID-19 safety protocols and an air quality auditor to review office air quality. Both audits resulted in very strong results. SmartCentres' head office has been inspected by several Public Health and Ministry of Labour inspectors and feedback from these inspections has been consistently positive, with no issued orders to comply with.

### ***BCLT Initiatives***

**The following BCLT-led initiatives serve to promote an inclusive environment at SmartCentres, where all employees have a voice in promoting ideas for business improvements, particularly in these uncertain times. The BCLT remained active throughout 2022.**

- **Homecoming Committee:** The Homecoming Committee was formed to engage employees cross-functionally (and across Canada) to ensure optimal safety and support with respect to the variation and evolution of government guidance and rules across the country. The committee is subdivided into three district working groups; one is focused on the return of employees to the SmartCentres offices, one is focused on SmartCentres' retail centres, and one on SmartCentres' office towers.
- **The "Change Agents":** The post-COVID-19 world is undoubtedly different than the one we knew before. The Change Agents was formed to help accelerate the transformation of SmartCentres' business, as customer needs and the current landscape continue to evolve.
- **Opportunities for Improvement:** The circumstances of 2021-2022 afforded SmartCentres the opportunity to view its business differently, reflect on its agility, and implement opportunities for improvement. Many employees have detailed experiences that are unique to their position, giving them the opportunity to see things from a different perspective. To capitalize on these insights, each department was asked to maintain and present opportunities for improvement to the BCLT. Many of the ideas presented have been incorporated into SmartCentres' technology and workplace roadmap.
- **"Ask The BCLT":** The anonymous "Ask the BCLT" survey was introduced in April 2020 as a way to solicit enquiries and ideas from employees. Survey submissions are reviewed by the BCLT on a weekly basis and responses are incorporated into frequent company-wide communications from the CEO.
- **Giving Back:** Starting in March 2020, at the onset of the pandemic, SmartCentres offered rent-free use of its space, land, parking lots and signage to all Canadian governments and health care authorities, to assist in their COVID-19 support efforts. The BCLT operationalized and extended this offer through 2022. Local governments and hospital networks across the country made use of nearly half a million square feet of SmartCentres property through this program. Nine vaccination clinics were run out of SmartCentres' properties in British Columbia, Ontario, Quebec and Nova Scotia. In addition, five properties were used for overflow pandemic-related medical storage.

The above examples illustrate SmartCentres' ongoing commitment to the health and well-being of its employees, community outreach and the continued success of its business, but they do not represent an exhaustive list of SmartCentres' efforts in this regard. SmartCentres has leveraged its strong workplace culture to successfully pivot into the current and evolving environment with minimal interruption to its operations and, notably, SmartCentres has not had any COVID-19 outbreaks or community spread in its offices.

## Compensation

The Board, through its Corporate Governance and Compensation Committee, periodically reviews the adequacy and form of compensation provided to its Trustees and executive officers. The Corporate Governance and Compensation Committee considers the time commitment, risks and responsibilities of Trustees and executive officers and takes into account the types of compensation and the amounts paid to directors and/or Trustees and executive officers of comparable publicly traded Canadian companies. No current or proposed member of the Corporate Governance and Compensation Committee is an officer of SmartCentres, and, as such, the Board feels that the Corporate Governance and Compensation Committee conducts its activities in an objective manner.

## Board Committees

The Trustees may appoint from among their number one or more committees of Trustees and may, subject to applicable law and to any provision in the Declaration of Trust to the contrary, delegate to such committee or committees any of the powers of the Trustees.

The Board has four standing committees: the Audit Committee, the Investment Committee and the Corporate Governance and Compensation Committee and a new Independent Committee. The Board may establish additional or special committees from time to time in its discretion. Effective March 1, 2023, the Board authorized the formation of a standing Independent Committee for the purpose of reviewing and approving any related party transactions in which SmartCentres or any of its subsidiaries is a party. In 2022, the Board formed the ESG Subcommittee as a subcommittee of the Audit Committee for the purpose of assisting the Audit Committee and the Board in overseeing all ESG matters of SmartCentres other than those aspects of ESG for which responsibility has been assigned to the Corporate Governance and Compensation Committee.

Set forth below is a table with the current Board memberships of the various committees as of March 31, 2023:

Trustee	Corporate Governance and Compensation Committee	Audit Committee	ESG Subcommittee	Investment Committee	Independent Committee <sup>(7)</sup>
Mitchell Goldhar				X	
Janet Bannister	X <sup>(1)</sup>	X	X		
Garry Foster		X <sup>(4)</sup>		X	X <sup>(8)</sup>
Gregory Howard <sup>(2)</sup>				X	
Sylvie Lachance		X	X	X <sup>(5)</sup>	
Jamie McVicar	X	X			
Sharm Powell	X <sup>(3)</sup>			X	X
Michael Young	X			X <sup>(6)</sup>	X

Notes:

- (1) Ms. Banister became a member of the Corporate Governance and Compensation Committee on March 31, 2023, replacing Mr. Howard.
- (2) Mr. Howard resigned from the Corporate Governance and Compensation Committee on March 31, 2023, and was replaced thereon by Ms. Bannister.
- (3) Ms. Powell is the chair of the Corporate Governance and Compensation Committee.
- (4) Mr. Foster is the chair of the Audit Committee.
- (5) Ms. Lachance became a member of the Investment Committee on March 31, 2023.
- (6) Mr. Young is the chair of the Investment Committee.
- (7) The Independent Committee was formed effective March 1, 2023.
- (8) Mr. Foster is the chair of the Independent Committee.

### ***Audit Committee***

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

- (a) review SmartCentres' procedures for internal control with the external auditor and SmartCentres' Chief Financial Officer;
- (b) oversee environmental, social and governance matters through the ESG Subcommittee, in conjunction with oversight by the employment, governance and diversity ESG matters overseen by Corporate Governance and Compensation Committee;
- (c) review the engagement of the external auditors;
- (d) review and recommend to the Trustees for approval annual and quarterly financial statements and accompanying notes and management's discussion and analysis of financial condition and results of operation;
- (e) assess SmartCentres' financial and accounting personnel;
- (f) review any significant transactions outside SmartCentres' ordinary course of business, cash position and all pending litigation involving SmartCentres;
- (g) consider and review cyber security and related risks with ongoing technology enhancements to address new and ongoing risks, greater education and awareness of staff and business relationships through advanced communication.; and
- (h) review SmartCentres' overall Enterprise Risk Management Plan.

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

For further details on the Audit Committee, please refer to the section entitled "Audit Committee" in the latest annual information form of SmartCentres.

### ***ESG Subcommittee***

The ESG Subcommittee is appointed annually by the Audit Committee and consists of not less than two members, each of whom is required to be an independent Trustee. The ESG Subcommittee shall:

- (a) oversee SmartCentres' ESG strategy and approach to ESG matters (other than those which are overseen by the Corporate Governance and Compensation Committee);
- (b) review SmartCentres' process for determining its short and long-term ESG objectives and measures, including the choice of any reporting standards used by SmartCentres and the results of any internal and external stakeholder engagement with respect to identifying key objectives and measures for purposes of reporting to stakeholders;
- (c) monitor emerging trends, risks or issues related to ESG;
- (d) review key policies, management systems and programs to monitor health, safety, environmental and social performance, and the adequacy of SmartCentres' resources and systems for such purposes;
- (e) review SmartCentres' performance against its short- and long-term ESG objectives and measures, and review SmartCentres' plans to improve its performance with respect to ESG practices; and
- (f) review any financial disclosures relating to ESG and report to the Audit Committee on the results of the review.

### ***Independent Committee***

Effective as of March 1, 2023, the Board authorized the formation of a standing Independent Committee. Currently, three Trustees who are considered independent are members of the Independent Committee. The current members of the Independent Committee are: Garry Foster (Chair), Sharm Powell and Michael Young. The Independent Committee shall have the responsibility to review, approve and oversee any related party transactions in which SmartCentres or any of its subsidiaries is a party. As part of its responsibilities, the Independent Committee shall meet quarterly. The duties of the Independent Committee include:

- (a) to review all of the relevant facts and circumstances of all related party transactions that require the Independent Committee's approval and either approve or disapprove of the entry into such transaction;
- (b) to conduct, or direct and supervise the conduct of, any negotiations or discussions on behalf of SmartCentres with respect to a related party transaction;
- (c) to consider and make such recommendations to the Board regarding a related party transaction and such other matters as the Independent Committee may deem necessary or advisable; and
- (d) to participate in the preparation of, and review and approve, any documentation and public disclosure related to a related party transaction, as the Independent Committee may deem necessary or advisable.

The Independent Committee may approve a related party transaction only if the Independent Committee determines in good faith that the transaction is in the best interests of SmartCentres and in compliance with all applicable Canadian securities laws relating to related party transactions then in effect and applicable to SmartCentres from time to time. The Independent Committee may impose such conditions as it deems appropriate in connection with the approval of a related party transaction. The Independent Committee will be entitled to select and retain advisors to assist the committee in carrying out its mandate.

### ***Investment Committee***

Pursuant to the Declaration of Trust, the Trustees shall appoint an Investment Committee to consist of not less than three Trustees and not more than six Trustees, a majority of whom shall be outside Trustees (i.e. independent of management), two of whom shall be Trustees appointed by the MG Entities for so long as the MG Entities are the beneficial owners in aggregate of in excess of 15% of the issued and outstanding Voting Units (unless the prior written consent to the contrary or a written waiver of the MG Entities Representative is obtained) and Mitchell Goldhar remains alive and two-thirds of whom shall have had at least 5 years of substantive experience in the real estate industry. The duties of the Investment Committee are to:

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

Where for any reason a member of the Investment Committee is disqualified from voting on or participating in a decision, any other independent and disinterested Trustee not already a member of the Investment Committee may be designated by the Trustees to act as an alternate. The Investment Committee shall be entitled to delegate its responsibility to the management of SmartCentres for the foregoing matters provided that such matters do not exceed the applicable financial thresholds determined by the Trustees from time to time to be appropriate for management to consider and approve and may provide additional requirements, including setting out pre-determined financing terms, requiring management to review a matter with the chair of the Investment Committee prior to approving such matter and requiring appropriate reporting requirements.

Notwithstanding the foregoing, to ensure compliance with the applicable securities laws relating to related party transactions, including the rules prescribed by Multinational Instrument 61-101 – *Take-Over Bids and Special Transactions*, all related party transactions will be approved by either the Independent Committee, the disinterested members of the Board or the disinterested members of the Investment Committee and any Trustees with an interest in such a transaction will abstain from voting.

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

### ***Corporate Governance and Compensation Committee***

Pursuant to the Declaration of Trust and except as otherwise set forth below, the Trustees shall appoint a Corporate Governance and Compensation Committee to consist of not less than three Trustees and not more than four Trustees, one of whom shall be a Trustee appointed by the MG Entities for so long as the MG Entities are the beneficial owners in aggregate of in excess of 15% of the issued and outstanding Voting Units (unless the prior written consent to the contrary or a written waiver of the MG Entities Representative is obtained) and Mitchell Goldhar remains alive. Effective as of March 31, 2023, without relinquishing any of his or MG Entities' rights, Mr. Goldhar (as the MG Entities representative) has consented to the removal of the Trustee currently appointed by the MG Entities to the Corporate Governance and Compensation Committee and the replacement of such Trustee with an independent Trustee.

The duties of the Corporate Governance and Compensation Committee are to review the governance of SmartCentres with the responsibility for SmartCentres' corporate governance, human resources and compensation policies. In particular, the Corporate Governance and Compensation Committee is responsible for:

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

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

The Corporate Governance and Compensation Committee is composed of Trustees who are knowledgeable about issues related to human resources, leadership, compensation and governance. Each committee member's understanding of these issues may be enhanced by participating in educational programs (see "Trustees – Orientation and Continuing Education"). For more information on the experiences of each committee member, as well as their occupations and education, please see the individual profiles on pages 9 to 17 of this Circular under the section "Trustees – Nominees for Election to the Board of Trustees".

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

### ***Executive Committee***

Pursuant to the terms of the Governance and Investor Rights Agreement, for so long as the MG Entities beneficially own at least 10% of the outstanding Voting Units, SmartCentres will continue to maintain the Executive Committee (the “**Executive Committee**”) comprised of a maximum of eight senior employees of SmartCentres, including SmartCentres’ Executive Chairman, President and Chief Executive Officer, Chief Financial Officer, Chief Development Officer, Executive Vice President, Portfolio Management and Investments (as applicable) and such other senior management as the Executive Chairman and Chief Executive Officer may designate. Under the direction of the Executive Chairman and the Chief Executive Officer, the Executive Committee is responsible for overseeing the management of all significant matters affecting SmartCentres.

### ***Real Estate Committee***

If at any time prior to December 31, 2025 (the “**Expiry Time**”), Mitchell Goldhar is no longer employed as Executive Chairman of the Board of Trustees, SmartCentres has agreed that it shall re-establish the Real Estate Committee (the “**Real Estate Committee**”) which shall be comprised of such senior officers of SmartCentres and its subsidiaries as Mitchell Goldhar and the President and Chief Executive Officer (if applicable) shall agree, acting reasonably.

If the Real Estate Committee is re-established, from the date on which it is re-established to and including the Expiry Time, so long as the MG Entities beneficially own at least 10% of the outstanding Voting Units:

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

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



## **Assessments of Trustees**

The Corporate Governance and Compensation Committee annually conducts a peer evaluation process to provide feedback to individual Trustees, including the chairs of each Board committee, on their effectiveness. The survey requires that every Trustee assess the contribution of each of his or her peers. The Corporate Governance and Compensation Committee also conducts an annual evaluation of the effectiveness of the Board and each of the committees of the Board. The latter survey covers the operation of the Board and its committees, the adequacy of information provided to Trustees, Board structure and agenda planning for Board meetings. These assessments take into account the Board mandate and the relevant committee mandates. The results of the surveys form the basis of recommendations to the Board for change.

## **Board Renewal and Retirement**

The Corporate Governance and Compensation Committee reviews the composition of the Board on a regular basis in relation to approved Trustee criteria and skill requirements and recommends changes as appropriate to renew the Board. The chair of the Corporate Governance and Compensation Committee leads the effort to identify and recruit candidates to join the Board in current and future years, with a focus on enhancing the Board's diversity in accordance with SmartCentres' diversity policy.

The Board believes there is benefit to adding new perspectives to the Board from time to time, as well as benefits to having continuity and trustees having in depth knowledge of each facet of the Trust's business, which necessarily takes time to develop. Accordingly, as of March 31, 2023, the Board has adopted term limits for new Trustees who are first elected at or after the Meeting, whereby such newly elected Trustees may serve until such Trustee has served for 12 years since his/her initial election, subject to the Board's ability to waive such limit under extraordinary circumstances. The Board believes that its board tenure policy provides the appropriate balance of adding new perspectives to the Board and limiting the risk of excluding experienced and potentially valuable Board members as a result of an arbitrary determination. Such policy does not apply to the Trustees appointed by the MG Entities.

Each Trustee who is not appointed by the MG Entities is nominated and stands for election each year.

## **Talent Management and Succession Planning Philosophy**

SmartCentres has a talent management and succession planning process in place that ensures key positions in SmartCentres have the necessary depth for effective continuance of business activities. SmartCentres' philosophy is to develop and promote from within for these key positions. SmartCentres uses an approach that includes identification, assessment and development of high-performing associates who demonstrate a readiness for such key positions.

Interim successors are also identified for each key role, who can take over the role on an emergency-basis until a long-term successor can be identified. Such interim successor is distinct from a succession planning candidate.

To build ongoing depth, SmartCentres has:

- (a) implemented an extensive recruitment and onboarding process to ensure the right fit of the candidate for the role within SmartCentres, and to promote diversity and varied perspectives within SmartCentres;
- (b) developed an Individual Career Discussion program for qualifying associates that outlines future development and growth objectives that the associates work towards over a 3-5 year period. The program includes special assignments, mentoring, cross-training, increased responsibilities and leadership, attending and eventually presenting at key business and Board meetings and ongoing internal and external training/courses;
- (c) implemented a nomination and sponsorship process for high-potential candidates for the identified key succession positions, based on past performance and formal assessments;
- (d) implemented a program to accelerate growth and integration into the various functions of the REIT. The program currently has over 10 associates being developed by senior management over the course of the year through seminars and table talks;

- (e) established formal managerial-leadership development curriculum that all people managers are required to attend; and
- (f) Implemented business-related training sessions and courses, delivered both internally and externally. A new program was introduced in 2022, called the “Manager’s Check-in Discussions” where each manager was coached in how to engage their team members in one-on-one discussions to assess level engagement and provide support for their continued professional development.

SmartCentres’ succession planning activities are the responsibility of the Talent Leadership Committee, which is comprised of executive officers of SmartCentres. The committee:

- (a) plays a key role in partnering with the Corporate Governance and Compensation Committee to ensure that ongoing talent management and succession planning objectives are met annually;
- (b) meets annually to review and update the annual succession plan; and
- (c) provides an annual report to the Corporate Governance and Compensation Committee.

In addition, senior leaders of SmartCentres have specific performance objectives relating to talent management and succession planning and are held accountable through the performance review process and incentive program. See “Executive Compensation – Compensation Discussion and Analysis”.

SmartCentres’ philosophy of building ongoing depth reinforces its core values and culture, helps promote retention of talent and provides more opportunity for succession. Additionally, we believe that our core values and culture make SmartCentres a unique and appealing place for people to work and progress their careers.

## Unitholder Engagement

The Board engaged in an enhanced Unitholder engagement program during 2022 and 2023 reaching out to a number of material Unitholders on a range of issues. See “Executive Compensation – Letter from the Chair of the Corporate Governance and Compensation Committee” for a more detailed discussion of SmartCentres’ unitholder engagement activities and details surrounding SmartCentres’ response to Unitholder feedback.

- **2023 Summary:** Certain independent members of the Board engaged in an investor outreach initiative and have met with and solicited feedback from SmartCentres’ top Unitholders in relation to executive compensation and other topics of Unitholder interest. Additionally, where reasonable, we are taking the Unitholder concerns into consideration when implementing future changes. To note, our unitholder engagement initiative calculations below do not include Mr. Goldhar and other officers and trustees of SmartCentres, representing approximately 10.48% of the issued and outstanding units, or any of the issued Special Voting Units or Additional Special Voting Units.
  - We reached out to 25 of SmartCentres’ largest unitholders, including dissenting unitholders, representing 19.58% of SmartCentres’ issued and outstanding Units (91.48% of publicly filed positions or approximately 36.39% of our voter turnout for the 2022 annual general meeting of SmartCentres (“**2022 AGM Voter Turnout**”). We held five meetings with Unitholders representing approximately 8.85% of SmartCentres’ issued and outstanding Units (41.36% of publicly filed positions or 16.45% of our 2022 AGM Voter Turnout). Additionally, three unitholders representing 1.25% of SmartCentres issued and outstanding units (5.83% of publicly filed positions or 2.32% of our 2022 AGM Voter Turnout) noted that they were appreciative of the engagement opportunity although did not have any concerns to discuss with SmartCentres.

SmartCentres believes that regular communication with Unitholders is an important part of creating an open and constructive dialogue. SmartCentres communicates with Unitholders and other stakeholders through a variety of channels, including our annual and quarterly reports, quarterly earning conference calls, management information circular, annual information form, news releases and presentations at industry and investor conferences. Some of our unitholder engagement practices are outlined below:

Event	Who We Engage With	Who Engages	What We Talk About
Annual General Meeting	Unitholders	<ul style="list-style-type: none"> <li>• The Board</li> <li>• Executive Chairman and CEO</li> <li>• Lead Independent Trustee</li> <li>• Senior management</li> </ul>	Business of the Meeting (financial statements, Trustee elections, say-on-pay, and other matters that may come before the Meeting)
Quarterly Earnings Conference Calls	Financial analysts	<ul style="list-style-type: none"> <li>• Executive Chairman and CEO</li> <li>• CFO</li> <li>• Senior management</li> </ul>	Latest financial statement and management’s discussion and analysis. SmartCentres’ earnings conference calls include a question and answer session
News Releases	Unitholders, financial analysts and media	<ul style="list-style-type: none"> <li>• The Board</li> <li>• Executive Chairman and CEO</li> <li>• CFO</li> </ul>	Quarterly results and any major corporate developments that occur throughout the year
Regular Meetings, Calls and Discussions	Unitholders, brokers, financial analysts and media	<ul style="list-style-type: none"> <li>• The Board</li> <li>• Executive Chairman and CEO</li> <li>• CFO</li> <li>• Senior management</li> </ul>	Responding to inquiries received

SmartCentres also participates in periodic meetings with the Canadian Coalition for Good Governance in accordance with their engagement programs.

Unitholders and other stakeholders may communicate directly with the Lead Independent Trustee by e-mail at [leadindependenttrustee@smartcentres.com](mailto:leadindependenttrustee@smartcentres.com) or regular mailing to the head office of SmartCentres at 3200 Highway 7, Vaughan, Ontario L4K 5Z5 in a sealed envelope marked 'Private and Confidential – Attention Lead Independent Trustee'.

Throughout the year, SmartCentres also responds to Unitholder concerns and letters SmartCentres receives.

## EXECUTIVE COMPENSATION

### Letter from the Corporate Governance and Compensation Committee

Dear Fellow Unitholders,

On behalf of the Corporate Governance and Compensation Committee and the Board, we are pleased to provide you with an overview of our key accomplishments in 2022 and provide rationale on how our executive compensation program attracts and retains talent that is essential to delivering against our long-term strategy. Our goal is to provide you with clear information that helps you understand how our compensation program is structured and how we assess performance. The Board was disappointed by the 2022 advisory vote on executive compensation (“**Say on Pay**”), particularly considering the strong support by unitholders when the EIP was put to unitholders for approval in 2020. Nevertheless, the Corporate Governance and Compensation Committee remains committed to understanding unitholder sentiment. Certain independent members of the Board reached out to our top investors, including unitholders that voted against the 2022 Say on Pay resolution. The goal was to obtain unitholder feedback to understand their concerns and how they could be better incorporated into the Corporate Governance and Compensation Committee’s future discussions and decisions.

#### *Compensation Structure and Philosophy*

SmartCentres’ compensation structure is intended to attract, retain, motivate and reward highly qualified executives while aligning the interests of our executives with Unitholders. The compensation structure promotes a pay-for-performance culture using performance objectives which are expected to deliver long-term value for our Unitholders.

SmartCentres’ compensation program for its executives includes fixed and variable components, with the short-term and long-term variable components subject to performance criteria. Average 2022 total compensation for named executive officer was 45.60% at risk and Chief Executive Officer total compensation was 70.26% at risk. The compensation program consists of the following key variable components:

- *Annual Incentive Plan*: SmartCentres rewards the achievement of annual trust-level and individual performance goals through the payment of annual incentive bonuses. The annual incentive opportunity is a percentage of base pay. Target award payouts for named executive officers generally range from 40-50% of base salary, and up to 125% in the case of the Executive Chairman and Chief Executive Officer.
- *Deferred Unit Plan*: Our named executive officers can elect to receive their annual incentive bonus in the form of Deferred Units and receive an equal contribution of Deferred Units from SmartCentres. Each of the named executive officers (except Mr. Sweeney given his resignation) elected to receive Deferred Units for the maximum portion of their 2022 annual incentive compensation permitted under the Deferred Unit Plan. The Deferred Unit Plan promotes a greater alignment of interests between our executives and Unitholders by more closely linking their compensation with the market price of SmartCentres’ Units. Vesting and payout of matching Deferred Units occurs over a number of years. Deferred Units also act as an executive retention tool.
- *Equity Incentive Plan (“EIP”)*: The EIP provides officers and key employees of SmartCentres and its related entities with the opportunity to acquire Performance Units to allow them to participate in the long-term success of SmartCentres, promote an even greater alignment of their compensation with the long-term interests of Unitholders and to retain the executives on a longer term basis.
  - *Transition from the Long Term Incentive Plan (“LTIP”)*: The LTIP was used for long-term incentive awards prior to 2021 and is further described under the LTIP section on page 66 in the Circular. No awards under this plan were granted in 2022 and the Board does not intend to grant further awards under the LTIP at this time. The Board decided to stop using this LTIP as of 2021 based on the following:
    - *Relative Metric*: Concluded that the relative metric the LTIP used (total shareholder return of SmartCentres units relative to peers in the TSX Capped REIT Index) was not necessarily indicative of the value creation at SmartCentres given its unique longer-term development business;

- Performance Period: Desired a longer performance period than the three-year period under the LTIP; this is both to capture the longer-term nature of the development business and to act as a better retention tool; and
- Absolute Metric: Using SmartCentres Unit prices as the absolute metric to determine performance would better align recipients of Performance Units to Unitholders of SmartCentres. This also eliminates short term company or sector specific peculiarities of peers.

### ***SmartCentres' Performance in 2022***

SmartCentres measures the performance of its executive officers against a set of trust-level performance metrics and personal-level performance metrics reflective of SmartCentres' strategic goals. Trust-level performance metrics for 2022 include objectives that drive SmartCentres' overall financial and operating performance, including targets for Funds from Operations<sup>(1)</sup> ("FFO"), leasing levels, occupancy levels, adding mixed-use (non-retail) permissions to land use, construction commencement, maintaining/reducing staff attrition and board directed ESG initiatives.

SmartCentres' 2022 financial and operating performance highlights included the following:

- Exceeded annual adjusted FFO per Unit budget, before transactional FFO, realizing \$2.10 FFO per Unit
- Maintained average occupancy levels of 97.7% as at December 31, 2022
- Successfully leased 1,382,438 square feet of new and vacant space
- Successfully initiated 13 mixed-use (non-retail) permissions to land use
- Successfully commenced physical work on four construction sites
- Published its inaugural 2022 ESG Report, along with meeting the Board's directed ESG targets ("ESG Targets")
- Maintained 19.91% staff attrition

Notes:

- (1) Represents a non-GAAP measure or ratio. For additional information, see "Compensation Discussion and Analysis - Non-GAAP Financial Measures".

### ***Pay and Performance***

Awards were granted in 2022 as part of the annual bonus for the named executive officers based on our annual performance as outlined above. In 2022, management delivered another year of good results as evidenced by the 94.5% overall achievement of the target trust-level performance metrics and sub-metrics.

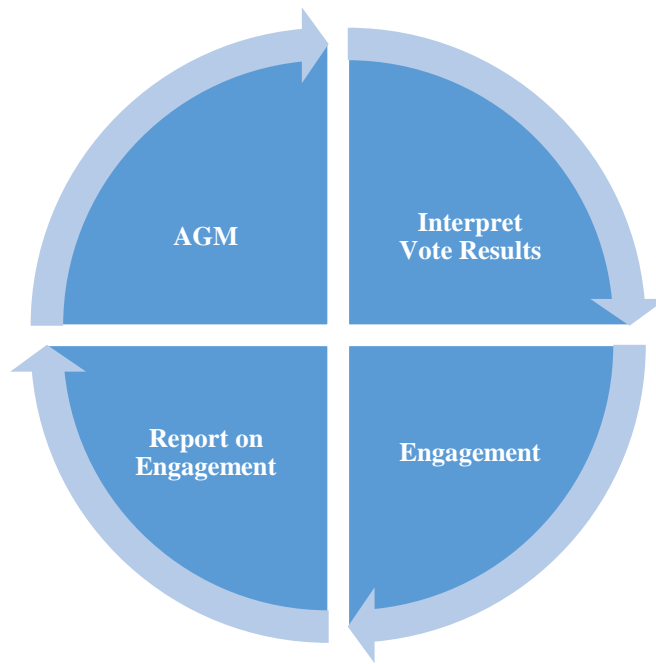
Over the performance period from January 1, 2020 to December 31, 2022, total Unitholder return was at the 60<sup>th</sup> percentile of our performance peer group in the S&P/TSX Capped REIT Index. As a result of this percentile being above the minimum threshold of 40%, the final payout multiplier was 100% for our 2020 Performance Units (being the LTIP Units). See "Equity Compensation Plan Information – Long Term Incentive Plan".

In October 2022, SmartCentres awarded Peter Slan, the new Chief Financial Officer, Performance Units under the EIP. These Performance Units were a one-time grant intended to act both as a retention incentive for the critical role of Chief Financial Officer and in partial recognition of compensation that he forfeited as part of his joining SmartCentres as Chief Financial Officer. See "Executive Compensation – Equity Compensation Plan Information – Equity Incentive Plan".

### ***Committee and Board Responsiveness to 2022 “Say-on-Pay” Support***

At last year’s annual general meeting of Unitholders held on June 15, 2022, the advisory “say-on-pay” resolution received the support of 69.68% of the votes cast. These results are concerning for the Corporate Governance and Compensation Committee and the Board and delivered a strong message from our Unitholders. Since last year’s meeting we have invested considerable time and effort to engage with unitholders and listen to their concerns regarding our approach to executive compensation. Specifically, we took the following actions:

- **Unitholder Engagement:** Certain independent members of the Board engaged in an investor outreach initiative and have met with and solicited feedback from SmartCentres’ top Unitholders in relation to executive compensation and other topics of Unitholder interest. Additionally, where reasonable, we are taking the Unitholder concerns into consideration when implementing future changes. To note, our unitholder engagement initiative calculations below do not include Mr. Goldhar and other officers and trustees of SmartCentres, representing approximately 10.48% of the issued and outstanding units, or any of the issued Special Voting Units or Additional Special Voting Units.
  - We reached out to 25 of SmartCentres’ largest unitholders, including dissenting unitholders, representing 19.58% of SmartCentres’ issued and outstanding Units (91.48% of publicly filed positions or approximately 36.39% of our 2022 AGM Voter Turnout). We held five meetings with Unitholders representing approximately 8.85% of SmartCentres’ issued and outstanding Units (41.36% of publicly filed positions or 16.45% of our 2022 AGM Voter Turnout). Additionally, three Unitholders representing 1.25% of SmartCentres issued and outstanding Units (5.83% of publicly filed positions or 2.32% of our 2022 AGM Voter Turnout) noted that they were appreciative of the engagement opportunity although did not have any concerns to discuss with SmartCentres.
- **Independent Compensation Advisory:** The Corporate Governance and Compensation Committee engaged Hugessen Consulting Inc. (“**Hugessen**”) a compensation advisory firm, as an independent compensation consultant in 2022 to provide a review and perspective on SmartCentres’ executive compensation program. Specifically, Hugessen was engaged to provide a comprehensive review of our approach to executive compensation, including a review of pay philosophy and comparator groups of companies used for benchmarking purposes; results of executive pay benchmarking for named executive officers, including the mix of total compensation components; short term bonus practices among comparator groups, including historical payouts; a review of the design and performance of SmartCentres’ current annual incentive plan and EIP; and commentary on compensation-related governance and key provisions within employment arrangements.
- **Independent Strategic Unitholder Advisory:** SmartCentres’ Board and Management engaged Kingsdale as an independent strategic unitholder advisor to obtain a detailed perspective to enhance governance practices and better understand evolving proxy voting policies.
- **Committee and Board Commitment to Ongoing Engagement:** The Corporate Governance and Compensation Committee and the Board have committed to an ongoing unitholder engagement process in addressing feedback and continuously improving on related matters which is summarized in the diagram below:



#### *Addressing Unitholder Concerns Through Engagement*

We appreciate our Unitholders' continued engagement throughout the process. The following table summarizes the key themes arising from the valuable feedback provided by our Unitholders and independent consultant reviews of our compensation program, and our response:

Feedback Theme	Specific Topics	Unitholder Feedback	SmartCentres Response
<b>Executive Compensation</b>	Award Granted Under EIP	Concerns around the quantum of the award granted to the Executive Chairman and CEO under the EIP	<ul style="list-style-type: none"> <li>The background and rationale for the EIP and the terms of the planned award to Mr. Goldhar (including the quantum of the award and Unit price thresholds) were disclosed in SmartCentres' 2020 management information circular. The EIP was approved by 93.8% of the votes cast at the December 2020 annual meeting of unitholders and there were no changes to the size, design or terms of Mr Goldhar's award since unitholder approval was obtained.</li> <li>The Board believes that the size of the award was appropriate in light of Mr. Goldhar's scope of work and contributions to SmartCentres, specifically his mandate to transform SmartCentres into a mixed-used developer and landlord from a retail developer and landlord. Mr. Goldhar also entered into a significantly expanded non-competition agreement which restricts his potential earning potential from independent opportunities. As no further Performance Units will be granted to Mr. Goldhar prior to the expiration of his employment contract, the Board considers that the value of such</li> </ul>



Feedback Theme	Specific Topics	Unitholder Feedback	SmartCentres Response
			grant should be averaged over a five-year period.
<b>Executive Compensation</b>	EIP Performance Metrics	A relative metric should have been used when constructing the EIP	<ul style="list-style-type: none"> <li>The design of the EIP was rigorously reviewed and carefully constructed by an independent special committee of the Board with input from an external global compensation advisory firm to align with the uniqueness of SmartCentres' long term development business.</li> <li>The Board believes that using absolute unit price thresholds as the performance metric for the EIP awards with a subsequent three-year vesting period best aligns the EIP holders with unitholders in the long-term.</li> <li>However, in response to the unitholder feedback the Board will consider additional and alternative metrics in future awards.</li> </ul>
<b>Executive Compensation</b>	EIP Performance Metrics	Low unit price thresholds for Performance Units	<ul style="list-style-type: none"> <li>The unit price thresholds were significantly above the market price for the units at the time they were set. The long-term impact and the duration of the negative impacts of COVID-19 was then still unknown (as it was prior to mass vaccination programs in Canada) and the retail sector was experiencing significant disruption.</li> </ul>
<b>Executive Compensation</b>	EIP Performance Metrics	One-time Grant awarded during a multi-year performance period	<ul style="list-style-type: none"> <li>The multi-year performance period was specifically chosen to align with the nature of the development business, to align with long term value creation and to support long term retention among its top employees.</li> <li>Prior to December 31, 2025, no additional performance awards will be made to any named executive officers who have already received such performance award. The Board also recognizes unitholder preference for performance periods that extend beyond the traditional 3-years.</li> </ul>

A summary of our Unitholder Engagement program can be found on page 36.

#### ***Board Policy Improvements to Enhance Governance Practices***

The following table summarizes additional key themes arising from the valuable feedback provided by our Unitholders through voting results as well as best practice improvements we have implemented in response to industry standards:

Policy Theme	Specific Topics	Feedback	SmartCentres Response
<b>Corporate Governance</b>	Trustee Term Limits	Adopt Trustee term limits	<ul style="list-style-type: none"> <li>Newly elected Trustees who are elected after May 17, 2023 may serve until 15 years since their initial election, subject to the Board's ability to waive such limit under extraordinary circumstances.</li> </ul>

Policy Theme	Specific Topics	Feedback	SmartCentres Response
<b>Corporate Governance</b>	Independence on Committees	Key committees of the Board should be fully independent	<ul style="list-style-type: none"> <li>The Corporate Governance and Compensation Committee became a fully independent Board committee on March 31, 2023, and understand that it is best practice for our stakeholders.</li> </ul>
<b>Corporate Governance</b>	Formation of Independent Committee	There should be a separate standing committee for independent review of all related party transaction to which SmartCentres or any of its subsidiaries is a party	<ul style="list-style-type: none"> <li>Effective as of March 1, 2023, the Board authorized the formation of a standing Independent Committee to review, approve and oversee any related party transactions in which SmartCentres or any of its subsidiaries is a party.</li> <li>Currently, three Trustees who are considered independent are members of the Independent Committee.</li> <li>The current members of the Independent Committee are: Garry Foster (Chair), Sharm Powell and Michael Young.</li> </ul>
<b>Unit Holding</b>	Increase Unit Ownership Requirements for CEO	Increase CEO unit ownership requirements	<ul style="list-style-type: none"> <li>Executive Chairman and Chief Executive Officer's unit ownership requirement has been increased from three times to five times of base salary.</li> </ul>
<b>Unit Holding</b>	Maintaining Unit Ownership Post Resignation or Retirement for CEO	CEO should be required to maintain minimum unit ownership for a period following retirement or resignation	<ul style="list-style-type: none"> <li>Executive Chairman and Chief Executive Officer will be required to maintain minimum unit ownership for one year following resignation or retirement, subject to certain industry standard exceptions.</li> </ul>

### *Looking Forward*

The Trustees are always interested in receiving Unitholders' views about SmartCentres, its governance and its operation. We are committed to year-round and meaningful engagement with Unitholders. The Board oversees systems for receiving feedback from Unitholders and it monitors feedback received by SmartCentres. Unitholders and other stakeholders may communicate directly with the Lead Independent Trustee by e-mail at [leadindependenttrustee@smartcentres.com](mailto:leadindependenttrustee@smartcentres.com) or regular mailing to the head office of SmartCentres at 3200 Highway 7, Vaughan, Ontario L4K 5Z5 in a sealed envelope marked 'Private and Confidential – Attention Lead Independent Trustee'.

We are committed to providing you with complete information regarding our executive compensation program and encourage unitholders to review the disclosure provided in the Circular. On behalf of the Corporate Governance and Compensation Committee and the Board, we thank you for taking the time to read our disclosure and encourage you to cast your vote in favour of our annual approach to executive compensation resolution.

Sincerely,



**Sharm Powell**

Chair, Corporate Governance and Compensation Committee

## Compensation Discussion and Analysis

### *Objectives and Design*

SmartCentres' goal is to provide Unitholders with stable and growing cash distributions by focusing on the ownership and development of high-quality retail properties and expansion of its development initiatives to include rental apartments, condominiums, townhouses, retirement homes, office buildings and self-storage facilities, enhancing value through effective management, leasing and development of its assets, and effective control of long-term cost of capital. The objective of SmartCentres' executive compensation program is to attract, retain and motivate qualified individuals to and within its senior management team. To achieve that goal, SmartCentres is committed to a compensation policy that is competitive, drives business performance and encourages Unit ownership.

SmartCentres' executive compensation program is designed to provide commensurate reward for services rendered and appropriate incentive for the senior management team to implement both short-term and long-term strategies aimed at increasing Unitholder value and creating economic value for SmartCentres. SmartCentres' executive compensation strategy is therefore significantly weighted towards pay-for-performance components. Actual incentive awards are directly linked to the results of SmartCentres and its senior management team. Financial and operational performance targets set each year represent targeted improvements to SmartCentres' financial and operational results and are therefore aligned with Unitholder interests. While performance targets are set each year aligned to budget/strategic plans, the Corporate Governance and Compensation Committee retains the ability to apply informed judgement to in response to outside economic conditions.

Throughout 2022, SmartCentres monitored and reviewed the metrics, targets, and weightings to ensure they remained appropriate and focused on key priorities to ensure SmartCentres' performance was maintained in the current market environment. Additionally, in 2022, the Corporate Governance and Compensation Committee again retained the services of Hugessen as compensation consultant to provide advice on the competitiveness and effectiveness of executive compensation programs. This advice included, but was not limited to, base salaries, short and long-term incentives, pensions, benefits, perquisites, employment and change of control provisions, analysis of performance factors used to determine incentive awards and payouts and pay for performance analysis, peer group development, and considerations for compensation of executives. For further information regarding Hugessen's work for SmartCentres, see "Hugessen Consulting Inc."

### *Components*

The main components of SmartCentres' executive compensation program are base salary, annual incentive bonuses and long-term incentives in the form of Deferred Units granted in accordance with the Deferred Unit Plan and Performance Units granted in accordance with the EIP.

#### *Base Salary*

SmartCentres reviews the compensation practices of other large Canadian publicly traded real estate entities with similar attributes to SmartCentres (and in particular those with market capitalizations in excess of \$2 billion) to ensure the base salary and annual and long-term incentives that it is paying to its executive officers are competitive. Some of these large Canadian publicly traded real estate entities for 2022 include:

- (a) Allied Properties Real Estate Investment Trust
- (b) Boardwalk Real Estate Investment Trust
- (c) Canadian Apartment Properties Real Estate Investment Trust
- (d) Chartwell Retirement Residences
- (e) Choice Properties Real Estate Investment Trust
- (f) Crombie Real Estate Investment Trust
- (g) CT Real Estate Investment Trust
- (h) First Capital Real Estate Investment Trust
- (i) Granite Real Estate Investment Trust
- (j) H&R Real Estate Investment Trust

SmartCentres also reviews the compensation practices of other real estate entities through the Real Property Association of Canada Compensation Survey. The survey is comprised of over 50 publicly traded and private real estate entities from Canada. The goal of the review is to allow SmartCentres to retain the flexibility to change compensation as it deems necessary, while providing a guideline to ensure compensation levels remain competitive and within the overall goals of SmartCentres. The survey data is only one factor in the determination of compensation. In determining Mitchell Goldhar's compensation, SmartCentres also considered real estate private equity firms and real estate developers in North America.

#### *Annual Incentives – Bonuses*

SmartCentres pays annual incentive bonuses to its named executive officers in order to incentivize and reward them for the positive performance of SmartCentres and individually in a given year. Annual incentive bonuses are paid to a maximum, generally, of 50% of each executive officer's annual base salary (125% for the Executive Chairman and Chief Executive Officer). Such annual incentive bonuses are based upon the assessment of the executive officer by the Executive Chairman and Chief Executive Officer and this assessment is approved by the Board. SmartCentres measures the performance of its executive officers against a set of trust-level performance metrics and personal-level (i.e. position-specific) performance metrics reflective of SmartCentres' strategic goals. Generally speaking, the trust-level performance metrics, in aggregate, account for 70% of target bonus payable for 2022 to each named executive officer and the personal-level performance metrics, in aggregate, account for 30%, depending on the particular named executive officer's employment or service agreement, except for the Executive Chairman and Chief Executive Officer for whom the trust-level performance metrics account for 100% of target bonus payable. Throughout the year, the Board may review the underlying strategy of SmartCentres and apply informed judgements to the metrics/targets. These performance metrics are guidelines for evaluating performance and are not intended to be inflexible targets. As such, the criteria for the calculation of bonuses and the payment of such bonuses remain at the discretion of the Board.

#### Trust-Level Performance Metrics

Trust-level performance metrics include the broad, trust-wide objectives that drive SmartCentres' overall financial and operating performance. Many of these metrics are similar to the prior year's targets and include FFO, leasing, occupancy levels and staff turnover. The weighting of the metrics may be revised annually to reflect shifting priorities.

For each of the trust-level performance metrics, where appropriate, SmartCentres establishes a "base" level of achievement, a "target" level of achievement and a "maximum" level of achievement. When established, it is expected by SmartCentres that the "base" levels of achievement for each performance metric are attainable with reasonable diligence while attainment of the "target" and "maximum" levels of achievement would result from strong and superior performance, respectively. As a guideline, achievement of "base" levels would earn 50% of the particular metric, achievement of "target" levels would earn 100% of the particular metric and achievement of "maximum" levels would earn up to 150% of a particular metric. If "base" levels are not achieved, a 0% payout would result with respect to the applicable performance metric. The Corporate Governance and Compensation Committee uses informed judgement when the results fall between the "base" and "target" levels and the "target" and "maximum" levels to determine the achievement level.

For the fiscal year ended December 31, 2022, the trust-level performance metrics included the following items, respective weighting and results achieved by SmartCentres:

Target Performance Description	Specific Performance Measures	Weight	Specific Performance Measurement for Fiscal 2022 (Base – Target – Maximum)	Specific Performance Achievement in Fiscal 2022	
				Actual Performance	Weighting Achieved
<i>Financial Results</i>	Meet or exceed annual FFO per Unit budget, before transactional FFO and Total Return Swap (FFO per Unit with adjustments)	40%	\$2.00 – \$2.08 – \$2.20 per Unit	\$2.10 <sup>(1)</sup>	43.33%
	Total	40%			43.33%
<i>Leasing/ Occupancy</i>	Lease-up of new and vacant space (square feet)	10%	750,000 – 1,250,000 – 1,750,000	1,382,438	11.32%
	Maintain occupancy level, as measured at end of each quarter	10%	97.0% – 97.6% – 98.0%	97.7% (average)	11.25%
	Total	20%			22.57%
<i>New Mixed-Use Permissions</i>	Add mixed-use (non-retail) permissions to land use	15%	13 – 15 – 18 projects	13 projects	7.50%
	Total	15%			7.50%
<i>Construction Commencement</i>	Commencement of physical work on site	10%	3 – 5 – 7 sites	4 sites	7.50%
	Total	10%			7.50%
<i>ESG Initiatives</i>	Meet ESG Targets, as directed by the Board	10%	60% – 80% – 100%	90%	12.5%
	Total	10%			12.5%
<i>Talent Management</i>	Maintain/reduce staff attrition	5%	20.0% – 17.5% – 15.0%	19.91%	2.59%
	Total	5%			2.59%
<i>Additional Metrics<sup>(2)</sup></i>	Additional metrics impacting the success of SmartCentres as approved by the Corporate Governance and Compensation Committee	10%	50.0% - 100.0%	79.6%	7.96%
	Total	10%			7.96%
	Aggregate Total	110%			103.95%
<b>AGGREGATE TOTAL<sup>(3)</sup></b>		<b>100%</b>			<b>94.5%</b>

Notes:

- (1) Represents a non-GAAP measure or ratio. For additional information, see “Compensation Discussion and Analysis - Non-GAAP Financial Measures”.
- (2) Additional Metrics include, among others, maintenance of SmartCentres’ credit rating, initiatives to maximize liquidity, unit price performance relative to peers and effective operation of business during the COVID-19 pandemic.
- (3) Aggregate total is prorated back to 100%.

Despite the ongoing impact of the COVID-19 pandemic throughout 2022, SmartCentres’ management delivered another year of good results as evidenced by the 94.5% overall achievement of the target trust-level performance metrics and sub-metrics.

#### Personal-Level Performance Metrics

Personal-level performance metrics are job-specific and either build upon trust-level performance metrics or address specific priorities for each position to align with overall corporate strategy. As a result, the targets and weighting are more likely to vary year over year as they are tailored to emerging initiatives.

For fiscal 2022, key priorities for each of the named executive officers were focused on each executive's responsibilities under SmartCentres' strategic plan, with an emphasis on sustaining and growing the existing business and developing new growth opportunities. In addition, each named executive officer was also evaluated against goals and objectives related to such named executive officer's position, functional responsibilities and contribution to operating as an effective team.

For the named executive officers (other than the Executive Chairman and Chief Executive Officer), the weights given to the aggregate total trust-level versus personal-level performance metrics in respect of 2022 are 70% and 30%, respectively. Based on these weights, the overall achievement percentage of the total bonus for 2022 are as follows: Mr. Slan, 93.15%; Mr. Sweeney, 0% (due to his resignation); Mr. Gobin, 94.65% and Mr. Pambianchi, 82.50%. Mr. Goldhar's annual incentive bonus in respect of 2022 is weighted 100% on trust-level performance metrics with the result that his overall achievement percentage was 94.5%.

### *Equity Incentive Plans*

#### Deferred Unit Plan

SmartCentres provides certain employees with the right to participate in the Deferred Unit Plan in order to promote a greater alignment of interests between them and the Unitholders by more closely linking their compensation with the market price of the Units. Each of the named executive officers (except Mr. Sweeney given his resignation) elected to receive Deferred Units for the maximum portion of their 2022 annual incentive compensation permitted under the Deferred Unit Plan, aligning variable payouts further with the shareholder experience as vesting occurs over 3-years. For further information, including information about the vesting provisions, see "Executive Compensation – Equity Compensation Plan Information – Deferred Unit Plan".

#### Inducement Award Agreements

SmartCentres may grant awards of Deferred Units as an employment inducement to new officers of SmartCentres, provided that any such award recipient was not previously employed and not previously an insider of SmartCentres, all in accordance with the applicable laws and rules of the TSX (each, an "**Inducement Award**"). For further information, see "Executive Compensation – Equity Compensation Plan Information – Inducement Award Agreements". No Inducement Awards were granted in 2022.

#### Equity Incentive Plan

SmartCentres provides officers and key employees of SmartCentres and its related entities with the opportunity to acquire Performance Units under the EIP to allow them to participate in the long-term success of SmartCentres and to promote a greater alignment of their compensation with the long-term interests of Unitholders. Awards under the EIP have a long combined performance and vesting period to better promote retention and longer-term value creation. For further information, see "Executive Compensation – Equity Compensation Plan Information – Equity Incentive Plan".

The EIP was approved by Unitholders at the December 2020 annual general meeting of SmartCentres with the number of Performance Units to be awarded to Mr. Goldhar and the terms of the award, including the Unit price thresholds, disclosed in the management information circular in respect of that meeting. ISS recommended that Unitholders vote in favour of the adoption of the EIP. Subsequent to receiving Unitholder approval for the EIP, Mr. Goldhar was granted an award of 900,000 Performance Units under the EIP in January 2021. The performance period for this award runs from January 1, 2021 to December 31, 2027. The performance measures applicable to such Performance Units are as follows: 120,000 Performance Units with a Unit price threshold of \$26.00; 150,000 Performance Units with a Unit price threshold of \$28.00; 180,000 Performance Units with a Unit price threshold of \$30.00; 210,000 Performance Units with a Unit price threshold of \$32.00; and 240,000 Performance Units with a Unit price threshold of \$34.00. Based on a Unit price of \$21 as of November 5, 2020 (the date on which the Trustees approved the EIP), (i) approximately \$860 million of incremental value for all Unitholders would have had to been generated before any of such 900,000 Performance Units awarded to Mr. Goldhar were earned, and (ii) approximately \$2.24 billion of incremental value for all Unitholders must be generated in order for all such 900,000 Performance Units awarded to Mr. Goldhar to be earned (which Performance Units would represent less than 1% of the additional value created for Unitholders). SmartCentres will not award Mr. Goldhar any additional Performance Units under the EIP prior to the end of the term of his current employment agreement (December 31, 2025) regardless of whether or not all price targets for the 2021 awards have been attained. As no further Performance Units will be granted to Mr. Goldhar prior

to the expiration of his employment contract, the Board considers that the value of such grant should be averaged over a five-year period.

In June 2021, SmartCentres granted 471,000 Performance Units to certain other designated officers and key employees. The performance period for these awards runs from June 1, 2021 to December 31, 2027 and the performance measures applicable to such Performance Units are as follows: 95,000 Performance Units with a Unit price threshold of \$30.00, 153,000 Performance Units with a Unit price threshold of \$32.00; and 223,000 Performance Units with a Unit price threshold of \$34.00.

In October 2022, SmartCentres granted 65,000 Performance Units to Peter Slan, the new Chief Financial Officer. The performance period for this award runs from October 24, 2022 to December 31, 2029 and the performance measures applicable to such Performance Units are as follows: 13,000 Performance Units with a Unit price threshold of \$31.00, 21,000 Performance Units with a Unit price threshold of \$33.00; and 31,000 Performance Units with a Unit price threshold of \$35.00. Such grant to Mr. Slan was in part in recognition of compensation that he forfeited as part of his joining SmartCentres as Chief Financial Officer.

Prior to December 31, 2025, SmartCentres will not award any additional Performance Units under the EIP to any named executive officers to whom Performance Units have been awarded. As no further Performance Units will be granted to such named executive officers prior to such time, the Board considers that the value of such grant should be averaged over such period.

#### Long Term Incentive Plan

Prior to adopting the EIP in 2020, SmartCentres granted awards pursuant to the LTIP. No new awards were made under the LTIP in 2022, and the last payment earned under the LTIP with respect to the remaining outstanding performance period ending in 2022 has been made. The Board does not intend to grant further awards under the LTIP at this time. For further information, see “Executive Compensation – Equity Compensation Plan Information – Long Term Incentive Plan”.

#### *Executive Compensation Claw-back*

The Board has adopted an executive compensation claw-back policy concerning awards made under SmartCentres’ annual and equity incentive plans on or after December 9, 2020. Under this policy, which applies to all executives, the Board may, in its sole discretion, to the fullest extent permitted by governing laws and to the extent it determines that it is in SmartCentres’ best interest to do so, require reimbursement of all or a portion of annual and equity incentive compensation received by an executive. The Board may seek reimbursement of full or partial compensation from an executive or former executive officer in situations where:

- (a) the amount of incentive compensation received by the executive or former executive officer was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently the subject of or affected by a restatement of all or a portion of SmartCentres’ financial statements;
- (b) the executive officer engaged in gross negligence, intentional misconduct or fraud that caused or partially caused the need for the restatement; and
- (c) the incentive compensation payment received would have been lower had the financial results been properly reported.

Pursuant to the EIP, Performance Units may be forfeited where there has been any material restatement of SmartCentres’ quarterly or annual financial statements or any fraud, material and wilful breach of the executive’s employment agreement which is materially detrimental to SmartCentres or any of its subsidiaries, or material and wilful breach of any code of conduct or policy of SmartCentres or any of its subsidiaries which is materially detrimental to SmartCentres or any of its subsidiaries on the part of the executive. In the event there is a material restatement of SmartCentres’ financial statements, the Board may adjust the number of Performance Units in each award that have not yet vested which have a performance period that overlaps with or is in the year following the financial period for which the financial statements have been restated. In the event of misconduct by an executive, the Board may determine the number of Performance Units the executive will be required to forfeit in its sole discretion.

### ***Perquisites and Personal Benefits***

Perquisites and personal benefits provided to senior management reflect competitive practices and particular business needs. Generally speaking they are not a significant component of SmartCentres' executive compensation program.

### ***Review / Modifications***

SmartCentres' executive compensation program is reviewed and considered at least annually by the Corporate Governance and Compensation Committee to determine if the objectives of the executive compensation program are being achieved and whether any modifications to that program are required. This includes a review of base salaries payable, incentive bonuses payable and the degree of participation in the Deferred Unit Plan, and the EIP. It also includes a review of the metrics used to assess performance, the targets established with respect to those performance metrics, whether previously established targets have been achieved and to what degree, and whether the performance metrics and targets are still appropriate in light of the then current real estate market, stock market and general economic conditions as well as the overall business strategy of SmartCentres. The Corporate Governance and Compensation Committee considers the establishment of new performance metrics and related targets to be used to assess executive officer performance and determines executive officer compensation on a going-forward basis. In completing this review, the Corporate Governance and Compensation Committee considers the recommendations of management and the Executive Chairman and Chief Executive Officer of SmartCentres in particular. The Corporate Governance and Compensation Committee structures management's incentive plan to reward both short and long-term objectives. This balanced approach mitigates the risk of management pursuing a strategy that would negatively impact the price of the Units over the long-term. SmartCentres also prohibits short selling of the Units and the purchasing of financial instruments to hedge a decrease in market value of the Units held by management. Upon completion of that review, the Corporate Governance and Compensation Committee makes its recommendations with respect to SmartCentres' executive compensation program to the full Board. The Board then approves the executive compensation program, including the individual components, subject to any modifications it deems necessary.

### ***Management of Compensation Risk***

In conjunction with its annual executive compensation review, the Corporate Governance and Compensation Committee considers the implications of the risks associated with SmartCentres' compensation policies and practices. In particular, the policies and practices of the incentive bonus structure are scrutinized, focusing on the detailed bonus metrics and calculations, including:

- (a) the risks of the chosen metrics encouraging management to take inappropriate or excessive risks;
- (b) the risk of the chosen metrics being affected by variables beyond the control of management; and
- (c) the risks of possible errors and omissions in the input data and/or calculations used to determine achievement of bonuses.

In mitigating such risks, the Corporate Governance and Compensation Committee relies on, in part:

- (a) the limits on management's discretion to undertake material business transactions without the input and/or consent of the Board and/or its committees;
- (b) the role of the Audit Committee, with the input from SmartCentres' auditors in its quarterly review of financial data, to ensure accuracy in such key measures that are used in bonus metrics;
- (c) the role of the Investment Committee, in its review and approval of all major acquisitions and development proposals and financings, to ensure the same are in the best interests of SmartCentres; and
- (d) the receipt and review by the Corporate Governance and Compensation Committee of the input data and calculations used to determine achievement of bonuses, as reviewed by SmartCentres' internal auditor.

In addition, SmartCentres' committee membership contains cross-representation whereby at least one member of the Corporate Governance and Compensation Committee sits on the Audit Committee and the Investment Committee. Finally, the core components of the trust-level performance metrics remain largely unchanged from year to year allowing the Corporate Governance and Compensation Committee to monitor management's performance in regard to higher risk areas. For 2022, the trust-level performance metrics continued to account for operating SmartCentres' business through the COVID-19 pandemic. The Corporate Governance and Compensation Committee is of the view that the risks arising from SmartCentres' compensation policies and practices are not reasonably likely to have a



material adverse effect on SmartCentres and that such policies and practices are appropriate and consistent with industry standards.

### ***Hugessen Consulting Inc.***

In 2022, the Corporate Governance and Compensation Committee again retained the services of Hugessen. Hugessen provided advice on matters related to executive compensation and corporate governance. Hugessen was originally retained in 2013. The following services were provided to the Corporate Governance and Compensation Committee by Hugessen during the year ended December 31, 2022:

- (a) comprehensive review of our approach to executive compensation, including pay philosophy, comparator groups and executive compensation benchmarking; and
- (b) assessment of SmartCentres' governance and compensation practices.

Hugessen did not benchmark the compensation paid to Penguin pursuant to the Penguin Services Agreement.

Fees paid to Hugessen during 2022 and 2021 regarding services provided to SmartCentres in each of those years are as follows:

Year	Executive Compensation Related Fees	All Other Fees
Year-ended 2022	\$63,772	\$nil
Year-ended 2021	\$25,214	\$nil

Hugessen does not provide any services to SmartCentres other than those provided to the Corporate Governance and Compensation Committee and the fees paid to Hugessen represented less than 1% of SmartCentres' annual revenue in each of fiscal 2022 and fiscal 2021.

The executive compensation recommendations are made by the Corporate Governance and Compensation Committee alone and may reflect factors and considerations other than the information and advice provided by Hugessen.

### ***Non-GAAP Financial Measures***

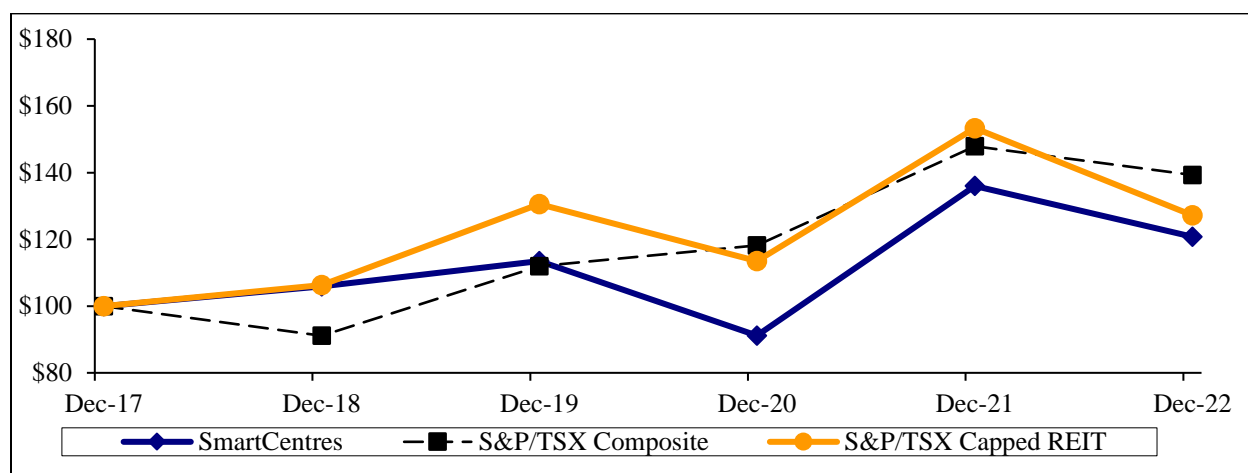
Certain terms used in this Circular are non-generally accepted accounting principles ("**non-GAAP**") measures and ratios, including FFO and FFO per Unit with adjustments. Non-GAAP measures and ratios are not standardized measures and ratios under International Financial Reporting Standards ("**IFRS**") and accordingly might not be comparable to similar measures and ratios disclosed by other issuers. Information regarding the composition of these measures and ratios, an explanation of the usefulness of these measures and ratios, and a reconciliation of these measures to their most directly comparable IFRS measures are found in SmartCentres' Management's Discussion and Analysis for the year ended December 31, 2022 (the "**2022 MD&A**") in the section "Non-GAAP Measures" and such information is incorporated by reference into this Circular. The 2022 MD&A is available on SEDAR at [www.sedar.com](http://www.sedar.com).

FFO is a non-GAAP measure and is calculated as net income and comprehensive income attributable to Unitholders adjusted for items such as, but not limited to, unrealized changes in the fair value of investment properties and financial instruments and transaction gains and losses on the acquisition or disposal of investment properties.

FFO with adjustments is a non-GAAP measure and is defined as FFO less costs associated with vaccination centres and yield maintenance costs on repayment of debt and related write-off of unamortized financing costs. FFO per Unit with adjustments is a non-GAAP ratio calculated as FFO with adjustments divided by the number of outstanding Units.

### **Performance Graph**

The following graph, and the table below it, compares the cumulative total Unitholder return on the Units of SmartCentres with (i) the cumulative total return of the S&P/TSX Composite Index for the five-year period ending December 31, 2022\* and (ii) the cumulative total return of the S&P/TSX Capped REIT Index for the five-year period ending December 31, 2022\*.



\* Assuming the initial value of the investment in Units of SmartCentres on the TSX was \$100 at the close of trading on December 31, 2017. Values include distributions payable but exclude brokerage fees and all income taxes.

	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
SmartCentres	\$100.00	\$105.91	\$113.47	\$91.17	\$135.98	\$120.77
S&P/TSX Composite	\$100.00	\$91.11	\$111.96	\$118.23	\$147.89	\$139.25
S&P/TSX Capped REIT	\$100.00	\$106.32	\$130.55	\$113.47	\$153.32	\$127.22

The performance of the Units underperformed the performance of the S&P/TSX Composite Index, the broad market index of Canadian listed companies, in each of the past five years other than 2018 and 2019. The performance of the Units underperformed the performance of the S&P/TSX Capped REIT Index, the index of SmartCenters' peer group of public entities (the "**Peer Group**"), in each of the past five years. The underperformance of the Units to the S&P/TSX Capped REIT Index in 2020 and 2021 was primarily due to the impacts of the COVID-19 pandemic with the differential narrowing in 2022. The total executive compensation earned by SmartCentres' named executive officers, excluding non-recurring Performance Unit awards, has modestly reflected the performance of the Units compared to the S&P/TSX Capped REIT Index and to the broader market appearing in the S&P/TSX Composite Index in the past five years. The total compensation value paid to the named executive officers of SmartCentres for the 2022 financial year was \$5,766,412 (2021 - \$ 27,016,630) which amounts to 0.72% (2021 - 3.46%) of SmartCentres' 2022 rental revenue (excluding equity accounted investments) (see "Executive Compensation – Compensation Discussion and Analysis – Non-GAAP Measures") and 1.75% (2021 - 8.48%) of SmartCentres' 2022 annual distributions to Unitholders.

## CEO Compensation Over Time

The following table compares the grant date value of compensation awarded to former Chief Executive Officers, Huw Thomas and Peter Forde, and the current Executive Chairman and Chief Executive Officer, Mitchell Goldhar, in respect of performance as Chief Executive Officer with the actual value received from compensation awards. **On a weighted average basis, Unitholder return has outperformed CEO return, highlighting the alignment of realized/realizable compensation with performance.**

Year	Total Direct Compensation Awarded(\$) <sup>(1)</sup>	Actual Total Direct Compensation Value Realized/Realizable as of December 31, 2022 (\$)	Value of \$100		
			Period	CEO <sup>(2)</sup>	Unitholder <sup>(3)</sup>
2018 <sup>(4)</sup>	1,323,390	1,660,949	1/1/18 to 12/31/22	\$125.51	\$120.77
2019	1,791,457	1,284,926	1/1/19 to 12/31/22	\$71.73	\$114.03
2020	1,962,724	1,664,690	1/1/20 to 12/31/22	\$84.82	\$106.43
2021 <sup>(5)</sup>	4,167,684	1,613,045	1/1/21 to 12/31/22	\$38.70	\$132.47
2022	1,379,420	1,379,420	1/1/22 to 12/31/22	\$100.00	\$88.82
			Weighted Average	\$89.75	\$115.53

Notes:

- (1) Includes all compensation for the persons when serving as Chief Executive Officer set out in the Summary Compensation Table at “ – 2022 Compensation for the Named Executive Officers – Summary Compensation Table” below.
- (2) Represents the actual value of CEO compensation for each \$100 awarded in total direct compensation during the fiscal year indicated.
- (3) Represents the cumulative value of a \$100 investment in Units made on the first day of the period indicated, assuming reinvestment of distributions.
- (4) In 2018, \$524,640 was awarded to Mr. Thomas (excluding \$61,000 earned as Trustee fees in the form of Deferred Units in lieu of cash and \$61,000 in Matching Deferred Units) and \$798,750 was awarded to Mr. Forde for his role as President and Chief Executive Officer.
- (5) In 2021, \$427,201 was awarded to Mr. Goldhar for the period in which Mr. Goldhar served as both Chief Executive Officer and Executive Chairman and \$4,083,105 was also awarded to Mr. Forde, including \$2,867,025 in Performance Units. In 2021, Mr. Goldhar did not receive any Performance Units in connection with his role as Chief Executive Officer. Mr. Forde’s Performance Units were subsequently forfeited as none of the Performance Units had achieved the applicable performance thresholds at the time Mr. Forde passed away. If Mr. Forde’s Performance Units are excluded from the “Total Direct Compensation Awarded” in 2021, the actual value of Chief Executive Officer compensation for each \$100 awarded in total direct compensation would be \$98.16.

## 2022 Compensation for the Named Executive Officers

### Summary Compensation Table

The following table sets forth the annual compensation earned by each of SmartCentres' named executive officers for the three most recently completed financial years.

Name and Principal Position	Year	Salary (\$)	Unit-Based Awards (\$)			Annual Non-Equity Incentive Plan Compensation <sup>(4)</sup> (\$)	All Other Compensation <sup>(5)</sup> (\$)	Total Compensation (\$)
			Deferred Unit Plan <sup>(1)</sup>	LTIP <sup>(2)</sup>	EIP <sup>(3)</sup>			
Mitchell Goldhar <i>Executive Chairman and Chief Executive Officer</i>	2022	405,869	479,454	nil	nil	479,454	14,643	1,379,420 <sup>(6)</sup>
	2021	391,993	463,042	nil	14,140,000	463,042	14,643	15,472,720 <sup>(6)</sup>
	2020	375,760	352,275	nil	nil	352,275	14,695	1,095,005 <sup>(6)</sup>
Peter Slan <i>Chief Financial Officer</i> <sup>(7)</sup>	2022	98,077 <sup>(8)</sup>	44,898	nil	1,296,000	44,898	2,748	1,486,621
Peter Sweeney <i>Former Chief Financial Officer</i>	2022	881,509 <sup>(11)</sup>	nil	nil	nil	nil	8,689	890,197
	2021	496,500	205,203	nil	1,688,652	205,203	14,643	2,610,201
	2020	483,000	179,676	275,000	nil	179,676	14,695	1,132,047
Rudy Gobin <i>Executive Vice President, Portfolio Management and Investments</i>	2022	615,000 <sup>(10)</sup>	291,080	nil	nil	291,080	18,643	1,215,802
	2021	462,800	215,000	nil	1,688,652	300,000 <sup>(9)</sup>	18,643	2,685,095
	2020	445,000	172,171	175,000	nil	172,171	18,695	983,037
Mauro Pambianchi <i>Former Chief Development Officer</i>	2022	463,000	159,401	nil	nil	159,401	12,570	794,372
	2021	463,000	171,912	nil	1,688,652	171,912	12,654	2,508,130
	2020	453,900	167,898	100,000	nil	167,898	12,672	902,368

Notes:

- (1) The value shown is determined as at the date of grant of each award and excludes distribution equivalent amounts earned on the Deferred Units. Amounts include Matching Deferred Units granted under the Deferred Unit Plan. For further information, see "Executive Compensation – Equity Compensation Plan Information – Deferred Unit Plan".
- (2) The value shown is determined as at the date of grant of each award and excludes distribution equivalent amounts earned on the LTIP Units. For further information, see "Executive Compensation – Equity Compensation Plan Information – Long Term Incentive Plan".
- (3) The Performance Units awarded under the EIP are non-recurring awards that cover multiple years. SmartCentres will not award Mr. Goldhar any additional Performance Units under the EIP prior to the end of the term of his employment agreement (December 31, 2025), regardless of whether or not all price targets have been attained by that time. As a result, the Board believes that the value of Mr. Goldhar's award should be averaged over five years. The performance period for these awards is seven years and the awards are not redeemable until after a vesting period of three years, which commences after the relevant performance threshold is achieved. SmartCentres will also not award any additional

Performance Units under the EIP to any existing EIP holders prior to December 31, 2025. As no further Performance Units will be granted to such named executive officers prior to such time, the Board considers that the value of such grant should be averaged over such period.

The management information circular prepared in connection with the 2022 unitholders' meeting disclosed the value of the awards as at the date of grant of each award using the number of Performance Units awarded multiplied by the volume weighted average price of all Units traded on the TSX for the ten trading days immediately preceding such date without reduction for time value, threshold achievement or vesting risks. The Board has subsequently determined that it is more appropriate to determine the fair value of the Performance Units on the grant date using the Monte Carlo simulation pricing model which is consistent with the approach of determining the fair value of the Performance Units in the financial statements. The valuation of the EIP awards was provided by a well-respected third-party global accounting and consulting firm. This valuation method will be used to value all current and future EIP awards as it aligns with best market practices and has not altered the number of Performance Units granted or the vesting conditions.

For further information, see "Executive Compensation – Equity Compensation Plan Information – Equity Incentive Plan".

- (4) These amounts represent annual cash incentive bonuses awarded to the named executive officers. Each of the named executive officers can elect to receive their annual incentive bonus in Deferred Units, in lieu of cash, up to the maximum portion pursuant to the Deferred Unit Plan. Each of the named executive officers (except Mr. Sweeney given his resignation), elected to receive Deferred Units for the maximum portion of their 2022 annual incentive cash incentive compensation permitted under the Deferred Unit Plan. Mr. Sweeney resigned as an employee from SmartCentres effective July 4, 2022.
- (5) These amounts include vehicle allowances and medical, life and other insurance premiums.
- (6) Pursuant to the Penguin Service Agreement, Penguin Investments Inc. ("**Penguin Investments**"), a company owned by Mr. Goldhar, received \$6,759,847 in respect of services in 2020, \$7,157,711 in respect of services in 2021 and \$6,940,511 in respect of services in 2022. For further information see "Penguin Services Agreement" below.
- (7) Peter Slan was appointed as Chief Financial Officer effective October 24, 2022.
- (8) This amount reflects Mr. Slan's base salary from October 24, 2022 to December 31, 2022.
- (9) This amount includes a special one-time bonus of \$85,000, which was primarily paid for Mr. Gobin assuming additional responsibilities during Peter Forde's medical leave and following his death. This special bonus was not eligible for a matching grant of Deferred Units under the Deferred Unit Plan.
- (10) The amount presented in Mr. Gobin's base salary includes \$125,000 temporary allowance in step-up pay effective January 1, 2022. This temporary step-up pay will continue until the additional duties that Mr. Gobin has assumed are substantially re-assigned.
- (11) Mr. Sweeney resigned as an employee of SmartCentres effective July 4, 2022. Mr. Sweeney was paid \$249,547 in accrued vacation pay, which is included in the Summary Compensation Table under "salary." Mr. Sweeney served as Chief Financial Officer under an Independent Consulting Agreement from July 5, 2022 to Dec 2, 2022. The consulting fees for this period are included in the above Summary Compensation Table under "Salary."

### ***Penguin Services Agreement***

On November 5, 2020, SmartCentres and its affiliates entered into an amended and restated services agreement (the "**Penguin Services Agreement**") with Penguin Investments, a company owned by Mitchell Goldhar, pursuant to which Penguin Investments agreed to provide a broad range of services to SmartCentres in connection with the future development of its development projects until the earlier of (i) December 31, 2025; and (ii) the date that Mitchell Goldhar is no longer actively involved with Penguin Investments. In exchange for those services, SmartCentres will pay Penguin Investments an annual fee which consists of: (A) a fixed service fee (the "**Fixed Service Fee**") which is paid on a quarterly basis; and (B) an annual variable service fee (the "**Variable Service Fee**") that is based on the achievement of the trust-level targets for "New Development Initiatives" and "New Projects" that SmartCentres uses to measure the performance of its executive officers (the "**Development Targets**") and other annual targets (other than Development Targets) of a similar nature as to what SmartCentres uses to measure the performance of its executive officers, all as determined by the Board from time to time (the "**Additional Targets**") (see "Compensation Discussion and Analysis - Trust Level Performance Metrics").

For 2020, the Fixed Service Fee was \$4,509,120. For 2021, the Fixed Service Fee was \$4,703,912. For 2022, the Fixed Service Fee was \$4,870,576.

For the 2020 calendar year and thereafter, the Penguin Services Agreement provides that the Variable Service Fee will be based on the achievement of the Development Targets and the Additional Targets and will be awarded in accordance with the following thresholds:

(a) in respect of the achievement of the Development Targets:

- (i) an amount equal to 140% of the Development Targets Amount will be awarded if and only if 150% of the Development Targets are achieved for such year;
- (ii) an amount equal to 100% of the Development Targets Amount will be awarded if and only if 100% of the Development Targets are achieved; or

(iii) an amount equal to 60% of the Development Targets Amount will be awarded if and only if 50% of the Development Targets are achieved; and

(b) in respect of the Additional Targets:

(i) an amount equal to 140% of the Additional Targets Amount will be awarded if and only if 150% of the Additional Targets are achieved;

(ii) an amount equal to 100% of the Additional Targets Amount will be awarded if and only if 100% of the Additional Targets are achieved; or

(iii) an amount equal to 60% of the Additional Targets Amount will be awarded if and only if 50% of the Additional Targets are achieved.

The amount of the Variable Service Fee related to each of the Development Targets and the Additional Targets are prorated between threshold levels. For the 2020 calendar year, the “Development Targets Amount” was \$2,254,560 and the “Additional Targets Amount” was \$563,640. The Variable Service Fee payable for 2020 was \$2,250,727. For the 2021 calendar year, the “Development Targets Amount” was \$2,351,957 and the “Additional Targets Amount” was \$587,989. The Variable Service Fee payable for 2021 was \$2,453,797. For the 2022 calendar year, the “Development Targets Amount” was \$2,435,216 and the “Additional Targets Amount” was \$608,804. The Variable Service Fee payable for 2022 was \$2,069,934.

If in any calendar year only one of: (x) 50% of the Development Targets; or (y) 50% of the Additional Targets is achieved for such calendar year but the other 50% of the Development Targets or 50% of the Additional Targets, as applicable, is not achieved, then the Variable Service Fee shall be payable to Penguin Investments for such calendar year only in respect of the component that was achieved and no Variable Service Fee shall be payable to Penguin Investments in respect of the component that was not achieved.

For the remaining years during the term of the Penguin Services Agreement, the amount of the Fixed Service Fee, the Development Targets Amount and the Additional Targets Amount will be increased by an amount equal to the weighted average percentage increase in the annual salaries of certain of the executive officers of SmartCentres for such calendar year.

SmartCentres and its affiliates paid Penguin or an affiliate opportunity fees (\$60,000), development fees (\$354,000) and disposition fees (\$612,000) pursuant to the Development Services Agreement dated May 28, 2015, as amended, and the Supplement to the Development Services Agreement dated November 5, 2020. Penguin paid SmartCentres fees for management services and support services in 2022. For further details on these payments and other payments between SmartCentres and Penguin see footnote 22 to the annual financial statements of SmartCentres for the year ended December 31, 2022. For further details of these agreements see “General Development of the Business – Subsequent Developments in 2023 – Additional Agreements with the Penguin Group” in the annual information form for the year ended December 31, 2022.

### Outstanding Unit-Based Awards

The following table indicates for each named executive officer all Unit-based awards outstanding as at December 31, 2022.

Name	Unit-Based Awards <sup>(1)</sup>								
	Number of Deferred Units That Have Not Vested <sup>(2)</sup>	Market or Payout Value of Deferred Units That Have Not Vested <sup>(3)</sup>	Market or Payout Value of Vested Deferred Units Not Paid Out or Distributed <sup>(3)</sup>	Number of LTIP Units That Have Not Vested <sup>(4)</sup>	Market or Payout Value of LTIP Units That Have Not Vested <sup>(3)</sup>	Market or Payout Value of Vested LTIP Units Not Paid Out or Distributed <sup>(3)</sup>	Number of Performance Units That Have Not Vested <sup>(5)</sup>	Market or Payout Value of Performance Units That Have Not Vested <sup>(3)(5)</sup>	Market or Payout Value of Vested Performance Units Not Paid Out or Distributed <sup>(3)</sup>
	(#)	(\$)	(\$)	(#)	(\$)	(\$)	(#)	(\$)	(\$)
Mitchell Goldhar	50,751	1,359,125	4,226,396	nil	nil	nil	745,593	19,966,980	nil
Peter Slan	nil	nil	nil	nil	nil	nil	nil	nil	nil
Peter Sweeney	23,782	636,876	649,614	nil	nil	nil	nil	nil	nil
Rudy Gobin	29,509	790,260	5,404,563	nil	nil	255,182	37,338	999,918 <sup>(6)</sup>	nil
Mauro Pambianchi	27,139	726,788	1,432,927	nil	nil	145,818	37,338	999,918	nil

Notes:

- (1) These figures include Deferred Units, LTIP Units and Performance Units received as distribution equivalents under the Deferred Unit Plan, LTIP and EIP, respectively.
- (2) These awards were issued pursuant to the Deferred Unit Plan. Awards include fractional Deferred Units and have been rounded to the nearest whole number for the purpose of this column.
- (3) Based on the closing market price of the Units on the TSX as at December 30, 2022 of \$26.78, without reduction for time value or vesting risk. The Performance Units awarded under the EIP are non-recurring awards that cover multiple years. SmartCentres will not award Mr. Goldhar any additional Performance Units under the EIP prior to the end of the term of his employment agreement (December 31, 2025), regardless of whether or not all price targets have been attained by that time. As a result, the Board believes that the value of Mr. Goldhar's award should be averaged over five years. SmartCentres will also not award any additional Performance Units under the EIP to any existing EIP holders prior to December 31, 2025. The performance period for these awards is seven years and the awards are not redeemable until after a vesting period of three years, which commences after the relevant performance threshold is achieved.
- (4) As of December 31, 2022, there is no outstanding LTIP award which has not vested. Final payment with respect to such vested LTIP was made in first quarter of 2023.
- (5) These awards were issued pursuant to the EIP. Although no Performance Units have vested, as of December 31, 2022, the \$26.00, \$28.00 and \$30.00 Unit price thresholds were achieved with respect to the awards issued in 2021 and the three-year vesting period for the corresponding Performance Units has commenced. In April 2022, the \$32.00 Unit price threshold was achieved with respect to the Performance Units granted in 2021 and the three-year vesting period for the corresponding Performance Units has commenced. These numbers do not include 370,901 Performance Units for which the Unit price performance thresholds have not been achieved. See "Executive Compensation – Equity Compensation Plan Information – Equity Incentive Plan".
- (6) On a termination without cause, as at December 31, 2022, Mr. Gobin would receive only \$388,857 in respect to his unvested Performance Units for which the Unit price threshold has been achieved.

### *Incentive Plan Awards – Value Vested or Earned During the Year*

The following table indicates for each named executive officer the value of all indicated compensation awards that vested and were earned during 2022.

Name	Unit-Based Awards - Value Vested During the Year <sup>(1)(2)</sup>			Annual Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$) <sup>(3)</sup>
	Deferred Units (\$)	LTIP Units (\$)	Performance Units (\$)	
Mitchell Goldhar	615,340	nil	nil	479,454
Peter Slan	nil	nil	nil	44,898
Peter Sweeney	206,496	nil	nil	nil
Rudy Gobin	456,765	255,182	nil	291,080
Mauro Pambianchi	405,895	145,818	nil	159,401

Notes:

- (1) These awards were issued pursuant to the Deferred Unit Plan, the LTIP, the EIP, although the awards granted under the LTIP are only settled in cash. These figures include Deferred Units received as distribution equivalents under the Deferred Unit Plan and Performance Units received as distribution equivalents under the Equity Incentive Plan. As of December 31, 2022, each of the named executive officers, other than Mitchell Goldhar, Peter Sweeney and Peter Slan, had outstanding awards under the LTIP. The LTIP Units for the performance period from January 1, 2020 to December 31, 2022 vested as the minimum performance threshold was achieved. Such awards were paid in 2023.
- (2) Based on the closing price of the Units on the TSX on the applicable vesting date.
- (3) This column includes the full amount of the annual incentive bonuses even if a named executive officer elected to receive all or a portion of their 2022 annual incentive compensation as Deferred Units as permitted under the Deferred Unit Plan.

### **Termination and Change of Control Benefits**

#### *Mitchell Goldhar, Executive Chairman and Chief Executive Officer*

Mr. Goldhar's employment agreement provides that he will be entitled to receive a specified cash payment in the case of termination without cause or upon his resignation following the occurrence of an "Adverse Event" if such Adverse Event occurs within 6 months following a change of control of SmartCentres.

Upon termination without cause prior to the end of the term of his employment, Mr. Goldhar is entitled to a severance payment that will be an amount equal to the lesser of (A) 100% of his then current annual salary and bonus based on 100% target payout, and (B) an amount equal to 100% of the salary and bonus based on 100% target payout which would be payable to Mr. Goldhar for the remainder of the term of his employment, in each case plus continuing group health and welfare benefits for twelve months following termination (the "**Goldhar Separation Package**").

If Mr. Goldhar resigns following an Adverse Event which occurred within 6 months following a change of control of SmartCentres, Mr. Goldhar is entitled to receive the Goldhar Separation Package.

In addition, notwithstanding whether a change of control has occurred, if Mr. Goldhar resigns following an Adverse Event, he will be eligible to receive a pro-rated bonus for such year. "Adverse Event" is defined in Mr. Goldhar's employment agreement as: (a) a material diminution in Mr. Goldhar's duties, responsibilities, title or reporting relationships; (b) a reduction in his base salary; or (c) a material reduction in his variable compensation opportunities.

The treatment of any Deferred Units and any Performance Units held by Mr. Goldhar will be governed by the terms and conditions of the awards as set out in the relevant plan documents and award agreements, except as modified by Mr. Goldhar's employment agreement. Notwithstanding the relevant plan documents and award agreements, as set out in Mr. Goldhar's employment agreement, upon his resignation due to a change of control or the termination of his employment without cause that is substantially concurrent with or at any time after a change of control, any unvested Deferred Units shall automatically vest upon the date upon which the change of control is deemed to have occurred,



and any unvested Performance Units for which the performance measures have been met shall automatically vest as of the date which is immediately prior to the date upon which the change of control is deemed to have occurred.

The table below sets out the estimated incremental amounts that would have been payable by SmartCentres to Mr. Goldhar, had his employment been terminated on December 31, 2022. The table includes only base salary, bonus, car allowance and benefits, as applicable. For information on the treatment of any Deferred Units and Performance Units held by Mr. Goldhar in such circumstances, refer to “– Treatment of Deferred Units, Performance Units and LTIP Units” and for the value thereof in the case of each of the scenarios below (except in respect of the Performance Units only, disability or resignation in the absence of an Adverse Event where such incremental value is nil) see the values set out for his unvested Deferred Units and Performance Units under “– Outstanding Unit-Based Awards”.

Resignation	Termination without Cause	Death	Disability	Change of Control
\$nil <sup>(1)</sup>	\$918,186	\$463,042	\$494,263 <sup>(2)</sup>	\$1,381,228

Notes:

- (1) Reflects the amount payable in the event of Mr. Goldhar’s resignation other than in connection with an Adverse Event. In the event of resignation following an Adverse Event \$463,042.00 is payable by SmartCentres to Mr. Goldhar.
- (2) Pursuant to SmartCentres’ employee disability policy, if the amount of employment insurance received by an employee upon short-term disability is less than 55% of that employee’s salary at the time that disability occurred, SmartCentres will pay to the employee an amount equal to the difference between the amount that is 55% of that employee’s salary at the time that disability occurred and the amount received by the employee pursuant to his or her employment insurance for a period of up to 16 weeks. The figure above does not include this additional payment.

### ***Peter Slan, Chief Financial Officer***

Mr. Slan’s employment agreement provides that he will be entitled to receive a specified cash payment in the case of termination without cause or a change of control of SmartCentres.

Upon termination without cause, Mr. Slan is entitled to a severance payment (the “**Slan Separation Package**”), within 30 days of his termination, that will be an amount equal to: (i) if the termination occurs on or prior to October 24, 2023, six months of base salary, continuing benefits in accordance with the *Employment Standards Act* (Ontario) plus six months of health and dental coverage; (ii) if the termination occurs after October 24, 2023 but on or prior to April 24, 2024, 12 months of base salary, continuing benefits in accordance with the *Employment Standards Act* (Ontario) plus 12 months of health and dental coverage; and (iii) if the termination occurs after April 24, 2024, 18 months of base salary, target bonus and vehicle allowance, continuing benefits in accordance with the *Employment Standards Act* (Ontario) plus 18 months of health and dental coverage.

If Mr. Slan is not offered continued employment on a comparable basis after a change of control event, he will be entitled to receive, within 30 days of such termination, the Slan Separation Package.

The table below sets out the estimated incremental amounts that would have been payable by SmartCentres to Mr. Slan, had his employment been terminated on December 31, 2022. The table includes base salary, bonus, car allowance and benefits, as applicable. For information on the treatment of any Deferred Units and Performance Units held by Mr. Slan in such circumstances, refer to “– Treatment of Deferred Units, Performance Units and LTIP Units” and for the value thereof in the case of each of the scenarios below (except resignation or disability where the incremental value is nil) see the values set out for his unvested Deferred Units and Performance Units under “– Outstanding Unit-Based Awards”.

Resignation	Termination without Cause	Death	Disability	Change of Control
\$nil	\$258,251	\$145,283	\$nil <sup>(1)</sup>	\$258,251

Note:

- (1) Pursuant to SmartCentres’ employee disability policy, if the amount of employment insurance received by an employee upon short-term disability is less than 55% of that employee’s salary at the time that disability occurred, SmartCentres will pay to the employee an amount equal to the difference between the amount that is 55% of that employee’s salary at the time that disability occurred and the amount received by the employee pursuant to his or her employment insurance for a period of up to 16 weeks. The figure above does not include this additional payment.

***Peter Sweeney, Former Chief Financial Officer***

Mr. Sweeney resigned as an employee of SmartCentres effective July 4, 2022. Mr. Sweeney served as Chief Financial Officer under an Independent Consulting Agreement from July 5, 2022 to Dec 2, 2022. All previously granted Deferred Units, LTIP Units and Performance Units were governed by the relevant award agreement, and plan terms, except as modified by Mr. Sweeney's employment agreement. Mr. Sweeney was not entitled to receive any additional payments on resignation, other than in respect of accrued vacation pay.

***Rudy Gobin, Executive Vice President, Portfolio Management and Investments***

Mr. Gobin's employment agreement provides that he will be entitled to receive a specified cash payment in the case of termination without cause or a change of control of SmartCentres.

Upon termination without cause, Mr. Gobin is entitled to a severance payment, within 30 days of his termination, that will be an amount equal to 1.5 times his then current annual compensation, including base salary and bonus based on the 100% target amount for the relevant year, and car allowance, plus continuing group benefits for 18 months following termination.

If Mr. Gobin is not offered continued employment on a comparable basis after a change of control event, he will be entitled to receive, within 30 days of such termination, an amount equal to 1.5 times his then current annual compensation, including base salary and bonus based on the 100% target amount for the relevant year, and car allowance, plus continuing group benefits for 18 months following such termination.

The table below sets out the estimated incremental amounts that would have been payable by SmartCentres to Mr. Gobin, had his employment been terminated on December 31, 2022. The table includes base salary, bonus, car allowance and benefits, as applicable. For information on the treatment of any Deferred Units and Performance Units held by Mr. Gobin in such circumstances, refer to "– Treatment of Deferred Units, Performance Units and LTIP Units" and for the value thereof in the case of each of the scenarios below (except resignation or in the case of the Performance Units only, disability where such incremental value is nil) see the values set out for his unvested Deferred Units and Performance Units under "– Outstanding Unit-Based Awards".

<b>Resignation</b>	<b>Termination without Cause</b>	<b>Death</b>	<b>Disability</b>	<b>Change of Control</b>
\$nil	\$1,138,671	\$nil	\$nil <sup>(1)</sup>	\$1,138,671

Note:

- (1) Pursuant to SmartCentres' employee disability policy, if the amount of employment insurance received by an employee upon short-term disability is less than 55% of that employee's salary at the time that disability occurred, SmartCentres will pay to the employee an amount equal to the difference between the amount that is 55% of that employee's salary at the time that disability occurred and the amount received by the employee pursuant to his or her employment insurance for a period of up to 16 weeks. The figure above does not include this additional payment.

***Mauro Pambianchi, Chief Development Officer***

Mr. Pambianchi retired effective December 31, 2022. All previously granted Deferred Units, LTIP Units and Performance Units were governed by the relevant award agreement, and plan terms, except as modified by Mr. Pambianchi's employment agreement. Mr. Pambianchi was not entitled to receive any additional payments on retirement, other than his annual incentive cash award for 2022.

***Treatment of Deferred Units, Performance Units and LTIP Units***

Any Deferred Units, Performance Units and LTIP Units held by any of the named executive officers at the end of such named executive officer's employment will be treated in accordance with the Deferred Unit Plan, the EIP, the LTIP and any Inducement Award agreement, as applicable, subject to such named executive officer's employment agreement. See "Executive Compensation – Equity Compensation Plan Information – Deferred Unit Plan", "– Equity Incentive Plan", "– Long Term Incentive Plan" and "– Inducement Award Agreements".

**Equity Compensation Plan Information**

The following table provides a summary as of December 31, 2022 of the security-based compensation plans pursuant to which equity securities of SmartCentres may be issued.

Plan Category	Units To Be Issued Upon Exercise of Outstanding Deferred Units or Performance Units (#)	Units Remaining Available for Future Issuance Under the Deferred Unit Plan or Equity Incentive Plan (#)
Equity compensation plans approved by Unitholders – <i>Deferred Unit Plan, Equity Incentive Plan</i> <sup>(1)</sup>	3,259,048 <sup>(2)</sup>	3,419,745 <sup>(3)</sup>
Equity compensation plans not approved by Unitholders – <i>Inducement Awards</i>	-	-

Notes:

- (1) Pursuant to the Deferred Unit Plan, the aggregate number of Units authorized for issuance upon the redemption of all Deferred Units granted under the Deferred Unit Plan is 4,000,000. As of December 31, 2022, a total of 321,207 Units have been issued upon the redemption of Deferred Units issued under the Deferred Unit Plan representing 0.2% of the issued and outstanding Units as at December 31, 2022. SmartCentres has also granted a further 1,888,509 Deferred Units which have not yet been redeemed, leaving 1,790,284 Deferred Units available for future grants (assuming that all outstanding Deferred Units are redeemed for Units).
- Pursuant to the EIP, the aggregate number of Units authorized for issuance upon the redemption of all Performance Units granted under the EIP is 3,000,000. As of December 31, 2022, 1,370,539 Performance Units have been granted under the EIP representing 0.9% of the issued and outstanding Units as at December 31, 2022, leaving 1,629,461 Performance Units available for future grants under the EIP.
- SmartCentres may, from time to time, grant awards of Deferred Units under Inducement Award agreements. Except as otherwise specified in an Inducement Award agreement, such awards are granted upon the terms and conditions set out in the Deferred Unit Plan. The Deferred Units granted under any Inducement Award agreement are deducted from the number of Deferred Units reserved for future grants under the Deferred Unit Plan.
- (2) Represents 2.3% of the number of issued and outstanding Units as of December 31, 2022. As of March 31, 2023, there were 2,184,434 Units to be issued upon redemption of outstanding Deferred Units and 1,413,520 Units to be issued upon redemption of outstanding Performance Units (representing 1.5% and 1.0% of the issued and outstanding Units as of March 31, 2023, respectively).
- (3) Represents 2.4% of the number of issued and outstanding Units as of December 31, 2022. As of March 31, 2023, there were 1,494,359 Units which remained available for future issuance under the Deferred Unit Plan and 1,586,480 Units which remained available for future issuance under the EIP (representing 1.0% and 1.1% of the issued and outstanding Units as of March 31, 2023, respectively).

### ***Annual Burn Rate***

In accordance with the requirements of section 613 of the TSX Company Manual, the following table sets out the annual burn rate of the Deferred Units granted under the Deferred Unit Plan and Performance Units granted under the EIP, SmartCentres' only security-based compensation arrangements for which awards were granted during the relevant times, for each of 2020, 2021 and 2022. The EIP was approved by Unitholders on December 9, 2020 and no Performance Units were granted under the EIP in 2020. With respect to the Deferred Unit Plan, the burn rate is calculated by dividing the number of Deferred Units granted under the Deferred Unit Plan during the relevant fiscal year by the weighted average number of Units outstanding for such fiscal year. With respect to the EIP, the burn rate is calculated by dividing the number of Performance Units granted under the EIP during the relevant fiscal year by the weighted average number of Units outstanding for such fiscal year.

	2022	2021	2020
Number of Deferred Units granted under Deferred Unit Plan	226,358	302,565	236,494
Number of Performance Units granted under EIP	65,000	1,339,698	nil
Weighted average of outstanding Units	179,657,455	173,748,819	172,971,603
Deferred Unit Plan annual burn rate	0.13%	0.17%	0.14%
EIP annual burn rate	0.04%	0.77%	nil

### ***Deferred Unit Plan***

The Deferred Unit Plan is administered by the Corporate Governance and Compensation Committee. The purpose of the Deferred Unit Plan is to promote a greater alignment of interests between the Trustees, officers and employees of SmartCentres and/or its subsidiaries and Unitholders.

Currently 195 Trustees, officers and senior employees of SmartCentres and/or its subsidiaries are eligible to participate in the Deferred Unit Plan. Each eligible person is given the right to elect to be a participant of the Deferred Unit Plan. A person who elects to be a participant will be paid the amount set out in an election notice delivered by the participant to SmartCentres, which cannot exceed any limit in effect as determined by the Corporate Governance and Compensation Committee or the Board, if applicable, and initially cannot exceed:

- (a) in respect of a Trustee or an executive officer, the annual board retainer (including committee fees, attendance fees and additional fees and retainers to committee chairs) or the annual bonus, as applicable, paid by SmartCentres to that Trustee or executive officer for services rendered in a calendar year;
- (b) in respect of senior leadership holding the title of executive vice president, senior vice president or vice president, 50% of the annual bonus paid by SmartCentres to that employee for services rendered in a calendar year; and
- (c) in respect of senior managers holding the title of senior director or director, 25% of the annual bonus paid by SmartCentres to that employee for services rendered in a calendar year;

(the “**DUP Elected Amount**”) in the form of Deferred Units in lieu of cash. SmartCentres will match the DUP Elected Amount for each participant such that the number of Deferred Units issued to each participant will be equal in value to two times the DUP Elected Amount (“**Matching Deferred Units**”) (i.e., if a participant elects to be paid \$100 of their annual bonus or Trustee fees in the form of Deferred Units, SmartCentres matches that election by issuing the participant a further \$100 worth of Matching Deferred Units, subject to certain vesting conditions).

The number of Deferred Units (including fractional Deferred Units) granted on an award date under the Deferred Unit Plan will be calculated by dividing (i) the dollar amount of a participant’s DUP Elected Amount by (ii) the market value of a Unit on January 1 of the year of grant or such later date as the Board may specify. For purposes of the Deferred Unit Plan, market value means the volume weighted average trading price of the Units as of the last ten trading days prior to the applicable date.

Deferred Units are not considered Units and do not entitle a participant to any Unitholder rights. One Deferred Unit is economically equivalent to one Unit and represents the right to receive a Unit issued from treasury or a cash payment based on the market value of a Unit (at the participant’s election). As Deferred Units are full value awards, there is no exercise price applicable to the Deferred Units and SmartCentres will not provide financial assistance to participants under the Deferred Unit Plan.

A participant may designate or change a beneficiary for purposes of the Deferred Unit Plan by delivering a notice to the Senior Vice President, Human Resources and Corporate Services of SmartCentres. Deferred Units and the rights of a participant under the Deferred Unit Plan are otherwise non-transferable and non-assignable.

Generally, Deferred Units (other than Matching Deferred Units and Deferred Units received as distribution equivalents on such Matching Deferred Units) granted to participants are fully vested when granted. Matching Deferred Units granted to non-employee Trustees vest immediately upon grant. Matching Deferred Units granted to other participants vest in accordance with the following schedule:

- (a) 50% of the Matching Deferred Units vest on the earlier of (1) the third anniversary of the award date and (2) February 27 of the third year following the award date;
- (b) 25% of the Matching Deferred Units vest on the earlier of (1) the fourth anniversary of the award date and (2) February 27 of the fourth year following the award date; and
- (c) 25% of the Matching Deferred Units vest on the earlier of (1) the fifth anniversary of the award date and (2) February 27 of the fifth year following the award date.

Unvested Deferred Units credited to a participant vest immediately and are redeemable by the participant (or his or her beneficiary) on the date the participant ceases to be an officer or employee of SmartCentres or a subsidiary of SmartCentres for any reason other than termination for cause, voluntary resignation or retirement unless otherwise provided for in the participant’s employment agreement. In the case of termination for cause or voluntary resignation, all of the participant’s unvested Matching Deferred Units will be forfeited and cancelled as of the termination date. In the case of retirement, unvested Matching Deferred Units held by senior officers shall vest one year after retirement (or, if later, the date the employee is no longer subject to non-competition obligations) and may be forfeited if the employee competes during that period. Unvested Matching Deferred Units held by participants other than senior

officers shall vest immediately on retirement. For purposes of the Deferred Unit Plan, “retirement” means the employee has reached a threshold based on age and years of service, has given 6 months advance notice of the retirement, is not competing with SmartCentres and is not employed for cash compensation in excess of 60% of the employee’s actual total annual cash compensation from SmartCentres in the preceding 12 months.

In the event of a change of control, any unvested Matching Deferred Units will vest upon the earlier of (i) the next applicable vesting date and (ii) the date which is immediately prior to the date upon which the change of control is completed. A change of control is defined as: (i) any acquisition by any person or group (other than any MG Entity) of beneficial ownership of, or control over, voting securities or convertible securities of SmartCentres, as a result of which that acquiror, together with its affiliates or any other person acting jointly or in concert with the acquiror, beneficially own (A) not less than 50% of the voting securities of SmartCentres or (B) securities which would entitle the holders thereof to cast not less than 50% of the votes which may be cast to elect trustees; (ii) a board majority change whereby incumbent trustees no longer constitute a majority of the board; or (iii) a combination, amalgamation, merger or arrangement of SmartCentres or any of its material subsidiaries with or into any other person, any termination or plan for the liquidation of SmartCentres, or any sale, transfer or disposition of all or substantially all of the assets of SmartCentres, in each case if the MG Entities voted against or, if not the subject of a Unitholder vote, did not provide written consent to, such reorganization, or (iv) any determination by a majority of the board that a change of control has occurred or is about to occur.

A participant’s vested Deferred Units may be redeemable in whole or in part on the date the participant files a written notice of redemption with the Chief Financial Officer of SmartCentres. The participant will receive, within five business days after the termination date or redemption date, as applicable, a whole number of Units equal to the whole number of vested Deferred Units of the participant, provided that the participant has satisfied any applicable withholding taxes. Participants have no right to receive any fractional Units or any cash payment in lieu of fractional Units. The Deferred Units will be cancelled upon the issuance of Units upon redemption. Alternatively, a participant may elect to surrender the Deferred Units to SmartCentres and receive cash in respect of some or all of the Deferred Units to be redeemed (the “**DUP Cash Units**”), in which event SmartCentres will, at its election, either (i) pay to the participant, within five business days of redemption, an amount equal to the market value of the DUP Cash Units, less applicable withholding taxes or (ii) issue such number of Units equal to the number of DUP Cash Units and arrange to sell such Units on behalf of the participant as soon as practical, and pay to the participant the proceeds of such sale, less any applicable withholding taxes. Matching Deferred Units will be forfeited to the extent that, prior to vesting, the Deferred Units to which such Matching Deferred Units relate are redeemed.

Whenever cash distributions are paid on Units, additional Deferred Units will be credited to the participant’s Deferred Unit account as distribution equivalents. The number of additional Deferred Units will be calculated by dividing (i) the amount determined by multiplying (a) the number of Deferred Units in the participant’s Deferred Unit account on the record date for the payment of the distribution by (b) the distribution paid per Unit, by (ii) a percentage of the market value of a Unit (such percentage to correspond to the percentage applied to the market price of Units for purposes of the distribution reinvestment plan of SmartCentres then in effect (or, if no such plan is then in effect, the last distribution reinvestment plan of SmartCentres that was in effect)) on the distribution payment date calculated based on the ten day volume weighted average trading price of the Units. Such additional Deferred Units granted as distribution equivalents vest in the same manner in proportion to the underlying Deferred Units to which they relate.

In the event of any division of Units, Unit split, combination or exchange of Units, merger, consolidation, spin-off or other distribution (other than normal cash distributions) of SmartCentres’ assets to unitholders, or any other change affecting the Units, the number of Deferred Units credited to each participant shall be adjusted in such manner, if any, that the Corporate Governance and Compensation Committee may in its discretion deem appropriate to reflect the event.

Unitholder approval is required for any amendment to the Deferred Unit Plan that (i) increases the number of Units reserved for issuance under the Deferred Unit Plan, (ii) increases the percentage of a participant’s annual bonus or retainer that such participant may elect to receive in the form of Deferred Units beyond 100%, (iii) increases the percentage of the DUP Elected Amount to be matched by SmartCentres beyond 100% of the DUP Elected Amount, (iv) extends eligibility to participate in the Deferred Unit Plan to persons not currently eligible to participate, (v) permits entitlements under the Deferred Unit Plan to be transferred other than for normal estate settlement purposes, (vi) permits awards other than those specifically contemplated in the Deferred Unit Plan to be made under the Deferred Unit Plan, (vii) increases or removes the 10% limits on Units issuable to or issued to insiders under the Deferred Unit Plan, or (viii) deletes or removes the range of amendments which require approval of Unitholders. Subject to the foregoing matters, the Board may amend, suspend or terminate the Deferred Unit Plan or any provision of the Deferred

Unit Plan, provided that the consent of a participant will be required where such amendment, suspension or termination materially adversely affects the rights already accrued under the Deferred Unit Plan by such participant. Unitholder approval is not required for any other amendments to the Deferred Unit Plan. Examples of amendments not requiring Unitholder approval include those which (i) make formal, minor or technical modification to any of its provisions, including amendments of a 'housekeeping' nature, (ii) correct any ambiguity, defective provisions, error or omission in its provisions, (iii) amend the vesting provisions of the Deferred Units or (iv) make any other amendment that does not require Unitholder approval under applicable laws or the rules of the TSX, provided, however, that no such act will diminish any rights accrued in respect of grants of Deferred Units made prior to the effective date of such amendment.

As of December 31, 2022, SmartCentres had 144,625,322 Units outstanding (not including the 33,499,823 Units issuable upon the exercise or conversion of the Exchangeable Securities outstanding). The aggregate number of Units authorized for issuance upon redemption of all Deferred Units granted under the Deferred Unit Plan cannot exceed 4,000,000, or approximately 2.8% of the outstanding Units of SmartCentres as at December 31, 2022, or any greater number of Units as may be determined by the Board and approved by the Unitholders and, if required, by any relevant stock exchange or other regulatory authority. However, (i) at no time can the number of Units issuable to insiders of SmartCentres pursuant to outstanding Deferred Units, together with the number of Units issuable to such persons pursuant to any other security-based compensation arrangements, exceed 10% of the then outstanding Units; and (ii) the number of Units issued to insiders of SmartCentres pursuant to outstanding Deferred Units together with the number of Units issued to such persons pursuant to any other security-based compensation arrangements, within any one year period, cannot exceed 10% of the then outstanding Units. Insiders is as defined under the TSX Company Manual. The Deferred Unit Plan does not provide for a maximum number of Units which may be issued to an individual pursuant to the plan and any other security-based compensation arrangement (expressed as a percentage or otherwise).

### ***Equity Incentive Plan***

The purpose of the EIP is to provide officers and key employees of SmartCentres and its related entities with the opportunity to receive a special award of Performance Units to allow them to participate in the long-term success of SmartCentres and to promote a greater alignment of their interests with the interests of Unitholders.

The EIP is administered by the Board, which may delegate all or any of its powers to the Corporate Governance and Compensation Committee.

Full-time employees or dependent contractors of SmartCentres and/or its related entities are eligible to participate in the EIP.

The number of Performance Units (including fractional Performance Units) granted on an award date under the EIP will be determined by the Board in its sole discretion.

Performance Units are subject to achievement of applicable performance measures during the applicable performance period which will be set out in the participant's award notice. Performance measures may include Unit price thresholds or other measures designed to link the participant's compensation to SmartCentres' long-term success.

Performance Units are not considered Units and do not entitle a participant to any Unitholder rights. One Performance Unit is economically equivalent to one Unit and represents the right to receive a Unit issued from treasury or a cash payment based on the market value of a Unit (at the participant's election). As Performance Units are full value awards, there is no exercise or purchase price applicable to the Performance Units and SmartCentres will not provide financial assistance to participants under the EIP.

The performance measures for the Performance Units granted in 2021 in respect of the January 1, 2021 through December 31, 2027 performance period are Unit price thresholds ranging from \$26.00 to \$34.00 (in increments of \$2.00) and the performance measures for the Performance Units granted in 2022 in respect of the October 24, 2022 through December 31, 2029 performance period are Unit price thresholds ranging from \$31.00 to \$35.00 (in increments of \$2.00). The performance measures will be achieved on the date upon which the daily volume weighted average price of all Units traded on the TSX is equal to or exceeds the applicable Unit price threshold for 20 consecutive trading days. Unless otherwise specified in the award notice, the vesting period for each Performance Unit for which the applicable performance measure has been achieved will commence on such date and end on the earlier of the third anniversary of the date the applicable performance measure is achieved and the end of the

performance period. As of December 31, 2021, the \$26.00, \$28.00 and \$30.00 Unit price thresholds were achieved with respect to the Performance Units granted in 2021 and the three-year vesting period for the corresponding Performance Units has commenced. In April 2022, the \$32.00 Unit price threshold was achieved with respect to the Performance Units granted in 2021 and the three-year vesting period for the corresponding Performance Units has commenced.

The number of Performance Units which will vest and become redeemable is a function of the achievement of applicable performance measures over the applicable performance period. Vested Performance Units are redeemable by the participant (or his or her beneficiary) in whole or in part until the eighth anniversary of the award date. To redeem vested Performance Units, the participant must file a written notice of redemption. The participant will receive, within five business days after the redemption date, a whole number of Units equal to the whole number of vested Performance Units being redeemed, subject to the participant satisfying applicable withholding taxes. Participants have no right to receive any fractional Units or any cash payment in lieu of fractional Units. The Performance Units will be cancelled upon the issuance of Units upon redemption. Alternatively, a participant may elect to receive cash in respect of some or all of the vested Performance Units to be redeemed (the “**EIP Cash Units**”), in which event SmartCentres will, at its election, either (i) pay to the participant, within five business days of redemption, an amount equal to the market value of the EIP Cash Units, less applicable withholding taxes in full satisfaction of the surrender by the participant of his or her rights to acquire Units or (ii) issue such number of Units equal to the number of EIP Cash Units and arrange to sell such Units on behalf of the participant as soon as practical, and pay to the participant the proceeds of such sale, less any applicable withholding taxes. Market value is defined in the EIP as the volume weighted average trading price of the Units on the TSX for the 10 trading days immediately preceding the applicable date.

Whenever cash distributions are paid on Units, additional Performance Units will be credited to the participant’s Performance Unit account as distribution equivalents based on the market value of the Units on the applicable distribution date. Such additional Performance Units granted as distribution equivalents vest in the same manner as, and in proportion to, the underlying Performance Units to which they relate.

If a participant resigns (other than in the course of retirement) or is terminated for cause, any unvested Performance Units will terminate without payment. In the case of the retirement of a participant, any unvested Performance Units for which the applicable performance measures have not been achieved will terminate without payment and any Performance Units for which the applicable performance measures have been achieved will continue to vest in accordance with the original vesting schedule and will be redeemable until the eighth anniversary of the award date in the manner described above. If a participant’s employment or service is terminated without cause, any unvested Performance Units for which the applicable performance measures have not been achieved will terminate without payment and any Performance Units for which the applicable performance measures have been achieved will vest on the participant’s separation date on a pro-rated basis based on the number of months from the start of the vesting period to the participant’s separation date, divided by the number of whole months in the vesting period and will be redeemable until the eighth anniversary of the award date in the manner described above.

If a participant dies, any unvested Performance Units for which the applicable performance measures have been achieved will immediately vest and will be redeemable until the eighth anniversary of the award date in the manner described above. If a participant becomes disabled, any unvested Performance Units for which the applicable performance measures have been achieved will continue to vest in accordance with the original vesting schedule and will be redeemable until the eighth anniversary of the award date in the manner described above. Any of the participant’s Performance Units not vested in accordance with the foregoing will terminate without payment.

In the event of a change of control of SmartCentres, any unvested Performance Units for which the applicable performance measures have been achieved will immediately vest in full on the change of control. If, pursuant to the change of control, the consideration received by Unitholders consists only of cash or other property that is not publicly traded or intended to be publicly traded, then all such vested Performance Units will be redeemed as of the date immediately prior to the date upon which such transaction is completed. Change of control is defined in the EIP as: (i) any acquisition by any person or group (other than any MG Entities) of beneficial ownership of, or control over, voting securities or convertible securities of SmartCentres, as a result of which that acquiror, together with its affiliates or any other person acting jointly or in concert with the acquiror, beneficially own (A) not less than 50% of the voting securities of SmartCentres or (B) securities which would entitle the holders thereof to cast not less than 50% of the votes which may be cast to elect trustees; (ii) a board majority change whereby incumbent trustees no longer constitute a majority of the board; or (iii) a combination, amalgamation, merger or arrangement of SmartCentres or any of its material subsidiaries with or into any other person, any termination or plan for the liquidation of SmartCentres, or any

sale, transfer or disposition of all or substantially all of the assets of SmartCentres, in each case if the MG Entities voted against or, if not the subject of a Unitholder vote, did not provide written consent to, such reorganization, or (iv) any determination by a majority of the board that a change of control has occurred or is about to occur.

In the event of any subdivision, consolidation, dividends paid in Units or other stock capital reorganization, reclassification, exchange or other change with respect to the Units, or a consolidation, amalgamation, merger, spin-off, sale, lease, or exchange of all or substantially all of the property of SmartCentres, the account of each participant and the Performance Units outstanding under the EIP will be adjusted in such manner as determined by the Board to preserve proportionately, the interest of the participants.

The participant's employment or service agreement will govern in the event of any conflict between the provisions of the EIP and the participant's employment or service agreement relating to the treatment of Performance Units, including on termination of employment.

Performance Units are subject to the executive compensation claw-back policy described in this Circular.

Performance Units are non-transferrable and non-assignable by the participant.

Unitholder approval is required for any amendment to the EIP that (i) increases the number of Units reserved for issuance under the EIP, (ii) extends eligibility to participate in the EIP to persons not currently eligible to participate, (iii) permits entitlements under the EIP to be transferred other than for normal estate settlement purposes, (iv) permits awards other than those specifically contemplated in the EIP to be made under the EIP, (v) increases or removes the 10% limits on Units reserved for issuance to or issued to insiders under the EIP, or (vi) deletes or removes the range of amendments which require approval of Unitholders. Subject to the foregoing matters, the Board may amend, suspend or terminate the EIP or any provision of the EIP, provided that the consent of a participant will be required where such amendment, suspension or termination materially adversely affects the participant's rights with respect to outstanding awards. Without limiting the general amendment powers described in the previous sentence, Unitholder approval is not required for amendments of the EIP which (i) make minor or technical modification to any of its provisions, including amendments of a 'housekeeping' nature, (ii) correct any ambiguity, defect, error or omission in its provisions, (iii) amend the vesting provisions of the Performance Units or (iv) make any other amendment that does not require Unitholder approval under applicable laws or the rules of the TSX.

As of December 31, 2022, SmartCentres had 144,625,322 Units outstanding (not including the 33,499,823 Units issuable upon the exercise or conversion of the Exchangeable Securities outstanding). The aggregate number of Units authorized for issuance upon redemption of all Performance Units granted under the EIP cannot exceed 3,000,000, or approximately 2.1% of the outstanding Units of SmartCentres as at December 31, 2022, or any greater number of Units as may be determined by the Board and approved by the Unitholders and, if required, by any relevant stock exchange or other regulatory authority.

Notwithstanding anything in the EIP, the aggregate number of Units (i) issued to insiders of SmartCentres, within any one year period and (ii) issuable to insiders at any time, under the EIP or when combined with all of SmartCentres' other security-based compensation arrangements, shall not exceed 10% of SmartCentres' total issued and outstanding Units, respectively. Insiders is as defined under the TSX Company Manual.

### ***Inducement Award Agreements***

SmartCentres may grant awards of Deferred Units to new officers of SmartCentres under an Inducement Award agreement with the approval of the Board. The purpose of the Inducement Award agreements is to induce persons not previously employed and not previously an insider of SmartCentres to become a member of SmartCentres' executive team. Except as otherwise specified in an Inducement Award agreement, the awards are granted upon the terms and conditions set out in the Deferred Unit Plan. Deferred Units granted under the Inducement Award agreements are deducted from the number of Deferred Units reserved for future grants under the Deferred Unit Plan.



### ***Long Term Incentive Plan***

No further awards remain outstanding under the LTIP. SmartCentres does not intend to award any further grants of LTIP Units under the LTIP.

Performance Units granted under the LTIP (“**LTIP Units**”) vested on the third calendar year-end after the grant date and were settled for cash, with the amount of the payment determined based on performance over the specified period of time as an incentive to contribute to SmartCentres’ long-term success. LTIP Units were non-transferable and non-assignable.

LTIP Units were not considered Units or other securities of SmartCentres and did not entitle a participant to Unitholder or other securityholder rights. The “**Performance Period**” of any series of LTIP Units awarded means the three year period commencing on the first day of the calendar year in which the LTIP Units are awarded and ending on the last day of the second calendar year following such year.

LTIP Units that vested were settled in cash and paid out in immediately available funds within 90 days of the end of the Performance Period of the LTIP Units. The Performance Period for the LTIP Units awarded in 2020 was the period commencing on January 1, 2020 and ending on December 31, 2022. The LTIP Units awarded in 2020 were earned and vested December 31, 2022 at 100% in accordance with their terms.

The amount payable to a participant at the conclusion of the Performance Period was a function of three factors: (1) a performance multiplier (“**Performance Multiplier**”) (ranging from 0-150%) based on the TSR (defined below) of SmartCentres relative to the Peer Group, with relative TSR below the 40<sup>th</sup> percentile resulting in a 0% Performance Multiplier and relative TSR at or above the 90<sup>th</sup> percentile resulting in a Performance Multiplier of 150%, (2) the market value of the Units on the last day of the Performance Period calculated based on the ten day volume weighted average trading price of the Units immediately preceding the award date, and (3) the per Unit amount of monthly distributions on the Units during the Performance Period.

Whenever cash distributions were paid on the Units, additional LTIP Units were credited to the participant’s account as distribution equivalents based on the market value of the Units on the applicable distribution date calculated based on the ten day volume weighted average trading price of the Units. The distribution equivalents vested and were settled for cash on the same schedule and in the same manner as, and in proportion to, the LTIP Units to which they relate.

“**TSR**” means, in respect of any entity for any Performance Period, the return that would have been realized on an investment in the units or shares of the entity over the Performance Period assuming the reinvestment of cash distributions or dividends paid during the period and shall be calculated by comparing the market value of the units or shares of the entity on the first day in the Performance Period to the market value of the units or shares of the entity on the last day in the Performance Period, with distributions and dividends assumed to be reinvested based on the market value of the units or shares of the entity in effect on each dividend payment date, all as determined by the Board, provided that where the Performance Period of three years has elapsed and SmartCentres’ TSR for the Performance Period is less than 6.1%, the Performance Multiplier shall not exceed 100%. Market value is calculated based on the ten day volume weighted average trading price of the relevant security.

In addition, unless otherwise determined by the Board prior to payment in respect of an award of LTIP Units, if at any time in the final calendar year of the Performance Period the per Unit amount of monthly cash distributions paid on the Units (as adjusted for any subdivision, consolidation, dividends paid in the form of Units or units or stock of another entity, capital reorganization, reclassification, exchange or other change with respect to the Units, or a consolidation, amalgamation merger, spin-off, sale lease or exchange of all or substantially all of the property of SmartCentres or other distribution of SmartCentres’ assets to Unitholders) was below the per Unit amount of monthly distributions paid on the Units in effect on the award date for such LTIP Units, such LTIP Units were forfeited.

Notwithstanding the foregoing, the Board had the discretion to vary the manner in which LTIP Units vested for any participant. The participant’s employment or service agreement governed in the event of any conflict between the provisions of the LTIP and the participant’s employment or service agreement relating to the treatment of LTIP Units on termination of employment. LTIP awards were subject to the executive compensation claw-back policy described in this Circular.

As a result of the adoption of the EIP, SmartCentres does not intend to grant further awards under the LTIP. Mr. Goldhar forfeited his 2018, 2019 and 2020 awards under the LTIP as a result of being awarded Performance Units under the EIP in 2021.

## TRUSTEE COMPENSATION

### General

The Trustees, other than the Executive Chairman and Chief Executive Officer, are entitled to compensation for their services rendered to SmartCentres in their capacities as Trustees. The following table summarizes the fees paid to such Trustees by SmartCentres for services during the 2022 financial year.

Item	Fee
Annual Retainer – Trustee	\$55,000
Annual Retainer – Chairman of Board	Plus \$55,000
Annual Retainer – Lead Independent Trustee	Plus \$45,000
Annual Retainer – Chair of Investment Committee	Plus \$15,000
Annual Retainer – Chair of Corporate Governance and Compensation Committee	Plus \$17,500
Annual Retainer – Chair of the Audit Committee	Plus \$20,000
Annual Retainer – Chair of the Independent Committee	Plus \$20,000
Annual Retainer – Member of the Independent Committee	Plus \$13,500
Attendance of Board or Committee Meetings (other than Audit Committee Meetings)	Plus \$2,000 per meeting
Attendance of Audit Committee Meetings	Plus \$2,500 per meeting
Out of Town Travel to Attend Board or Committee Meeting	Plus \$500 per meeting

The Trustees are also entitled to be reimbursed for reasonable travel and other expenses properly incurred by them in attending meetings of the Board or any committee thereof or otherwise incurred by them in connection with their services as Trustees.

### Deferred Unit Plan

SmartCentres provides its Trustees with the right to participate in the Deferred Unit Plan. All of the current Trustees who are entitled to fees have elected to receive Deferred Units for the maximum portion of their Trustee fees permitted under the Deferred Unit Plan.

This is representative of the Trustees being fully committed to SmartCentres' long-term success. Grants of Deferred Units to Trustees vest immediately. For further information, see "Executive Compensation – Equity Compensation Plan Information – Deferred Unit Plan".

## 2022 Compensation for Trustees

### *Trustee Compensation Table*

The following table sets forth all compensation earned for the most recently completed financial year of SmartCentres to each of the Trustees entitled to receive fees.

Name <sup>(1)</sup>	Fees Breakdown						Allocation of Trustee Fees	
	Trustee Retainer (\$)	Committee Chair Retainer (\$)	Board and Committee Attendance Fees (\$)	Travel Fees (\$)	Unit-Based Awards (Deferred Units) (\$)	Total (\$)	Portion of Cash Fees taken in Deferred Units (%)	Total Value of Deferred Units <sup>(2)</sup> (\$)
Janet Bannister	55,000	0	26,500	0	81,500	163,000	100	163,000
Garry Foster	55,000	20,000	28,500	0	103,500	207,000	100	207,000
Gregory Howard	55,000	0	24,000	0	79,000	158,000	100	158,000
Sylvie Lachance	55,000	0	26,500	0	81,500	163,000	100	163,000
Jamie McVicar	55,000	4,375	32,500	0	91,875	183,750	100	183,750
Sharm Powell	55,000	13,125	30,000	0	98,125	196,250	100	196,250
Michael Young	55,000	60,000	26,000	0	141,000	282,000	100	282,000

Notes:

- (1) Mitchell Goldhar, the Executive Chairman and Chief Executive Officer, did not receive any compensation in his capacity as a Trustee in 2022. For a summary of the compensation paid by SmartCentres to Mr. Goldhar, see the section titled “Executive Compensation – 2022 Compensation for the Named Executive Officers”.
- (2) Includes the value at grant date of compensation paid in 2022 in the form of Deferred Units (including Matching Deferred Units), but does not include the value of Deferred Units received as distribution equivalents. For further information, see “Executive Compensation – Equity Compensation Plan Information – Deferred Unit Plan”.

### *Incentive Plan Awards – Deferred Units*

The following table indicates the value of Deferred Units that vested during 2022 relating to compensation earned in 2021 and the total value of vested Deferred Units that have not been paid out as of December 31, 2022 for each Trustee, other than the Executive Chairman and Chief Executive Officer of SmartCentres. SmartCentres has combined information from two mandatory tables: *Incentive plan awards – Value vested or earned during the year* and *Outstanding unit-based and option-based awards*, into the table below.

Name <sup>(1)</sup>	Unit-Based Awards <sup>(2)</sup>	
	Value of Deferred Units Vested During The Year <sup>(3)</sup> (\$)	Market or Payout Value of Vested Deferred Unit Awards Not Paid Out or Distributed <sup>(4)</sup> (\$)
Janet Bannister	94,000	84,863
Garry Foster	239,000	3,046,314
Gregory Howard	206,000	1,259,229
Sylvie Lachance	94,000	84,863
Jamie McVicar	242,000	2,798,153
Sharm Powell	206,000	505,437
Michael Young	326,000	2,042,029

Notes:

- (1) Mitchell Goldhar, the Executive Chairman and Chief Executive Officer, did not receive any compensation in his capacity as Trustee in 2022. Mr. Goldhar has waived his annual retainer for acting as Chairman of the Board since his appointment as Chairman of SmartCentres on May

28, 2015. For a summary of the compensation paid by SmartCentres to Mr. Goldhar, see the section titled “Executive Compensation – 2022 Compensation for the Named Executive Officers”.

- (2) These awards were issued pursuant to the Deferred Unit Plan and the figures include Deferred Units received as distribution equivalents under the Deferred Unit Plan. For further information, see “Executive Compensation – Equity Compensation Plan Information – Deferred Unit Plan”.
- (3) Based on the closing price of the Units on the TSX on the grant date.
- (4) Represents cumulative value of the Trustees’ Deferred Units that have vested over time and that have not been redeemed in accordance with the Deferred Unit Plan. Values are based on the closing price of the Units on the TSX on December 30, 2022.

## OTHER INFORMATION

### Indebtedness of Trustees and Officers

The table below sets out, as at the date indicated, the aggregate indebtedness of the current and former Trustees, directors and executive officers of SmartCentres and its subsidiaries, any proposed Trustee, and any associate of any one of them, to:

- (a) SmartCentres or any of its subsidiaries; or
- (b) another entity which such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by SmartCentres or any of its subsidiaries.

Aggregate Indebtedness as at March 31, 2023		
Purpose	To SmartCentres or its Subsidiaries (\$)	To Another Entity (\$)
Mortgages/Loans/Notes	\$186,299,500	n/a

Other than as set out in the table below, no individual who is, or at any time during the most recently completed financial year of SmartCentres was, a Trustee, director or executive officer of SmartCentres or one of its subsidiaries, nor any proposed Trustee, nor any associate of any one of them:

- (a) is, or was at any time since the beginning of the most recently completed financial year of SmartCentres, indebted to SmartCentres or any of its subsidiaries; or
- (b) is, or was at any time since the beginning of the most recently completed financial year of SmartCentres, indebted to another entity, which such indebtedness is, or was during such time, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by SmartCentres or any of its subsidiaries.

Name and Principal Position	Involvement of SmartCentres or Subsidiary	Commitment (\$)	Largest Amount Outstanding During the Year Ending December 31, 2022 (\$)	Amount Outstanding as at March 31, 2023 (\$)	Security For Indebtedness
Penguin Group <sup>(1)</sup>	Lender	190,720,000	141,314,000 <sup>(2)</sup>	39,641,000	First or second charges on title, assignments of rents and leases, general security agreement (“GSA”), and indemnities and guarantees
Penguin Group	Lender	2,924,000	2,924,000 <sup>(3)</sup>	2,924,000	Second charge against the property and guarantees
Penguin Group	Lender	12,493,000	10,325,000 <sup>(4)</sup>	7,501,000	Unsecured. Borrower has directed that earn-out payments to the borrower will be paid to repay

Name and Principal Position	Involvement of SmartCentres or Subsidiary	Commitment (\$)	Largest Amount Outstanding During the Year Ending December 31, 2022 (\$)	Amount Outstanding as at March 31, 2023 (\$)	Security For Indebtedness
					amounts owing under the facility
Penguin Group	Lender	26,227,000	14,049,000 <sup>(5)</sup>	13,270,000	First charge on title, assignments of rents and leases, GSA, and guarantees
Penguin Group	Lender	n/a	100,154,000 <sup>(6)</sup>	81,448,000	Unsecured. Loan assignment in conjunction with an offsetting note payable.
Penguin Group	Lender	18,450,000	16,638,000 <sup>(7)</sup>	16,948,000	First charge on title, assignments of rents and leases, GSA, and guarantees
Penguin Group	Lender	n/a	24,266,000 <sup>(8)</sup>	24,567,500	First charge on title, assignments of rents and leases, GSA, and guarantees

Notes:

- (1) The Penguin group of companies is owned by Mitchell Goldhar, a Trustee and Executive Chairman and Chief Executive Officer.
- (2) Mortgages receivable of \$39,456,000 as at December 31, 2022 (2021 - \$139,589,000) have been provided pursuant to agreements with certain Penguin group companies in which SmartCentres will lend up to \$190,720,000 (2021 - \$300,796,000) for use in acquiring and developing 7 (2021 - 7) properties in Ontario and British Columbia. These mortgages accrue interest monthly at variable rates and the principal amounts are due at the maturity of the mortgages at various dates between 2023 and 2028. The maturity dates for these mortgages are all automatically extended to August 31, 2028 unless written notice is delivered from the borrower. All seven of these mortgages have variable rates ranging from bankers' acceptance rates plus 2.75% to 4.2% (2021 - variable rates ranging from bankers' acceptance rates plus 2.75% to 4.2%). For two of these properties, the interest rates are capped at 6.90%. The mortgages are secured by first or second charges on properties, assignments of rents and leases, and general security agreements. In addition, other Penguin group companies have provided certain limited indemnities and guarantees on some mortgages' receivable.  
During the year, \$3,800,000 (2021 - \$2,003,000) was funded, offset by repayments of \$73,566,000 (2021 - \$1,215,000).  
For five of these mortgages totalling \$39,456,000 as at December 31, 2022 (2021 - \$107,088,000), SmartCentres has an option to acquire 50% of the Penguin group companies' interest in five properties, which represent a 50% interest in four of the properties and a 25% interest in one property, upon substantial completion at an agreed upon formula using the net operating rents and a calculated capitalization rate. For four of the five properties the capitalization rate is subject to a minimum rate ranging from 4.60% to 5.10% and a maximum rate ranging from 6.60% to 7.10%. For one of these properties, the capitalization rate is a market capitalization rate.
- (3) Notes receivable at December 31, 2022 of \$2,924,000 (2021 - \$2,924,000) have been provided to certain Penguin group companies. These secured demand notes bear interest at 9% per annum. During the year, \$nil (2021 - \$nil) was funded.
- (4) Loan receivable at December 31, 2022 of \$7,389,000 (2021 - \$9,707,000) has been provided pursuant to a loan agreement with certain Penguin group companies with a total loan facility of \$12,493,000. The loan bears interest at 10 basis points plus the lower of: (i) the Canadian prime rate plus 20 basis points, and (ii) the Canadian Dealer Offer Rate plus 120 basis points and has a stated maturity date of January 31, 2023, such date having been automatically extended pursuant to the terms of the loan agreement until such time as the earn-outs associated with such property are completed.
- (5) Loan receivable at December 31, 2022 of \$13,266,000 (2021 - \$14,027,000) has been provided pursuant to a loan agreement with certain Penguin group companies with a total loan facility of \$26,227,000. This loan accrues interest monthly at both variable and fixed rates and the principal amount is due at the maturity of the loan on March 31, 2024. The variable rate is calculated at bankers' acceptance rates plus 150 basis points, and the fixed rate was an interest rate of 2.757% and was renewed to 6.21% starting February 1, 2023.
- (6) Loan receivable at December 31, 2022 of \$81,448,000 (2021 - \$100,404,000) has been assumed by SmartCentres from certain Penguin group companies. This loan is non-interest bearing and the principal amount is due at the maturity of the loan in December of 2029.
- (7) Loan receivable at December 31, 2022 of \$16,638,000 (2021 - \$15,404,000) has been provided pursuant to a loan agreement with certain Penguin group companies with a total loan facility of \$18,450,000. This loan accrues interest monthly at two variable rates: I) bankers' acceptance rates plus 220 basis points, up to 60% of the facility limit, and II) bankers' acceptance rates plus 370 basis points for the remainder. The principal amount is due at the maturity of the loan on August 31, 2030.

- (8) Loan receivable at December 31, 2022 of \$24,266,000 (2021 - \$23,607,000) represents the Penguin Group's 50% interest of the loan payable by the PCVP to SmartCentres. PCVP is a partnership in which each of SmartCentres and a Penguin group company owns a 50% interest. The loan receivable from PCVP was issued on April 11, 2019 in the amount of \$86,500,000. A second advance was made to PCVP in the amount of \$4,100,000 on April 17, 2019. The principal advance facility limit is \$90,600,000, which includes: i) a parkade construction facility of \$46,200,000, ii) an additional construction facility of \$40,300,000, and iii) a development facility of \$4,100,000. This loan receivable bears interest at 2.757% per annum from the advance date to January 31, 2023, and was subsequently renewed to March 31, 2024 at a fixed interest rate of 6.21% starting February 1, 2023. This loan accrues interest monthly and is added to the principal amount outstanding on the last day of each month.

### **Interests of Management and Others in Material Transactions**

Except as set out above and in the sections of this Circular entitled "Indebtedness of Trustees and Officers", "Executive Compensation - 2022 Compensation for the Named Executive Officers – Penguin Services Agreement" and in the section entitled "Corporate Structure – Additional Agreements with the Penguin Group" in SmartCentres' most recent annual information form, which section is incorporated by reference in this Circular, no Trustee, director or executive officer of SmartCentres or its subsidiaries, or insider of SmartCentres, or any associate or affiliate of any of the foregoing persons, has or had any material interest in any material transaction with SmartCentres since the commencement of SmartCentres' last financial period. A copy of the annual information form may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Insurance for Trustees and Officers**

SmartCentres maintains trustees' and officers' liability insurance for the Trustees and officers of SmartCentres. The current trustees' and officers' liability insurance policies are in effect until July 1, 2023. The primary policy limit of \$10,000,000 is coupled with excess layers, to create a total full policy limit of \$50,000,000. There is an additional limit of \$20,000,000 of Excess Side A DIC (Difference in Conditions) coverage. Therefore, the total limit under these insurance policies is \$70,000,000. No portion of the premium is directly paid by any of the Trustees. Under the policy, there is no deductible for individual Trustees, but a deductible of \$500,000 per loss must be absorbed by SmartCentres. No claims have been made or paid under such policy to date.

### **Additional Information**

Additional information relating to SmartCentres may be found on SEDAR at [www.sedar.com](http://www.sedar.com) including additional financial information which is provided in SmartCentres' consolidated comparative financial statements and management's discussion and analysis for its most recently completed financial year. Unitholders may contact SmartCentres at any time to receive a copy of SmartCentres' consolidated comparative financial statements and management's discussion and analysis for its most recently completed financial year. Any such request should be made to the Chief Financial Officer of SmartCentres, 3200 Highway 7, Vaughan, Ontario L4K 5Z5 Facsimile: 905-326-0783 or by email to [investorrelations@smartcentres.com](mailto:investorrelations@smartcentres.com).

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Financial Statements**

The audited financial statements of SmartCentres for the year ended December 31, 2022 and the auditor's report thereon will be tabled before the Unitholders at the Meeting for the consideration of the Unitholders. The audited financial statements have been approved by the Audit Committee and by the Board.

### **Number of Trustees**

The Declaration of Trust provides that there shall be no fewer than seven no more than twelve Trustees. It is proposed that the aggregate number of Trustees to be elected or appointed at the Meeting be fixed at no more than eight Trustees. Notwithstanding the foregoing, the Trustees may, between annual general meetings, appoint one or more additional Trustees to serve until the close of the next annual general meeting but the total number of additional Trustees shall not at any time exceed one-third of the number of Trustees elected or appointed at the Meeting.

### **Election of Trustees**

Pursuant to the Declaration of Trust, for so long as the MG Entities collectively beneficially own at least 5% but less than 15% of the issued and outstanding Units and Special Voting Units, in aggregate, they are entitled to appoint one Trustee to the Board and the number of Trustees on the Board will be limited to eight; for so long as the MG Entities collectively beneficially own at least 15% but less than 25% of the issued and outstanding Units and Special Voting Units, in aggregate, they are entitled to appoint a total of two Trustees to the Board and the number of Trustees on the Board will be limited to a maximum of eight; and for so long as the MG Entities are the beneficial owners of at least 25% of the issued and outstanding Units and Special Voting Units of SmartCentres, in aggregate, they are entitled to appoint a total of three Trustees to the Board and the number of Trustees on the Board will be limited to a maximum of nine.

At the Meeting, it is proposed that Janet Bannister, Garry Foster, Sylvie Lachance, Jamie McVicar, Sharm Powell and Michael Young be elected as Trustees of SmartCentres to serve until the close of the next annual meeting of Unitholders or until a successor is elected. Notwithstanding the MG Entities' right to appoint three Trustees under the Declaration of Trust, they are appointing only two Trustees at the Meeting. Mr. Goldhar has confirmed that Mitchell Goldhar and Gregory Howard will be the MG Entities' appointees to the Board for the Meeting. However, the MG Entities may still exercise their right to appoint a third Trustee following the Meeting. Each current Trustee will cease to hold office following the closing of the Meeting, unless re-elected at the Meeting or re-appointed by the MG Entities.

**The Board recommends that Unitholders vote in favour of the re-election of the nominated Trustees.**

### **Re-Appointment of the Auditor**

It is proposed that PricewaterhouseCoopers LLP, Chartered Professional Accountants, of Toronto, Ontario, be re-appointed to serve as the auditor of SmartCentres until the next annual meeting of Unitholders. It is further proposed that the Board be authorized to fix the auditor's remuneration. PricewaterhouseCoopers LLP has been SmartCentres' auditor since September 30, 2005.

The aggregate amounts paid or accrued by SmartCentres with respect to fees payable to PricewaterhouseCoopers LLP, as the current external auditors for SmartCentres, for audit (including separate audits of subsidiary entities, financings and regulatory reporting requirements), audit-related, tax and other services in the fiscal years ended December 31, 2021 and 2022 were as follows:

	2021	2022
Audit fees <sup>(1)</sup>	\$569,770	\$ 730,670
Audit-related fees <sup>(2)</sup>	\$437,089	\$ 521,920
Tax fees comprised of: <sup>(3)</sup>		
• Tax compliance and preparation	\$618,745	\$ 743,593
• Tax planning and advisory	nil	nil
SUBTOTAL	\$1,625,604	\$1,996,183
All other fees comprised of: <sup>(4)</sup>	nil	nil
TOTAL	\$1,625,604	\$1,996,183

**Notes:**

- (1) "Audit fees" include the aggregate professional fees paid to the external auditors for the audit of the annual consolidated financial statements and other regulatory audits and filings.
- (2) "Audit-related fees" include the aggregate fees paid to the external auditors for services related to the audit services, including namely review of quarterly financial statements, audit of property common area costs, advise on audit committee charter, and French translations, including namely assistance with management information circulars and prospectuses and service related to underwriter's due diligence.
- (3) "Tax fees" include the aggregate fees paid to the external auditors for tax compliance, tax advice, tax planning and advisory services, including namely preparation of tax returns, deferred unit plan considerations and sales tax assistance.
- (4) "All other fees" include the aggregate fees paid to the external auditors for all other services other than those presented in the categories of audit fees, audit-related fees and tax fees.

The Audit Committee of SmartCentres considered and agreed that the above fees are compatible with maintaining the independence of SmartCentres' auditors. Further, the Audit Committee determined that, in order to ensure the continued independence of the auditors, only limited non-audit related services will be provided to SmartCentres by SmartCentres' external auditors and in such case, only with the prior approval of the Audit Committee.

**The Board recommends that Unitholders vote in favour of the re-appointment of PricewaterhouseCoopers LLP.**

### **Approach to Executive Compensation**

SmartCentres' executive compensation program has the objectives of attracting and retaining highly qualified executives, motivating their performance and aligning the interests of executives with the interests of Unitholders. Compensation under the program is linked to achieving both current and longer-term goals of SmartCentres and to optimizing long-term total Unitholder return through sustaining and growing SmartCentres' distributions. SmartCentres believes that its compensation programs are consistent with those objectives and are in the best interest of Unitholders. See "Compensation Discussion and Analysis" for detailed disclosure of SmartCentres' executive compensation program.

The Board has adopted a policy to hold a non-binding advisory vote on the approach to executive compensation as disclosed in the management information circular at each annual meeting. This Unitholder vote forms an important part of the ongoing process of engagement between Unitholders and the Board on executive compensation. At the annual general meeting of Unitholders held on June 15, 2022, Unitholders holding 69.68% of the votes cast at the meeting voted in favour of SmartCentres' approach to executive compensation. The Board has taken steps to address the concerns communicated by Unitholders at last year's meeting. **See "Executive Compensation – Letter from the Chair of the Corporate Governance and Compensation Committee" for a summary of our engagement with Unitholders following the 2022 say-on-pay vote.**

At the Meeting, Unitholders will have an opportunity to vote on SmartCentres' approach to executive compensation through consideration of the following advisory resolution:

Be it resolved, on an advisory basis and not to diminish the role and responsibilities of the Board of trustees of SmartCentres Real Estate Investment Trust, that the approach to executive compensation disclosed in the management information circular of SmartCentres Real Estate Investment Trust dated April 3, 2023 is accepted.



As the vote is advisory, it will not be binding upon the Board; however, the Corporate Governance and Compensation Committee will take into account the results of the vote when considering future executive compensation arrangements. **The Board recommends that Unitholders vote in favour of the above resolution.**

### **Interest of Certain Persons in Matters to be Acted Upon**

Other than the election of Trustees of SmartCentres or as otherwise set out in this Circular, no Trustee, nominee to the Board of Trustees, officer or insider of SmartCentres, 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.

### **Other Business**

Management of SmartCentres is not aware of any matter to come before the Meeting other than the matters referred to in the notice of meeting. However, if any other matter properly comes before the Meeting, the accompanying forms of proxy confer discretionary authority to vote with respect to amendments or variations to matters identified in the notice of meeting and with respect to other matters that properly may come before the Meeting in the best judgement of the persons voting the proxy.

## **FORWARD-LOOKING STATEMENTS**

Certain statements in this Circular are “forward-looking statements” that reflect management’s expectations regarding SmartCentres’ executive compensation program and the grant of future awards, intentions with respect to selecting future board candidates and SmartCentres’ ESG strategy and initiatives. More specifically, certain statements contained in this Circular in the sections “Corporate Governance – ESG and Sustainability”, “Corporate Governance – Environmental Initiatives”, “Corporate Governance – Diversity”, “Corporate Governance – Diversity and Inclusion in the Workforce”, “Corporate Governance – Board Diversity”, “Executive Compensation – Letter from the Chair of the Corporate Governance and Compensation Committee”, “Executive Compensation – Compensation Discussion and Analysis - Equity Incentive Plans” and “Executive Compensation – 2022 Compensation for the Named Executive Officers” are forward-looking statements. All statements other than statements of historical fact contained in this Circular are forward-looking statements including, without limitation, statements that contain words such as “could”, “should”, “would”, “can”, “anticipate”, “expect”, “believe”, “plan”, “potential”, “intend”, “will”, “may”, “might”, “continue”, “seek”, “budgeted”, “timeline”, “estimated”, “forecast”, “targets” and similar expressions or statements or negative variations thereof. These forward-looking statements are presented for the purpose of assisting SmartCentres’ investors to understand SmartCentres’ operating environment, and may not be appropriate for other purposes. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management.

Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, real property ownership and leasing/tenant risk, liquidity risk, capital requirements and access to capital, environmental matters and climate change-related risk, potential conflicts of interest, cyber security risk, debt financing, interest and financing risk, inflation risk, joint venture risk, development and construction risk, credit risk, litigation and regulatory risks, reliance on key personnel, general uninsured losses, competition for real property investments, potential volatility of Unit prices, cash distributions are not guaranteed, significant Unitholder risks, risks relating to the debentures, tax risks and risks associated with public health crises such as the COVID-19 pandemic. These risks, and others, are more fully discussed under the “Risk Factors” section of SmartCentres’ annual information form. SmartCentres has attempted to identify important factors that could cause actual results, performance or achievements to be other than as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. These factors are not intended to represent a complete list of the factors that could affect SmartCentres. Although the forward-looking statements contained in this Circular are based on what management believes to be reasonable assumptions, SmartCentres cannot assure investors that actual results will be consistent with these forward-looking statements. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements may include, but are not limited to: that government restrictions, due to COVID-19, on the ability of tenants to operate their businesses at SmartCentres’ properties will not be re-imposed in any material respects, that COVID-19 will not materially change the willingness of consumers to shop at open-format retail malls of the type operated by SmartCentres, that there will be a return to a reasonably stable retail environment; a rising interest rate environment; a continuing trend toward land use intensification, including residential developments in urban and suburban markets, access to equity and debt capital


markets to fund, at acceptable costs, future capital requirements and to enable the refinancing of debts as they mature; the availability of investment opportunities for growth in Canada; the timing and ability of SmartCentres to sell certain properties; the timing and ability of SmartCentres and its joint venture partners to pre-sell and close on the sale of condominium and townhome units as well as lease available residential rental units, and the valuations to be realized on property sales relative to current IFRS values. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement and readers should not place undue reliance on such forward-looking statements. These forward-looking statements are made as at the date of this Circular and SmartCentres assumes no obligation to update or revise them to reflect new events or circumstances unless otherwise required by applicable securities legislation.

## **APPROVAL OF TRUSTEES**

The contents of the Circular have been approved by the Board.

**DATED** at Vaughan, Ontario this 3<sup>rd</sup> day of April, 2023.

### **BY ORDER OF THE BOARD OF TRUSTEES OF SMARTCENTRES REAL ESTATE INVESTMENT TRUST**

By:   
\_\_\_\_\_  
Michael Young  
Lead Independent Trustee

## **SCHEDULE “A” MANDATE OF THE BOARD**

### **1. Adoption**

The Board of Trustees (the “**Board**”) of SmartCentres Real Estate Investment Trust (the “**Trust**”) adopted this Mandate by resolution dated March 8, 2004.

### **2. Policy Statement**

The Board of the Trust has, subject to all of the provisions of the Declaration of Trust of the Trust, as amended from time to time (the “**Declaration of Trust**”), the responsibility to oversee the conduct of the business of the Trust and to oversee the activities of management who are responsible for the day-to-day conduct of the business of the Trust.

### **3. Composition and Operation**

The Board operates by delegating certain of its authorities to management and to Committees of the Board and by reserving certain powers to itself all as prescribed by the Declaration of Trust. The Board retains the responsibility of managing its own affairs including selecting its Chair, nominating candidates for election to the Board, constituting committees of the full Board and determining compensation for the trustees. Subject to the Declaration of Trust and all amendments thereto, the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

### **4. Responsibilities**

The Board’s fundamental objectives are to preserve and enhance long-term unitholder value, to ensure the Trust meets its obligations on an ongoing basis and that the Trust operates in a reliable manner. In performing its functions, the Board should also consider the legitimate interests its other stakeholders such as employees, customers and communities may have in the Trust. In broad terms, the stewardship of the Trust involves the Board in strategic planning, financial reporting, risk management and mitigation, senior management determination, communication planning and internal control integrity.

### **5. Specific Duties**

Subject only to the express limitations contained in the Declaration of Trust including, without limitation sections 5.1 and 5.2 of the Declaration of Trust, and in addition to any powers and authorities conferred by the Declaration of Trust or which the trustees may have by virtue of any present or future statute or rule or law, the Board shall have and may exercise the following powers and authorities (with all defined terms having the meaning prescribed by the Declaration of Trust):

- (a) To retain, invest and reinvest the capital or other funds of the Trust in Real Property of any kind, and to possess and exercise all the rights, powers and privileges appertaining to the ownership of the property of the Trust and to increase the capital of the Trust at any time by the issuance of additional Units for such consideration as they deem appropriate;
- (b) For such consideration as they deem proper, to invest in, purchase or otherwise acquire for cash or other property or through the issuance of Units or through the issuance of notes, debentures, bonds or other obligations or securities of the Trust and hold for investment the entire or any participating interest in mortgages. In connection with any such investment, purchase or acquisition, the Board 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 by one or more of the Trustees or by a duly authorized officer, employee, agent or any nominee of the Trust;

- (d) To enter into leases, contracts, obligations and other agreements for a term extending beyond the term of office of the Trustees and beyond the possible termination of the Trust or for a lesser term;
- (e) To borrow money from or incur indebtedness to any person; to guarantee, indemnify or act as surety with respect to payment or performance of obligations of third parties; to enter into other obligations on behalf of the Trust; and to assign, convey, transfer, mortgage, subordinate, pledge, grant security interests in, or encumber, 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 Board, necessary or incidental to or desirable for the carrying out of any of the purposes of the Trust or conducting the affairs of the Trust including, without limitation, taxes or other governmental levies, charges and assessments of whatever kind or nature, imposed upon or against the Board 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 earn 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 Board 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 employ officers for the Trust (including a Chair, a President, one or more Vice Presidents and a Secretary and other officers as the Board may determine), who may be removed or discharged at the discretion of the Board, such officers to have such powers and duties, and to serve such terms as may be prescribed by the Board; 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, appraisers, brokers, architects, engineers, construction managers, general contractors or otherwise) in one or more capacities, and to pay compensation from the Trust for services in as many capacities as such persons may be so engaged or employed; and, except as prohibited by law, to delegate any of the powers and duties of the Board to any one or more Trustees, agents, representatives, officers, employees, independent contractors or other persons;
- (k) To collect, sue for and receive sums of money coming due to the Trust, and to engage in, intervene in, prosecute, join, defend, compromise, abandon or adjust, by arbitration or otherwise, any actions, suits, proceedings, disputes, claims, demands or other litigation relating to the Trust, the assets of the Trust or the Trust's affairs, to enter into agreements therefore 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 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 of the Trust against any and all claims and liabilities of any nature asserted by any person arising by reason of any action alleged to have been taken or omitted by the Trust or by the Trustees, the Unitholders or the officers or otherwise;
- (n) To cause title to any of the assets of the Trust to be drawn up in the name of the Trustees, and/or, to the extent permitted by applicable law, in the name of the Trust or one or more of the Trustees or any other person, on such terms, in such manner with such powers in such person as the Board may determine and with or without disclosure that the Trust or Trustees are interested therein provided, however, that should 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 or Trustees as aforesaid, the Board shall require such person or persons to execute a declaration of trust acknowledging that title to such assets is held in trust for the benefit of the Trust;
- (o) To determine conclusively the allocation to capital, income or other appropriate accounts of all receipts, expenses, disbursements and property of the Trust;
- (p) To prepare, sign and file or cause to be prepared, signed and filed any prospectus, information circular, offering memorandum or similar document, and any amendment thereto, relating to or resulting from an offering of the Units or other securities issued or held by the Trust and to pay the cost thereof and related thereto and any fees 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 Units or other securities of the Trust, and to do all things which in the opinion of the Board 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 Board, in their sole judgement, may deem material and reliable;
- (s) To do all such acts and things and to exercise such powers which are delegated to the Board by any person who co-owns Real Property with the Trust; and
- (t) 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 affairs of the Trust, to promote any of the purposes for which the Trust is formed and to carry out the provisions of the Declaration of Trust.

## **6. Independence, Orientation and Evaluation**

The Board shall have the responsibility to:

- (a) implement appropriate structures and procedures to permit the Board to function independently of management;
- (b) implement a system which enables an individual trustee to engage an outside advisor at the expense of the Trust in appropriate circumstances;
- (c) provide an orientation and education program for newly appointed members of the Board;
- (d) implement a process for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual trustees;

- (e) examine the size of the Board and the impact of the number of trustees upon the effectiveness of the Board; and
- (f) review the adequacy and form of the compensation provided to the trustees to ensure it adequately reflects the responsibilities and risks involved in being an effective trustee.

## **7. Strategy Determination**

The Board shall:

- (a) adopt and annually review a strategic planning process and approve the strategic plan of the Trust, which takes into account, among other things, the opportunities and risks of the business; and
- (b) annually review operating and financial performance results relative to established strategy, budgets and objectives.

## **8. Managing Risk**

The Board has the responsibility to understand the principal risks of the business in which the Trust is engaged, to achieve a proper balance between risks incurred and the potential return to unitholders, and to confirm that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Trust.

## **9. Appointment, Training and Monitoring of Senior Management**

The Board shall:

- (a) appoint the Chief Executive officer (“CEO”) and senior officers, develop position descriptions for such persons, approve (upon recommendations from the Compensation Committee) their compensation, and monitor the CEO’s performance against a set of mutually agreed corporate objectives directed at maximizing unitholder value;
- (b) ensure that a process is established that adequately provides for succession planning including the appointment, training and monitoring of senior management; and
- (c) establish limits of authority delegated to management.

## **10. Reporting and Communication**

The Board has the responsibility to:

- (a) verify that the Trust has in place policies and programs to enable the Trust to communicate effectively with its unitholders, other stakeholders and the public generally;
- (b) verify the integrity of the Trust’s internal controls and management information systems;
- (c) verify that the financial performance of the Trust is adequately reported to unitholders, other security holders and regulators on a timely and regular basis;
- (d) verify that the financial results are reported fairly and in accordance with generally accepted accounting standards;
- (e) verify the timely reporting of any other developments that have a significant and material impact on the value of the Trust; and
- (f) report annually to unitholders on its stewardship of the affairs of the Trust for the preceding year.

## **11. Monitoring and Acting**

The Board has the responsibility to:

- (a) review and approve the Trust's financial statements and oversee the Trust's compliance with applicable audit, accounting and reporting requirements;
- (b) verify that the Trust operates at all times within applicable laws and regulations to the highest ethical and moral standards;
- (c) approve and monitor compliance with significant policies and procedures by which the Trust is operated;
- (d) monitor the Trust's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- (e) take such action as it determines appropriate when performance falls short of its goals and objectives or when other special circumstances warrant; and
- (f) verify that the Trust has implemented adequate internal control and information systems which ensure the effective discharge of its responsibilities.

## **12. Committees**

- (a) There shall be three committees of the Board; the investment committee, the audit committee and the compensation and corporate governance committee. The Board may establish any other committee as it may deem appropriate from time to time.
- (b) The Board shall establish a mandate for each of the committees of the Board required by section 12(a) above.

## **13. Other Activities**

- (a) The Board shall prepare and distribute the schedule of Board meetings for each upcoming year.
- (b) The Board may perform any other activities consistent with this mandate, the Declaration of the Trust and all amendments thereto and any other governing laws as the Board determines necessary or appropriate.



# QUESTIONS? NEED HELP VOTING?

## CONTACT US

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