



AGELLAN COMMERCIAL REIT

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

Dated April 18, 2017

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AGELLAN COMMERCIAL REIT

April 18, 2017

Dear Unitholder,

We invite you to attend Agellan Commercial Real Estate Investment Trust's Annual Meeting of Unitholders to be held at the offices of KPMG LLP, 333 Bay Street, Suite 4600, Toronto, Ontario on Monday, June 12, 2017 at 2:00 p.m. (Eastern Daylight Time).

This Management Information Circular describes the business to be conducted at the meeting beginning on page seven. It also describes Agellan's governance practices and provides information about Agellan's compensation philosophy as it relates to trustee and executive compensation.

The Board of Trustees working together with management, takes seriously its responsibility for oversight of Agellan's strategic direction. Our focus is on long-term value creation for Unitholders, risk management and high standards of governance.

At the meeting, you will hear about Agellan's performance and our plans for the remainder of 2017. You will also be able to meet and ask questions of the Board of Trustees and management.

Our Corporate Governance and Nominating Committee will attend the Annual Meeting for the purpose of being available to answer questions about our governance and compensation practices.

Your vote matters. You may exercise your vote by completing the applicable proxy voting form or voting instruction form or by attending the meeting.

During 2016, Mr. Robert Perry resigned from the Board and we would like to thank Bob for his valuable contribution to the Board dating back to our initial public offering. His depth of real estate knowledge, particularly as it relates to cross-border investments, was a great asset.

Ms. Terra Attard was appointed to the Board in 2016, but, will not stand for re-nomination. We are pleased to have had the benefit of her 21+ years in the real estate industry and her strong business acumen, both of which will continue to benefit Agellan as she continues her role as Chief Operating Officer of Agellan's external manager.

Agellan is therefore putting forward three new candidates for election to the Board of Trustees at the Annual Meeting: Ms. Kelly Smith, Ms. Dayna Gibbs, and Mr. Rafael Lazer. All nominees will add strength to the Board given their capital markets experience, real estate investment background and financial skills. As well, we expect to benefit from the broader perspective that will arise from having greater diversity on our Board.

We encourage you to attend the meeting to hear about our annual results and learn more about our plans for Agellan.

"Richard Dansereau"

"Frank Camenzuli"

Richard Dansereau
Board Chair

Frank Camenzuli
Chief Executive Officer



NOTICE OF ANNUAL MEETING OF UNITHOLDERS

The Annual Meeting of Unitholders of Agellan Commercial Real Estate Investment Trust (“Agellan”) will be held

on **Monday, June 12, 2017**
at 2:00 p.m. (Eastern Daylight Time)

at **KPMG LLP**
333 Bay Street, Suite 4600
Toronto, Ontario

for the following purposes:

- 1) **TO RECEIVE** the financial statements of Agellan and the auditors’ report thereon, for the year ended December 31, 2016; (See “Business to be Transacted at the Meeting – Financial Statements”),
- 2) **TO ELECT** members of Agellan’s Board of Trustees; (See “Business to be Transacted at the Meeting – Election of Trustees”),
- 3) **TO APPOINT** auditors and to authorize Agellan’s Trustees to fix their remuneration; (See “Business to be Transacted at the Meeting – Appointment of Auditors”), and
- 4) **TO TRANSACT** such other business as may properly come before the meeting or any adjournment thereof.

Unitholders of record at the close of business on April 18, 2017, will be entitled to vote at the meeting. Unitholders who wish to exercise their right to vote at the meeting should follow the instructions provided below under the section “Voting”.

Notice-and-Access

Agellan is using the “notice-and-access” system adopted by the Canadian Securities Administrators for the delivery of the Management Information Circular and Agellan’s annual report in respect of fiscal 2016, which comprises management’s discussion and analysis and Agellan’s annual audited consolidated financial statements for the fiscal year ended December 31, 2016 (collectively, the “Meeting Materials”). Under notice-and-access, you still receive a proxy or voting instruction form enabling you to vote at the meeting. However, instead of a paper copy of the Management Information Circular, beneficial and registered unitholders receive this notice which contains information about how to access the Meeting Materials electronically. The principal benefit of the notice-and-access system is that it reduces the environmental impact of producing and distributing paper copies of documents in large quantities. The Management Information Circular and form of proxy (or voting instruction form) for Agellan’s units (the “Units”) provide additional information concerning the matters to be dealt with at the meeting. **You should access and review all information contained in the Management Information Circular before voting.**

Unitholders with questions about notice-and-access may call Agellan toll-free at 1-844-554-9194.

Websites Where Meeting Materials are Posted

Meeting Materials can be viewed online on Agellan's website, www.agellanreit.com, or under Agellan's SEDAR profile at www.sedar.com.

Beneficial and Registered Unitholders

If you would like paper copies of the Meeting Materials, you should first determine whether you are (i) a beneficial unitholder, as are most of Agellan's Unitholders, or (ii) a registered unitholder.

You are a beneficial unitholder (also known as a non-registered unitholder) if you own Units indirectly and your Units are registered in the name of a bank, trust company, broker or other intermediary. For example, you are a beneficial unitholder if your Units are held in a brokerage account of any type.

You are a registered unitholder if you hold a paper unit certificate or certificates and your name appears directly on your unit certificate(s).

How to Obtain Paper Copies of the Meeting Materials

Beneficial and registered unitholders may request that paper copies of the Meeting Materials be mailed to them at no cost. Requests may be made up to one year from the date that the Management Information Circular was filed on SEDAR by contacting Agellan toll free at 1-844-554-9194. Requests should be received by June 1, 2017 (i.e., at least seven business days in advance of the date and time set out in beneficial unitholders' voting instruction form and registered unitholders' proxy form as a voting deadline) if you would like to receive the Meeting Materials in advance of the voting deadline and meeting date.

Voting

Beneficial unitholders should complete, sign and return the voting instruction form in accordance with the directions on the form. Voting instruction forms provided by Broadridge permit the completion of the voting instruction form using the following options:

INTERNET: www.proxyvote.com

TELEPHONE: 1-800-474-7493 (English) or 1-800-474-7501 (French)

FACSIMILE: 905-507-7793

MAIL: Data Processing Centre, P.O. Box 2800, Stn. LCD Malton,
Mississauga, ON L5T 2T7

Broadridge must receive voting instructions from beneficial unitholders by June 8, 2017, at the latest. If a beneficial unitholder wishes to attend and vote at the meeting in person (or have another person attend and vote on such unitholder's behalf), he or she must complete the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend and vote will be forwarded to such beneficial holder.

Registered unitholders who are unable to be present at the meeting should exercise their right to vote by signing and returning the form of proxy in accordance with the directions on the form. Forms of proxy may also be completed by telephone at 1-866-732-8683 or through the internet at www.investorvote.com. Computershare Trust Company of Canada must receive completed proxies from registered unitholders as well as from Broadridge on behalf of beneficial unitholders not later than 4:30 p.m.

(Eastern Daylight Time) on June 8, 2017 or, if the meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and statutory holidays) before any adjourned or postponed meeting.

By Order of the Board of Trustees,

“Frank Camenzuli”

Frank Camenzuli

Trustee and Chief Executive Officer

April 18, 2017

Toronto, Ontario

MANAGEMENT INFORMATION CIRCULAR

Agellan Commercial Real Estate Investment Trust (“Agellan” or the “REIT”) is an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario and existing pursuant to an amended and restated declaration of trust dated as of March 28, 2017, as it may be further amended and restated from time to time (the “Declaration of Trust”). As at the close of business on April 18, 2017, a total of 32,775,273 units (“Units”) were issued and outstanding, all of which are eligible to be voted at the meeting.

ELAD Canada Inc. has control or direction over 19.0% (6,239,246 Units) of Agellan’s issued and outstanding Units. Agellan is aware of no other Unitholder that holds (or controls or directs) 10% or more of the issued and outstanding Units.

VOTING INFORMATION

What materials will I receive?

Agellan is using “notice-and-access” for the delivery of this Management Information Circular. Under notice and-access, you will receive a proxy or voting instruction form enabling you to vote at the meeting. However, instead of a paper copy of the Management Information Circular, you will receive a notice that contains information about how to access the Management Information Circular electronically. The principal benefit of notice-and-access is that it reduces the environmental impact of producing and distributing paper copies of documents in large quantities.

Who is soliciting my proxy?

Your proxy is being solicited by management of Agellan.

Am I entitled to attend the meeting?

Yes, if you are a Unitholder as of the close of business on April 18, 2017, which is the record date for the meeting, you are entitled to receive notice of, attend, vote and be heard at the meeting. If you acquire Units after April 18, 2017, you are not entitled to vote those Units but you can still attend the meeting.

Am I entitled to vote, and what am I voting on?

If you were a Unitholder as of the close of business on April 18, 2017, you are entitled to one vote per Unit that you hold on the resolutions relating to:

1. electing Trustees of Agellan for the next year; and
2. appointing the auditors for the next year and authorizing the Trustees to fix their remuneration.

Whether or not you attend the meeting, you can appoint someone else to vote for you as your proxy holder. The persons named in the form of proxy or voting instruction form are Trustees and/or officers of Agellan. However, you can choose another person to be your proxy holder, including someone who is not a Unitholder of Agellan. You may do so by deleting the names printed on the proxy or voting instruction form and inserting another person’s name in the blank space provided, or by completing another form of proxy or voting instruction form.

How do I vote if I am a registered Unitholder?

If you are a registered Unitholder, you may vote in person at the meeting. Alternatively, if you would prefer not to attend the meeting in person, you can authorize another person, called a proxy holder, to attend the meeting and vote on your behalf. The persons named as proxy holders in the form of proxy are certain of Agellan's Trustees and/or officers. If you wish to appoint some other person as your proxy holder, you may do so by inserting such person's name in the blank space provided on the form of proxy. The form of proxy also affords you the opportunity to specify that the Units registered in your name shall be voted for, voted against or withheld from voting, as the case may be, in respect of the matters outlined in the Notice of Meeting. You can complete and/or return the form of proxy in a number of ways: (i) via telephone, toll-free at 1-866-732-8683; (ii) in the envelope provided; or (iii) using the internet at www.investorvote.com at any time up to 4:30 p.m. Eastern Daylight Time on Thursday, June 8, 2017 or, if the meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and statutory holidays) before any adjourned or postponed meeting.

If you are a registered Unitholder who has submitted a proxy and you want to change your vote, see the answers below titled "What if I change my mind and want to revoke my voting instructions?"

How do I vote if I am a beneficial Unitholder?

Your nominee, which is most often your investment broker, is required to seek your instructions as to how to vote your Units. For that reason, you have received a voting instruction form from your nominee if you are a beneficial Unitholder. You should follow the signing and return instructions carefully to ensure your Units will be voted. You can complete and/or return your voting instruction form in a number of ways: (i) using the internet www.proxyvote.com; (ii) via telephone, toll-free at 1-800-474-7493 (English) or 1-800-474-7501 (French); (iii) via facsimile at 905-507-7793; or (iv) in the envelope provided at least one business day in advance of the proxy deposit date noted on your voting instruction form.

If you are a beneficial Unitholder who has voted and you want to change your vote to vote in person, see the answer below titled "What if I change my mind and want to revoke my voting instructions?"

How can I vote in person at the meeting?

If you wish to vote in person at the meeting, insert your own name in the space provided on the proxy or voting instruction form sent to you by your nominee. By doing so, you are instructing your nominee to appoint you as proxy holder. Follow the signing and return instructions provided by your nominee. Do not otherwise complete the form, as you will be voting at the meeting.

How will my Units be voted?

On the voting instruction form, you can indicate how you want your proxy holder to vote your Units, or you can let your proxy holder decide for you. If you have specified on the voting instruction form how you want your Units to be voted (by marking FOR, AGAINST or WITHHOLD, as applicable) then your proxy holder must vote accordingly.

If you have not specified on the form of proxy or voting instruction form how you want your Units to be voted, then your proxy holder can vote your Units as he or she sees fit. Unless contrary instructions are provided, Units represented by proxies received by Trustees or management will be voted:

1. FOR the election of the proposed nominees whose names are set out on the following pages as Trustees of Agellan; and
2. FOR the appointment of KPMG LLP as auditors and authorizing the Trustees to fix their remuneration.

What if I change my mind and want to revoke my voting instructions?

You can revoke your voting instructions at any time before they are acted upon. If you are a registered Unitholder, contact Computershare Trust Company of Canada toll-free at 1-800-564-6253. If you are a beneficial Unitholder, you should follow the instructions given to you by your nominee which may include a date by which you need to notify the nominee of your desire to revoke your voting instructions.

Who tabulates the votes?

Proxies are tabulated by Computershare Trust Company of Canada, Agellan's transfer agent. Agellan also proposes to appoint Computershare Trust Company of Canada as scrutineer to count the votes of any Unitholder voting in person.

How are proxies solicited?

Agellan's management requests that you sign and return the form of proxy or voting instruction form and follow the instructions of your nominee in this regard to ensure your votes are exercised at the meeting. The solicitation of proxies will be primarily by mail. However, the Trustees, officers and management of Agellan may also solicit proxies by telephone, in writing or in person. Agellan may also use the services of outside firms to solicit proxies. The cost of proxy solicitation, if any, will be paid by Agellan.

What if I have a question regarding the voting procedures or the meeting?

If you have any questions not answered by this Management Information Circular or would like additional information, please contact your nominee or broker. You may also contact Agellan's transfer agent, Computershare Trust Company of Canada:

INTERNET: www.investorvote.com
PHONE: 1-800-564-6253 (toll-free in North America) or 514-982-7555
(International)
MAIL: 100 University Avenue, 8th Floor, Toronto, ON M5J 2Y1
EMAIL: service@computershare.com

Except as noted otherwise, the information contained in this Management Information Circular is given as of April 18, 2017 and all dollar amounts used in this document are presented in Canadian Dollars.

BUSINESS TO BE TRANSACTED AT THE MEETING

Financial Statements

Agellan's audited consolidated financial statements for the year ended December 31, 2016 and the report of the auditors thereon will be placed before the meeting. Copies of the financial statements may be accessed on SEDAR (www.sedar.com) or Agellan's website (www.agellanreit.com) or may be obtained from the Secretary of Agellan upon request and will be available at the meeting.

Election of Trustees

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

With the exception of Mr. Rafael Lazer, Ms. Kelly Smith and Ms. Dayna Gibbs, all of the nominees for election as Trustees of Agellan are currently Trustees of Agellan.

Nominees for Appointment

Frank Camenzuli		Principal Occupation					
Age: 63 Toronto, ON, Canada Trustee since November 1, 2012		Mr. Camenzuli brings over 35 years' of broad real estate operating and acquisition experience to Agellan. Mr. Camenzuli is a founding principal and President of ACPI, providing it with both entrepreneurial vision and strategic direction. Mr. Camenzuli founded ACPI in 2003 and has been responsible for sourcing and maintaining relationships with ACPI's financial partners since its inception. In addition, since 1998 he has overseen the acquisition, management and disposition of over \$3.2 billion in assets. From 1985 to 2002, he was a principal and president of Caber Capital and one of the founding partners of CBRE Limited. From 1980 to 1985, Mr. Camenzuli held senior management positions in several real estate companies including two major Canadian retail brokerage firms. Mr. Camenzuli holds an Honours Bachelor of Arts degree and a Masters degree in Social Sciences from the University of Western Ontario. Mr. Camenzuli provides the services of the Chief Executive Officer of Agellan as an employee of ACPI pursuant to the External Management Agreement.					
Non-independent Skills/experience:							
<ul style="list-style-type: none"> • Financial/Risk Management • Real estate • Capital markets • Corporate governance • Cross-border business • Senior executive 							
Board/Committee Membership:		2016 Attendance		Trustee Compensation⁽¹⁾		Trustee Compensation Taken in Deferred Units	
Board of Trustees, Chair		89% 8/9		2016		\$0	
				2015		\$0	
				2014		\$0	
AGM Voting results			Other Public Board Membership Last 5 Years:		Director Interlocks		
2016		99.9%		None		None	
2015		99.9%					
2014		99.9%					
Securities owned, controlled or directed							
As at		Units		Deferred Units		Market Value of Units	
March 31, 2017		689,258		0		\$7,871,326	

(1) Mr. Camenzuli is not an independent Trustee and therefore does not receive any compensation as a Trustee. See "Report on Trustee Compensation" below.

Richard Dansereau Age: 56 Saint Lambert, QC, Canada Trustee since November 13, 2012 Independent Skills/experience: <ul style="list-style-type: none"> Financial/Risk Management Real estate Capital markets Corporate governance Cross-border business Senior executive 	Principal Occupation				
	Mr. Dansereau has over 30 years of real estate experience, during which time he has been involved in all aspects of real estate for a variety of different firms. Since 2009, Mr. Dansereau has been a Managing Director at Stonehenge Partners, a New York-based real estate company, which owns and manages a portfolio of more than 3,000 luxury rental apartments in Manhattan. Prior to joining Stonehenge, Mr. Dansereau held progressively senior roles at Cadim, a real estate division of Caisse de dépôt et placement du Québec, including President and Chief Operating Officer, from 2000 to 2009 and, prior to that, he was Vice-President of Acquisitions for Canadian Real Estate Investment Trust from 1997 to 2000. In addition, he has been employed at a number of notable real estate firms, including Brasos Advisors (now Lonestar), Colliers and Marcil Trust, and has served on the boards of private and public companies, including MCAN Mortgage Corporation. He currently sits on the Board of Inovalis REIT. Mr. Dansereau has a certificate in marketing from the Business School of the University of Montreal.				
Board/Committee Membership:	2016 Attendance		Trustee Compensation		Trustee Compensation Taken in Deferred Units
Board of Trustees, Chair	100%	9/9	2016	\$71,000	50%
Audit Committee	100%	6/6	2015	\$68,333	50%
Corp. Gov. and Nom. Comm.	83%	5/6	2014	\$50,500	50% ⁽¹⁾
AGM Voting results			Other Public Board Membership Last 5 Years:		
2016	86.7%		Inovalis REIT		2013 - Present
2015	97.2%		Director Interlocks		
2014	99.9%		None		
Securities owned, controlled or directed					
As at	Units		Deferred Units		Market Value of Units
March 31, 2017	1,708		10,556		\$140,055

(1) On April 27, 2014, the Deferred Unit Incentive Plan was amended to require that Trustees take 50% of their Trustee compensation in the equivalent value of Deferred Units. Trustees may further elect to take up to 100% of their compensation in Deferred Units. Prior to April 27, 2014, the Deferred Unit Incentive Plan did not allow for any compensation to be taken in the form of Deferred Units.

Dayna Gibbs Age: 40 Toronto, ON, Canada Trustee nominee Independent Skills/experience: <ul style="list-style-type: none"> Financial/Risk Management Real estate Capital markets Corporate governance Cross-border business Senior executive 	Principal Occupation				
	Ms. Gibbs brings over ten years of capital markets experience to Agellan. Prior to founding MPI Consulting, a boutique professional life coaching firm, Dayna held progressively senior positions in the real estate investment banking divisions of BMO Capital Markets, Brascan Financial Real Estate Group and RBC Capital Markets and was a registered representative with the Investment Dealers' Association. Ms. Gibbs' areas of expertise included financial and strategic advisory services to both public and private real estate companies and investors across a broad range of asset classes and geographies. Transactional experience included initial public offerings, follow-on and secondary offerings of debt and equity, as well as mergers and acquisitions. Additionally, her prior capital markets experience encompassed global markets sales and trading, compliance and risk management. Ms. Gibbs holds an Honours Bachelor of Arts degree in Economics from the University of Western Ontario and is a member of the Institute of Corporate Directors, a member of Women in Capital Markets and is a Fellow of The Institute of Coaching, McLean/Harvard Medical School.				
Board/Committee Membership:	2016 Attendance		Trustee Compensation		Trustee Compensation Taken in Deferred Units
Board of Trustees	N/A		2016	N/A	N/A
AGM Voting results			Other Public Board Membership Last 5 Years:		Director Interlocks
N/A			None		None
Securities owned, controlled or directed					
As at	Units		Deferred Units		Market Value of Units
March 31, 2017	0		0		\$0

Glen Ladouceur		Principal Occupation			
Age: 68 Toronto, ON, Canada Trustee since June 15, 2015 Independent Skills/experience: <ul style="list-style-type: none"> Financial/Risk Management Real estate Capital markets Corporate governance Cross-border business Senior executive 		Mr. Ladouceur is a retired Partner from KPMG Canada where he was in charge of the financial institutions and real estate income tax practice of the Toronto office. He held a number of senior leadership positions throughout his 30 year career with KPMG including the role of Senior Partner and Chairman of KPMG Barbados and responsible for KPMG's Caricom (a Caribbean Community of fifteen Caribbean countries) tax practice between 2007 and 2010. His experience with KPMG involved financial reporting, tax advice to major Canadian and foreign pension funds and real estate investment trusts, including advice on the formation of publicly traded trusts. Mr. Ladouceur acted as an international tax advisor regarding the purchase of Canadian real estate by foreign investment funds and the purchase of foreign real estate by Canadian investment funds. He has also provides consulting advice to privately held real estate companies and trusts and charitable foundations. Mr. Ladouceur holds Bachelor Degrees in both Commerce and Arts from the University of Windsor, a Masters of Business Administration from the University of Toronto, is a Fellow Chartered Professional Accountant, Fellow of the Institute of Chartered Accountants of Ontario, and Chartered Business Valuator.			
Board/Committee Membership:		2016 Attendance		Trustee Compensation	Trustee Compensation Taken in Deferred Units
Board of Trustees		100%	9/9	2016 \$57,000	50%
Audit Committee, Chair		100%	6/6	2015 \$29,875 ⁽¹⁾	50%
Corp. Gov. and Nom. Comm.		100%	6/6	2014 N/A	N/A
AGM Voting results			Other Public Board Membership Last 5 Years:		Director Interlocks
2016		86.5%		None	
2015		97.2%		None	
2014		N/A		None	
Securities owned, controlled or directed					
As at		Units		Deferred Units	Market Value of Units
March 31, 2017		3,500		5,389	\$101,512

(1) Mr. Ladouceur was elected to the Board on June 15, 2015. Accordingly, his compensation was prorated.

Rafael Lazer		Principal Occupation			
Age: 39 Toronto, ON, Canada Trustee nominee Independent Skills/experience: <ul style="list-style-type: none"> Financial/Risk Management Real estate Capital markets Corporate governance Cross-border business Senior executive 		Mr. Lazer is the CEO and member of the Board of Directors of Elad Canada Inc., a real estate and development company, formerly publicly listed on the Tel Aviv Stock exchange. Prior to becoming the CEO, Mr. Lazer served as the CFO of the company. Since joining Elad in 2011, Mr. Lazer lead diversified processes in various aspects of real estate, including financing, investment, acquisition, disposition, development and marketing with a transactional record of billions of dollars. Prior to joining Elad, Mr. Lazer held various progressive financial management roles at ZIM Integrated Shipping Services, where he served as the financial controller for the Caribbean and Central American district stationed in Miami, FL, USA and later as the Director of Finance for the Asia Pacific area stationed in Hong Kong, China. While at ZIM, Mr. Lazer gained vast experience in various forms of international cross-continent trade and financing. Mr. Lazer is a CPA (Israel) by trade and prior to joining ZIM he worked at Ernst & Young (Israel) where he was engaged with publicly traded corporations. Mr. Lazer holds a degree in economics and accounting from the University of Haifa, Israel, a certificate in "Comptrollers and Financial Management" program by the Department of Continuing Education and External Studies of the University of Haifa and a Master of Business Administration (M.B.A) degree specializing in financial management from the University of Tel Aviv.			
Board/Committee Membership:		2016 Attendance		Trustee Compensation	Trustee Compensation Taken in Deferred Units
Board of Trustees		N/A		2016 N/A	N/A
AGM Voting results			Other Public Board Membership Last 5 Years:		Director Interlocks
N/A			None		None
Securities owned, controlled or directed					
As at		Units		Deferred Units	Market Value of Units
March 31, 2017		0		0	\$0

Anthony Messina		Principal Occupation				
Age: 53 Laval, QC, Canada Trustee since March 6, 2015 Independent Skills/experience: <ul style="list-style-type: none"> Financial/Risk Management Real estate Capital markets Corporate governance Cross-border business Senior executive 		Mr. Messina has been the Managing Director of Investments for Westmont Hospitality Group since 2009 and the head of Westmont Hospitality Canada which operates over 100 hotels in Canada. Until 2014, Mr. Messina was the Chief Executive Officer and President of InnVest REIT; he was interim Chief Financial Officer of InnVest REIT from July 2012 to December 2012. Mr. Messina has more than 25 years of experience in the real estate industry including financial management, development/ownership and privatization of public real estate companies. Prior to joining Westmont, Mr. Messina served for over eight years as Vice President for a global real estate division of one of Canada's largest pension funds, Caisse de dépôt et placement du Québec, where he was responsible for world-wide real estate acquisitions which included asset management until 2005. Previously, Mr. Messina held a series of senior positions in real estate companies and was also an auditor and real estate consultant at Deloitte LLP, Montreal. Mr. Messina holds a Bachelor Degree in Finance from Concordia University and a Graduate Degree in Public Accountancy from McGill University. He is also a member of the Canadian Institute of Chartered Accountants.				
Board/Committee Membership:		2016 Attendance		Trustee Compensation		Trustee Compensation Taken in Deferred Units
Board of Trustees		100%	9/9	2016	\$54,750	50%
Audit Committee		100%	6/6	2015	\$47,666 ⁽¹⁾	50%
Corp. Gov. & Nom. Comm. Chair		100%	6/6	2014	N/A	N/A
AGM Voting results			Other Public Board Membership Last 5 Years:		Director Interlocks	
2016		86.6%		None		None
2015		97.2%				
2014		N/A				
Securities owned, controlled or directed						
As at		Units		Deferred Units		Market Value of Units
March 31, 2017		0		6,390		\$72,049

(1) Mr. Messina was appointed to the Board on March 6, 2015. Accordingly, his compensation was prorated.

Kelly Smith		Principal Occupation				
Age: 52 Toronto, ON, Canada Trustee nominee Independent Skills/experience: <ul style="list-style-type: none"> Financial/Risk Management Real estate Capital markets Corporate governance Cross-border business experience Senior executive 		Ms. Smith has over 25 years' of commercial real estate experience working in both public and private companies in the areas of debt, equity and asset management. Ms. Smith is currently President – Canada of Peaceable Street Capital, a privately owned specialty finance platform focused on making structured investments in small and mid-sized income producing properties in Canada and the U.S. Previously, she was Managing Director, Canada Operations with Kimco Realty Corporation (NYSE:KIM), a public U.S. real estate investment trust and member of the S&P 500 with ownership of approximately 700 shopping centres. Ms. Smith was with Kimco from 2008-2016 and was responsible for all aspects of Kimco's Canadian investments, including preferred equity and joint venture investments in multiple property types totaling more than \$2 billion. Prior to joining Kimco, from 2000-2007, Ms. Smith was Managing Director, Capmark Canada Ltd. Capmark was a global diversified financial services company originating CMBS fixed and floating rate loans in the U.S. and Canada. Ms. Smith holds an Honours degree in Business Administration (1986) and a Masters of Business Administration (1991), each from the Richard Ivey School of Business at Western University.				
Board/Committee Membership:		2016 Attendance		Trustee Compensation		Trustee Compensation Taken in Deferred Units
Board of Trustees		N/A		2016	N/A	N/A
AGM Voting results			Other Public Board Membership Last 5 Years:		Director Interlocks	
N/A			None		None	
Securities owned, controlled or directed						
As at		Units		Deferred Units		Market Value of Units
March 31, 2017		0		0		\$0

Appointment of Auditors

Unitholders are being asked to consider, and if thought fit, pass an ordinary resolution at the meeting, reappointing KPMG LLP as auditor of Agellan and authorizing the Trustees to fix their remuneration. KPMG LLP was first appointed auditor of Agellan in January 2013.

The Trustees have concluded that the reappointment of KPMG LLP to hold office until the close of the next annual meeting and the authorizing the Trustees to fix their remuneration is in the best interests of Agellan and unanimously recommend that Unitholders vote FOR this resolution.

The management representatives designated in the form of proxy or voting instruction form intend to vote FOR the reappointment of KPMG LLP to hold office until the close of the next annual meeting and the authorizing the Trustees to fix their remuneration, unless the Unitholder has specified in his or her proxy or voting instruction form that his or her Units are to be voted against the reappointment of KPMG LLP and authorizing the Trustees to fix their remuneration.

Unitholder Voting Results		
Year	Votes in favour of KPMG	Proxies received from Unitholders
2016	99.9%	46%
2015	100.0%	53%
2014	99.9%	53%

CORPORATE GOVERNANCE DISCLOSURE

Agellan's Board of Trustees and members of its management consider good corporate governance to be central to Agellan's effective and efficient operation. Agellan's corporate governance practices are designed to protect the interests of Unitholders. Agellan's governance, investment guidelines and operating policies are overseen by the Board of Trustees.

Term of Election for Trustees

The Trustees are individually elected by Unitholders, other than Trustee appointments that occur between annual meetings of Unitholders. Trustees elected at an annual meeting are elected for terms expiring at the next annual meeting or until their successors are elected or appointed, and are eligible for re-election.

Number of Trustees

Pursuant to the Declaration of Trust, there are to be no fewer than one and no more than nine Trustees, with a majority being residents of Canada and independent Trustees. The Trustees have determined that seven Trustees are appropriate at this time.

Process for Nomination of Trustees

The Corporate Governance and Nominating Committee is composed of independent Trustees and is responsible for succession planning, including the identification and nomination of Trustees.

The Board succession planning process is comprised of a review of the size of the Board, a skills assessment and a three part Board and Trustee evaluation process.

Annually, the Corporate Governance and Nominating Committee reviews the size of the Board and determines the appropriate size based on the outcome of a Trustee skills review, the projected workload requirements and the results of the Board effectiveness report.

The Corporate Governance and Nominating Committee reviews the skills represented on the Board annually against the skills matrix which defines the skills deemed as necessary for the Board to fulfill its responsibilities. If there is a skills gap, the Committee may address the matter by increasing the size of the Board, replacing a Trustee or enhancing Board education.

The annual Board effectiveness review process is discussed below and describes how Trustees are evaluated for their contribution and ongoing suitability for a role on the Board.

The Board of Trustees reviews the recommendations of the Corporate Governance and Nominating Committee with respect to succession planning and approves the size of the Board.

If a vacancy is to be filled, the Corporate Governance and Nominating Committee uses selection criteria to prioritize and select potential candidates. In addition to having the basic characteristics of integrity, good judgment, financial knowledge and sufficient time available, potential candidates should also have experience in any of such areas as capital markets, real estate management or corporate governance. The Board considers gender, ethnic background, geographic origin and other personal characteristics together with the skills, experience, character and behavioural qualities of each individual when determining the value which a candidate could bring to the Board.

Candidates for the position of Trustee are identified through formal and informal search processes. Interviews are conducted by the Corporate Governance and Nominating Committee and a short list of candidates is put before the Board for consideration. Prior to nomination, new Trustees are given a clear indication of the workload and time commitment required.

The Board of Trustees approves nominations for the role of Trustees. The Trustees' matrix below lists the selection criteria and reflects the current strengths of the Board as a whole.

Trustee Independence

The Trustees have determined that six of the seven Trustees standing for election, including Agellan's Chair of the Board of Trustees, are independent in accordance with the Declaration of Trust and applicable securities laws.

Independent Trustee Nominees:

Richard Dansereau
Dayna Gibbs
Glen Ladouceur
Rafael Lazer
Anthony Messina
Kelly Smith

Non Independent Trustee Nominee:

Frank Camenzuli (CEO)

Frank Camenzuli, as Agellan's Chief Executive Officer and President of ACPI, Agellan's external manager is not independent under these standards.

Pursuant to the conflict of interest provisions in the Declaration of Trust, Mr. Camenzuli is required to disclose the nature and extent of his interests in, and is not entitled to vote on any resolution to approve, any material contract or transaction or any proposed material contract or transaction, between Agellan and ACPI or any of its affiliates or any other entity in which he has an interest (unless the contract or transaction relates to his remuneration or an indemnity under the provisions of the Declaration of Trust on liability insurance).

Independence of the Board Chair

The Board appoints a non-executive, independent Trustee to act as Chair of the Board. Keeping Agellan's CEO and Board Chair positions separate allows the Board to more effectively oversee management and enhance accountability. Having an independent Board Chair fosters strong leadership, robust discussion and effective decisions, while avoiding potential conflicts of interest.

The Chair is responsible for the following duties and responsibilities among other things:

- leading, managing and organizing the Board,
- promoting cohesiveness among the Trustees,
- acting as Chair of meetings of the Board of Trustees, including establishing procedures to govern the Board's work to ensure the Board can conduct its work effectively and efficiently,
- acting as a liaison between the Board of Trustees and management through the CEO, and
- promoting the provision of information to the Trustees on a timely basis to keep the Trustees apprised of matters which are material to Trustees.

Relationship of the Board of Trustees and Management

The Board of Trustees has in place appropriate structures to ensure that it can function independently of management, including the appointment of a Chair of the Board of Trustees of Agellan, who is an independent Trustee as described in the section above.

Management's responsibilities are determined by the Board of Trustees of Agellan. The day-to-day role and responsibilities of the Chief Executive Officer of Agellan is determined by Agellan's Board of Trustees. All major policy decisions relating to Agellan's business are made by Agellan's Board of Trustees or a committee thereof.

Director / Trustee Interlocks

None of the Trustee nominees has served together as directors on any outside boards during Agellan's most recently completed fiscal year. The directorships of all Trustee nominees on other public companies, are described under the section entitled "Nominees for Appointment" in this Management Information Circular.

Majority Voting Policy

The Board has a Majority Voting Policy under which each Trustee should be elected by the vote of a majority (50% plus 1 vote) of the Units represented in person or by proxy at any meeting for the election of Trustees. Accordingly, if any Trustee nominee receives a greater number of Units withheld than Units voted in favour of his or her election, the Trustee nominee must immediately tender his or her offer to resign to the Chair of the Board, to take effect on acceptance by the Board.

The Corporate Governance and Nominating Committee will expeditiously consider the Trustee's offer to resign and make a recommendation to the Board to accept the resignation absent exceptional circumstances. The Board will accept the resignation absent exceptional circumstances. If the resignation is not accepted due to exceptional circumstances, the Board will take active steps to resolve the exceptional circumstances before the next meeting of Unitholders to be held for the purpose of electing Trustees. Within 90 days of the Unitholders' meeting, the Board will make a final decision and promptly announce it by way of press release, a copy of which must be provided to the TSX. Should the Board decide not to accept the resignation in accordance with the Majority Voting Policy, the press release will fully state the reasons for such decision.

This policy does not apply to a contested election of Trustees, that is, where the number of nominees exceeds the number of Trustees to be elected.

Any Trustee who offers his or her resignation will not attend the meetings of the Committee or the Board in which the matter is considered.

In the event any Trustee fails to offer his or her resignation in accordance with this policy, the Board will not re-nominate the Trustee for election to the Board in the following year. Subject to the provisions of Agellan's Declaration of Trust, the Board is not limited in any action it may take if a Trustee's resignation is accepted, including appointing a new Trustee to fill the vacancy.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

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

- (a) is, as at the date of this Management Information Circular, or has been, within the 10 years before the date of this Management Information Circular, a director, chief executive officer or chief financial officer of any company that:
 - (i) while that person was acting in that capacity was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation (each, an "order") that was in effect for a period of more than 30 consecutive days;

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

Financial Literacy

All Trustees are financially literate and have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Agellan's financial statements.

Committees of the Board

To assist the Board in fulfilling its responsibilities, the Board has an Audit Committee and a Corporate Governance and Nominating Committee. Both Committee Chairs and all committee members are independent Trustees.

The Audit Committee's charter and the education and experience of each audit committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member is detailed in the sections entitled "Audit Committee" and "Audit Committee Charter" in the Annual Information Form dated March 28, 2017 which can be found on SEDAR (www.sedar.com) or Agellan's website (www.agellanreit.com). The Audit Committee must pre-approve all non-audit services to be provided to the issuer or its subsidiary entities by the external auditor. The Audit Committee is required to review Agellan's financial statements, MD&A and annual and interim press releases prior to public disclosure of these matters. Each member of the Audit Committee is independent and financially literate.

The role of the Corporate Governance and Nominating Committee is described in the section "Compensation Governance and Oversight – Role of the Corporate Governance and Nominating Committee" below.

Summarized below is the membership of each committee of the Board as of April 18, 2017 and the independence status of each Trustee.

Audit Committee	Glen Ladouceur, Chair	Independent
	Richard Dansereau	Independent
	Anthony Messina	Independent
Corporate Governance & Nominating Committee	Anthony Messina, Chair	Independent
	Richard Dansereau	Independent
	Glen Ladouceur	Independent

2016 Board and Committee Attendance

	Terra Attard	Frank Camenzuli	Richard Dansereau	Glen Ladouceur	Anthony Messina
Board of Trustees ⁽¹⁾	100% (3 of 3) ⁽²⁾	89% (8 of 9)	100% (9 of 9)	100% (9 of 9)	100% (9 of 9)
Audit Committee	n/a	n/a	100% (6 of 6)	100% (6 of 6)	100% (6 of 6)
Corporate Governance & Nominating Committee	n/a	n/a	83% (5 of 6)	100% (6 of 6)	100% (6 of 6)

(1) Mr. Perry was Trustee until July 15, 2016. He attended 5 of 5 Board meetings in 2016.

(2) Ms. Attard was appointed Trustee on August 2, 2016 and attended all three Board meetings held after that date.

At the end of each regularly scheduled Audit Committee meeting, the committee members meet with the auditors without management present.

Written charters are in place for each committee and are available on SEDAR at www.sedar.com or Agellan's website www.agellanreit.com. A process has been established for an annual review and update of these mandates by the Board. Position descriptions are in place for each Committee Chair.

Meetings of Independent Trustees

The Trustees hold regular *in camera* meetings at which non-independent Trustees and members of management are not in attendance. During 2016, the independent Trustees held *in camera* meetings immediately following quarterly meetings of the Board and four *in camera* meetings with the Auditor following Audit Committee meetings.

Board Mandate

The Board is responsible for the general stewardship of Agellan. It supervises management of Agellan's business with the goal of enhancing Agellan's long-term Unitholder value. The Board has adopted a mandate, which is attached as Schedule A to this Management Information Circular and reflects Agellan's commitment to high standards of corporate governance. The mandate also assists the Board in supervising

the management of Agellan and contributes to establishing appropriate limits on management's authority.

The Chair of the Board of Trustees also has a mandate.

The Board oversees the management of Agellan. Management is responsible for general day-to-day management of Agellan and for making recommendations to the Board with respect to long-term strategic, financial, organizational and related objectives.

The roles and responsibilities of the Board are intended to primarily focus on the formulation of long term strategic, financial and organizational goals for Agellan and on the monitoring of management performance. The Board is responsible for overseeing a management-driven strategic planning process and approves Agellan's strategic plan.

The Board reviews and approves Agellan's financial objectives and short and long-term business plans for Agellan's business and monitors financial and operating performance. The Board also approves significant capital allocations and expenditures, reviews and approves all material transactions, being all matters that would be expected to have a major impact on Unitholders or creditors, and Agellan's strategic plan. The Board oversees ethical behaviour and compliance with laws and regulations.

Annual Assessment of Board and Trustees & Peer Review

Annually, the Corporate Governance and Nominating Committee approaches the evaluation of the members of the Board through three anonymous questionnaires administered confidentially: (i) Board evaluation (ii) self-evaluation, and (iii) peer evaluation.

The questionnaires provide for quantitative ratings and subjective comment in key areas and consider Trustees' effectiveness in terms of business operations, strategy, Unitholder value, risk management, use of time, board structure, size and process. A summary report on the questionnaires is compiled by an external advisor and presented to the Chair of the Corporate Governance and Nominating Committee. All Board members are subsequently provided with copies of the report. The Board meets to discuss the report, consider its findings and act on its recommendations.

Each year, the Board Chair meets with each Trustee individually to engage in open dialogue on any issues which either wish to raise, and uses the same meeting to discuss any specific issues that may have come up in the questionnaire process.

In all these ways, each Trustee receives feedback on their individual contribution to Board effectiveness.

Diversity

Agellan encourages diversity in the composition of the Board. The Trustees have adopted a Diversity Policy that recognizes and supports the benefits of diversity in Agellan's Board and in the executive management team. For the purposes of this policy, diversity has been defined any characteristic or quality that can be used to differentiate groups and people from one another and includes gender and age, race, nationality,

culture, language and other ethnic distinctions, education, regional and industry experience, and expertise.

It is an objective of this policy that diversity be considered in determining the optimal composition of the Board. In reviewing Board composition and identifying suitable candidates for Board appointment or nomination for election to the Board, candidates will be selected based on merit and against objective criteria, and due consideration will be given to diversity in identifying candidates and selecting candidates.

Agellan recognizes that gender diversity is a significant aspect of diversity and acknowledges the role that women with relevant competencies and skills can play in contributing to diversity of perspective in the boardroom. Accordingly, in order to promote the specific objective of gender diversity, the selection process for Board nominees includes female candidates.

Currently, the Board has one female Trustee (20% of Board), however, the Trustee nominees, if elected at the AGM, will increase female representation to two female trustees (29% of Board). The Board and the Corporate Governance and Nominating Committee will continue to strive to increase the representation of women on the Board as turnover occurs.

With respect to executive officer positions, Agellan is externally managed by ACPI (a private entity) and has no control over the employee recruitment and hiring practices of ACPI. The Board of Agellan has communicated its philosophy as it relates to diversity to ACPI and has expressed a request for consideration of the policy as it relates to succession planning matters and the appointment of members of Agellan's key executive officers. Agellan currently has one female executive officer (33% of executive officers), the Chief Operating Officer of ACPI who also serves as Agellan's Secretary.

Board of Trustees Skills Matrix

Skill or experience	Frank Camenzuli	Richard Dansereau	Dayna Gibbs	Rafael Lazer	Glen Ladouceur	Anthony Messina	Kelly Smith
Financial/Risk Management experience	✓	✓	✓	✓	✓	✓	✓
Real estate experience ⁽¹⁾	✓	✓	✓	✓	✓	✓	✓
Capital markets experience	✓	✓	✓	✓	✓	✓	✓
Corporate governance	✓	✓	✓	✓	✓	✓	✓
Cross-border business experience	✓	✓	✓	✓	✓	✓	✓
Senior executive experience	✓	✓	✓	✓	✓	✓	✓

(1) Includes commercial, industrial or retail

Orientation Plan – Board Trustees

Agellan has an orientation program for new Trustees which addresses the role of the Board, its committees and individual Trustees and provides a reference manual of materials, which includes: the Declaration of Trust, material agreements, Board, committee and chair mandates, legal and organizational structure, Board structure, strategic plan, prospectuses, annual information forms, operational plans, financial reports and other reports and corporate policies. Other publications are provided from organizations such as the Canadian Institute of Chartered Accountants, the Canadian Coalition for Good Governance and professional services firms, among others.

In addition, the Board and members of management deliver presentations on operations and organize presentations by external legal counsel on new legislative and policy developments that affect Boards and Trustees, arrange one-on-one briefings with the Board Chair, and the CEO, CFO and Secretary and set aside time for social interaction with the Trustees and management.

The orientation program is reviewed annually by the Corporate Governance and Nominating Committee and the Board of Trustees and feedback from newly oriented Trustees is to be incorporated in the program.

Continuing Education for Trustees

The Corporate Governance and Nominating Committee is responsible for the ongoing education of Trustees and the program focuses primarily on providing the Trustees with more in-depth information about key aspects of Agellan's business, including the material risks and opportunities facing Agellan. Trustees provide input into the agenda for the education program and management's role is to schedule presentations and seminars covering these areas, some of which may be presented by management and others by external consultants or experts.

Agellan encourages Trustees to attend other appropriate continuing education programs and Agellan will contribute to the cost of attending such programs. As well, written materials that may be of interest to Trustees that have been published in periodicals, newspapers or by legal or accounting firms are routinely forwarded to Trustees or included in a "supplemental reading" section in Board and Committee meeting materials. Serving on other for-profit and not-for-profit boards is also considered a valuable source for ongoing education.

Trustees are provided opportunities to visit Agellan's properties as well as those of competitors.

The continuing education program is reviewed annually by the Corporate Governance and Nominating Committee and the Board of Trustees.

Retirement Policy and Term Limits for Trustees

The Corporate Governance and Nominating Committee has determined that no fixed retirement date or term of service be set for Trustees or Chairs of the Board or Committees. A policy requiring Trustees to retire due to age or years of service could leave the Board at a disadvantage. Due to its size, the Board could face the risk of losing the contribution of a significant proportion of Trustees who have been able to develop, over a period of time, increasing insight into Agellan and its operations and,

therefore, provide an increasing contribution to the Board over time. The situation could be even more unfavourable if those Trustees required to retire were independent and sitting on the Audit or Corporate Governance and Nominating Committees.

The matter of retirement is addressed in the Board evaluation process in which the contributions of individual Trustees is assessed and in the Trustee nomination process in which the Corporate Governance and Nominating Committee considers the skills and qualifications needed on the Board of the Agellan. Trustees are also canvassed on their intention to retire from the Board in order to identify impending vacancies as far in advance as possible.

Ethical Business Conduct Policy

It is the policy of Agellan that all activities be conducted with the highest standards of fairness, honesty and integrity and in compliance with all legal and regulatory requirements.

Agellan's Code of Conduct ("the Code") has been endorsed by the Board and applies to the Trustees, officers and employees of the external manager ACPI and Agellan. All Agellan Trustees, officers and employees of ACPI must sign an annual statement of compliance with the Code.

The Code emphasizes protection of Trust assets and resources, protection of confidential information, insider trading rules, conflicts of interest, disclosure, compliance with laws, rules and regulations and fair dealing.

The Board has responsibility for ensuring that the Code and compliance related policies and management systems are effectively implemented. Monitoring compliance with the Code is done through reports, meetings, audits and the statements of compliance. An annual report on compliance with the Code is submitted to the Corporate Governance and Nominating Committee. The Code, which is reviewed annually by the Corporate Governance and Nominating Committee and approved by the Board, is available on SEDAR (www.sedar.com), Agellan's website (www.agellanreit.com) or upon request to the Secretary.

Interests of Management and Others in Material Transactions

There are no material interests, direct or indirect, of the Trustees or officers of Agellan, any proposed Trustee nominee, any Unitholder that beneficially owns more than 10% of the Units of Agellan or any associate or affiliate of any of the foregoing persons in any transaction since January 1, 2016 or any proposed transaction that has materially affected or would materially affect Agellan or any of its Subsidiaries.

Risk Management Oversight

The Board of Trustees is entrusted with responsibility for identifying Agellan's principal risks, ensuring these risks are being appropriately managed and assessing Agellan's risk management practices. At least quarterly, the Board of Trustees discusses with management risk assessments, risk exposures and risk management and any developments or progress management made on its strategies for managing Agellan's principal risks, which are described in Agellan's most recent annual information form and year-end management's discussion and analysis.

The Board has delegated to the Audit Committee the task of ensuring that Agellan’s risks are properly identified, managed and measured against Agellan’s risk tolerance. The Audit Committee reviews, at least annually, Agellan’s risk management framework, risk tolerance policies and practices and reports its findings to the Board.

The Board relies upon management to supervise the day-to-day risk management and management reports directly to the Board of Trustees and the Audit Committee, as appropriate.

REPORT ON TRUSTEE COMPENSATION

Trustee Compensation Philosophy, Approach and Process

Agellan has two primary compensation objectives for Trustees:

1. to align Trustees’ interests with the interests of its Unitholders
2. to fairly and competitively compensate Trustees in order to attract well qualified board members.

Compensation of Members of the Board of Trustees and Comparator Set

Compensation of the Trustees is reviewed annually by the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee has decided to maintain current levels for Agellan’s retainers and fees as described in the table below. In addition, each Trustee is reimbursed for all reasonable travel and ancillary expenses incurred, up to a maximum of \$1,500 per meeting. The Trustees do not receive any additional remuneration for acting as directors on the boards of Agellan’s Subsidiaries.

Trustee Fee Schedule

<u>Compensation</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Retainer	\$25,000	\$25,000	\$25,000
Board Chair Retainer	\$25,000	\$25,000	\$25,000
Audit Chair Retainer	\$8,000	\$8,000	\$8,000
Corporate Governance and Nominating Chair Retainer	\$8,000	\$8,000	\$8,000
Meeting Fee, in person	\$1,500	\$1,500	\$1,500
Meeting Fee, by telephone	\$750	\$750	\$750

The retainers and meeting fees are for independent Trustees only.

Minimum Unitholding Guideline

While Agellan does not have minimum unitholding guidelines for Trustees, on the recommendation of the Corporate Governance and Nominating Committee, the Trustees are required to take 50% of their Trustee compensation in the equivalent value of Deferred Units. Trustees may further elect to take up to 100% of their compensation in Deferred Units. This aligns the interests of Trustees with those of Unitholders. See “*Equity Plans - Units Subject to the Deferred Unit Incentive Plan*”.

Trustee 2016 Compensation

Title	Fees earned	Unit-Based Awards	Option-Based Awards	Non-Equity Incentive Plan Compensation		Pension Value	All Other Comp.	Total Comp.
Terra Attard ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Frank Camenzuli ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Richard Dansereau	\$35,500	\$35,500	\$0	N/A	N/A	N/A	\$0	\$71,000
Glen Ladouceur	\$28,500	\$28,500	\$0	N/A	N/A	N/A	\$0	\$57,000
Anthony Messina	\$27,375	\$27,375	\$0	N/A	N/A	N/A	\$0	\$54,750
Robert Perry ⁽¹⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$91,375	\$91,375	\$0	N/A	N/A	N/A	\$0	\$182,750

(1) Ms. Attard, Mr. Camenzuli and Mr. Perry, as non-independent Trustees, did not receive Trustee compensation. Mr. Perry ceased to be a Trustee in July 2016.

Details of 2016 Actual Trustee Compensation

Name	Trustee Annual Retainer	Board & Committee Meeting Attendance Fees	Chair Annual Retainer	Total Compensation (half taken in cash; half taken in Deferred Units)
Terra Attard	\$0	\$0	\$0	\$0
Frank Camenzuli	\$0	\$0	\$0	\$0
Richard Dansereau	\$25,000	\$21,000	Chair of Board \$25,000	\$71,000
Glen Ladouceur	\$25,000	\$24,000	Chair of the Audit Committee \$8,000	\$57,000
Anthony Messina	\$25,000	\$21,750	Chair of Corporate Governance & Nominating Committee \$8,000	\$54,750
Robert Perry	\$0	\$0	\$0	\$0
Total	\$75,000	\$66,750	\$41,000	\$182,750

Peer Comparators and Compensation Consultant for Trustees

Agellan did not use any peer comparators in 2016 or 2015 to determine Trustee compensation.

Trustee Pension Plan

The Trustees do not have a pension plan.

Outstanding Unit Based Awards and Option Based Awards at December 31, 2016

Name	Unit-based awards		
	Number of Units that have not vested at December 31, 2016	Market or payout value of unvested Unit based awards at Dec 31, 2016 ⁽¹⁾	Market or payout value of vested Unit based awards not paid out or distributed at Dec 31, 2016 ⁽¹⁾
Richard Dansereau	-	-	\$ 93,960
Glen Ladouceur	-	-	\$ 43,608
Anthony Messina	-	-	\$ 54,140

(1) Using the closing price of a Unit at December 31, 2016: \$10.67. Deferred units taken in lieu of 50% of compensation in Q4, 2016 were granted on January 30, 2017 and are not included in these values.

Deferred Unit Incentive Plan and Option Plan Awards - Value vested or earned during the year

Awards granted under the Deferred Unit Incentive Plan and Option Plan may consist of Deferred Units and unit options. Each award is subject to the terms and conditions set out in the Deferred Unit Incentive Plan or the Option Plan and to those other terms and conditions specified by Agellan's Board of Trustees and memorialized in a written award agreement.

The table below shows the Deferred Unit grants ("DUs") that were earned by each trustee and vested during the financial year ended December 31, 2016. DUs are awarded at the end of each fiscal quarter and vest immediately. See *Equity Plans, Units Subject to the Deferred Unit Incentive Plan* for details of the Deferred Unit Plan including information related to distributions on DUs.

Name	Unit-based awards – value vested during the year ⁽¹⁾	Non-Equity Incentive Plan compensation – Value earned during the year
Richard Dansereau	\$26,250	N/A
Glen Ladouceur	\$21,375	N/A
Anthony Messina	\$20,250	N/A

(1) These values are at the vesting date; These totals do not reflect DUs that were taken in lieu of 50% of Q4 earnings as they were not granted until January 30, 2017.

STATEMENT OF EXECUTIVE COMPENSATION

The Compensation Discussion and Analysis (“CD&A”) describes and explains Agellan’s executive compensation philosophy, principles, and programs for named executive officers (“NEOs”). In 2016 Agellan had three NEOs: the Chief Executive Officer (“CEO”) Frank Camenzuli, Chief Financial Officer, Daniel Millett (“CFO”) and Secretary, Terra Attard.

Compensation Discussion and Analysis

As of December 31, 2016, Agellan did not have any employees.

The compensation philosophy, principles and programs for the NEOs, all of whom are employed by ACPI, the external manager are determined by ACPI. Agellan has no employment agreements with members of ACPI and Agellan does not pay any cash compensation directly or indirectly to any individuals serving as officers of Agellan. Rather, those individuals are compensated by ACPI. A portion of the compensation paid by ACPI to Agellan’s NEOs is attributable to time spent on the activities of Agellan. Agellan is only obligated to pay an amount to ACPI pursuant to the terms of the External Management Agreement. Any variability in cash compensation paid by ACPI to the NEOs (the “ACPI NEOs”) will not impact Agellan’s financial obligations. No significant changes were made to the compensation policies and practices in 2016. None of the NEOs participated in Agellan’s long-term incentive plan in 2016.

The following discussion is intended to describe the portion of the compensation of the ACPI NEOs that is attributable to time spent on the activities of Agellan, and supplements the more detailed information concerning executive compensation that appears in the tables and the accompanying narrative that follow.

Description of Compensation Framework

Principal Elements of Compensation for ACPI, the External Manager

The compensation of the ACPI NEOs includes two major elements: (1) base salary, and (2) an annual cash bonus. As a private company, ACPI’s process for determining executive compensation is relatively straightforward, involving senior executive discussion. Each element is tailored based on the individual’s role and responsibility, however there is no one formal approach to determining compensation. ACPI anticipates utilizing amounts received from the Incentive Fee and Performance Fee (see the section entitled “External Management Agreement” for more information on these fees) to align the goals of the ACPI NEOs with Agellan. Objectives and performance measures may vary from year to year as determined to be appropriate by ACPI.

The ACPI NEOs do not benefit from long term incentives or pension plan participation. Perquisites and personal benefits are not a significant element of compensation of the ACPI NEOs.

Base Salaries

Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries are determined on an individual basis, taking into consideration the past, current and potential contribution to

the success of ACPI, the position and responsibilities of the ACPI NEOs and competitive industry pay practices for other real estate investment trusts and corporations of comparable size. ACPI will, at times, engage compensation consultants for the purposes of performing benchmarking or apply specific criteria for the selection of comparable real estate businesses; no compensation consultant was used in 2016. Increases in base salary are at the sole discretion of ACPI.

Annual cash bonuses

Annual cash bonuses are discretionary and are specific to the individual being incentivized. Annual cash bonuses are awarded based on qualitative and quantitative performance standards, and reward performance of the ACPI NEO individually. The determination of the performance of the ACPI NEO may vary from year to year depending on economic conditions and conditions in the real estate industry, and are based on various measures such as financial targets against budget, the meeting of acquisition objectives or other measures.

Purchase of Securities

Agellan's Insider Trading Policy prohibits its Trustees, officer and employees, including those of the external manager, to purchase or sell Agellan securities if they have any knowledge of a material fact or a material change in Agellan's affairs that has not been generally disclosed to the public and sufficient time has elapsed for such information to have been adequately disseminated to the public. Nor may they inform anyone of such material fact or material change (other than in the necessary course of business) or advise anyone to purchase, sell, hold or exchange Agellan's securities (or any other securities whose price or value may reasonably be expected to be affected by material changes affecting Agellan).

The policy allows Trustees, officers and employees to buy Agellan securities for investment purposes with the provision that they not actively purchase or sell with the expectation of making a profit on a short term rise or fall of the market price trade. There are no restrictions on the purchase of financial instruments, including prepaid variable forward contracts, equity swaps, collars, or Units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly by the NEO or Trustee.

Equity Plans

Units Subject to the Deferred Unit Incentive Plan

Agellan has adopted a Deferred Unit Incentive Plan. Because Deferred Units are tied to Agellan's financial and Unit trading performance and vest or accrue over a number of years, grants of Deferred Units under the Deferred Unit Incentive Plan align the interests of those individuals eligible to participate in the Deferred Unit Incentive Plan more closely with the interests of Unitholders. The Board of Trustees, acting on the recommendation of the Corporate Governance and Nominating Committee, may designate individuals eligible to receive grants of Deferred Units. In determining grants of Deferred Units, an individual's performance and contributions to Agellan's success, relative position, tenure and past grants will be taken into consideration.

Individuals eligible to participate in the Deferred Unit Incentive Plan ("DTU Participants") consist of: (a) employees, Trustees, officers and service providers of Agellan, as well

as employees of certain service providers who spend a significant amount of time and attention on the affairs and business of Agellan. The Deferred Unit Incentive Plan provides for the grant to DTU Participants of Deferred Units and Income Deferred Trust Units.

The following is a summary of the primary terms that are incorporated into the Deferred Unit Incentive Plan:

(a) Units Available for Grant: Income Deferred Trust Units are credited to holders of Deferred Units and Income Deferred Trust Units based on distributions paid on Units. Income Deferred Trust Units are subject to the same vesting and minimum hold periods as the Deferred Units or Income Deferred Trust Units to which they relate and are considered, for the purposes of vesting, to have been issued on the same date as the Deferred Units or Income Deferred Trust Units to which they relate. The maximum aggregate number of Deferred Units and Income Deferred Trust Units available for issuance under the Deferred Unit Plan will be 5% of the issued and outstanding Units, from time to time, subject to adjustment for any subdivision, consolidation or distribution of Units, as contemplated by the Deferred Unit Incentive Plan. The Deferred Unit Incentive Plan is considered an “evergreen” plan, since the Units covered by Deferred Units and Income Deferred Trust Units which have vested shall be available for subsequent grants under the Deferred Unit Incentive Plan and the number of Deferred Units and Income Deferred Trust Units available to grant increases as the number of issued and outstanding Units increases. The maximum aggregate of the Deferred Units and Income Deferred Trust Units: (i) issued to insiders of Agellan, within any one year period; and (ii) issuable to insiders of Agellan, at any time, under the Deferred Unit Incentive Plan, when combined with all other security-based compensation arrangements of Agellan (including the Option Plan), shall not exceed 10% of Agellan’s total issued and outstanding Units.

(b) Administration: Under the Deferred Unit Incentive Plan, Deferred Units may be granted from time to time to DTU Participants at the discretion of the Board. The number of Income Deferred Trust Units credited to a holder of Deferred Units and/or Income Deferred Trust Units will be calculated by multiplying the aggregate number of Deferred Trust Units and Income Deferred Trust Units held on the relevant distribution record date by the amount of distributions paid by Agellan on each Unit, and dividing the result by the market value of the Units on the Distribution Date. Market value for this purpose is the volume weighted average trading price of the Units on the TSX for the five trading days immediately preceding the relevant Distribution Date.

(c) Specific Terms of Deferred Units: With the exception of Deferred Units received by Trustees in respect of their annual fees, Deferred Units will vest on either a five year or a three year vesting schedule. Deferred Units granted to a DTU Participant who is an officer or Trustee of Agellan will vest on a five year vesting schedule, pursuant to which one fifth of the Deferred Units granted to such individual will vest on each anniversary of the grant date for a period of five years. Deferred Units granted to employees of Agellan, its affiliates or service providers will vest on a three year vesting schedule, pursuant to which one third of the Deferred Units granted to such individual will vest on each anniversary of the grant date for a period of three years. Income Deferred Units credited to DTU Participants vest on the same schedule as their corresponding Deferred Units and are considered issued on the same date as the Deferred Units or Income Deferred Trust Units in respect of which they were credited.

Upon the vesting of Deferred Units and Income Deferred Trust Units, Agellan will issue Units to DTU Participants on the basis of one Unit for each Deferred Trust Unit and Income Deferred Trust Unit that has vested. Units are issued by Agellan at no cost to DTU Participants. DTU Participants who have been granted Deferred Units or Income Deferred Trust Units have the ability to elect to defer the issuance of Units to them on the vesting of their Deferred Units and Income Deferred Trust Units in respect of any vesting date. The issuance of Units to such DTU Participants may be deferred indefinitely, unless such DTU Participant's employment or term of office is terminated, in which case Units will be issued on the relevant date of termination.

Any unvested Deferred Units or Income Deferred Trust Units held by a DTU Participant will be forfeited upon termination of the DTU Participant's service with Agellan for any reason, whether voluntarily or involuntarily. However, pursuant to the Deferred Unit Incentive Plan, the Board may, in its discretion if the circumstances warrant, accelerate the vesting of such Deferred Units and Income Deferred Trust Units held by an individual whose employment or term of office is terminated. In these circumstances, any unvested Deferred Units or Income Deferred Trust Units will vest effective upon the termination date of the individual with the exception of Deferred Units that have been granted in lieu of cash for Trustee fees which immediately vest effective upon grant date. Deferred Units granted in lieu of cash for Trustee fees cannot be exercised earlier than three months following the grant date.

(d) Term: The Deferred Unit Plan became effective on January 25, 2013 and was renewed for a further three year period on June 15, 2015.

(e) Assignability: Deferred Units and Income Deferred Trust Units are non-transferable, except to a DTU Participant's estate, and the rights of DTU Participants under the Deferred Unit Incentive Plan are not assignable, except as required by law.

(f) Amendments: The Corporate Governance and Nominating Committee may review and confirm the terms of the Deferred Unit Incentive Plan from time to time and may, subject to applicable stock exchange rules, amend or suspend the Deferred Unit Incentive Plan in whole or in part as well as terminate the Deferred Unit Incentive Plan without prior notice as it deems appropriate; provided, however, that any amendment to the Deferred Unit Incentive Plan that would, among other things, result in any increase in the number of Deferred Units and Income Deferred Trust Units issuable under the Deferred Unit Incentive Plan or permit Deferred Units or Income Deferred Trust Units granted under the plan to be transferable or assignable other than for normal estate settlement purposes will be subject to the approval of Unitholders. Without limitation, the Corporate Governance and Nominating Committee may, without obtaining the approval of Unitholders, make changes: (a) to correct errors, immaterial inconsistencies or ambiguities in the Deferred Unit Incentive Plan; (b) necessary or desirable to comply with applicable laws or regulatory requirements, rules or policies (including stock exchange requirements); and (c) to the vesting provisions applicable to Deferred Units and Income Deferred Trust Units issued under the Deferred Unit Incentive Plan. However, subject to the terms of the Deferred Unit Incentive Plan, no amendment may adversely affect the Deferred Units or Income Deferred Trust Units previously granted under the Deferred Unit Incentive Plan without the consent of the affected DTU Participant.

In 2014, the Board of Trustees approved amendments to the Deferred Unit Incentive Plan so that Trustees shall take 50% of their annual fees in the form of Deferred Units

in lieu of cash and may elect to take up to 100% of their annual fees in Deferred Units. Trustees are required to make such elections in writing prior to the end of the calendar year preceding the year to which such election is to apply, or in the case of a new Trustee, as soon as possible after the Trustee's appointment. Such grants of units vest immediately and must be exercised by the later of the third anniversary of the grant date of the Deferred Units and the date of termination of service, otherwise they are forfeited. Trustees holding such Deferred Units are subject to a minimum three-month hold period from the grant date prior to being able to exercise such Deferred Units. The Deferred Unit Incentive Plan was also amended to comply with certain Canadian and U.S. income tax requirements.

The Deferred Unit Incentive Plan was amended in 2015 to add participation limits for discretionary awards to non-employee Trustees. The maximum aggregate number of Deferred Units and Income Deferred Units that can be granted on a discretionary basis to non-employee Trustees should not exceed 1% of the total issued and outstanding Units from time to time. In addition, the annual aggregate value of Deferred Share Units that may be granted to non-employee Trustees pursuant to the discretionary awards (determined based on the market value of a Unit on the date of grant) should not exceed \$150,000 per non-employee Trustee.

As at March 31, 2017, 22,335 Deferred Units have been granted and Income Deferred Units earned and the available reserve left for issuance was 1,616,167 Deferred Units. Together, the issued and available reserve of Deferred Units is equivalent to 5% of Agellan's 32,770,050 issued and outstanding Units at March 31, 2017.

Units Subject to the Unit Option Plan

Agellan has adopted a Unit Option Plan. The Board, at its sole discretion, may use grants of options to acquire Units under the Option Plan to provide long-term incentives to attract, motivate and retain certain key employees, trustees, officers and service providers of Agellan, as well as employees of certain service providers who spend a significant amount of time and attention on the affairs and business of Agellan (the "Option Plan Participants") and to compensate the Option Plan Participants for any additional responsibilities assumed, or services provided.

Grants of options are based on factors including: (i) the level of performance, service or responsibility assumed, as the case may be; (ii) the level of responsibility within Agellan; (iii) the number and exercise price of Options previously issued to the individual; and (iv) any other factors considered relevant by the Board. Options will typically be granted on a periodic basis, at the discretion of the Board upon the recommendation of the Corporate Governance and Nominating Committee.

The following is a summary of the primary terms that are incorporated into the Option Plan:

(a) **Units Available for Grant:** The Option Plan provides that the maximum number of Units issuable upon the exercise of options, together with the Deferred Unit Incentive Plan and any other Unit-based compensation agreement, shall not exceed 10% percent of the issued and outstanding Units from time to time. The Option Plan is considered an "evergreen" plan, since the Units covered by options which have been exercised shall be available for subsequent grants under the Option Plan and the number of options available to grant increases as the number of issued and outstanding Units

increases. The maximum aggregate number of Units that may be subject to grants of awards under the Option Plan to any one Option Plan Participant during any 12-month period will be limited to an aggregate of 5% of the issued and outstanding Units. The Option Plan further limits the number of Units that may be issued to insiders of Agellan at any time, including those issuable under other security-based compensation arrangements of Agellan (including the Deferred Unit Incentive Plan), to an amount that may not exceed 10% of the issued and outstanding Units on a non-diluted basis as of the date of the grant and the number of Units that may be issuable to such insiders including those issuable under other security-based compensation arrangements of Agellan, during any 12-month period to an amount that may not exceed 10% of the issued and outstanding Units on a non-diluted basis.

(b) Administration: The Option Plan is administered by the Board, which may delegate such administration to the Corporate Governance and Nominating Committee. The Board or, upon delegation, the Corporate Governance and Nominating Committee, is authorized to determine which Option Plan Participants will receive awards and, consistent with the provisions of the Option Plan, the terms and conditions of such awards.

(c) Specific Terms of Options: The key features of the options available for grant under the Option Plan are as follows: (i) options may be granted to employees, Trustees, officers, service providers and consultants of Agellan, as well as to employees of certain service providers who spend a significant amount of time and attention on the affairs and business of Agellan; (ii) unless otherwise determined by the Board, all options outstanding under the Option Plan will have a maximum term of ten years from the date of issue, provided that if an option would expire during a black out period during which Agellan has imposed trading restrictions or within nine trading days following the expiration of a black out period, then the expiry of such options shall be extended for ten business days following the expiry of the black-out period; (iii) the vesting schedule for any option outstanding under the Option Plan shall be determined by the Board acting in its sole discretion, and shall be stated in the option agreement to be entered into between each optionee and Agellan; (iv) the exercise price of all options issued under the Option Plan shall be determined by the Board at the grant date of each option and, in any event, may not be less than the closing price of the Units on the TSX on the last trading day immediately prior to the date of grant; and (v) on the exercise of vested options, the option holder may receive a number of Units from Agellan with a value equal to the in-the-money value of the options, in lieu of paying for and receiving the full number of Units underlying such option exercise. The in-the-money value of the options is equal to the amount by which (i) the fair market value of the Units issuable under such options on the date of exercise exceeds (ii) the aggregate exercise price in respect of such options.

(d) Amendments: The Board will have the discretion to terminate, suspend or make amendments to the Option Plan, or amend awards granted under it, without having to obtain the approval of Unitholders, for the following purposes, including, but not limited to: (i) amendments to the vesting provisions of each option or to the term of each option, provided that no option held by an insider may be extended beyond its original expiry date and no option may be exercised after the tenth anniversary of the date of grant; (ii) amendments to the provisions of the Option Plan relating to the treatment of options upon a termination of employment; (iii) amendments to add covenants of Agellan for the protection of Option Plan Participants; (iv) amendments not inconsistent with the

Option Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Board, it may be expedient to make, including amendments that are desirable as a result of changes in law; or (v) making such changes or corrections which are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error. The Option Plan will provide that the prior approval of Unitholders will be required for the following amendments: (i) amendments which would increase the number of Units for which awards may be granted under the Option Plan, or which would increase the number of Units issuable to insiders; (ii) amendments which would reduce the exercise price of outstanding options held by insiders; (iii) amendments which would extend the term of the options held by insiders granted under the Option Plan; (iv) amendments which would add any form of financial assistance to an Option Plan Participant; and (v) amendments which would permit the Board to amend any of the foregoing provisions without Unitholder approval.

(e) Adjustments: In the event of certain events affecting the capitalization of Agellan, including a distribution of Units or certain other trust transactions, the Board may adjust the number and kind of Units available for grant under the Option Plan or subject to outstanding awards and the exercise price or base price applicable under outstanding awards.

(f) Term: The Option Plan became effective on January 17, 2013 and was renewed for a further three years on June 15, 2015.

(g) Assignability: Options are not assignable or transferrable, with the exception of an assignment made to a personal representative of a deceased participant.

(h) Cessation: Unless the Board decides otherwise, options granted under the Option Plan will expire at the earlier of their expiry date and (i) 180 days after the option holder's death, permanent disability or retirement and (ii) 30 days after the option holder's resignation or termination by Agellan. The Board may, however, in its discretion, at any time prior to or following the foregoing events, permit the exercise of any or all options held by an option holder or permit the acceleration of vesting of any or all options.

(i) Change of Control: In the event of a "change of control" of Agellan, which will be defined in the Option Plan, unless otherwise determined by the Board, any options outstanding immediately prior to the occurrence of a change of control event shall become fully exercisable.

The Unit Option Plan was amended in 2015 to add participation limits for Option grants to non-employee Trustees. The maximum aggregate number of Units subject to Options that can be granted to non-employee Trustee shall not exceed 1% of the total issued and outstanding Units from time to time. In addition, the annual aggregate value of Options that may be granted to non-employee Trustees (determined based on the Black-Scholes value of the Options on the date of grant) shall not exceed \$100,000 per non-employee Trustee.

As at March 31, 2017, no Options have been granted under the Unit Option Plan and the available reserve thereunder was 3,254,670. The available reserve was determined by calculating 10% of Agellan's 32,770,050 issued and outstanding Units as at March

31, 2017 (being 3,277,005 Units) and subtracting any Units issued under the Deferred Unit Incentive Plan as at March 31, 2017 (being 22,335 Deferred Units).

In the event of any recapitalization, reorganization, arrangement, amalgamation, split or combination, distribution or other similar event or transaction, substitutions or adjustments will be made by the Board in its discretion: (i) to the aggregate number, class and/or issuer of the securities reserved for issuance under the Plans; (ii) to the number, class and/or issuer of securities subject to outstanding Awards; and (iii) to the exercise price of outstanding Options, in each case in a manner that reflects equitably the effects of such event or transaction.

The appropriate adjustments in the number of Units under an Award and the other terms and conditions, may be made by the Board in its discretion and in order to give effect to the adjustments in the number of Units of the Trust resulting from the implementation and operation of the Unitholder Rights Plan Agreement.

Eligible Participants

The Deferred Unit Plan and Option Plan are available to Trustees, Officers employees and certain service providers of Agellan.

Compensation Governance and Oversight

Role of the Corporate Governance and Nominating Committee

The role of the Committee is to:

- make recommendations concerning the hiring and termination of senior executives;
- review with the Chair of the Board and the CEO, Agellan's long term goals and objectives in relation to compensation;
- review and approve the position descriptions of the CEO and the corporate goals and objectives relevant to the compensation of the CEO and evaluate the CEO's performance in light of those goals and objectives;
- review and make recommendations to the Board with respect to the compensation of the CEO and all senior managers of Agellan who report directly to the CEO if required pursuant to the terms of the administrative services agreement or otherwise, including incentive compensation plans, equity-based plans, the terms of any employment agreements, severance arrangements, and change of control arrangements or provisions, and any special or supplemental benefits;
- review and make recommendations to the Board with respect to the compensation of Trustees, including incentive compensation plans;
- recommend awards to employees under any of Agellan's incentive compensation or equity-based plans;
- review key human resources policies and programs in place and under development related to manpower planning, management development,

succession planning, career path planning and performance evaluation and their consistency with Agellan's strategy;

- review Agellan's policies on salary administration, recruitment, job evaluation, pay and employment equity, basic incentive and total cash compensation, retirement benefits, and long-term incentives and recommend changes to the Board if appropriate;
- review management's policies and practices for ensuring that Agellan complies with legal prohibitions, disclosure and other requirements on making or arranging for personal loans and amending or extending any such loans or arrangements;
- select, engage and compensate any outside compensation, nomination or other consultant the Committee determines to be necessary to permit it to carry out its duties;
- make recommendations concerning the oversight of Agellan's senior management;
- review the size of the Board and the number of Board members who are independent for the purpose of applicable regulatory, stock exchange and securities law requirements or guidelines and Agellan's policies regarding Board member independence;
- review the adequacy of Agellan's corporate governance practices and recommend any proposed changes to the Board for approval;
- review the practices of the Board (including separate meetings of non-management Board members) to identify improvements in corporate governance practices;
- review the powers, mandates and performance, and the membership of the various committees of the Board and, if appropriate, make recommendations to the Board;
- review the relationship between senior management and the Board and, if appropriate, make recommendations to the Board with a view to ensuring that the Board is able to function independently of management, and
- review with the Board the succession plans relating to the position of the CEO and other senior positions and make recommendations to the Board with respect to the selections of individuals to occupy these positions.

There is currently no requirement that the Committee must pre-approve any services that a compensation consultant or advisor to the Board provides at the request of management.

Use of Discretion

The Corporate Governance and Nominating Committee has the authority to exercise discretion to award compensation absent attainment of the relevant performance goal. Situations arise in which unforeseen circumstances cause formula-driven

compensation decisions to be inappropriate. In those situations, it would be appropriate for the Corporate Governance and Nominating Committee to use discretion.

The Corporate Governance and Nominating Committee has not used its discretion to adjust award compensation to date.

Members and Experience

The Corporate Governance and Nominating Committee is made up of independent Trustees and does not include the Chief Executive Officer. The experience of the Committee members is rich and varied.

The members are: Anthony Messina, Chair
Richard Dansereau
Glen Ladouceur

Mr. Messina has extensive governance and compensation experience which he gained through his long career in senior leadership roles of a number of real estate companies and a large pension fund. This experience is enhanced by his participation with boards of private and publicly listed companies.

Mr. Dansereau's experience with respect to governance and compensation is related to the senior roles he held at Cadim, a real estate division of Caisse de dépôt et placement du Québec, including President and Chief Operating Officer. He has also served on the boards of both private and public companies and gained experienced in governance and executive compensation matters.

Mr. Ladouceur has worked with Boards of public companies for most of his 30 year career and has advised on leading practices in his role at KPMG as well as in his private consulting practice. He possesses a strong governance knowledge base from his time at a professional services firm and draws on such experiences in his role as committee member.

Committee members will be in attendance at the Annual Meeting and will be available to respond to appropriate questions about executive compensation.

Independent Advice

The Corporate Governance and Nominating Committee mandate provides the authority to select, engage and compensate any outside compensation, nomination or other consultant the Committee determines to be necessary to permit it to carry out its duties at Agellan's expense. The Committee is ultimately responsible for its own decisions, and may take into consideration more than the information and recommendations provided by its compensation consultants.

Compensation Consultant

No compensation consultant was retained in 2016 or 2015.

CEO Succession

In 2016, the Corporate Governance and Nominating Committee considered formally putting in place short and long-term succession plans for the CEO and will further consider this matter in 2017. As well as mitigating risk, the succession plan will enhance Agellan's governance, a secondary benefit of the process. The regular review and

renewal of the CEO succession plan is one of the Board's ongoing priorities. Mr. Camenzuli will review succession plans as required for the rest of the executive team with the Corporate Governance and Nominating Committee.

Minimum Unitholding Guideline

There is no minimum unitholding guideline for Agellan officers.

Clawback Provision

Agellan does not have a "clawback" provision that would allow the Board to recover bonus compensation from NEOs in the event of wrongdoing as it is externally managed and does not issue bonuses.

Executive Position Descriptions and Employment Agreements

Chief Executive Officer

Position Description for the CEO

The CEO is responsible for leading Agellan by providing strategic direction that includes responsibility for plans, strategies, budgets, internal controls and risk management. He is the primary liaison with the Board of Trustees is responsible for recommending to the Board and for following their direction. A written position description is in place for the CEO.

Mr. Camenzuli's responsibilities are generally to:

- provide leadership and direction to the other members of the management team;
- foster and maintain a positive image and reputation of Agellan;
- foster a corporate culture that promotes ethical practices and encourages individual integrity and initiative;
- maintain a positive and ethical work climate that is conducive to attracting, retaining and motivating top-quality employees at all levels;
- development and implementation of Agellan's business plan;
- develop, or supervise the development of, and recommend to the Board a long-term strategy and vision for Agellan that leads to enhancement of unitholder value;
- ensure that Agellan's day-to-day business affairs are appropriately managed;
- strive to achieve Agellan's financial and operating goals and objectives;
- design or supervise the design and implementation of effective disclosure and internal controls;
- maintain responsibility for the integrity of the financial reporting process; and
- ensure that Agellan has an effective management team below the level of the CEO and has a plan for management development and succession.

Principal Elements of the Chief Executive Officer's Employment Agreement

Under the terms of employment with ACPI, Mr. Camenzuli will serve as Agellan's Chief Executive Officer for an indefinite term and is responsible for the overall direction and strategy of the REIT. In 2016, Mr. Camenzuli received an annual salary, payable by ACPI, in the amount of \$255,000 based on his proportionate time spent on the business of Agellan, which is subject to annual review for consideration of an increase by ACPI.

Base salary and any such additional compensation will be paid annually in cash.

Mr. Camenzuli is entitled for future participation in the Option Plan and Deferred Unit Incentive Plan.

ACPI may terminate Mr. Camenzuli's employment at any time without cause upon the payment of earned but unpaid salary and termination pay as required under the laws and Province of Ontario.

Chief Financial Officer

Principal Elements of the Chief Financial Officer's Employment Agreement

Under the terms of an employment agreement entered into on September 2, 2013 between Mr. Millett and ACPI, Mr. Millett will serve as Agellan's Chief Financial Officer for an indefinite term and is responsible for financial and accounting oversight of Agellan. In 2016, Mr. Millett received an annual salary, payable by ACPI, in the amount of \$166,600 based on the proportion of time that he spent on the business of Agellan. His salary is subject to annual review for consideration of an increase by ACPI, based on the Gross Book Value of Agellan. Mr. Millett is also entitled to annual incentive-based compensation upon completing annual performance objectives and profitability related to ACPI.

Base salary and any such additional compensation will be paid annually in cash.

The agreement also provides for future participation in the Option Plan and the Deferred Unit Incentive Plan.

ACPI may terminate Mr. Millett's employment at any time without cause upon the payment of earned but unpaid salary and vacation pay up to termination date and termination pay as required under the laws of the Province of Ontario.

Mr. Millett's employment agreement contains a "change of control" provision that will trigger a termination payment upon an "Involuntary Termination" of Mr. Millett's employment (see chart below) within one year following a change of control of Agellan. The payment would be equivalent to 12 months of the average of the last three years of base salary.

Mr. Millett's employment agreement also contains confidentiality covenants and non-competition and non-solicitation covenants that will continue to apply following the termination of the agreement.

The maximum amount payable to Mr. Millett upon a change of control or if his employment was terminated without cause as at December 31, 2016 would have been \$167,500.

Summary of Termination Payments for the Chief Financial Officer

	Termination by reason of death or incapacity to work	Termination by just cause or resignation (for other than a “good reason”) ⁽¹⁾	Involuntary Termination (termination not-for-cause or resignation for a “good reason” or change of control) ⁽²⁾
Base salary and vacation pay	Earned but unpaid salary and vacation pay up to date of incapacity or death	Earned but unpaid salary and vacation pay up to termination date	Not for cause or resignation for a good reason: earned but unpaid salary and vacation pay up to termination date plus statutory severance payment. Change of control: payment equal to 12 months of the average of the last three years of base salary
STIB	None	None	STIB for termination year (prorated)
Equity Incentive Plan	Deferred Units expire and terminate upon death or disability.	Participation in the Option Plan and the Deferred Unit Incentive Plan terminates immediately upon termination	Options expire 30 days after resignation or termination without cause. All unvested Deferred Units and Income Deferred Units expire and terminate automatically
Other	None	None	None
Perquisites	None	None	None
Business expenses	Reimbursement of outstanding expenses	Reimbursement of outstanding expenses	Reimbursement of outstanding expenses
Duty to mitigate	None	None	None

(1) Mr. Millett must provide not less than three months’ notice.

(2) A “change of control” for Mr. Millett is defined as either the sale of 51% or more of the issued and outstanding Units or the sale of all or substantially all of the assets owned by the REIT.

Secretary

Principal Elements of the Secretary’s Employment Agreement

Under the terms of employment with ACPI, Ms. Attard will serve as Agellan’s Secretary for an indefinite term. In 2016, Ms. Attard received an annual salary, payable by ACPI, in the amount of \$153,000 based on the proportion of time that she spent on the business of Agellan. This salary is subject to annual review for consideration of an increase by ACPI.

Base salary and any such additional compensation will be paid annually in cash.

Ms. Attard is entitled for future participation in the Option Plan and Deferred Unit Incentive Plan.

ACPI may terminate Ms. Attard's employment at any time without cause upon the payment of earned but unpaid salary and termination pay as required under the laws and Province of Ontario.

2016 Summary Compensation Table

Title	Year	Salary	Unit-Based Awards	Option-Based Awards	Non-Equity Incentive Plan Compensation		Pension Value	All Other Comp.	Total Comp.
					Annual Incentive Plans	Long-Term Incentive Plans			
Frank Camenzuli CEO	2016 ⁽¹⁾	\$255,000	\$0	\$0	\$0	\$0	N/A	\$24,376 ⁽²⁾	\$279,376
	2015 ⁽¹⁾	\$255,000	\$0	\$0	\$0	\$0	N/A	\$28,138 ⁽²⁾	\$283,138
	2014 ⁽¹⁾	\$255,000	\$0	\$0	\$0	\$0	N/A	\$28,138 ⁽²⁾	\$283,138
	2013 ⁽³⁾	\$183,333	\$0	\$0	\$0	\$0	N/A	\$20,230 ⁽⁴⁾	\$203,563
Daniel Millett CFO	2016 ⁽⁶⁾	\$166,600	\$0	\$0	\$88,200 ⁽⁶⁾			\$0 ⁽⁵⁾	\$254,800
	2015 ⁽⁶⁾	\$164,150	\$0	\$0	\$58,253 ⁽⁶⁾	\$0	N/A	\$0 ⁽⁵⁾	\$222,403
	2014 ⁽⁶⁾	\$161,700	\$0	\$0	\$11,760 ⁽⁶⁾	\$0	N/A	\$0 ⁽⁵⁾	\$173,460
	2013 ⁽⁷⁾	\$51,667	\$0	\$0	\$0	\$0	N/A	\$0 ⁽⁵⁾	\$51,667
Terra Attard Chief Operating Officer and Secretary	2016 ⁽⁸⁾	\$153,000	\$0	\$0	\$81,000 ⁽⁸⁾			\$15,390 ⁽⁹⁾	\$249,390
	2015 ⁽⁸⁾	\$146,250	\$0	\$0	\$31,500 ⁽⁸⁾	\$0	N/A	\$16,218 ⁽⁹⁾	\$193,968
	2014 ⁽⁸⁾	\$139,500	\$0	\$0	\$25,200 ⁽⁸⁾	\$0	N/A	\$16,218 ⁽⁹⁾	\$180,918
	2013 ⁽¹⁰⁾	\$99,458	\$0	\$0	\$32,084 ⁽¹⁰⁾	\$0	N/A	\$11,563 ⁽¹¹⁾	\$143,105

- (1) 2016, 2015 and 2014 compensation amounts reflect the proportion of Mr. Camenzuli's compensation paid by ACPI for time spent on Agellan business (approximately 85%). This compensation is entirely attributable to his role as Chief Executive Officer; Mr. Camenzuli was not compensated for his role as a Trustee.
- (2) Consists of allowance for automobile, parking and club and membership dues for Mr. Camenzuli paid by ACPI for time spent (approximately 85%) on Agellan business.
- (3) 2013 compensation amounts reflect the proportion of Mr. Camenzuli's compensation paid by ACPI for time spent on Agellan business (approximately 67%). The \$200,000 annual amount has been prorated further for the period January 25 - December 31, 2013 which is the period for which Mr. Camenzuli was paid.
- (4) Consists of allowance for automobile, parking and club and membership dues for Mr. Camenzuli paid by ACPI for time spent on Agellan business (approximately 67%).
- (5) Perquisites and personal benefits for the named executive officer did not exceed the lesser of \$50,000 and 10% of the individual's salary for the year.
- (6) 2016, 2015 and 2014 compensation amounts reflect the proportion of Mr. Millett's compensation paid by ACPI for time spent on Agellan business (approximately 98%).
- (7) 2013 compensation amounts reflect the proportion of Mr. Millett's compensation paid by ACPI for time spent on Agellan business (approximately 95%). The \$155,000 annual amount has been further prorated for the period of September 2 to December 31, 2013.
- (8) 2016, 2015 and 2014 compensation amounts reflect the proportion of Ms. Attard's compensation paid by ACPI for time spent on Agellan business (approximately 90%). This compensation is entirely attributable to her role as Chief Operating Officer; Ms. Attard was not compensated for her role as a Trustee in 2016.
- (9) Consists of allowance for automobile, parking and club and membership dues for Ms. Attard paid by ACPI for the time spent on Agellan business (approximately 90%).
- (10) 2013 compensation amounts reflect the proportion of Ms. Attard's compensation paid by ACPI for time spent on Agellan business (approximately 70%). The \$155,000 annual salary amount has been prorated further for the period January 25 - December 31, 2013 which is the period for which Ms. Attard was paid.
- (11) Consists of allowance for automobile, parking and club and membership dues for Ms. Attard paid by ACPI for the time spent on Agellan business (approximately 70%).

The total cost of compensation of the NEOs is 0.88% of total revenue for the year ended December 31, 2016.

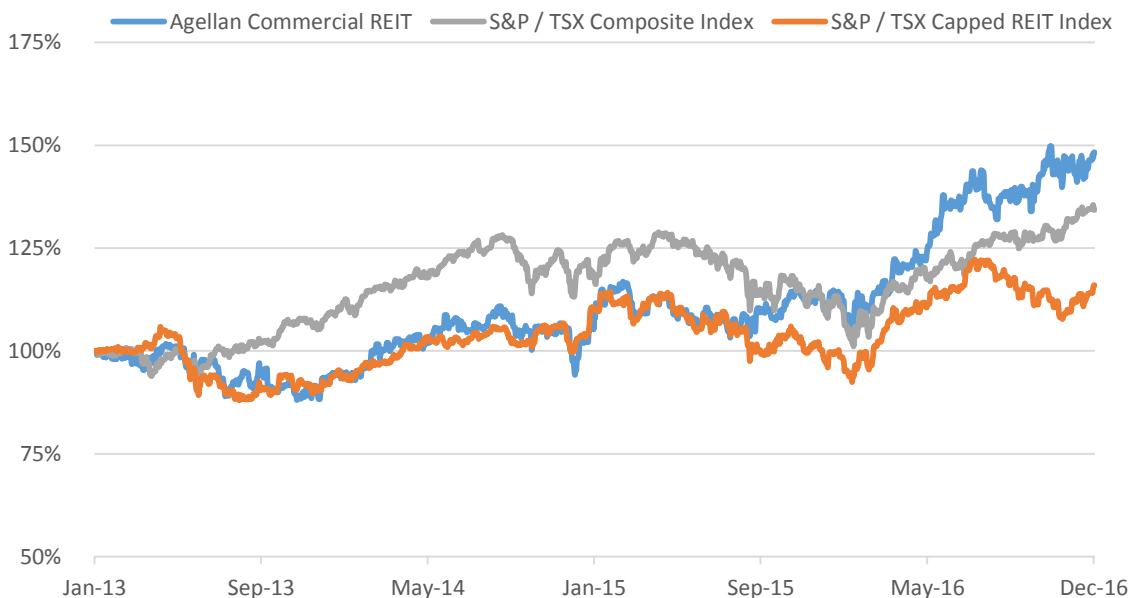
Equity Plan Compensation Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights at December 31, 2016	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans at December 31, 2016
Equity compensation plans approved by securityholders	17,967 Deferred Units	N/A	3,254,670 Unit Options 1,616,167 Deferred Units
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	17,967 Deferred Units	N/A	3,254,670 Unit Options 1,616,167 Deferred Units

PERFORMANCE GRAPH

Agellan's Units began trading on the TSX on January 25, 2013. The following charts compare the Unitholder Cumulative Total Return (appreciation of capital and reinvestment of distributions) on Agellan Units to the S&P / TSX Composite Index and to the S&P / TSX Capped REIT Index, each assuming reinvestment of distributions or dividends.

Unitholder Cumulative Total Return Since IPO



	25-Jan-13	31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16
Agellan Commercial REIT	100%	94%	102%	114%	148%
S&P / TSX Capped REIT Index	100%	94%	103%	99%	116%
S&P / TSX Composite Index	100%	109%	121%	111%	134%

Agellan Unitholders achieved positive returns in 2016 as shown in the above performance graph. The trend shows Agellan generally matching the average of the S&P/TSX Capped REIT Index consistently over the past five years.

The compensation of the NEOs is not directly tied to the cumulative total return to Unitholders during the period since Agellan's initial public offering for two reasons:

1. Agellan is managed by an external manager. There is no correlation between NEO total income and cumulative total return.
2. Cumulative total return has not been a specific performance objective for NEOs.

There is no intended relationship between total compensation of NEOs and Unitholder cumulative total return.

MANAGEMENT CONTRACTS

ACPI

Asset management and certain administrative services are provided to Agellan by ACPI. ACPI is a privately held commercial real estate management company located at 156 Front Street West, Suite 303, Toronto, Ontario that both develops and executes real estate investment strategies for institutional investors.

ACPI develops and manages pooled funds, segregated accounts and single purpose acquisition vehicles. The primary objective of ACPI is to preserve capital and maximize returns for its investors. ACPI is active across Canada and in select markets in the United States. With a current staff of 19 employees, ACPI offers a full complement of in-house real estate services that include: acquisition, asset management, property management and finance and construction management. ACPI has a dedicated accounting staff of people that provides financial reporting, tax and compliance measures to its institutional client base.

External Management Agreement

Pursuant to the External Management Agreement dated January 25, 2013 between ACPI, Agellan and the Partnership (as defined below) (the "External Management Agreement"), ACPI provides the following asset management services:

- Provide advisory and investment management services (including the services of the Chief Executive Officer, Chief Financial Officer and Secretary) and monitor the financial performance of Agellan;
- Advise the Trustees and executive officers of Agellan and the directors of the general partner of the Agellan Commercial REIT U.S. L.P. (the "Partnership") on strategic matters, including potential acquisitions, dispositions, financings and development;
- Advise and assist with borrowing, issuances of securities and other capital requirements, including assistance in dealings with banks and other lenders, investment dealers, institutions and investors;
- Develop and implement asset business plans and strategic matters as approved by Agellan and the general partner of the Partnership;

- Make recommendations with respect to the payment of distributions;
- Advise Agellan with respect to investor relations strategies and activities;
- Advise Agellan with respect to regulatory compliance requirements, risk management policies and any litigation matters;
- Provide certain management and general administrative services, including keeping and maintaining books and records, preparing returns, filings and documents and making determinations necessary for the discharge of Agellan's obligations and those of the Trustees and the directors of the general partner of the Partnership;
- Provide Agellan with certain administrative and support services, including office space, office equipment and communications services and computer systems, secretarial support personnel and reception and telephone answering services, installing and maintaining signage and promotional materials and such other administrative services as may be reasonably required from time to time;
- Provide guidance to property managers on operating expenses and capital expenditures; and
- Identify, evaluate, recommend and assist in the structuring of acquisitions, dispositions, financings and other transactions.

ACPI is entitled to the following fees in consideration for providing the asset management services:

(i) *Management Fee*. Base annual management fee, calculated and payable on a monthly basis, equal to 0.40% of the GBV (as defined in the most recent annual information form) of Agellan's assets (the "Management Fee"); and

(ii) *Incentive Fee*. Incentive Fee equal to the product of (a) 15% of any excess AFFO (as defined in the most recent annual information form) per Unit greater than 103% of forecast AFFO per Unit as set forth in Agellan's prospectus dated January 17, 2013 (the "Incentive Fee Target") and (b) the weighted average number of issued and outstanding Units over the applicable fiscal year. The Incentive Fee will be measured and paid on an annual basis in Units, calculated based on the 20-day volume weighted average price of the Units on the TSX or any stock exchange on which the Units are then listed. If payment in Units creates a taxable event for ACPI, a portion of the Incentive Fee may be paid in cash upon the approval of the Board. The Incentive Fee Target will increase annually by 50% of the increase in the weighted average Canadian and United States consumer price indices (weighted based on the GBV of Agellan's properties located in each jurisdiction). The maximum number of Units reserved for issuance in respect of the Incentive Fee is currently 98,260.

No acquisition, disposition, financing, leasing, construction or development fees are payable to ACPI under the External Management Agreement.

In addition, five years following the closing of the Agellan's initial public offering, ACPI will be entitled to a Unit price performance fee (the "Unit Price Performance Fee") equal to the product of (i) the volume weighted average closing price of the Units on the TSX or any stock exchange on which the Units are then listed for the 20 trading days immediately preceding the date that is five years following the date of the External

Management Agreement (January 25, 2018), less \$13.00 and (ii) one million. Alternatively, if the External Management Agreement is terminated or is not renewed after its initial five-year term, the Unit Price Performance Fee will equal the product of (i) the volume weighted average closing price of the Units on the TSX or any stock exchange on which the Units are then listed for the 20 trading days immediately preceding the date of termination, less \$13.00 and (ii) one million. For greater certainty, the Unit Price Performance Fee shall not be payable to ACPI in the event that Agellan terminates ACPI as the external manager for cause or ACPI terminates the External Management Agreement.

Agellan will reimburse ACPI for all reasonable and necessary actual out-of-pocket costs and expenses incurred for travel and lodging in connection with the performance of the services described in the External Management Agreement in respect of those properties already managed by ACPI. All other expenses to be reimbursed will be budgeted by ACPI and presented to the Board for approval on an annual basis. Expenses to be reimbursed in respect of potential acquisitions approved by the Board will also be presented to the Board for approval. Costs incurred by ACPI in respect of potential acquisitions not ultimately approved by the Board will not be reimbursed by Agellan.

In 2016, ACPI was paid a Management Fee of \$2.6 million and an Incentive Fee of \$0.689 million was accrued and is currently payable. For the year ended December 31, 2016, the Trustees approved payment of \$0.18 million of the Incentive Fee in cash, and the remainder is expected to be settled through the issuance of 44,513 Units.

The initial term of the External Management Agreement will expire on January 25, 2018 (the "Initial Term"). At the end of the Initial Term, if Agellan's AFFO per Unit for the year ended December 31, 2017 is greater than 115% of forecast AFFO per Unit as set forth in Agellan's prospectus dated January 17, 2013 (the "Renewal Target"), the External Management Agreement will automatically be renewed for an additional five year term. If the Renewal Target has not been met at the end of the Initial Term, the Independent Trustees may either (i) terminate the External Management Agreement if, in their reasonable opinion, they are not satisfied with the performance of ACPI and they believe that termination of the External Management Agreement is in the best interests of Agellan or acting reasonably, seek to attempt to renegotiate the External Management Agreement with ACPI for a further term. On termination in such circumstances, ACPI is entitled to receive, in addition to any unpaid amounts then owing to it, a termination fee equal to the aggregate of the amounts paid or payable to ACPI in respect of the Management Fee and the Incentive Fee calculated in respect of the 18 months preceding the date of termination.

Agellan has the right to terminate the External Management Agreement either (i) upon a material breach by ACPI under the terms of the External Management Agreement or the Non-Competition and Non-Solicit Agreement, subject to a 30-day cure period, (ii) upon an event of insolvency of ACPI or (iii) upon fraudulent wilful misconduct of, or misappropriation of funds by, ACPI. In addition, Agellan has the right to terminate the External Management Agreement upon a change of control of ACPI, provided that the Independent Trustees reasonably determine that the change of control is detrimental to ACPI's performance of its obligations to Agellan. ACPI is required to provide the Independent Trustees with advance notice of any proposed change of control as and when ACPI becomes aware of it. A "change of control" with respect to ACPI means that

(i) Frank Camenzuli owns, directly or indirectly, less than 33% of ACPI and (ii) Frank Camenzuli is neither the President nor Chief Executive Officer of ACPI.

Should Agellan wish to terminate the External Management Agreement upon a change of control of ACPI, Agellan will either (i) provide ACPI with at least 12 months' prior written notice of termination or (ii) pay to ACPI, in addition to any unpaid amounts then owing to it, an amount equal to the aggregate of the amounts paid or payable to ACPI in respect of the Management Fee and the Incentive Fee calculated in respect of the 18 months preceding the date of termination. Further, the Unit Price Performance Fee will become immediately payable upon such termination.

Property Management Agreements

Property management services in respect of Agellan's properties are provided by ACPI, an affiliate of ACPI (the "Property Manager") and third party providers. ACPI provides property management services in respect of two properties located in the United States; the Property Manager provides property management services in respect of one property located in the Greater Toronto Area. The remaining properties are managed by third party providers. The property management services of the third party providers, ACPI and the Property Manager generally include: supervising the establishment and maintenance of a suitable communication scheme with each tenant; providing all notices and statements to tenants; collecting all current and future rents and other amounts payable by tenants; subject to the prior consent of the owner, instituting litigation or other proceedings on behalf and in the name of the owner and promptly giving notice to the owner of any summons or similar legal documents; ensuring compliance with all leases and all contractual, statutory or municipal obligations with respect to the property; paying all operating costs and carrying charges and other expenses relating to the operation of the property; reviewing and managing property taxes and assessments, maintaining proper books and records and communicating with governmental authorities as required; obtaining certificates of insurance from each tenant's insurer; and providing all other services which it is appropriate for a property manager to provide.

Under the Property Management Agreements with ACPI and the Property Manager, which each have a term of no more than one year with typical renewal provisions, ACPI and the Property Manager, as applicable, are paid a property management fee of \$20,000 per annum for each of the single-tenant properties that it currently manages. For each additional single-tenant property that may be managed in the future by ACPI or the Property Manager, ACPI or the Property Manager, as applicable, will be paid a property management fee of \$30,000 per annum. For all multi-tenant properties that may be managed by ACPI or the Property Manager in the future, and for all properties managed by third party providers, a market property management fee applies. If Agellan and ACPI or the Property Manager, as the case may be, are unable to agree on the property management fee for a particular multi-tenant property in the future, Agellan is free to engage any third party property manager that it deems appropriate. In the event that the External Management Agreement is terminated, the Property Management Agreements may also be terminated by Agellan upon the payment of 12 months' property management fees based on the last completed fiscal year.

In 2016, ACPI was paid approximately \$0.563 million in property management fees.

Non-Competition and Non-Solicit Agreement

Pursuant to the Non-Competition and Non-Solicit Agreement, ACPI will not, without the consent of the Independent Trustees, directly solicit an existing tenant of a REIT property to move to a non-REIT property in which ACPI has an ownership interest or that it manages for another client. Without the prior approval of the Independent Trustees, ACPI is not entitled to act as the promoter of, or asset manager to, any publicly-traded real estate business, nor will ACPI and its directors, officers and employees independently engage in or receive the benefits from business activities that are competitive with the affairs of Agellan, other than those previously existing arrangements that have been disclosed to the Board and investments of up to 5% of the issued and outstanding equity securities of any public issuer.

Further, ACPI will conduct itself professionally, ethically and otherwise as a prudent manager would with respect to the entire property acquisition process. If an acquisition opportunity for income producing office, industrial and retail properties in Canada or the United States is offered to ACPI's other fiduciary, managed or client accounts, ACPI will offer such acquisition opportunity to Agellan at the same time. If, and to the extent that, ACPI proposes an acquisition opportunity to Agellan where the opportunity is being sourced from another fiduciary, managed or other client account of ACPI, ACPI will ensure that the Independent Trustees receive all of the material terms and conditions of the proposed transaction and all of the material information about the property that ACPI may legally provide. If Agellan elects not to proceed with an acquisition opportunity presented by ACPI, ACPI may propose such opportunity to any other person.

The Non-Competition and Non-Solicit Agreement will be in effect so long as ACPI is the external asset manager of Agellan. The obligation not to solicit existing tenants will continue for 12 months if the External Management Agreement is terminated due to an event of default, as defined therein, by ACPI.

Complete copies of the External Management Agreement, the Property Management Agreements and the Non-Competition and Non-Solicit Agreement are available at www.sedar.com.

UNITHOLDER / INVESTOR COMMUNICATIONS AND FEEDBACK

Agellan has in place procedures to effectively communicate with its stakeholders, including its Unitholders, employees and the general public. The fundamental objective of these procedures is to ensure an open, accessible and timely exchange of information with Unitholders, employees and other stakeholders concerning the business, affairs and performance of Agellan. This includes contact with industry analysts and media representatives in conjunction with the release of Agellan's financial results, as well as regular presentations to or meetings with industry analysts and Unitholders. In addition, Agellan has in place procedures to ensure that inquiries or other communications from Unitholders are answered by an appropriate person at Agellan.

The Chair of the Board of Trustees may be contacted by writing to Mr. Dansereau c/o Agellan Commercial REIT at 156 Front Street West, Suite 303, Toronto, ON M5J 2L6.

INDEBTEDNESS OF TRUSTEES, OFFICERS & EMPLOYEES

None of the Trustees, officers or employees of Agellan, any associate or affiliate of any of the Trustees, officers or employees of Agellan or ACPI or any associates or affiliates of ACPI were indebted to Agellan at any time in 2016. As of December 31, 2016, Agellan did not have any employees.

TRUSTEES AND OFFICERS LIABILITY INSURANCE

Agellan carries Trustees' and Officers' liability insurance. Under this insurance coverage, Agellan is reimbursed for payments made under indemnity provisions on behalf of its Trustees and Officers, subject to a deductible for each loss. Individual Trustees and Officers are also reimbursed for losses arising during the performance of their duties for which they are not indemnified by Agellan, subject to a deductible which is paid by Agellan. Excluded from coverage are illegal acts, acts which result in personal profit and certain other acts. The Declaration of Trust provides for the indemnification in certain circumstances, of Trustees and Officers from and against liability and costs in respect of any action or suit against them in respect of the execution of their duties of office. For the year ending December 31, 2016, Agellan paid \$60,000 in insurance premiums for Trustees and Officers for liability coverage with a limit of up to \$20 million in total.

ACCESS TO INFORMATION

Current financial information about Agellan is provided in Agellan's audited consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations for the most recently completed financial year. This information and additional information relating to Agellan can be found on SEDAR at www.sedar.com and on Agellan's website at www.agellanreit.com.

Copies of Agellan's annual audited consolidated financial statements and Management's Discussion and Analysis for the most recently completed financial year also may be obtained upon request from Chief Financial Officer of Agellan Commercial REIT, at 156 Front Street West, Suite 303, Toronto, ON M5J 2L6.

Copies of the mandates for the Committees of the Board may also be obtained upon request from the Chief Financial Officer.

APPROVAL

The contents and distribution of this Management Information Circular to each Unitholder entitled to receive notice of the annual meeting have been approved by the Trustees of Agellan as of April 18, 2017.

"Richard Dansereau"

Richard Dansereau, Chair of the Board of Trustees

AGELLAN COMMERCIAL REAL ESTATE INVESTMENT TRUST
Toronto, Ontario, Canada

SCHEDULE A – MANDATE OF THE BOARD OF TRUSTEES

The purpose of this mandate is to set out the mandate and responsibilities of the board of trustees (the “**Board**”) of Agellan Commercial Real Estate Investment Trust (the “**REIT**”), subject to the provisions of applicable statutes and the Declaration of Trust of the REIT.

1. Composition

The Board shall be constituted with a majority of individuals who qualify as “independent” as defined in National Policy 58-201 – *Corporate Governance Guidelines*.

2. Responsibilities of the Board of Trustees

The Board is responsible for the stewardship of the REIT and in that regard shall be specifically responsible for:

- a) Participating in the development of and approving a strategic plan for the REIT;
- b) supervising the activities and managing the investments and affairs of the REIT;
- c) approving major decisions regarding the REIT;
- d) defining the roles and responsibilities of management;
- e) reviewing and approving the business and investment objectives to be met by management;
- f) assessing the performance of and overseeing management;
- g) reviewing the REIT’s debt strategy;
- h) identifying and managing risk exposure;
- i) ensuring the integrity and adequacy of the REIT’s internal controls and management information systems;
- j) succession planning;
- k) establishing committees of the Board, where required or prudent, and defining their mandate;
- l) maintaining records and providing reports to Unitholders;
- m) ensuring effective and adequate communication with Unitholders, other stakeholders and the public;
- n) determining the amount and timing of distributions to Unitholders; and
- o) acting for, voting on behalf of and representing the REIT as a holder of shares of Agellan Commercial REIT Holdings Inc. and, indirectly, shares of Agellan Commercial REIT U.S., Inc. and Class A Units of Agellan Commercial REIT U.S. L.P.

Notwithstanding the foregoing, the Board has the power and authority, subject to the limitations set forth in the Declaration of Trust of the REIT, to delegate any of its powers, duties and authorities to a committee of the Board or senior management, as the Board deems reasonable in the circumstances.

It is recognized that every trustee in exercising powers and discharging duties must act honestly and in good faith with a view to the best interest of the REIT and its Unitholders. Trustees must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In this regard, they will comply with their duties of honesty, loyalty, care, diligence, skill and prudence.

In addition, trustees are expected to carry out their duties in accordance with policies and regulations adopted by the board of trustees from time to time.

It is expected that management of the REIT (“**Management**”) will co-operate in all ways to facilitate compliance by the Board with its legal duties by causing the REIT and its subsidiaries to take such actions as may be necessary in that regard and by promptly reporting any data or information to the Board that may affect such compliance.

3. Meetings

The Board will meet not less than four times per year: three meetings to review quarterly results; and one prior to the issuance of the annual financial results of the REIT. The Board shall meet periodically without management present to ensure that the Board functions independently of management. At each Board meeting, unless otherwise determined by the Board, an *in-camera* meeting of independent trustees will take place, which session will be chaired by the Chair of the Board. The Board shall maintain a policy which permits individual trustees to engage outside advisors at the cost of the REIT.

The Board appreciates having certain members of senior management attend each Board meeting to provide information and opinion to assist the trustees in their deliberations. Management attendees who are not Board members will be excused for any agenda items which are reserved for discussion among trustees only.

4. Board Meeting Agendas and Information

The Chair, in consultation with management of the REIT, will develop the agenda for each Board meeting. Agendas will be distributed to the trustees before each meeting, and all Board members shall be free to suggest additions to the agenda in advance of the meeting.

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

5. Measures for Receiving Unitholder Feedback

All publicly disseminated materials of the REIT shall provide for a mechanism for feedback of unitholders.

6. Telephone Board Meetings

A trustee may participate in a meeting of the trustees or in a committee meeting by means of telephone, electronic or such other communications facilities as permit all persons participating in the meeting to communicate with each other and a trustee participating in such a meeting by such means is deemed to be present at the meeting.

While it is the intent of the Board to follow an agreed meeting schedule as closely as possible, it is felt that, from time to time, with respect to time sensitive matters telephone board meetings may be required to be called in order for trustees to be in a position to better fulfill their legal obligations. Alternatively, management may request the trustees to approve certain matters by unanimous written consent.

7. Expectations of Management

Management shall be required to report to the Board at the request of the Board on the performance of the REIT, new and proposed initiatives, the REIT's business and investments, management concerns and any other matter the Board or its Chair may deem appropriate. In addition, the Board expects Management to promptly report to the Chair any significant developments, changes, transactions or proposals respecting the REIT or its subsidiaries.

8. Communications Policy

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

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

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

9. Internal Control and Management Information Systems

The Board has responsibility for the integrity of the REIT's internal control and management information systems. All material matters relating to the REIT and its business require the prior approval of the Board. Management is authorized to act, without Board approval, on all ordinary course matters relating to the REIT's business.

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



AGELLAN COMMERCIAL REIT