



SMARTCENTRES REAL ESTATE INVESTMENT TRUST
ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2024

Dated: March 25, 2025

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GLOSSARY

The following terms used in this annual information form have the meanings set out below. Unless the context otherwise requires, any reference in this annual information form to any agreement, instrument, indenture, declaration or other document shall mean such agreement, instrument, indenture or other document, as amended, supplemented and restated at any time and from time to time prior to the date hereof or in the future.

“**2005 Trust Indenture**” means the trust indenture, made as of September 22, 2005, between SmartCentres and the Debenture Trustee;

“**2015 Platform Transaction**” means the acquisition by SmartCentres, through certain subsidiary limited partnerships, of the SmartCentres development platform from Mitchell Goldhar for consideration of approximately \$55.1 million on May 28, 2015;

“**Additional Special Voting Units**” has the meaning attributed thereto under the section of this annual information form entitled “Declaration of Trust and Description of Units – Special Voting Units”;

“**Adjusted Funds From Operations**” is more specifically described in the management’s discussion and analysis issued by SmartCentres from time to time and, generally speaking, is used as a measure of operating performance widely used by the real estate industry in Canada. SmartCentres considers Adjusted Funds From Operations to be a useful measure of operating performance as it further adjusts funds from operations for capital expenditures that sustain income producing properties and eliminates the impact of straight-line rent;

“**Adjusted Unitholders’ Equity**” means, at any time, the aggregate of the Carrying Value of Equity plus (i) the aggregate of the Carrying Values of the (a) earnout options, (b) deferred unit plan, (c) limited partnership units and (d) conversion feature of convertible debentures, to the extent such items are classified as liabilities; and (ii) current and deferred income tax provision, if any; less the difference between (a) the Carrying Value of investment properties included on the consolidated balance sheet and (b) the Cost Value of investment properties;

“**Aggregate Assets**” means, at any time, the aggregate of (i) the total Carrying Value of the assets of SmartCentres plus (ii) accumulated amortization on property, plant and equipment; less (iii) the Carrying Value of goodwill; less (iv) the excess\shortfall between (a) the Carrying Value of investment properties presented on the consolidated balance sheet and (b) the Cost Value of investment properties presented on the consolidated balance sheet;

“**Audit Committee**” means the Audit Committee of the Board;

“**Board of Trustees**” or “**Board**” means the board of trustees of SmartCentres;

“**Boxgrove LP**” means Smart Boxgrove Limited Partnership, a limited partnership formed under the laws of the Province of Ontario;

“**Boxgrove LP Class A Units**” means the Class A limited partnership units of Boxgrove LP;

“**Boxgrove LP Class B Units**” means the Class B limited partnership units of Boxgrove LP;

“**Boxgrove LP Class C Units**” means the Class C limited partnership units of Boxgrove LP;

“**Boxgrove LP Class G Units**” means the Class G limited partnership units of Boxgrove LP;

“**Business Day**” means any day other than a Saturday, Sunday or a day on which the principal chartered banks located at Calgary, Alberta are not open for business during normal banking hours;

“**Canada Yield Price**” means a price equal to the price of the Series N 3.556% Debentures, the Series P 3.444% Debentures, the Series S 3.834% Debentures, the Series U 3.526% Debentures, the Series V 3.192% Debentures, the Series W 3.648% Debentures, the Series X 1.740% Debentures, the Series Y 2.307% Debentures, the Series Z 5.354%

Debentures, the Series AA 5.162% Debentures or the Series AB 4.737% Debentures, as applicable, calculated to provide a yield to maturity, compounded semi-annually and calculated in accordance with generally accepted financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the date on which SmartCentres gives notice of redemption of the applicable series of Debentures pursuant to the 2005 Trust Indenture, as supplemented by the applicable supplemental indentures governing each such series of Debentures plus:

- (a) 0.575% in the case of the Series N 3.556% Debentures;
- (b) 0.605% in the case of the Series P 3.444% Debentures;
- (c) 0.485% in the case of the Series S 3.834% Debentures;
- (d) 0.45% in the case of the Series U 3.526% Debentures;
- (e) 0.655% in the case of the Series V 3.192% Debentures;
- (f) 0.73% in the case of the Series W 3.648% Debentures;
- (g) 0.32% in the case of the Series X 1.740% Debentures;
- (h) 0.425% in the case of the Series Y 2.307% Debentures;
- (i) 0.615% in the case of the Series Z 5.354% Debentures;
- (j) 0.465% in the case of the Series AA 5.162% Debentures; and
- (k) 0.385% in the case of the Series AB 4.737% Debentures;

“**Carrying Value**” means the amounts determined in accordance with GAAP;

“**Conversion Process**” has the meaning attributed thereto under the section of this annual information form entitled “Declaration of Trust and Description of Units – Exchange Procedure for Certain Exchangeable Securities”;

“**Corporate Governance and Compensation Committee**” means the Corporate Governance and Compensation Committee of the Board;

“**Cost Value**” of investment properties means the sum of (a) the original cost of investment properties, (b) the additional costs recorded in respect of subsequent expenditures eligible for capitalization under GAAP, and (c) less the original and additional costs of parts of such investment properties disposed or otherwise derecognized, for investment properties included on the consolidated balance sheet; all determined on a consolidated basis in accordance with GAAP. For greater certainty, for purposes of this definition, the cost of investment properties includes initial direct leasing costs that are added to investment properties under GAAP;

“**DBRS**” means DBRS Limited;

“**Debenture Trustee**” means Computershare Trust Company of Canada, in its capacity as trustee for the Debentures;

“**Debentures**” means, collectively:

- (a) the Series N 3.556% Debentures;
- (b) the Series P 3.444% Debentures;
- (c) the Series S 3.834% Debentures;

- (d) the Series U 3.526% Debentures;
- (e) the Series V 3.192% Debentures;
- (f) the Series W 3.648% Debentures;
- (g) the Series X 1.740% Debentures;
- (h) the Series Y 2.307% Debentures;
- (i) the Series Z 5.354% Debentures;
- (j) the Series AA 5.162% Debentures; and
- (k) the Series AB 4.737% Debentures;

“Declaration of Trust” means the declaration of trust dated December 4, 2001, as amended and restated as of October 24, 2002, October 31, 2003, January 16, 2004, July 7, 2005, May 16, 2006, September 14, 2009, May 10, 2012, December 29, 2014, May 28, 2015, July 3, 2015, May 11, 2017, October 20, 2017, June 29, 2020 and December 9, 2020;

“Distribution Date” means, with respect to a distribution by SmartCentres, a Business Day determined by the Trustees for any calendar month to be on or about the 15th day of the following month;

“DSA Supplement” has the meaning attributed thereto under the section of this annual information form entitled “Corporate Structure – Additional Agreements with the Penguin Group”;

“Earnouts” has the meaning attributed thereto under the section of this annual information form entitled “Overview and Strategic Direction – Retail Developments, Earnouts and Mezzanine Financing”;

“Effective Period” has the meaning attributed thereto under the section of this annual information form entitled “Corporate Structure – Additional Agreements with the Penguin Group”;

“Equity” means, the residual between total assets and total liabilities determined in accordance with GAAP;

“ESG” has the meaning attributed thereto under the section of this annual information form entitled “Declaration of Trust and Description of Units – Committees of Trustees and Management”;

“ESG Subcommittee” means the Environmental, Social & Governance subcommittee of the Audit Committee;

“Exchange Agreement” means an exchange, option and support agreement, as amended from time to time respecting the exchange of Class B units and Class D units of the SmartCentres subsidiary limited partnerships for Units;

“Exchangeable Securities” means any securities of any trust, limited partnership or corporation other than SmartCentres that are convertible or exchangeable directly for Units without the payment of additional consideration therefore;

“Executive Committee” means the Executive Committee of the Board;

“fair market value” means at any time, at the option of the Trustees either: (i) the fair market value of assets of SmartCentres at such time, as determined by the Trustees; or (ii) the fair market value of SmartCentres calculated as the aggregate outstanding indebtedness of SmartCentres at such time plus the value obtained when the aggregate number of Units and Exchangeable Securities outstanding at such time is multiplied by the weighted average trading price of the Units on the TSX, or such other exchange upon which the Units may be listed for trading, for the ten trading days immediately preceding such time;

“**GAAP**” means, at any date of determination, generally accepted accounting principles in effect in Canada as of the date thereof that are applicable to SmartCentres; provided that any determination as to whether a lease shall be classified as an operating lease or a finance lease shall be made in accordance with GAAP as in effect from December 31, 2018;

“**Governance and Investor Rights Agreement**” has the meaning attributed thereto under the section of this annual information form entitled “Declaration of Trust and Description of Units – Committees of Trustees and Management – Executive Committee”;

“**Government of Canada Yield**” on any date means the yield to maturity on such date, compounded semi-annually and calculated in accordance with generally accepted financial practice, which a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the remaining term to maturity of the Debentures, calculated as of the redemption date of the Debentures, such yield to maturity being the average of the yields provided by two major Canadian investment dealers selected by SmartCentres;

“**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board;

“**Independent Committee**” means the Independent Committee of the Board, comprised of independent Trustees;

“**Investment Committee**” means the Investment Committee of the Board;

“**Issuance**” has the meaning attributed thereto under the section of this annual information form entitled “Declaration of Trust and Description of Units – Special Voting Units”;

“**Loan Agreements**” has the meaning attributed thereto under the section of this annual information form entitled “Corporate Structure – Additional Agreements with the Penguin Group”;

“**LP I**” means Smart Limited Partnership, a limited partnership formed under the laws of the Province of Alberta;

“**LP I Class A Units**” means the Class A limited partnership units of LP I;

“**LP I Class B Units**” means the Class B limited partnership units of LP I;

“**LP I Class C Units**” means the Class C limited partnership units of LP I;

“**LP I Class D Units**” means the Class D limited partnership units of LP I;

“**LP I Class E Units**” means the Class E limited partnership units of LP I;

“**LP I Class F Units**” means the Class F limited partnership units of LP I;

“**LP II**” means Smart Limited Partnership II, a limited partnership formed under the laws of the Province of Alberta;

“**LP II Class A Units**” means the Class A limited partnership units of LP II;

“**LP II Class B Units**” means the Class B limited partnership units of LP II;

“**LP III**” means Smart Limited Partnership III, a limited partnership formed under the laws of the Province of Alberta;

“**LP III Class A Units**” means the Class A limited partnership units of LP III;

“**LP III Class B Units**” means the Class B limited partnership units of LP III;

“**LP III Class C Units**” means the Class C limited partnership units of LP III;

“**LP IV**” means Smart Limited Partnership IV, a limited partnership formed under the laws of the Province of Ontario;

“**LP IV Class A Units**” means the Class A limited partnership units of LP IV;

“**LP IV Class B Units**” means the Class B limited partnership units of LP IV;

“**LP IV Class C Units**” means the Class C limited partnership units of LP IV;

“**MG Entities**” means (i) Mitchell Goldhar, (ii) any heir(s), executor(s), administrator(s) or legal representative(s) 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(s) in respect of which all of the beneficiaries shall be solely one or more of those persons referred to in clause (iii) above; (v) any combination of persons referred to in clauses (i), (ii), (iii) or (iv) above; and (vi) any person who is controlled by any person referred to in clauses (i), (ii), (iii) or (iv) above or any combination thereof;

“**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;

“**Non-portfolio properties**” has the meaning attributed thereto under the section of this annual information form entitled “Risk Factors – Risks Relating to Tax – SIFT Rules”;

“**Non-Resident**” means any person that is either (i) not resident in Canada for purposes of the Tax Act, or (ii) not a Canadian partnership for the purposes of the Tax Act;

“**Notes**” has the meaning attributed thereto under the section of this annual information form entitled “Declaration of Trust and Description of Units – Redemption Right”;

“**Omnibus Agreement**” has the meaning attributed thereto under the section of this annual information form entitled “Corporate Structure – Additional Agreements with the Penguin Group”;

“**Oshawa South LP**” means Smart Oshawa South Limited Partnership, a limited partnership formed under the laws of the Province of Ontario;

“**Oshawa South LP Class A Units**” means the Class A limited partnership units of Oshawa South LP;

“**Oshawa South LP Class B Units**” means the Class B limited partnership units of Oshawa South LP;

“**Oshawa South LP Class C Units**” means the Class C limited partnership units of Oshawa South LP;

“**Oshawa South LP Class D Units**” means the Class D limited partnership units of Oshawa South LP;

“**Oshawa South LP Class E Units**” means the Class E limited partnership units of Oshawa South LP;

“**Oshawa Taunton LP**” means Smart Oshawa Taunton Limited Partnership, a limited partnership formed under the laws of the Province of Ontario;

“**Oshawa Taunton LP Class A Units**” means the Class A limited partnership units of Oshawa Taunton LP;

“**Oshawa Taunton LP Class B Units**” means the Class B limited partnership units of Oshawa Taunton LP;

“**Oshawa Taunton LP Class C Units**” means the Class C limited partnership units of Oshawa Taunton LP;

“**Oshawa Taunton LP Class D Units**” means the Class D limited partnership units of Oshawa Taunton LP;

“**Oshawa Taunton LP Class E Units**” means the Class E limited partnership units of Oshawa Taunton LP;

“**PCVP**” has the meaning attributed thereto under the section of this annual information form entitled “Corporate Structure – Additional Agreements with the Penguin Group”;

“**Penguin Group**” means, collectively, Mitchell Goldhar and the Penguin group of companies owned by Mitchell Goldhar;

“**person**” means any individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government, regulatory authority or other entity;

“**Plans**” means trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts under the Tax Act;

“**Property Portfolio**” means, collectively, the retail, office, mixed-use, self-storage and residential rental properties owned by SmartCentres and its subsidiaries;

“**Put Date**” has the meaning attributed thereto under the section of this annual information form entitled “Description of Debentures – Change of Control”;

“**Put Price**” has the meaning attributed thereto under the section of this annual information form entitled “Description of Debentures – Change of Control”;

“**Real Estate Committee**” means the Real Estate Committee of the Board;

“**REALpac White Paper**” means that REALpac White Paper entitled “REALPAC Funds from Operations (FFO) and Adjusted Funds From Operations (AFFO) for IFRS” issued in January 2022;

“**Real Property**” means property which in law is real property and includes, whether or not the same would in law be real property, leaseholds, mortgages, undivided joint interests in real property (whether by way of tenancy-in-common, joint tenancy, co ownership, joint venture or otherwise), any interests in any of the foregoing and securities of corporations, trusts, limited partnerships or other legal entities whose sole or principal purpose and activity is to invest in, hold and deal in real property;

“**Redemption Date**” has the meaning attributed thereto under the section of this annual information form entitled “Declaration of Trust and Description of Units – Redemption Right”;

“**Redemption Price**” has the meaning attributed thereto under the section of this annual information form entitled “Declaration of Trust and Description of Units – Redemption Right”;

“**REIT Exception**” has the meaning attributed thereto under the section of this annual information form entitled “Risk Factors – Risks Relating to Tax – SIFT Rules”;

“**Series I 3.985% Debentures**” means the Series I senior unsecured debentures of SmartCentres due May 30, 2023 bearing interest at a rate of 3.985% per annum;

“**Series M 3.73% Debentures**” means the Series M senior unsecured debentures of SmartCentres due July 22, 2022 bearing interest at a rate of 3.73% per annum;

“**Series N 3.556% Debentures**” means the Series N senior unsecured debentures of SmartCentres due February 6, 2025 bearing interest at a rate of 3.556% per annum;

“**Series O 2.987% Debentures**” means the Series O senior unsecured debentures of SmartCentres due August 28, 2024 bearing interest at a rate of 2.987% per annum;

“**Series P 3.444% Debentures**” means the Series P senior unsecured debentures of SmartCentres due August 28, 2026 bearing interest at a rate of 3.444% per annum;

“**Series Q 2.876% Debentures**” means the Series Q senior unsecured debentures of SmartCentres due March 21, 2022 bearing interest at a rate of 2.876% per annum;

“**Series S 3.834% Debentures**” means the Series S senior unsecured debentures of SmartCentres due December 21, 2027 bearing interest at a rate of 3.834% per annum;

“**Series U 3.526% Debentures**” means the Series U senior unsecured debentures of SmartCentres due December 20, 2029 bearing interest at a rate of 3.526% per annum;

“**Series V 3.192% Debentures**” means the Series V senior unsecured debentures of SmartCentres due June 11, 2027 bearing interest at a rate of 3.192% per annum;

“**Series W 3.648% Debentures**” means the Series W senior unsecured debentures of SmartCentres due December 11, 2030 bearing interest at a rate of 3.648% per annum;

“**Series X 1.740% Debentures**” means the Series X senior unsecured debentures of SmartCentres due December 16, 2025 bearing interest at a rate of 1.740% per annum;

“**Series Y 2.307% Debentures**” means the Series Y senior unsecured debentures of SmartCentres due December 18, 2028 bearing interest at a rate of 2.307% per annum;

“**Series Z 5.354% Debentures**” means the Series Z senior unsecured debentures of SmartCentres due May 29, 2028 bearing interest at a rate of 5.354% per annum;

“**Series AA 5.162% Debentures**” means the Series AA senior unsecured debentures of SmartCentres due August 1, 2030 bearing interest at a rate of 5.162% per annum;

“**Series AB 4.737% Debentures**” means the Series AB senior unsecured debentures of SmartCentres due August 5, 2031 bearing interest at a rate of 4.737% per annum;

“**SIFT**” has the meaning attributed thereto under the section of this annual information form entitled “Risk Factors – Risks Relating to Tax – SIFT Rules”;

“**SIFT Rules**” has the meaning attributed thereto under the section of this annual information form entitled “Risk Factors – Risks Relating to Tax – SIFT Rules”;

“**SmartCentres**” means SmartCentres Real Estate Investment Trust, an unincorporated open-end trust established under the Declaration of Trust and governed by the laws of the Province of Alberta and, where the context requires, includes its subsidiaries;

“**SmartCentres Development**” has the meaning attributed thereto under the section of this annual information form entitled “Overview and Strategic Direction – Retail Developments, Earnouts and Mezzanine Financing”;

“**SmartCentres Option**” has the meaning attributed thereto under the section of this annual information form entitled “Declaration of Trust and Description of Units – Exchange Procedure for Certain Exchangeable Securities”;

“**SmartCentres Service Provider**” has the meaning attributed thereto under the section of this annual information form entitled “Corporate Structure – Additional Agreements with the Penguin Group”;

“**SmartVMC**” means the approximately 105 acres of VMC lands;

“**SmartVMC East**” means the approximately 52 acres of land representing eastern portion of SmartVMC;

“**SmartVMC West**” means the approximately 53 acres of land representing the western portion of SmartVMC;

“**SmartVMC West LP**” means SmartVMC West Limited Partnership, a limited partnership formed under the laws of the Province of Ontario;

“**SmartVMC West LP Class A Units**” means the Class A limited partnership units of SmartVMC West LP;

“**SmartVMC West LP Class D Units**” means the Class D limited partnership units of SmartVMC West LP;

“**Special Voting Unit**” means a special voting unit of SmartCentres which may be issued by SmartCentres from time to time. See the section of this annual information form entitled “Declaration of Trust and Description of Units – Special Voting Units”;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended;

“**Transfer Agent**” means Computershare Trust Company of Canada at its principal offices in Toronto, Ontario and Calgary, Alberta;

“**Trustees**” means the trustees from time to time of SmartCentres;

“**TSX**” means the Toronto Stock Exchange;

“**Unit**” means a variable voting unit of SmartCentres, each such unit representing an equal undivided beneficial interest therein;

“**Unitholders**” means the holders from time to time of Units;

“**VMC**” means the Vaughan Metropolitan Centre;

“**Voting Top-Up Right**” has the meaning attributed thereto under the section of this annual information form entitled “Declaration of Trust and Description of Units – Special Voting Units”;

“**Voting Unitholders**” means collectively, the holders from time to time of Units and the holders from time to time of Special Voting Units;

“**Voting Units**” means collectively, the Units and Special Voting Units; and

“**Walmart**” means Wal-Mart Canada Corporation.

In this annual information form, a person or company is considered to be an “**affiliate**” of another person or company if one is a subsidiary of the other, or if both are subsidiaries of the same person or company, or if each of them is controlled by the same person or company.

In this annual information form, the term “**associate**”, when used to indicate a relationship with a person or company, means:

- (a) an issuer or company of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling the person or company to more than 10% of the voting rights attached to outstanding securities of the issuer or company;
- (b) any partner of the person or company;

- (c) any trust or estate in which the person or company has a substantial beneficial interest or as to which the person or company serves as trustee or in a similar capacity;
- (d) in the case of a person, a relative of that person who resides in the same home as that person;
- (e) in the case of a person, a person who resides in the same home as that person and to whom that person is married or with whom that person is living in a conjugal relationship outside marriage; or
- (f) in the case of a person, a relative of a person mention in paragraph (e) who has the same home as that person.

In this annual information form, a person or company is considered to be “**controlled**” by a person or company if:

- (a) in the case of a person or company:
 - (i) voting securities of the first-mentioned person or company carrying more than 50 percent of the votes for the election of directors or trustees are held, otherwise than by way of security only, by or for the benefit of the other person or company, and
 - (ii) the votes carried by the securities are entitled, if exercised, to elect a majority of the directors or trustees of the first-mentioned person or company;
- (b) in the case of a partnership that does not have directors, other than a limited partnership, the second-mentioned person or company holds more than 50 percent of the interests in the partnership; or
- (c) in the case of a limited partnership, the general partner is the second-mentioned person or company.

In this annual information form, a person or company is considered to be a “**subsidiary**” of another person or company if:

- (a) it is controlled by:
 - (i) that other, or
 - (ii) that other and one or more persons or companies each of which is controlled by that other, or
 - (iii) two or more persons or companies, each of which is controlled by that other; or
- (b) it is a subsidiary of a person or company that is the other’s subsidiary.

INFORMATION

Unless otherwise specified, information in this annual information form is presented as at December 31, 2024, being the last day of the most recently completed financial year of SmartCentres.

Unless otherwise specified, all references to “**dollars**” or “**\$**” are to Canadian dollars.

FORWARD-LOOKING STATEMENTS

Certain statements in this annual information form are “forward-looking statements” that reflect management’s expectations regarding SmartCentres’ future growth, results of operations, performance and business prospects and opportunities. More specifically, certain statements contained under the sections of this annual information form entitled “Corporate Structure – Overview and Strategic Direction” and “Risk Factors” regarding SmartCentres’ ability to continue to execute its growth strategy, make additional accretive acquisitions, build a geographically diversified

portfolio and obtain additional debt or equity financing are forward-looking statements. All statements other than statements of historical fact contained in this annual information form 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”, “propose”, “schedule”, “project” and similar expressions or statements or negative variations thereof and statements relating to matters that are not historical facts, constitute “forward-looking statements”. 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. These risks include real property ownership and leasing/tenant risk, liquidity risk, capital requirements and access to capital, environmental and climate change risk, potential conflicts of interest, cyber security, debt financing, interest and financing risk, inflation risk, joint venture risk, development and construction risk, credit risk, litigation and regulatory risks, potential volatility of Unit prices, cash distributions are not guaranteed and will fluctuate with the SmartCentres’ performance, availability of cash flow, significant unitholder risk, tax-related risks and public health crises risks. These risks, and others, are more fully discussed under the section of this annual information form entitled “Risk Factors”. 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 annual information form 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: a changing interest rate environment; a continuing trend toward land use intensification, including residential development in urban and suburban markets; access to equity and debt capital markets, and to bank and mortgage financing to fund, at acceptable costs, future capital requirements and to enable the refinancing of debts as they mature on acceptable terms; 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; 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 annual information form and SmartCentres assumes no obligation to update or revise them to reflect new events or circumstances unless otherwise required by applicable securities legislation.

NON-GAAP MEASURES

In this annual information form, there are references to “Adjusted Funds From Operations”. See the definition of “Adjusted Funds From Operations” in the Glossary.

Adjusted Funds From Operations is a supplemental measure of operating cash flow generated from the business. SmartCentres considers Adjusted Funds From Operations a useful measure of recurring economic earnings generated from operations after providing for operating capital requirements and as a result also useful in evaluating the ability of SmartCentres to fund distributions to Unitholders. SmartCentres calculates Adjusted Funds From Operations in accordance with the REALpac White Paper. SmartCentres’ interpretation and use may still differ from other reporting issuers because of variances in interpretation and adoption of the guidelines set out in the REALpac White Paper.

Adjusted Funds From Operations is not a measure recognized by IFRS and does not have a standardized meaning prescribed by IFRS. Therefore, Adjusted Funds From Operations may not be comparable to similar measures presented by other issuers. Adjusted Funds From Operations is not intended to represent operating profits for the period nor should it be viewed as alternatives to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS.

CASH DISTRIBUTIONS

A return on an investment in Units is not comparable to the return on an investment in a fixed-income security. The recovery of an investment in Units is at risk, and any anticipated return on an investment in Units is based on many performance assumptions.

Although SmartCentres intends to make distributions of a significant percentage of its available cash to its Unitholders, these cash distributions are not assured and may be reduced or suspended. The ability of SmartCentres to make cash distributions and the actual amount distributed will be dependent upon, among other things, the financial performance of the properties in its Property Portfolio, its debt covenants and obligations, its working capital requirements, its future capital requirements, the success of its development programs and the impact on SmartCentres of the SIFT Rules. In addition, the market value of the Units may decline for a variety of reasons, including if SmartCentres is unable to meet its cash distribution targets in the future, and that decline may be significant.

It is important for a person making an investment in Units to consider the particular risk factors that may affect both SmartCentres and the real estate industry in which SmartCentres operates and which may therefore affect the stability of the cash distributions on the Units. See the section of this annual information form entitled "Risk Factors", which describes SmartCentres' assessment of those risk factors, as well as the potential consequences to a Unitholder if a risk should occur. Also see the section of this annual information form entitled "Ratings on Securities".

The after-tax return from an investment in Units to Unitholders subject to Canadian federal income tax will depend, in part, on the composition for Canadian income tax purposes of distributions paid by SmartCentres on its Units, which may be fully or partially taxable or tax-deferred. That composition may change over time, thus affecting a Unitholder's after-tax returns. The adjusted cost base of any Units held by a Unitholder will be reduced by the non-taxable portion of distributions made to the Unitholder other than the portion thereof attributable to the non-taxable portion of any capital gains realized by SmartCentres. Distributions to a Unitholder who is a Non-Resident may be subject to Canadian withholding tax. Unitholders should consult their own tax advisors with respect to the Canadian income tax considerations in their own circumstances.

RATINGS ON SECURITIES

DBRS provides credit ratings of debt securities for commercial entities. Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities and generally provide an indication of the risk that the borrower will not fulfill its full obligations in a timely manner with respect to both interest and principal commitments. Rating categories range from highest credit quality (generally AAA) to very highly speculative (generally C). DBRS has provided SmartCentres with a credit rating of BBB with a stable trend relating to all senior unsecured obligations of SmartCentres. A credit rating of BBB is generally an indication of adequate credit quality as defined by DBRS, where protection of interest and principal is considered acceptable but the issuing entity is susceptible to adverse changes in financial and economic conditions, or there may be other adverse conditions present which reduce the strength of the entity and its rated securities.

Payments were made by SmartCentres to DBRS in connection with the ratings of the Debentures. No payments were made to DBRS in respect of any other service provided to SmartCentres by DBRS during the last three years.

The ratings accorded to SmartCentres are not recommendations to purchase, hold or sell SmartCentres' securities in as much as such ratings do not comment as to market price or suitability for a particular investor. There can be no assurance that any rating will remain in effect for any given period of time or that any rating will not be withdrawn or revised by a rating agency at any time. Real or anticipated changes in the ratings on SmartCentres' securities may affect the market value of such securities.

CORPORATE STRUCTURE

Declaration of Trust

SmartCentres is an unincorporated “open-end” trust constituted in accordance with the laws of the Province of Alberta pursuant to 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 current principal and head office of SmartCentres is located at 3200 Highway 7, Vaughan, Ontario L4K 5Z5.

SmartCentres was initially settled pursuant to the Declaration of Trust on December 4, 2001 and is now subsisting under the fourteenth amended and restated Declaration of Trust dated December 9, 2020.

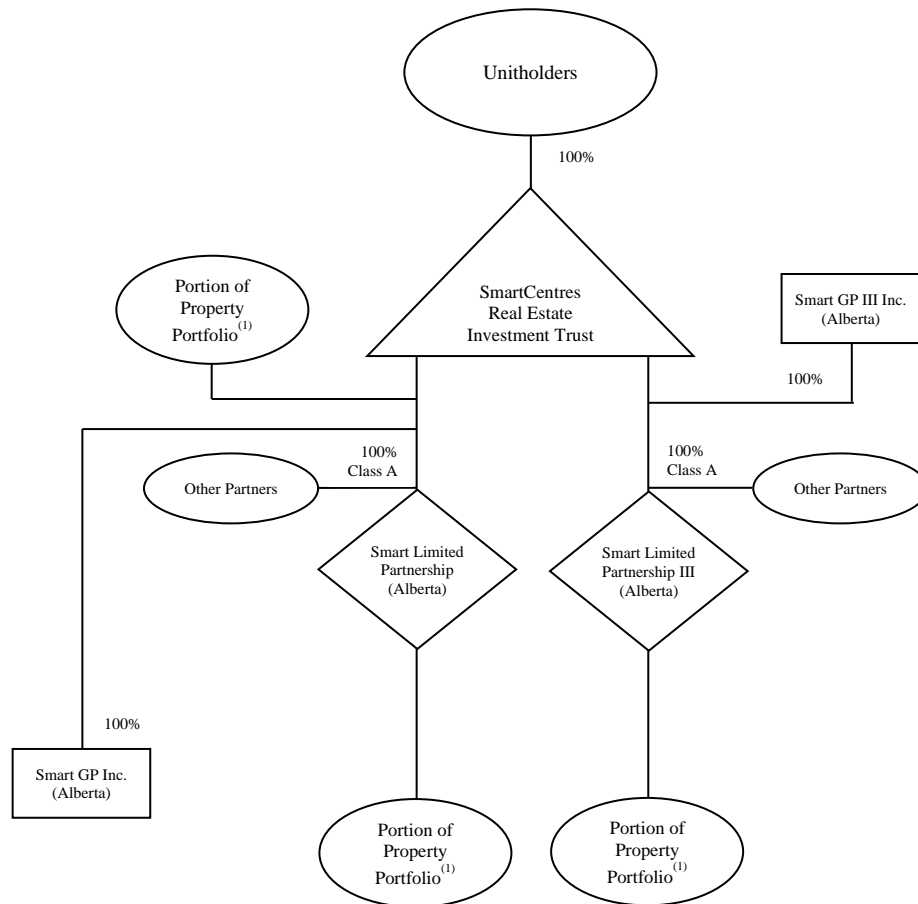
At the meetings of Unitholders held on May 7, 2009 and May 19, 2011, the Unitholders gave the Trustees the authority to make such further amendments to the Declaration of Trust that the Trustees determine to be necessary or desirable in order to facilitate changing SmartCentres from an open-end mutual fund trust to a closed-end mutual fund trust, in each case as per the Tax Act, including but not limited to the elimination of the redemption features attached to the Units. The Trustees have not yet implemented such amendments.

Although SmartCentres is a “mutual fund trust” as defined in the Tax Act, SmartCentres is not a “mutual fund” and is not subject to the requirements of Canadian mutual fund policies and regulations under Canadian securities legislation.

SmartCentres is not a trust company and, accordingly, is not registered under the *Trust and Loan Companies Act* (Canada) or the trust company legislation of any province as it does not carry on, nor does it intend to carry on, the business of a trust company.

Structure of SmartCentres

The following diagram illustrates the simplified organizational structure of SmartCentres (excluding subsidiaries with total assets or revenues that collectively do not exceed 20%, and individually do not exceed 10%, of the assets or revenues, as applicable, of SmartCentres and its subsidiaries considered on a consolidated basis):



Notes:

(1) Freehold and leasehold title to the assets in the Property Portfolio is held by a variety of nominee companies, which are controlled by SmartCentres (including its subsidiaries) as well as joint ventures that are classified as equity accounted investments. These nominees do not conduct any business other than the holding of legal title to the assets for the benefit of SmartCentres (including its subsidiaries).

General Development of the Business

2022

On January 19, 2022, SmartCentres entered into a new \$300 million unsecured credit facility agreement with a syndicate of Canadian financial institutions. The new credit facility matures in January 2027.

On January 24, 2022, SmartCentres acquired a 50% interest in three co-owned properties located in Ottawa (Laurentian), Ontario, Edmonton Capilano, Alberta, and Lachenaie, Quebec for \$100.0 million in cash. Upon completion of the acquisition, SmartCentres’ ownership interest in each of these properties became 100%.

On June 24, 2022, SmartCentres completed the purchase of approximately 38 acres of industrial lands in Pickering, adjacent to Highway 407, on which SmartCentres received approval to build 241,000 square feet of industrial space for the 16 acre Phase 1 development.

On October 17, 2022, SmartCentres announced the appointment of Peter Slan as Chief Financial Officer of SmartCentres effective October 24, 2022, to succeed Peter Sweeney.

On December 1, 2022, the Bank of Nova Scotia released \$145.1 cash security from a Total Return Swap contract. The proceeds were used to pay down existing bank loan operating facilities.

On December 1, 2022, SmartCentres entered into a new \$100.0 million unsecured credit facility with Canadian Imperial Bank of Commerce maturing on December 1, 2025. SmartCentres executed concurrently a fixed interest rate swap agreement at 4.37%. The credit facility can be extended to December 1, 2029 at the lender's option.

On December 1, 2022, SmartCentres entered into a new \$100.0 million unsecured credit facility with The Bank of Nova Scotia maturing December 1, 2025 with an interest rate at banker's acceptance plus 120 basis points. Subsequently to December 31, 2022, SmartCentres entered into a fixed interest rate swap agreement at 4.625%.

On December 20, 2022, SmartCentres entered into a new \$100.0 million unsecured credit facility with Mizuho Bank, Ltd. The new credit facility matures December 20, 2025 and can be extended for two additional 1 year periods.

2023

On February 8, 2023, SmartCentres and a related entity completed the sale of a 6.4 acre land parcel in Vaughan for gross cash proceeds of \$95.6 million to an unrelated 3rd party. SmartCentres share of proceeds being \$58.4 million.

On May 29, 2023, SmartCentres issued \$300.0 million aggregate principal amount of Series Z 5.354% Debentures. The offering was made by way of private placement to certain accredited investors.

On May 30, 2023, SmartCentres repaid \$200.0 million aggregate principal amount of Series I 3.985% Debentures in full upon their maturity.

On November 3, 2023, the SmartCentres' self-storage joint ventures (the "JV") closed a two-year interest-only credit facility in an amount of \$70.0 million. The facility is secured by five self-storage facilities and bears interest at a rate of 6.21%. The JV used the proceeds to repay \$68.9 million of construction loans owing to SmartCentres.

2024

On June 27, 2024, SmartCentres upsized its main operating line from \$500.0 million to \$750.0 million with a syndicate of Canadian financial institutions. The facility will mature on June 27, 2029.

On July 17, 2024, JV closed an interest-only credit facility in an amount of \$46.0 million maturing on November 3, 2025. The facility is secured by three self-storage facilities and bears interest at a rate of 4.97%. The JV used the proceeds to repay construction loans owing to SmartCentres.

On August 1, 2024, SmartCentres issued \$350.0 million aggregate principal amount of 5.162% Series AA senior unsecured debentures. The Series AA debentures will mature on August 1, 2030. The offering was made by way of private placement to certain accredited investors.

On August 28, 2024, SmartCentres repaid \$100.0 million aggregate principal amount of Series O 2.987% Debentures in full upon their maturity.

On September 24, 2024, the Bank of Nova Scotia reduced \$47.2 million of a Total Return Swap contract. The proceeds were used to pay down Total Return Swap debt.

On September 27, 2024, the Trust and its JV partner, the Penguin Group entered into a secured non-revolving construction facility for the project on Laird Drive, Toronto, totaling \$135.0 million. The non-revolving facility has a maturity date of September 27, 2027.

On October 23, 2024, SmartCentres entered into a new swap agreement to fix the rate on its \$300 million unsecured credit facility at a rate of 4.48%. The credit facility matures in January 2027.

2025

Subsequent to the 2024 year end, on February 5, 2025, SmartCentres issued \$300.0 million aggregate principal amount of 4.737% Series AB senior unsecured debentures. The Series AB debentures will mature on August 5, 2031. The offering was made by way of private placement to certain accredited investors.

On February 6, 2025, SmartCentres repaid \$160.0 million aggregate principal amount of Series N 3.556% Debentures in full upon their maturity.

Additional Agreements with the Penguin Group

In addition to agreements and contracts with the Penguin Group described elsewhere in this annual information form, SmartCentres has the following agreements with the Penguin Group, certain of which were entered into, supplemented, or amended coincident with the extension of the term of the Voting Top-Up Right, see the section of this annual information form entitled “Declaration of Trust and Description of Units – Special Voting Units”:

- (a) A development services agreement, under which certain subsidiary limited partnerships of SmartCentres (collectively, the “**SmartCentres Service Provider**”) have agreed to provide the Penguin Group with certain development, management and support services (including, among other services, human resources and information technology services) for a period of five years from May 28, 2015 with automatic five year renewal periods thereafter. On November 5, 2020, the SmartCentres Service Provider and the Penguin Group entered into a supplemental agreement (the “**DSA Supplement**”) that supplemented and amended certain terms of the development services agreement for the period from July 1, 2020 to December 31, 2025 (the “**Effective Period**”). Pursuant to the DSA Supplement, the SmartCentres Service Provider will no longer provide development services and will no longer receive the related development fees for SmartVMC East, the Thornhill Residential Project and the First Vaughan Project during the Effective Period. Instead Penguin Investments Inc. will perform such services and receive such development fees. Penguin Investments Inc. may use employees of SmartCentres to perform such services and will compensate SmartCentres on a proportionate basis for the estimated total cost.
- (b) An amended and restated services agreement under which SmartCentres has appointed Penguin Investments Inc. to perform a broad range of services 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 Inc. In exchange for those services, SmartCentres has agreed to pay Penguin Investments Inc. an annual fee which consists of: (i) a fixed service fee which is paid on a quarterly basis; and (ii) an annual 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 and other annual targets (other than such trust-level targets) of a similar nature as to what SmartCentres uses to measure the performance of its executive officers, as determined by the Board of Trustees from time to time.
- (c) An omnibus agreement (the “**Omnibus Agreement**”) pursuant to which, among other things, SmartCentres and Penguin Properties Inc. amended certain provisions in the agreements governing the earn-out arrangements between SmartCentres, Mitchell Goldhar and other third parties. Pursuant to the Omnibus Agreement, Penguin Properties Inc. has the option to extend all Earnouts by two years from the previous expiry date, and SmartCentres has been given a right of first offer in connection with the sale of the economic and financial benefits and rights of any such development parcel during any extended period. In addition, the Omnibus Agreement provides for the payment of certain outstanding immaterial amounts between the parties.

- (d) A trade-mark licence agreement, under which a subsidiary limited partnership of SmartCentres has granted certain members of the Penguin Group a perpetual royalty-free, non-exclusive, non-transferable license to use the SmartCentres trade-marks that such subsidiary limited partnership acquired as part of the 2015 Platform Transaction and any trade-marks subsequently registered by SmartCentres or its subsidiary limited partnerships that are similar to such trade-marks for use on signage and marketing materials (including websites) in connection with retail, recreational, office, residential and/or commercial purposes as well as for internal use of documents, software and systems. In addition, Smart Centres Realty Inc. has been granted a perpetual royalty free, non-exclusive, non-transferable license to use “SmartCentres” in its corporate name as long as Smart Centres Realty Inc. remains a private company.
- (e) SmartCentres and the Penguin Group have entered into a number of joint ventures and joint ownership arrangements including the following:
 - (i) in 2012, SmartCentres and the Penguin Group formed the Penguin-Calloway Vaughan Partnership (“PCVP”), each with a 50% interest, to develop SmartVMC East which is expected to consist of approximately 10 million to 11 million square feet once fully developed, on approximately 105 acres of development land in Vaughan, Ontario. In December 2019, PCVP purchased a 15.48 acre site proximate to the SmartVMC East lands from the Penguin Group. SmartCentres funded its share for \$109.2 million in cash;
 - (ii) in 2017 and 2018, SmartCentres formed the VMC Residences Limited Partnership, VMC Residences III Limited Partnership and VMC East Block Residences Limited Partnership with the Penguin Group and CentreCourt Developments to develop residential condominium towers located on the SmartVMC East site;
 - (iii) SmartCentres and the Penguin Group jointly own the StudioCentre site located at 629 Eastern Avenue which they intend to redevelop to include 1.2 million square feet of mixed-use space including office, retail and potentially a hotel to service the arts, film and media community; and
 - (iv) in December 2021, SmartCentres completed the acquisition of 66.67% interest in SmartVMC West, on which approximately 10.0 million square feet of mixed use space is expected to be built in future years.
- (f) SmartCentres and certain of its subsidiaries, as lender, and the Penguin Group, as borrower, have entered into a number of loan agreements relating to various investment properties (the “**Loan Agreements**”). On November 5, 2020, SmartCentres and the Penguin Group entered into amendments to the Loan Agreements for five properties. Pursuant to these amendments, all loan maturity dates have been extended to August 31, 2028, with a new rate structure for the extension period of each mortgage receivable. SmartCentres’ purchase option periods have been extended and because these properties may now be subject to mixed-use development projects, the agreements provide that the parties establish a new framework for the purchase options for SmartCentres related to mixed-use development.
- (g) A non-competition agreement that restricts Mitchell Goldhar and the Penguin Group, subject to certain exemptions, from investing in, acquiring, developing, redeveloping, rezoning or managing the leasing, development or construction of real properties for certain restricted uses until the later of (i) the date that is six months following the date of termination of Mitchell Goldhar’s employment pursuant to his executive employment agreement; and (ii) the date on which the Voting Top-Up Right expires or is waived by Mitchell Goldhar. See SmartCentres’ management information circular dated November 6, 2020 for further detail.

All related party transactions are reviewed and approved by the independent Trustees. Effective March 1, 2023, an independent committee of the Board of Trustees was formed (the “**Independent Committee**”), which is comprised solely of independent Trustees, to provide oversight with respect to any related party transactions in which

SmartCentres or any of its subsidiaries is a party. Prior to the formation of the Independent Committee, where appropriate, taking into account the complexity and size of the transactions at issue, the Board of Trustees from time to time formed a special committee composed solely of independent Trustees to review, supervise and participate in the negotiation and resolution of related party transactions. Such a committee was last formed to, among other things, review, supervise and participate in the negotiation and resolution of certain of the agreements and amendments described above and the extension of the term of the Voting Top-Up Right. The Independent Committee has the ability to (and prior to the establishment of the Independent Committee, any special committee did) retain outside advisors, including legal counsel and the professional services of a global compensation firm specializing in the REIT industry.

OVERVIEW AND STRATEGIC DIRECTION

SmartCentres' vision is to create exceptional places to shop, work and live in Canada. Together with its partners and experienced industry experts, SmartCentres' purpose is to develop, lease, construct, own and manage interests in shopping centres, residential rental buildings, self-storage facilities, industrial buildings, office buildings and seniors' housing. In addition, together with its partners, SmartCentres develops, pre-sells, constructs and delivers high-rise condominium and townhome projects. These initiatives are intended to be developed primarily within SmartCentres' current portfolio of convenient locations. SmartCentres expects these projects to provide intelligent designs, a desirable mix of retail and office tenants, high-quality residential space for residential owners, tenants and seniors, and industry-leading self-storage facility designs.

From SmartCentres' inception in 2001 and prior to 2015, SmartCentres' growth was principally a result of the acquisition and earnout of completed and fully leased open-format retail shopping centres, predominately with the anchor or shadow anchor tenant being Walmart. SmartCentres' national open-format shopping centre portfolio continues to perform well with an in-place and committed occupancy rate of 98.7% as of December 31, 2024.

Furthermore, SmartCentres and its retail tenants are adapting to the changing needs of today's customers who are incorporating online shopping with in-store visits, with many tenants offering curbside pick-up services and similar e-commerce solutions.

In May of 2015, a transformative event occurred: SmartCentres acquired the development platform, expertise and the "SmartCentres" brand from the Penguin Group. This brand has historically represented a family and value-oriented shopping experience. More significantly, this acquisition resulted in SmartCentres acquiring a large team of experienced professionals working in the areas of land acquisition, planning, development, leasing, construction and other complementary services.

As at December 31, 2024, SmartCentres' portfolio includes an ownership interest in 195 properties which includes 155 mostly newer, large, open-format shopping centres, 113 of which are Walmart-anchored (includes 13 shadow anchors), 4 office properties, 11 self-storage properties, 1 industrial property, 3 residential properties, and 21 development properties located in communities across Canada. The total income-producing gross leasable area of retail, office and industrial properties is approximately 35.3 million square feet. Many of SmartCentres' retail properties are shadow-anchored by large retailers including Walmart, Canadian Tire, Home Depot, Costco, RONA and Loblaws and its related banners.

To the extent that opportunities exist, and to the extent that management and the Board of Trustees believe such opportunities are beneficial to Unitholders, SmartCentres will continue to invest in large format, unenclosed retail rental properties with strong tenant covenants, stable yields, low vacancy levels and growth potential and continue to build a geographically diversified portfolio of such properties.

SmartCentres' executive management has, in the aggregate, over 100 years of experience in the commercial real estate market, including real estate development, acquisitions, dispositions, financing and administration, property management, construction and renovation and marketing. Management's goal is to maximize cash flow and Unit value, while minimizing Unitholder risk. Management undertakes regular reviews of the Property Portfolio and, based on experience and market knowledge, assesses ongoing opportunities for the Property Portfolio. Where appropriate, capital improvement projects, renovations and remarketing initiatives are implemented.

Management is committed to maximizing income from SmartCentres' properties through sophisticated and prudent financial management. Management intends to optimize the leveraged returns from the Property Portfolio, while remaining within the overall debt limits set by the Declaration of Trust. Subject to the ability to obtain financing on acceptable terms, SmartCentres intends to utilize fixed rate debt financing with terms that are appropriate for the nature of the leases and the properties being financed. SmartCentres intends to stagger debt maturities to reduce refinancing risk and to provide a source of additional capital when refinanced, and make use of operating lines or acquisition facilities to generate interim capital.

SmartCentres plans to achieve its objectives by employing the internal and external growth strategies discussed below.

Leasing

SmartCentres believes that opportunities exist to increase cash flow of the Property Portfolio through value added asset management and leasing activity. SmartCentres develops a leasing strategy for each property that reflects the nature of the property, its position within the marketplace, the optimal tenant mix as well as prevailing and forecasted economic conditions. To assist in implementing this strategy, SmartCentres coordinates with its internal leasing group and the brokerage leasing community (if appropriate) for each of the assets. Management expects that this strategy will maximize expansion and renewal opportunities and will involve aggressive, proactive leasing programs.

SmartCentres recognizes the value of tenant retention, as opposed to tenant replacement, often providing the best operating results as renewals minimize transaction costs associated with marketing, leasing and tenant improvements and avoids costs of renovation and interruptions in rental income resulting from periods of vacancy. Where existing tenants choose not to renew their lease, SmartCentres' proactive leasing function is designed to quickly identify replacement tenants at the best available market terms and lowest possible transaction costs. In addition to the regular staple of value-oriented tenants continuing to seek more space in Walmart-anchored sites, new uses are also enhancing each centre's offering with entertainment/experiential, pet supplies, furniture, specialty and takeout food all growing their store counts. U.S.-based tenants are also re-engaging their search for new store openings in Canada.

SmartCentres' leasing strategy, together with respective partners, now includes residential rental developments with its high-rise residential projects in Laval, Quebec, Mascouche, Quebec and at SmartVMC East in Vaughan, Ontario.

Retail Developments, Earnouts and Mezzanine Financing

SmartCentres retail developments, earnouts and mezzanine financing continue to be a component of SmartCentres' strategic plan. As at December 31, 2024, SmartCentres had approximately 1.6 million square feet of potential gross leasable retail area that could be developed. For its own account, assuming SmartCentres continues to successfully manage the development of leasable area and raise the capital required for such development, SmartCentres plans to develop approximately 1.5 million square feet of this gross leasable retail area ("**SmartCentres Developments**"), acquire approximately 0.1 million square feet of the space to be developed and leased to third parties on behalf of the Penguin Group and other vendors ("**Earnouts**") and acquire approximately 0.4 million square feet of the space to be developed under mezzanine financing purchase options. In addition, virtually all leasing and development work on behalf of the Penguin Group and other vendors is contracted to and completed by SmartCentres.

Earnouts occur where the vendors retain responsibility for managing certain developments on behalf of SmartCentres for additional proceeds calculated based on a predetermined, or formula based, capitalization rate, net of land and development costs incurred by SmartCentres. SmartCentres is responsible for managing the completion of Earnouts and SmartCentres Developments. Mezzanine financing purchase options are exercisable once a shopping centre is substantially complete and allows the lender to acquire 50% of the completed shopping centre.

SmartCentres, with its partner, Penguin Group, has commenced siteworks for the 224,000 square foot retail project on Laird Drive in Toronto, comprising of a 200,000 square foot flagship Canadian Tire store. Canadian Tire is expected to take possession in early 2026.

Redevelopment

The strength and dynamic design of each of SmartCentres' properties provide an opportunity to accommodate the changing needs of SmartCentres' existing tenants, as well as an ability to add new tenancies to an already strong shopping centre. Whether the change is in adding a new banner, a second floor, a drive-thru or making other accommodations to SmartCentres' strong tenant mix, such redevelopments continue to drive further revenue growth. Redevelopment opportunities not only exist in adding additional retail square footage to a property, but in adding additional uses such as residential and office, as markets develop. With SmartCentres' portfolio being situated within close proximity to the vast majority of the Canadian population, redevelopments will continue to assist SmartCentres in maintaining high occupancy levels and creating new sources of income.

Acquisitions

Subject to the availability of acquisition opportunities and to the extent that management and the Board of Trustees believe such opportunities are beneficial to Unitholders, SmartCentres intends to grow distributions, in part, through accretive acquisitions of property in its existing and adjacent markets and in new Canadian markets that present opportunities for accretive returns.

Throughout the acquisition process, SmartCentres' strategy is to identify potential property acquisitions using investment criteria that focuses primarily on return on equity, security of cash flow, potential for capital appreciation and the potential to increase value by more efficient management of the assets being acquired, including accessing capital for expansion and development of those assets, which access might not otherwise be available to competitors and other property owners.

SmartCentres explores acquisition opportunities as they arise but will only pursue acquisitions that are strategic to its business and/or accretive relative to its long-term cost of capital.

Premium Outlets

SmartCentres has a joint venture relationship with Simon Properties and together they own Canada's first Premium Outlets Centre, the Toronto Premium Outlets Centre, and the Montreal Premium Outlets. High national and international tenant demand for outlet fashion-retail space has created a growth story for SmartCentres as it continues to look for other suitable locations with Simon Properties.

Vaughan Metropolitan Centre

The VMC is located near the intersection of Highways 400 and 7 in the City of Vaughan, only 25 km north of downtown Toronto. SmartCentres, together with the Penguin Group, owns approximately 100 acres of land within the VMC, housing the VMC subway station and the York Regional Rapid Transit bus terminal. The lands are expected to include office, retail and residential developments in excess of 20 million square feet when completed. The site is providing opportunities for business and industry, and connects residents to downtown Toronto through the Toronto subway system.

The first development was a 360,000 square foot office complex that is home to the lead tenant, KPMG, which opened in October 2016. The design features a 15-storey tower connected to a 2-storey podium with direct access to the VMC subway station and the regional bus terminal. The building was awarded LEED Gold Certification. In November 2019, PricewaterhouseCoopers, moved into the PwC-YMCA Tower, the second office development at the VMC. This next phase is a mixed-use complex featuring a 112,000 square foot YMCA, library and community-use space which opened in 2022.

SmartCentres has a residential joint venture at the VMC with the Penguin Group and CentreCourt Developments to develop residential condominium towers at SmartVMC East (known as "**Transit City**"). All five condominium towers were closed as of December 31, 2024.

During the fourth quarter of 2021 SmartCentres, together with the Penguin Group, commenced the pre-sale program for the Artwalk Condominiums, the first phase of condominium development to be built on the parcel of SmartVMC East formerly occupied by Walmart. As of December 31, 2024, siteworks and excavation are now complete at ArtWalk condo Phase I and construction is advancing, with approximately 93% of the 340 units in Tower A pre-sold. ArtWalk and future phases of high-rise residential development are expected to be developed by the SmartCentres' in-house platform. Pre-development is underway for the future development of the Park Place condominium project on the 53-acre SmartVMC West lands. Park Place is expected to consist of two high-rise condominium buildings which are not expected to be built for the next several years.

Self-Storage

SmartCentres has partnered with SmartStop to develop self-storage facilities. SmartCentres' first self-storage project located in Leaside, Toronto opened in 2020 and as at December 31, 2024, ten additional SmartStop projects in Toronto (Dupont), Brampton (Bramport), Vaughan NW, Oshawa South, Scarborough East, Aurora, Brampton (Kingspoint Plaza), Whitby, Markham and Stoney Creek are operational.

Construction is progressing on the next SmartStop projects in Toronto (Gilbert Ave.), Toronto (Jane St.), Dorval (St-Regis Blvd.), Montreal (Notre Dame St. W), Laval E, Quebec, and Burnaby, British Columbia. The Trust is in the process of obtaining municipal approvals for one site in Toronto and two sites outside of Ontario in New Westminster, and Victoria, British Columbia.

Seniors' Housing

SmartCentres and the Penguin Group continue to consider various potential uses on a number of sites across Canada, including developing new retirement living residences where SmartCentres and the Penguin Group will act as the developer for sites they respectively contribute.

Professional Management

Through professional management of the Property Portfolio, SmartCentres intends to ensure its properties continue to attract consumers and provide preferred locations for its tenants. Well-managed properties enhance the shopping experience and ensure customers continue to visit the centres. Professional management of the Property Portfolio has contributed to a continuing high occupancy level of 98.7% at December 31, 2024 (December 31, 2023 – 98.5%), inclusive of committed deals for future occupancy.

Competitive Conditions

SmartCentres competes for real estate assets with other real estate investment trusts, corporations, life insurance companies and pension plans. Buyers include both international and domestic entities. An increase in the availability of investment capital and an increase in the demand for the stable yields realized from real estate has resulted in increased prices and lower yields. Should the availability of capital and demand for real estate decrease, there would be a negative impact on real estate prices. The low interest rates that the Canadian economy had experienced in recent years resulted in an influx of buyers in the real estate industry. Increases in interest rates are now resulting in increased costs of borrowing, potentially reducing returns on investments, which can have a constraining effect on the real estate market as well as result in higher capitalization rates and consequently decreased real estate prices and values.

OVERVIEW OF PROPERTY PORTFOLIO

As of December 31, 2024, the Property Portfolio consisted of 195 properties located in all of the provinces of Canada including:

- (a) 15 properties located in British Columbia;
- (b) 7 properties located in Alberta;

- (c) 5 properties located in Saskatchewan;
- (d) 3 properties located in Manitoba;
- (e) 122 properties located in Ontario;
- (f) 32 properties located in Quebec;
- (g) 2 properties located in New Brunswick;
- (h) 2 properties located in Nova Scotia;
- (i) 1 property located in Prince Edward Island; and
- (j) 6 properties located in Newfoundland and Labrador.

The Property Portfolio is comprised almost exclusively of retail properties, mixed-use properties and developable lands for either retail or mixed-use purposes. As at December 31, 2024, substantially all of the gross rental revenue was derived from retail and mixed-use properties containing an aggregate of 35,299,950 square feet. The occupancy rate for the Property Portfolio as at December 31, 2024 was 98.7%, inclusive of committed deals for future occupancy.

Most of the retail properties have been developed within the past 22 years. Each of the retail properties has been professionally managed and well-maintained. The retail properties enjoy the benefits of strong locations and professional management and leasing practices, resulting in low vacancy, stable income and controlled expenses.

The following table summarizes the Property Portfolio as a whole as at December 31, 2024:

	<u>Total</u>
Number of Properties	195
Net Rentable Area (square feet) (excluding Undeveloped Lands)	35,299,950
In-place Occupancy Rate / and including committed.....	98.2% / 98.7%
Average Net Retail Rental Rate excluding Anchors (per occupied sq. ft)	\$ 23.48
Average Net Retail Rental Rate (per occupied sq. ft)	\$ 16.29

Retail Properties

The following table sets forth certain summary information as at, December 31, 2024 with respect to the retail properties in the Property Portfolio:

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Retail Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Anchors</u>
Chilliwack Mall	Chilliwack	100%	162,909	3,532	100.0%	Safeway, Winners
Courtenay SmartCentre	Courtenay	100%	273,358	-	99.1%	Walmart Supercentre, Winners
Cowichan Commons East	Duncan	100%	249,370	-	98.9%	Walmart Supercentre*, Canadian Tire, Home Depot

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Retail Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Anchors</u>
Cranbrook SmartCentre	Cranbrook	100%	164,025	-	100.0%	Walmart Supercentre, Real Canadian Superstore*, Home Hardware*
Kamloops SmartCentre	Kamloops	100%	232,810	-	100.0%	Walmart Supercentre
Langley SmartCentre	Langley	100%	351,261	-	100.0%	Walmart Supercentre, Home Depot*, Save-on-Foods*, London Drugs, Best Buy, The Hockey Shop
New Westminster SmartCentre	New Westminster	100%	413,363	22,084	92.7%	Walmart Supercentre, Foody World
Peachtree Square	Penticton	100%	54,915	-	100.0%	Walmart Supercentre*
Penticton Power Centre	Penticton	100%	216,686	15,294	100.0%	Real Canadian Superstore, Winners
Prince George SmartCentre	Prince George	100%	313,389	6,500	98.4%	Walmart Supercentre, Home Depot*, Canadian Tire*
Salmon Arm SmartCentre	Salmon Arm	50%	69,740	7,365	100.0%	Walmart Supercentre, Winners
Surrey West SmartCentre	Surrey	100%	193,380	-	100.0%	Walmart Supercentre
Vernon SmartCentre	Vernon	100%	268,490	-	100.0%	Walmart Supercentre, RONA*
Calgary Southeast SmartCentre	Calgary	100%	246,085	-	100.0%	Walmart Supercentre, London Drugs, Safeway*
Edmonton East SmartCentre	Edmonton	100%	361,468	-	98.3%	Walmart Supercentre, Safeway, Winners
Edmonton Northeast SmartCentre	Edmonton	100%	274,353	-	96.2%	Walmart Supercentre
Lethbridge II SmartCentre	Lethbridge	100%	53,392	-	98.0%	Sobeys

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Retail Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Anchors</u>
Lethbridge SmartCentre	Lethbridge	100%	331,153	1,940	96.5%	Walmart Supercentre, Home Depot*
St. Albert SmartCentre	St. Albert	100%	251,329	-	98.0%	Walmart Supercentre, Save-on-Foods*
Sylvan Lake SmartCentre	Sylvan Lake	100%	143,321	10,190	100.0%	Walmart Supercentre, Canadian Tire*
Golden Mile Shopping Centre	Regina	100%	259,622	-	98.0%	Real Canadian Superstore (Loblaw)
Regina East SmartCentre (I)	Regina	100%	398,119	-	99.6%	Walmart Supercentre, HomeSense, London Drugs
Regina East SmartCentre (II)	Regina	100%	198,134	-	98.9%	RONA, Real Canadian Superstore*
Regina North SmartCentre	Regina	100%	276,251	-	100.0%	Walmart Supercentre, Sobeys
Saskatoon South SmartCentre	Saskatoon	100%	380,642	16,000	100.0%	Walmart Supercentre, Home Depot*
Kenaston Common SmartCentre	Winnipeg	100%	257,222	-	99.3%	RONA, Costco*
Winnipeg Southwest SmartCentre	Winnipeg	100%	529,179	-	100.0%	Walmart Supercentre, Home Depot*, Safeway, HomeSense
Winnipeg West SmartCentre	Winnipeg	100%	354,679	-	98.5%	Walmart Supercentre, Canadian Tire*, Sobeys
401 & Weston Power Centre	North York	44%	134,863	38,008	96.7%	Real Canadian Superstore*, Canadian Tire, The Brick, TK Home
Alliston SmartCentre	Alliston	100%	178,109	29,000	100.0%	Walmart Supercentre
Ancaster SmartCentre	Ancaster	100%	264,719	-	100.0%	Walmart Supercentre, Canadian Tire*

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Retail Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Anchors</u>
Aurora North SmartCentre	Aurora	100%	513,723	-	100.0%	Walmart Supercentre, Reno Depot
Aurora SmartCentre	Aurora	100%	51,186	-	100.0%	TK Home
Barrie Essa Road Shopping Centre	Barrie	100%	104,839	-	100.0%	Food Basics
Barrie North SmartCentre	Barrie	100%	234,701	-	100.0%	Walmart Supercentre, Loblaws*
Barrie South SmartCentre	Barrie	100%	413,637	-	90.5%	Walmart Supercentre, Sobeys
Bolton SmartCentre	Bolton	100%	242,437	-	100.0%	Walmart Supercentre
Bracebridge SmartCentre	Bracebridge	100%	142,501	19,740	100.0%	Walmart Supercentre, Home Depot*
Bradford SmartCentre	Bradford	100%	279,278	43,329	100.0%	Walmart Supercentre
Bramport SmartCentre	Brampton	100%	201,307	100,940	100.0%	LA Fitness, No Frills
Brampton East SmartCentre	Brampton	100%	368,705	-	100.0%	Walmart Supercentre, The Brick
Brampton North SmartCentre	Brampton	100%	59,051	-	100.0%	Fortinos*
Brampton Northeast SmartCentre	Brampton	100%	247,641	-	100.0%	Walmart Supercentre
Brockville SmartCentre	Brockville	100%	133,044	11,710	97.0%	Walmart Supercentre*, Real Canadian Superstore*, Home Depot*
Burlington (Appleby) SmartCentre	Burlington	100%	151,115	5,000	100.0%	Toys R Us, LA Fitness
Burlington North SmartCentre	Burlington	100%	226,451	-	100.0%	Walmart Supercentre
Burnhamthorpe SmartCentre	Mississauga	100%	200,650	-	88.6%	-
Cambridge SmartCentre (I)	Cambridge	100%	619,257	-	92.5%	Walmart Supercentre, LA Fitness, Winners

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Retail Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Anchors</u>
Cambridge SmartCentre (II)	Cambridge	100%	32,023	-	100.0%	Canadian Tire*, Home Depot*
Carleton Place SmartCentre	Carleton Place	100%	148,899	56,427	100.0%	Walmart Supercentre
Centennial Parkway Plaza	Stoney Creek	100%	123,201	9,819	94.7%	Food Basics
Chatham SmartCentre	Chatham	50%	154,473	-	100.0%	Walmart Supercentre, Real Canadian Superstore*, Winners
Cobourg SmartCentre	Cobourg	100%	223,584	-	100.0%	Walmart Supercentre, Home Depot*
Cornwall SmartCentre	Cornwall	100%	230,271	11,050	100.0%	Walmart Supercentre, Winners
Creekside Crossing	Mississauga	30%	127,890	-	100.0%	Walmart Supercentre, Costco
Etobicoke (Index) SmartCentre	Etobicoke	100%	188,105	3,898	100.0%	Sport Chek, Mark's Work Warehouse, Marshalls
Etobicoke SmartCentre	Etobicoke	100%	305,061	-	93.8%	Walmart Supercentre, Home Depot*, Best Buy, Winners
Fergus SmartCentre	Fergus	100%	109,652	-	100.0%	Walmart Supercentre
Fort Erie SmartCentre	Fort Erie	100%	12,738	-	100.0%	Walmart Supercentre*, No Frills*
Guelph SmartCentre	Guelph	100%	296,116	26,450	100.0%	Walmart Supercentre, Home Depot*
Hamilton South SmartCentre	Hamilton	100%	249,371	-	92.9%	Walmart Supercentre
Hartzel Plaza	St. Catharines	100%	67,972	-	92.6%	Food Basics
Huntsville SmartCentre	Huntsville	100%	126,436	-	100.0%	Walmart Supercentre, Your Independent Grocer*
Kanata SmartCentre	Kanata	100%	220,104	1,740	100.0%	Walmart Supercentre

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Retail Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Anchors</u>
Kingspoint Shopping Centre	Brampton	100%	204,113	-	100.0%	Giant Tiger, GoodLife Fitness
Laurentian Power Centre	Kitchener	100%	69,223	116,770	100.0%	RONA*, Zehrs*, Crazy Bins
Leaside SmartCentre (I)	East York	100%	257,961	-	100.0%	Home Depot*, Winners, Farm Boy, Sport Chek, Best Buy
Lincoln Value Centre	St. Catharines	100%	340,621	21,775	99.4%	Walmart Supercentre, Canadian Tire
London East Argyle Mall	London	100%	425,234	-	100.0%	Walmart Supercentre, Toys R Us, No Frills
London North SmartCentre	London	50%	249,931	-	100.0%	Walmart Supercentre, Canadian Tire*, Marshalls, Winners
London Northwest SmartCentre	London	100%	36,214	83,126	100.0%	RONA*
Markham East SmartCentre	Markham	40%	69,008	-	100.0%	Walmart Supercentre
Markham Woodside II SmartCentre	Markham	50%	16,716	-	100.0%	Levida Furniture, LCBO
Markham Woodside SmartCentre	Markham	50%	153,044	9,675	100.0%	Home Depot, Longo's*, Winners
Milton Walmart Centre	Milton	50%	116,992	-	100.0%	Walmart Supercentre*, Canadian Tire*
Mississauga (Erin Mills) SmartCentre	Mississauga	100%	290,576	-	96.8%	Walmart Supercentre, No Frills
Mississauga (Go Lands) SmartCentre	Mississauga	100%	119,612	-	100.0%	Real Canadian Superstore*, Toys R Us
Mississauga (Meadowvale) SmartCentre	Mississauga	100%	557,861	14,880	75.7%	Walmart Supercentre, Team Town, Winners
Niagara Falls SmartCentre	Niagara Falls	100%	249,745	-	100.0%	Walmart Supercentre

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Retail Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Anchors</u>
Oakville SmartCentre	Oakville	100%	461,307	5,042	100.0%	Walmart Supercentre, Real Canadian Superstore
Orillia SmartCentre	Orillia	100%	255,863	43,200	100.0%	Walmart Supercentre
Orleans SmartCentre (I)	Orleans	100%	384,019	-	100.0%	Walmart Supercentre, Canadian Tire*, RD Furniture
Orleans SmartCentre (II)	Orleans	60%	43,122	57,574	100.0%	Indigo, Marshalls
Oshawa North SmartCentre	Oshawa	100%	582,367	15,374	98.8%	Walmart Supercentre, Real Canadian Superstore, Home Depot*, Marshalls
Oshawa North SmartCentre (II)	Oshawa	100%	163,259	8,000	100.0%	Winners, FreshCo
Oshawa South SmartCentre	Oshawa	100%	536,742	4,925	99.1%	Walmart Supercentre, Lowe's, Sail
Ottawa (Laurentian Place) SmartCentres	Ottawa	100%	187,312	10,979	100.0%	Walmart Supercentre
Ottawa South SmartCentre	Ottawa	50%	249,502	3,092	100.0%	Walmart Supercentre, Loblaws, Cineplex, Marshalls
Owen Sound SmartCentre	Owen Sound	100%	163,101	4,900	100.0%	Walmart Supercentre, Home Depot*
Pickering SmartCentre	Pickering	100%	492,763	32,715	99.8%	Walmart Supercentre, Lowe's, Canadian Tire*, Memon Supermarket, Toys R Us
Port Elgin SmartCentre	Port Elgin	100%	122,771	-	100.0%	Walmart Supercentre
Port Perry SmartCentre	Port Perry	100%	138,789	8,739	100.0%	Walmart Supercentre

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Retail Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Anchors</u>
Rexdale SmartCentre	Etobicoke	100%	35,174	-	100.0%	Walmart Supercentre*
Richmond Hill SmartCentre	Richmond Hill	50%	136,306	-	98.3%	Walmart Supercentre, Food Basics
Rockland SmartCentre	Rockland	100%	147,592	5,000	96.5%	Walmart Supercentre, RONA*
Rutherford Village Shopping Centre	Vaughan	100%	104,328	-	93.8%	Freshco
Sarnia SmartCentre	Sarnia	100%	342,617	36,400	97.1%	Walmart Supercentre
Scarborough (1900 Eglinton) SmartCentre	Scarborough	100%	380,090	-	100.0%	Walmart Supercentre, Winners
Scarborough East SmartCentre	Scarborough	100%	282,156	-	100.0%	Walmart Supercentre, Cineplex
Simcoe SmartCentre	Simcoe	100%	139,919	-	100.0%	Walmart Supercentre
South Oakville Centre	Oakville	100%	156,972	47,890	96.8%	Metro
St. Catharines West SmartCentre (I)	St. Catharines	100%	402,219	-	97.2%	Walmart Supercentre, Real Canadian Superstore*, Canadian Tire*, Best Buy, Tepperman's
St. Catharines West SmartCentre (II)	St. Catharines	100%	120,438	-	100.0%	The Brick
St. Thomas SmartCentre	St. Thomas	100%	224,390	-	100.0%	Walmart Supercentre, Real Canadian Superstore*, Canadian Tire*
Stoney Creek SmartCentre	Stoney Creek	100%	278,986	87,100	99.3%	Walmart Supercentre, Toys R Us
Stouffville SmartCentre	Stouffville	100%	185,980	32,930	100.0%	Walmart Supercentre*, Canadian Tire, Winners
Sudbury South SmartCentre	Sudbury	100%	233,046	-	100.0%	Walmart Supercentre

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Retail Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Anchors</u>
Toronto Premium Outlets	Halton Hills	50%	252,580	-	99.7%	-
Toronto Stockyards SmartCentre	Toronto	100%	8,615	-	100.0%	Walmart Supercentre*
Vaughan (400 & 7) SmartCentre	Vaughan	100%	176,929	76,093	100.0%	The Brick, Home Depot*
Vaughan Applewood Centre	Vaughan	50%	69,887	-	100.0%	Walmart Supercentre
Vaughan Metropolitan Centre	Vaughan	50%	19,340	-	0	-
Vaughan Metropolitan Centre (W)	Vaughan	67%	47,524	-	0	-
Vaughan Northwest SmartCentre	Vaughan	100%	186,247	17,000	100.0%	Walmart Supercentre
Waterloo SmartCentre	Waterloo	100%	181,623	13,430	98.7%	Walmart Supercentre
Welland SmartCentre	Welland	100%	305,371	10,725	100.0%	Walmart Supercentre, Canadian Tire*, RONA
Westside Mall	Toronto	100%	138,794	-	98.0%	Canadian Tire, FreshCo
Whitby North SmartCentre	Whitby	100%	279,152	-	100.0%	Walmart Supercentre, Real Canadian Superstore*
Whitby Northeast SmartCentre	Whitby	100%	39,249	-	100.0%	-
Whitby Shores Shopping Centre	Whitby	100%	85,908	-	100.0%	Metro
Windsor South SmartCentre	Windsor	100%	233,636	-	100.0%	Walmart Supercentre
Woodbridge SmartCentre	Woodbridge	50%	217,122	-	100.0%	Canadian Tire*, Fortinos*, Winners, Best Buy, Toys R Us
Woodstock SmartCentre	Woodstock	100%	257,227	6,500	97.6%	Walmart Supercentre, Canadian Tire*

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Retail Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Anchors</u>
Yorkgate Shopping Centre	Toronto	100%	213,704	-	88.1%	No Frills, City of Toronto
Blainville SmartCentre	Blainville	100%	221,051	-	99.1%	Walmart Supercentre
Hull SmartCentre	Hull	50%	161,107	-	97.6%	Walmart Supercentre, Loblaws*, RONA*, Famous Players*, Super C*, Winners
Kirkland SmartCentre	Kirkland	100%	185,967	27,224	100.0%	Walmart Supercentre, The Brick
Lachenaie SmartCentre	Lachenaie	100%	286,647	61,429	100.0%	Walmart Supercentre
Laval Centre	Laval	100%	159,779	-	100.0%	Walmart Supercentre, Leon's*
Laval East SmartCentre	Laval	100%	572,294	57,124	98.0%	Walmart Supercentre, Canadian Tire, IGA
Laval West SmartCentre	Laval	100%	560,831	25,786	100.0%	Walmart Supercentre, RONA, Canadian Tire*, IGA*
Mascouche North SmartCentre	Mascouche	100%	62,801	33,789	85.7%	RONA*
Mascouche SmartCentre	Mascouche	100%	407,785	-	100.0%	Walmart Supercentre, IGA, Meubles RD, Winners
Montreal (Decarie) SmartCentre	Montreal	50%	130,420	-	100.0%	Walmart Supercentre, Toys R Us
Montreal North SmartCentre	Montreal	100%	267,563	15,747	100.0%	Walmart Supercentre, IGA
Montreal Premium Outlets	Mirabel	50%	183,703	-	99.0%	-
Place Bourassa Mall	Montreal	100%	266,167	-	92.5%	Canadian Tire, Super C

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Retail Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Anchors</u>
Pointe Claire SmartCentre	Pointe Claire	100%	325,968	-	91.7%	Walmart Supercentre, Home Depot
Rimouski SmartCentre	Rimouski	100%	242,853	-	96.6%	Walmart Supercentre, Tanguay*, Super C*
Saint-Constant SmartCentre	Saint-Constant	100%	361,611	-	99.3%	Walmart Supercentre, Home Depot*, Super C
Saint-Jean SmartCentre	Saint-Jean	100%	249,981	-	98.8%	Walmart Supercentre, Maxi*
Saint-Jerome SmartCentre	Saint-Jerome	100%	164,001	-	100.0%	Walmart Supercentre*, Home Depot*, IGA
Sherbrooke SmartCentre	Sherbrooke	100%	243,804	-	100.0%	Walmart Supercentre, Canadian Tire*, Home Depot*, The Brick
Valleyfield Plaza	Valleyfield	100%	54,193	-	100.0%	-
Valleyfield SmartCentre	Valleyfield	100%	188,252	-	96.3%	Walmart Supercentre
Vaudreuil SmartCentre	Vaudreuil-Dorion	100%	16,941	-	100.0%	Walmart Supercentre*
Victoriaville SmartCentre	Victoriaville	100%	37,784	-	100.0%	Walmart Supercentre*, Home Depot*, Maxi*
Fredericton North SmartCentre	Fredericton	100%	11,390	-	100.0%	Walmart Supercentre*, Canadian Tire*, Kent*
Saint John SmartCentre	Saint John	100%	271,997	-	99.4%	Walmart Supercentre, Kent*, Canadian Tire*
Colby Village Plaza	Dartmouth	100%	152,633	-	97.1%	Walmart, Atlantic Superstore (Loblaws)
Halifax Bayers Lake Centre	Halifax	100%	167,988	-	100.0%	Atlantic Superstore (Loblaws)*, Toys R Us

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Retail Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Anchors</u>
Charlottetown SmartCentre	Charlottetown	100%	225,057	5,000	98.5%	Walmart Supercentre, Home Depot*, Toys R Us*
Corner Brook SmartCentre	Corner Brook	100%	179,114	-	100.0%	Walmart, Canadian Tire*, Dominion (Loblaw)*
Mount Pearl SmartCentre	Mount Pearl	100%	311,512	-	96.1%	Walmart Supercentre, Dominion (Loblaw)*, Canadian Tire*, Staples
St. John's Central SmartCentre	St. John's	100%	157,773	-	99.0%	Walmart Supercentre*, Home Depot*, Canadian Tire*, Sobeys
St. John's East SmartCentre	St. John's	100%	271,571	11,639	93.4%	Walmart Supercentre, Dominion (Loblaw)*
St. John's Stavanger SmartCentre	St. John's	100%	88,133	-	100.0%	Marshall's, Staples
Total			34,671,315	1,451,588		

Notes:

* Non-owned anchor

(1) Represents SmartCentres' interest in the net rentable area of the property. Future area may include existing area that requires further redevelopment.

Office Properties

The following table sets forth certain summary information as at December 31, 2024, with respect to the office properties in the Property Portfolio:

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Anchors</u>
British Colonial Building	Toronto	100%	11,300	-	100.0%	-
Ottawa (Laurentian Place) SmartCentre	Ottawa	100%	74,842	-	100.0%	Stantec
Pointe Claire SmartCentre	Pointe Claire	100%	58,823	-	100.0%	-

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Anchors</u>
Vaughan Metropolitan Centre	Vaughan	50%	243,226	-	97.9%	KPMG, PwC, GFL, FM Global
Total			388,191	-		

Note:

(1) Represents SmartCentres' interest in the net rentable area of the property.

Street Retail Properties

The following table sets forth certain summary information as at December 31, 2024, with respect to the street retail properties in the Property Portfolio:

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Anchors</u>
2131 Lakeshore Blvd. W.	Toronto	100%	2,026	-	0.0%	-
411 Church St.	Toronto	100%	7,168	-	100.0%	-
Total			9,194	-		

Note:

(1) Represents SmartCentres' interest in the net rentable area of the property.

Industrial Properties

The following table sets forth certain summary information as at December 31, 2024, with respect to the Industrial properties in the Property Portfolio:

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Area⁽¹⁾</u>	<u>Occupancy</u>	<u>Anchors</u>
Pickering Industrial (Seaton)	Pickering	100%	228,526	-	100.0%	Goodkang Canada Logistics, TJP Labs
Total			228,526	-		

Note:

(1) Represents SmartCentres' interest in the net rentable area of the property. Future area may include existing area that requires further redevelopment.

Self-Storage Properties

The following table sets forth certain summary information as at December 31, 2024, with respect to the self-storage properties in the Property Portfolio:

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Future Area⁽¹⁾</u>	<u>Number of Units</u>
Aurora Self-Storage	Aurora	50%	49,750	-	960 self-storage units
Bramport Self-Storage	Brampton	50%	50,100	-	1,050 self-storage units
Brampton Kingspoint Self-Storage	Brampton	50%	48,500	-	1,070 self-storage units
Dupont Self-Storage	Toronto	50%	23,050	-	730 self-storage units
Leaside Self-Storage	Toronto	50%	49,750	-	1,000 self-storage units
Markham Boxgrove Self-Storage	Markham	50%	47,500	-	930 self-storage units
Oshawa South Self-Storage	Oshawa	50%	46,350	-	950 self-storage units
Scarborough East Self-Storage	Scarborough	50%	49,000	-	1,000 self-storage units
Stoney Creek Self-Storage	Stoney Creek	50%	49,500	-	970 self-storage units
Vaughan Northwest Self-Storage	Vaughan	50%	42,450	-	880 self-storage units
Whitby Self-Storage	Whitby	50%	42,250	-	870 self-storage units
Total			498,200	-	

Note:

(1) Represents SmartCentres' interest in the net rentable area of the property.

Rental Apartment Properties

The following table sets forth certain summary information as at December 31, 2024, with respect to the rental apartment properties in the Property Portfolio:

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Net Rentable Area⁽¹⁾</u>	<u>Number of Units</u>
Laval Centre Apartments	Laval	50%	162,303	382 rental apartment units
Mascouche Apartments	Mascouche	80%	165,348	238 rental apartment units
Millway Apartments	Vaughan	50%	160,620	458 rental apartment units
Total			488,271	

Notes:

(1) Represents SmartCentres' interest in the net rentable area of the property.

Development Lands

The following table sets forth certain summary information as at December 31, 2024, with respect to the development lands in the Property Portfolio:

<u>Property</u>	<u>Location</u>	<u>Ownership Interest</u>	<u>Area Upon Completion</u> ^(1, 2)	<u>Anchors</u>
185 Balliol St. Apartments	Toronto	75%	332 units	-
Aurora Residential	Aurora	100%	TBD	-
Barrie Waterfront Apartments	Barrie	50%	850 units	-
Dunnville SmartCentre	Dunnville	100%	TBD	Canadian Tire*, Sobeys*
Gander	Gander	100%	TBD	Walmart Supercentre*
Gilbert Self-Storage	Toronto	50%	61,900	-
Jane Self-Storage	Toronto	50%	52,300	-
Jonquiere SmartCentre	Jonquiere	100%	TBD	-
Laval East Self-Storage	Laval	50%	62,500	-
Leaside SmartCentres (II)	Toronto	50%	111,930	Canadian Tire
Markham Main Street	Markham	100%	TBD	-
Mirabel SmartCentre (I)	Mirabel	66%	TBD	-
Mirabel SmartCentre (II)	Mirabel	75%	72,647	-
Notre Dame Self-Storage	Montreal	50%	62,000	-
Ottawa SW	Ottawa	50%	402 units	-
Regent Self-Storage	Burnaby	50%	46,500	-
St-Regis Self-Storage	St. Regis	50%	58,200	-
StudioCentre	Toronto	50%	10,179	-
Vaughan Metropolitan Centre	Vaughan	50%	5,000,000	-
Vaughan Metropolitan Centre (W)	Vaughan	67%	6,666,667	-
Total			12,204,823	

Notes:

* Non-owned anchor

(1) Represents an estimated square footage area or number of units where such can be reasonably determined, or if not estimated, labeled as "To Be Determined" ("TBD").

(2) Represents an estimated net rentable area for self-storage properties.

Tenant Mix

The following table illustrates the top ten tenants for the Property Portfolio as at December 31, 2024, in terms of their percentage contribution to gross rental revenues of the Property Portfolio:

<u>Tenant</u>	<u>% of Gross Rental Revenues</u>
Walmart	23.2%
Canadian Tire, Mark's and FGL Sports	4.5%
Winners, HomeSense and Marshalls	4.4%

<u>Tenant</u>	<u>% of Gross Rental Revenues</u>
Loblaws and Shoppers Drug Mart	2.8%
Sobeys, IGA and Farm Boy	2.1%
Dollarama	2.1%
LCBO	1.7%
Lowes and RONA	1.6%
Michaels	1.6%
Best Buy	1.4%
Total	45.4%

Occupancy Rates

The Property Portfolio has experienced high occupancy rates overall. The in-place occupancy rate was 98.2% and in-place and committed occupancy rate was 98.7% as of December 31, 2024.

The following table summarizes the lease maturities for the Property Portfolio as at December 31, 2024:

<u>Expiries by Year</u>	<u>Area</u>	<u>% of Total Area</u>
Month-to-month and holdovers	731,629	2.1%
2025	2,923,385	8.3%
2026	4,095,883	11.6%
2027	5,404,586	15.3%
2028	4,829,031	13.7%
2029	6,283,461	17.8%
2030	2,757,829	7.8%
2031	1,264,387	3.6%
2032	1,908,485	5.4%
2033	1,208,210	3.4%
2034	1,233,296	3.5%
2035	711,336	2.0%
Beyond	717,654	2.1%
Vacant	643,235	1.8%
Total Retail	34,712,407	98.4%
Total Office	359,018	1.0%
Total Industrial	228,525	0.6%
Total Retail and Office/Industrial	35,299,950	100.0%

Financing

The following table summarizes the principal mortgage debt repayments (excluding capital lease obligations) on SmartCentres' portfolio of income producing properties (assuming debt is not renewed on maturity) as at December 31, 2024:

	Payments of Principal (\$'000)	Debt Maturing During Year (\$'000)	Total (\$'000)	% of Total	Weighted Average Interest Rate of Debt
Secured Debt					
2025	23,419	409,371	432,790	8.58%	3.54%
2026	13,037	102,331	115,368	2.29%	4.06%
2027	8,167	—	8,167	0.16%	—%
2028	8,146	15,753	23,899	0.47%	5.39%
2029	8,187	8,243	16,430	0.33%	5.09%
Thereafter	13,059	107,807	120,866	2.40%	4.85%
Mark-To-Market Adjustment			156	—%	
Deferred Financing Costs			(1,181)	(0.02%)	
Total Secured Debt			716,495	14.20%	3.97%
Unsecured Debt					
Unsecured Debentures					
2025		510,000	510,000	10.11%	2.32%
2026		250,000	250,000	4.95%	3.44%
2027		550,000	550,000	10.90%	3.48%
2028		600,000	600,000	11.89%	3.83%
2029		450,000	450,000	8.92%	3.53%
2030		650,000	650,000	12.88%	4.46%
Deferred Financing Costs			(6,807)	(0.13%)	
Other Unsecured Debt					
Credit Facilities			1,076,400	21.33%	4.14%
Deferred Financing Costs, debt modification adjustment, and others			(2,876)	(0.06%)	
Total Unsecured Debt			4,076,717	80.79%	3.77%
Unsecured Debt due to Equity Accounted Investments			114,023	2.26%	—%
TRS debt			95,995	1.90%	5.54%
Revolving Operating Facilities⁽¹⁾			43,049	0.85%	4.75%
Total Debt - GAAP			5,046,279	100.00%	3.78%

Notes:

(1) As at December 31, 2024, SmartCentres had two revolving operating facilities with \$43.0 million drawn on the lines of credit and another \$11.7 million outstanding in letters of credit, resulting in unused operating facilities of \$795.3 million.

DECLARATION OF TRUST AND DESCRIPTION OF UNITS

General

SmartCentres' is an unincorporated open-end real estate investment trust established by the Declaration of Trust and governed by the laws of the Province of Alberta.

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 December 31, 2024, SmartCentres had 144,687,634 Units and 42,695,963 Special Voting Units outstanding for a total of 187,383,597 outstanding Voting Units.

Units

An unlimited number of Units may be created and issued pursuant to the Declaration of Trust. The Declaration of Trust provides that Units or rights to acquire Units may be issued at times, to the persons, for the consideration and on the terms and conditions that the Trustees determine. Each Unit represents an equal fractional undivided beneficial interest in any distributions from SmartCentres and in any 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 (i) 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, (ii) is fully paid and non-assessable and (iii) entitles the holder thereof to one vote at all meetings of Unitholders for each Unit held.

At the request of the TSX, SmartCentres re-designated its trust units as "Variable Voting Units" effective as of July 8, 2015. Such designation will cease on the termination of the Voting Top-Up Right.

The Units do not represent a traditional investment and should not be viewed by investors as "shares" in SmartCentres. As holders of Units in SmartCentres, the Unitholders do not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions.

The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that act or any other legislation. Furthermore, SmartCentres is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Special Voting Units

An unlimited number of Special Voting Units may be created and issued pursuant to the Declaration of Trust. Special Voting Units, other than Additional Special Voting Units issued pursuant to the Voting Top-Up Right, 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 Voting 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 issued pursuant to the Voting Top-Up Right, 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, the average weighted aggregate number of Special Voting Units plus Units held 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 issued to the MG Entities as described below) is equal to or greater than the lesser of (i) 20% of the aggregate issued and outstanding Units plus Special Voting Units and (ii) 22,800,000 Units plus Special Voting Units provided that such securities represent no less than 10% of the voting rights attached to all of the issued and outstanding Units and Special Voting Units at the time of such Issuance, then so long as Mitchell Goldhar or another individual appointed by the MG Entities remains a Trustee at the time of such Issuance and the MG Entities directly or indirectly beneficially own or control less than 25% of the voting rights attached to all voting securities of SmartCentres, SmartCentres shall issue (an “**Issuance**”) such number of additional Special Voting Units (the “**Additional Special Voting Units**”) which will entitle Mitchell Goldhar (while he remains alive) or the MG Entities (if Mitchell Goldhar is not alive) to cast 25% of the 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**”). On each record date for a Unitholder meeting, to the extent 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 represent more than 25% of the aggregate votes eligible to be cast at such meeting, then a number of Additional Special Voting Units will automatically be cancelled 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 (absent an earlier extension or other amendment to delay or modify such cancellation). SmartCentres issued 12,324 Special Voting Units during 2024 in conjunction with the issuance of Class B and Class D limited partnership units of its subsidiary limited partnerships. SmartCentres canceled 538,656 Additional Special Voting Units pursuant to the Voting Top-Up Right in 2024.

Exchangeable Securities and Other Convertible Securities

LP I

LP I, a subsidiary of SmartCentres, is a limited partnership formed under the laws of the Province of Alberta and governed by its limited partnership agreement.

LP I may issue an unlimited number of (i) LP I Class A Units, (ii) LP I Class B Units, (iii) LP I Class C Units, (iv) LP I Class D Units, (v) LP I Class E Units, and (vi) LP I Class F Units.

Holders of any series of LP I Class B Units and LP I Class C Units are considered to be general partners for the purposes of the *Partnership Act* (Alberta) while holders of all other classes of units are considered to be limited partners for the purposes of the *Partnership Act* (Alberta). There shall be no restriction on the number of partnership units that a partner may hold in LP I. No fractional partnership units will be issued and no person shall have any rights to receive fractional partnership units or to receive cash in lieu of the issue of a fraction of a partnership unit.

Holders of LP I Class A Units, LP I Class B Units, and LP I Class D Units are entitled to notice of, and to attend and vote at, meetings of partners of LP I. Holders of LP I Class C Units, LP I Class E Units, and LP I Class F Units are entitled to notice of, and to attend, meetings of partners of LP I but are not entitled to vote thereat. At meetings of partners of LP I, the holders of LP I Class A Units shall have 20 votes for each LP I Class A Unit held and the holders of LP I Class B Units and LP I Class D Units shall have 1 vote for each such partnership unit held.

Holders of LP I Class B Units and LP I Class D Units are entitled to exchange such units in consideration for Units pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing LP I and the applicable Exchange Agreements. Holders of the first two series of LP I Class C Units are entitled to exchange such LP I Class C Units in consideration for LP I Class B Units of the same series and/or cash pursuant to and subject to the terms and conditions set out in the applicable Exchange Agreements. Holders of the third series of LP I Class C Units are entitled to exchange such LP I Class C Units in consideration for LP I Class F Units of the same series and/or cash pursuant to and subject to the terms and conditions set out in the limited partnership agreement and the applicable Exchange Agreement. Holders of a particular series of LP I Class E Units are entitled to exchange such LP I Class E Units in consideration for LP I Class D Units of the same series and/or cash pursuant to and subject to the

terms and conditions set out in the limited partnership agreement governing LP I and the applicable Exchange Agreement. Holders of the LP I Class F Units are entitled to exchange their LP I Class F Units in consideration for the first series of LP I Class B Units and/or cash pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing LP I and the applicable Exchange Agreement.

Subject to the restrictions contained in the limited partnership agreement governing LP I and subject to the prior written consent of the majority general partner (i.e. Smart GP Inc., a subsidiary of SmartCentres), partnership units may be transferred by a partner. The majority general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non-Resident or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act and in certain of other circumstances.

The LP I Class B Units and LP I Class D Units are considered to be economically equivalent to Units. LP I Class B Units and LP I Class D Units have been presented as equity and a liability, respectively, in the consolidated financial statements of SmartCentres. A holder of a LP I Class B Unit or a LP I Class D Unit, of any series, is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding LP I Class B Unit or LP I Class D Unit is outstanding, to one vote at each meeting of Unitholders of SmartCentres.

As of December 31, 2024, there were (i) 80,715,971 LP I Class A Units, (ii) 16,424,430 LP I Class B Units, (iii) 5,031,072 LP I Class C Units, (iv) 311,022 LP I Class D Units, (v) 816,704 LP I Class E Units, and (vi) 8,708 LP I Class F Units issued and outstanding. As of December 31, 2024, SmartCentres owned all of the outstanding LP I Class A Units while others own all of the other outstanding LP I partnership units.

LP II

LP II, a subsidiary of SmartCentres, is a limited partnership formed under the laws of the Province of Alberta and governed by its limited partnership agreement.

LP II may issue an unlimited number of LP II Class A Units and LP II Class B Units. There shall be no restriction on the number of partnership units that a partner may hold in LP II. No fractional partnership units will be issued and no person shall have any rights to receive fractional partnership units or to receive cash in lieu of the issue of a fraction of a partnership unit.

Holders of LP II Class A Units and LP II Class B Units are entitled to notice, of and to attend and vote at, meetings of partners of LP II. At meetings of partners of LP II, the holders of LP II Class A Units shall have 5 votes for each LP II Class A Unit held and the holders of the LP II Class B Units shall have 1 vote for each LP II Class B Unit held.

Subject to the restrictions contained in the limited partnership agreement governing LP II and subject to the prior written consent of the general partner (i.e. Smart LP II Inc., a subsidiary of SmartCentres), partnership units may be transferred by a partner. The general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non-Resident or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act and in certain of other circumstances.

The LP II Class B Units are considered to be economically equivalent to Units and, accordingly, have been presented as equity in the consolidated financial statements of SmartCentres.

Holders of LP II Class B Units are entitled to exchange their LP II Class B Units in consideration for Units pursuant to and subject to the terms and conditions set out in the applicable Exchange Agreement.

As of December 31, 2024, there were 284,178 LP II Class A Units and 756,525 LP II Class B Units issued and outstanding. As of December 31, 2024, SmartCentres owned all of the outstanding LP II Class A Units while others own all of the other outstanding LP II Class B Units.

LP III

LP III, a subsidiary of SmartCentres, is a limited partnership formed under the laws of the Province of Alberta and governed by its limited partnership agreement.

LP III may issue an unlimited number of LP III Class A Units, LP III Class B Units and LP III Class C Units. There shall be no restriction on the number of partnership units that a partner may hold in LP III. No fractional partnership units will be issued and no person shall have any rights to receive fractional partnership units or to receive cash in lieu of the issue of a fraction of a partnership unit.

Holders of LP III Class A Units and LP III Class B Units are entitled to notice, of and to attend and vote at, meetings of partners of LP III. At meetings of partners of LP III, the holders of LP III Class A Units shall have 20 votes for each LP III Class A Unit held, and the holders of LP III Class B Units shall have 1 vote for each LP III Class B Unit held and the holders of LP III Class C Units shall have nil votes for each LP III Class C Unit held.

Subject to the restrictions contained in the limited partnership agreement governing LP III and subject to the prior written consent of the majority general partner (i.e. Smart GP III Inc., a subsidiary of SmartCentres), partnership units may be transferred by a partner. The general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non-Resident or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act and in certain other circumstances.

The LP III Class B Units are considered to be economically equivalent to Units and, accordingly, have been presented as equity in the consolidated financial statements of SmartCentres. A holder of a LP III Class B Unit is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding LP III Class B Unit is outstanding, to one vote at each meeting of Unitholders of SmartCentres.

Holders of LP III Class B Units are entitled to exchange their LP III Class B Units in consideration for Units pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing LP III. Holders of a particular series of LP III Class C Units are entitled to exchange such LP III Class C Units in consideration for LP III Class B Units of the same series and/or cash pursuant to and subject to the terms and conditions set out in the applicable Exchange Agreement.

As of December 31, 2024, there were 27,590,405 LP III Class A Units, 4,129,420 LP III Class B Units and 1,613,308 LP III Class C Units issued and outstanding. As of December 31, 2024, SmartCentres owned all of the outstanding LP III Class A Units while others own all of the outstanding LP III Class B Units and LP III Class C Units.

LP IV

LP IV, a subsidiary of SmartCentres, is a limited partnership formed under the laws of the Province of Ontario and governed by its limited partnership agreement.

LP IV may issue an unlimited number of LP IV Class A Units, LP IV Class B Units and LP IV Class C Units. There shall be no restriction on the number of partnership units that a partner may hold in LP IV. No fractional partnership units will be issued and no person shall have any rights to receive fractional partnership units or to receive cash in lieu of the issue of a fraction of a partnership unit.

Holders of LP IV Class A Units and LP IV Class B Units are entitled to notice, of and to attend and vote at, meetings of partners of LP IV. At meetings of partners of LP IV, the holders of LP IV Class A Units shall have 20 votes for each LP IV Class A Unit held, and the holders of LP IV Class B Units shall have 1 vote for each LP IV Class B Unit held and the holders of LP IV Class C Units shall have nil votes for each LP IV Class C Unit held.

Subject to the restrictions contained in the limited partnership agreement governing LP IV and subject to the prior written consent of the majority general partner (i.e. Smart GP IV Inc., a subsidiary of SmartCentres), partnership units may be transferred by a partner. The general partner has the right to deny the transfer of partnership units including,

without limitation, any transfer to a Non-Resident or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act and in certain other circumstances.

The LP IV Class B Units are considered to be economically equivalent to Units and, accordingly, have been presented as equity in the consolidated financial statements of SmartCentres. A holder of a LP IV Class B Unit is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding LP IV Class B Unit is outstanding, to one vote at each meeting of Unitholders of SmartCentres.

Holders of LP IV Class C Units are entitled to exchange their LP IV Class C Units in consideration for LP IV Class B Units and/or cash pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing LP IV. Holders of LP IV Class B Units are entitled to exchange their LP IV Class B Units in consideration for Units pursuant to and subject to the terms and conditions set out in the applicable Exchange Agreement.

As of December 31, 2024, there were 7,628,444 LP IV Class A Units, 3,112,565 LP IV Class B Units and 375,758 LP IV Class C Units issued and outstanding. As of December 31, 2024, SmartCentres owned all of the outstanding LP IV Class A Units while others own all of the outstanding LP IV Class B Units and LP IV Class C Units.

Oshawa South LP

Oshawa South LP, a subsidiary of SmartCentres, is a limited partnership formed under the laws of the Province of Ontario and governed by its limited partnership agreement.

Oshawa South LP may issue an unlimited number of (i) Oshawa South LP Class A Units, (ii) Oshawa South LP Class B Units, (iii) Oshawa South LP Class C Units, (iv) Oshawa South LP Class D Units and (v) Oshawa South LP Class E Units.

Holders of any series of Oshawa South LP Class B Units and Oshawa South LP Class C Units are considered to be general partners for the purposes of the *Limited Partnerships Act* (Ontario) while holders of all other classes of units are considered to be limited partners for the purposes of the *Limited Partnerships Act* (Ontario). There shall be no restriction on the number of partnership units that a partner may hold in Oshawa South LP. No fractional partnership units will be issued and no person shall have any rights to receive fractional partnership units or to receive cash in lieu of the issue of a fraction of a partnership unit.

Holders of Oshawa South LP Class A Units, Oshawa South LP Class B Units, and Oshawa South LP Class D Units are entitled to notice of, and to attend and vote at, meetings of partners of Oshawa South LP. Holders of Oshawa South LP Class C Units and Oshawa South LP Class E Units are entitled to notice of, and to attend, meetings of partners of Oshawa South LP but are not entitled to vote thereat. At meetings of partners of Oshawa South LP, the holders of Oshawa South LP Class A Units shall have 20 votes for each Oshawa South LP Class A Unit held and the holders of Oshawa South LP Class B Units and Oshawa South LP Class D Units shall have 1 vote for each such partnership unit held.

Subject to the restrictions contained in the limited partnership agreement governing Oshawa South LP and subject to the prior written consent of the majority general partner (i.e. Smart Oshawa South GP Inc., a subsidiary of SmartCentres), partnership units may be transferred by a partner. The majority general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non-Resident or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act and in certain of other circumstances.

The Oshawa South LP Class B Units and the Oshawa South LP Class D Units are considered to be economically equivalent to Units. Oshawa South LP Class B Units and Oshawa South LP Class D Units have been presented as equity and a liability, respectively, in the consolidated financial statements. A holder of an Oshawa South LP Class B Unit or an Oshawa South LP Class D Unit, of any series, is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding Oshawa South LP Class B Unit or Oshawa South LP Class D Unit is outstanding, to one vote at each meeting of Unitholders of SmartCentres.

Holders of Oshawa South LP Class C Units are entitled to exchange their Oshawa South LP Class C Units in consideration for Oshawa South LP Class B Units and/or cash pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing Oshawa South LP. Holders of Oshawa South LP Class B Units are entitled to exchange their Oshawa South LP Class B Units in consideration for Units pursuant to and subject to the terms and conditions set out in the applicable Exchange Agreement. Holders of Oshawa South LP Class E Units are entitled to exchange their Oshawa South LP Class E Units in consideration for Oshawa South LP Class D Units and/or cash pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing Oshawa South LP. Holders of Oshawa South LP Class D Units are entitled to exchange their Oshawa South LP Class D Units in consideration for Units pursuant to and subject to the terms and conditions set out in the applicable Exchange Agreement.

As of December 31, 2024, there were (i) 3,739,813 Oshawa South LP Class A Units, (ii) 710,416 Oshawa South LP Class B Units, (iii) 21,082 Oshawa South LP Class C Units, (iv) 260,417 Oshawa South LP Class D Units, and (v) 5,503 Oshawa South LP Class E Units issued and outstanding. As of December 31, 2024, SmartCentres owned all of the outstanding Oshawa South LP Class A Units while others own all of the other outstanding Oshawa South LP partnership units.

Oshawa Taunton LP

Oshawa Taunton LP, a subsidiary of SmartCentres, is a limited partnership formed under the laws of the Province of Ontario and governed by its limited partnership agreement.

Oshawa Taunton LP may issue an unlimited number of (i) Oshawa Taunton LP Class A Units, (ii) Oshawa Taunton LP Class B Units, (iii) Oshawa Taunton LP Class C Units, (iv) Oshawa Taunton LP Class D Units and (v) Oshawa Taunton LP Class E Units.

Holders of any series of Oshawa Taunton LP Class B Units and Oshawa Taunton LP Class C Units are considered to be general partners for the purposes of the *Limited Partnerships Act* (Ontario) while holders of all other classes of units are considered to be limited partners for the purposes of the *Limited Partnerships Act* (Ontario). There shall be no restriction on the number of partnership units that a partner may hold in Oshawa Taunton LP. No fractional partnership units will be issued and no person shall have any rights to receive fractional partnership units or to receive cash in lieu of the issue of a fraction of a partnership unit.

Holders of Oshawa Taunton LP Class A Units, Oshawa Taunton LP Class B Units and Oshawa Taunton LP Class D Units are entitled to notice of, and to attend and vote at, meetings of partners of Oshawa Taunton LP. Holders of Oshawa Taunton LP Class C Units and Oshawa Taunton LP Class E Units are entitled to notice of, and to attend, meetings of partners of Oshawa Taunton LP but are not entitled to vote thereat. At meetings of partners of Oshawa Taunton LP, the holders of Oshawa Taunton LP Class A Units shall have 20 votes for each Oshawa Taunton LP Class A Unit held and the holders of Oshawa Taunton LP Class B Units and Oshawa Taunton LP Class D Units shall have 1 vote for each such partnership unit held.

Subject to the restrictions contained in the limited partnership agreement governing Oshawa Taunton LP and subject to the prior written consent of the majority general partner (i.e. Smart Oshawa Taunton GP Inc., a subsidiary of SmartCentres), partnership units may be transferred by a partner. The majority general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non-Resident or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act and in certain of other circumstances.

The Oshawa Taunton LP Class B Units and the Oshawa Taunton LP Class D Units are considered to be economically equivalent to Units. Oshawa Taunton LP Class B Units and Oshawa Taunton LP Class D Units have been presented as equity and a liability, respectively, in the consolidated financial statements. A holder of an Oshawa Taunton LP Class B Unit or an Oshawa Taunton LP Class D Unit, of any series, is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding Oshawa Taunton LP Class B Unit or Oshawa Taunton LP Class D Unit is outstanding, to one vote at each meeting of Unitholders of SmartCentres.

Holders of Oshawa Taunton LP Class C Units are entitled to exchange their Oshawa Taunton LP Class C Units in consideration for Oshawa Taunton LP Class B Units and/or cash pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing Oshawa Taunton LP. Holders of Oshawa Taunton LP Class B Units are entitled to exchange their Oshawa Taunton LP Class B Units in consideration for Units pursuant to and subject to the terms and conditions set out in the applicable Exchange Agreement. Holders of Oshawa Taunton LP Class E Units are entitled to exchange their Oshawa Taunton LP Class E Units in consideration for Oshawa Taunton LP Class D Units and/or cash pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing Oshawa Taunton LP. Holders of Oshawa Taunton LP Class D Units are entitled to exchange their Oshawa Taunton LP Class D Units in consideration for Units pursuant to and subject to the terms and conditions set out in the applicable Exchange Agreement.

As of December 31, 2024, there were (i) 637,895 Oshawa Taunton LP Class A Units, (ii) 374,223 Oshawa Taunton LP Class B Units, (iii) 132,711 Oshawa Taunton LP Class C Units, (iv) nil Oshawa Taunton LP Class D Units, and (v) 132,711 Oshawa Taunton LP Class E Units issued and outstanding. As of December 31, 2024, SmartCentres owned all of the outstanding Oshawa Taunton LP Class A Units while others own all of the other outstanding Oshawa Taunton LP partnership units.

Boxgrove LP

Boxgrove LP, a subsidiary of SmartCentres, is a limited partnership formed under the laws of the Province of Ontario and governed by its limited partnership agreement.

Boxgrove LP may issue an unlimited number of Boxgrove LP Class A Units, Boxgrove LP Class B Units, Boxgrove LP Class C Units and Boxgrove LP Class G Units. There shall be no restriction on the number of partnership units that a partner may hold in Boxgrove LP. No fractional partnership units will be issued and no person shall have any rights to receive fractional partnership units or to receive cash in lieu of the issue of a fraction of a partnership unit.

Holders of Boxgrove LP Class A Units and Boxgrove LP Class B Units are entitled to notice, of and to attend and vote at, meetings of partners of Boxgrove LP. At meetings of partners of Boxgrove LP, the holders of Boxgrove LP Class A Units shall have 20 votes for each Boxgrove LP Class A Unit held, and the holders of Boxgrove LP Class B Units shall have 1 vote for each Boxgrove LP Class B Unit held and the holders of Boxgrove LP Class C Units and Boxgrove LP Class G Units shall have nil votes for each Boxgrove LP Class C Unit and Boxgrove LP Class G Unit held.

Subject to the restrictions contained in the limited partnership agreement governing Boxgrove LP and subject to the prior written consent of the majority general partner (i.e. Smart Boxgrove GP Inc., a subsidiary of SmartCentres), partnership units may be transferred by a partner. The general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non-Resident or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act and in certain other circumstances.

The Boxgrove LP Class B Units are considered to be economically equivalent to Units and, accordingly, have been presented as equity in the consolidated financial statements of SmartCentres. A holder of a Boxgrove LP Class B Unit is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding Boxgrove LP Class B Unit is outstanding, to one vote at each meeting of Unitholders of SmartCentres.

Holders of Boxgrove LP Class C Units are entitled to exchange their Boxgrove LP Class C Units in consideration for Boxgrove LP Class B Units and/or cash or exchange their Boxgrove LP Class Units for the corresponding series of Boxgrove LP Class G Units pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing Boxgrove LP. Holders of Boxgrove LP Class B Units are entitled to exchange their Boxgrove LP Class B Units in consideration for Units pursuant to and subject to the terms and conditions set out in the applicable Exchange Agreement. Upon an earn-out settlement date for which there is an exchange of Boxgrove LP Class C Units for Boxgrove LP Class G Units, Boxgrove LP is required to make a non-interest bearing loan to the holders of such Boxgrove LP Class G Units in accordance with the terms set out in the limited partnership agreement. On or before the fifth Business Day after the last day of the fiscal year in which the earn-out settlement date occurred, Boxgrove

LP is required to make a distribution to the holders of such Boxgrove LP Class G Units in the aggregate amount equal to the total of all loan amounts, which distribution will be set-off to repay the amount of the loans.

As of December 31, 2024, there were 397,438 Boxgrove LP Class A Units, 170,000 Boxgrove LP Class B Units, 267,179 Boxgrove Class C Units and nil Boxgrove LP Class G Units issued and outstanding. As of December 31, 2024, SmartCentres owned all of the outstanding Boxgrove Class A Units while others own all of the other outstanding Boxgrove LP partnership units.

ONR Limited Partnership

ONR Limited Partnership is a limited partnership formed under the laws of the Province of Ontario and governed by its limited partnership agreement.

ONR Limited Partnership may issue an unlimited number of Class A units and Class B units, each issuable in series. No fractional partnership units or other interests in ONR Limited Partnership may be issued by ONR Limited Partnership or transferred by its partners.

Holders of Class A units of ONR Limited Partnership are entitled to one vote for each Class A unit held on any ordinary resolution or extraordinary resolution of the partnership which is proposed by the general partner or as required by law. The holders of Class B units of ONR Limited Partnership generally shall not be entitled to receive notice of or attend any meeting of limited partners or to vote at any such meeting.

Subject to the restrictions and procedures contained in the limited partnership agreement governing ONR Limited Partnership and generally subject to the prior approval of the partners, partnership units may be transferred by a partner. The general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non-Resident, a partnership that is not a “Canadian partnership” within the meaning of the Tax Act and a trust governed by certain savings plans and tax-free savings accounts under the Tax Act, and in certain other circumstances. In addition to the requirements under the limited partnership agreement, Class B units may only be transferred in accordance with the terms of the unit exchange agreement which includes the exchange procedures for Class B units and the purchase and support agreement between ONR Limited Partnership, SmartCentres and certain limited partnerships.

The Class B units of ONR Limited Partnership are considered to be economically equivalent to Units and have been presented as a financial liability in the consolidated financial statements of SmartCentres. A holder of a Class B unit is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding Class B unit is outstanding, to one vote at each meeting of Unitholders of SmartCentres. Holders of Class B units are entitled to exchange their Class B units of ONR Limited Partnership in consideration for Units pursuant to and subject to the terms and conditions set out in the unit exchange agreement and Class B units may also be exchangeable on a compulsory basis by the partnership.

As of December 31, 2024, there were 3,912,943,532 Class A units of ONR Limited Partnership and 1,186,431 Class B units of ONR Limited Partnership issued and outstanding. As of December 31, 2024, SmartCentres owned, directly or indirectly, all of the outstanding Class A units while others owned all of the outstanding Class B units.

ONR Limited Partnership I

ONR Limited Partnership I is a limited partnership formed under the laws of the Province of Ontario and governed by its limited partnership agreement.

ONR Limited Partnership I may issue an unlimited number of Class A units, Class B units and Class C units, each issuable in series, and an unlimited number of general partnership interests. There shall be no restriction on the number of limited partnership units that a partner may hold in the partnership.

Holders of Class A units of ONR Limited Partnership I are entitled to one vote for each Class A unit held. Class B units and Class C units of ONR Limited Partnership I are non-voting, except that holders of such units shall have the

right to vote as a class with respect to certain matters requiring an extraordinary resolution of holders of such class of units. In such circumstances, the holders of Class B units and Class C units, as applicable, shall have one vote for each Class B unit or Class C unit held.

Subject to the restrictions and procedures contained in the limited partnership agreement governing ONR Limited Partnership I, partnership units may be transferred by a partner. The general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non-Resident, a partnership that is not a “Canadian partnership” within the meaning of the Tax Act and a person that would acquire an interest in the partnership as a “tax shelter investment” for purposes of the Tax Act, and in certain other circumstances. In addition to the requirements under the limited partnership agreement, Class B units may only be transferred in accordance with the terms of the applicable Exchange Agreement.

The Class B units of ONR Limited Partnership I are considered to be economically equivalent to Units and have been presented as a financial liability in the consolidated financial statements of SmartCentres. A holder of a Class B unit is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding Class B unit is outstanding, to one vote at each meeting of Unitholders of SmartCentres. Holders of Class B units are entitled to exchange their Class B units of ONR Limited Partnership I in consideration for Units pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing ONR Limited Partnership I and the applicable Exchange Agreement.

Holders of Class C units of ONR Limited Partnership I are entitled to exchange their Class C units in consideration for Class B units of ONR Limited Partnership I and/or cash pursuant to and subject to the terms and conditions set out in the limited partnership agreement governing ONR Limited Partnership I in connection with certain earn-out events or upon expiry of the earn-out periods.

As of December 31, 2024, there were 38,000,010 Class A units of ONR Limited Partnership I, 272,183 Class B units of ONR Limited Partnership I and 429,599 Class C units of ONR Limited Partnership I issued and outstanding. As of December 31, 2024, SmartCentres indirectly owned all of the outstanding Class A units while others owned all of the outstanding Class B units and Class C units.

SmartVMC West LP

SmartVMC West LP, a subsidiary of SmartCentres, is a limited partnership formed under the laws of the Province of Ontario and governed by its limited partnership agreement.

SmartVMC West LP may issue an unlimited number of (i) SmartVMC West LP Class A Units, (ii) SmartVMC West LP Class D Units and an unlimited number of general partnership interests.

Holders of general partnership interests of SmartVMC West LP are considered to be general partners for the purposes of the *Limited Partnerships Act* (Ontario) while holders of all other classes of units are considered to be limited partners for the purposes of the *Limited Partnerships Act* (Ontario). There shall be no restriction on the number of partnership units that a partner may hold in SmartVMC West LP. No fractional partnership units will be issued and no person shall have any rights to receive fractional partnership units or to receive cash in lieu of the issue of a fraction of a partnership unit.

Holders of SmartVMC West LP Class A Units are entitled to notice of, and to attend and vote at, meetings of partners of SmartVMC West LP. Holders of SmartVMC West LP Class D Units are entitled to notice of, and to attend, meetings of partners of SmartVMC West LP but are not entitled to vote thereat, except that holders of such units shall have the right to vote with respect to certain matters requiring an extraordinary resolution at such meetings.

Subject to the restrictions contained in the limited partnership agreement governing SmartVMC West LP and subject to the prior written consent of the general partner, partnership units may be transferred by a partner. The general partner has the right to deny the transfer of partnership units including, without limitation, any transfer to a Non-Resident or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act and in certain of other circumstances.

The SmartVMC West LP Class D Units are considered to be economically equivalent to Units. SmartVMC West LP Class D Units have been presented as a liability in the consolidated financial statements. A holder of a SmartVMC West LP Class D Unit, of any series, is entitled to receive one Special Voting Unit for each such unit held which Special Voting Unit entitles the holder thereof, so long as the corresponding SmartVMC West LP Class D Unit is outstanding, to one vote at each meeting of Unitholders of SmartCentres.

Holders of SmartVMC West LP Class D Units are entitled to exchange such units in consideration for Units pursuant to and subject to the terms and conditions set out in the applicable Exchange Agreement.

As of December 31, 2024, there were (i) 860,095 SmartVMC West LP Class A Units and (ii) 5,797,101 SmartVMC West LP Class D Units issued and outstanding. As of December 31, 2024, SmartVMC West Holding Limited Partnership owned all of the outstanding SmartVMC West LP Class A Units while others owned all of the outstanding SmartVMC West LP Class D Units.

Exchange Procedure for Certain Exchangeable Securities

The exchange procedure for certain of the Exchangeable Securities provides that SmartCentres shall have the option (the “**SmartCentres Option**”) to make a cash payment to the holder of certain Exchangeable Securities, in lieu of delivering Units, in an amount equal to the market value of the Units such holder would otherwise be entitled. The holder of the Exchangeable Securities shall have the right to accept or reject the determination by SmartCentres to make a cash payment to the holder in lieu of the delivery of Units. In the event that SmartCentres does not elect to exercise the SmartCentres Option, or the holder of the Exchangeable Securities rejects the determination by SmartCentres to pay cash in lieu of the delivery of Units, SmartCentres shall undertake all necessary and required actions, including of a regulatory nature, in order to effect a conversion from an open-end to a closed-end mutual fund trust (the “**Conversion Process**”). Such actions shall include, but are not limited to, obtaining the necessary approval from Unitholders and holders of Special Voting Units and obtaining an advanced tax ruling from the Canada Revenue Agency confirming that the conversion from an open-end to a closed-end mutual fund trust does not result in a disposition of Units. The exchange procedure shall be deferred until completion of the Conversion Process. In addition to the completion of the exchange of Exchangeable Securities for Units on the completion of the Conversion Process, SmartCentres may also be required to make a cash payment to the holder of the Exchangeable Securities in the event that the market value of Units falls over the time required to effect the Conversion Process. The SmartCentres Option provisions may be terminated by Mitchell Goldhar at any time. Upon receipt of a termination notice, SmartCentres shall immediately initiate a Conversion Process.

Redemption Right

Units are redeemable at any time on demand by the holders thereof. A Unitholder who holds Units in the name of an investment dealer and who wishes to exercise the redemption right will be required to obtain a redemption notice form from the Unitholder’s investment dealer who will be required to deliver the completed redemption notice form to CDS Clearing and Depository Services Inc. for delivery to SmartCentres. Upon receipt of the redemption request by SmartCentres, all rights to and under the Units tendered for redemption shall be surrendered and the holder thereof shall be entitled to receive a price per Unit (the “**Redemption Price**”) equal to the lesser of: (i) 90% of the “market price” of the Units on the principal market on which the Units are quoted for trading during the 10 trading day period ending on the date on which the Units are surrendered for redemption (the “**Redemption Date**”); and (ii) 100% of the “closing market price” on the principal market on which the Units are quoted for trading on the Redemption Date.

For the purposes of this calculation, “market price” will be an amount equal to the weighted average of the closing price of the Units for each of the trading days on which there was a closing price; provided that, if the applicable exchange or market does not provide a closing price but only provides the highest and lowest prices of the Units traded on a particular day, the “market price” shall be an amount equal to the weighted average of the highest and lowest prices for each of the trading days on which there was a trade; and provided further that if there was trading on the applicable exchange or market for fewer than five of the 10 trading days, the market price shall be the weighted average of the following prices established for each of the 10 trading days: the weighted average of the last bid and last ask prices for each day on which there was no trading; the closing price of the Units for each day that there was trading if the exchange or market provides a closing price; and the weighted average of the highest and lowest prices of the Units for each day that there was trading, if the market provides only the highest and lowest prices of Units

traded on a particular day. The “closing market price” shall be an amount equal to the closing price of the Units if there was a trade on the date and the exchange or market provides a closing price; an amount equal to the weighted average of the highest and lowest prices of the Units if there was trading and the exchange or other market provides only the highest and lowest prices of Units traded on a particular day; or the weighted average of the last bid and last ask prices if there was no trading on the date.

The aggregate Redemption Price payable by SmartCentres in respect of any Units surrendered for redemption during any calendar month shall be satisfied by way of a cash payment on or before the last day of the following month; provided that the entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the limitations that: (i) the total amount payable by SmartCentres in respect of such Units and all other Units tendered for redemption in the same calendar month shall not exceed \$50,000 (provided that the Trustees may, in their sole discretion, waive such limitation in respect of any calendar month); (ii) at the time such Units are tendered for redemption the outstanding Units shall be listed for trading on a stock exchange or traded or quoted on any other market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Units; and (iii) the normal trading of Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the Redemption Date or for more than five trading days during the 10 day trading period commencing immediately after the Redemption Date.

If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the foregoing limitations, then the Redemption Price for such Units shall be the fair market value thereof, as determined by the Trustees in the circumstances described in subparagraphs (ii) and (iii) above, and shall, subject to any applicable regulatory approvals, be paid and satisfied by way of the issuance and delivery by SmartCentres to each holder of Units tendered for redemption who is not entitled to receive cash in respect thereof on the Redemption Date of unsecured promissory notes with interest at a market rate to be determined by the Trustees, payable monthly, issued by SmartCentres (the “Notes”), each in the principal amount of \$1, on the basis of such number of Notes for such Units tendered for redemption equal to the product of (i) number of Units tendered for redemption multiplied by (ii) the Redemption Price per Unit specified above, which product will then be divided by \$1 on the date the Units were tendered for redemption. The Redemption Price payable pursuant to this alternative redemption method in respect of Units tendered for redemption during any month shall, subject to receipt of all necessary regulatory approvals, be paid by the transfer, to or to the order of the Unitholder who exercised the right of redemption, on the last day of the calendar month following the month in which the Units were tendered for redemption. Payments by SmartCentres of the Redemption Price are conclusively deemed to have been made upon the mailing of the Notes by registered mail in a postage prepaid envelope addressed to the former Unitholder. Upon such payment, SmartCentres shall be discharged from all liability to the former Unitholder in respect of the Units so redeemed. No fractional Notes in a principal amount less than \$1 will be distributed and where the number of Notes to be received by the former Unitholder includes a fraction or a principal amount less than a multiple of \$1, such number shall be rounded to the next lowest number or multiple of \$1, as the case may be.

It is anticipated that the redemption right will not be the primary mechanism for holders of Units to dispose of their Units. Securities and/or obligations which may be distributed to Unitholders in connection with a redemption will not be listed on any stock exchange and no market is expected to develop in such securities and/or obligations and such securities and/or obligations may be subject to an indefinite “hold period” or other resale restrictions under applicable securities laws. Such securities and/or obligations may not be qualified investments for Plans, depending upon the circumstances at the time.

Unitholder Limited Liability

Certain provinces in Canada have passed legislation that creates a statutory limitation on the liability of unitholders of income trusts. The legislation provides that a Unitholder will not be, as a beneficiary, liable for any act, default, obligation or liability of the Trustees that arises after the legislation comes into effect. However, the legislation has not yet been judicially considered and it is possible that reliance upon the legislation by a Unitholder could be successfully challenged on jurisdictional or other grounds.

Further, the Declaration of Trust provides that no Unitholder will be subject to any liability in connection with SmartCentres or its obligations and affairs and, in the event that a court determines Unitholders are subject to any such

liabilities, the liabilities will be enforceable only against, and will be satisfied only out of, the Unitholder's share of SmartCentres' assets. Pursuant to the Declaration of Trust, SmartCentres will reimburse each Unitholder for any cost, damages, liabilities, expenses, charges and losses suffered by a Unitholder resulting from or arising out of any payment of a SmartCentres obligation by a Unitholder.

Further, the Declaration of Trust provides that any written instrument that is a material obligation or that creates an obligation which is or includes the granting by SmartCentres of a mortgage signed by or on behalf of SmartCentres shall, if practicable, contain a provision to the effect that such obligation will not be binding upon Unitholders personally. Notwithstanding the terms of the Declaration of Trust, Unitholders may not be protected from liabilities of SmartCentres to the same extent as a shareholder is protected from the liabilities of a corporation. Personal liability may also arise in respect of claims against SmartCentres (to the extent that claims are not satisfied by SmartCentres) that do not arise under contracts, including claims in tort, claims for taxes and possibly certain other statutory liabilities.

The business of SmartCentres will be conducted, upon the advice of counsel, in such a way and in such jurisdictions as to avoid as far as possible any material risk of liability to the Unitholders for claims against SmartCentres including, where commercially reasonable, by obtaining appropriate insurance, where available, for the operations of SmartCentres and, where commercially reasonable, having written agreements signed by or on behalf of SmartCentres include a provision that such obligations are not binding upon Unitholders personally.

However, in conducting its affairs, SmartCentres will be acquiring, and has acquired, real property investments subject to existing contractual obligations, including obligations under mortgages and leases. The Trustees will use all reasonable efforts to have any such obligations under mortgages on its properties and material contracts, other than leases, modified so as not to have such obligations binding upon any of the Unitholders or annuitants personally. However, SmartCentres may not be able to obtain such modification in all cases. To the extent that claims are not satisfied by SmartCentres, there is a risk that a Unitholder or annuitant will be held personally liable for obligations of SmartCentres where the liability is not disavowed as described above.

Limitations on Non-Resident Unitholders

Certain provisions of the Tax Act require that SmartCentres not be established or maintained primarily for the benefit of Non-Residents. Accordingly, in order to comply with such provisions, the Declaration of Trust contains restrictions on the ownership of Units by Unitholders who are Non-Residents. At no time may Non-Residents be the beneficial owners of more than 49.9% of the Units, on a basic or fully-diluted basis (and for greater certainty, including Units into which Exchangeable Securities may be converted or exchanged), and the Trustees shall inform the Transfer Agent of this restriction. The Trustees may require a registered holder of Units and/or Special Voting Units to provide the Trustees with a declaration as to the jurisdictions in which beneficial owners of the Units or Special Voting Units registered in such Voting Unitholder's name are resident and as to whether such beneficial owners are Non-Residents (or in the case of a partnership, whether the partnership is a Non-Resident). If the Trustees become aware, as a result of acquiring such declarations as to beneficial ownership or as a result of any other investigations, that the beneficial owners of 49.9% of the Units (on a basic or fully-diluted basis, including Units into which Exchangeable Securities may be converted or exchanged) are, or may be, Non-Residents or that such a situation is imminent, the Trustees may make a public announcement thereof and shall not accept a subscription for Units from or issue or register a transfer of Units to a person unless the person provides a declaration in form and content satisfactory to the Trustees that the person is not a Non-Resident and does not hold such Units for the benefit of Non-Residents. If, notwithstanding the foregoing, the Trustees determine that more than 49.9% of the Units (on a basic or fully-diluted basis, including Units into which Exchangeable Securities may be converted or exchanged) are held by Non-Residents, the Trustees may send a notice to such Non-Resident holders of the Units or Exchangeable Securities, as the case may be, chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or Exchangeable Securities or a portion thereof within a specified period of not more than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or Exchangeable Securities or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may on behalf of such Unitholders sell such Units or Exchangeable Securities and, in the interim, shall suspend the voting and distribution rights attached to such Units or Exchangeable Securities (other than the right to receive the net proceeds from the sale). Upon such sale or conversion, the affected holders shall cease to be holders of the relevant Units or Exchangeable Securities and their rights shall be limited to receiving the net

proceeds of sale upon surrender of the certificates, if any, representing such securities. SmartCentres may direct the Transfer Agent to do any of the foregoing.

Meetings of Unitholders

The Declaration of Trust provides that meetings of Voting 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 (except as described under “Amendments to the Declaration of Trust” of this annual information form), an increase or decrease in the number of Trustees, the sale or transfer of all or substantially all of the assets of SmartCentres (other than as part of an internal reorganization), or the termination of SmartCentres. Meetings of Voting Unitholders will be called and held annually for, among other things, the election of the Trustees and the appointment of auditors of SmartCentres. The foregoing matters must be passed by at least a majority of the votes cast at a meeting of Unitholders called for such purpose.

A special meeting of Voting Unitholders may be convened at any time and for any purpose by the Trustees and must be convened if requisitioned by the holders of not less than 5% of the Voting Units then outstanding by a written requisition. A requisition must, among other things, state in reasonable detail the business proposed to be transacted at the meeting.

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

The Declaration of Trust contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of Voting Unitholders.

Information and Reports

SmartCentres will furnish to Unitholders such financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by applicable law, including prescribed forms needed for the completion of Unitholders’ tax returns under the Tax Act and equivalent provincial legislation.

Prior to each meeting of Unitholders, the Trustees will provide the Unitholders (along with notice of such meeting) a proxy form and an information circular containing information similar to that required to be provided to shareholders of a Canadian public corporation governed by the *Canada Business Corporations Act*.

Trustees

The Declaration of Trust provides that, subject to the terms and conditions thereof, the Trustees may, in respect of the trust assets, exercise any and all rights, powers and privileges that could be exercised by a legal and beneficial owner thereof and shall supervise the investments and conduct the affairs of SmartCentres. The Declaration of Trust provides that the Trustees shall act honestly and in good faith with a view to the best interest of SmartCentres and in connection therewith shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Except as expressly prohibited by law, the Trustees may grant or delegate certain of the Trustees’ authority to effect the actual administration of the duties of the Trustees under the Declaration of Trust. The Trustees may grant broad discretion to a third party to administer and manage the day-to-day operations of SmartCentres, and to make executive decisions which conform to the general policies and general principles set forth in the Declaration of Trust or otherwise established by the Trustees.

Pursuant to the Declaration of Trust, there shall be no fewer than seven (7) and no more than twelve (12) Trustees. Subject to the right of the MG Entities to appoint Trustees as described below, the number of Trustees may be increased or decreased within such limits from time to time by the Trustees or the Unitholders, provided that the Trustees may not, between meetings of Unitholders, appoint an additional Trustee if, after such appointment, the total number of Trustees would be greater than one and one-third of the number of Trustees in office immediately following

the last annual meeting of Unitholders. A majority of the Trustees shall be individuals who are resident in Canada for purposes of the Tax Act.

Subject to the right of the MG Entities to appoint Trustees as described below, Trustees will be elected annually by resolution passed by a majority of the votes cast at a meeting of Unitholders. Trustees elected at an annual meeting will be elected for a term expiring at the subsequent annual meeting and will be eligible for re-election. A Trustee elected or appointed to fill a vacancy shall hold office for the remaining term of the Trustee he or she is succeeding. The Declaration of Trust provides that a Trustee (other than a Trustee appointed by the MG Entities) may be removed with or without cause by a majority of the votes cast at a meeting of Unitholders or with cause by a majority of the remaining Trustees.

The Declaration of Trust provides that if the MG Entities collectively beneficially own:

- (a) at least 5% but less than 15% of the issued and outstanding Units and Special Voting Units of SmartCentres, in aggregate, the MG Entities Representative shall be entitled to appoint one trustee to the Board of Trustees and the number of Trustees on the Board of Trustees shall be limited to a maximum of eight;
- (b) at least 15% but less than 25% of the issued and outstanding Units and Special Voting Units of SmartCentres, in aggregate, the MG Entities Representative shall be entitled to appoint a total of two Trustees to the Board of Trustees and the number of Trustees on the Board of Trustees shall be limited to a maximum of eight; and
- (c) at least 25% of the issued and outstanding Units and Special Voting Units of SmartCentres, in aggregate, the MG Entities Representative shall be entitled to appoint a total of three Trustees to the Board of Trustees and the number of trustees on the Board of Trustees shall be limited to a maximum of nine.

In connection with the meeting of Unitholders held on May 15, 2024, although the Penguin Group had the right to appoint three Trustees to the Board of Trustees, it only appointed two Trustees.

Committees of Trustees and Management

General

The Trustees may appoint from among their number one or more committees of Trustees and may, subject to applicable law and to any provision hereof to the contrary, delegate to such committee or committees any of the powers of the Trustees. The Trustees shall have the power to appoint, employ or contract with any person for any matter relating to SmartCentres or its assets or affairs. The Trustees may grant or delegate such authority to a property manager as the Trustees may, subject to applicable law, in their sole discretion deem necessary or desirable without regard to whether such authority is normally granted or delegated by trustees. The Trustees shall have the power to determine the term and compensation of a property manager or any other person whom they may employ or with whom they may contract. The Trustees shall have the power to grant powers of attorney as required in connection with any financing or security relating thereto.

Audit Committee

The Trustees shall appoint an audit committee (the “**Audit Committee**”) to consist of not less than three independent Trustees. The Audit Committee shall be composed of Trustees who comply with the provisions of National Instrument 52-110 – *Audit Committees*. 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 auditors and SmartCentres’ Chief Financial Officer;

- (b) review the engagement of the external auditors;
- (c) review and recommend to the Trustees for approval annual and quarterly financial statements and management’s discussion and analysis of financial condition and results of operation;
- (d) assess SmartCentres’ financial and accounting personnel;
- (e) review any significant transactions outside SmartCentres’ ordinary course of business and all pending litigation involving SmartCentres;
- (f) 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
- (g) consider and review SmartCentres’ enterprise risk management plan.

The external auditors of SmartCentres are 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 auditors.

The ESG Subcommittee is a subcommittee of the Audit Committee for the purpose of assisting the Audit Committee and the Board in overseeing all environmental, social and governance (“ESG”) and climate-related matters of SmartCentres other than those for which responsibility has been assigned to the Corporate Governance and Compensation Committee. The ESG Subcommittee’s responsibilities include, among others:

- (a) overseeing SmartCentres’ ESG strategy and approach to ESG matters, including matters related to climate change (other than those which are overseen by the Corporate Governance and Compensation Committee);
- (b) reviewing SmartCentres’ process for determining its short and long-term ESG objectives and measures, including the choice of any reporting standards to be 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) responsibility for oversight of climate-related targets and monitoring progress to meet targets;
- (d) monitoring emerging trends, risks or issues related to ESG relevant to SmartCentres;
- (e) reviewing 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;
- (f) reviewing SmartCentres performance against its short and long-term ESG objectives and measures, and reviewing SmartCentres’ plans to improve its performance with respect to ESG practices; and
- (g) reviewing any financial disclosures relating to ESG and reporting to the Audit Committee on the results of the review.

Investment Committee

The Trustees shall appoint an investment committee (the “**Investment Committee**”) to consist of not less than three Trustees and not more than six Trustees, a majority of whom shall be Trustees that are not members of management of SmartCentres or any of its subsidiaries, 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 Units and/or Special Voting Units of SmartCentres (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 at least 5 years of substantive experience in the real estate industry. The duties of the Investment Committee will be 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;
- (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; 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.

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, in order 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 Board of Trustees or the Investment Committee.

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 as determined by the Trustees from time to time.

Corporate Governance and Compensation Committee

The Trustees shall appoint a corporate governance and compensation committee (the “**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 Units and/or Special Voting Units of SmartCentres (unless the prior written consent to the contrary or a written waiver of the MG Entities Representative is obtained) and Mitchell Goldhar remains alive. The Trustee appointed by the MG Entities shall not be required to be independent for purposes of applicable securities laws but all of the other members of the Corporate Governance and Compensation Committee shall be independent for purposes of applicable securities laws and shall be independent of Mitchell Goldhar and any MG Entity. The duties of the Corporate Governance and Compensation Committee will be 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 will be responsible for:

- (a) assessing the effectiveness of the Board of Trustees and each of its committees;
- (b) considering questions of management succession;

- (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 of Trustees;
- (e) administering SmartCentres' long term incentive plan and equity incentive plan;
- (f) assessing the performance of the Executive Chairman and Chief Executive Officer;
- (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 of Trustees 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.

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

Executive Committee

Pursuant to the terms of the amended and restated governance and investor rights agreement dated November 5, 2020, between SmartCentres, Mitchell Goldhar, Penguin Properties Inc., Smart Centres Realty Inc. and certain other persons (the "**Governance and Investor Rights Agreement**"), for so long as the MG Entities beneficially own Units and Special Voting Units representing at least 10% of the outstanding Units and Special Voting Units, SmartCentres will continue to maintain the executive committee (the "**Executive Committee**") comprised of SmartCentres' Executive Chairman and Chief Executive Officer, Chief Financial Officer, Executive Vice President, Portfolio Management and Investments and such other senior management as the Executive Chairman and Chief Executive Officer shall designate from time to time, provided that the Executive Committee shall be comprised of a maximum of eight members. Under the direction of the Executive Chairman and the Chief Executive Officer, the Executive Committee is responsible for overseeing all significant matters affecting SmartCentres. If Mitchell Goldhar is no longer Executive Chairman, SmartCentres will continue to maintain the Executive Committee (provided the MG Entities continue to meet the required ownership threshold), however, the Executive Chairman will not be a member of the Executive Committee.

Real Estate Committee

Pursuant to the terms of the Governance and Investor Rights Agreement, if at any time prior to December 31, 2025, Mitchell Goldhar is no longer Executive Chairman, SmartCentres shall, within five Business Days, 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 Chief Executive Officer (if applicable) shall agree, acting reasonably.

If the Real Estate Committee is re-established, for a period from and including the initial date on which it is re-established to and including December 31, 2025, so long as the MG Entities beneficially own Units and Special Voting Units representing at least 10% of the outstanding Units and Special 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 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;
- (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 Property Portfolio held by SmartCentres; and
- (x) any other real estate or brand related matter that (x) the Chief Executive Officer (if applicable) proposes be reviewed by the Real Estate Committee or (y) 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).

Independent Committee

Effective March 1, 2023, the Independent Committee was formed. The committee is comprised solely of independent Trustees and is charged with providing oversight with respect to any related party transactions in which SmartCentres or any of its subsidiaries is a party. The Independent Committee is responsible for:

- (a) reviewing 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;
- (a) conducting, directing or supervising the conduct of, any negotiations or discussions on behalf of SmartCentres with respect to a related party transaction;
- (b) considering and making such recommendations to the Board regarding a related party transaction and such other matters as the Independent Committee may deem necessary or advisable; and

- (c) participating in the preparation of, and reviewing and approving, any documentation and public disclosure related to a related party transaction, as the Independent Committee may deem necessary or advisable.

Property Manager

The Trustees may exercise broad discretion in allowing any property manager to manage the Real Property of SmartCentres, including operating, maintaining, leasing and marketing the said properties, to act as agent for SmartCentres in respect thereof and to execute documents on behalf of the Trustees in respect thereof, all subject to the overriding authority of the Trustees over the management and affairs generally of SmartCentres.

Officers

SmartCentres may have a Chairman, a Chief Executive Officer, a President, one or more Vice-Presidents and a Secretary and such other officers as the Trustees may appoint from time to time. One person may hold two or more offices. Any officer of SmartCentres may, but need not, be a Trustee. The Chairman, if not a Trustee, shall be entitled to receive notice of and attend all meetings of the Trustees but, unless he is a Trustee, shall not be entitled to vote at any such meeting. Pursuant to the Governance and Investor Rights Agreement, provided that he is a Trustee and not the Executive Chairman, Mitchell Goldhar has been provided with the right to serve as the Chairman of SmartCentres (in a non-executive capacity) until the earlier of (a) May 28, 2025; and (b) the date the MG Entities no longer beneficially own Units and Special Voting Units representing at least 10% of the outstanding Units and Special Voting Units. As Mitchell Goldhar exercised the right to become Chairman, Michael Young was appointed as the Lead Independent Trustee of SmartCentres. Officers of SmartCentres shall be appointed and discharged and their remuneration determined by the Trustees provided that the Chief Executive Officer and/or President shall be appointed on an annual basis and with the consent of not less than 75% of the Trustees.

Amendments to the Declaration of Trust

The Declaration of Trust may be amended or altered from time to time by Unitholders at a meeting of Unitholders called for such purpose. While certain amendments may be made with the approval of at least a majority of the votes cast by Unitholders, certain fundamental amendments require the approval of at least two-thirds of the votes cast by Unitholders.

The Trustees may, without the approval of or any notice to Unitholders, make amendments to the Declaration of Trust:

- (a) for the purpose of ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustees or over SmartCentres, including respecting its status as a “unit trust”, a “mutual fund trust” and a “registered investment” under the Tax Act or the distribution of its Units;
- (b) which, in the opinion of the Trustees, provide additional protection for or benefit to the Unitholders (provided it is not prejudicial to either the Unitholders or the holders of Special Voting Units considered in each case as a class);
- (c) to remove any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to either the Unitholders or the holders of Special Voting Units, considered in each case as a class;
- (d) which, in the opinion of the Trustees, are necessary or desirable as a result of changes in taxation laws from time to time, including, without limiting the generality of the foregoing, amendments which may affect SmartCentres, the Unitholders or annuitants under a plan of which a Unitholder acts as trustee or carrier or which may permit SmartCentres to qualify for any status under the Tax Act which would benefit SmartCentres or the Unitholders;

- (e) for any purpose (except one in respect of which a Unitholder vote or vote or consent of the holders of the Special Voting Units, as applicable, is specifically otherwise required), if the Trustees are of the opinion that the amendment is not prejudicial to either the Unitholders or the holders of Special Voting Units, considered in each case as a class, and is necessary or desirable; and
- (f) which, in the opinion of the Trustees, are necessary or desirable to enable SmartCentres to issue Units for which the purchase price is payable on an instalment basis.

Distribution Reinvestment Plan

The Board of Trustees of SmartCentres suspended the distribution reinvestment plan effective April 13, 2020 and plan participants currently receive all distributions in cash.

DISTRIBUTION POLICY

The following outlines the distribution policy of SmartCentres.

SmartCentres' objectives are to provide Unitholders with stable and growing cash distributions through the acquisition, development, and operation of a portfolio of well located, well leased, unenclosed retail centres, and other mixed-use income properties across Canada. SmartCentres intends to distribute at levels which are sustainable over time after SmartCentres funds its capital requirements.

General

SmartCentres currently intends to make monthly distributions to Unitholders on each Distribution Date. Distributions shall be made in cash or Units pursuant to any distribution reinvestment plan adopted by the Trustees from time to time pursuant to the Declaration of Trust. Any distribution shall be made proportionately to persons who are Unitholders as at the close of business on the record date for such distribution, which shall be the last Business Day of the calendar month preceding the month in which the Distribution Date falls, or if such date is not a Business Day then the next following Business Day, or such other date, if any, as is fixed in accordance with the Declaration of Trust. Notwithstanding the foregoing, the ability of SmartCentres to make cash distributions is subject to various risk and uncertainties including those outlined under the section of this annual information form entitled "Risk Factors".

The majority general partner of LP I is entitled to 0.01% of any distributions of LP I. The LP I Class A Units are entitled to all distributable cash of LP I after the required distributions to the majority general partner and the holders of the other classes of limited partnership units of LP I have been paid. Holders of LP I Class B Units and LP I Class D Units are entitled to receive distributions equivalent to the distributions on Units. The LP I Class C Units and LP I Class E Units are entitled to receive 0.01% of any distributions of LP I. The LP I Class F Units are entitled to receive distributions equivalent to 65.5% of the distributions on Units.

The general partner of LP II is entitled to 0.01% of any distributions of LP II. The LP II Class A Units are entitled to all distributable cash of LP II after the required distributions to the general partner and the holders of LP II Class B Units have been paid. Holders of LP II Class B Units are entitled to receive distributions equivalent to the distributions on Units.

The majority general partner of LP III is entitled to receive 0.01% of any distributions of LP III. The LP III Class A Units are entitled to all distributable cash of LP III after the required distributions to the majority general partner and the holders of LP III Class B Units and LP III Class C Units have been paid. Holders of LP III Class B Units are entitled to receive distributions equivalent to the distributions on Units. The LP III Class C Units are entitled to receive 0.01% of any distributions of LP III.

The majority general partner of LP IV is entitled to receive 0.01% of any distributions of LP IV. The LP IV Class A Units are entitled to all distributable cash of LP IV after the required distributions to the majority general partner and the holders of LP IV Class B Units and LP IV Class C Units have been paid. Holders of LP IV Class B Units are

entitled to receive distributions equivalent to the distributions on Units. The LP IV Class C Units are entitled to receive 0.01% of any distributions of LP IV.

The majority general partner of Oshawa South LP is entitled to 0.01% of any distributions of Oshawa South LP. The Oshawa South LP Class A Units are entitled to all distributable cash of Oshawa South LP after the required distributions to the majority general partner and the holders of the other classes of limited partnership units of Oshawa South LP have been paid. Holders of Oshawa South LP Class B Units and Oshawa South LP Class D Units are entitled to receive distributions equivalent to the distributions on Units. The Oshawa South LP Class C Units and Oshawa South LP Class E Units are entitled to receive 0.01% of any distributions of Oshawa South LP.

The majority general partner of Oshawa Taunton LP is entitled to 0.01% of any distributions of Oshawa Taunton LP. The Oshawa Taunton LP Class A Units are entitled to all distributable cash of Oshawa Taunton LP after the required distributions to the majority general partner and the holders of the other classes of limited partnership units of Oshawa Taunton LP have been paid. Holders of Oshawa Taunton LP Class B Units and Oshawa Taunton LP Class D Units are entitled to receive distributions equivalent to the distributions on Units. The Oshawa Taunton LP Class C Units and Oshawa Taunton LP Class E Units are entitled to receive 0.01% of any distributions of Oshawa Taunton LP.

The majority general partner of Boxgrove LP is entitled to receive 0.01% of any distributions of Boxgrove LP. The Boxgrove LP Class A Units are entitled to all distributable cash of Boxgrove LP after the required distributions to the majority general partner and the holders of Boxgrove LP Class B Units, Boxgrove LP Class C Units and Boxgrove LP Class G Units have been paid. Holders of Boxgrove LP Class B Units are entitled to receive distributions equivalent to the distributions on Units. The Boxgrove LP Class C Units and Boxgrove LP Class G Units are collectively entitled to receive 0.01% of any distributions of Boxgrove LP.

The general partner of ONR Limited Partnership is entitled to 0.01% of any distributions of ONR Limited Partnership. The Class A units of ONR Limited Partnership are entitled to all residual distributable cash of ONR Limited Partnership after the required distributions to the general partner and the holders of the other classes of limited partnership units of ONR Limited Partnership have been paid. Holders of Class B units of ONR Limited Partnership are entitled to receive distributions equivalent to the distributions on Units.

The general partner of ONR Limited Partnership I is entitled to 0.01% of the residual distributable cash of ONR Limited Partnership I after the required distributions to the holders of the Class A units and Class B units have been paid. The Class A units of ONR Limited Partnership I are entitled to 99.98% of the residual distributable cash of ONR Limited Partnership I after the required distributions to the holders of the Class B units have been paid. Holders of Class B units of ONR Limited Partnership I are entitled to receive distributions equal to the product of (i) the amount per Unit payable by SmartCentres to holders of Units on the applicable distribution payment date, (ii) the number of Units issuable for each Class B unit pursuant to the applicable Exchange Agreement on the applicable distribution record date (i.e. the applicable exchange ratio) and (iii) the number of Class B units outstanding on the applicable distribution record date. The Class C units of ONR Limited Partnership I are entitled to 0.01% of the residual distributable cash of ONR Limited Partnership I after the required distributions to the holders of the Class A units and the Class B units have been paid.

The general partner of SmartVMC West LP is entitled to 0.01% of any distributions of SmartVMC West LP. Holders of SmartVMC West LP Class D Units are entitled to receive 0.01% of any distributions of SmartVMC West LP up to a maximum of \$10,000 per fiscal year for the first five fiscal years of the partnership. The general partner is entitled to all residual distributable cash of SmartVMC West LP after the required distributions to the general partner and the holders of the SmartVMC West LP Class D Units have been paid, for purposes of making loans or loan repayments to one or more affiliates of SmartCentres, as the general partner's discretion.

Distribution History

SmartCentres declared distributions of \$0.15417 per Unit in each month from January 2022 to December 2024.

The particulars of distributions declared on the limited partnership units of the SmartCentres subsidiary limited partnerships during the three fiscal years ended December 31, 2024 are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
LP I Class B Series 1 Units	\$27,281	\$27,281	\$27,281
LP I Class B Series 2 Units	1,772	1,772	1,772
LP I Class B Series 3 Units	1,333	1,333	1,333
LP I Class D Units	575	575	575
LP I Class F Series 3 Units	11	11	11
LP II Class B Units	1,400	1,400	1,400
LP III Class B Series 4 Units	1,307	1,307	1,307
LP III Class B Series 5 Units	1,080	1,080	1,064
LP III Class B Series 6 Units	1,292	1,273	1,184
LP III Class B Series 7 Units	804	804	804
LP III Class B Series 8 Units	3,141	3,141	3,141
LP IV Class B Units	5,758	5,758	5,756
Oshawa South LP Class B Units	1,314	1,314	1,314
Oshawa South LP Class D Units	482	482	482
Oshawa Taunton LP Class B Units	692	692	692
Oshawa Taunton LP Class D Units	-	-	-
Boxgrove LP Class B Units	315	315	315
ONR Limited Partnership Class B units	2,243	2,309	2,309
ONR Limited Partnership I Class B units	504	504	504
SmartVMC West LP Class D Units	10,725	10,725	10,725

Note:

(1) Numbers are in thousands of dollars.

DESCRIPTION OF DEBENTURES

As at date of this annual information form, SmartCentres has issued and outstanding approximately \$3.15 billion of Debentures pursuant to the 2005 Trust Indenture, as supplemented by certain supplemental indentures as described below. The Debentures are direct, unsecured obligations of SmartCentres and each rank equally and rateably with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres.

The 2005 Trust Indenture provides that each of the following events will constitute an “Event of Default” in respect of each series of the Debentures:

- (a) default in payment of principal when due;
- (b) default in payment of any interest when due where such default continues for a period of three Business Days after the relevant interest payment date;
- (c) a breach of or default in the performance of any other covenant of SmartCentres under the 2005 Trust Indenture, the Debentures or a supplemental indenture in connection with that series of Debentures where such default or breach continues for a period of 30 days after the Debenture Trustee has given notice in writing to SmartCentres specifying the nature of such breach or default, and requiring that it be remedied unless the Debenture Trustee (having regard to the subject matter of such breach or default) agrees to a longer period, and in such event within the period agreed to by the Debenture Trustee;
- (d) certain events of bankruptcy, insolvency, winding up or dissolution related to SmartCentres or a Material Subsidiary (as such term is defined in the 2005 Trust Indenture) as set out in the 2005 Trust Indenture;

- (e) the rendering of a final judgment or judgments (not subject to appeal) against SmartCentres or any Material Subsidiary in an aggregate amount in excess of \$25 million by a court or courts of competent jurisdiction, which remains or remain undischarged and unstayed for a period of 60 days after the date on which the right to appeal has expired; and
- (f) default by SmartCentres or any Material Subsidiary under the terms of any Indebtedness (other than any Non-Recourse Indebtedness as such terms are defined in the 2005 Trust Indenture) where that default results in the acceleration of that Indebtedness (after expiration of any applicable grace period) unless such acceleration is waived or rescinded; provided that the aggregate of all such Indebtedness which is accelerated exceeds \$25 million.

Series N 3.556% Debentures

On February 6, 2015, SmartCentres issued \$160,000,000 aggregate principal amount of Series N 3.556% Debentures due February 6, 2025. The Series N 3.556% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series N 3.556% Debentures bear interest at an annual rate of 3.556% payable semi-annually in arrears on February 6 and August 6 in each year, commencing on August 6, 2015. At its option, SmartCentres may redeem the Series N 3.556% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption.

The Series N 3.556% Debentures were repaid in full in February 2025 with the proceeds from the issuance of the Series AB 4.737% Debentures.

Series O 2.987% Debentures

On August 30, 2016, SmartCentres issued \$100,000,000 aggregate principal amount of Series O 2.987% Debentures due August 28, 2024. The Series O 2.987% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series O 2.987% Debentures bear interest at an annual rate of 2.987% payable semi-annually in arrears on February 28 and August 28 in each year, commencing on February 28, 2017. At its option, SmartCentres may redeem the Series O 2.987% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption.

The Series O 2.987% Debentures were repaid in full in August 2024 with the proceeds from the issuance of the Series AA 5.162% Debentures.

Series P 3.444% Debentures

On August 30, 2016, SmartCentres issued \$250,000,000 aggregate principal amount of Series P 3.444% Debentures due August 28, 2026. The Series P 3.444% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series P 3.444% Debentures bear interest at an annual rate of 3.444% payable semi-annually in arrears on February 28 and August 28 in each year, commencing on February 28, 2017. At its option, SmartCentres may redeem the Series P 3.444% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2024, \$250,000,000 aggregate principal amount of the Series P 3.444% Debentures remained outstanding.

Series S 3.834% Debentures

On December 21, 2017, SmartCentres issued \$250,000,000 aggregate principal amount of Series S 3.834% Debentures due December 21, 2027. The Series S 3.834% Debentures are direct, senior unsecured obligations of

SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series S 3.834% Debentures bear interest at an annual rate of 3.834% payable semi-annually in arrears on June 21 and December 21 in each year, commencing on June 21, 2018. Prior to September 21, 2027 (the “**Series S Par Call Date**”), at its option, SmartCentres may redeem the Series S 3.834% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. On or after the Series S Par Call Date, at its option, SmartCentres may redeem the Series S 3.834% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to par, together with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2024, \$250,000,000 aggregate principal amount of the Series S 3.834% Debentures remained outstanding.

Series U 3.526% Debentures

On December 20, 2019, SmartCentres issued \$450,000,000 aggregate principal amount of Series U 3.526% Debentures due December 20, 2029. The Series U 3.526% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series U 3.526% Debentures bear interest at an annual rate of 3.526% payable semi-annually in arrears on June 20 and December 20 in each year, commencing on June 20, 2020. Prior to September 20, 2029 (the “**Series U Par Call Date**”), at its option, SmartCentres may redeem the Series U 3.526% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. On or after the Series U Par Call Date, at its option, SmartCentres may redeem the Series U 3.526% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to par, together with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2024, \$450,000,000 aggregate principal amount of the Series U 3.526% Debentures remained outstanding.

Series V 3.192% Debentures

On June 11, 2020, SmartCentres issued \$300,000,000 aggregate principal amount of Series V 3.192% Debentures due June 11, 2027. The Series V 3.192% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series V 3.192% Debentures bear interest at an annual rate of 3.192% payable semi-annually in arrears on June 11 and December 11 in each year, commencing on December 11, 2020. Prior to April 11, 2027 (the “**Series V Par Call Date**”), at its option, SmartCentres may redeem the Series V 3.192% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. On or after the Series V Par Call Date, at its option, SmartCentres may redeem the Series V 3.192% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to par, together with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2024, \$300,000,000 aggregate principal amount of the Series V 3.192% Debentures remained outstanding.

Series W 3.648% Debentures

On June 11, 2020, SmartCentres issued \$300,000,000 aggregate principal amount of Series W 3.648% Debentures due December 11, 2030. The Series W 3.648% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series W 3.648% Debentures bear interest at an annual rate of 3.648% payable semi-annually in arrears on June 11 and December 11 in each year, commencing on December 11, 2020. Prior to September 11, 2030 (the “**Series W Par Call Date**”), at its option, SmartCentres may redeem the Series W 3.648% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. On or after the Series W Par Call Date, at its option, SmartCentres may redeem the Series W 3.648% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to par, together with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2024, \$300,000,000 aggregate principal amount of the Series W 3.648% Debentures remained outstanding.

Series X 1.740% Debentures

On December 16, 2020, SmartCentres issued \$350,000,000 aggregate principal amount of Series X 1.740% Debentures due December 16, 2025. The Series X 1.740% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series X 1.740% Debentures bear interest at an annual rate of 1.740% payable semi-annually in arrears on June 16 and December 16 in each year, commencing on June 16, 2021. Prior to November 16, 2025 (the “**Series X Par Call Date**”), at its option, SmartCentres may redeem the Series X 1.740% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. On or after the Series X Par Call Date, at its option, SmartCentres may redeem the Series X 1.740% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to par, together with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2024, \$350,000,000 aggregate principal amount of the Series X 1.740% Debentures remained outstanding.

Series Y 2.307% Debentures

On December 16, 2020, SmartCentres issued \$300,000,000 aggregate principal amount of Series Y 2.307% Debentures due December 18, 2028. The Series Y 2.307% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series Y 2.307% Debentures bear interest at an annual rate of 2.307% payable semi-annually in arrears on June 18 and December 18 in each year, commencing on June 18, 2021. Prior to October 18, 2028 (the “**Series Y Par Call Date**”), at its option, SmartCentres may redeem the Series Y 2.307% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. On or after the Series Y Par Call Date, at its option, SmartCentres may redeem the Series Y 2.307% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to par, together with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2024, \$300,000,000 aggregate principal amount of the Series Y 2.307% Debentures remained outstanding.

Series Z 5.354% Debentures

On May 29, 2023, SmartCentres issued \$300,000,000 aggregate principal amount of Series Z 5.354% Debentures due May 29, 2028. The Series Z 5.354% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series Z 5.354% Debentures bear interest at an annual rate of 5.354% payable semi-annually in arrears on November 29 and May 29 in each year, commencing on November 29, 2023. Prior to April 29, 2028 (the “**Series Z Par Call Date**”), at its option, SmartCentres may redeem the Series Z 5.354% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. On or after the Series Z Par Call Date, at its option, SmartCentres may redeem the Series Z 5.354% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to par, together with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2024, \$300,000,000 aggregate principal amount of the Series Z 5.354% Debentures remained outstanding.

Series AA 5.162% Debentures

On August 1, 2024, SmartCentres issued \$350,000,000 aggregate principal amount of Series AA 5.162% Debentures due August 1, 2030. The Series AA 5.162% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series AA Debentures bear interest at an annual rate of 5.162% payable semi-annually in arrears on February 1 and August 1 in each year, commencing on February 1, 2025. Prior to June 1, 2030 (the “**Series AA Par Call Date**”) at its option, SmartCentres may redeem the Series AA 5.162% Debentures, in whole or in part upon payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. On or after the Series AA Par Call Date, at its option, SmartCentres may redeem the Series AA 5.162% Debentures, in whole or in part, at any time and from time to time, on payment of

a redemption price equal to par, together with accrued and unpaid interest to the date fixed for redemption. As at December 31, 2024, \$350,000,000 aggregate principal amount of the Series AA 5.162% Debentures remained outstanding.

Series AB 4.737% Debentures

On February 5, 2025, SmartCentres issued \$300,000,000 aggregate principal amount of Series AB 4.737% Debentures due August 5, 2031. The Series AB 4.737% Debentures are direct, senior unsecured obligations of SmartCentres and rank equally with one another and with all other unsecured and unsubordinated indebtedness of SmartCentres. The Series AB Debentures bear interest at an annual rate of 4.737% payable semi-annually in arrears on February 5 and August 5 in each year, commencing on August 5, 2025. Prior to June 5, 2031 (the “**Series AB Par Call Date**”) at its option, SmartCentres may redeem the Series AB 4.737% Debentures, in whole or in part upon payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. On or after the Series AB Par Call Date, at its option, SmartCentres may redeem the Series AB 4.737% Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to par, together with accrued and unpaid interest to the date fixed for redemption. As at February 5, 2025, \$300,000,000 aggregate principal amount of the Series AB 4.737% Debentures remained outstanding.

Change of Control

Upon the occurrence of a change in control involving the acquisition or voting control or direction over 66⅔% or more of the outstanding Units by any person or group of persons acting jointly or in concert (a “**Change of Control**”), each holder of Debentures may require SmartCentres to purchase, on the date which is 30 days following the giving of notice of the Change of Control as set out below (the “**Put Date**”), the whole or any part of such holder’s Debentures at a price equal to 101% of the principal amount thereof (the “**Put Price**”) plus accrued and unpaid interest to the Put Date.

If 90% or more in the aggregate principal amount of the Debentures outstanding on the date of the giving of notice of the Change of Control have been tendered for purchase on the Put Date, SmartCentres will have the right to redeem all the remaining Debentures on such date at the Put Price, together with accrued and unpaid interest to such date. Notice of such redemption must be given to the Debenture Trustee prior to the Put Date and as soon as possible thereafter, by the Debenture Trustee to the holders of the Debentures not tendered for purchase.

INVESTMENT GUIDELINES AND OPERATING POLICIES

Investment Guidelines

The Declaration of Trust provides for certain restrictions on investments, which may be made by SmartCentres. The assets of SmartCentres may be invested, directly or indirectly (including, without limitation, through a corporation or other entity wholly or partially owned by SmartCentres) only in accordance with the following restrictions:

1. SmartCentres will focus its investment activities on: (i) interests in Real Properties which are, may be or will be income-producing, which interests in Real Properties for greater certainty may include fee ownership and/or leasehold interest, and which Real Properties may include Real Properties which are intended for, have the potential for or are otherwise under, development and/or redevelopment; (ii) the development or redevelopment of Real Properties in which SmartCentres has an interest, and the construction of buildings, structures and/or other improvements thereon, including in each case of the foregoing to maintain those properties in good repair and/or to enhance their income-producing ability, and (iii) such other property and assets reasonably related or ancillary to: (x) any of the Real Property referred to in the foregoing clauses (i) or (ii); or (y) the other operations and/or affairs of SmartCentres to the extent such operations and affairs are not prohibited by section 2 below;
2. notwithstanding anything in the Declaration of Trust to the contrary, SmartCentres shall not make or hold any investment, take any action or omit to take any action that would result in (i) SmartCentres not qualifying

as a “mutual fund trust” or a “unit trust” both within the meaning of the Tax Act, (ii) Units not qualifying as qualified investments for Plans; or (iii) SmartCentres not qualifying as a “real estate investment trust” within the meaning of the Tax Act;

3. except for (x) investments in or represented by Cash Equivalents or Interest Rate, Currency or Commodity Price Agreements (each as defined in the Declaration of Trust), (y) investments in securities of other real estate investment trusts as defined in the Tax Act, or (z) investments otherwise permitted pursuant to any other provision of these sections 1 to 7, SmartCentres may not hold securities of a person unless (i) such securities would constitute an investment in Real Property or are acquired in connection with the carrying on, directly or indirectly, of SmartCentres’ activities or the holding of its assets or (ii) such securities are of an entity which focuses its investments on any of the assets, properties or activities described in section 1 above;
4. in addition to SmartCentres itself managing its Real Property investments and engaging in other activities reasonably ancillary to such investments, subject to section 2 above, and notwithstanding anything in the Declaration of Trust to the contrary except for section 2 above, SmartCentres may invest in one or more operating businesses provided that such investment is made indirectly through an entity; and, for greater certainty, such an investment shall be considered to be part of the targeted focus referred to in section 1 above or part of the activities authorized under section 5 below (and therefore section 7 below will not be engaged in any such case) if the conduct of such operating business reasonably relates to an investment in Real Property referred to in section 1 above or section 5 below and if the conduct does not so relate, such investment may be made only in accordance with section 7 below;
5. in addition, subject to section 2 above, and notwithstanding anything in the Declaration of Trust to the contrary except for section 2 above, SmartCentres may indirectly invest in (i) Real Properties which are, may be or will be used by the current or any future owners thereof to provide living accommodations, whether or not such Real Properties are or will be income-producing, which interests in such Real Properties for greater certainty may include fee ownership and/or leasehold interest, and which Real Properties may include Real Properties which are intended for, have the potential for or are otherwise under, development and/or redevelopment; (ii) the development or redevelopment of such Real Properties in which SmartCentres has an interest, and the construction of buildings, structures and/or other improvements thereon, including in each case of the foregoing to maintain those properties in good repair and/or to enhance their use as living accommodation, and (iii) such other property and assets reasonably related or ancillary to any of the Real Property referred to in the foregoing clauses (i) or (ii);
6. in addition, subject to section 2 above, and notwithstanding anything in the Declaration of Trust to the contrary except for section 2 above, SmartCentres may invest in mortgage loans, mortgage bonds, mezzanine loans, participating or convertible mortgages, and similar loans, and acquire and hold security therefor; and
7. in addition, subject to section 2 above, and notwithstanding anything in the Declaration of Trust to the contrary except for section 2 above, SmartCentres may invest, directly or indirectly, in any property (including Real Property) or other assets that does not qualify for investment pursuant to sections 1, 3, 4, 5 and/or 6 above an amount (which, in the case of an amount invested to acquire Real Property, is the purchase price less the amount of any debt incurred or assumed in connection with such investment, and in the case of an investment in property and other assets which is not Real Property, the original investment amount) that, together with the amount of any other outstanding investments in property (including Real Property) or other assets made pursuant to this section 7, does not exceed 15% of the Aggregate Assets of the Trust.

Except as specifically set forth herein to the contrary, all of the foregoing prohibitions, limitations or requirements for investment shall be determined as at the date of investment by SmartCentres.

Notwithstanding anything in the Declaration of Trust to the contrary, unless and to the extent otherwise expressly prohibited or limited pursuant to the foregoing policies of the investment guidelines above or the operating policies below, SmartCentres may make investments and conduct activities, directly or indirectly, through an investment in one or more entities on such terms as the Trustees may from time to time determine, including by way of joint ventures, partnerships (general or limited), and limited liability companies.

Operating Policies

The Declaration of Trust provides that the operations and affairs of SmartCentres will be conducted in accordance with the following policies:

1. (i) any written instrument creating an obligation which is or includes the granting by SmartCentres of a mortgage, and (ii) to the extent the Trustees determine to be practicable and consistent with their duty to act in the best interests of the Unitholders, any written instrument which is, in the judgement of the Trustees, a material obligation, shall contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of the Trustees, Unitholders, annuitants under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of SmartCentres, but that only property of SmartCentres or a specific portion thereof shall be bound; SmartCentres, however, is not required, but shall use all reasonable efforts, to comply with this requirement in respect of obligations assumed by SmartCentres upon the acquisition of Real Property;
2. SmartCentres shall not lease or sublease to any person any Real Property, premises or space where that person and its affiliates would, after the contemplated lease or sublease, be leasing or subleasing Real Property, premises or space having a fair market value net of encumbrances in excess of 20% of the Adjusted Unitholders' Equity of SmartCentres;
3. the limitation contained in subsection 2 shall not apply to the renewal or extension of a lease or sublease and shall not apply where the lessee or sublessee is, or where the lease or sublease is guaranteed (or an indemnity has been given) by:
 - (i) the Government of Canada, the Government of the United States, any province of Canada, any state of the United States or any municipality in Canada or the United States, or any agency thereof;
 - (ii) any corporation, the bonds, debentures or other evidences of indebtedness of, or guaranteed by which, has received a rating from any of DBRS, Moody's Investors Services Inc. or S&P Global Ratings of no less than investment grade (or equivalent from any other recognized credit rating agency) in each case, at the time the lease or sublease is entered into, or at the time other satisfactory leasing arrangements as determined by the Trustees, in their discretion, are entered into;
 - (iii) a Canadian chartered bank registered federally or under the laws of a province of Canada; or
 - (iv) Walmart and its related associates and affiliates;
4. SmartCentres may engage directly or indirectly in construction or development, including to maintain its properties in good repair or to enhance the income producing ability of properties in which SmartCentres has an interest;
5. title to each Real Property shall be drawn up in the name of the Trustees or, to the extent permitted by applicable law, SmartCentres or a corporation or other entity wholly owned, directly or indirectly, by SmartCentres or jointly, directly or indirectly, by SmartCentres with joint venturers;
6. SmartCentres will not incur or assume any indebtedness (except Intercompany Indebtedness or Refinancing Indebtedness (each as defined in the Declaration of Trust)) if, after giving effect to the incurrence or assumption of the indebtedness and the application of proceeds therefrom and to any other event that has increased or decreased consolidated indebtedness or Aggregate Assets between the balance sheet date and the date of the calculation, the Carrying Value of the consolidated indebtedness of SmartCentres would be more than 65% of the Aggregate Assets (in the case of each such amount, less cash and Cash Equivalents on

hand). The Trustees may in their discretion use fair market value in place of Aggregate Assets for the purposes of this subsection. For the purposes of this subsection the term “**indebtedness**” means (without duplication and excluding “non-controlling interests”) on a consolidated basis:

- (i) the principal and premium (if any) in respect of indebtedness of SmartCentres for borrowed money;
- (ii) any obligation of SmartCentres incurred or assumed in connection with the acquisition of property, assets or business;
- (iii) the principal component (including any capitalized interest) of any obligation of SmartCentres issued or assumed representing the balance of the deferred purchase price of property and which purchase price is due after the date of placing such property in service or taking delivery and title thereto;
- (iv) any Capital Lease Obligation (as defined in the Declaration of Trust) of SmartCentres; and
- (v) any obligation of the type referred to in clauses 6(a) through 6(d) of another person, the payment of which SmartCentres has guaranteed or for which SmartCentres is responsible for or liable;

provided that (a) for the purposes of 6(i) through 6(iv), an obligation (other than convertible debentures) will constitute indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of SmartCentres in accordance with GAAP; (b) each of the following shall be deemed not to be indebtedness for purposes of this subsection: trade accounts payable, distributions payable to Unitholders and accrued liabilities arising out of the ordinary course of business, indebtedness with respect to the unpaid balance of installment receipts where such indebtedness has a term not in excess of 12 months, intangible liabilities, deferred revenues, limited partnership units of subsidiaries, deferred units classified as liabilities, earnout options classified as liabilities and the conversion feature of convertible debentures classified as liabilities; (c) convertible debentures will constitute indebtedness to the extent of the principal amount thereof outstanding; and (d) for the purpose of 6(v), the amount of indebtedness will be limited to the amount for which SmartCentres is responsible or liable (and where SmartCentres is so liable by virtue of the obligation of the other person being secured by a lien on assets of SmartCentres, the amount will be the lesser of the (x) the fair market value of such assets at the date of determination, and (y) the principal amount of such indebtedness of such other person);

- 7. SmartCentres may only, directly or indirectly, guarantee indebtedness or liabilities of another entity where the provision of such guarantee does not breach the requirements of section 2 above under the heading “Investment Guidelines”;
- 8. SmartCentres shall be obliged to obtain an independent appraisal of any property acquired by SmartCentres that the Investment Committee determines, in its discretion, should be supported by an independent appraisal;
- 9. SmartCentres shall obtain and maintain at all times insurance coverage in respect of potential liabilities of SmartCentres and the accidental loss of value of the Real Property of SmartCentres from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable Real Property; and
- 10. SmartCentres shall have conducted a Phase I environmental audit of each Real Property to be acquired by it that the Investment Committee determines, in its discretion, should be supported by a Phase I environmental audit, and, if the Phase I environmental audit report recommends a Phase II environmental audit be conducted and the Investment Committee determines, in its discretion that a Phase II environmental audit is necessary, SmartCentres shall have conducted a Phase II environmental audit, in each case by an independent and experienced environmental consultant; such audit as a condition to any acquisition, shall be satisfactory to the Investment Committee. All new leases granted by SmartCentres shall contain appropriate covenants from the lessee respecting environmental matters as determined by the Investment Committee from time to time.

For the purposes of the foregoing policies, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by SmartCentres will be deemed to be those of SmartCentres on a proportionate consolidation basis.

All of the foregoing prohibitions, limitations or requirements pursuant to the foregoing policies shall be determined as at the date of investment or other action by SmartCentres.

Notwithstanding anything in the Declaration of Trust to the contrary, unless and to the extent otherwise expressly prohibited or limited pursuant to the foregoing operating policies or investment guidelines, SmartCentres may acquire, hold, develop, redevelop, maintain, improve, lease, manage or sell all or any part of any Real Property.

MARKET FOR SECURITIES, TRADING PRICE AND VOLUME

The Units are listed and posted for trading on the TSX under the trading symbol “SRU.UN”. The following table sets forth the reported high and low sales prices and the trading volumes for the Units as reported by the TSX for the periods indicated:

<u>Period</u>	<u>Price Range</u>		<u>Trading Volume</u>
	<u>High</u>	<u>Low</u>	
2024			
January	\$25.80	\$24.32	7,363,004
February	\$24.94	\$23.12	5,684,075
March	\$23.62	\$22.49	5,439,604
April	\$23.48	\$21.84	4,880,838
May	\$23.16	\$22.05	4,519,760
June	\$22.91	\$21.50	5,439,951
July	\$24.52	\$21.88	5,437,238
August	\$26.10	\$23.07	5,123,790
September	\$27.50	\$25.36	7,063,080
October	\$26.75	\$24.84	5,311,257
November	\$25.86	\$24.45	6,731,298
December	\$26.08	\$24.11	7,931,866
Total for Periods			70,925,761

RISK FACTORS

An investment in securities of SmartCentres involves a number of risks and uncertainties. This section describes the general material risks that management of SmartCentres believes may impact SmartCentres and the holders of its securities. If any of the following risks actually occur, SmartCentres’ business, results of operations and financial condition, and the amount of cash available for distribution to Unitholders, could suffer. Further, the risks described below are not the only risks that SmartCentres faces. Additional risks not currently known to management of SmartCentres or that are currently deemed immaterial also may have a negative impact on SmartCentres and the holders of its securities.

Risks Relating to the Business

Real Property Ownership and Leasing/Tenant Risk

All real property investments are subject to elements of risk. Such investments are affected by general economic conditions, local real estate markets, supply and demand for leased premises, competition from other available premises and various other factors.

Real estate has a high fixed cost associated with ownership, and income lost due to declining rental rates or increased vacancies cannot easily be minimized through cost reduction. Through well-located, well-designed and professionally managed properties, management seeks to reduce this risk. Management believes prime locations will attract high quality retailers with strong covenants and will enable SmartCentres to maintain economic rents and high occupancy. By maintaining properties at the highest standards through professional management practices, management seeks to increase tenant loyalty.

The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants and on the vacancy rates of SmartCentres' portfolio of income producing properties. On the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to SmartCentres than the existing lease. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting SmartCentres' investment may be incurred. Furthermore, at any time, a tenant of any of SmartCentres' properties may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such tenant's lease and thereby cause a reduction in the cash flow available to SmartCentres. The ability to rent unleased space in the properties in which SmartCentres has an interest will be affected by many factors. Costs may be incurred in making improvements or repairs to property. The failure to rent vacant space on a timely basis or at all would likely have an adverse effect on SmartCentres' financial condition.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing any income. If SmartCentres is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale.

Real property investments tend to be relatively illiquid with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. If SmartCentres were to be required to liquidate its real property investments, the proceeds to SmartCentres might be significantly less than the aggregate carrying value of its properties.

SmartCentres will be subject to the risks associated with debt financing on its properties and it may not be able to refinance its properties on terms that are as favourable as the terms of existing indebtedness. In order to minimize this risk, SmartCentres attempts to appropriately structure the timing of the renewal of significant tenant leases on the properties in relation to the time at which mortgage indebtedness on such properties becomes due for refinancing. In addition, SmartCentres attempts to stagger the maturities of its various levels of debt over an extended period of time.

Significant deterioration of the retail shopping centre market in general or the financial health of Walmart and other key tenants in particular could have an adverse effect on SmartCentres' business, financial condition or results of operations. Also, the emergence of e-commerce as a platform for retail growth has caused many retailers to change their approach to attracting and retaining customers. To the extent that some retailers are unsuccessful in attracting and retaining customers because of the impact of e-commerce on their respective businesses, SmartCentres may experience additional vacancy and its resulting adverse effects on financial condition and results of operations including occupancy rates, base rental income, tax and operating cost recoveries, leasing and other similar costs.

With respect to residential rental properties, in addition to the risks highlighted above, SmartCentres is subject to the other risks inherent in the multi-tenant rental property industry, including controlling bad debt exposure, rent control regulations, increases in operating costs including the costs of utilities (residential leases are often "gross" leases under which the landlord is not able to pass on costs to its residents), the imposition of increased taxes or new taxes and capital investment requirements.

Liquidity Risk

SmartCentres' ability to meet its financial obligations as they become due represents its exposure to liquidity risk. It is management's intention to either repay or refinance maturing liabilities with newly issued secured or unsecured debt, equity or, in certain circumstances not expected to occur frequently, the disposition of certain assets. Any net working capital deficiencies are funded with SmartCentres' existing revolving operating facilities. Management expects to finance future acquisitions, including committed earnouts, developments, mezzanine financing

commitments and maturing debt from: (i) existing cash balances, (ii) a mix of mortgage debt secured by investment properties, operating facilities, issuance of equity and unsecured debentures, (iii) repayments of mortgages receivable, and (iv) the sale of non-core assets. However, SmartCentres' ability to meet these future obligations may be impacted by the liquidity risk associated with receiving repayments of its mortgages, loans, and notes receivable, amounts receivable and other, deposits, and cash equivalents on time and in full and the realization of fair value on the disposition of SmartCentres' non-core assets. Cash flow generated from operating activities is the primary source of liquidity to pay Unit distributions, sustaining capital expenditures and leasing costs.

Liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to lease out vacant units. In the next 12 months, \$1.5 billion of liabilities (including \$986.9 million of secured and unsecured debt, \$274.5 million of other financial liabilities and \$260.5 million of accounts and other payable amounts) will mature and will need to be settled by means of renewal or payment.

SmartCentres aims to maintain flexibility and opportunities in funding by keeping committed credit lines available, obtaining additional mortgages as the value of investment properties increases and issuing equity or unsecured debentures.

The key assumptions used in SmartCentres' estimates of future cash flows when assessing liquidity risk are the renewal or replacement of the maturing revolving operating facilities, secured debt and unsecured debentures, at reasonable terms and conditions in the normal course of business and no major bankruptcies of large tenants. Management believes that it has considered all reasonable facts and circumstances in forming appropriate assumptions. However, as always, there is a risk that significant changes in market conditions could alter the assumptions used.

Capital Requirements and Access to Capital

SmartCentres accesses the capital markets from time to time through the issuance of debt or equity securities. If SmartCentres were unable to raise additional funds or renew existing maturing debt on favourable terms, then acquisition or development activities could be curtailed, asset sales accelerated, property-specific financing, purchase and development agreements renegotiated, and monthly cash distributions reduced or suspended. However, SmartCentres anticipates accessing the capital markets on reasonable terms due to its high occupancy levels and low lease maturities, combined with its strong national and regional tenant base and its prime retail locations.

Environmental and Climate Change Risk

As an owner of real property, SmartCentres is subject to various federal, provincial, territorial and municipal laws relating to environmental matters. Such laws provide that SmartCentres could be liable for the costs of removal of certain hazardous substances and remediation of certain hazardous locations. The failure to remove or remediate such substances or locations, if any, could adversely affect SmartCentres' ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against SmartCentres. SmartCentres is not aware of any material non-compliance with environmental laws at any of its properties. SmartCentres is also not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of its properties or any pending or threatened claims relating to environmental conditions at its properties. SmartCentres has policies and procedures to review and monitor environmental exposure, including obtaining a Phase I environmental assessment, as appropriate, prior to the completion of an acquisition of land, a shopping centre or other real estate assets. Further investigation is conducted if the Phase I assessments indicate a problem. In addition, the standard lease requires compliance with environmental laws and regulations and restricts tenants from carrying on environmentally hazardous activities or having environmentally hazardous substances on site. SmartCentres has obtained environmental insurance on certain assets to further manage risk.

SmartCentres is making the necessary capital and operating expenditures to comply with environmental laws and regulations. Although there can be no assurances, SmartCentres does not believe that costs relating to environmental matters will have a material adverse effect on SmartCentres' business, financial condition or results of operations. However, environmental laws and regulations can change and SmartCentres may become subject to more stringent

environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have an adverse effect on SmartCentres' business, financial condition or results of operations.

Climate change continues to attract the focus of governments and the general public as an important threat, given the emission of greenhouse gases and other activities which continue to negatively impact the planet. SmartCentres faces the risk that its properties will be subject to government initiatives aimed at countering climate change, such as reduction of greenhouse gas emissions, which could impose constraints on its operational flexibility. Furthermore, SmartCentres' properties may be exposed to the impact of events caused by climate change, such as natural disasters and increasingly frequent and severe weather conditions. Such events could interrupt SmartCentres' operations and activities, damage its properties, diminish traffic and require SmartCentres to incur additional expenses including an increase in insurance costs to insure its properties against natural disasters and severe weather.

Potential Conflicts of Interest

SmartCentres may be subject to various conflicts of interest because of the fact that the Trustees and executive management, and their associates, may be engaged in a wide range of real estate and other business activities. SmartCentres may become involved in transactions which conflict with the interests of the foregoing. The Trustees, executive management and their associates or affiliates may from time to time deal with persons, firms, institutions or corporations with which SmartCentres may be dealing, or which may be seeking investments similar to those desired by SmartCentres. The interests of these persons could conflict with those of SmartCentres. In addition, from time to time, these persons may be competing with SmartCentres for available investment opportunities. The Declaration of Trust contains "conflicts of interest" provisions requiring Trustees or officers of the Trust to disclose material interests in material contracts and transactions and refrain from voting. See the section of this annual information form entitled "Management of SmartCentres – Conflict of Interest Restrictions and Provisions".

Cyber Security

Cyber security has become an increasingly problematic issue for issuers and businesses in Canada and around the world, including for SmartCentres and the real estate industry. Cyber attacks against large organizations are increasing in sophistication and are often focused on financial fraud, compromising sensitive data for inappropriate use or disrupting business operations. Such an attack could compromise SmartCentres' confidential information as well as that of SmartCentres' employees, tenants and third parties with whom SmartCentres interacts and may result in negative consequences, including remediation costs, loss of revenue, additional regulatory scrutiny, litigation and reputational damage. As a result, SmartCentres continually monitors for malicious threats and adapts accordingly in an effort to ensure it maintains high privacy and security standards. SmartCentres invests in cyber defence technologies to support its business model and to protect its systems, employees and tenants and seeks to employ industry best practices. SmartCentres' investments continue to manage the risks it faces today and position SmartCentres for the evolving threat landscape. SmartCentres also follows certain protocols when it engages software and hardware vendors concerning data security and access controls.

Debt Financing

The ability of SmartCentres to make cash distributions or make other payments or advances is subject to applicable laws and contractual restrictions contained in the instruments governing its indebtedness. The degree to which SmartCentres is leveraged could have important consequences to the holders of its securities, including: that SmartCentres' ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; that a significant portion of SmartCentres' cash flow from operations may be dedicated to the payment of the principal of and interest on its indebtedness, thereby reducing funds available for future operations and distributions; that certain of SmartCentres' borrowings may be at variable rates of interest, which exposes it to the risk of increased interest rates; and that SmartCentres may be impacted by economic downturns including SmartCentres' ability to retain and attract tenants. Also, there can be no assurance that SmartCentres will continue to generate sufficient cash flow from operations to meet required interest and principal payments. Further, SmartCentres is subject to the risk that any of its existing indebtedness may not be able to be refinanced upon maturity or that the terms of such financing may not be as favourable as the terms of its existing indebtedness. These factors may adversely affect SmartCentres' cash distributions.

SmartCentres' credit facilities provide lenders with first charge security interests on most of the income producing properties in its portfolio. These credit facilities contain numerous terms and covenants that limit the discretion of management with respect to certain business matters. These covenants place restrictions on, among other things, the ability of SmartCentres to create liens or other encumbrances, to make certain payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the credit facilities contain a number of financial covenants that require SmartCentres to meet certain financial ratios and financial condition tests. For example, certain of SmartCentres' loans require specific loan to value and debt service coverage ratios which must be maintained by SmartCentres. A failure to comply with the obligations in the credit facilities could result in a default which, if not cured or waived, could result in acceleration of the relevant indebtedness. If the indebtedness under the credit facilities were to be accelerated, there can be no assurance that the assets of SmartCentres would be sufficient to repay that indebtedness in full.

Interest and Financing Risk

As a means of curbing inflation, the Bank of Canada increased interest rates through 2023. In 2024, interest rates remained higher until the second half of the year at which time the Bank of Canada began to reduce the overnight interest rate. Sustained higher interest rates or a downgrade in SmartCentres' credit rating could significantly affect SmartCentres' ability to meet its financial obligations. Circumstances that may impair SmartCentres' credit rating include an inability for SmartCentres to maintain its cash flow from operating activities, an inability to meet covenants for both secured and unsecured debentures, an inability to meet expectations of credit rating agencies and/or a higher interest rate environment in the Canadian economy. In order to minimize this risk, SmartCentres' policy is to negotiate fixed rate secured debt and unsecured debt with staggered maturities on the portfolio and where appropriate, seek to match average lease maturity to average debt maturity. Derivative financial instruments may be utilized by SmartCentres in the management of its interest rate exposure. SmartCentres' policy is not to utilize derivative financial instruments for trading or speculative purposes. In addition, the Declaration of Trust restricts total indebtedness permitted on the portfolio.

Interest rate changes will also affect SmartCentres' development portfolio. SmartCentres has entered into development agreements that obligate SmartCentres to acquire up to approximately 0.1 million square feet of additional income properties at a cost determined by capitalizing the rental income at pre-determined rates. Subject to the ability of SmartCentres to obtain financing on acceptable terms, SmartCentres anticipates that it will finance these acquisitions by issuing additional debt and equity. Changes in interest rates will have an impact on the return from these acquisitions should the rate exceed the capitalization rate used and could result in a purchase not being accretive. This risk is mitigated as management has certain rights of approval over the developments and acquisitions.

Operating facilities, secured debt and unsecured debt exist that are priced at a risk premium over short-term rates. Changes in short-term interest rates will have an impact on the cost of financing. In addition, there is a risk the lenders will not refinance on maturity. By restricting the amount of both variable interest rate debt and short-term debt, SmartCentres minimizes the impact of changes in short term rates on financial performance.

The Canadian capital markets are competitively priced. In addition, the secured debt market remains strong with lenders seeking quality products. Due to the quality and location of SmartCentres' real estate, management expects to meet its financial obligations.

Inflation Risk

Canada's inflation rate peaked at a historically high level in 2022 and began to decline in 2023 and 2024 and inflation rates at the end of 2024 remained within the Bank of Canada's target inflation range. Recent inflationary pressures experienced domestically and globally, external supply constraints, tight labour markets and strong demand for goods and resources, together with recently higher interest rates targeted at curbing inflationary increases, will put pressure on SmartCentres' development, financing, operation and labour costs and could negatively impact levels of demand for real property. Changes in economic conditions, including supply chain constraints, logistics challenges, labour shortages, imposition of or adverse amendments to duties, tariffs and other trade protection mechanisms (including any retaliation to such measures) and steps taken by governments and central banks, including stimulus and spending programs, have, in some instances in the past, led to (and could, in the future lead to) heightened inflation, resulting in an increase in costs and changes in fiscal and monetary policy, including increased interest rates. As a result of

potential changes to U.S. policy, especially in light of recent developments with the new U.S. administration, it is feasible that there may be changes to existing trade agreements, the imposition of new tariffs and restrictions on certain trade. Accordingly, continued inflationary pressures and the resulting economic impacts may adversely affect SmartCentres' financial condition and results of operations. If inflationary pressures return or interest rates remain higher than recent norms, an economic contraction could be possible. Higher inflation and the prospect of moderated growth also negatively impacts the debt and equity markets in which SmartCentres seeks capital, and in turn might impact SmartCentres' ability to obtain capital in the future on favourable terms, or at all. While SmartCentres' portfolio and market position, as well as its strong and stable tenant base, provide SmartCentres with flexibility to navigate volatile economic conditions, there can be no assurances regarding the impact of a significant economic contraction on the business, operations, and financial performance of SmartCentres and its tenants.

Joint Venture Risk

SmartCentres is a co-owner in several properties including but not limited to SmartVMC, Transit City, a residential unit project in Laval, Quebec, a land parcel in Vaughan to build townhomes and various other retail, self-storage, residential and other mixed-use properties. As part of its growth strategy, SmartCentres expects to increase its participation in additional joint ventures in the future, which may include additional joint ventures in condominiums, self-storage facilities, seniors' housing and other initiatives. SmartCentres is subject to the risks associated with the conduct of joint ventures. Such risks include disagreements with its partners to develop and operate the properties efficiently, the inability of the partners to meet their obligations to the joint ventures or third parties as they become due and decisions made by partners which may not be in favour of SmartCentres' best interests but rather are in the best interests of the partnership. In addition, SmartCentres may be exposed to the risks of the actions taken by any of the partners that may result in reputational damage to SmartCentres of the joint ventures. These risks could have a material adverse effect on the joint ventures, which may have a material adverse effect on SmartCentres. SmartCentres attempts to mitigate these risks by continuing to maintain strong relationships with its partners.

Development and Construction Risk

Development and construction risk arises from the possibility that completed developed space will not be leased or that costs of development and construction will exceed original estimates, resulting in an uneconomic return from the leasing of such developments. SmartCentres mitigates this risk by limiting construction of any development until sufficient lease-up has occurred and by entering into fixed price contracts for a large proportion of both development and construction costs.

SmartCentres is becoming increasingly involved in mixed-use development initiatives that include residential condominiums and townhomes, rental apartments, seniors housing and self-storage. Purchaser and tenant demand for these uses can be cyclical and is affected by changes in general market and economic conditions, such as consumer confidence, employment levels, availability of financing for home buyers, interest rates, demographic trends and housing and similar commercial demand. Furthermore, the market value of undeveloped land, buildable lots and housing inventories held by SmartCentres can fluctuate significantly as a result of changing economic and real estate market conditions. An oversupply of alternative housing, such as new homes, resale homes (including homes held for sale by investors and speculators), foreclosed home and rental properties and apartments, accommodation of seniors housing and self-storage space may: (i) reduce SmartCentres' ability to sell new condominiums and townhomes, depress prices and reduce margins from the sale of condominiums and townhomes, and (ii) have an adverse effect on SmartCentres' ability to lease rental apartments, seniors housing and self-storage units and on the rents charged.

SmartCentres' construction commitments are subject to those risks usually attributable to construction projects, which include: (i) construction or other unforeseen delays, including delays in obtaining municipal approvals; (ii) cost overruns; and (iii) the failure of tenants to occupy and pay rent in accordance with existing lease arrangements, some of which are conditional.

Credit Risk

Credit risk arises from cash and cash equivalents, as well as credit exposures with respect to tenant receivables and mortgages and loans receivable. Tenants may experience financial difficulty and become unable to fulfill their lease commitments. SmartCentres mitigates this risk of credit loss by reviewing tenants' covenants, ensuring its tenant mix

is diversified and limiting its exposure to any one tenant, except Walmart because of its creditworthiness. Further risks arise in the event that borrowers may default on the repayment of amounts owing to SmartCentres. SmartCentres endeavours to ensure adequate security has been provided in support of mortgages and loans receivable. The failure of SmartCentres' tenants or borrowers to pay SmartCentres amounts owing on a timely basis or at all would have an adverse effect on SmartCentres' financial condition.

Litigation and Regulatory Risks

SmartCentres is subject to a wide variety of laws and regulations across all of its operating jurisdictions and faces risks associated with legal and regulatory changes and litigation. If SmartCentres fails to monitor and become aware of changes in applicable laws and regulations or if SmartCentres fails to comply with these changes in an appropriate and timely manner, it could result in fines and penalties, litigation or other significant costs, as well as significant time and effort to remediate any violations. SmartCentres, in the normal course of operations, is subject to a variety of legal and other claims including claims relating to personal injury, property damage, property taxes, land rights and contractual and other commercial disputes. The final outcome with respect to outstanding, pending or future actions cannot be predicted with certainty, and the resolution of such actions may have an adverse effect on SmartCentres' financial position or results of operations as well as reputational damage both from an operating and an investment perspective. Management evaluates all claims on their apparent merits and accrues management's best estimate of the likely cost to satisfy such claims. Management believes the outcome of current legal and other claims filed against SmartCentres, after considering insurance coverage, will not have a significant impact on SmartCentres consolidated financial statements.

Trustees

The Trustees will not devote their full time and attention to the affairs of SmartCentres but will execute their duties consistent with the Board of Trustees and committee charters. See the section of this annual information form entitled "Declaration of Trust and Description of Units - Trustees".

Reliance on Key Personnel

Management depends on the services of certain key personnel. Investors who are not prepared to rely on this management should not invest in Units. The loss of the services of key personnel could have an adverse effect on SmartCentres. SmartCentres does not have key man insurance on any of its key employees.

General Uninsured Losses

SmartCentres carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks, generally of a catastrophic nature, such as wars or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. SmartCentres has insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements, and will continue to carry such insurance if it is economical to do so. Should an uninsured or underinsured loss occur, SmartCentres could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but SmartCentres would continue to be obliged to repay any recourse mortgage indebtedness on such properties.

Competition for Real Property Investments

Over the long term, to the extent that opportunities exist and to the extent that management and the Board of Trustees believe such opportunities are beneficial to Unitholders, SmartCentres intends to expand its asset base and increase Adjusted Funds From Operations by pursuing an external growth strategy. SmartCentres intends to actively seek strategic and accretive acquisitions in its existing and adjacent markets and in new Canadian markets that present opportunities for favourable returns. However, SmartCentres competes for suitable real property investments with individuals, corporations, other real estate investment trusts and similar vehicles, and institutions (both Canadian and foreign) which are presently seeking or which may seek in the future real property investments similar to those desired by SmartCentres. As such, there can be no guarantee that SmartCentres will be successful in making such acquisitions.

Public Health Crises Risks

Public health crises, relating to any broad-reaching disease, virus, flu, epidemic, pandemic or other similar disease or illness (each, a “**Public Health Crisis**”) can adversely impact SmartCentres’ and its tenants’ businesses, including the ability of some tenants to legally operate thereby adversely impacting the ability of tenants to meet their payment obligations under leases. A Public Health Crisis could result in a general or acute decline in economic activity, increased unemployment, staff shortages, reduced tenant traffic, mobility restrictions and other quarantine measures, supply shortages, increased government regulations, and the quarantine or contamination of one or more of SmartCentres’ properties.

A Public Health Crisis could impact the following material aspects of SmartCentres’ business, among others: (i) the value of the SmartCentres’ properties and developments; (ii) SmartCentres’ ability to make distributions to Unitholders; (iii) the availability or the terms of financing that SmartCentres currently has access to or may anticipate utilizing; (iv) SmartCentres’ ability to make principal and interest payments on, or refinance any outstanding debt when due; (v) the occupancy rates in SmartCentres’ properties; (vi) the ability of SmartCentres to pursue its development plans or obtain construction financing on previously announced and anticipated timelines or within budgeted terms; (vii) the ability of our tenants to enter into new leasing transactions or to satisfy rental payments under existing leases; (viii) the impact to SmartCentres’ financial covenants; and (ix) changing consumer habits and foot traffic to SmartCentres’ properties and tenants’ stores.

Risks Relating to the Units

Potential Volatility of Unit Prices

The price for the Units could be subject to wide fluctuations in response to quarter-to-quarter variations in operating results, the gain or loss of significant properties, changes in income estimates by analysts and market conditions in the industry, as well as general economic conditions or other risk factors set out herein. In addition, stock markets have experienced volatility that has affected the market prices for many issuers’ securities and that often has been unrelated to the operating performance of such issuers. These market fluctuations may adversely affect the market price of the Units.

A publicly traded REIT will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Units may trade at a premium or a discount to the underlying value of SmartCentres’ real estate assets.

One of the factors that may influence the market price of the Units is market interest rates relative to the monthly cash distributions of SmartCentres to the Unitholders. An increase in market interest rates or a decrease in monthly cash distributions by SmartCentres could adversely affect the market price of the Units. In addition, the market price for the Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond the control of SmartCentres.

Cash Distributions are Not Guaranteed and will Fluctuate with SmartCentres’ Performance

A return on an investment in Units is not comparable to the return on an investment in a fixed-income security. The recovery of an investment in Units is at risk, and any anticipated return on an investment in Units is based on many performance assumptions.

Although SmartCentres intends to make distributions of a significant percentage of its available cash to its Unitholders, these cash distributions are not assured and may be reduced or suspended. The ability of SmartCentres to make cash distributions and the actual amount distributed will be dependent upon, among other things, the financial performance of the properties in its Property Portfolio, its debt covenants and obligations, its working capital requirements and its future capital requirements. In addition, the market value of the Units may decline for a variety of reasons including if SmartCentres is unable to meet its cash distribution targets in the future, and that decline may be significant.

It is important for a person making an investment in Units to consider the particular risk factors that may affect both SmartCentres and the real estate industry in which SmartCentres operates and which may therefore affect the stability of the cash distributions on the Units. See the other risk factors set out in this section which describes SmartCentres' assessment of those risk factors, as well as the potential consequences to a Unitholder if a risk should occur. Also see the section of this annual information form entitled "Ratings on Securities".

Availability of Cash Flow

Cash distributions to Unitholders may be reduced from time to time if such distributions would exceed the cash obligations of SmartCentres from time to time due to items such as principal repayments, tenant allowances, leasing commissions and capital expenditures and redemption of Units, if any. SmartCentres may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items. SmartCentres anticipates temporarily funding such items, if necessary, through an operating line of credit in expectation of refinancing long-term debt on its maturity.

Unitholder Holding a Significant Number of Units

As at December 31, 2024, our Executive Chairman and Chief Executive Officer, Mitchell Goldhar, beneficially owned or controlled a number of the outstanding Units which, together with the securities he beneficially owned or controlled that are exchangeable at his option for Units for no additional consideration and the associated Special Voting Units, represented an approximate 21.3% voting interest in SmartCentres. Further, as at December 31, 2024, Mr. Goldhar beneficially owned or controlled additional rights to acquire Units which, if exercised or converted, would result in him increasing his beneficial economic and voting interest in SmartCentres to as much as approximately 25.0%. In addition, pursuant to the Voting Top-Up Right, Mr. Goldhar may be issued Additional Special Voting Units to entitle the MG Entities to cast 25% of the votes attached to Voting Units at a meeting of the holders of Voting Units. See the section of this annual information form entitled "Declaration of Trust and Description of Units – Special Voting Units".

If Mr. Goldhar sells a substantial number of Units in the public market or otherwise, the market price of the Units could fall. The perception among the public that these sales will occur could also produce such an effect. As a result of his voting interest in SmartCentres, Mr. Goldhar may be able to exert significant influence over matters that are to be determined by votes of the Unitholders of SmartCentres. The timing and receipt of any takeover or control premium by Unitholders could depend on the determination of Mr. Goldhar as to when to sell Units. This could delay or prevent a change of control that might be attractive to, and provide liquidity for, Unitholders, and could limit the price that investors are willing to pay in the future for Units.

Structural Subordination of the Units

In the event of a bankruptcy, liquidation or reorganization of SmartCentres or its subsidiaries, holders of certain of their indebtedness and certain trade creditors will generally be entitled to payment of their claims from the assets of SmartCentres or its subsidiaries before any assets are made available for distribution to SmartCentres. The Units will be effectively subordinated to most of the indebtedness and other liabilities of SmartCentres and its subsidiaries. Neither SmartCentres nor its subsidiaries will be limited in their ability to incur secured or unsecured indebtedness.

Redemption Right

It is anticipated that the redemption right will not be the primary mechanism for Unitholders to liquidate their investments. Further, the entitlement of holders of Units to receive cash upon the redemption of their Units is subject to limitations. Also, securities and/or obligations of SmartCentres which may be distributed in specie to Unitholders in connection with a redemption will not be listed on any stock exchange and no established market is expected to develop for such securities and/or obligations. See the section of this annual information form entitled "Declaration of Trust and Description of Units – Redemption Right".

Distribution of Securities on Redemption or Termination of the Trust

Upon a redemption of Units or termination of SmartCentres, the Trustees may distribute securities and/or obligations of SmartCentres or held by SmartCentres directly to the Unitholders, subject to obtaining any required regulatory approvals. Such securities and/or obligations so distributed may not be qualified investments for Plans, depending upon the circumstances at the time. Further, no established market may exist for the securities so distributed at the time of the distribution and no market may ever develop. See the section of this annual information form entitled “Declaration of Trust and Description of Units – Redemption Right”.

Unitholder Liability

Unitholders may be subject to liability in connection with SmartCentres or its obligations and affairs. See the section of this annual information form entitled “Declaration of Trust and Description of Units – Unitholder Limited Liability”.

Nature of Units

Securities such as the Units share certain, though not all, attributes common to shares of a company. As holders of Units, Unitholders will not have the statutory rights normally associated with ownership of shares of a company including, for example, the right to bring “oppression” or “derivative” actions.

Further, the Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporations Act* (Canada) and are not insured under the provisions of that act or any other legislation.

Dilution

SmartCentres is authorized to issue an unlimited number of Units. Any issuance of Units may have a dilutive effect on existing Unitholders.

After-tax Return

The after-tax return from an investment in Units to Unitholders subject to Canadian federal income tax will depend, in part, on the composition for Canadian income tax purposes of distributions paid by SmartCentres on its Units, which may be fully or partially taxable or tax-deferred. That composition may change over time, thus affecting a Unitholder’s after-tax returns.

Risks Relating to the Debentures

Refinancing or Repayment of Debentures on Maturity

SmartCentres intends to refinance its existing Debentures on maturity. However, SmartCentres is subject to the risk that any of its existing indebtedness, including its Debentures, may not be able to be refinanced on maturity or that the terms of such financing may not be as favourable as the terms of its existing indebtedness, including the terms of its existing Debentures. Further, if it cannot refinance the Debentures on maturity, there can be no assurance that SmartCentres will be able to generate sufficient cash flow from operations, or generate sufficient capital through other means such as equity financings or asset sales, to meet required principal payments on its outstanding Debentures. Failure to meet its obligations under the Debentures would likely have an adverse effect on SmartCentres’ financial condition and the value of the Units and the Debentures. Also see the sections of this annual information form entitled “Risks Relating to the Business – Debt Financing”, “Risks Relating to the Business – Interest and Financing Risk” and “Risks Relating to the Business – Capital Requirements and Access to Capital”. Due to the quality and location of SmartCentres’ real estate, management is confident that SmartCentres will be able to meet its financing requirements.

Credit Ratings

See the section of this annual information form entitled “Ratings on Securities”.

Structural Subordination of Debentures

Liabilities of a parent entity with assets held by various subsidiaries may result in the structural subordination of the lenders of the parent entity. The parent entity is entitled only to the residual equity of its subsidiaries after all debt obligations of its subsidiaries are discharged. In the event of a bankruptcy, liquidation or reorganization of SmartCentres, holders of indebtedness of SmartCentres (including holders of Debentures) may become subordinate to lenders to the subsidiaries of SmartCentres.

Certain of the subsidiaries of SmartCentres have provided a form of guarantee pursuant to which the trustee for the Debentures is, subject to the indentures governing the Debentures, entitled to seek redress from such subsidiaries for the guaranteed indebtedness. These guarantees are intended to eliminate structural subordination which arises as a consequence of SmartCentres’ assets being held in various subsidiaries. Although all subsidiaries which own material assets have provided a guarantee, not all subsidiaries of SmartCentres have provided such a guarantee. In addition, there can be no assurance that the trustee for the Debentures will, or will be able to, effectively enforce the guarantee.

Market Value Fluctuation

Prevailing interest rates will affect the market value of the Debentures, as they carry a fixed interest rate. Assuming all other factors remain unchanged, the market value of the Debentures, which carry a fixed interest rate, will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

Statutory Remedies

SmartCentres is not a legally recognized entity within the relevant definitions of the *Bankruptcy and Insolvency Act*, the *Companies’ Creditors Arrangement Act* and in some cases, the *Winding Up and Restructuring Act*. As a result, in the event a restructuring of SmartCentres were necessary, SmartCentres would not be able to access the remedies available thereunder. In the event of a restructuring, a holder of Debentures may be in a different position than a holder of secured indebtedness of a corporation.

Risks Relating to Tax

SIFT Rules

Legislation

The Tax Act imposes a special taxation regime (the “**SIFT Rules**”) applicable to certain publicly traded income trusts (each a “**SIFT**”). Under the SIFT Rules, a SIFT is subject to tax in respect of certain distributions that are attributable to the SIFT’s “non-portfolio earnings” (as defined in the Tax Act; generally, income (other than certain dividends) from, or capital gains realized on, “non-portfolio properties”, which does not include certain investments in non-Canadian entities), at a rate substantially equivalent to the combined federal and provincial corporate tax rate on certain types of income.

A SIFT includes a trust resident in Canada with publicly traded units that holds one or more “non-portfolio properties”. “**Non-portfolio properties**” include certain investments in real properties situated in Canada and certain investments in corporations and trusts resident in Canada and in partnerships with specified connections in Canada. SmartCentres will be a SIFT for purposes of the SIFT Rules unless it qualifies for the REIT Exception described below under the heading “REIT Exception”.

REIT Exception

The SIFT Rules are not applicable to a trust that meets certain specified criteria relating to the nature of its revenues and investments in order to qualify as a real estate investment trust for purposes of the Tax Act (the “**REIT Exception**”). If SmartCentres fails to qualify for the REIT Exception, SmartCentres will be subject to the taxation regime under the SIFT Rules.

To qualify for the REIT Exception in a particular taxation year (i) the trust must be resident in Canada throughout the taxation year, (ii) the total fair market value at all times during the taxation year of all non-portfolio properties that are qualified REIT properties held by the trust must be at least 90% of the total fair market value at that time of all non-portfolio properties held by the trust, (iii) not less than 90% of the trust’s gross REIT revenue for the taxation year must be from one or more of the following: (A) rent from real or immovable properties; (B) interest; (C) dispositions of real or immovable properties that are capital properties; (D) dividends; (E) royalties; and (F) dispositions of eligible resale properties, (iv) not less than 75% of the trust’s gross REIT revenue for the taxation year must be from one or more of the following: (A) rent from real or immovable properties; (B) interest from mortgages, or hypothecs, on real or immovable properties; and (C) dispositions of real or immovable properties that are capital properties, (v) investments in the trust are, at any time in the taxation year, listed or traded on a stock exchange or other public market, and (vi) at each time in the taxation year an amount, that is equal to 75% or more of the equity value of the trust at that time, is the amount that is the total fair market value of all properties held by the trust each of which is real or immovable property that is capital property, an eligible resale property, indebtedness of a Canadian corporation represented by a bankers acceptance, money and deposits (within the meaning of the *Canada Deposit Insurance Corporation Act* or with a branch in Canada of a bank) of such money standing to the credit of the trust, certain debt obligations issued by certain debtors, including Canadian federal, provincial or municipal governments or crown corporations or certain debt obligations guaranteed by the federal government of Canada otherwise than being insured by the Canada Deposit Insurance Corporation, or deposits with a credit union. Generally, the aforementioned rules contain a look-through rule under which a SIFT could qualify for the REIT Exception where it holds its Canadian real properties indirectly through intermediate entities. Each of the terms “non-portfolio property”, “qualified REIT property”, “gross REIT revenue”, “rent from real or immovable properties”, “real or immovable property”, “eligible resale property”, “equity value” and “non-portfolio earnings” is defined in the Tax Act.

Application to SmartCentres

SmartCentres, as currently structured, does qualify for the REIT Exception and thus is not currently subject to tax under the SIFT Rules. In the event that the REIT Exception did not apply to SmartCentres, the corresponding application of the SIFT Rules to SmartCentres could impact the level of cash distributions which would otherwise be made by SmartCentres and the taxation of such distributions to holders of Units.

The applicability of the REIT Exception to SmartCentres is based on the revenues of SmartCentres and the value of SmartCentres’ assets that may fluctuate during the year. SmartCentres intends to monitor its revenues and the value of its assets and take all necessary steps to continue to qualify for the REIT Exception. However, there can be no assurance that Canadian federal income tax laws with respect to the REIT Exception will not be changed, or that administrative and assessment practices of the Canada Revenue Agency will not develop in a manner that adversely affects SmartCentres or its Unitholders. Furthermore, the determination as to whether SmartCentres qualifies for the REIT Exception in a particular taxation year can only be made at the end of such taxation year. Accordingly, no assurance can be given that SmartCentres will continue to qualify for the REIT Exception.

Qualification as a “Mutual Fund Trust” or Registered Investment

If SmartCentres ceases to qualify as a “mutual fund trust” or “registered investment” under the Tax Act, the income tax considerations for Unitholders would be materially and adversely different in certain respects, including that Units may cease to be qualified investments for Plans. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments.

There can be no assurance that Canadian federal income tax laws respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the holders of Units.

Tax Deferred Distributions

The extent to which distributions will be tax deferred in the future will depend in part on the extent to which SmartCentres is able to deduct capital cost allowance or other expenses relating to properties directly or indirectly held by SmartCentres. Certain proposed amendments to the Tax Act would have the effect of denying the deductibility of net interest and financing expenses in certain circumstances, including the computation of taxable income by a trust. If these proposed amendments are enacted as proposed, the amount of interest and finance expenses deducted by SmartCentres may be reduced and/or SmartCentres may be required to include in its income its share of denied net interest and financing expenses of its subsidiary partnerships.

MANAGEMENT OF SMARTCENTRES

General

An experienced and capable executive management team provides strategic direction to SmartCentres, subject to the supervision of the Board of Trustees. Members of the executive management team have an extensive understanding of the commercial real estate industry in SmartCentres' target markets. The executive management of SmartCentres seeks to achieve and maintain geographic asset diversity, staggered lease maturities, staggered debt maturities, reasonable asset leverage, strong tenant covenants, high occupancy rates with contractual rental rate increases and appropriate capital improvement and redevelopment programs. All of SmartCentres' investments are subject to specific investment guidelines and the operations of SmartCentres are subject to specific operating policies. See the section of this annual information form entitled "Investment Guidelines and Operating Policies".

Trustees and Executive Officers of SmartCentres

The following table sets forth the name, province or state and country of residence, office held with SmartCentres, experience and principal occupation during at least the last five (5) years of each of the current Trustees and executive officers of SmartCentres:

<u>Name and Residence</u>	<u>Current Office In SmartCentres⁽⁴⁾</u>	<u>Principal Occupation</u>
Mitchell Goldhar Ontario, Canada ^{(2) (5) (6)}	Trustee, Executive Chair of the Board of Trustees and Chief Executive Officer	Mitchell Goldhar is a Canadian businessman and the founder of SmartCentres. Mr. Goldhar has approximately 40 years of real estate development and operational experience and has developed over 60 million square feet of retail, residential, office and industrial. He started SmartCentres in 1989 with the belief that there was a need for value-oriented retail centres in Canada. 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, Clevelands House Resort in Muskoka and Maccabi Tel Aviv Football Club. 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, the Canadian Concussion Centre at Toronto General Hospital and is Director Emeritus with the SickKids Foundation. Mr. Goldhar is SmartCentres' largest unitholder and has been 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.

<u>Name and Residence</u>	<u>Current Office In SmartCentres⁽⁴⁾</u>	<u>Principal Occupation</u>
Janet Bannister Ontario, Canada ^{(1) (3) (7)}	Trustee	<p>Trustee of SmartCentres since June 15, 2021. Ms. Bannister is the Founder and Managing Partner at Staircase Ventures. Prior to launching Staircase Ventures, Ms. Bannister was Managing Partner at Real Ventures, one of Canada’s largest and most active early-stage venture capital firms. In addition, Ms. Bannister is very active in the Canadian tech ecosystem including being Co-Chair of C100 and on the Boards of Communitech in Waterloo, Vector Institute in Toronto, and Ivey Business School. She is also an active advisor at Next Canada, Creative Destruction Lab and the Research Board of the University Health Network.</p> <p>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.</p> <p>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.</p>
Garry Foster Ontario, Canada ^{(1) (2) (8)}	Trustee	<p>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 serves as Chair of the Board for both Real Matters Inc. and Payments Canada. 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.</p> <p>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.</p>
Gregory Howard Ontario, Canada ^{(2) (5)}	Trustee	<p>Trustee of SmartCentres since July 2, 2015. Until his retirement, Greg Howard was a senior partner at Davies Ward Phillips & Vineberg LLP, one of Canada’s leading law firms, and 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</p>

<u>Name and Residence</u>	<u>Current Office In SmartCentres⁽⁴⁾</u>	<u>Principal Occupation</u>
Sylvie Lachance Ontario, Canada ^{(1) (2) (7)}	Trustee	<p>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.</p> <p>Trustee of SmartCentres since June 15, 2021. Ms. Lachance is since 2017 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. She previously held senior real estate positions with both regional and national grocery retailers.</p> <p>Ms. Lachance holds a 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 and investment committee member of BTB Real Estate Investment Trust.</p>
Sharm Powell Ontario, Canada ^{(2) (3) (8)}	Trustee	<p>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 (CBRE) and spent eight years at BMO Capital Markets in its investment banking group in Toronto, focusing primarily on public real estate companies and REITs. 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.</p>
Michael Young Texas, United States of America ^{(2) (3) (8)}	Lead Independent Trustee	<p>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 and a Director of Brookfield Homes from 2007. On March 12, 2015</p>

<u>Name and Residence</u>	<u>Current Office In SmartCentres⁽⁴⁾</u>	<u>Principal Occupation</u>
Neil Cunningham Quebec, Canada ^{(3) (8)}	Trustee	<p>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.</p> <p>Mr. Cunningham was the President and Chief Executive Officer of the Public Sector Pension Investment Board (PSP Investments) from 2018 to 2022 and Vice Chair and Special Advisor to the incoming President and Chief Executive Officer until his retirement on March 31, 2023. Prior to becoming, CEO, Mr. Cunningham was the Senior Vice President, Global Head of Real Estate and Natural Resources at PSP Investments. He served on the Executive Committee, Senior Management Committee, the Management Risk and Investment Committee, as well as the Talent Committee. Mr. Cunningham also served as Chair of the Board at Revera Inc. Prior to joining PSP Investments, he worked in various roles in the real estate finance industry with Merrill Lynch Real Estate Finance Group, Brazos (Hudson) Advisors Canada, National Bank of Canada and Coopers & Lybrand. Mr. Cunningham holds a Bachelor of Commerce (Honours) from Queen’s University and qualified as a Chartered Accountant in 1986.</p>
Peter Slan Ontario, Canada ⁽⁶⁾	Chief Financial Officer	<p>Chief Financial Officer of SmartCentres since October 24, 2022. Prior to joining SmartCentres, Mr. Slan spent 23 years with Scotiabank. He joined the Real Estate Investment Banking group at Scotiabank in 1998. He spent 12 years in Investment Banking and Equity Capital Markets, focusing primarily on REITs and other investment trusts. Mr. Slan then spent six years as Scotiabank’s Senior Vice President of Finance, with responsibilities for Investor Relations, Sarbanes-Oxley and other areas. Most recently, he served as Vice Chair of Scotiabank’s Global Wealth Management business. Prior to Scotiabank, Mr. Slan spent five years with Ernst & Young LLP focusing primarily on real estate and retail clients. Mr. Slan is a Chartered Professional Accountant and a Fellow of CPA Ontario. He also holds an MBA degree from the Rotman School of Management at the University of Toronto.</p>
Rudy Gobin Ontario, Canada ⁽⁶⁾	Executive Vice President, Portfolio Management and Investments	<p>Executive Vice President, Portfolio Management and Investments since June 1, 2015. Executive Vice President (Asset Management) of SmartCentres from January 2007 to May 2015. Executive Vice President, Finance and Operations of the Penguin Group from May 2001 to December 2006. Chief Financial Officer of Nexacor Realty Management Inc. (real estate subsidiary of Bell Canada) from March 1998 to May 2001. Prior to this, Mr. Gobin spent six years with OMERS Realty Corporation as Controller and four years with KPMG. Mr. Gobin is a Chartered Professional Accountant, is a Fellow of the Institute of Canadian Bankers and holds an MBA degree from the Rotman School of Management and a Bachelor of Commerce from the University of Toronto.</p>
Paula Bustard Ontario, Canada ⁽⁶⁾	Executive Vice President, Development	<p>Executive Vice President, Development of SmartCentres since August 2019. Previously, Senior Vice President, Development of SmartCentres, from June 2017 to August 2019. Ms. Bustard</p>

<u>Name and Residence</u>	<u>Current Office In SmartCentres⁽⁴⁾</u>	<u>Principal Occupation</u>
Allan Scully Ontario, Canada ⁽⁶⁾	Executive Vice President, Development	originally joined the Penguin Group as an Assistant Project Manager in April 2004. She continued to progress through successive levels in development until achieving the level of Vice President in April 2014. Prior to joining the Penguin Group, Ms. Bustard was in Corporate Services, Facilities and Real Estate Strategic Policy and Projects at the City of Toronto from May 2002 to September 2002 and from May 2003 to April 2004. Ms. Bustard holds a Masters in Planning (M.P.I.) from Queen’s University’s School of Urban and Regional Planning, and an Honours BA from McMaster University. She has over 20 years of experience leading all phases of design and development of intensification and redevelopment projects, inclusive of retail, office and residential property types. Executive Vice President, Development of SmartCentres since May 2015. Previously, Executive Vice President of Development of the Penguin Group from June 2006 to May 2015. Vice-President of the Penguin Group from September 2000 to June 2006. Project Manager of the Penguin Group from May 1998 to September 2000. Prior to joining the Penguin Group, Mr. Scully was Senior Market Consultant of Malone Given Parson from May 1993 to May 1998, and Market Consultant at Stamm Economic Research from August 1989 to May 1993. Mr. Scully holds a Bachelor of Environmental Studies from the School of Planning, University of Waterloo.
Dan Markou Ontario, Canada ⁽⁶⁾	Executive Vice President & Chief People and Culture Officer	Executive Vice President & Chief People and Culture Officer since September 11, 2023. Prior to joining SmartCentres, Mr. Markou was the Executive Vice President & Chief People and Culture Officer at Shaw Communications from April 2018 to April 2023. Mr. Markou holds a Bachelor of Arts Degree from the University of Toronto, majoring in Labour-Management Relations, a postgraduate diploma in Human Resources, as well as various certificates from Queens University, the University of Michigan, Wharton School of Business (University of Pennsylvania), and Harvard Business School.

Notes:

- (1) Member of the Audit Committee. For further details on the Audit Committee, please refer to the section of this annual information form entitled “Audit Committee”.
- (2) Member of the Investment Committee.
- (3) Member of the Corporate Governance and Compensation Committee.
- (4) Each of the Trustees serves in such capacity until the next annual meeting of Unitholders of SmartCentres unless re-elected or appointed at that meeting to serve for a further one-year term.
- (5) Appointed as a Trustee by the MG Entities pursuant to their rights under the Declaration of Trust. See the section of this annual information form entitled “Declaration of Trust and Description of Units – Trustees”.
- (6) Member of the Executive Committee.
- (7) Member of the ESG Subcommittee.
- (8) Member of the Independent Committee.

As of December 31, 2024, the Trustees and executive officers of SmartCentres, as a group, beneficially owned or controlled, directly and indirectly, 16,144,650 Units (11.2% of issued and outstanding Units) and 22,034,399 Special Voting Units (65.8% of the issued and outstanding Special Voting Units), for a total of 21.4% of the issued and outstanding Voting Units. Notwithstanding the foregoing, see the section of this annual information form entitled “Declaration of Trust and Description of Units – Special Voting Units” which describes circumstances under which Mr. Goldhar, via the MG Entities, may acquire Additional Special Voting Units.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the best of the knowledge of management of SmartCentres, no person who is a Trustee or executive officer of SmartCentres is, as at the date of this annual information form, or has been, within 10 years before the date of this annual information form, a director, chief executive officer or chief financial officer of any company (including SmartCentres) that,

- (a) was subject to an order that was issued while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after that person 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.

For the purposes of (a) and (b) above, “**order**” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

To the best of the knowledge of management of SmartCentres, no person who is a Trustee, executive officer of SmartCentres or a Unitholder holding a sufficient number of securities of SmartCentres to affect materially the control of SmartCentres,

- (a) is, as at the date of this annual information form, or has been within 10 years before the date of this annual information form, 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
- (b) has, within the 10 years before the date of this annual information form, 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 that person.

Conflict of Interest Restrictions and Provisions

The Declaration of Trust contains “conflict of interest” provisions that serve to protect Unitholders without creating undue limitations on SmartCentres. Given that the Trustees 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.

Mitchell Goldhar has disclosed in writing that, as a director, officer and significant shareholder of the Penguin Group, he will be interested in any contract or transaction or proposed contract or transaction with the Penguin Group and its affiliates.

Interest of Management and Others in Material Transactions

SmartCentres and the Penguin Group have entered into a number of agreements and joint ventures. See the sections of this annual information form entitled “Corporate Structure – General Development of the Business” and “Corporate Structure – Additional Agreements with the Penguin Group”.

Gregory Howard was appointed as a Trustee in 2015. Until his retirement, Mr. Howard was a senior partner at Davies Ward Phillips & Vineberg LLP and the firm has acted as counsel to Mitchell Goldhar, the Penguin Group and SmartCentres on a number of matters.

OPERATION OF THE PROPERTY PORTFOLIO

Employees

As at December 31, 2024, SmartCentres had 429 full time regular employees and no part-time regular employees responsible for asset management, property management, new business which includes both acquisitions and developments and property and corporate accounting.

Leasing, Development and Construction Function

SmartCentres integrated all aspects of real estate development, construction, leasing and operations into one business by acquiring the SmartCentres’ platform of development and leasing expertise in 2015. SmartCentres has developed a leasing strategy for each property reflecting the nature of the property, its position within the local marketplace, prevailing and forecast economic conditions and the state of the local real estate market and status of existing tenancies.

Property Management Function

SmartCentres primarily manages its Property Portfolio internally. As at December 31, 2024, approximately 93% of the total leasable area of SmartCentres’ Property Portfolio was managed internally by SmartCentres while the remaining 7% was externally managed by third parties.

Environmental Policy

SmartCentres continuously reviews and analyzes environmental initiatives of all levels of government and industry associations for new and innovative ways to reduce its carbon and overall environmental footprint and has piloted and adopted several energy efficiency and sustainability practices. SmartCentres is committed to making practical, long term sustainable changes that result in overall reductions in landfill waste, water and energy consumption.

SmartCentres will endeavour to ensure that the Property Portfolio is managed in compliance with all applicable environmental laws and regulations and has adopted and implemented rules, standards and procedures to deal with all applicable environmental issues for each asset in the Property Portfolio. SmartCentres’ operating policy provides that a Phase 1 environmental assessment shall be conducted by an independent and experienced environmental consultant prior to acquiring a property where the Investment Committee determines such audit is necessary.

Environmental, Social and Governance (“ESG”)

The Trust was founded with the economic realities of the average Canadian household in mind: bringing value and convenience oriented retail to the Canadian market. That market is evolving as Canadians seek a more integrated lifestyle that seamlessly combines work with home life. These changes are at the heart of the SmartLiving

transformation plan, one that is driven by ESG opportunities such as diverse housing forms, accessibility to urban amenities, transit connections, and green space.

The core values of the Trust have always been to build value-oriented affordable centres in the midst of communities to help people live better lives. The principles of ESG, and sustainability, are aligned with its core values. In addition to being the right thing to do, it creates value for the business. The Trust continues to think about the future and how it will operate and respond to increased concern about our environment, like climate change, especially with an eye to the expectations of employees, tenants, and investors.

The Trust embeds ESG considerations into its business strategy to create value, today and well into the future. That strategy underpins the Trust’s decision-making processes across all levels of the business.

The Trust incorporates ESG and sustainability considerations into its business by:

- Maintaining an ongoing three-year ESG plan that aligns with the Trust’s business plan;
- Embedding ESG-specific targets into its annual corporate targets and linking ESG achievements to the remuneration of executives and all associates;
- Regularly completing materiality assessments to identify and prioritize ESG factors that have the potential to drive value in its business;
- Investigating how new ESG initiatives, including geothermal, solar power, district energy, and green bond issuance, could support the business;
- Working with tenants to meet mutual climate and ESG-related goals by incorporating green lease provisions in its leases;
- Engaging with investors to identify material ESG topics and corresponding framework alignments and reporting requirements;
- Requiring ESG-related training for all associates;
- Maintaining a Diversity, Equity, Inclusion and Belonging Policy; and
- Enhanced governance through mature enterprise resource planning (“ERP”) systems and updated segregation of duties and authority levels.

In 2024, the Trust achieved its ESG targets and objectives, including:

- Updating the Trust’s ESG strategy and 3-year roll-forward plan;
- Submitted to Global Real Estate Sustainability Benchmark (“GRESB”) and improved its score relative to previous submission;
- Increased alignment with internationally accepted sustainability disclosures frameworks and standards, including IFRS International Sustainability Standards Board (“ISSB”) S1 and S2 sustainability disclosures;
- Developed a written “net zero” framework to evaluate requirements for an action plan;
- Completed scenario analysis to identify and prioritize business-related climate risk and opportunities over the short, medium, and long term;
- Embedded climate and sustainability considerations into future development decision-making processes;
- Improved data management processes through formalized controls and actioned review of ESG data collection processes;
- Enhanced employee training programs to improve orientation, engagement and retention, including offering Chartered Professional Accountant (“CPA”) training and mandatory ESG training for all associates;
- Increased stakeholder, including tenant, associates, and community, engagement; and
- Maintained its diversity target of 30% female independent Trustees with 50% of its current independent Trustees and 37.5% of the Board of Trustees members being female.

Environmental

The Trust is committed to reporting on its considerable progress, activities, and performance annually. In 2024, the Trust published its annual ESG report, (the “**2023 ESG Report**”), which reflects the considerable progress, actions,

and performance taken on ESG topics by the Trust, its subsidiaries and business units for the calendar year ended December 31, 2023, and relates to the Trust's fiscal year ending December 31, 2023 as presented in its annual report for the year 2023.

The 2023 ESG Report increased sustainability disclosures and improved alignment with relevant industry-specific Sustainability Accounting Board Standards and the IFRS ISSB S1 and S2. In support of the ISSB S1 and S2 sustainability disclosures, the 2023 ESG Report details the Trust's approach to measuring greenhouse gas emissions. In addition to disclosing the Trust's Scope 1 and Scope 2 emissions from landlord-controlled sources, the 2023 ESG Report included increased disclosures for Scope 3 emissions from tenant-controlled energy consumption.

Working with senior-level executives and external consultants, the Trust identified climate-related risks and opportunities and recommendations for a three-year risk mitigation strategy and a summary was communicated to management and the ESG Subcommittee of the Board. The results from the scenario analysis undertaken by the Trust are being used to identify, assess, prioritize, and monitor climate-related risk and opportunities, and are incorporated into the Trust's ESG future strategy, and will inform the entity's overall risk management process.

In 2024, utilizing industry leading external consultants, SmartCentres completed a comprehensive study to establish a framework that identifies investment requirements to meet potential corporate and tenant commitments to net zero emissions. The study included the quantification of baseline emissions, forecasted future emissions, and identified multiple paths to achieve net zero by 2050. Management reported the preliminary results to the Board and continues to analyze and evaluate the required resources, capital investments, and best path forward to create unitholder value and reduce GHG emissions by working with tenants to meet mutual goals and targets.

The Trust continues to use the GRESB, a global benchmark for sustainability for real estate companies, as a tool to measure its ESG progress relative to its peers. In 2024, the Trust submitted its third submission to the GRESB and is pleased to report that it has improved its score relative to the prior year. The Trust also scored above the benchmark group average for Leadership, Policies, Reporting, Risk Management, Risk Assessment, Tenants and Community, Stakeholder Engagement, and Building Certifications.

Social

The Trust continued to create lasting value for the towns and cities in which it operates, as well as for its tenants, neighbours, associates and for its Unitholders. The Trust is focused on community engagement through its developments and expanding the SmartLiving brand.

Through the SmartCentres volunteer program called "Helping People, Changing Lives", associates across Canada are encouraged to donate volunteer hours to local charities. The Trust partnered with tenants and supported the York Region School Board and the Ignite Durham Learning Foundation to provide school supplies to low-income communities. As well associates were encouraged to participate in the Princess Margaret Road Hockey to Conquer Cancer, the CIBC Run for the Cure, the Make - A- Wish - Trees of Joy, the City of Vaughan Food Drive, and the City of Vaughan with CP24 Christmas Wish Toy Drive. To recognize and honour the National Day of Truth and Reconciliation and reflect on the legacy of the residential school system in Canada, the Trust donated to the Indigo Love of Reading Foundation and arranged for an Associate to share their personal Indigenous story.

The Trust continues to support its wellness and support programs for associates. Building on the success of the ESG education session that the Trust hosted for all associates in 2023, the Trust is hosting ESG education sessions for all new associates as part of the onboarding process to increase awareness and understanding of ESG-related matters that are material to its business. Additionally in 2024, the Trust launched its CPA Ontario-approved program to offer a 15-month rotation for accounting professionals to receive their CPA designation.

The Trust continues to strengthen its partnerships with tenants, and employees, through engagement surveys and working to create a formal tenant and employee engagement framework.

Governance

Risk management practices are ingrained in the Trust's corporate culture, and the Trust works to maintain a high level of competency through ongoing staff training and routine assessment of areas ERP. The Trust upgraded its ERP system to support growth and increase processes productivity and completed an enterprise risk management update to integrate sustainability-related risks and opportunities into its general risk management process.

To demonstrate the importance of oversight of ESG-related matters to the Trust, the Board of Trustees is responsible for governance and oversight of the ESG strategy, through the ESG Sub-committee of the Audit Committee. The ESG Subcommittee is regularly informed of material ESG-related matters and provides oversight and direction on ESG-related matters. The EVP, Portfolio Management & Investments holds senior executive responsibility for the management and implementation of the Trust's ESG strategy and is supported by an internal cross-functional ESG taskforce of senior members of the organization.

In support of the ISSB's IFRS S1 and S2, the Trust assesses acute physical climate risk exposure, has formal GHG assessment and management plans, and discloses board competencies related to the oversight of sustainability and climate-related risk and opportunities. The Trust continues to formalize its internal controls and processes for ESG data collection and disclosure.

The Trust monitors its progress relative to peers through benchmarks including GRESB and by its inclusion in the Globe and Mail's Board Games rankings.

The Trust published its most recent ESG report in August 2024, which provides additional details on its ESG commitments, activities, and achievements. It can be found on the Trust's website (www.smartcentres.com). The information on SmartCentres' website does not form part of this annual information form.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

SmartCentres has not been, nor is presently involved in, any legal proceedings or regulatory actions material to it and insofar as it is aware, no such proceedings or actions are contemplated.

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada at its principal offices in Toronto, Ontario and Calgary, Alberta is the transfer agent and registrar for the Units and the Debentures.

MATERIAL CONTRACTS

The following are the only contracts, other than contracts entered into in the ordinary course of business, that are material to SmartCentres and that were entered into within the most recently completed financial year, or before the most recently completed financial year but that are still in effect:

- (a) The Declaration of Trust, the particulars of which are set out under "Declaration of Trust and Description of Units" of this annual information form.
- (b) The trust indenture dated May 14, 2004, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee, providing for the issuance of the various series of convertible debentures. See the section of this annual information form entitled "Description of Debentures".
- (c) The 2005 Trust Indenture, providing for the issuance of the various series of senior unsecured debentures, including the Debentures. See the section of this annual information form entitled "Description of Debentures".
- (d) The thirteenth supplemental trust indenture dated December 31, 2014, between SmartCentres and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust

Indenture, providing the indenture trustee with the power to terminate, release, discharge or waive any guarantee provided by any subsidiary of SmartCentres, or the requirement for any subsidiary of SmartCentres to provide a guarantee, in respect of certain obligations of SmartCentres pursuant to the 2005 Trust Indenture, as supplemented from time to time.

- (e) The third supplemental trust indenture dated December 31, 2014, between SmartCentres and Computershare Trust Company of Canada as trustee and being a supplement to the trust indenture, made as of May 14, 2004, between SmartCentres and the Debenture Trustee, providing the indenture trustee with the power to terminate, release, discharge or waive any guarantee provided by any subsidiary of SmartCentres, or the requirement for any subsidiary of SmartCentres to provide a guarantee, in respect of certain obligations of SmartCentres pursuant to the trust indenture, made as of May 14, 2004, between SmartCentres and the Debenture Trustee, as supplemented from time to time.
- (f) The fourteenth supplemental trust indenture dated February 6, 2015, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series N 3.556% Debentures. See the section of this annual information form entitled “Description of Debentures – Series N 3.556% Debentures”.
- (g) The sixteenth supplemental trust indenture dated August 30, 2016, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series P 3.444% Debentures. See the section of this annual information form entitled “Description of Debentures – Series P 3.444% Debentures”.
- (h) The nineteenth supplemental trust indenture dated December 21, 2017, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series S 3.834% Debentures. See the section of this annual information form entitled “Description of Debentures – Series S 3.834% Debentures”.
- (i) The twenty first supplemental trust indenture dated December 20, 2019, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series U 3.526% Debentures. See the section of this annual information form entitled “Description of Debentures – Series U 3.526% Debentures”.
- (j) The twenty second supplemental trust indenture dated June 11, 2020, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series V 3.192% Debentures. See the section of this annual information form entitled “Description of Debentures – Series V 3.192% Debentures”.
- (k) The twenty third supplemental trust indenture dated June 11, 2020, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series W 3.648% Debentures. See the section of this annual information form entitled “Description of Debentures – Series W 3.648% Debentures”.
- (l) The twenty fourth supplemental trust indenture dated December 16, 2020, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series X 1.740% Debentures. See the section of this annual information form entitled “Description of Debentures – Series X 1.740% Debentures”.
- (m) The twenty fifth supplemental trust indenture dated December 16, 2020, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series Y 2.307% Debentures. See the section of this annual information form entitled “Description of Debentures – Series Y 2.307% Debentures”.

- (n) The twenty sixth supplemental trust indenture dated May 29, 2023, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series Z 5.354% Debentures. See the section of this annual information form entitled “Description of Debentures – Series Z 5.354% Debentures”.
- (o) The twenty seventh supplemental trust indenture dated August 1, 2024, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series AA 5.162% Debentures. See the section of this annual information form entitled “Description of Debentures – Series AA 5.162% Debentures”.
- (p) The twenty eighth supplemental trust indenture dated February 5, 2025, between SmartCentres as issuer and Computershare Trust Company of Canada as trustee and being a supplement to the 2005 Trust Indenture, providing for the issuance of the Series AB 4.737% Debentures. See the section of this annual information form entitled “Description of Debentures – Series AB 4.737% Debentures”.
- (q) The Governance and Investor Rights Agreement, providing for the establishment of certain committees and the grant of certain governance rights to the MG Entities.

INTERESTS OF EXPERTS

SmartCentres’ auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have prepared an independent auditor’s report dated February 12, 2025 in respect of SmartCentres’ consolidated financial statements as at December 31, 2024 and December 31, 2023 and for years then ended. PricewaterhouseCoopers LLP has advised that they are independent with respect to SmartCentres within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.

AUDIT COMMITTEE

Audit Committee Charter

A copy of the charter of the Audit Committee is attached as Schedule A to this annual information form.

Audit Committee Composition

The Audit Committee consists of Garry Foster (chair), Janet Bannister and Sylvie Lachance. Each member of the Audit Committee is independent and financially literate, as such terms are defined in National Instrument 52-110 – *Audit Committees*.

Relevant Education and Experience

For a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as a member of the Audit Committee, see the biography of each member of the Audit Committee included in this annual information form under the heading “Management of SmartCentres – Trustees and Executive Officers of SmartCentres”.

Pre-Approval Policies and Procedures

The Audit Committee must pre-approve all non-audit services to be provided to SmartCentres or its subsidiary entities by its external auditors or the external auditors of SmartCentres’ subsidiary entities.

External Auditor Service Fees

The aggregate amounts paid or accrued by SmartCentres with respect to fees payable to PricewaterhouseCoopers LLP, 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, 2023 and 2024 were as follows:

	2023	2024
Audit fees ⁽¹⁾	\$ 885,170	\$1,158,027
Audit-related fees ⁽²⁾	\$ 340,892	\$403,289
Tax fees comprised of: ⁽³⁾		
• Tax compliance and preparation	\$ 731,320	\$803,860
TOTAL	\$ 1,957,382	\$2,365,176

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 and management's discussion and analysis thereon, audit of property common area costs, advise on audit committee charter, consultations regarding financial reporting and accounting standards and French translations, including namely assistance with management information circulars.
- (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.

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.

ADDITIONAL INFORMATION

Additional information relating to SmartCentres may be found on SEDAR+ at www.sedarplus.ca.

Additional information, including Trustees' and officers' remuneration and indebtedness, principal holders of SmartCentres' securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in SmartCentres' management information circular for its most recent meeting of Unitholders which involved the election of Trustees.

Additional financial information is provided in SmartCentres' consolidated financial statements and management discussion and analysis for its most recently completed financial year.

SCHEDULE A
CHARTER OF THE AUDIT COMMITTEE

(as amended and restated on March 25, 2025)

I. The Board of Trustees' Mandate for the Audit Committee

1. The Board of Trustees (the “**Board**”) bears responsibility for the stewardship of SmartCentres Real Estate Investment Trust (the “**Trust**”). To discharge that responsibility, the Board supervises the management of the business and affairs of the Trust. The Board’s supervisory function involves Board oversight or monitoring of all significant aspects of the management of the Trust’s business and affairs.

Financial reporting and disclosure by the Trust constitutes a significant aspect of the management of the Trust’s business and affairs.

The objective of the Board’s monitoring of the Trust’s financial reporting and disclosure (the “**Financial Reporting Objective**”) is to gain reasonable assurance of the following:

- (a) that the Trust complies with all applicable laws, regulations, rules, policies and other requirements of governments, regulatory agencies and stock exchanges relating to financial reporting and disclosure;
- (b) that the accounting principles, significant judgements and disclosures which underlie or are incorporated in the Trust’s financial statements are the most appropriate in the prevailing circumstances;
- (c) that the Trust’s quarterly and annual financial statements are accurate and present fairly the Trust’s financial position and performance in accordance with generally accepted accounting principles; and
- (d) that appropriate information concerning the financial position and performance of the Trust is disseminated to the public in a timely manner.

The Board is of the view that the Financial Reporting Objective cannot be reliably met unless the following activities (the “**Fundamental Activities**”) are conducted effectively:

- (a) the Trust’s accounting functions are performed in accordance with a system of internal financial controls designed to capture and record properly and accurately all of the Trust’s financial transactions;
- (b) the Trust’s internal financial controls are regularly assessed for effectiveness and efficiency;
- (c) the Trust’s quarterly and annual financial statements are properly prepared by management;
- (d) the Trust’s quarterly and annual financial statements are reported on by an external auditor appointed by the unitholders of the Trust; and
- (e) the financial components of the Trust’s Disclosure Policy are complied with by management and the Board.

To assist the Board in its monitoring of the Trust’s financial reporting and disclosure, the Board hereby acknowledges the existence of a committee of the Board known as the Audit Committee (the “**Committee**”), as established in the Declaration of Trust (the “**Declaration**”). The Committee shall develop for the Board’s approval a Charter which, amongst other things, will describe the activities in which the Committee will engage to operationalize the powers delegated to it in the Declaration, for the purpose of gaining reasonable

assurance that the Fundamental Activities are being conducted effectively and that the Financial Reporting Objective is being met.

2. Composition of the Committee

- (a) The Committee shall be appointed annually by the Board and consist of not less than three (3) members from among the Trustees of the Trust, each of whom shall be an independent trustee and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her objective judgement as a member of the Committee. Officers of the Trust including the Chairman of the Board, may not serve as members of the Audit Committee.
- (b) The Board shall designate the Chairman of the Committee.

3. Reliance on Experts

In contributing to the Committee's discharging of its duties under this mandate, each member of the Committee shall be entitled to rely in good faith upon:

- (a) financial statements of the Trust presented to him or her, by an officer of the Trust or in a written report of the external auditors, to present fairly the financial position of the Trust in accordance with Canadian generally accepted accounting principles ("GAAP"); and
- (b) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

4. Authority of the Committee

The Committee shall have the authority:

- (a) to institute investigations of improprieties, or suspected improprieties, within the scope of its responsibilities,
- (b) to inspect any and all books and records of the Trust and affiliated entities,
- (c) to discuss with Trust personnel, any affected party and the external auditors, such accounts, records and other matters as any member of the Committee considers necessary and appropriate,
- (d) to engage independent counsel and other advisors as it determines necessary to carry out its duties, and
- (e) to access Trust resources including administrative support to assist in carrying out its duties.

5. Limitations on Committee's Duties

In contributing to the Committee's discharging of its duties under this mandate, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this mandate is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject. The essence of the Committee's duties is monitoring and reviewing to gain reasonable assurance (but not to ensure) that the Fundamental Activities are being conducted effectively and that the Financial Reporting Objective is being met and to enable the Committee to report thereon to the Board.

II. Audit Committee Charter

The Audit Committee's Charter outlines how the Committee will satisfy the requirements set forth by the Board in its mandate. This Charter comprises:

- Operating Principles;
- Operating Procedures; and
- Specific Responsibilities and Duties.

A. Operating Principles

The Committee shall fulfill its responsibilities within the context of the following principles:

1. Values

The Committee expects the management of the Trust to operate in compliance with the Trust's Code of Business Conduct and Ethics and other policies; with laws and regulations governing the Trust; and to maintain strong financial reporting and control processes.

2. Communications

The Chairman (and others on the Committee) expects to have direct, open and frank communications throughout the year with management, other Committee Chairmen, the external auditors and other key Committee advisors as applicable.

3. Financial Literacy

All Audit Committee Members should be sufficiently versed in financial matters to understand the Trust's accounting practices and policies and the major judgements involved in preparing the financial statements.

4. Annual Audit Committee Work Plan

The Committee, in consultation with management and the external auditors, shall develop an annual Audit Committee Work Plan responsive to the Committee's responsibilities as set out in this Charter. In addition, the Committee, in consultation with management and the external auditors, shall develop and participate in a process for review of important financial topics that have the potential to impact the Trust's financial disclosure.

5. Meeting Agendas

Committee meeting agendas shall be the responsibility of the Chairman of the Committee in consultation with Committee members, senior management and the external auditors.

6. Committee Expectations and Information Needs

The Committee shall communicate its expectations to management and the external auditors with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management and the external auditors at least two days in advance of meeting dates.

7. External Resources

To assist the Committee in discharging its responsibilities, the Committee may, in addition to the external auditors, at the expense of the Trust, retain one or more persons having special expertise.

8. **In Camera Meetings**

At a minimum of once per year, the members of the Committee shall meet in private session with the external auditors; with management; and with the Committee members only.

9. **Reporting to the Board**

The Committee, through its Chairman, shall report after each Committee meeting to the Board at the Board's next regular meeting.

10. **Committee Self Assessment**

The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its role and responsibilities.

11. **The External Auditors**

The Committee expects that, in discharging their responsibilities to the unitholders, the external auditors shall be accountable to the Board through the Audit Committee. The external auditors shall report all material issues or potentially material issues to the Committee.

B. Operating Procedures

1. The Committee shall meet at least four times annually, or more frequently as circumstances dictate. Meeting shall be held at the call of the Chairman, upon the request of any member of the Committee or at the request of the external auditors.
2. A quorum shall be a majority of the members. However, it shall be the practice of the Audit Committee to require review, and if necessary, approval of certain important matters by all members of the Audit Committee.
3. Unless the Committee otherwise specifies, the Secretary or Assistant Secretary of the Trust shall act as Secretary of all meetings of the Committee.
4. In the absence of the Chairman of the Committee, the members shall appoint an acting Chairman.
5. Questions arising at any meeting of the Committee shall be decided by a majority of the votes cast. In the case of an equality of votes, the Chairman of the meeting shall not have a second or casting vote in addition to his original vote, if any.
6. Any member may participate in a meeting of the Committee by means of a conference telephone or other communication equipment by means of which all persons participating in the meeting can hear each other and a member so participating shall be considered to be present in person at that meeting.
7. A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each director of the Trust in a timely fashion.
8. A written resolution of the Committee, signed by all of the members of the Committee, is valid as if it had been passed at a meeting of the Committee.

C. Specific Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Financial Reporting

1. review the Trust's annual and quarterly financial statements with management and the external auditors to gain reasonable assurance that the statements are accurate, complete, represent fairly the Trust's financial position and performance and are in accordance with GAAP and report thereon to the Board before such financial statements are approved by the Board;
2. review with management and the external auditors the financial statements of the Trust's significant subsidiaries;
3. receive from the external auditors reports on their review of the annual and quarterly financial statements;
4. receive from management a copy of the representation letter provided to the external auditors and receive from management any additional representations required by the Committee;
5. review and, if appropriate, recommend approval to the Board of news releases and reports to unitholders issued by the Trust with respect to the Trust's annual and quarterly financial statements;
6. be satisfied that adequate procedures are in place for the review of the Trust's public disclosure of financial information extracted or derived from the Trust's financial statements and must periodically assess the adequacy of those procedures;
7. review and if appropriate, recommend approval to the Board of prospectuses, business acquisition reports, material change disclosures of a financial nature, management discussion and analysis, annual information forms and similar disclosure documents to be issued by the Trust;
8. review any correspondence that the Trust may receive from securities regulators or government agencies relating to financial reporting matters;
9. review the financial statement certification process;

Accounting Policies

1. review with management and the external auditors the appropriateness of the Trust's accounting policies, disclosures, key estimates and judgements, including changes or variations thereto;
2. obtain reasonable assurance that they are in compliance with GAAP; and report thereon to the Board;
3. review with management and the external auditors the degree of conservatism of the Trust's underlying accounting policies and key estimates and judgements;

Risk and Uncertainty

1. acknowledging that it is the responsibility of the Board, in consultation with management, to identify the principal business risks facing the Trust, determine the Trust's tolerance for risk and approve risk management policies, the Committee shall:
 - (a) periodically review with management and assess the appropriateness of the Trust's enterprise risk management framework; and
 - (b) focus on financial risk and gain reasonable assurance that financial risk is being effectively managed or controlled by:
 - (i) reviewing with management the Trust's tolerance for financial risks;

- (ii) reviewing with management its assessment of the significant financial risks facing the Trust;
 - (iii) reviewing with management the Trust's policies and any proposed changes thereto for managing those significant financial risks;
 - (iv) reviewing with management its plans, processes and programs to manage and control such risks;
- 2. review with management the Trust's information governance policies and programs and privacy, cyber security, artificial intelligence and related risk exposures with ongoing technology enhancements and the steps management has taken to monitor and mitigate such risks;
- 3. ascertain that policies and procedures are in place to minimize environmental, occupational health and safety and other risks to asset value and mitigate damage to or deterioration of asset value and review such policies and procedures periodically;
- 4. review policies and compliance therewith that require significant actual or potential liabilities, contingent or otherwise, to be reported to the Board in a timely fashion;
- 5. review interest rate risk mitigation strategies, including the use of derivative financial instruments;
- 6. review the adequacy of insurance coverages maintained by the Trust;
- 7. review regularly with management, the external auditors and the Trust's legal counsel, any legal claim or other contingency, including tax assessments, that could have a material effect upon the financial position or operating results of the Trust and the manner in which these matters have been disclosed in the financial statements;

Financial Controls and Control Deviations

- 1. review with management and in consultation with the external auditors the appropriateness and effectiveness of the Trust's internal controls, policies and business practices which impact the financial integrity of the Trust, including those relating to accounting, information systems, financial reporting, management reporting, insurance and risk management;
- 2. review the plans of the external auditors in regard to the evaluation and testing of internal financial controls;
- 3. receive regular reports from management, the external auditors and its legal department on all significant deviations or indications/detection of fraud and the corrective activity undertaken in respect thereto;
- 4. periodically review with management the need for an internal audit function;

Compliance with Laws and Regulations

- 1. review regular reports from management and others (e.g. external auditors) with respect to the Trust's compliance with laws and regulations having a material impact on the financial statements including:
 - (a) tax and financial reporting laws and regulations
 - (b) legal withholding requirements
 - (c) environmental protection laws and regulations
 - (d) other laws and regulations which expose directors to liability;

2. review the status of the Trust's tax returns and those of its subsidiaries;

Relationship with External Auditors

1. recommend to the Board the nomination of the external auditors or the discharge of the external auditor when circumstances are warranted;
2. approve the remuneration and the terms of engagement of the external auditors as set forth in the Engagement Letter;
3. when there is to be a change of external auditors, review all issues and provide documentation related to the change, as specified by the relevant securities commissions in Canada and the planned steps for an orderly transition period;
4. review the performance of the external auditors annually or more frequently as required;
5. receive annually from the external auditors an acknowledgement in writing that the unitholders, as represented by the Board and the Committee, are their primary client;
6. pre-approve all non-audit services to be provided to the Trust or its subsidiary entities by its external auditors or the external auditors of the Trust's subsidiary entities. The Audit Committee may satisfy the pre-approval requirement if:
 - (a) the aggregate amount of all the non-audit services that were not pre-approved constitutes no more than five per cent of the total amount of revenues paid by the Trust to its external auditors during the fiscal year in which the services are provided;
 - (b) the services were not recognized by the Trust at the time of the engagement to be non-audit services; and
 - (c) the services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee;
7. receive a report annually from the external auditors with respect to their independence, such report to include a disclosure of all engagements (and fees related thereto) for non-audit services provided to the Trust;
8. review with the external auditors the scope of the audit, the areas of special emphasis to be addressed in the audit and the materiality levels which the external auditors propose to employ;
9. meet at a minimum of once per year with the external auditors in the absence of management to determine, *inter alia*, that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditors or the reporting of their findings to the Committee and that there was no disagreement with management on a significant accounting issue;
10. establish effective communication processes with management and the Trust's external auditors to assist the Committee to monitor objectively the quality and effectiveness of the relationship among the external auditors, management and the Committee;

Other Responsibilities

1. directly or through a subcommittee of the Committee, oversee the Trust's strategy on environmental, social and governance ("ESG") which specifically includes climate change matters (other than diversity, equity and inclusion matters overseen by the Corporate Governance and Compensation Committee), including initiatives to set climate change-related targets and monitor progress to meeting targets, promote health and

safety, responsible environmental stewardship, human rights and positive relationships with communities in which the Trust operates and Canada's Indigenous peoples;

2. periodically review the form, content and level of detail of financial reports to the Board;
3. approve annually the reasonableness of the expenses of the Chairman of the Board and the Chief Executive Officer;
4. after consultation with the Chief Financial Officer and the external auditors, gain reasonable assurance, at least annually, of the quality and sufficiency of the Trust's accounting and financial personnel and other resources;
5. review in advance the appointment of the Trust's senior financial executives;
6. establish procedures for the receipt, retention and treatment of complaints and concerns of employees, unitholders and members of the public received by the Trust regarding accounting, internal accounting controls, or auditing matters;
7. investigate any matters that, in the Committee's discretion, fall within the Committee's duties;
8. review reports from the external auditors, and/or other Committee Chairmen on their review of compliance with the Trust's Code of Business Conduct and Ethics;
9. review and approve the Trust's hiring policies regarding partners, employees and former partners and employees of the present or former external auditor of the Trust;
10. enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Committee;
11. review any significant transactions outside of the Trust's ordinary course of business;
12. perform such other functions as may from time to time be assigned to the Committee by the Board;

Accountability

1. review and update this Charter on a regular basis for approval by the Board; and
2. review the description of the Committee's activities as set forth in the Declaration of Trust.