



ANNUAL INFORMATION FORM

Year Ended December 31, 2015

March 30, 2016

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All disclosure is as of December 31, 2015, unless otherwise indicated.

FORWARD LOOKING INFORMATION

This Annual Information Form ("AIF") contains forward-looking statements that reflect the current expectations of management of Crombie (as defined herein) about Crombie's future results, performance, achievements, prospects and opportunities. Wherever possible, words such as "may", "will", "estimate", "anticipate", "believe", "expect", "intend" and similar expressions have been used to identify these forward-looking statements. These statements reflect current beliefs and are based on information currently available to management of Crombie. Forward-looking statements necessarily involve known and unknown risks and uncertainties. A number of factors, including those discussed under "Risks", could cause actual results, performance, achievements, prospects or opportunities to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and a reader should not place undue reliance on the forward-looking statements. There can be no assurance that the expectations of management of Crombie will prove to be correct.

In particular, certain statements in this document discuss Crombie's anticipated outlook of future events. These statements include, but are not limited to:

- (a) the accretive acquisition of properties and the anticipated extent of the accretion of any acquisitions, which could be impacted by demand for properties and the effect that demand has on acquisition capitalization rates and changes in interest rates;
- (b) asset growth and reinvesting to develop or otherwise make improvements to existing properties, which could be impacted by the availability of labour, capital resource allocation decisions and actual development costs;
- (c) the cost and timing of new properties under ROFO and development agreements, which development activities could be impacted by real estate market cycles, the availability of labour and general economic conditions;
- (d) the disposition of properties and the anticipated reinvestment of net proceeds, which could be impacted by the availability of purchasers, the availability of accretive property acquisitions and real estate market conditions;
- (e) generating improved rental income and occupancy levels, which could be impacted by changes in demand for Crombie's properties, tenant bankruptcies, the effects of general economic conditions and supply of competitive locations in proximity to Crombie locations;
- (f) the anticipated rate of general and administrative expenses as a percentage of property revenue, which could be impacted by changes in property revenue and/or changes in general and administrative expenses;
- (g) overall indebtedness levels and terms and expectations relating to refinancing, which could be impacted by the level of acquisition activity that Crombie is able to achieve, future financing opportunities, future interest rates and market conditions;
- (h) the estimated payments on derivative and non-derivative financial liabilities, which could be impacted by interest rate subsidy payments, conversions of convertible debentures, interest rates on floating rate debt and fluctuations in the settlement value and settlement timing of any derivative financial liabilities;
- (i) tax exempt status, which can be impacted by regulatory changes enacted by governmental authorities;

- (j) anticipated subsidy payments from ECLD, which are dependent on tenant leasing and construction activity;
- (k) anticipated distributions, distribution growth and payout ratios, which could be impacted by results of operations and capital resource allocation decisions;
- (l) the effect that any contingencies would have on Crombie's financial statements which could be impacted by their eventual outcome;
- (m) anticipated replacement of expiring tenancies, which could be impacted by the effects of general economic conditions and the supply of competitive locations;
- (n) availability and sources of financing for future growth, including the expected completion and method of financing for agreed additional acquisitions, which may be impacted by due diligence matters and debt and equity market conditions; and
- (o) the intention to purchase for cancellation units under a normal course issuer bid, which could be impacted by market conditions and the availability of sellers.

Readers are cautioned that such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from these statements. Crombie can give no assurance that actual results will be consistent with these forward-looking statements.

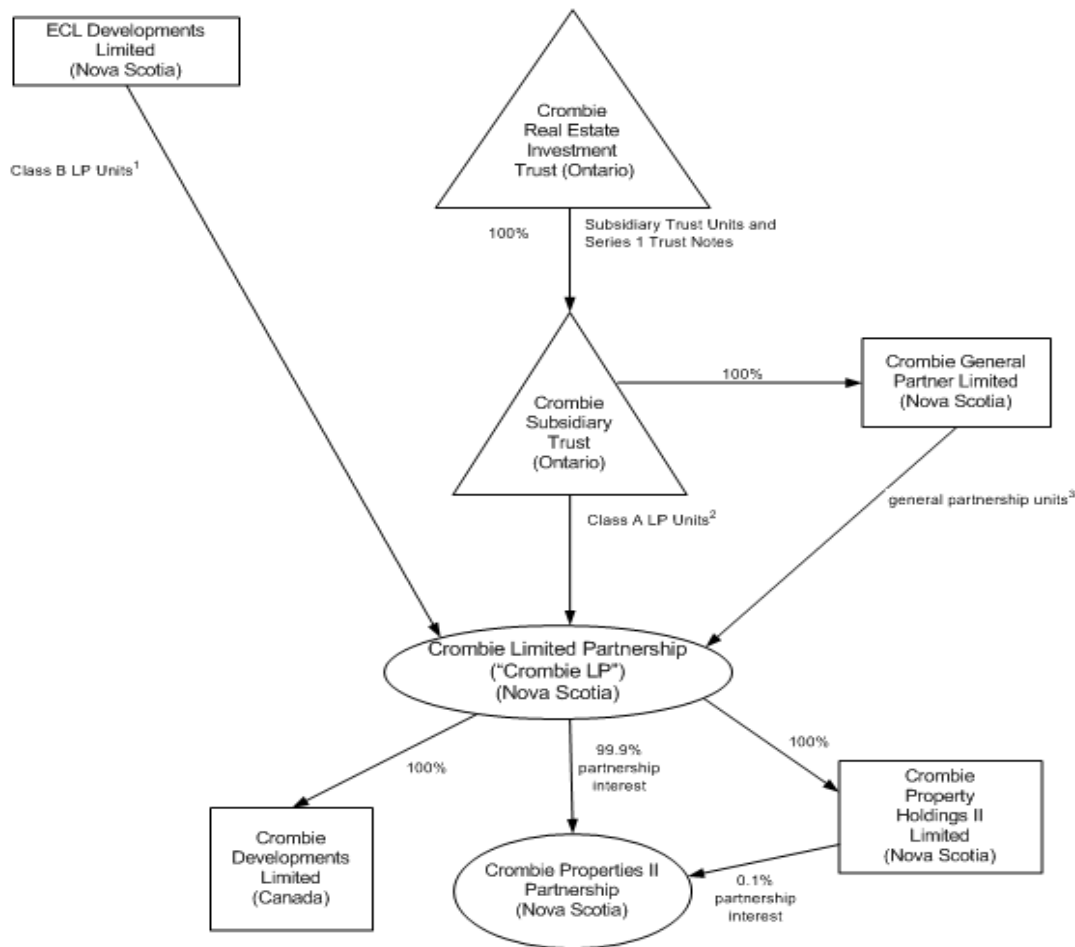
STRUCTURE OF CROMBIE

Name and Establishment

Crombie Real Estate Investment Trust ("**Crombie**" or the "**REIT**") is an unincorporated, open-ended real estate investment trust established pursuant to a Declaration of Trust dated January 1, 2006, as amended and restated from time to time (the "**Declaration of Trust**") under, and governed by, the laws of the Province of Ontario. See "Description of Capital Structure and Declaration of Trust" for amendments to the Declaration of Trust. The principal, registered and head office is located at 610 East River Road, Suite 200, New Glasgow, Nova Scotia B2H 3S2.

Organizational Structure

The following chart shows the names of the principal subsidiaries of Crombie, their respective jurisdictions of incorporation, and the percentages of voting and non-voting securities owned by Crombie as at December 31, 2015.



Notes:

1. ECL has a 40.8% interest in Crombie LP through its 53,658,302 Class B LP Units. ECL has an aggregate 41.5% voting and economic interest in the REIT through its combined ownership of 53,658,302 Class B LP Units of Crombie LP and 909,090 Units of the REIT.
2. Crombie subsidiary trust has a 59.2% interest in Crombie LP through its 77,857,608 Class A LP Units.
3. Crombie General Partner Limited has a 0.01% interest in Crombie LP through its general partnership units.

GENERAL DEVELOPMENT OF CROMBIE

Crombie was created to invest in income-producing retail, office and mixed-use properties located in Canada, with a growth strategy focused primarily on the acquisition of grocery-anchored retail properties.

On March 23, 2006, Crombie completed its initial public offering ("IPO") of 20,485,224 units ("Units") for total gross proceeds of \$204.9 million and acquired 44 investment properties in six provinces, totalling approximately 7.2 million square feet of gross leaseable area ("GLA"), from certain affiliates of Empire Company Limited ("**Empire**").

Following is a summary of events that have shaped the development of Crombie's business over the past three fiscal years.

Acquisition Activity

Crombie has continued to expand its asset base through accretive acquisitions consistent with its ongoing business strategy. The following table outlines the property acquisitions completed over the past three fiscal years and highlight the growth opportunities provided through the Empire relationship.

Fiscal Year	Number of Properties	GLA (sq. ft.)	Acquisition Cost ⁽¹⁾⁽²⁾	Vendor
	8	388,000	\$176,260	3 rd parties
2013	73	3,284,000	\$1,044,730	Empire subsidiaries
	3	99,000	\$38,954	3 rd parties
2014	9	477,700	\$115,159	Empire subsidiaries
	1	101,000	\$33,150	3 rd parties
2015	4	233,500	\$63,158	Empire subsidiaries

Notes:

1. Excluding closing and transaction costs.
2. Includes acquisitions of adjacent property or additional development on pre-existing retail property.

This acquisition activity has enabled Crombie to further diversify its geographic balance. Approximately 88.4% of Crombie's GLA was in Atlantic Canada at the time of its IPO. This percentage has decreased to 48.1% at December 31, 2015 as properties have been acquired in Central and Western Canada.

Crombie has also increased its tenant concentration to grocery or drug-anchored properties over the past six years moving from approximately 35% of annual minimum rent derived from these tenants at 2009 to 56.8% at December 31, 2015.

On July 24, 2013, Crombie announced that it entered into agreement to purchase a portfolio of retail properties from a wholly-owned subsidiary of Sobeys (the "**Safeway Portfolio Acquisition**"). The portfolio originally consisted of 68 retail properties, subsequently updated to 70 retail properties, representing approximately 3.0 million square feet of 100% occupied GLA acquired by Sobeys from Canada Safeway the "**Safeway Acquisition Properties**"). The acquisition price of \$990 million, excluding closing and transaction costs, was subsequently updated to \$991.3 million.

On August 14, 2013, on a bought deal basis Crombie, issued 17,720,000 subscription receipts (the "**Subscription Receipts**") at a price of \$12.70 per Subscription Receipt for gross proceeds of \$225 million and \$75 million Series E convertible, extendible, unsecured subordinated debentures (the "**Series**").

E Debentures”), bearing interest at a rate of 5.25% per annum, payable semi-annually. The Series E Debentures had an initial maturity date of March 12, 2014 which automatically extended to March 31, 2021 upon the Safeway Portfolio Acquisition closing. The Series E Debentures are convertible into REIT Units at the option of the holder at a conversion price of \$17.15 per REIT Unit.

Unitholders of Crombie approved the Safeway Portfolio Acquisition on September 19, 2013.

On October 28, 2013 Crombie received a no action letter from the Commissioner of Competition allowing Crombie to proceed with the Safeway Portfolio Acquisition. On November 4, 2013, Crombie completed the Safeway Portfolio Acquisition with an effective date of November 3, 2013. In order to finance the Safeway Portfolio Acquisition Crombie did the following:

- On October 31, 2013, Crombie issued, on a private placement agency basis, \$175 million Series A Notes (senior unsecured) with a five year term and an annual interest rate of 3.986% payable semi-annually.
- On November 4, 2013, concurrently with the closing of the Safeway Portfolio Acquisition, the 17,720,000 Subscription Receipts were converted into 17,720,000 Units of the REIT, and the proceeds of approximately \$225 million were released from escrow.
- On November 4, 2013, Crombie issued 11,811,024 Class B LP Units together with the attached Special Voting Units of Crombie to ECL Developments Limited, a wholly-owned subsidiary of Empire Company Limited (TSX: EMP.A), on a private placement basis, at \$12.70 per Class B LP Unit for gross proceeds of \$150 million. As a result of the exchange of Subscription Receipts for REIT Units, the conversion of Series B Debentures (refer to convertible debentures section), and this issuance of Class B LP Units, Empire’s indirect interest in Crombie was 41.6% (fully diluted 39.3%).
- Crombie obtained mortgage funding of \$297.6 million with a weighted average term of 9.5 years and a weighted average interest rate of 4.31%.

The balance of the purchase price, including closing and transaction costs, was funded by drawing down from a bridge credit facility previously negotiated to fund the acquisition. The bridge credit facility is non-revolving with only one advance permitted at acquisition closing. The bridge credit facility is expected to be repaid from the proceeds of property specific mortgage financings, unsecured bond financings and/or Crombie’s existing revolving credit facility.

On November 4, 2013, upon the Subscription Receipts being exchanged for REIT Units, the holders of the Subscription Receipts received payment equal to the amount per Unit of cash distributions made by Crombie for the record dates occurring during the period that the Subscription Receipts were outstanding, being an aggregate of \$3.9 million, including interest earned on the invested Subscription Receipts proceeds.

Crombie has continued to invest approximately \$81.7 million over the last three fiscal years in the redevelopment of existing properties primarily in order to maintain or enhance their productive capacity through expansion of existing GLA and increasing same property NOI.

Disposition Activity

Crombie has disposed of two properties in 2013 and five properties in 2014 consistent with its business strategy to own and operate grocery or drug anchored properties primarily in Canada’s top 36 markets. The following table outlines the property acquisitions completed over the past three fiscal years.

Subsequent to December 31, 2015, Crombie disposed of 10 properties on March 10, 2016. Proceeds from the 10 properties were approximately \$142 million excluding normal closing and transaction costs. The transaction comprised nine properties located in Ontario and one property in Quebec with a total gross leasable area of 791,000 square feet. Further details on the ten properties are reflected in the table below.

Properties disposed of include the following:

Property	Municipality	Province	Property Type	Gross Area	Leasable
Port Colborne Mall	Port Colborne	ON	Retail Enclosed	130,000	
South Pelham Market Plaza	Welland	ON	Retail Plaza	63,000	
International Gateway Centre	Fort Erie	ON	Retail Plaza	93,000	
Rose City Plaza	Welland	ON	Retail Plaza	96,000	
Town Centre	LaSalle	ON	Retail Plaza	88,000	
Rymal Road Plaza	Hamilton	ON	Retail Plaza	65,000	
Huron Street Plaza	Stratford	ON	Retail Freestanding	27,000	
Huron Church Road	Windsor	ON	Retail Freestanding	29,000	
Notre Dame Street Centre	Embrun	ON	Retail Freestanding	17,000	
Greenfield Park Centre	Longueuil	QC	Retail Plaza	183,000	

Fiscal Year	Number of Properties	GLA (sq. ft.)	Disposition Proceeds ⁽¹⁾
2013	2	144,000	\$15,131
2014	5	632,900 ⁽²⁾	\$68,100
2015	-	-	-

Notes:

1. Excluding closing and transaction costs
2. Includes square footage from partial disposition of a property

Financing

In order to support its growth, Crombie has accessed the capital markets to obtain some of the necessary financing. The table below summarizes these capital market financing activities over the three year period.

Date	Nature of Offering	Type of Security	Terms	Gross Proceeds
August 14, 2013	Prospectus	Series E Convertible Debentures	5.25% interest, convertible at \$17.15	\$75,000
August 14, 2013	Prospectus	17,720,000 Subscription Receipts	\$12.70 per Subscription Receipt	\$225,044
October 31, 2013	Private Placement	Series A Senior Unsecured Notes	3.986% interest	\$175,000
November 4, 2013	Exchange	17,720,000 Units (exchanged from Subscription Receipts)		
November 4, 2013	Private Placement to ECL	11,811,024 Class B LP Units and the attached Special Voting Units	\$12.70 per Class B LP Unit	\$150,000
March 5, 2014	Private Placement	Series B Senior Unsecured Notes	3.962% interest	\$100,000
May 30, 2014	Prospectus	4,530,000 Units	\$13.25 per Unit	\$60,023
May 30, 2014	Concurrent Private Placement to ECL	3,018,868 Class B LP Units and the attached Special Voting Units	\$13.25 per Class B LP Unit	\$40,000
February 10, 2015	Private Placement	Series C Senior Unsecured Notes	2.775% interest	\$125,000

On June 22, 2012, Crombie renewed its \$150 million floating rate revolving credit facility, extending the term to June 30, 2015. As part of the annual renewal, the revolving credit facility's accordion feature was exercised and approved by lenders which increased the maximum principal amount thereof to \$200 million subject to available borrowing base. The facility was increased to a maximum of \$300 million in 2014 subject to available borrowing base. On June 30, 2015, Crombie renewed the \$300 million floating rate revolving credit facility, extending the term to June 30, 2018.

Crombie continued to refinance properties in its portfolio using commercial mortgages. During the last three years, these mortgage financings, including mortgages assumed upon acquisition of a property, totalled approximately \$870.2 million at an average interest rate of approximately 4.15% and an average term to maturity of approximately 9.1 years.

On September 21, 2012 the REIT completed a renegotiation of a portfolio of mortgages on 23 properties previously granted in 2008 in connection with the assignment of the portfolio to a new lender (the "**Term Facility Properties**"). The mortgages, with a weighted average interest rate of 5.91% and terms to maturity from 2013 to 2017, totalled \$92.4 million. Crombie and the new lender entered into a 30 month floating rate term credit facility (the "**Term Credit Facility**") upon the assignment of the mortgages. The floating interest rate is based, at the option of the REIT, on Bankers' Acceptance rates or Prime rates plus, in each case, a spread resulting in a current rate of 3.08%. The Term Credit Facility was repaid from proceeds of new mortgages that were placed on the 23 properties.

On November 4, 2013 Crombie entered into \$600 million of bridge facilities (the "**Bridge Facilities**"). The Bridge Facilities consisted of three senior secured non-revolving term credit facilities in the maximum principal amounts of \$200 million, \$200 million and \$200 million, each available as a single drawdown, and maturing on the first, second and third anniversaries, respectively, of the closing of the Safeway Portfolio Acquisition. Crombie temporarily borrowed \$547.8 million to partially fund the Safeway Portfolio Acquisition, and the Bridge Facilities were repaid by the end of December 2013 through the placement of mortgage financing and the Series A Notes.

Redemptions and Repurchases

On September 6, 2013, Crombie announced that it had exercised its right to redeem its outstanding 6.25% Series B Convertible Unsecured Subordinated Debentures maturing on June 30, 2015 (the "**Series B Debentures**"), in accordance with the terms of a supplemental trust indenture dated September 30, 2009, governing the Series B Debentures. Holders of Series B Debentures were entitled to convert their Series B Debentures to Units based on a conversion price of \$11.00 per Unit until October 10, 2013. The redemption of the balance of the outstanding Series B Debentures was completed on October 11, 2013 for a total payment of \$1.564 million on account of principal plus accrued interest.

On January 15, 2015, Crombie announced that it had exercised its right to redeem its outstanding 5.75% Series C Convertible Unsecured Subordinated Debentures maturing on June 30, 2017 (the "**Series C Debentures**"), in accordance with the terms of a supplemental trust indenture dated February 8, 2010, governing the Series C Debentures. Holders of Series C Debentures were entitled to convert their Series C Debentures to Units based on a conversion price of \$15.30 per Unit until February 17, 2015. The redemption of the balance of the outstanding Series C Debentures was completed on February 18, 2015 for a total payment of \$44.8 million on account of principal plus accrued interest.

Trends

In 2015 a sustained decrease in the price of oil has been a negative factor in terms of its significant impact on Canadian capital investment in the oil sector and the Canadian employment impacts arising from this reduced capital activity. On a positive note, lower oil and gas prices are expected to benefit consumers and increase disposable income. A material drop in 2015 in the value of the Canadian dollar has impacted provincial economies with some potential upside for those with greater export potential. The low dollar has been accompanied by reductions in Canadian interest rates which has potential benefits for both consumer and business borrowing costs.

Concerns still exist for the Canadian economy as debt levels of both governments and consumers and unemployment levels remain high. Also, the credit and equity markets have continued to experience dramatic volatility albeit not as significant as the dramatic situation of late 2008 and 2009. Despite this volatility, the presence of historically low interest rates has enabled many Canadian real estate investment trusts ("REITs") and real estate companies, including Crombie, to take advantage to strengthen their financial position, improve liquidity and lower their weighted average cost of capital.

Capitalization rates have also returned to very low rates, encouraged by low interest rates. While these low capitalization rates have shown no discernible change to date, there is a clear bifurcation where strong assets in strong urban markets enjoy very low cap rates, whereas lower quality assets and secondary markets are at risk of higher cap rates. REIT acquisition activity has abated somewhat as competition from pension funds and other investors with low cost of capital make accretive acquisitions difficult.

DESCRIPTION OF CROMBIE

Overview

Crombie is an investment vehicle established pursuant to and governed by its Declaration of Trust. The principal business of Crombie is to invest in income-producing retail, office and mixed-use properties located in Canada. At December 31, 2015, Crombie owned a portfolio of 260 investment properties in nine provinces, comprising approximately 17.7 million square feet of GLA. On March 10, 2016, Crombie disposed of 10 properties comprising approximately 0.8 million square feet of GLA.

Business Strategy

The objectives of Crombie are threefold:

- Generate reliable and growing cash distributions;
- Enhance the value of Crombie's assets and maximize long-term unit value through active asset management; and
- Expand the asset base of Crombie and increase its cash available for distribution through accretive acquisitions.

Generate reliable and growing cash distributions: Management focuses both on improving the same-asset results while expanding the asset base with accretive acquisitions to grow the cash distributions to unit holders. Crombie's focus on grocery-anchored and drugstore-anchored retail properties, a stable and defensive orientated asset class, assists in enhancing the reliability of cash distributions.

Enhance value of Crombie's assets: Crombie anticipates reinvesting approximately 3% to 5% of its property revenue each year into its properties to maintain their productive capacity and thus overall value. Crombie's internal growth strategy focuses on generating greater rental income from its existing properties. Crombie plans to achieve this by strengthening its asset base through judicious expansion and improvement of existing properties, leasing vacant space at competitive market rates with the lowest possible transaction costs, and maintaining good relations with tenants. Management will continue to conduct regular reviews of properties and, based on its experience and market knowledge, assess ongoing opportunities within the portfolio.

Expand asset base with accretive acquisitions: Crombie's external growth strategy focuses primarily on acquisitions of income-producing, grocery-anchored and drugstore-anchored retail properties in Canada's top 36 markets. Crombie pursues two primary sources of acquisitions which are third party acquisitions and the relationship with ECL Developments Limited ("ECLD") and Sobeys Development Limited Partnership and its partners ("SDLP"). The relationship with ECLD and SDLP includes currently owned and future development properties, as well as opportunities through the rights of first refusal that one of Empire's subsidiaries has negotiated in certain of their third party leases. Crombie will seek to identify future property acquisitions using investment criteria that focuses on the strength of anchor tenancies, market demographics, age of properties, terms of tenancies, proportion of revenue from national and regional tenants, opportunities for expansion, security of cash flow, potential for capital appreciation and potential for increasing value through more efficient management of assets being acquired, including expansion and repositioning.

Crombie has a right of first offer agreement with Sobeys to acquire both existing income producing commercial properties from Sobeys as well as properties from SDLP's development pipeline, subject to certain exceptions. In addition, Crombie continues to work closely with ECLD and SDLP to identify opportunities that further Crombie's growth strategy. The relationship with ECLD is governed by an agreement described in the Material Contracts section of Crombie's Annual Information Form, and certain properties now held by SDLP that it acquired from ECLD continue to be governed by that agreement. Through these relationships, Crombie expects to have many of the benefits associated with property development, including access to growth opportunities, while limiting its exposure to the inherent risks of development, such as real estate market cycles, cost overruns, labour disputes, construction delays and unpredictable general economic conditions. However, Crombie may undertake investment in certain development projects where permitted under its governing documents and applicable tax rules when such acquisition opportunities arise at the development stage of a project. Such investments may provide Crombie with cost-effective access to projects that may not otherwise come available for sale once fully developed.

The agreements provide Crombie with a preferential right to acquire retail properties from ECLD and/or SDLP, subject to approval by Crombie's elected trustees. These relationships between Crombie and

ECLD and SDLP continue to provide promising opportunities for growth of Crombie's portfolio through future developments on both new and existing sites.

The following table outlines the property transactions completed by Crombie since the IPO which highlight the growth opportunities provided through the Empire /Sobeys/ ECLD relationship.

(In thousands of CAD dollars)

Date Acquired	Number of Properties	GLA (sq. ft.)	Acquisition Cost ⁽¹⁾	Vendor
2006-2011	91	4,825,000	\$751,799	Empire Subsidiaries
2006-2011	9	713,000	\$137,750	3rd Parties
2012	2	154,000	\$43,705	Empire Subsidiaries
2012	30	1,209,000	\$340,848	3rd Parties
2013	73	3,284,000	\$1,044,730	Empire Subsidiaries
2013	8	388,000	\$176,260	3rd Parties
2014	9	477,700	\$115,159	Empire Subsidiaries
2014	3	99,000	\$38,954	3rd Parties
February 2, 2015 ⁽²⁾	-	51,000	\$12,650	3rd Parties
April 1, 2015 ⁽²⁾	-	7,500	\$2,333	Empire Subsidiaries
August 18, 2015	1	50,000	\$20,500	3rd Parties
November 3, 2015 ⁽²⁾	-	35,000	\$8,450	Empire Subsidiaries
November 3, 2015	4	184,000	\$48,845	Empire Subsidiaries
December 23, 2015 ⁽²⁾	-	7,000	\$3,530	Empire Subsidiaries

Notes:

1. Excluding closing and transaction costs
2. Relates to the acquisition of adjacent property or additional development on a pre-existing retail property.

Through its relationships with SDLP and ECLD, Crombie is provided a preferential right to acquire retail properties developed by these entities. There is currently approximately \$300 million to \$500 million of properties which is anticipated to be made available to Crombie over the next four years.

Property Development

Property development is a strategic priority for Crombie to improve net asset value, cash flow growth and unitholder value. With the acquisition of 70 Safeway properties from Sobeys in November 2013, Crombie added a sizeable number of locations in Canada's major cities. With urban intensification becoming an important reality across the country, Crombie management is focused on evaluating and undertaking Major Developments at certain properties, defined as properties where incurred costs are projected to be greater than \$50 million and where development may include a combination of commercial and/or residential uses ("Major Developments").

Potential Major Developments

Crombie's current potential Major Developments have the potential to add up to 500,000 square feet of commercial GLA and up to 4,100,000 square feet (up to 4,700 units) of residential GLA (which may include either rental or condominium units). Included in Crombie's pipeline of 14 potential Major Developments are 11 properties in Western Canada, located primarily in Vancouver, British Columbia (7) and Calgary and Edmonton, Alberta (4) and three additional properties located in Central Canada and Atlantic Canada. Based on Crombie's current estimates, total costs to develop these properties could reach \$1 to \$2 billion, of which Crombie may enter joint venture or other partnership arrangements to share cost, revenue, risks and development expertise depending upon the nature of each project. Each project remains subject to normal development approvals, achieving required economic hurdles and Board of Trustees approval.

Crombie has identified the following 14 existing locations as having potential to become Major Developments. Development of each property is subject to Management completing full due diligence on the opportunity, including commercial and residential components, as well as seeking all necessary Board, municipal/provincial and tenant approvals prior to proceeding. While the precise timing of each project is not determinable currently, Crombie expects that a number of these projects could be under construction over the next one to two years and/or complete over the next four to five years. The time horizon for certain of these projects could be longer and Crombie may choose to not proceed with development on some properties after further review and completion of financial accretion projections.

	Existing Property	City, Province	Site Size	Existing Tenants	Potential Commercial Expansion	Potential Residential Expansion	Status
1.	1641 Davie Street	Vancouver, BC	1.09 acres	Safeway/Other tenants	Yes	Yes	Development Planning
2.	2733 West Broadway	Vancouver, BC	1.95 acres	Safeway	Yes	Yes	To be determined "TBD"
3.	3410 Kingsway	Vancouver, BC	3.74 acres	Safeway/Other tenants	Yes	Yes	TBD
4.	990 West 25 Avenue (King Edward)	Vancouver, BC	1.80 acres	Safeway	Yes	Yes	TBD
5.	1170 East 27 Street	North Vancouver, BC	2.82 acres	Safeway	Yes	Yes	TBD
6.	1780 East Broadway	Vancouver, BC	2.58 acres	Safeway	Yes	Yes	TBD
7.	813 11 Avenue SW	Calgary, AB	2.59 acres	Safeway	Yes	Yes	TBD
8.	524 Elbow Drive SW	Calgary, AB	1.60 acres	Safeway	Yes	Yes	Pre-planning
9	410 10 Street NW	Calgary, AB	1.73 acres	Safeway	Yes	Yes	TBD
10.	10930 82 Avenue	Edmonton, AB	2.44 acres	Safeway/Other tenants	Yes	Yes	TBD
11.	1033 Austin Avenue	Coquitlam, BC	2.09 acres	Safeway	Yes	Yes	TBD
12.	Brampton Mall	Brampton, ON	8.74 acres	Retail	Yes	Yes	TBD
13.	Scotia Square	Halifax, NS	14.47 acres	Office/Retail	Yes	Yes	In Development
14.	Avalon Mall	St. John's, NL	50.91 acres	Retail	Yes	No	Pre-planning

Projects described as having a "pre-planning" status include projects that Crombie has undertaken potential development planning, which could include seeking municipal approvals for zoning, developing image renderings, seeking potential commercial and/or residential development partners, evaluation of financing options and other activities required to determine viability of the opportunity.

Projects described as having a "development planning" status include projects where significant progress has been made in several areas of the pre-planning phase and Crombie is in the process of committing costs to undertake a Major Development.

Projects described as having an "in development" status include projects where internal approvals have been obtained and construction is imminent or underway.

The following section provides more detail for projects that have progressed beyond the pre-planning phase.

Properties in the Development Planning Phase

1641 Davie Street, Vancouver, British Columbia

Davie Street is a single-storey retail plaza located in a high density residential area of downtown Vancouver, British Columbia. The site is currently anchored by a 32,000 square foot Safeway grocery store and a number of additional tenants. Crombie has entered into a partnership agreement with a Vancouver based development partner (Westbank) for the planned replacement of the existing retail asset with a new mixed use development. The proposed development currently envisions a new, larger grocery store with ancillary retail, and rental residential totaling up to 252,000 square feet (up to 320 rental units). Zoning is in place and a development permit application was submitted in December 2015. Under the current project, Crombie would ultimately retain 100% of the new commercial component and jointly own the rental residential component.

Properties in Development Phase

Scotia Square, Barrington St, Halifax, Nova Scotia

Scotia Square Complex is situated at the entrance to the downtown business district at the corner of Barrington and Duke St. The retail portion of the property is comprised of 290,000 square feet and is directly connected to two hotels and nearly 1,300,000 square feet of office space. Phase I of this major development involved a complete re-merchandising and renovation of the food court. This project was completed in early 2014 at a construction cost of approximately \$3 million. Phase II is a three level expansion on Barrington Street of approximately 25,000 square feet (gross building area) which includes a new and modern main entrance into the complex. The expansion is comprised of new third floor office space, second floor restaurant or retail, and new street level retail GLA. The new three story glazed facade will improve the overall image of the facility. The construction cost for Phase II is expected to be approximately \$10 million. Crombie is also in the preplanning stage of a number of other office and/or residential development opportunities at this location for future development phases. The costs disclosed exclude direct tenant costs and include both productive capacity enhancement and recoverable amounts.

Competition

The real estate business in which Crombie operates is competitive. Numerous other developers, managers and owners of properties compete with Crombie in seeking tenants. Please refer to "Risks – Risk Factors Related to the Real Estate Industry – Competition".

Intellectual Property

Crombie has registered, or is in the process of registering, various trademarks that it uses in its operations. None of these trademarks are critical to Crombie's operations.

Employment

Crombie employed a total of 332 employees as at December 31, 2015. The employees are located in both the head office in New Glasgow, Nova Scotia as well as various regional offices located in Alberta, Ontario, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Québec and Nova Scotia.

PROPERTIES HELD BY CROMBIE

Overview

At December 31, 2015, Crombie owned a portfolio of 260 investment properties in ten provinces, comprising approximately 17.7 million square feet of GLA. On March 10, 2016, Crombie disposed of 10 properties comprising approximately 0.8 million square feet of GLA. The properties disposed of are noted in the following section.

Property Descriptions

Following are descriptions of Crombie's properties other than those that are retail - freestanding.

Newfoundland and Labrador Properties

Avalon Mall

48 Kenmount Road, St. John's, Newfoundland and Labrador

Avalon Mall is an enclosed regional mall and four freestanding buildings located on Kenmount Road and Prince Phillip Drive in St. John's, with a total GLA of approximately 571,000 square feet, and is situated on a 42.31-acre site. The building was built in 1967 and expanded and/or renovated in 1978, 1987, 1993, 1999, 2004, 2007, 2011 and 2012. Avalon Mall is currently 99.0% leased and occupied by 138 tenants. The property is shadow anchored by Kenmount Woodgate.

Conception Bay Plaza

350-356 Conception Bay Highway, Conception Bay, Newfoundland and Labrador

Conception Bay Plaza is a food store anchored retail plaza located on the Conception Bay Highway with a total GLA of approximately 65,000 square feet. It is situated on 5.6 acres of land, built in 1987 and expanded in 2008 including a freestanding Sobeys store and sublet Newfoundland and Labrador Liquor Corporation. The building is 100% leased and occupied by seven tenants.

Deer Lake

2A Commerce St, Deer Lake, Newfoundland and Labrador

Deer Lake is a freestanding food store with an additional freestanding unit located on Commerce St. The food store was built in 1999 and refurbished in 2006. A free standing pad was added in 2013. The property's GLA is approximately 18,000 square feet and is situated on an 8.23 acre site. The property is 100% leased by two tenants.

Hamlyn Road Plaza

Hamlyn Road, St. John's, Newfoundland and Labrador

Hamlyn Road Plaza is a neighbourhood plaza comprised of three freestanding buildings located on Hamlyn Road in the west of St. John's, with a total GLA of approximately 36,000 square feet, and situated on a 4.46-acre site. The plaza was built in 1990 and is currently under redevelopment. Hamlyn Road Plaza is 73.5% leased and occupied by 12 tenants.

Kenmount Woodgate

58-66 Kenmount Road, St. John's, Newfoundland and Labrador

The Kenmount Road property is a mixed use property consisting of two freestanding buildings with a total GLA of approximately 98,000 square feet. The property is located immediately adjacent to the REIT's Avalon Mall property and is situated on an 8.60 acre site. The buildings were built in 1963 and 1976. The property is 99.3% leased to 17 tenants.

Random Square

69 Manitoba Drive, Clarenville, Newfoundland and Labrador

Random Square is a food store anchored enclosed community mall located on the north side of Manitoba Drive in Clarenville, with a GLA of approximately 110,000 square feet, and is situated on a 13.60-acre

site. The building was built in 1981 and renovated in 2003 and 2006, with a redevelopment in 2008. It is 97.6% leased and occupied by 21 tenants.

Topsail Road Plaza

470 Topsail Road, St. John's, Newfoundland and Labrador

Topsail Road Plaza is a food store anchored retail plaza, including four freestanding buildings, located on Topsail Road, in St. John's, with a total GLA of approximately 158,000 square feet, and situated on 12.4 acres of land. The buildings were built in stages from the early 1970's to the early 1990's. The property is 100.0% leased and occupied by 12 tenants. Walmart has an ongoing right of first refusal to purchase this centre as a result of the purchase of the lease from Zellers in 2011.

Torbay Road Plaza

272 Torbay Road, St. John's, Newfoundland and Labrador

Torbay Road Plaza is a food store anchored retail plaza located on Torbay Road, in St. John's, with a total GLA of approximately 162,000 square feet, and situated on 9.9 acres of land. The centre was built in the early 1970's and a restaurant was built in the late 1980's. The property is 85.3% leased to 13 tenants.

Nova Scotia Properties

Aberdeen Business Centre

610 East River Road, New Glasgow, Nova Scotia

Aberdeen Shopping Centre is a mixed-use property located in New Glasgow consisting of a food anchored community plaza, with office space located on the second level, and several freestanding structures with a total GLA of approximately 390,000 square feet. The centre is situated on a 34.20-acre site. The six different physical structures that comprise Aberdeen Shopping Centre were built in stages from 1972 to 2010. Originally constructed as a mall, in 2001 the property was redeveloped into a plaza with an upper-level office component on the interior. The property was redeveloped again in 2013 to accommodate the changing needs of tenants. Aberdeen Shopping Centre is 91.9% leased and occupied by 24 tenants.

Amherst Centre

142 South Albion Street, Amherst, Nova Scotia

Amherst Centre is a food store anchored enclosed community mall and two freestanding buildings located in Amherst with a total GLA of approximately 228,000 square feet. It is situated on a 25.40-acre site. The building was built in 1981 and expanded in 1995, 1998 and 2001, and currently undergoing a redevelopment. Amherst Centre is 53.7% leased and occupied by 25 tenants, and is shadow anchored by a Canadian Tire store.

Amherst Plaza

136 East Victoria Street, Amherst, Nova Scotia

Amherst Plaza is a retail plaza located on the north side of East Victoria Street, in Amherst, with a total GLA of approximately 25,000 square feet. It is situated on a 1.8-acre site. The building was built in the mid-1970's with a renovation to the food store in 2008. The building is 100.0% leased and occupied by four tenants.

Blink Bonnie Plaza

45 Weaver Road, Pictou, Nova Scotia

Blink Bonnie Plaza is a food store anchored retail plaza with an additional free standing unit located on the south side of Weaver Road, in Pictou, with a total GLA of approximately 45,000 square feet. It is situated on a 6.6-acre site and has open-air parking for 223 vehicles. The buildings were built in 1976, with a renovation and expansion in 2003, including one freestanding pad built in 1996. The buildings are 93.7% leased and occupied by four tenants.

County Fair Mall

9256 Commercial Street, New Minas, Nova Scotia

County Fair Mall is a food store anchored enclosed community mall and one freestanding building located in the western sector of New Minas, with a total GLA of approximately 268,000 square feet. It is situated on a 26.32-acre site. The building was built in 1974 and expanded in 1988, 1997, 2000 and 2005. County Fair Mall is 53.4% leased and occupied by 37 tenants and shadow anchored by a Canadian Tire store. This property is currently under redevelopment.

Downsview Mall

800 Sackville Drive, Lower Sackville, Nova Scotia

Downsview Mall consists of a retail anchored community plaza and four freestanding buildings located in Lower Sackville, with a total GLA of approximately 69,000 square feet. It is situated on a 13.95-acre site. The building was built in 1973 and expanded in 1986 and underwent an extensive renovation in 2004 to redevelop the property from an enclosed mall to a plaza, and a subsequent redevelopment in 2013. In 2015, a significant portion of the Mall was demolished as part of an ongoing redevelopment of the property. Downsview Mall is 90.1% leased and occupied by eight tenants and is shadow anchored by a Canadian Tire store and the Downsview Plaza.

Downsview Plaza

720 and 752 Sackville Drive, Lower Sackville, Nova Scotia

Downsview Plaza consists of a retail food store anchored community plaza and four freestanding buildings located in Lower Sackville, with a total GLA of approximately 226,000 square feet. It is situated on a 37.11-acre site. The building was built in 1992 and expanded in 1995, 2003, 2005, and was redeveloped in 2014. Downsview Plaza is 96.3% leased and has 28 tenants, and is shadow anchored by a Canadian Tire store and the Downsview Mall.

Elmsdale Plaza

Belnan Road, Elmsdale, Nova Scotia

Elmsdale Plaza is a food store anchored retail plaza and four freestanding buildings located on the north side of Highway 214, in Elmsdale, with a total GLA of approximately 147,000 square feet. It is situated on a 24.3-acre site. The buildings were built in 1991 with expansions in 2003 and 2014. The buildings are 97.8% leased and occupied by 17 tenants.

Fall River Plaza

3290 Highway 2, Fall River, Nova Scotia

Fall River Plaza is a food store anchored plaza and two freestanding building located on the east side of Highway 2 in Fall River with a total GLA of approximately 98,000 square feet. It is situated on a 14.17-acre site. The property was redeveloped and acquired in 2011. Fall River Plaza is 98.6% leased and occupied by ten tenants.

Fort Edward Plaza

Wentworth Road, Windsor, Nova Scotia

Fort Edward Plaza was reconfigured during 2009 to a food store anchored plaza and one freestanding building located within the southwest sector of Windsor, with a total GLA of approximately 122,000 square feet. In January 2014, 25,000 square feet of fully leased space was sold to a third party. It is situated on a 28.2-acre site. The building was built in 1972 and renovated in 1988, 1991, 1994, 2000 and 2009. Fort Edward Plaza is 100% leased and occupied by eight tenants.

Fundy Trail Centre

68 Robie Street, Truro, Nova Scotia

Fundy Trail Centre was a retail shopping centre built in 1971 and redeveloped in 1996 converting the majority of GLA into a food store anchored retail plaza and renovated in 2007. This property is located on the south side of Robie Street, in Truro, with a total GLA of approximately 129,000 square feet. It is

situated on a 13.9-acre site. Canadian Tire and Shoppers Drug Mart are shadow anchors of this property. The building is 87.2% leased and occupied by 21 tenants.

Hemlock Square

15 and 75 Peakview Way, Bedford, Nova Scotia

Hemlock Square is a food store anchored plaza and eight freestanding buildings located at the southwest corner of Larry Uteck Boulevard and Starboard Drive in Bedford with a total GLA of approximately 159,000 square feet. It is situated on a 17.7-acre site. The property was developed and acquired in 2011 and expanded in 2012, 2014 and 2015. Hemlock Square is 98.8% leased and occupied by 17 tenants.

Highland Square Mall

689 and 707 Westville Road, New Glasgow, Nova Scotia

Highland Square Mall is an enclosed community mall and two freestanding buildings located in New Glasgow, with a total GLA of approximately 201,000 square feet. It is situated on a 42.12-acre site. The property was built in 1981, was expanded in 1987 and was redeveloped in 2007 and 2008. The first freestanding building on the site was occupied by Future Shop, who continue to lease the building, and was built in 2009 and purchased in 2010. The second freestanding building was built in 2012 and is occupied by Burger King. Highland Square Mall is 93.1% leased and occupied by 46 tenants, and is shadow anchored by Canadian Tire and Wal-Mart. The property continues to be subject to a 10-year head lease (See "Material Contracts — Head Leases").

Mill Cove Plaza

961 Bedford Highway, Bedford, Nova Scotia

Mill Cove Plaza is a food store anchored retail plaza located on the east side of Bedford Highway, in Bedford, with a total GLA of approximately 144,000 square feet. It is situated on a 16.5-acre site. A two tenant building built in 1983 includes a Sobeys store, and a plaza was built on the site in 1986. A theatre location previously on the site was demolished in 2008 and a new drug anchored plaza was built. The plaza was expanded again in 2015. Sobeys has constructed a freestanding gas bar at the site pursuant to a land lease. The building is 95.2% leased and occupied by 14 tenants.

North Shore Centre

128 Main Street, Tatamagouche, Nova Scotia

North Shore Centre is a food store anchored retail plaza located on the west side of Main Street, in Tatamagouche, with a total GLA of approximately 17,000 square feet. It is situated on a 2.1-acre site. The building was built in 1986 and renovated in 2007. The building is 100% leased and occupied by two tenants.

Park Lane

5657 Spring Garden Road, Halifax, Nova Scotia

Park Lane is a mixed-use property consisting of enclosed retail mall, parking and office tower situated in the downtown core of Halifax, with a total GLA of approximately 269,000 square feet. The building was built in 1986 and renovated in 2001, 2003, and 2013. Park Lane is 87.8% leased and occupied by 52 tenants. A residential condominium tower known as The Martello, consisting of 108 residential units, was constructed above the existing Park Lane parkade structure. The Park Lane property including the residential tower has been registered as a condominium. The Park Lane property has been converted to a commercial condominium unit owed by Crombie and the residential tower has been converted into residential condominium units owned by individual residents.

Penhorn Plaza

551 Portland Street, Dartmouth, Nova Scotia

Penhorn Plaza is a food store anchored retail plaza comprised of a freestanding grocery store and two freestanding buildings located at the intersection of Portland Street and Highway 111 in Dartmouth with a total GLA of approximately 104,000 square feet. It is situated on a 7.29-acre site. The buildings were

constructed in 2009 and 2010. An expansion was acquired in 2014. The property is 96.8% leased and occupied by 11 tenants.

Prince Street Plaza

325 Prince Street, Sydney, Nova Scotia

Prince Street Plaza is a Cineplex theatre anchored community plaza and two freestanding buildings located on the north side of Prince Street in Sydney, with a total GLA of approximately 71,000 square feet. It is situated on a 7.40-acre site. It was built in 1996 and expanded in 2000, 2002 and 2005. Prince Street Plaza is 98.7% leased and occupied by 13 tenants.

Queen Street Plaza

1092-1120 Queen Street, Halifax, Nova Scotia

Queen Street Plaza is a freestanding food store and retail plaza located on the west side of Queen Street, in Halifax, with a total GLA of approximately 54,000 square feet. It is situated on a 3.1-acre site. The building was built in the early 1980's. The buildings are 93.1% leased and occupied by two tenants.

Russell Lake

268 Baker Drive, Dartmouth, Nova Scotia

Russell Lake is a food store anchored plaza located in Dartmouth, with a GLA of approximately 62,000 square feet. The food store was built in 2008. A freestanding retail plaza was constructed in 2014 and a CRU expansion to the food store was constructed in 2015.

Sydney Shopping Centre

272B Prince Street, Sydney, Nova Scotia

Sydney Shopping Centre is a food store anchored retail plaza and a freestanding gas bar located on the south side of Prince Street, in Sydney, with a total GLA of approximately 214,000 square feet. It is situated on a 21.10-acre site. A portion of the parking lot is leased on a long-term basis from Nova Scotia Power. The building was built in 1959 and was enclosed, renovated and expanded at various times thereafter. The centre was redeveloped from an enclosed mall to a retail plaza in 2011 with the construction work completed in early 2012. Sydney Shopping Centre is 49.0% leased and occupied by nine tenants.

Tantallon Plaza

4 Westwood Boulevard, Upper Tantallon, Nova Scotia

Tantallon Plaza is a food store anchored retail plaza and seven freestanding buildings located on the west side of Westwood Boulevard, in Upper Tantallon, with a total GLA of approximately 150,000 square feet. It is situated on a 5.2-acre site. The buildings were built in 1987, 1998, expanded in 2004 and 2014 including freestanding pads with an additional retail building currently under construction. The buildings are 100.0% leased and occupied by 24 tenants.

West Side Plaza

George Street, New Glasgow, Nova Scotia

West Side Plaza is a food store anchored retail plaza located on the north side of George Street, in New Glasgow, with a total GLA of approximately 71,000 square feet. It is situated on a 5.6-acre site. The buildings were originally developed in 1961, with expansions and renovations in 1998 and 2005. The buildings are 91.3% leased and occupied by nine tenants.

Halifax Developments Properties

The eight properties that comprise Halifax Developments properties are located in the central business district of Halifax. These properties are office and mixed-use properties and comprise a prominent portion of the Halifax downtown core. All of the Halifax Developments properties are connected by either an external above-ground pedway system or by interior access. The retail component of these properties is

generally service oriented and includes shops, boutiques and food services which serve the downtown office community. The Halifax Developments properties are: Barrington Place, Barrington Tower, Brunswick Place, CIBC Building, Cogswell Tower, Duke Tower, Scotia Square Mall and Scotia Square Parkade.

Barrington Place

1903 Barrington Street, Halifax, Nova Scotia

Barrington Place is a five-storey mixed-use property including hotel and retail space with a total GLA of approximately 190,000 square feet. The building was built in 1980, renovated in 1998, and underwent an extensive renovation in 2013 to accommodate new tenants. Barrington Place is 100.0% leased and occupied by 15 tenants.

Barrington Tower

1894 Barrington Street, Halifax, Nova Scotia

Barrington Tower is an 18-storey office tower located on the main pad of the Scotia Square Mall, with a total GLA of approximately 186,000 square feet. The building was built in 1972 and was extensively renovated in 1991 and 2012. Barrington Tower is 99.4% leased and occupied by seven tenants.

Brunswick Place

2021 Brunswick Street, Halifax, Nova Scotia

Brunswick Place is a mixed-use property consisting of warehouse and office space, with a total GLA of approximately 257,000 square feet. The building was built in 1972 and renovated in 2005 and 2008. Brunswick Place is 99.0% leased and occupied by nine tenants. Brunswick Place also includes a parkade structure with semi-enclosed parking spaces.

CIBC Building

1809 Barrington Street, Halifax, Nova Scotia

The CIBC Building is a 16-storey office tower, with a total GLA of approximately 208,000 square feet. The building was built in 1977 and renovated in 2002. The CIBC Building is located on lands leased from Canadian Imperial Bank of Commerce on a long-term basis with the term expiring on December 31, 2047. The CIBC Building is 86.0% leased and occupied by 30 tenants.

Cogswell Tower

2000 Barrington Street, Halifax, Nova Scotia

Cogswell Tower is a 14-storey office tower located on the main pad of the Scotia Square Mall, with a total GLA of approximately 204,000 square feet. The building was built in 1974 and renovated in 2004. Cogswell Tower is 96.0% leased and occupied by 21 tenants.

Duke Tower

5251 Duke Street, Halifax, Nova Scotia

Duke Tower is a 14-storey office tower located on the main pad of the Scotia Square Mall, with a total GLA of approximately 252,000 square feet. The building was built in 1969 and renovated in 2003. Duke Tower is 94.4% leased and occupied by 25 tenants.

Scotia Square Mall

5201 Duke Street, Halifax, Nova Scotia

Scotia Square Mall is a mixed-use property consisting of enclosed retail, a food court significantly renovated in 2014 and second floor office space, with a total GLA of approximately 266,000 square feet. The building was built in 1969 and renovated in 1986, 1995, 2014 and is currently under construction expanding the GLA and renovating the building. Scotia Square Mall is 91.9% leased and occupied by 48 tenants. A portion of the main pad has been leased to Delta Hotels as a ground lease on a long-term basis, upon which the Delta Halifax hotel is located.

Scotia Square Parkade

5201 Duke Street, Halifax, Nova Scotia

Scotia Square Parkade is a five-storey parking garage offering semi-enclosed spaces for approximately 1,760 vehicles. The building was built in 1969, renovated in phases between 2000 and 2005 with structural upgrades started in 2009 and completed in 2014. Scotia Square Parkade is attached to the Scotia Square Mall and Cogswell Tower. The parkade services Scotia Square Mall, Cogswell Tower, Halifax Metro Centre, World Trade and Convention Centre and other nearby offices and retail centres.

Prince Edward Island Property

Kinlock Plaza

9 Kinlock Rd, Stratford, Prince Edward Island

Kinlock plaza is a food anchored retail plaza in Stratford, with a total GLA of approximately 54,000 square feet. The plaza was built in 2000 and it is situated on 8.83 acres of land. The building is 100% leased and occupied by three tenants.

New Brunswick Properties

1234 Main Street

1234 Main Street, Moncton, New Brunswick

1234 Main Street is an eight storey office buildings and one freestanding Via Rail station located on the western periphery of Moncton, with a total GLA of approximately 139,000 square feet. 1234 Main Street was constructed in 1968, and renovated and reopened in 2014. The construction of the Via Rail station predates the office building and the station was renovated in 2003. The buildings are situated on a 26.3-acre parcel of land which is owned by Warren Gate Investments Inc. and of which 25.6-acres is leased by Crombie Developments Limited ("CDL") pursuant to a long-term lease expiring on December 31, 2084. 1234 Main Street are 65.5% leased and occupied by 11 tenants. 1222 Main Street, an adjacent office building, has been vacated in preparation for redevelopment or demolition and was removed from GLA in 2015.

Charlotte Mall

210 King Street, St. Stephen, New Brunswick

Charlotte Mall was converted to a retail plaza and two freestanding buildings in 2010. It is located at the intersection of Highway 1 and Highway 3 in the town of St. Stephen, with a total GLA of approximately 119,000 square feet, and situated on a 26.23-acre site. The property was built in 1972, expanded in 1978 and renovated in 1989, 2005 and 2010. Charlotte Mall is 73.4% leased and occupied by seven tenants and is shadow anchored by a Canadian Tire store.

Edmundston

580 Victoria Street, Edmundston, New Brunswick

Edmundston is a retail plaza located on Victoria Street, in Edmundston, with a total GLA of approximately 42,000 square feet. It is situated on 4.2 acres of land and was built in 1997. The building is 83.2% leased and occupied by one tenant.

Elmwood Drive

565 Elmwood Drive, Moncton, New Brunswick

The Elmwood Drive property is a retail plaza comprised of two single tenant buildings and anchored by a food and drug store. Located on the east side of Elmwood Drive and south of Trans-Canada Highway #4 in Moncton with a total GLA of approximately 74,000 sq. ft., it is situated on an 8.94 acre site. The buildings were built in 2011 and the food store is currently being expanded. The property is 100.0% leased to two tenants.

Loch Lomond Place

120 McDonald Street, Saint John, New Brunswick

Loch Lomond Place is an enclosed mixed-use property located at the corner of Loch Lomond Road and McDonald Street in Saint John, with a total GLA of 192,000 square feet, and is situated on a 26.2-acre site. The building was built in 1967, expanded in 1990 and redeveloped between 1998 and 2000. Loch Lomond Place is 53.1% leased and occupied by nine tenants.

Mountain Road Lawtons Plaza

796-800 Mountain Road, Moncton, New Brunswick

Mountain Road Lawtons Plaza is neighbourhood plaza, with a total GLA of approximately 17,000 square feet located in Moncton, and situated on a 1.49-acre site. The building was built in 1981 and underwent a major renovation in 2009. The plaza is 100.0% leased by two tenants.

Prospect Street Plaza

1040 Prospect Street, Fredericton, New Brunswick

Prospect Street Plaza is a drug store anchored neighbourhood plaza with a total GLA of approximately 22,000 square feet, located on Prospect Street in Fredericton adjacent to Uptown Centre. It is situated on a 2.27-acre site with open-air parking for 138 vehicles. The building was built in the early 1970's and was renovated and expanded in 2007 to accommodate a drug anchor. The plaza is currently 100.0% leased and occupied by two tenants. The property is shadow anchored by Uptown Centre.

Riverview

1160 Findlay Blvd., Riverview, New Brunswick

Riverview is a food store anchored retail plaza property and one freestanding building located in Riverview, a suburb of Moncton, with a total GLA of approximately 66,000 square feet, and situated on a 10.28-acre site. The building was built in 2012. Riverview is currently 100.0% leased and occupied by five tenants and is shadow anchored by a Canadian Tire store.

Riverview Place

720 Coverdale Road, Riverview, New Brunswick

Riverview Place is a mixed-use property and one freestanding building located in Riverview, a suburb of Moncton, with a total GLA of approximately 150,000 square feet, and situated on a 20.50-acre site. The building was built in 1968 and expanded in 1974 and 1990. Riverview Place is currently 56.0% leased and occupied by ten tenants.

Tracadie

426 Rue de Moulen, Tracadie, New Brunswick

Tracadie is a retail plaza located on Rue de Moulen, in Tracadie, and has a total GLA of approximately 39,000 square feet retail. It is situated on 4.4 acres of land and was built in 1990. The building is 83.8% leased and occupied by two tenants.

Uptown Centre

1150 Prospect Street, Fredericton, New Brunswick

Uptown Centre is a food store anchored retail plaza which includes four freestanding buildings located on Prospect Street in Fredericton, with a total GLA of approximately 320,000 square feet, and encompasses a 24.44-acre site. The original building was built in 1969 and expanded and renovated on various occasions. The property underwent a major redevelopment from enclosed mall to retail plaza between 2005 and 2008. The property is 65.3% leased and occupied by 18 tenants. The property is shadow anchored by Prospect Street Plaza.

Vaughn Harvey Plaza

53-55 Vaughan Harvey Boulevard, Moncton, New Brunswick

Vaughn Harvey Plaza is a food store anchored plaza and one freestanding building located on Main Street

in Moncton with a total GLA of approximately 85,000 square feet. It encompasses a 14.38-acre parcel of land which is owned by Warren Gate Investments Inc. and is leased to CDL pursuant to a long-term lease expiring on December 31, 2084. The entire site is subject to a land lease. Built in 2008, the plaza is 100.0% leased by four tenants. This property is shadow anchored by 1234 Main Street Office building.

Québec Properties

Beauport Plaza

949-969 Avenue Nordique, Beauport, Québec

Beauport is a food store anchored retail plaza, with a total GLA of approximately 68,000 square feet, situated on 8.4 acres of land, it was built in 1995 and expanded in 2012. The building is 96.5% leased and occupied by five tenants.

Greenfield Park Centre

300 Avenue Auguste, Longueuil, Québec

Greenfield Park Centre is a power centre consisting of eight buildings situated on the south side of Taschereau Boulevard in Longueuil, with a total GLA of approximately 183,000 square feet, and encompasses 27.72 acres. The developed portion of Greenfield Park Centre is 98.6% leased to nine tenants and is shadow-anchored by a Home Depot. In 2010, a freestanding Mountain Equipment Co-Op building was purchased by Crombie. In addition, approximately 11,500 square feet of GLA is subject to a head lease in favour of ECL and 94,625 square feet of raw land is subject to a ground lease in favour of ECL (See "Material Contracts – Head Leases" and "Material Contracts – Ground Lease"). Sobeys has been granted a right of first refusal in respect to the lands currently occupied as an IGA Extra food store. Property was sold on March 10, 2016.

Les Saules

5005 Boulevard de L'Ormiere, Les Saules, Québec

Les Saules is a food store anchored plaza with a total GLA of approximately 69,000 square feet. It is situated on 6.8 acres of land which was redeveloped in 1996 and includes one freestanding pad. The property is 100.0% leased and occupied by three tenants.

Marché St-Augustin

14955-14995 rue Des Saules, Mirabel, Québec

Marché St-Augustin is a food store anchored plaza with a total GLA of approximately 38,000 square feet. It is situated on 3.15 acres of land and built in 2009 and 2010. It is 100% leased and occupied by four tenants.

Marché St-Charles-de-Drummond

865-897 Boulevard Foucault, Drummondville, Québec

Marché St-Charles-de-Drummond is a food store anchored plaza with a total GLA of approximately 48,000 square feet. It is situated on 4.95 acres of land and built in 2009 and 2010. It is 100.0% leased and occupied by four tenants.

McMasterville

20-30 Boulevard Sir Wilfrid Laurier, McMasterville, Québec

McMasterville is a food store anchored plaza with a total GLA of approximately 54,000 square feet situated on 5.09 acres of land which was built in 2009 and an expansion of 7,700 square feet of GLA was acquired in 2014. The property is 98.7% leased and occupied by six tenants.

Paspebiac Plaza

115 Boulevard Gerard D. Levesque Ouest, Paspebiac, Québec

Paspebiac Plaza is a retail plaza with total GLA of approximately 73,000 square feet. It is situated on 6.8

acres of land, was built in 1987, and includes one freestanding pad. The property is 93.7% leased and occupied by ten tenants.

Saint-Apollinaire Plaza

140-148 rue Principale, Saint-Apollinaire, Québec

Saint-Apollinaire Plaza is a food store anchored plaza located in Saint-Apollinaire with a total GLA of approximately 62,000 square feet. Built in 2009 and expanded in 2015, the property is situated on 5.53 acre site. The property is 100.0% leased and occupied by three tenants.

Saint Romuald Plaza

1040-1042 and 1060 Boulevard de la Rive-Sud, Saint Romuald, Québec

Saint Romuald Plaza is a food store anchored plaza located in Saint Romuald with a total GLA of approximately 70,000 square feet. Crombie purchased the adjacent plaza in 2010 to convert the property from a freestanding store to a plaza. The property is situated on a 12.0 acre site and is 100.0% leased and occupied by five tenants.

Shawinigan

1440-1510 Rue Trudel, Shawinigan, Québec

Shawinigan is a food store anchored retail plaza located on Rue Trudel between Boulevard des Hetres and Boulevard Royal in Shawinigan with a total GLA of approximately 67,000 square feet. Built in 2006, 2009, 2010 and 2015, the property is situated on a 12.3-acre site. The property is 100.0% leased and occupied by seven tenants.

Ontario Properties

Brampton Mall

152 – 160 Main Street S, Brampton, Ontario

Brampton Mall is a food and drug store anchored plaza located at the intersection of Main Street and Nanwood Drive in Brampton, Ontario. Built in the 1960's the property is approximately 103,000 square feet situated on an 8.74 acre site. The property is 89.5% leased by 20 tenants.

Brampton Plaza

981 Queen Street West, Brampton, Ontario

The Brampton Plaza is a food store anchored neighbourhood retail centre comprised of three freestanding buildings located in Brampton. The property is approximately 76,000 square feet and is situated on a 7.3-acre parcel of land. The site was built in 2004 and expanded in 2007 and 2008. The property is 98.1% leased and occupied by five tenants.

Burlington (Milltowne Plaza)

4021 Upper Middle Road, Burlington, Ontario

This property is a single-level retail plaza located at the intersection of Upper Middle Road and Walkers Line in Burlington, Ontario. This property is an approximately 11,000 square feet, situated on approximately 1.28 acre site. Milltowne Plaza was built in 1990 and was expanded and renovated in 2009 and 2011. The property is 100.0% leased and occupied by five tenants.

Burlington Plaza

3250 Fairview Street, Burlington, Ontario

The Burlington Plaza is a single level plaza (plus mezzanine) comprised of two buildings and a freestanding gas bar, totalling approximately 56,000 square feet of GLA and is located in Burlington. The property is situated on a 5.3-acre site. The site was built in 1975 and was renovated in 2000 and 2003. The property is 100% leased and occupied by ten tenants.

Carleton Place Mews

25, 42, 80 and 110 Lansdowne Avenue, Carleton Place, Ontario

Carleton Place Mews is a food store anchored neighbourhood development comprised of two single-tenant and two multi-tenant buildings located in Carleton Place with a GLA of approximately 80,000 square feet. Built in 1970, the property is 85.9% leased and occupied by 11 tenants.

Georgetown (Sinclair Place)

263-265 Guelph Street, Georgetown, Ontario

Sinclair Place is comprised of two single-tenant buildings, located at the intersection of Guelph Street and Sinclair Avenue in Georgetown, Ontario. Built in 2010, Sinclair Place is approximately 28,000 square feet and situated on an approximately 2.38 acre site. The property is 100.0% leased and occupied by two tenants.

Grimsby Mews

150-156 Main Street East, Grimsby, Ontario

Grimsby Mews is a single-level retail plaza located on Main Street East in Grimsby, Ontario. Built in 1987 and renovated in 2006, Grimsby Mews is approximately 34,000 square feet and situated on an approximately 3.09 acre site. The property is 100.0% leased and occupied by four tenants.

International Gateway Centre

450 Garrison Road, Fort Erie, Ontario

International Gateway Centre is a food store anchored plaza located in Fort Erie with a GLA of approximately 92,000 square feet. Built in 2003, the centre has two freestanding pads and is 94.2% leased by 14 tenants. Property was sold on March 10, 2016.

London Pine Valley

981 Wonderland Rd. South London, Ontario

London Pine Valley is a food store anchored plaza located in London with a GLA of approximately 39,000 square feet. Opened in 2013, the freestanding unit encompasses a 3.52-acre site and is 100.0% leased by two tenants.

Markham Plaza

1780 Markham Road, Toronto, Ontario

Markham Plaza is located on Markham Road, Toronto, Ontario. Markham Plaza is an approximately 39,000 square foot drug anchored single-level retail plaza. Built in 2009 and 2011, the property is situated on a 3.52 acre site. The property is 82.4% leased with ten tenants.

Mountain Locks Plaza

343 Glendale Avenue, St. Catharines, Ontario

Mountain Locks Plaza is a food store anchored plaza comprised of three buildings located in St. Catharines, Ontario with a GLA of approximately 85,000 square feet. It encompasses a 10.31-acre site and was built in 2008 and 2009. The plaza is 100% leased by 16 tenants.

Milligan Corners, Napanee

10 Alkenbrack Street, Napanee, Ontario

Napanee is a single-level retail plaza located at the intersection of Alkenbrack Street and Centre Street in Napanee, Ontario. Built in 2009, the property is approximately 25,000 square feet and is situated on an approximately 1.98 acre site. The property is 100.0% leased with two tenants.

Niagara Plaza

3714 Portage Road, Niagara Falls, Ontario

Niagara Plaza is a food store anchored neighbourhood plaza comprised of a freestanding food store and two multi-tenant retail plazas located at Portage Road and Thorold Stone Road in Niagara Falls, with a

total GLA of approximately 64,000 square feet. It encompasses a 5.29-acre site and was built in 1997 and expanded in 2012. The plaza is 100.0% leased and occupied by 13 tenants.

North Bay

1899 Algonquin Avenue, North Bay, Ontario

North Bay is a neighbourhood plaza anchored with a food store. The property is approximately 211,000 square feet and situated on a 12.26 acre site. Algonquin Avenue Mall was built in 1968 and was expanded and renovated in 1997 and 2000. The property is 44.8% leased with six tenants.

Orleans, Innes Road

5150 Innes Road, Orleans, Ontario

Innes Road is a freestanding food store with one freestanding pad located in Orleans, Ontario with a GLA of approximately 63,000 square feet. Built in 2007 and expanded in 2012, the centre encompasses a 6.60-acre site and is 100.0% leased by three tenants.

Parry Sound

25 Pine Drive, Parry Sound, Ontario

Parry Sound is a freestanding food store with one freestanding pad located in Parry Sound with GLA of 46,000 square feet. The food store was opened in 1998 and the pad was constructed in 2015. The property is 100% leased with two tenants.

Perth Mews

78-80 Dufferin Street, Perth, Ontario

Perth Mews is a food store anchored plaza located in Perth with a GLA of approximately 103,000 square feet. Built in 1990, with the addition of a freestanding building completed in 2007, the centre is 100% leased and occupied by 17 tenants.

Peterborough – Rockhaven Plaza

1875 & 1913 Lansdowne St West, Peterborough, Ontario

Rockhaven Plaza is a freestanding drug store and two freestanding pads located in the city of Peterborough, with a total GLA of approximately 24,000 square feet and situated on a 7.28 acre site. The drug store was built in 2010 with additional freestanding pads added in 2012 and 2013. This property is 100% leased with three tenants.

Peterborough – Willowcreek Plaza

400 Lansdowne Street East, Peterborough, Ontario

Willowcreek Plaza is a single-level retail plaza anchored by a food store. Built in 1996 the property is approximately 67,000 square feet and situated on a 7.16 acre site. The property is 100.0% leased with eight tenants.

Port Colborne Mall

287 West Side Road, Port Colborne, Ontario

Port Colborne Mall is an enclosed community mall and a freestanding building and gas bar located in Port Colborne, with a total GLA of approximately 130,000 square feet, it is situated on a 10.24-acre site. The property was built in 1979, renovated in 1989 and redeveloped in 2006. The buildings are 74.4% leased and occupied by ten tenants. Property was sold on March 10, 2016.

Queensland Plaza

30 Queensland Road, Stratford, Ontario

Queensland Plaza is a food store anchored neighbourhood plaza located in the city of Stratford, with a total GLA of approximately 48,000 square feet, and situated on a 3.93-acre site. The building was built in 1989. Queensland Plaza is 94.8% leased and occupied by seven tenants.

Queensway Plaza

1555 - 1563 the Queensway, Toronto, Ontario

Queensway Plaza is a single-level retail plaza, situated on a 6.01 acre site. Queensway Plaza was built in 2007 and is approximately 67,000 square feet. The property is 100.0% leased with ten tenants.

Rose City Plaza

815 Ontario Road, Welland, Ontario

Rose City Plaza is a food store anchored neighbourhood plaza and two freestanding buildings located in Welland, with a total GLA of 96,000 square feet, and situated on a 9.66-acre site. The building was built in 1965 and renovated in 1979, 1986 and 2001. The property is 74.0% leased and occupied by ten tenants. Property was sold on March 10, 2016.

Rymal Road Plaza

905 Rymal Road East, Hamilton, Ontario

Rymal Road Plaza is a food store anchored neighbourhood plaza located in Hamilton, with a total GLA of 65,000 square feet, and situated on a 4.49-acre site. The building was built in 1999 and renovated in 2015. Rymal Road Plaza is 100% leased and occupied by ten tenants. Property was sold on March 10, 2016.

Southdale

771 Southdale Road East, London, Ontario

Southdale is a drug store anchored plaza comprised of two freestanding building located at the intersection of Southdale Road East and Adelaide Street in London with a total GLA of approximately 20,000 square feet. It is situated on a 2.67-acre site. The buildings were constructed in 2000 and 2003. Southdale is 100% leased and occupied by two tenants.

South Pelham Market Plaza

589-595 and 609 South Pelham Road, Welland, Ontario

South Pelham Market Plaza is a neighbourhood plaza located in Welland consisting of a freestanding grocery store, a freestanding drug store and a multi-tenant plaza, with a total GLA of 63,000 square feet, and situated on a 6.42-acre site. The plaza was built in 2000 and the two other buildings were built in 1998. The plaza is 96.2% leased and occupied by 12 tenants. Property was sold on March 10, 2016.

Stittsville Corners

1122 Carp Road, Stittsville, Ontario

The Carp Road property is a food store anchored retail plaza comprised of five buildings located at the Carp Road and Hazeldean Road intersection in Stittsville with a total GLA of approximately 80,000 square feet, and situated on a 12.99 acre site. The buildings were built in 2011 and 2012. The property is 95.9% leased to 14 tenants.

Stoney Creek Plaza

521 Queenstown Road (Highway 8), Stoney Creek, Ontario

Stoney Creek Plaza is a single-level retail plaza located at the intersection of Queenstown Road (Highway 8) and Dewitt Road in Stoney Creek, Ontario. Built in 1988 and expanded and renovated in 2011, Stoney Creek Plaza is approximately 9,000 square feet, and situated on a 2.32 acre site. The property is approximately 100% leased with five tenants and includes a freestanding gas bar.

Taunton and Wilson Plaza

1359-1389 Wilson Road North, Oshawa, Ontario

The Taunton and Wilson Plaza is a food store anchored neighbourhood plaza and two freestanding buildings located in Oshawa. The property is approximately 107,000 square feet and is situated on a 12-acre parcel of land. The site was built in 2003 and expanded in 2007, 2011 and 2012. The property is 100% leased with 23 tenants.

Town Centre LaSalle

5840 and 5844 Malden Road, LaSalle, Ontario

Town Centre LaSalle is a food store anchored plaza and one freestanding building located in LaSalle with a GLA of approximately 88,000 square feet. Built in 2000 and redeveloped in 2012, the property is 94.0% leased by 13 tenants. Property was sold on March 10, 2016.

Upper James Square

1508 Upper James Street, Hamilton, Ontario

Upper James Square is an anchored neighbourhood plaza and four freestanding buildings located on the west side of Upper James Street and south of the Lincoln Alexander Parkway in Hamilton, with a total GLA of 114,000 square feet, and situated on an 11.54-acre site. There are five buildings on the site which were built between 1998 and 2000. The centre is 99.0% leased and occupied by 22 tenants.

Village Square Centre

2095 Dorchester Road, Dorchester, Ontario

Village Square Centre is a food store anchored single-level retail plaza, located at the intersection of Dorchester Road and Carlton Road in Dorchester, Ontario. Built in the 1970's, the property is approximately 32,000 square feet and situated on an approximately 3.96 acre site. The property is 100.0% leased with five tenants.

Village Square Mall

1581 Greenbank Road, Nepean, Ontario

Village Square Mall is a food store anchored neighbourhood plaza and three freestanding buildings located on the east side of Greenbank Road in Nepean, with a total GLA of 92,000 square feet, and situated on a 5.98-acre site. The centre was built in 2002 and expanded in 2012. An additional plaza adjacent to the site was acquired in 2011. The buildings are 99.1% leased and occupied by 19 tenants, and is shadow anchored by a Canadian Tire store.

White Horse Plaza

434-484 Norfolk Street South, Simcoe, Ontario

White Horse Plaza is a food store anchored retail plaza located on Norfolk Street South in Simcoe, with a total GLA of approximately 93,000 square feet, and situated on a 7.4-acre site, built in the 1960's and redeveloped in 2013 to accommodate new tenants. The building is 86.7% leased to 14 tenants.

Woodstock

385 Springbank Avenue, Woodstock, Ontario

Woodstock is a retail plaza located on Springbank Avenue in Woodstock with a total GLA of approximately 55,000 square feet. It is situated on a 3.9-acre site, built in 1990 and expanded in 2014. The building is 96.7% leased to ten tenants.

Manitoba Properties

Kildonan Green

1750 Plessis Rd, Winnipeg, Manitoba

Kildonan Green is a food anchored retail plaza located in Winnipeg. Built in 2014 this property has a GLA of approximately 78,000 square feet. The building is 100% leased, including approximately 8,000 square feet subject to a head lease with the vendor, with 12 tenants.

River East Plaza

1441 Henderson Highway, Winnipeg, Manitoba

River East Plaza is a food anchored retail plaza located in Winnipeg. This property was built in 2011, has a GLA of approximately 78,000 square feet and is situated on 11.16 acres. The property is 100% leased with ten tenants.

Saskatchewan Properties

North Battleford

9801 Territorial Drive, North Battleford, Saskatchewan

North Battleford is a single-level food store anchored retail plaza. Built in 1997 and 2006 the property is approximately 30,000 square feet, situated on an approximately 8.85 acre site. The property is 100.0% leased with two tenants.

Regina

4250 Albert Street, Regina, Saskatchewan

The Albert Street property is a retail plaza comprised of two buildings located on the west side of Albert Street and on the south side of 29th Avenue in Regina, Saskatchewan, with a total GLA of approximately 41,000 sq. ft. and anchored by a food store. The property is situated on a 3.90 acre site and the buildings were built in 1997. The property is 100.0% leased to five tenants.

River City Center

Saskatoon, Saskatchewan

River City Center is a retail plaza consisting of three multi-tenant buildings and three freestanding buildings with a total GLA of approximately 160,000 square feet. Situated on 13.4 acres of land and built in 1995, the property is 96.2% leased and occupied by 12 tenants.

Alberta Properties

Beaumont Shopping Centre

5802 and 5808 - 50th Street, Beaumont, Alberta

Beaumont Shopping Centre is a retail plaza comprised of two buildings, with a total GLA of approximately 59,000 square feet, and situated on a 5.63-acre site. The buildings were built in 2012. The property is 100% leased to 11 tenants.

Clearwater Landing

19 Riedel Street, Fort McMurray, Alberta

Clearwater Landing is a retail plaza comprised of two strip plaza buildings and one freestanding Sobeys Store. This property is shadow anchored by Canadian Tire, Royal Bank, Staples, and Walmart. The plaza is located at the corner of Riedel Street and Manning Avenue in Fort McMurray, with a total GLA of approximately 143,000 square feet, and situated on a 11.1-acre site. The strip plaza buildings were built in 2004 and 2006 and Sobeys was built in 2010. The property is 98.6% leased to 16 tenants.

Gaetz South Plaza

5111 22nd Street, Red Deer, Alberta

Gaetz South Plaza is a retail plaza comprised of four buildings located at the west side of Gaetz Avenue and on the south side of 22nd Street in Red Deer, with a total GLA of approximately 74,000 square feet, and situated on a 6.7-acre site. The buildings were built in 2008 and 2009. The property is 100.0% leased to eight tenants.

Leduc Towne Centre and Leduc Safeway

6104-6108 and 6112 50th St, Leduc, Alberta

Leduc Town Centre is comprised of 5 buildings with a free standing Canadian Tire Gas Bar. The total GLA is approx 101,000 square feet and is shadow Anchored by a Multi Tenant Strip plaza on the southeast section of the lot. Leduc Town Centre is located on 50th street and is 99% leased to 10 tenants. Building B was constructed from 1991 to 1999, Building C in 1992, Building A was constructed in 2002 and Safeway was constructed in 1991. This property is situated on a 12.23 acre site.

Millwood Commons

5521 23 Ave, Edmonton, Alberta

Millwood Commons is a food anchored plaza consisting of three freestanding buildings and a small retail strip, located in Edmonton. GLA at this property is approximately 58,000 square feet and is situated on 6.61 acres. The food store and liquor store was built in 2002, with additional retail strip and freestanding unit added in 2012 and 2013. The property is 100% leased to six tenants.

Namoo Centre 2

167 Ave. 95 St., Edmonton, Alberta

Namoo Centre is a retail plaza comprised of two buildings, with a total GLA of approximately 34,000 square feet, and situated on a 2.67-acre site. The buildings were built in 1998 and 1999. The property is 94.5% leased to 12 tenants. This property is Shadowed Anchored by an approximately 37,000 square foot Sobeys.

South Trail Plaza

4915 130 Ave SE, Calgary, Alberta

South Trail Plaza is a food anchored retail plaza, with a total GLA of approximately 79,000 square feet. The buildings are situated on approximately 7.95 acres and were built in 2004. The property is 100% leased by six tenants.

West Highlands Towne Centre

380 University Drive West, Lethbridge, Alberta

West Highlands Towne Centre is a retail plaza comprised of two buildings, with a total GLA of approximately 29,000 square feet, and situated on a 2.59-acre site. The buildings were built in 2011. The property is 100.0% leased to three tenants.

West Lethbridge Towne Centre

550 University Drive West, Lethbridge, Alberta

West Lethbridge Towne Centre is a retail plaza comprised of six buildings, with a total GLA of approximately 105,000 square feet, and situated on a 12.42-acre site. The buildings were built in 1998. The property is 94.7% leased to 21 tenants.

Retail – Freestanding and Locations subject to the Sobeys Leases

The following table lists Crombie properties that contain freestanding stores.

Location	Banner	Address	GLA (Approx. Sq.Ft.)
Newfoundland and Labrador			
Howley Estates, St. John's ⁽¹¹⁾	Sobeys	10 Elizabeth Avenue	80,000
Grand Bank	Sobeys	71 Grand View Blvd.	19,000
Grand Falls	Sobeys	21 Cromer Avenue	27,000
Placentia	Sobeys	69 Blockhouse Road	20,000
Ropewalk Lane, St. John's ⁽¹⁰⁾	Sobeys	45 Ropewalk Lane	50,000
Nova Scotia			
Stellarton	Sobeys	293 Foord Street	24,000
Antigonish	Sobeys	133 Church Street	51,000
Dartmouth Crossing	Cineplex	145 Shubie Drive	45,000
Dartmouth	Sobeys	2 Forest Hills Parkway	44,000
Gloucester	Foodland	25 Brookside Street	17,000

Location	Banner	Address	GLA (Approx. Sq.Ft.)
New Waterford	Sobeys	75 Emerald Street	26,000
North & Windsor St., Halifax	Sobeys	2651 Windsor Street	50,000
Lacewood & Dunbrack, Halifax	Sobeys	287 Lacewood Drive	59,000
Dartmouth	Sobeys	610 Panavista Drive	48,000
Sydney Mines	Foodland	39 Pitt Street	18,000
Port Hawkesbury	Sobeys	634 Reeves Street	34,000
Sheet Harbour	Foodland	22579 Highway #7	9,000
Spryfield ⁽⁹⁾	Sobeys	279 Herring Cove Road	73,000
Sydney River	Sobeys	95 Keltic Drive	51,000
Prince Edward Island			
Charlottetown	Sobeys	University Avenue	50,000
Montague	Sobeys	531 North Main Street	25,000
New Brunswick			
Bathurst	Sobeys	850 St. Peters Avenue	18,000
Catherwood, Saint John	Lawtons	126 Catherwood Street	46,000
Champlain Place, Dieppe	Sobeys	477 Paul Street	52,000
Edmundston	Foodland	26 Michaud Street	8,000
Fairvale	Sobeys	142 Hampton Road	52,000
Fredericton	Sobeys	463 Brookside	43,000
Moncton ⁽⁸⁾	Sobeys	1380 Mountain Road	52,000
Newcastle	Sobeys	273 Pleasant Street	20,000
Regis St., Dieppe	Sobeys	501 Regis Street	25,000
Québec			
Baie Comeau ⁽⁷⁾	IGA extra	1500 rue de Bretagne	50,000
Brossard	IGA extra	3260 Boul. Lapiniere	48,000
Cap-de-la-Madeleine ⁽⁶⁾	IGA extra	645 rue Thibeau	49,000
Québec, Lebourgneuf	IGA extra	5555 Boul Des Gradins	59,000
Chateauguay ⁽⁷⁾	IGA extra	88-90 Boul. D'Anjou	58,000
Ile Perrot	Shoppers Drug Mart	10 Boul. Don Quichotte	24,000
Montréal	Shoppers Drug Mart	1 Avenue Westminster N	21,000
Québec City	Shoppers Drug Mart	995 Boul. Wilfrid Hamel	17,000
Rivière du Loup ⁽⁵⁾	IGA extra	254 Boul. Hotel de Ville	72,000
Sherbrooke	IGA extra	3950 Rue King Ouest	52,000
St. Georges de Beauce	IGA extra	8980 Boul. Lacroix	44,000
St. Lambert	Shoppers Drug Mart	1031 Avenue Victoria	19,000
Ontario			
Ancaster ⁽²⁾	Sobeys	977 Golf Links Road	65,000
Barrie ⁽³⁾	Sobeys	409 Bayfield Street	48,000
Bradford	Sobeys	20 Melbourne Drive	35,000
Chatham	Sobeys	215 Park Avenue West	48,000
Dorchester	Shoppers Drug Mart	2300 Dorchester Rd	18,000
Embrun ⁽¹⁵⁾	Shoppers Drug Mart	703 Notre Dame St	17,000
Fenelon Falls	Sobeys	15 Lindsay St	35,000
Grimsby ⁽⁴⁾	Sobeys	34 Livingstone Avenue	36,000
Grimsby	TSC	321 Main St. East	29,000
Havelock	Foodland	32-38 Ottawa St West	15,000
Kenora	Safeway	400 First Ave. South	37,000

Location	Banner	Address	GLA (Approx. Sq.Ft.)
Niagara Falls	Shoppers Drug Mart	5125 Montrose Rd	17,000
Niagara Falls	Freshco	5931 Kalar Rd	36,000
Orangeville	Sobeys	500 Riddell Road	46,000
St. Catharines	Price Chopper	318 Ontario Street	47,000
Stratford ⁽¹⁵⁾	Shoppers Drug Mart	511 Huron St.	27,000
Toronto	Shoppers Drug Mart	2751 – 2753 Eglinton Ave E	17,000
Toronto	Shoppers Drug Mart	1995 Weston Rd	16,000
Windsor ⁽¹⁵⁾	Shoppers Drug Mart	1750 Huron Church Rd.	29,000
Manitoba			
Neepawa	Safeway	498 Mountain Avenue	18,000
Portage la Prairie	Shoppers Drug Mart	124 E Saskatchewan Ave.	20,000
Selkirk	Safeway	318 Manitoba Avenue	42,000
St Paul	Sobeys	3128 Bird's Hill Road East	39,000
Winnipeg ⁽¹²⁾	Safeway	1305-1321 Pembina Highway	39,000
Winnipeg	Safeway	285 Marion Street	38,000
Winnipeg	Safeway	2155 Pembina Highway	46,000
Winnipeg	Safeway	3381 & 3393 Portage Avenue	55,000
Winnipeg	Safeway	920 Jefferson Avenue	55,000
Winnipeg	Safeway	654 Kildare Avenue	43,000
Winnipeg ⁽¹²⁾	Safeway	469-499 River Avenue	59,000
Winnipeg	Safeway	655 Osborne Street	20,000
Winnipeg	Safeway	594 Mountain Avenue	18,000
Saskatchewan			
Moose Jaw	Safeway	200 1 Avenue NW	39,000
Prince Albert	Safeway	2895 2 Avenue W	56,000
Regina	Sobeys	2231 East Quance Street	37,000
Regina ⁽¹²⁾	Safeway	2915 13th Avenue	41,000
Saskatoon	Safeway	1860 McOrmond Drive	50,000
Alberta			
Banff ⁽¹³⁾	Safeway	318 Marten Street	19,000
Brooks ⁽¹²⁾	Safeway	550 Cassils Road W. & 645 – 4 Street W.	54,000
Canmore	Canadian Tire	1110 Gateway Ave	50,000
Canmore	Safeway	1200 Railway Ave	53,000
Calgary	Safeway	813 11 Avenue SW	40,000
Calgary	Safeway	524 Elbow Drive SW	24,000
Calgary	Safeway	410 10 Street NW	38,000
Calgary	Safeway	55 Castleridge Boulevard NE	56,000
Calgary ⁽¹²⁾	Safeway	99 Crowfoot Crescent NW	75,000
Calgary	Safeway	3550 32 Avenue NE	69,000
Calgary	Safeway	850 Saddletowne Circle NE	51,000
Calgary ⁽¹²⁾	Safeway	2425 34 Avenue SW	48,000
Calgary	Safeway	5048 16 Avenue NW	42,000
Calgary ⁽¹²⁾	Safeway	5607 4 Street NW	48,000
Calgary	Sobeys	5101 17 Avenue SE	42,000
Calgary	Shoppers Drug Mart	110-620 MacKenzie Towne Dr	19,000
Chestermere	Safeway	135 Chestermere Station Way	43,000
Edmonton	Safeway	400 & 500 Manning Crossing	49,000

Location	Banner	Address	GLA (Approx. Sq.Ft.)
		NW	
Edmonton	Safeway	12950 137 Avenue NW	55,000
Edmonton ⁽¹⁴⁾	Safeway	2304 – 109 Street NW	48,000
Edmonton ⁽¹²⁾	Safeway	8204 – 109 Street NW	34,000
Edmonton	Safeway	2534 Guardian Road NW	49,000
Edmonton	Shoppers Drug Mart	10907 82 Avenue	21,000
Fort McMurray	Safeway	9601 Franklin Avenue & 160 J.W. Mann Drive	40,000
Grande Prairie ⁽¹²⁾	Safeway	9925 114 Avenue	62,000
Grande Prairie ⁽¹²⁾	Safeway	8100-8300 100 Street	66,000
Lethbridge	Safeway	1702 23 Street North	45,000
Lethbridge ⁽¹²⁾	Safeway	2440, 2605 & 2750 Fairway Plaza Road S	64,000
Medicine Hat ⁽¹⁴⁾	Safeway	615 Division Ave	46,000
Namao, Edmonton	Sobeys	9611 167 Avenue NW	37,000
Okotoks	Safeway	410 & 610 Big Rock Lane	42,000
Red Deer	Cineplex	Highway II	40,000
Sherwood Park ⁽¹⁾	Sobeys	688 Wye Road	46,000
Southbrook, Edmonton	Sobeys	1109 James Mowatt Trail	45,000
Spruce Grove	Safeway	94 MacLeod Avenue	51,000
St. Albert ⁽¹⁴⁾	Safeway	395 St. Albert Trail	53,000
Stony Plain	Safeway	4202 South Park Drive	44,000

Location	Banner	Address	GLA (Approx. Sq.Ft.)
British Columbia			
100 Mile House ⁽¹²⁾	Safeway	575 Alder Avenue	28,000
Castlegar	Safeway	1721 Columbia Avenue	27,000
Chilliwack	Safeway	45850 Yale Road	52,000
Coquitlam	Safeway	1033 Austin Road	21,000
Cranbrook	Safeway	1200 Baker Street	48,000
Dawson Creek ⁽¹⁴⁾	Safeway	11200 8 th Street	43,000
Fort St. John ⁽¹⁴⁾	Safeway	9123 100 Street	55,000
Kamloops	Safeway	750 Fortune Drive	56,000
Kamloops	Safeway	945 Columbia Street W	50,000
Kelowna	Safeway	697 Bernard Avenue	30,000
Langley	Safeway	20871 Fraser Highway	48,000
Langley	Safeway	27566 Fraser Highway	45,000
Mission ⁽¹²⁾	Safeway	32520 Lougheed Highway	55,000
New Westminster	Safeway	800 McBride Boulevard	43,000
Penticton ⁽¹²⁾	Safeway	1303 Main Street	59,000
Port Coquitlam	Safeway	2850 Shaughnessy Street	49,000
Prince Rupert ⁽¹²⁾	Safeway	200 2 Avenue W	52,000
Quesnel	Safeway	445 Reid Street	30,000
Richmond	Safeway	6140 Blundell Road	28,000
Smithers	Safeway	3664 Yellowhead Highway	43,000
Surrey ⁽¹²⁾	Safeway	8860 152 Street	56,000
Surrey ⁽¹²⁾	Safeway	7450 120 Street	53,000
Terrace ⁽¹⁴⁾	Safeway	4655 Lakelse Avenue	43,000
Trail ⁽¹²⁾	Safeway	1599 Second Avenue	32,000

Vancouver ⁽¹²⁾	Safeway	2733 West Broadway	55,000
Vancouver ⁽¹²⁾	Safeway	3410 Kingsway	51,000
Vancouver ⁽¹²⁾	Safeway	1641 & 1653 Davie Street	37,000
Vancouver	Safeway	990 King Edward Avenue W	28,000
Vancouver	Safeway	1170 27 Street E	37,000
Vancouver ⁽¹³⁾	Safeway	1175 Mount Seymour Road	36,000
Vancouver	Safeway	1780 East Broadway	42,000
Vernon	Safeway	3417 30 Avenue	29,000
Vernon	Safeway	4300 32 Street	56,000

Notes:

1. Property has an additional rental unit occupied by Western Cellars.
2. Property has a freestanding pad occupied by a TD Bank.
3. The adjoining landowner has an option to purchase this property at fair market value in limited circumstances.
4. Subject to a ground lease expiring in 2020, which is renewable two times for 10 years and four times for 5 years. Crombie will sublease its interest to Sobeys.
5. Property has an additional retail unit occupied by a Familiprix & a freestanding pad occupied by a SAQ
6. Property has an additional retail unit occupied by a SAQ.
7. Property has a freestanding pad occupied by a SAQ.
8. The adjoining land owner has a right of first offer to purchase this property as well as a separate right to purchase this property at fair market value if it is no longer being used as a supermarket.
9. Property has two freestanding pads occupied by a Wilson's Gas Bar, and a sublet to Nova Scotia Liquor Corporation.
10. Property has a sublet to Newfoundland and Labrador Liquor Corporation.
11. Property has a sublet to Newfoundland and Labrador Liquor Corporation.
12. Multi-Tenant location, but subject to Sobeys Leases, as described below.
13. Ground lease location.
14. Property has an additional retail unit occupied by Safeway Gas Bar.
15. Property was sold on March 10, 2016.

Crombie LP, through Snowcat Property Holdings Limited, entered into separate lease agreements with respect to each of the Safeway Acquisition Properties (the "**Sobeys Leases**"), whereby Crombie LP or a subsidiary thereof will be the landlord and Sobeys West Inc., a subsidiary of Sobeys, is the tenant of the entire Safeway Acquisition Property. Sobeys is a party to each Sobeys Lease as an indemnifier. Any third party tenants occupying any portion of any Safeway Acquisition Properties will become a subtenant of the tenant, and the tenant will have the benefit of any subtenant rents. Each of the Sobeys Leases is a fully net lease to the landlord, such that the tenant shall be responsible for all property taxes, insurance, maintenance and structural repairs (other than certain damage in excess of \$100,000 as a result of a peril that the tenant is not required to insure, which shall be paid for equally by Crombie LP and the tenant) during the term of the lease, and will permit the premises to be used as a retail food store or any other lawful retail use, subject to customary limitations.

In the case of Safeway Acquisition Properties that are subject to ground leases, the tenant will be responsible for all costs related to the ground lease.

RISKS

There are certain risks inherent in the activities of Crombie, including the following:

Risk Factors Related to the Real Estate Industry

Real Property Ownership and Tenant Risks

All real property investments are subject to elements of risk. The value of real property and any improvements thereto depend on the credit and financial stability of tenants and upon the vacancy rates of the properties. In addition, certain significant expenditures, including property taxes, ground rent, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether a property is producing any income. Cash available for distribution will be adversely affected if a significant number of tenants are unable to meet their

obligations under their leases or if a significant amount of available space in the properties becomes vacant and cannot be leased on economically favourable lease terms.

Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to Crombie than those of an existing lease. The ability to rent unleased space in the properties in which Crombie has an interest will be affected by many factors, including general economic conditions, local real estate markets, changing demographics, supply and demand for leased premises, competition from other available premises and various other factors. Management utilizes staggered lease maturities so that Crombie is not required to lease unusually large amounts of space in any given year. In addition, the diversification of our property portfolio by geographic location, tenant mix and asset type also help to mitigate this risk.

Fixed Costs

The failure to rent a material amount of unleased space on a timely basis, or at all, would likely have an adverse effect on Crombie's financial condition and results of operation and decrease the amount of cash available for distribution. Certain significant expenditures, including property taxes, ground rent, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether a property is producing any income. If Crombie is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale or the landlord's exercise of remedies. Costs may also be incurred in making improvements or repairs to property required by a new tenant and income may be lost as a result of any prolonged delay in attracting suitable tenants to the vacant space.

The timing and amount of capital expenditures by Crombie will affect the amount of cash available for distribution to Unitholders. Distributions may be reduced, or even eliminated, at times when Crombie deems it necessary to make significant capital or other expenditures.

Liquidity of Real Estate Investments

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may limit Crombie's ability to vary its portfolio promptly in response to changing economic or investment conditions. If Crombie were to be required to liquidate its real property investments, the proceeds might be significantly less than the aggregate carrying value of its properties which could have an adverse effect on Crombie's financial condition and results of operation and decrease the amount of cash available for distribution.

Competition

The real estate business is competitive. Numerous other developers, managers and owners of retail properties compete with Crombie in seeking tenants. Some of the properties located in the same markets as Crombie's properties are newer, better located, less levered or have stronger anchor tenants than Crombie's properties. Some property owners with properties located in the same markets as Crombie's properties may be better capitalized and may be stronger financially and hence better able to withstand an economic downturn. The existence of developers, managers and owners in such markets and competition for Crombie's tenants could have a negative effect on Crombie's ability to lease space in its properties in such markets and on the rents charged or concessions granted, which could have an adverse effect on Crombie's financial condition and results of operation and decrease the amount of cash available for distribution. Competition for acquisitions of real properties can be intense and some competitors may have the ability or inclination to acquire properties at a higher price or on terms less favourable than those that Crombie may be prepared to accept. An increase in the availability of investment funds, an increase

in interest in real property investments or a decrease in interest rates may tend to increase competition for real property investments thereby increasing purchase prices and reducing the yield on them.

Development Activities

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

Risk Factors Related to the Business of Crombie

Credit Risk

Credit risk arises from the possibility that tenants may experience financial difficulty and be unable to fulfill their lease commitments. Crombie's credit risk is limited to the recorded amount of tenant receivables. An allowance for doubtful accounts is taken for all anticipated problem accounts.

Crombie mitigates credit risk by geographical diversification, utilizing staggered lease maturities, diversifying both its tenant mix and asset mix and conducting credit assessments for new and renewing tenants. As at December 31, 2015:

- Excluding Sobeys (which accounts for 49.9% of Crombie's minimum rent), and Shoppers Drug Mart (which accounts for 5.8% of Crombie's minimum rent) no other tenant accounts for more than 1.5% of Crombie's minimum rent, and
- Over the next five years, no more than 6.0% of the GLA of Crombie will expire in any one year.

Crombie earned rental revenue of \$160.5 million for the year ended December 31, 2015 (year ended December 31, 2014 - \$152.9 million) from subsidiaries of Empire.

Reliance on Anchor Tenants

Retail shopping centres have traditionally relied on there being a number of anchor tenants (grocery stores and discount department stores) in the centre and are therefore subject to the risk of such anchor tenants either moving out of the property or going out of business. If any anchor tenant were to leave a property, the property could be negatively affected by such a loss which could have an adverse effect on Crombie's financial condition and results of operation and decrease the amount of cash available for distribution.

Significant Relationship

Crombie's anchor tenants are concentrated in a relatively small number of retail operators. Specifically, in 2015, 51.0% of the annual minimum rent generated from Crombie's properties is derived from anchor tenants which are owned and/or operated by Sobeys, including Sobeys Pharmacy and Lawtons locations. Therefore, Crombie is reliant on the sustainable operation by Sobeys in these locations.

Economic Stability of Local Markets

Some of Crombie's properties are located in regions where the economy is dominated by a small number of industries with only a few major participants. The economic stability and development of these local markets would be negatively affected if such major industry participants failed to maintain a significant presence in such markets. An economic downturn in these markets may adversely affect revenues derived by tenants of Crombie from their businesses and their ability to pay rent to Crombie in accordance with

their leases. An enduring economic decline in a local market may affect the ability of Crombie to: (i) lease space in its properties, (ii) renew existing leases at current rates, and (iii) derive income from the properties located in such market, each of which could adversely impact Crombie's financial condition and results of operations and decrease the amount of cash available for distribution.

Retail and Geographic Concentration

Crombie's portfolio of properties is heavily weighted in retail properties. Consequently, changes in the retail environment and general consumer spending could adversely impact Crombie's financial condition. Crombie's portfolio of properties is also heavily concentrated in Atlantic Canada. An economic downturn concentrated in the Atlantic Canada region could also adversely impact Crombie's financial condition. The geographic breakdown of properties and percentage of annual minimum rent of Crombie's properties for 2015 are as follows: 54 properties in Ontario comprising 17.8%; 45 properties in Nova Scotia comprising 23.0%; 46 properties in Alberta comprising 18.9%; 33 properties in British Columbia comprising 8.9%; 21 properties in New Brunswick comprising 6.0%; 22 properties in Quebec comprising 7.0%; 13 properties in Newfoundland and Labrador comprising 10.6%; 15 properties in Manitoba comprising of 4.6%; eight properties in Saskatchewan comprising 2.6%; and three properties in Prince Edward Island comprising 0.6%. On March 10, 2016, nine properties in Ontario and one property in Quebec were sold.

Acquisitions

Crombie's business plan includes growth through identifying suitable acquisition opportunities, pursuing such opportunities, consummating acquisitions and effectively operating and leasing such properties. If Crombie is unable to manage its growth effectively, it could adversely impact Crombie's financial condition and results of operations and decrease the amount of cash available for distribution. There can be no assurance as to the pace of growth through property acquisitions or that Crombie will be able to acquire assets on an accretive basis, and as such there can be no assurance that distributions to Unitholders will increase in the future.

Access to Capital

The real estate industry is highly capital intensive. Crombie will require access to capital to maintain its properties, as well as to fund its growth strategy and significant capital expenditures from time to time. There can be no assurances that Crombie will have access to sufficient capital or access to capital on terms favourable to Crombie for future property acquisitions, financing or refinancing of properties, funding operating expenses or other purposes. In addition, Crombie may not be able to borrow funds under the Revolving Credit Facility due to the limitations on the incurrence of debt by Crombie set forth in the Revolving Credit Facility and the Declaration of Trust. Failure by Crombie to access required capital could adversely impact Crombie's financial condition and results of operations and decrease the amount of cash available for distribution.

Liquidity Risk

The real estate industry is highly capital intensive. Liquidity risk is the risk that Crombie may not have access to sufficient debt and equity capital to fund the growth program and/or refinance the debt obligations as they mature.

Cash flow generated from operating the property portfolio represents the primary source of liquidity used to service the interest on debt, fund general and administrative expenses, reinvest into the portfolio through capital expenditures, as well as fund tenant improvement costs and make distributions to Unitholders. Debt repayment requirements are primarily funded from refinancing Crombie's maturing

debt obligations. Property acquisition funding requirements are funded through a combination of accessing the debt and equity capital markets.

There is a risk that the debt capital markets may not refinance maturing debt on terms and conditions acceptable to Crombie or at any terms at all. Crombie seeks to mitigate this risk by staggering its debt maturity dates. There is also a risk that the equity capital markets may not be receptive to an equity issue from Crombie with financial terms acceptable to Crombie. Crombie mitigates its exposure to liquidity risk utilizing a conservative approach to capital management.

Under the amended terms governing the Revolving Credit Facility, Crombie is entitled to borrow a maximum of 70% of the fair market value of assets subject to a first security position and 60% of the excess of fair market value over first mortgage financing of assets subject to a second security position or a negative pledge. The terms of the Revolving Credit Facility also require that Crombie must maintain certain covenants:

- annualized NOI (meaning the difference between revenue and expenses for investment properties) for the prescribed properties must be a minimum of 1.4 times the coverage of the related annualized debt service requirements;
- annualized NOI on all properties must be a minimum of 1.4 times the coverage of all annualized debt service requirements;
- access to the Revolving Credit Facility is limited by the amount utilized under the facility, and any outstanding letters of credit, not to exceed the security provided by Crombie; and
- distributions to Unitholders are limited to 100% of Distributable Income as defined in the Revolving Credit Facility.

As at December 31, 2015, and throughout the 2015 fiscal year, Crombie is in compliance with all externally imposed capital requirements and all covenants relating to its debt facilities.

As outlined above, access to the Revolving Credit Facility is limited such that the amount utilized under the facility, plus any negative mark-to-market position and outstanding letters of credit may not exceed the security provided by Crombie identified as the "**Aggregate Coverage Amount**" as defined in the Revolving Credit Facility. At December 31, 2015 the additional amount available to be drawn under the Revolving Credit Facility was \$170.0 million (\$169.0 million after taking effect of outstanding letters of credit) and was not limited by the Aggregate Coverage Amount.

Interest Rate Risk

Interest rate risk is the potential for financial loss arising from increases in interest rates under variable debt arrangements such as the Revolving Credit Facility, which may cause a corresponding increase in the interest expense incurred by Crombie. Crombie mitigates interest rate risk by utilizing staggered debt maturities, limiting the use of permanent floating rate debt and utilizing interest rate swap agreements. As at December 31, 2015:

- Crombie's weighted average term to maturity of the fixed rate mortgages was 6.6 years; and
- Crombie's exposure to floating rate debt was 6.2% of the total commercial property debt.

Crombie had entered into interest rate swap agreements to manage the interest rate profile of its current or future debts without an exchange of the underlying principal amount. The interest swap rates were based on Canadian bond yields, plus a premium, called the swap spread, which reflects the risk of trading with a private counterparty as opposed to the Canadian government. Under interest rate swap arrangements,

Crombie agreed to pay the counterparty an amount if market interest rates decline, in return for the counterparty's agreement to pay Crombie an amount if market interest rates increase. As a result, the combined effect of variable interest rates on certain debt arrangements coupled with the payment obligations under interest rate swap agreements is to stabilize Crombie's net interest expense, as increased interest payments are partially offset by the right to receive payments under the interest rate swap agreements, while decreased interest payments are partially offset by the obligation to make payments under the interest rate swap agreements. In the event that interest rates change by more than was anticipated in the interest rate swap agreements, payment obligations under interest rate swap agreements could adversely impact Crombie's financial condition and results of operations and decrease the amount of cash available for distribution.

Crombie does not enter into these interest rate swap transactions on a speculative basis. Crombie is prohibited by its Declaration of Trust in purchasing, selling or trading in interest rate future contracts other than for hedging purposes.

Environmental Matters

Environmental legislation and regulations have become increasingly important in recent years.

As an owner of interests in real property in Canada, Crombie is subject to various Canadian federal, provincial and municipal laws relating to environmental matters. Such laws provide that Crombie could be, or become liable for environmental harm, damage or costs, including with respect to the release of hazardous, toxic or other regulated substances into the environment, and the removal or other remediation of hazardous, toxic or other regulated substances that may be present at or under its properties. Further liability may be incurred by Crombie with respect to the release of such substances from Crombie's properties to properties owned by third parties, including properties adjacent to Crombie's properties. The failure to remove or otherwise address such substances or properties, if any, may adversely affect Crombie's ability to sell such property, realize the full value of such property or borrow using such property as collateral security, and could potentially result in claims against Crombie by public or private parties by way of civil action.

Crombie's operating policy is to obtain a Phase I environmental site assessment, conducted by an independent and experienced environmental consultant, prior to acquiring a property and to have Phase II environmental site assessment work completed where recommended in a Phase I environmental site assessment. Although such environmental site assessments provide Crombie with some level of assurance about the condition of property, Crombie may become subject to liability for undetected contamination or other environmental conditions at its properties against which it cannot insure, or against which Crombie may elect not to insure where insurance premium costs are considered to be disproportionate to the assessed risk, which could negatively impact Crombie's financial condition and results of operations and decrease the amount of cash available for distribution.

Crombie is not aware of any material non-compliance with environmental laws at any of its properties, that is not being addressed in accordance with the recommendations of independent engineers, and is not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of its properties that would materially affect Crombie. Crombie has implemented policies and procedures to assess, manage and monitor environmental conditions at its properties to manage exposure to liability. Crombie will make the necessary capital and operating expenditures to comply with environmental laws and address any material environmental issues and such costs relating to environmental matters may have a material adverse effect on Crombie's business, financial condition or results of operation and decrease the amount of cash available for distribution. Although there can be no assurances, Crombie does not believe that such costs relating to environmental matters will have a material adverse effect on Crombie's business, financial condition or results of operation. However, environmental laws can change and Crombie or its subsidiaries may become subject to even more

stringent environmental laws in the future, with increased enforcement of laws by the government. Compliance with more stringent environmental laws, which may be more rigorously enforced, the identification of currently unknown environmental issues or an increase in the costs required to address a currently known condition may have an adverse effect on Crombie's business, financial condition and results of operation and distributions.

Potential Conflicts of Interest

The trustees will, from time to time, in their individual capacities, deal with parties with whom Crombie may be dealing, or may be seeking investments similar to those desired by Crombie. The interests of these persons could conflict with those of Crombie. The Declaration of Trust contains conflict of interest provisions requiring the trustees to disclose their interests in certain contracts and transactions and to refrain from voting on those matters. In addition, certain decisions regarding matters that may give rise to a conflict of interest must be made by a majority of independent trustees only.

Conflicts may exist due to the fact that certain trustees, senior officers and employees of Crombie are directors and/or senior officers of ECL and/or its affiliates or will provide management or other services to ECL and its affiliates. ECL and its affiliates are engaged in a wide variety of real estate and other business activities. Crombie may become involved in transactions that conflict with the interests of the foregoing. The interests of these persons could conflict with those of Crombie. To mitigate these potential conflicts, Crombie and ECL have entered into a number of agreements to outline how potential conflicts of interest will be dealt with including a non-competition agreement, management cost sharing agreement and development agreement as described under "Material Contracts". As well, the Declaration of Trust contains a number of provisions to manage potential conflicts of interest including setting limits to the number of ECL appointees to the Board, "conflict of interest" guidelines, as well as outlining which matters require the approval of a majority of the non-Empire appointed trustees such as any property acquisitions or dispositions between Crombie and ECL or another related party.

General Insured and Uninsured Risks

Crombie carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance under a blanket policy available to affiliates of Empire with customary policy specifications, limits and deductibles. Crombie has insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements, and will continue to carry such insurance if it is economical to do so. There are, however, certain types of risks, generally of a catastrophic nature, such as war or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Should an uninsured or underinsured loss occur, Crombie could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but would continue to be obligated to repay any recourse mortgage indebtedness on such properties which would likely adversely impact Crombie's financial condition and results of operation and decrease the amount of cash available for distribution. If Crombie is no longer able to participate in Empire's blanket policy it will be required to obtain a replacement policy, and the terms and premiums of such policy may be less favourable to Crombie.

Many insurance companies have eliminated coverage for acts of terrorism from their policies, and borrowers may not be able to obtain coverage for terrorist acts at commercially reasonable rates or at any price. Damage to a property sustained as a result of an uninsured terrorist or similar act would likely adversely impact Crombie's financial condition and results of operation and decrease the amount of cash available for distribution.

Land Leases

To the extent the properties in which Crombie has or will have an interest are located on leased land, the land leases may be subject to periodic rate resets which may fluctuate and may result in significant rental

rate adjustments which would likely adversely impact Crombie's financial condition and results of operation and decrease the amount of cash available for distribution.

Specific Lease Considerations

Certain of Crombie's properties are leased on a base year or semi-gross basis or otherwise have caps on operating costs and/or tax recoveries. As a result, Crombie will bear the economic costs of increases in certain of the operating costs and/or property taxes in such cases to the extent it is not able to fully recover increases in operating costs and property taxes from these tenants which increases would likely adversely impact Crombie's financial condition and results of operations and decrease the amount of cash available for distribution.

Reliance on Key Personnel

The management of Crombie depends on the services of certain key personnel. The loss of the services of any key personnel could have an adverse effect on Crombie and adversely impact Crombie's financial condition. Crombie does not have key-man insurance on any of its key employees.

Reliance on ECL, SDLP and Other Empire Affiliates

ECL has agreed to support Crombie under an omnibus subsidy agreement and to pay ongoing rent pursuant to head leases and a ground lease. In addition, Crombie's ability to acquire new properties is dependent in part upon ECL and SDLP and the successful operation of the development agreement and right of first offer agreement as described in "Material Contracts". Also, a significant portion of Crombie's rental income is received from tenants that are affiliates of Empire. Finally, ECL has obligations to indemnify Crombie in respect to the cost of environmental remediation of certain properties acquired by Crombie from ECL to a maximum permitted amount. There is no certainty that ECL and SDLP will be able to perform their obligations to Crombie in connection with these agreements. ECL and SDLP have not provided any security to guarantee these obligations. If ECL, SDLP, Empire or such affiliates are unable or otherwise fail to fulfill their obligations to Crombie, such failure could adversely impact Crombie's financial condition.

Prior Commercial Operations

Crombie LP acquired from ECL all of the outstanding shares of CDL. CDL is the company resulting from the amalgamation of predecessor companies which began their operations in 1964 and have since been involved in various commercial activities in the real estate sector. In addition, the share capital of CDL and its predecessors has been subject to various transfers, redemptions and other modifications. Pursuant to an acquisition agreement, ECL made certain representations and warranties to Crombie with respect to CDL, including with respect to the structure of its share capital and the scope and amount of its existing and contingent liabilities. ECL also provided an indemnity to Crombie under the acquisition agreement which provides, subject to certain conditions and thresholds, that ECL will indemnify Crombie for breaches of such representations and warranties. There can be no assurance that Crombie will be fully protected in the event of a breach of such representations and warranties or that ECL will be in a position to indemnify Crombie if any such breach occurs. ECL has not provided any security for its obligations and is not required to maintain any cash within ECL for this purpose.

Crombie LP acquired from ECL directly and indirectly 61 properties in a 2008 portfolio acquisition. Pursuant to this transaction, ECL made certain representations and warranties to Crombie with respect to the properties, including with respect to the scope and amount of its existing and contingent liabilities. ECL also provided an indemnity to Crombie under the 2008 portfolio acquisition which provides, subject to certain conditions and thresholds, that ECL will indemnify Crombie for breaches of such representations and warranties. There can be no assurance that Crombie will be fully protected in the

event of a breach of such representations and warranties or that ECL will be in a position to indemnify Crombie if any such breach occurs. ECL has not provided any security for its obligations and is not required to maintain any cash within ECL for this purpose.

Limit on Activities

In order to maintain its status as a "mutual fund trust" under the *Income Tax Act* (Canada), Crombie cannot carry on most active business activities and is limited in the types of investments it may make. The Declaration of Trust contains restrictions to this effect.

Occupancy by Tenants

Although certain, but not all, leases contain a provision requiring tenants to maintain continuous occupancy of lease premises, there can be no assurance that such tenants will continue to occupy such premises. Certain tenants have a right to terminate their leases upon payment of penalty. There can be no assurance that tenants will continue their activities and continue occupancy of the premises. Any cessation of occupancy by tenants may have an adverse effect on Crombie and could adversely impact Crombie's financial condition and results of operations and decrease the amount of cash available for distribution.

Lease Renewals and Rental Increases

Expiries of leases for Crombie's properties including those of significant tenants will occur from time to time over the short and long-term. No assurance can be provided that Crombie will be able to renew any or all of the leases upon their expiration or that rental increases will occur or be achieved upon such renewals. The failure to renew leases or achieve rental rate increases may adversely impact Crombie's financial condition and results of operations and decrease the amount of cash available for distribution.

Risk Factors Related to the Units

Cash Distributions are Not Guaranteed

There can be no assurance regarding the amount of income to be generated by Crombie's properties. The ability of Crombie to make cash distributions and the actual amount distributed are entirely dependent on the operations and assets of Crombie and its subsidiaries, and are subject to various factors including financial performance, obligations under applicable credit facilities, the sustainability of income derived from anchor tenants, capital expenditure requirements and approval of the Board of Trustees. Cash available to Crombie to fund distributions may be limited from time to time because of such items as principal repayments, tenants' allowances, leasing commissions, capital expenditures and redemptions of Units, if any. Crombie may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items. The market value of the Units will deteriorate if Crombie is unable to continue its distribution levels in the future, and that deterioration may be significant. In addition, the composition of cash distributions for tax purposes may change over time and may affect the after-tax return for investors.

Structural Subordination of the Units

In the event of a bankruptcy, liquidation or reorganization of Crombie LP or any of its subsidiaries, holders of its indebtedness and its trade creditors will generally be entitled to payment of their claim from the assets of Crombie LP and those subsidiaries before any assets are made available for distribution to Crombie or its Unitholders. The Units are effectively subordinated to the debt and other obligations of Crombie LP and its subsidiaries. Crombie LP and its subsidiaries generate all of Crombie's revenue available for distribution and hold substantially all of Crombie's operating assets.

Restrictions on Redemptions

It is anticipated that the redemption right described under "Description of Units and Declaration of Trust – Redemption Right" will not be the primary mechanism for holders of Units to liquidate their investments. The entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the following limitations: (i) the total amount payable by Crombie in respect of such Units and all other Units tendered for redemption in the same calendar month must not exceed \$50,000 (provided that such limitation may be waived at the discretion of the trustees); (ii) at the time such Units are tendered for redemption, the outstanding Units must be listed for trading on a stock exchange or traded or quoted on another market which the trustees consider, in their sole discretion, provides fair market value prices for the Units; and (iii) the trading of Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the redemption date for more than five trading days during the 10 day trading period commencing immediately after the redemption date.

Potential Volatility of Unit Prices

One of the factors that may influence the market price of the Units is the annual yield on the Units. An increase in market interest rates may lead purchasers of Units to demand a higher annual yield, which accordingly could adversely affect the market price of the Units. In addition, the market price of the Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond the control of Crombie.

Nature of Investment

A holder of a Unit of Crombie does not hold a share of a body corporate. As holders of Units of Crombie, the Unitholders will not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. The rights of Unitholders are based primarily on the Declaration of Trust. There is no statute governing the affairs of Crombie equivalent to the *Business Corporations Act* (Ontario) ("**OBCA**") or the *Canada Business Corporations Act* ("**CBCA**") which sets out the rights and entitlements of shareholders of corporations in various circumstances.

Tax-Related Risk Factors

The extent to which distributions will be tax deferred in the future will depend on the extent that Crombie LP can claim capital cost allowance and other available deductions. Crombie intends, subject to the discretion of the Trustees, to distribute an amount not less than the net income and net realized capital gains each year to Unitholders or otherwise in order to eliminate Crombie's liability for tax under Part 1 of the *Income Tax Act* (Canada). Where the amount of net income and net realized capital gains of Crombie in a taxation year exceeds the cash available for distribution in the year, such excess net income and net realized capital gains would need to be distributed to Unitholders in the form of additional Units. Unitholders will generally be required to include an amount equal to the fair market value of such Units in their taxable income, notwithstanding that they do not directly receive a cash distribution.

It is anticipated that all expenses to be claimed by Crombie, Crombie Subsidiary Trust ("**CS Trust**") and Crombie LP will be reasonable and deductible, that the cost amount and capital cost allowance claims of entities indirectly owned by Crombie will have been correctly determined and that the allocation of Crombie LP's income for purposes of the *Income Tax Act* (Canada) among its partners is reasonable. There can be no assurance that the *Income Tax Act* (Canada), or the interpretation of the *Income Tax Act* (Canada), will not change or that the Canada Revenue Agency will agree. If the Canada Revenue Agency successfully challenges the deductibility of such expenses or the allocation of such income, Crombie LP's

allocation of taxable income to CS Trust, taxes payable by CS Trust and indirectly, the taxable income of Crombie and the Unitholders will increase or change.

Certain properties have been acquired by Crombie LP on a tax deferred basis, whereby the tax cost of these properties is less than their fair market value. Accordingly, if one or more of such properties are disposed of the gain for tax purposes recognized by Crombie LP will be in excess of that which it would have realized if it had acquired the properties at a tax cost equal to their fair market values.

The cost amount for taxation purposes of various properties of CDL will be lower than their fair market value, generally resulting in correspondingly lower deductions for taxation purposes and higher recapture of capital cost allowance or capital gains on their disposition. In addition, CDL (unlike Crombie) may not reduce its taxable income through distributing its cash available for distribution. If CDL should become subject to corporate income tax, the cash available to be distributed to Unitholders would likely be reduced.

On June 22, 2007, tax legislation Bill C-52, the Budget Implementation Act, 2007 (the "Act") was passed into law. The Act related to the federal income taxation of publicly traded income trusts and partnerships. The Act subjects all existing income trusts, or specified investment flow-through entities ("SIFTs"), to corporate tax rates, beginning in 2011, subject to an exemption for REITs. The exemption for REITs was provided to "recognize the unique history and role of collective real estate investment vehicles," which are well-established structures throughout the world. A trust that satisfies the criteria of a REIT throughout its taxation year will not be subject to income tax in respect of distributions to its unitholders or be subject to the restrictions on its growth that would apply to SIFTs.

While REITs were exempted from the SIFT taxation, the Act proposed a number of technical tests to determine which entities would qualify as a REIT. These technical tests did not fully accommodate the business structures used by many Canadian REITs.

Crombie and its advisors underwent an extensive review of Crombie's organizational structure and operations to support Crombie's assertion that, throughout the fiscal years from 2008 to, and including 2015, it meets the REIT technical tests contained in the Act. The relevant tests apply throughout the taxation year of Crombie and, as such, the actual status of Crombie for any particular taxation year can only be ascertained at the end of the year.

While Crombie believes that the SIFT regime does not apply to Crombie after 2007, no assurances can be made in this regard. If Crombie does not qualify as a real estate investment trust continuously thereafter, the SIFT regime and growth guidelines may have an adverse effect on Crombie and the holders of Units, on the value of the Units and the ability of Crombie to undertake financing and acquisitions. In addition, if the SIFT regime were to apply, cash available for distribution may be materially reduced.

Notwithstanding that Crombie may meet the criteria for a REIT under the Act and thus be exempt from the distribution tax, there can be no assurance that the Department of Finance (Canada) or other governmental authority will not undertake initiatives which have an adverse impact on Crombie or its Unitholders.

Availability of Cash Flow

Cash available to Crombie may be limited from time to time because of items such as principal repayments, tenant allowances, leasing commissions, capital expenditures and redemptions of Units, if any. Crombie may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items. Crombie anticipates temporarily funding such items, if necessary, through the Revolving Credit Facility in expectation of refinancing long-term debt on its maturity.

Dilution

The number of Units Crombie is authorized to issue are unlimited. Crombie may, in its sole discretion, issue additional Units from time to time, and the interests of the holders of Units may be diluted thereby.

Indirect Ownership of Units by Empire

ECL indirectly holds a 41.5% economic interest in Crombie through the ownership of Class B LP Units and 909,090 Units. Pursuant to the Exchange Agreement, each Class B LP Unit is exchangeable at the option of the holder for one Unit of Crombie and is attached to a Special Voting Unit of Crombie, providing for voting rights in Crombie. Furthermore, pursuant to the Declaration of Trust, ECL is entitled to appoint a certain number of Trustees based on the percentage of Units held directly and indirectly by it. Thus, Empire, through ECL, is in a position to exercise a certain influence with respect to the affairs of Crombie. If Empire sells substantial amounts of its Class B LP Units or exchanges such units for Units and sells these Units in the public market, the market price of the Units could fall. The perception among the public that these sales will occur could also produce such effect.

Risk Factors Related to the Ownership of Debentures and Notes

Market Price

The Debentures may trade at lower than issued prices depending on many factors, including liquidity of the Debentures, prevailing interest rates and the markets for similar securities, the market price of the Units, general economic conditions and Crombie's financial condition, historic financial performance and future prospects.

An Active Trading Market May Not Develop for the Notes

There is no market through which the Notes may be sold. Crombie does not intend to list the Notes on any securities exchange or include the Notes in any automated quotation system.

Therefore, an active market for the Notes may not develop or be maintained, which would adversely affect the market price and liquidity of the Notes. In such case, the holders of the Notes may not be able to sell their Notes at a particular time or at a favorable price. If a trading market were to develop, future trading prices of the Notes may be volatile and will depend on many factors, including:

- the number of holders of Notes;
- prevailing interest rates;
- Crombie's operating performance and financial condition;
- the interest of securities dealers in making a market for them; and
- the market for similar securities.

Even if an active trading market for the Notes does develop, there is no guarantee that it will continue. The Notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar Notes, Crombie's performance and other factors.

Credit Risk and Prior Ranking Indebtedness: Absence of Covenant Protection

The likelihood that Debentureholders and Noteholders will receive payments owing to them under the terms of the Debentures and Notes, as applicable, will depend on the financial health of Crombie and its

creditworthiness. In addition, the Debentures and Notes are unsecured obligations of Crombie and, in the case of the Notes, the applicable Guarantors, and are subordinate in right of payment to all Crombie's, and, in the case of the Notes, the applicable Guarantors', existing and future senior indebtedness. Therefore, if Crombie becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, Crombie's assets will be available to pay its obligations with respect to the Debentures and Notes only after it has paid all of its senior and secured indebtedness in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Debentures and Notes then outstanding. The Debentures and Notes are also effectively subordinate to claims of creditors of Crombie's subsidiaries except to the extent Crombie is a creditor of such subsidiaries ranking at least *pari passu* with such other creditors. The indentures do not prohibit or limit the ability of Crombie or its subsidiaries to incur additional debt or liabilities (including senior indebtedness) or to make distributions, except, in respect of distributions, where an event of default has occurred and such default has not been cured or waived. The indentures do not contain any provision specifically intended to protect Debentureholders or Noteholders in the event of a future leveraged transaction involving Crombie.

Conversion Following Certain Transactions

In the case of certain transactions, each Debenture will become convertible into the securities, cash or property receivable by a Unitholder in the kind and amount of securities, cash or property into which the Debenture was convertible immediately prior to the transaction. This change could substantially lessen or eliminate the value of the conversion privilege associated with the Debentures in the future. For example, if Crombie was acquired in a cash merger, each Debenture would become convertible solely into cash and would no longer be convertible into securities whose value would vary depending on Crombie's future prospects and other factors.

Change of Control Triggering Event

Upon the occurrence of a Change of Control Triggering Event, Crombie will be required to offer to repurchase all outstanding Notes. However, it is possible that Crombie will not have sufficient funds at the time of the Change of Control Triggering Event to make the required repurchase of the Notes or that restrictions under the Bridge Facilities will not allow such repurchases.

Crombie's ability to repurchase Notes pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of the events constituting a Change of Control Triggering Event under the Indenture may constitute a default under the Revolving Credit Facility and may result in an Event of Default in respect of Crombie's and its subsidiaries' other current or future indebtedness and, consequently, the lenders thereof may have the right to require repayment of such indebtedness in full. Moreover, the exercise by holders of Notes of their right to require Crombie to repurchase the Notes upon a Change of Control Triggering Event could cause a default under these other agreements, even if the Change of Control Triggering Event itself does not, due to the financial effect of such repurchases on Crombie. Crombie's failure to repurchase the Notes would be an Event of Default under the Note Indenture and also under the Bridge Facilities and Revolving Credit Facility. See "*Description of Notes and Indenture — Change of Control Triggering Event*".

Credit ratings may not reflect all risks of an investment in the Notes and may change.

Credit ratings may not reflect all risks associated with an investment in the Notes. Any credit ratings applied to the Notes are an assessment of Crombie's ability to pay its obligations. Consequently, real or anticipated changes in the credit ratings will generally affect the market value of the Notes. The credit ratings, however, may not reflect the potential impact on the value of the Notes of risks related to structure, market or other factors discussed in this Annual Information Form. Crombie is under no obligation to maintain any credit rating with credit rating agencies and there is no assurance that any

credit rating assigned to the Notes will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency.

A lowering, withdrawal or failure to maintain any credit ratings applied to the Notes may have an adverse effect on the market price or value and the liquidity of the Notes. Credit ratings are not recommendations to purchase, hold or sell the Notes. Any future lowering of Crombie's ratings likely would make it more difficult or more expensive for Crombie to obtain additional debt financing. If any credit rating initially assigned to the Notes is subsequently lowered or withdrawn for any reason, holders of Notes may not be able to resell their Notes without a substantial discount.

Bankruptcy and Insolvency Laws

The ability of holders of the Debentures and the Notes to enforce remedies will be subject to certain limitations in the event of Canadian bankruptcy, insolvency or debt reorganization proceedings (including receivership). Upon the commencement of bankruptcy, insolvency or other debt reorganization proceedings in Canada, a stay of proceedings is typically imposed (automatically in the case of bankruptcy or, in receivership and other proceedings, by court order) which may stay, among other things:

- the commencement or continuation of any action or proceeding against the debtor that was or could have been commenced before the commencement of the applicable bankruptcy, insolvency or debt reorganization proceedings to recover a claim against the debtor that arose before the commencement of such proceedings;
- any act to obtain possession of, or control over, property of the debtor's estate or the debtor;
- any act to create or enforce any lien against property of the debtor's estate or the debtor (provided that certain rights to perfect or re-perfect existing security interests may remain unaffected by the stay of the proceedings); and
- any act to collect or recover a claim against the debtor that arose before the commencement of the bankruptcy, insolvency or debt reorganization proceedings.

In the event of bankruptcy, insolvency or other debt enforcement proceedings, creditors may be prevented from enforcing their remedies from a debtor company without approval from the court supervising the proceeding, and may be prevented from disposing of assets or security repossessed from such debtor without court approval. In such proceedings, the debtor may be permitted to continue to retain assets, including cash, even though the debtor is in default under applicable debt instruments.

In the event of bankruptcy, insolvency or other debt enforcement proceedings, a court may grant an order authorizing interim financing which ranks in priority to the claim of any other creditor of the debtor. In such a circumstance, the court must consider a number of factors including whether any creditor may be materially prejudiced. The court may provide protections in the face of material prejudice. However, this power is discretionary, and it cannot be predicted when, or whether, the trustee under the indentures for the Debentures or the Notes or the Debentureholders or Noteholders can enforce remedies, or whether, or to what extent, holders of Notes would be compensated for any delay in payment or loss of value of the Debentures and the Notes. In the event of bankruptcy, insolvency or other debt enforcement proceedings, the court may impose charges on the property of the debtor that rank in priority to the claims of secured and unsecured creditors.

DESCRIPTION OF CAPITAL STRUCTURE AND DECLARATION OF TRUST

General

Crombie is an unincorporated open-ended real estate investment trust established pursuant to the Declaration of Trust. Although Crombie qualifies as a "mutual fund trust" as defined in the *Income Tax Act* (Canada), Crombie is not a "mutual fund" as defined by applicable securities legislation.

The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of such Act or any other legislation. The Units are not shares in Crombie and Unitholders do not have statutory rights of shareholders of a corporation incorporated under either the OBCA or the CBCA including, for example, the right to bring "oppression" or "derivative" actions. Furthermore, Crombie is not a trust company and accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Crombie is authorized to issue an unlimited number of Units and an unlimited number of Special Voting Units. Issued and outstanding Units and Special Voting Units may be subdivided or consolidated from time to time by the trustees without the approval of the Unitholders.

Units

Units do not have preference or priority over one another. No Unitholder has or is deemed to have any right of ownership of any of the assets of Crombie. Each Unit represents a Unitholder's proportionate undivided beneficial ownership interest in Crombie and confers the right to one vote at any meeting of Unitholders and to participate *pro rata* in any distributions by Crombie, whether of net income, net realized capital gains or other amounts and, in the event of termination of Crombie, in the net assets of Crombie remaining after satisfaction of all liabilities. Units are fully paid and non-assessable when issued (unless issued on an instalment receipt basis) and are transferable.

Special Voting Units

Special Voting Units have no economic entitlement in Crombie, but entitle the holder to one vote per Special Voting Unit at any meeting of the Unitholders of Crombie. Special Voting Units may only be issued in connection with or in relation to Class B LP Units for the purpose of providing voting rights with respect to Crombie to the holders of such securities. Special Voting Units are issued in conjunction with the Class B LP Units to which they relate, and are evidenced only by the certificates representing such Class B LP Units.

Special Voting Units are not transferable separately from the Class B LP Units to which they are attached and are automatically transferred upon the transfer of such Class B LP Unit. Each Special Voting Unit entitles the holder thereof to that number of votes at any meeting of Unitholders that is equal to the number of Units that may be obtained upon the exchange of the Class B LP Unit to which such Special Voting Unit is attached. Upon the exchange or surrender of a Class B LP Unit for a Unit, the Special Voting Unit attached to such Class B LP Unit will automatically be redeemed and cancelled for no consideration without any further action of the trustees, and the former holder of such Special Voting Unit will cease to have any rights with respect thereto.

Redemption Right

Each Unitholder is entitled to require Crombie to redeem at any time or from time to time at the demand of the Unitholder all or any part of the Units registered in the name of the Unitholder at the prices determined and payable in accordance with the conditions provided in the Declaration of Trust.

Purchases of Units by Crombie

Crombie may from time to time purchase Units in accordance with applicable securities legislation and the rules prescribed under applicable stock exchange and regulatory policies. Any such purchase will constitute an "issuer bid" under Canadian provincial securities legislation and must be conducted in accordance with the applicable requirements thereof.

Take-Over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid or issuer bid is made for Units within the meaning of the *Securities Act* (Ontario) and not less than 90% of the Units (other than Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror is entitled to acquire the Units held by Unitholders who do not accept the offer either, at the election of each Unitholder, on the terms offered by the offeror or at the fair value of such Unitholder's Units determined in accordance with the procedures set out in the Declaration of Trust.

Issuance of Units

Subject to the approval rights of ECL set out in the Exchange Agreement, Crombie may issue new Units from time to time, in such manner, for such consideration and to such person or persons as the trustees shall determine. Unitholders do not have any pre-emptive rights whereby additional Units proposed to be issued would be first offered to existing Unitholders, except that for so long as ECL continues to hold directly or indirectly, at least 10% of the Special Voting Units, ECL will have the pre-emptive right to purchase additional Units issued by Crombie to maintain its *pro rata* voting interest in Crombie.

If the trustees determine that Crombie does not have cash in an amount sufficient to make payment of the full amount of any distribution, the payment may include the issuance of additional Units having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the trustees to be available for the payment of such distribution. Immediately after any *pro rata* distribution of Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated so that each Unitholder will hold, after the consolidation, the same number of Units as the Unitholder held before the non-cash distribution. In this case, each certificate representing a number of Units prior to the non-cash distribution is deemed to represent the same number of Units after the non-cash distribution and the consolidation. Where amounts distributed represent income, non-resident holders will be subject to withholding tax and the consolidation will not result in such non-resident Unitholders holding the same number of Units. Such non-resident Unitholders will be required to surrender the certificates (if any) representing their original Units in exchange for a certificate representing post-consolidation Units.

Crombie may also issue new Units as consideration for the acquisition of new properties or assets by it, at a price or for the consideration determined by the trustees, or pursuant to any incentive or option plan established by Crombie from time to time.

Book-Based System

Except as otherwise provided below, the Units are represented in the form of one or more fully registered global unit certificates held by, or on behalf of, CDS as depository of such global unit certificates for the participants of CDS, registered in the name of CDS or its nominee, and registration of ownership and transfers of the Units are effected only through the book-based system administered by CDS.

Except as described below, no Unitholder is entitled to a certificate or other instrument from Crombie evidencing Unitholder's ownership thereof, and no holder of a beneficial interest in a Unit is shown on the records maintained by CDS except through book-entry accounts of a participant of CDS acting on behalf of the beneficial owners. CDS is responsible for establishing and maintaining book-entry accounts for its

participants having interests in the global unit certificates. Sales of interests in the global unit certificates can only be completed through participants in the depository services of CDS.

Units are issued in fully registered form to Unitholders or their nominees who acquire such Units in reliance upon Rule 144A adopted under the *U.S. Securities Act*. If any such privately placed Units represented by definitive certificates are subsequently traded into Canada, the registrar and transfer agent will deliver a certificate registered in the name of CDS or its nominee representing such Units and, thereafter, registration of ownership and transfers of such Units will be made through the book-based system administered by CDS.

Except in the case of United States Unitholders who acquire Units under Rule 144A, Units are issued in fully registered form to holders or their nominees, other than CDS or its nominee, only if: (i) Crombie is required to do so by applicable law; (ii) the depository system of CDS ceases to exist; (iii) Crombie determines that CDS is no longer willing or able or qualified to discharge properly its responsibility as depository and Crombie is unable to locate a qualified successor; or (iv) Crombie at its option elects to terminate the book-entry system in respect of the Units through CDS.

Transfer and Exchange of Units

Transfers of beneficial ownership of Units represented by global unit certificates are effected through records maintained by CDS or its nominees (with respect to interests of participants) and on the records of participants (with respect to interests of persons other than participants). Unless Crombie elects, in its sole discretion, to prepare and deliver definitive certificates representing the Units, beneficial owners who are not participants in the book-entry system administered by CDS, but who desire to purchase, sell or otherwise transfer ownership of or other interest in global unit certificates, may do so only through participants in the book-entry system administered by CDS.

The ability of a beneficial owner of an interest in a Unit represented by a global unit certificate to pledge the Unit or otherwise take action with respect to such owner's interest in the Unit represented by a global unit certificate (other than through a participant) may be limited due to the lack of a physical certificate.

Registered holders of definitive certificates representing Units may transfer such Units upon payment of taxes or other charges incidental thereto, if any, by executing and delivering a form of transfer together with the Unit certificates to the registrar for the Units at its principal office in the City of Toronto, Ontario or such other city or cities as may from time to time be designated by Crombie, whereupon new Unit certificates are issued in authorized denominations in the same aggregate principal amount as the Unit certificates so transferred, registered in the name of the transferees. Any request to transfer or exchange Units may not be honoured by Crombie and the transfer agent for the Units if such transfer or exchange is in contravention of United States federal and state securities laws or would require Crombie to register as an investment Trust under the *United States Investment Company Act of 1940*.

Limitation on Non-Resident Ownership

In order for Crombie to maintain its status as a "mutual fund trust" under the *Income Tax Act* (Canada), Crombie must not be established or maintained primarily for the benefit of non-residents of Canada within the meaning of the *Income Tax Act* (Canada). Accordingly, at no time may non-residents of Canada (within the meaning of the *Income Tax Act* (Canada)) be the beneficial owners of more than 49% of the Units and the trustees will inform the transfer agent and registrar of this restriction. The trustees may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the trustees become aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 49% of the Units then outstanding are, or may be, non-residents of Canada or that such a situation is imminent, the trustees may make a public announcement thereof and will not accept a subscription for Units from or issue Units to a person unless the person provides a declaration that the person is not a non-resident. If, notwithstanding the foregoing, the trustees determine that more

than 49% of the Units are held by non-residents, the trustees may send a notice to non-resident holders of Units, chosen in inverse order to the order of acquisition or registration or in such manner as the trustees may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the trustees with satisfactory evidence that they are not non-residents within such period, the trustees may, on behalf of such Unitholders sell such Units and, in the interim, must suspend the voting and distribution rights attached to such Units. Upon such sale the affected holders will cease to be holders of Units and their rights will be limited to receiving the net proceeds of sale, subject to the right to receive payment of any distribution declared by the trustees which is unpaid and owing to such Unitholders. The trustees will have no liability for the amount received provided that they act in good faith. Class B LP Units, which are economically equivalent to Units, are not permitted to be transferred to non-resident entities.

ECL Approval Rights

The Declaration of Trust provides that so long as ECL or its affiliates hold or control at least 20% of the Special Voting Units Crombie may not issue any securities that, in the aggregate, would result in the dilution of ECL's voting interest to a level less than that required to be maintained pursuant to any agreements to which Crombie is a party without the approval of ECL.

Amendments to Declaration of Trust

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

The following amendments, among others, require the approval of two-thirds of the votes cast by all Unitholders at a meeting:

- (a) an exchange, reclassification or cancellation of all or part of the Units or Special Voting Units;
- (b) the addition, change or removal of the rights, privileges, restrictions or conditions attached to the Units or Special Voting Units;
- (c) the constraint of the issue, transfer or ownership of the Units or Special Voting Units or the change or removal of such constraint;
- (d) the sale or transfer of the assets of any of Crombie or its Subsidiaries as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of any of Crombie or its Subsidiaries approved by the trustees);
- (e) the termination of any of Crombie or its subsidiaries;
- (f) the combination, amalgamation or arrangement of any of Crombie or its subsidiaries with any other entity; and
- (g) except as described herein, the amendment of the Investment Guidelines and Operating Policies of Crombie.

Upon the recommendation of the independent elected Trustees of Crombie, the Trustees may, without the approval of the Unitholders, make certain amendments to the Declaration of Trust, including amendments:

- (a) aimed at ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over: (i) the trustees or Crombie; (ii) the status of Crombie as a "mutual fund trust" or "registered investment" under the Income Tax Act (Canada); or (iii) the distribution of Units;
- (b) which, in the opinion of the trustees, provide additional protection for the Unitholders;
- (c) to remove any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which are, in the opinion of the trustees, necessary or desirable and not prejudicial to the Unitholders;
- (d) which, in the opinion of the trustees, are necessary or desirable to remove conflicts or inconsistencies between the disclosure in this AIF and the Declaration of Trust;
- (e) of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest omissions or errors, which amendments, in the opinion of the trustees, are necessary or desirable and not prejudicial to the Unitholders;
- (f) which, in the opinion of the trustees, are necessary or desirable: (i) as a result of changes in taxation or other laws, or to ensure continuing compliance with IFRS for January 1, 2010 and thereafter; or (ii) to ensure the Units qualify as equity for purposes of IFRS for January 1, 2010 and thereafter;
- (g) which, in the opinion of the trustees, are necessary or desirable to enable Crombie to implement a Unit option or purchase plan or issue Units for which the purchase price is payable in instalments;
- (h) to create one or more additional classes of units solely to provide voting rights to holders of shares, units or other securities that are exchangeable for Units entitling the holder thereof to a number of votes not exceeding the number of Units into which the exchangeable shares, units or other securities are exchangeable or convertible but that do not otherwise entitle the holder thereof to any rights with respect to Crombie's property or income other than a return of capital; and
- (i) for any purpose (except one in respect of which a Unitholder vote is specifically otherwise required) which, in the opinion of the trustees, is not prejudicial to Unitholders and is necessary or desirable.

DESCRIPTION OF DEBENTURES AND INDENTURE

General

Crombie may issue an unlimited aggregate principal amount of debentures pursuant to the terms of the indenture made as of March 20, 2008 between Crombie and CIBC Mellon Trust Company (the "**Debenture Trustee**"), as supplemented by a first supplemental indenture (the "**Indenture**") dated September 30, 2009 (the "**First Supplemental Indenture**"), by a second supplemental indenture dated February 8, 2010 (the "**Second Supplemental Indenture**"), by a third supplemental indenture dated July 3, 2012 (the "**Third Supplemental Indenture**") and by a fourth supplemental indenture dated August 14, 2013 (the "**Fourth Supplemental Indenture**"). The Debentures are direct unsecured obligations of Crombie and will be subordinated to other liabilities of Crombie as described under "Description of Debentures — Subordination". The Series C Convertible Debentures, the Series D Convertible Debentures and the Series E Convertible Debentures are collectively referred to in this Circular as the "**Debentures**".

Series C Convertible Debentures

On February 8, 2010, Crombie issued \$45 million aggregate principal amount of Series C Convertible Debentures. Each Series C Convertible Debenture was convertible into Units at the option of the debenture holder up to the maturity date of June 30, 2017 at a conversion price of \$15.30 per Unit, being a conversion rate of approximately 65.3595 Units per \$1,000 principal amount of Series C Convertible Debentures, subject to adjustment upon the occurrence of certain events in accordance with the Indenture. If all conversion rights attaching to the Series C Convertible Debentures were exercised, Crombie would be required to issue approximately 2,941,176 additional fully paid, non-assessable and freely tradeable Units, subject to anti-dilution adjustments.

The Series C Convertible Debenture bore interest at an annual fixed rate of 5.75%, payable semi-annually on June 30, and December 31 in each year commencing on June 30, 2010. The Series C Convertible Debentures were not redeemable prior to January 31, 2013. From January 31, 2013 to January 31, 2015, the Series C Convertible Debentures could be redeemed, in whole or in part, on not more than 60 days' and not less than 30 days' prior notice, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, provided that the volume-weighted average trading price of the Units on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date on which notice on redemption was given exceeded 125% of the conversion price. After January 31, 2015, and prior to June 30, 2017, the Series C Convertible Debentures could be redeemed, in whole or in part, at any time at the redemption price equal to the principal amount thereof plus accrued and unpaid interest.

Provided that there was not a current event of default, Crombie would have the option to satisfy its obligation to pay the principal amount of the Series C Convertible Debentures at maturity or upon redemption, in whole or in part, by issuing the number of Units equal to the principal amount of Series C Convertible Debentures then outstanding divided by 95% of the volume-weighted average trading price of the Units for a stipulated period prior to the date of redemption or maturity, as applicable. Upon change of control of Crombie, holders of the Series C Convertible Debentures had the right to put the Series C Convertible Debentures to Crombie at a price equal to 101% of the principal amount plus accrued and unpaid interest. Crombie also had an option to pay interest on any interest payment date by selling Units and applying the proceeds to satisfy its interest obligation.

The Series C Convertible Debentures ranked *pari passu* to the Series D Convertible Debentures and the Series E Convertible Debentures. The outstanding Series C Convertible Debentures were redeemed in accordance with their terms on February 18, 2015.

Series D Convertible Debentures

On July 3, 2012, Crombie issued \$60 million aggregate principal amount of Series D Convertible Debentures. Each Series D Convertible Debenture is convertible into Units at the option of the debenture holder up to the maturity date of September 30, 2019 at a conversion price of \$20.10 per Unit, being a conversion rate of approximately 49.7512 Units per \$1,000 principal amount of Series D Convertible Debentures, subject to adjustment upon the occurrence of certain events in accordance with the Indenture. If all conversion rights attaching to the Series D Convertible Debentures are exercised, Crombie will be required to issue approximately 2,985,074 additional fully paid, non-assessable and freely tradeable Units, subject to anti-dilution adjustments.

The Series D Convertible Debenture bear interest at an annual fixed rate of 5.00%, payable semi-annually on March 31, and September 30 in each year commencing on September 30, 2012. The Series D Convertible Debentures are not redeemable prior to June 30, 2015. From June 30, 2015 to June 30, 2017, the Series D Convertible Debentures may be redeemed, in whole or in part, on not more than 60 days' and not less than 30 days' prior notice, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, provided that the volume-weighted average trading price of the Units on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date on which

notice on redemption is given exceeds 125% of the conversion price. After June 30, 2017, the Series D Convertible Debentures may be redeemed, in whole or in part, at any time at the redemption price equal to the principal amount thereof plus accrued and unpaid interest.

Provided that there is not a current event of default, Crombie will have the option to satisfy its obligation to pay the principal amount of the Series D Convertible Debentures at maturity or upon redemption, in whole or in part, by issuing the number of Units equal to the principal amount of Series D Convertible Debentures then outstanding divided by 95% of the volume-weighted average trading price of the Units for a stipulated period prior to the date of redemption or maturity, as applicable. Upon change of control of Crombie, holders of the Series D Convertible Debentures have the right to put the Series D Convertible Debentures to Crombie at a price equal to 101% of the principal amount plus accrued and unpaid interest. Crombie will also have an option to pay interest on any interest payment date by selling Units and applying the proceeds to satisfy its interest obligation.

The Series D Convertible Debentures rank *pari passu* to the Series E Convertible Debentures.

Series E Convertible Debentures

On August 14, 2013, Crombie issued \$75 million aggregate principal amount of Series E Convertible Debentures. Each Series E Convertible Debenture is convertible into Units at the option of the debenture holder up to the maturity date of March 31, 2021 at a conversion price of \$17.15 per Unit, being a conversion rate of approximately 58.309 Units per \$1,000 principal amount of Series E Convertible Debentures, subject to adjustment upon the occurrence of certain events in accordance with the Indenture. If all conversion rights attaching to the Series E Convertible Debentures are exercised, Crombie will be required to issue approximately 4,338,192 additional fully paid, non-assessable and freely tradeable Units, subject to anti-dilution adjustments.

The Series E Convertible Debenture bear interest at an annual fixed rate of 5.25%, payable semi-annually on March 31, and September 30 in each year commencing on September 30, 2013. The Series E Convertible Debentures are not redeemable prior to August 14, 2016. From August 14, 2016 to August 14, 2018, the Series E Convertible Debentures may be redeemed, in whole or in part, on not more than 60 days' and not less than 30 days' prior notice, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, provided that the volume-weighted average trading price of the Units on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date one which notice on redemption is given exceeds 125% of the conversion price. After August 14, 2018, the Series E Convertible Debentures may be redeemed, in whole or in part, at any time at the redemption price equal to the principal amount thereof plus accrued and unpaid interest.

Provided that there is not a current event of default, Crombie will have the option to satisfy its obligation to pay the principal amount of the Series E Convertible Debentures at maturity or upon redemption, in whole or in part, by issuing the number of Units equal to the principal amount of Series E Convertible Debentures then outstanding divided by 95% of the volume-weighted average trading price of the Units for a stipulated period prior to the date of redemption or maturity, as applicable. Upon change of control of Crombie, holders of the Series E Convertible Debentures have the right to put the Series E Convertible Debentures to Crombie at a price equal to 101% of the principal amount plus accrued and unpaid interest. Crombie will also have an option to pay interest on any interest payment date by selling Units and applying the proceeds to satisfy its interest obligation.

The Series E Convertible Debentures rank *pari passu* to the Series D Convertible Debentures.

Subordination

The Indenture provides that the Debentures are subordinated and postponed and subject in right of payment to the prior payment in full of all present and future Senior Indebtedness (as defined in the

Indenture) of Crombie. No payment of principal (including redemption payments) or interest on the Debentures may be made: (i) upon the maturity of any Senior Indebtedness by lapse of time, acceleration or otherwise, unless and until such Senior Indebtedness is paid in full or duly provided for; or (ii) if there has occurred a default in respect of any Senior Indebtedness permitting the holders of such Senior Indebtedness to accelerate the maturity of such Senior Indebtedness, unless and until such default shall have been cured or waived or shall have ceased to exist. Upon any distribution of assets of Crombie to creditors upon any dissolution, winding-up, total liquidation or reorganization of Crombie, whether in bankruptcy, insolvency or receivership proceedings, upon an "assignment for the benefit of creditors", or otherwise, all Senior Indebtedness of Crombie must be paid in full or provisions made for such payment before the Debentureholders are entitled to receive or retain any payment.

Neither the Indenture nor the Debentures limit the ability of Crombie to incur additional indebtedness, including indebtedness that ranks senior to the Debentures, or from mortgaging, pledging or charging its properties to secure any indebtedness.

The term "Senior Indebtedness" means the principal of, and the interest and premium (or any other amounts payable thereunder), if any, on:

- (a) all indebtedness, liabilities and obligations of Crombie (other than the Debentures and any other series of debentures that have been or that may be issued under the Indenture, whether outstanding on the date of the Indenture or thereafter created, incurred, assumed or guaranteed in connection with the acquisition by Crombie of any businesses, properties or other assets or for monies borrowed or raised by whatever means (including, by means of commercial paper, bankers' acceptances, letters of credit, debt instruments, bank debt and financial leases, and any liability evidenced by bonds, debentures, notes or similar instruments) or in connection with the acquisition of any businesses, properties or other assets or for monies borrowed or raised by whatever means (including, without limitation, by means of commercial paper, bankers' acceptances, letters of credit, debt instruments, bank debt and financial leases, and any liability evidenced by bonds, debentures, notes or similar instruments) by others including, without limitation, any subsidiary of Crombie for payment of which Crombie is responsible or liable, whether absolutely or contingently; and
- (b) renewals, extensions, restructurings, refinancings and refundings of any such indebtedness, liabilities or obligations;

unless in each case it is provided by the terms of the instrument creating or evidencing such indebtedness, liabilities or obligations that such indebtedness, liabilities or obligations are not superior in right of payment to debentures which by their terms are subordinated.

The Debentures are direct unsecured obligations of Crombie. Each Debenture will rank *pari passu* with each other debenture of the same series or with other series of debentures that have been or that may be issued under the Indenture (regardless of their actual date or terms of issue) and, subject to statutory preferred exceptions, with all other present and future subordinated and unsecured indebtedness of Crombie except for sinking fund provisions (if any) applicable to different series of debentures or other similar types of obligations of Crombie.

Conversion Rights

Each Debenture is convertible into Units of Crombie, at the option of the Debentureholder, at any time prior to 4:30 p.m. (Toronto time) on the maturity date, at its applicable conversion price per Unit (the "**Conversion Price**"). No adjustment will be made for distributions on Units issuable upon conversion or for interest accrued on Debentures surrendered for conversion; however, Debentureholders converting their Debentures will receive accrued and unpaid interest on such Debentures for the period from the last interest payment date on their Debentures (or the date of issue of their Debentures if no interest has yet

been paid by Crombie) to and including the last record date for distributions to Unitholders declared by Crombie prior to such conversion. In the event that Crombie has suspended regular distributions, then a Debentureholder, in addition to the applicable number of Units to be received on conversion, will be entitled to receive accrued and unpaid interest for the period from the last interest payment date prior to the date of conversion to and including the date of conversion.

Subject to the provisions thereof, the Indenture provides for the adjustment of the Conversion Price in certain events including: (i) the subdivision or consolidation of the outstanding Units; (ii) the distribution of Units to Unitholders by way of distribution or otherwise other than an issue of securities to Unitholders who have elected to receive distributions in securities of Crombie in lieu of receiving cash distributions paid in the ordinary course; (iii) the issuance of options, rights or warrants to all or substantially all Unitholders entitling them to acquire Units or other securities convertible into Units at less than 95% of the then current market price (as defined in the Indenture to mean the volume-weighted average trading price of the Units on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date of the applicable event) of the Units; and (iv) the distribution to all or substantially all the Unitholders of (A) units of any class other than Units and other than Units distributed to Unitholders who have elected to receive dividends or distributions in the form of such Units in lieu of dividends or distributions paid in the ordinary course, (B) rights, options or warrants (excluding rights, options or warrants entitling the holders thereof for a period of not more than 45 days to subscribe for or purchase Units or securities convertible into Units), (C) evidences of Crombie's indebtedness, or (D) assets (excluding dividends or distributions paid in the ordinary course). There will be no adjustment of the Conversion Price in respect of any event described above if the Debentureholders are allowed to participate as though they had converted their Debentures prior to the applicable record date or effective date, as the case may be, of such event. Crombie is not required to make adjustments in the Conversion Price unless the cumulative effect of such adjustments would change the Conversion Price by at least 1%.

In the case of any reclassification or capital reorganization (other than a change resulting from consolidation or subdivision) of the Units or in the case of any consolidation, amalgamation, reorganization or merger of Crombie with or into any other entity, or in the case of any sale or conveyance of the property and assets of Crombie as, or substantially as, an entirety to any other entity, or a liquidation, dissolution or winding-up of Crombie, the terms of the conversion privilege shall be adjusted so that each Debentureholder shall, after such reclassification, capital reorganization, consolidation, amalgamation, reorganization, combination, merger, sale, conveyance, liquidation, dissolution or winding-up, be entitled to receive and shall accept the number of Units or other securities or other property that, on the exercise of the conversion right, such Debentureholder would be entitled to receive if, on the effective date thereof, it had been the holder of the number of Units into which the Debenture was convertible prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, reorganization, combination, merger, sale, conveyance, liquidation, dissolution or winding-up.

No fractional Units will be issued on any conversion but, in lieu thereof, Crombie shall satisfy fractional interests by a cash payment equal to the Current Market Price (as defined in the Indenture) of the fractional interest.

Redemption

In the case of redemption of less than all of the Debentures, the Debentures to be redeemed will be selected by the Debenture Trustee on a *pro rata* basis to the nearest multiple of \$1,000 or in such manner as the Debenture Trustee deems equitable.

Put Right upon a Change of Control

Upon the occurrence of a change of control involving the acquisition, by any person or persons acting jointly or in concert, of voting control or direction over an aggregate of 66⅔% or more of the outstanding

Units (a "**Change of Control**"), each Debentureholder may require Crombie to purchase, on the date which is 30 days following the giving of notice of a Change of Control as set out below (the "**Put Date**"), all or any part of such Debentureholder's Debentures at a price equal to 101% of the principal amount thereof (the "**Put Price**") plus accrued and unpaid interest up to but excluding the Put Date.

If 90% or more in aggregate principal amount of the Debentures outstanding on the date Crombie provides notice of a Change of Control to the Debenture Trustee have been tendered for purchase on the Put Date, Crombie has the right to redeem all the remaining Debentures on such date at the Put Price. Notice of such redemption must be given to the Debenture Trustee by Crombie prior to the Put Date and, as soon as possible thereafter, by the Debenture Trustee to the Debentureholders whose Debentures have not been tendered for purchase.

Method of Payment

Payment of Principal on Redemption or at Maturity

On redemption or at maturity of the Debentures, Crombie will repay the indebtedness represented by the Debentures by paying to the Debenture Trustee in lawful money of Canada an amount required to repay the principal amount of the outstanding Debentures, together with accrued and unpaid interest thereon. Crombie may, at its option, on not more than 60 days' and not less than 30 days' prior notice, subject to applicable regulatory approval and provided no Event of Default has occurred and is continuing, elect to satisfy its obligation to repay all or any portion of the principal amount of the Debentures that are to be redeemed or that are to mature, by issuing and delivering freely-tradeable Units to the Debentureholders. The number of Units to be issued in respect of each Debenture will be determined by dividing the principal amount of the Debentures that are to be redeemed or that are to mature, as the case may be, by 95% of the volume-weighted average trading price of the Units on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date fixed for redemption or the maturity date, as the case may be. No fractional Units will be issued on redemption or at maturity but in lieu thereof, Crombie shall satisfy fractional interests by a cash payment equal to the market price, as determined above, of the fractional interest.

Interest Payment Election

Subject to receiving any required regulatory approvals, provided it is not in default under the Indenture, Crombie may elect, from time to time, to satisfy its obligation to pay interest on the Debentures (the "**Interest Obligation**") on the date it is payable under the Indenture (an "**Interest Payment Date**"), by delivering a sufficient number of Units to the Debenture Trustee required to satisfy all or any part of the Interest Obligation in accordance with the Indenture (the "**Interest Payment Election**"). The Indenture provides that, upon such election, the Debenture Trustee shall deliver Unit Bid Requests (as defined in the Indenture) to the investment banks, brokers or dealers identified by Crombie. In connection with the Interest Payment Election, the Debenture Trustee shall have the power to: (i) accept delivery from Crombie of the Units; (ii) accept bids with respect to, and consummate sales of such Units, each as Crombie shall direct in its absolute discretion; (iii) invest the proceeds of such sales in Canadian government obligations (as defined in the Indenture) that mature prior to the applicable Interest Payment Date, and use the proceeds received from such government securities, together with any proceeds from the sale of Units not invested as aforesaid, to satisfy the Interest Obligation; and (iv) perform any other action necessarily incident thereto.

The Indenture sets forth the procedures to be followed by Crombie and the Debenture Trustee in order to effect the Interest Payment Election. If an Interest Payment Election is made, the sole right of a Debentureholder in respect of interest will be to receive cash from the Debenture Trustee out of the proceeds of the sale of Units (plus any amount received by the Debenture Trustee from Crombie attributable to fractional Units) in full satisfaction of the Interest Obligation, and the holder of such Debentures will have no further recourse to Crombie in respect of the Interest Obligation.

Neither Crombie's making of the Interest Payment Election nor the consummation of sales of Units will (i) result in the Debentureholders not being entitled to receive on the applicable Interest Payment Date cash in an aggregate amount equal to the Interest Obligation payable on such date or (ii) entitle such Debentureholders to receive any Units in satisfaction of the Interest Obligation.

Events of Default and Waiver

The Indenture provides that an event of default ("**Event of Default**") in respect of the Debentures will result upon the occurrence of certain events described in the Indenture, including if any one or more of the following events has occurred and is continuing with respect to the Debentures: (i) failure for 15 days to pay the interest on the Debentures when due; (ii) failure to pay principal or premium, if any, on the Debentures when due whether at maturity, upon redemption, by declaration or otherwise; (iii) failure for 60 days after written notice to Crombie by the Debenture Trustee to comply with any of its agreements in the Debentures or the Indenture or any indenture supplemental thereto (other than those referred to in (i) and (ii) above); (iv) failure for 10 days to deliver Units (or cash in lieu of fractional Units) in accordance with the terms of the Indenture when such Units (or cash in lieu of fractional Units) are required to be delivered upon conversion of a Debenture; (v) default under any agreement evidencing indebtedness for money borrowed by Crombie where such indebtedness shall be accelerated so that it shall be or become due or payable prior to the date on which the same would otherwise become due and payable and the aggregate amount thereof so accelerated exceeds \$35 million and such acceleration is not rescinded or annulled within five Business Days after written notice to the REIT by the Debenture Trustee; (vi) certain events of bankruptcy or insolvency affecting Crombie under bankruptcy, insolvency or analogous laws; (vii) a decree or court order issuing sequestration or process of execution against all or a substantial portion of the property of Crombie, appointing a receiver of all or substantially all of the property of Crombie, or ordering the winding-up or liquidation of the affairs of Crombie and any such decree or order continues unstayed and in effect for 60 days; (viii) if a resolution is passed for the winding-up or liquidation of the REIT; or (ix) if, after the date of the Indenture, any proceedings with respect to Crombie are taken with respect to a compromise or arrangement, with respect to creditors of Crombie generally, under applicable insolvency or bankruptcy legislation.

The Indenture provides that, if an Event of Default has occurred and is continuing, the Debenture Trustee may, in its discretion, and shall, upon the request of holders of not less than 25% of the aggregate principal amount of the debentures then outstanding under the Indenture, declare the principal, interest on all debentures then outstanding under the Indenture and all other monies outstanding to be due and payable.

In addition to the powers exercisable by Extraordinary Resolution (as defined in the Indenture), the holders of 66⅔% in aggregate principal amount of the debentures at the time outstanding under the Indenture may waive any existing default and its consequences, provided that if the Event of Default has occurred by reason of the non-observance or non-performance by Crombie of any covenant applicable only to one or more series of debentures, then the holders of at least 66⅔% of the principal amount of the outstanding debentures of that series shall be entitled to exercise this power.

The Debenture Trustee, so long as it has not become bound to declare the principal and interest on the debentures then outstanding under the Indenture to be due and payable, or to obtain or enforce payment of the same, shall have the power to waive any Event of Default if, in the Debenture Trustee's opinion, the default shall have been cured or adequate provision made therefor.

When a default is waived by the Debenture Trustee or holders of debentures under the Indenture, it is deemed cured and will cease to exist, but that waiver does not extend to any subsequent or other default or impair any consequent right.

Modification

With certain exceptions, the Indenture and the rights of the holders of debentures under the Indenture may be modified by Crombie with the consent of a majority of the holders of debentures under the Indenture present and voting at a meeting at which not less than 25% of the principal amount of the debentures then outstanding under the Indenture are present in person or by proxy, unless a poll is to be taken, in which case questions submitted shall be decided by the votes of the holders of a majority in principal amount of the debentures represented at the meeting and voting (an "**Ordinary Resolution**").

The Indenture also provides that certain changes, including: (i) changes relating to the modification of the terms of the debentures, or any reduction of the rate of interest or extension of the time of payment of any principal or interest due thereon; (ii) the modification, abrogation, alteration, compromise or arrangement of the rights of the debentureholders or the Debenture Trustee against Crombie; or (iii) the waiver of any default under the Indenture, may be made if authorized by Extraordinary Resolution. The term "Extraordinary Resolution" is defined in the Indenture to mean, in effect, a resolution passed by the affirmative votes of the holders of not less than 66⅔% of the aggregate principal amount of the debentures outstanding under the Indenture represented and voting at a duly constituted meeting of holders of debentures under the Indenture.

If the business to be transacted at any meeting by Extraordinary Resolution or otherwise, especially affects the rights of holders of debentures under the Indenture of one or more series in a manner or to an extent differing in any material way from that in or to which the rights of holders of debentures under the Indenture of any other series are affected, then the holders of that specially affected series shall be entitled to vote separately at a meeting at which not less than 25% of the principal amount of the debentures of that series then outstanding are present in person or by proxy and such matter must be passed by a resolution adopted by the affirmative vote of the holders of not less than 66⅔% of the aggregate principal amount of the debentures of that series represented and voting at such meeting.

All actions which may be taken by holders of debentures under the Indenture by Ordinary Resolution and Extraordinary Resolution and all actions requiring the approval of at least 66⅔% of a series of debentures may also be taken and exercised by an instrument or instruments in writing signed by the holders of not less than 66⅔% in aggregate principal amount of the debentures or series of debentures then outstanding under the Indenture, as the case may be.

Crombie and the Debenture Trustee may, without the consent or concurrence of the Debentureholders under the Indenture, by supplemental indenture or otherwise, make any changes or corrections in the Indenture which it shall have been advised by counsel are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or clerical omissions or mistakes or manifest errors contained therein or in any indenture supplemental thereto.

Limitation on Non-Resident Ownership

No Units may be issued pursuant to the conversion of all or part of the Debentures, no Debentures will be issued, no payment of interest or principal (whether upon maturity, redemption, or otherwise) will be made by the issuance of Units, and no Units will be issued in connection with the retraction of all or part of the Debentures upon a Change of Control, if any such issuance of Units or Debentures would result in persons who are non-residents of Canada or partnerships which are not Canadian partnerships, both for purposes of the *Income Tax Act* (Canada), holding or beneficially owning more than 49% of the Units (on either a basic or fully-diluted basis).

In addition, the Debenture Trustee may, upon receipt of written direction of Crombie, require declarations as to the jurisdictions in which holders or beneficial owners of Debentures are resident. If Crombie becomes aware that 49% of the Units (on either a basic or fully-diluted basis) then outstanding are held, or may be held, for the benefit of non-residents or partnerships which are not Canadian partnerships or

that such a situation is imminent, Crombie may make a public announcement thereof and will notify the Debenture Trustee in writing and the Debenture Trustee shall not accept a subscription for Debentures from or issue or register a transfer of Debentures to a person unless the person provides a declaration that the person is not a non-resident of Canada or partnerships which are not Canadian partnerships. If, notwithstanding the foregoing, Crombie determines that more than 49% of the Units (on either a basic or fully-diluted basis) are held for the benefit of non-residents or partnerships which are not Canadian partnerships, Crombie may send a notice to non-resident Debentureholders, chosen in inverse order to the order of acquisition or registration or in such manner as Crombie may consider equitable and practicable, requiring them to sell their Debentures or a portion thereof within a specified period of not more than 60 days. If the Debentureholders receiving such notice have not sold the specified number of Debentures or provided Crombie with satisfactory evidence that they are not non-residents of Canada or partnerships which are not Canadian partnerships and do not hold their Debentures for the benefit of non-residents of Canada or partnerships which are not Canadian partnerships within such period, Crombie may sell such Debentures on behalf of such Debentureholders to a person or persons that are not non-residents of Canada or partnerships which are not Canadian partnerships and, in the interim, all rights attaching to such Debentures (including any right to receive payments of interest) will be immediately suspended and the rights of any such Debentureholders in respect of such Debentures will be limited to receiving the net proceeds of sale (net of any withholding tax).

Book-Entry, Delivery and Form

Debentures will be issued in the form of one or more global Debentures (the "**Global Debentures**") held by, or on behalf of, CDS or its successor (the "**Depository**") as custodian for its participants.

All Debentures are represented in the form of Global Debentures registered in the name of the Depository or its nominee. Purchasers of Debentures represented by Global Debentures do not receive Debentures in definitive form. Rather, the Debentures will be represented only in "book-entry only" form (unless Crombie, in its sole discretion, elects to prepare and deliver definitive Debentures in fully-registered form). Interests in the Global Debentures will be represented through book-entry accounts of institutions (including the Underwriters) acting on behalf of holders of interests, as direct and indirect participants of the Depository (the "participants").

The Depository is responsible for establishing and maintaining book-entry accounts for its participants having interest in Global Debentures.

If the Depository notifies Crombie that it is unwilling or unable to continue as depository in connection with the Global Debentures, or if at any time the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and Crombie and the Debenture Trustee are unable to locate a qualified successor, or if Crombie elects, in its sole discretion, to terminate the use of the book-entry system, with the consent of the Debenture Trustee, beneficial owners of Debentures represented by Global Debentures at such time will receive Debentures in registered and definitive form (the "**Definitive Debentures**").

Transfer and Exchange of Debentures

Transfers of interests in Debentures represented by Global Debentures are effected through records maintained by the Depository for such Global Debentures or its nominees (with respect to interests of participants) and on the records of participants (with respect to interests of persons other than participants). Unless Crombie elects, in its sole discretion, to prepare and deliver Definitive Debentures, beneficial owners who are not participants in the Depository's book-entry system, but who desire to purchase, sell or otherwise transfer ownership of or other interest in Global Debentures, may do so only through participants in the Depository's book-entry system.

The ability of a holder of an interest in a Debenture represented by a Global Debenture to pledge the Debenture or otherwise take action with respect to such owner's interest in a Debenture represented by a Global Debenture (other than through a participant) may be limited due to the lack of a physical certificate.

Registered holders of Definitive Debentures may transfer such Debentures upon payment of taxes or other charges incidental thereto, if any, by executing and delivering a form of transfer together with the Debentures to the registrar for the Debentures at its principal offices in Toronto, Ontario, or such other city or cities as may from time to time be designated by Crombie whereupon new Debentures will be issued in authorized denominations in the same aggregate principal amount as the Debentures so transferred, registered in the names of the transferees. No transfer or exchange of a Debenture will be registered during the period from the date of any selection by the Debenture Trustee of any Debentures to be redeemed or during the 15 preceding days or thereafter until the close of business on the date upon which notice of redemption of such Debentures is given. In addition, no transfer or exchange of any Debentures which have been selected or called for redemption will be registered.

Reports to Debentureholders

Crombie provides the Debenture Trustee with copies of Crombie's annual report and the information, documents and other reports that Crombie is required to file with the applicable Canadian securities regulatory authorities and deliver to its Unitholders. Notwithstanding that Crombie may not be required to remain subject to the reporting requirements of the Canadian securities regulatory authorities, Crombie shall provide to the Debenture Trustee (i) within 90 days after the end of each fiscal year, annual financial statements, and (ii) within 45 days after the end of the first three fiscal quarters of each fiscal year, interim financial statements which shall, at a minimum, contain such information as is required to be provided in quarterly reports under the laws of Canada or any province thereof to security holders of an entity with securities listed on the TSX, whether or not Crombie has any of its securities so listed. Each of such reports will be prepared in accordance with applicable Canadian disclosure requirements and generally accepted accounting principles. Crombie will provide copies of such information, documents and reports to Debentureholders upon request.

DESCRIPTION OF NOTES AND INDENTURE

On November 4, 2013 Crombie issued \$175 million aggregate principal amount of 3.986% Series A Notes (Senior Unsecured) due October 31, 2018 (the "**Series A Notes**"). The Series A Notes bear interest at the rate of 3.986% per annum, payable in equal semi-annual instalments in arrears in the amount of \$19.93 per \$1,000 principal amount on April 30 and October 31 of each year (or if such day is not a business day, the next following business day) commencing on April 30, 2014.

On March 5, 2014 Crombie issued \$100 million aggregate principal amount of 3.962% Series B Notes (Senior Unsecured) due June 30, 2021 (the "**Series B Notes**"). The Series B Notes were issued for \$100,393 resulting in an effective interest rate of 3.90% per annum, payable in equal semi-annual instalments in arrears in the amount of \$19.81 per \$1,000 principal amount on June 1 and December 1 of each year (or if such day is not a business day, the next following business day) commencing on June 1, 2014.

On February 10, 2015 Crombie issued \$125 million aggregate principal amount of 2.775% Series C Notes (Senior Unsecured) due February 10, 2020 (the "**Series C Notes**"). The Series C Notes bear interest at the rate of 2.775% per annum, payable in equal semi-annual instalments in arrears in the amount of \$13.875 per \$1,000 principal amount on August 10 and February 10 of each year (or if such day is not a business day, the next following business day) commencing on August 10, 2015. The Series A Notes, Series B Notes and Series C Notes, to the extent applicable, are collectively referred to in this Annual Information Form as the "**Notes**".

The Notes are direct senior unsecured obligations of Crombie and are guaranteed by all of Crombie's existing and future subsidiaries (excluding certain entities that hold title to real property as bare trustees for another subsidiary) (the "**Guarantors**") on a senior unsecured basis. The Notes and the guarantees rank equally and rateably in right of payment with all other unsecured and unsubordinated indebtedness of the REIT and the Guarantors, respectively.

Rank

The Notes will be direct senior unsecured obligations of Crombie and will rank equally and rateably with one another and with all other Debt Securities and with all other unsecured and unsubordinated indebtedness of Crombie, except for sinking fund provisions applicable to other Debt Securities or to other similar types of obligations of Crombie, if any, and except to the extent prescribed by law. The Notes will be effectively subordinated to all of Crombie's secured indebtedness.

Guarantees

The payment of principal, premium, if any, and interest on the Notes will be fully and unconditionally guaranteed, on a joint and several basis, by the Initial Guarantors. If Crombie or any Subsidiary acquires or creates another Subsidiary (other than an Excluded Nominee) on or after the original issue date of the Notes, then that newly acquired or created Subsidiary will similarly guarantee the Notes, on a joint and several basis with each of the existing Guarantors. Each such Note Guarantee will be a direct senior unsecured obligation of the applicable Guarantor, will rank equally and rateably with all other unsecured and unsubordinated indebtedness of that Guarantor and will be effectively subordinated to all of that Guarantor's secured indebtedness. The financial results of the Guarantors are included in the consolidated financial results of Crombie.

A Guarantor's Note Guarantee (other than the Note Guarantee provided by Crombie LP) will be released in connection with certain transactions where, as a result of the transaction, neither Crombie nor any of its Affiliates, directly or indirectly, own a majority of the equity in that Guarantor; provided that (i) immediately after giving effect to that transaction and the release of that Guarantor's Note Guarantee, no Event of Default (or event that with the passage of time or the giving of notice or both, would be, an Event of Default) shall have occurred and be continuing and (ii) prior to any such release, each Specified Rating Agency that rated the Notes immediately prior to public notice of the intention of Crombie to effect such transaction has, within ten Business Days of such public notice of such transaction, confirmed in writing that its rating assigned to the Notes, after giving effect to that transaction and proposed release of such Guarantor's Note Guarantee, is equal to or higher than its rating prior to giving effect thereto.

Crombie LP's Note Guarantee will be released only in the circumstances described below under "Certain Covenants in the Supplements – Restrictions on Consolidations and Mergers".

Redemption by Crombie

At Crombie's option, Crombie may redeem the Notes at any time, in whole or in part, on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) 100% of the aggregate principal amount of the Notes to be redeemed, together in each case with accrued and unpaid interest to the date fixed for redemption (less any taxes required by law to be deducted or withheld). Crombie will give notice of redemption at least 15 days but not more than 30 days before the date fixed for redemption. Where less than all of the Notes are to be redeemed pursuant to their terms, the Notes to be so redeemed will be redeemed on a *pro rata* basis according to the principal amount of such Notes registered in the respective name of each Noteholder or in such other manner as the Trustee may consider equitable, provided that such selection will be proportionate.

Purchase of Notes

Provided no Event of Default under the Indenture has occurred and is continuing, Crombie may, at any time and from time to time, purchase Notes in the market (which will include purchases from or through an investment dealer or a firm holding membership on or being a participating organization with respect to a recognized stock exchange) or by tender or private contract at any price. Notes that are so purchased will be cancelled and will not be reissued or resold.

Certain Covenants in the Series A, Series B and Series C Supplements

The Series A, Series B and Series C supplements (the "Supplements") to the indenture governing the Notes contain covenants substantially to the following effect.

Consolidated EBITDA to Consolidated Interest Expense Ratio

Crombie will maintain at all times a ratio, calculated for each Reference Period, of Consolidated EBITDA to Consolidated Interest Expense of not less than 1.65 to 1.

For the purposes of this calculation, Consolidated EBITDA and Consolidated Interest Expense, as applicable, will be calculated on a *pro forma* basis giving effect to the incurrence of the Indebtedness to be Incurred, Indebtedness Incurred to the date of calculation and, in each case, to the application of the proceeds therefrom and, for this purpose, (i) all Indebtedness Incurred since the first day of the Reference Period and the application of the proceeds therefrom, including Indebtedness Incurred to refinance other Indebtedness, will be deemed to have occurred at the beginning of the Reference Period, (ii) the repayment or retirement of any other Indebtedness since the first day of the Reference Period will be deemed to have been repaid or retired at the beginning of the Reference Period, (iii) in the case of any acquisition or disposition by the REIT or its Subsidiaries of any asset or group of assets since the first day of the Reference Period, whether by merger, share purchase or sale, or asset purchase or sale, such acquisition or disposition or any related repayment of Indebtedness will be deemed to have occurred as of the first day of the Reference Period with the appropriate adjustments with respect to such acquisition or disposition being included in such *pro forma* calculation and (iv) the Consolidated EBITDA and Consolidated Interest Expense attributable to discontinued operations will be excluded; provided that such Consolidated Interest Expense will be excluded only to the extent that the obligations giving rise to it will not be obligations of Crombie or any of its Subsidiaries following the date of calculation.

Restrictions on Additional Indebtedness

On each day that Crombie or any Subsidiary of Crombie Incurs Indebtedness (other than Permitted Intercompany Indebtedness), Crombie will calculate an Indebtedness percentage as set out below. Neither Crombie nor Crombie LP will Incur, nor will either of them permit any of their Subsidiaries to Incur, any Indebtedness (other than Permitted Intercompany Indebtedness) unless (i) the quotient (expressed as a percentage) obtained by dividing the amount of Consolidated Indebtedness (excluding any convertible Indebtedness) by the amount of Aggregate Adjusted Assets (in the case of each such amount, including any cash or cash equivalents on hand of a Joint Venture Arrangement, but excluding all other cash or cash equivalents on hand) and calculated on a *pro forma* basis as described below would be less than or equal to 60%, and (ii) the quotient (expressed as a percentage) obtained by dividing the amount of Consolidated Indebtedness (including, for certainty, any convertible Indebtedness) by the amount of Aggregate Adjusted Assets (in the case of each such amount, including any cash or cash equivalents on hand of a Joint Venture Arrangement, but excluding all other cash or cash equivalents on hand) and calculated on a *pro forma* basis as described below would be less than or equal to 65% (the 60% and 65% percentages in the preceding clauses (i) and (ii) are collectively referred to as the "**Indebtedness Percentage**").

The Supplements provide that the Indebtedness Percentage will be calculated on a *pro forma* basis as at the date of Crombie's most recently published annual or interim consolidated balance sheet (the "**Balance**").

Sheet Date") giving effect to the Incurrence of the Indebtedness to be Incurred and the application of the proceeds therefrom and to any other event that has increased or decreased Consolidated Indebtedness or Aggregate Adjusted Assets since the Balance Sheet Date to the date of calculation.

Equity Maintenance

Crombie will maintain at all times an Adjusted Net Assets Attributable to Unitholders of at least \$300 million.

Restrictions on Consolidations and Mergers

Without the consent of the Noteholders by Extraordinary Resolution, neither Crombie nor Crombie LP may consolidate or amalgamate with, enter into a merger or reorganization or similar transaction with any Person, or sell, assign, transfer, or lease all or substantially all of its properties and assets to any Person, in one transaction or a series of related transactions (each such transaction or series of transactions, as applicable, a "**Transaction**") unless:

- (a) either (x) Crombie shall be the continuing Person or (y) the Person, if other than Crombie, formed by such Transaction or which acquires all or substantially all of Crombie's or Crombie LP's properties and assets (the "**Successor**") is organized or existing under the laws of Canada or any province or territory thereof and the Successor expressly assumes under a supplemental indenture, executed and delivered to the Trustee in form satisfactory to the Trustee, all of Crombie's obligations under the Indenture and the Notes;
- (b) immediately before and immediately after giving effect to such Transaction, no Event of Default, or event that with the passage of time or the giving of notice or both, would be, an Event of Default, under the Indenture has occurred and is continuing;
- (c) immediately after giving effect to the Transaction, the Successor could Incur at least \$1.00 of Indebtedness under the Indenture
- (d) each Guarantor (unless such Guarantor is the Person with which Crombie has entered into a Transaction under this covenant) will have by amendment to its Note Guarantee confirmed that its Note Guarantee will apply to the obligations of Crombie or the Successor, as applicable, in accordance with the Notes and the Indenture; and
- (e) such Transaction is, in the opinion of counsel, on such terms as to preserve and not impair any of the rights and powers of the Trustee or the Holders of Notes under the Indenture.

In the event of any Transaction described in and complying with the applicable conditions listed in the immediately preceding paragraph in which Crombie is not the surviving Person, the Successor will succeed to, and be substituted for, and may exercise every legal right and power of Crombie, under the Indenture, and thereafter Crombie will, except in the case of a lease, be discharged from all obligations and covenants under the Indenture and the outstanding Notes. If any such Transaction is a sale, assignment or transfer of all or substantially all of the properties and assets of Crombie LP to any Person and Crombie LP will remain a separate legal entity from, and will not be an Affiliate of, the Successor after giving effect to such Transaction, Crombie LP will be released and relieved of its obligations under its guarantee in respect of the Notes immediately following such Transaction.

Change of Control Triggering Event

If a Change of Control Triggering Event occurs with respect to the Notes, unless the REIT has exercised its optional right to redeem all of the Notes as described under "*Redemption by Crombie*", the REIT

will be required to make an offer to repurchase all or, at the option of the Holder of the Notes, any part (equal to \$1,000 or an integral multiple thereof) of each Holder's Notes pursuant to the offer described below (the "**Change of Control Offer**") and on the further terms described in the Supplemental Indenture. In such offer, the Trust will be required to offer payment in cash equal to 101% of the aggregate outstanding principal amount of Notes to be repurchased together with accrued and unpaid interest on the Notes to the date of repurchase. The acceptance of the REIT's Change of Control Offer at 101% shall be at the option of each Holder of the Notes.

Within two Business Days following any Change of Control Triggering Event, Crombie will be required to give written notice to the Noteholders describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the Notes on the payment date specified in the notice, which date will be the 30th day from the date such notice is given (the "**Change of Control Payment Date**"). Crombie must comply with the requirements of applicable securities laws and regulations in connection with the repurchase of the Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any such applicable securities laws and regulations conflict with the provision described in the Indenture relating to a Change of Control Triggering Event, Crombie will be required to comply with such laws and regulations and will not be deemed to have breached its obligations to repurchase the Notes by virtue of such conflict.

Crombie will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes such an offer substantially in the manner, at the times and in compliance with the requirements for a Change of Control Offer (and for at least the same purchase price payable in cash) and such third party purchases all Notes properly tendered and not withdrawn under its offer.

Maintenance of Rating

Crombie will be required to maintain at least one rating on the Notes from any of the Specified Rating Agencies, provided that such rating is available on commercially reasonable terms.

Certain Covenants in the Base Indenture

The Base Indenture will contain covenants substantially to the following effect.

Maintenance of Properties

Crombie will maintain and keep or cause to be maintained and kept in good condition, repair and working order all of the properties owned by it or any of its Subsidiaries used in its business or in the business of any of its Subsidiaries and will make or cause to be made all necessary repairs and renewals and improvements to and replacements of these properties, in each case as in its judgment may be necessary to carry on its business properly and prudently. Notwithstanding the foregoing, subject to various provisions in the Indenture, Crombie and its Subsidiaries will not be prohibited from selling or transferring any of their properties.

Insurance

Crombie will maintain and will cause its Subsidiaries to maintain such property and liability insurance as would be maintained by a prudent owner.

Financial Information

For so long as Crombie is a reporting issuer in any jurisdiction in Canada, Crombie shall provide to the Trustee, within 20 days after Crombie is required to file the same with the applicable securities regulatory authority (accounting for any extensions of the time required for such filing granted by such securities regulatory authority), copies of its annual audited consolidated financial statements for each fiscal year

and copies of its unaudited condensed consolidated interim financial statements for each of the first three fiscal quarters of each fiscal year, in each case prepared in accordance with IFRS and accompanied by the management's discussion and analysis of results of operations and financial condition in respect of those financial statements.

If at any time Crombie is no longer a reporting issuer in any jurisdiction in Canada, Crombie will furnish to the Trustee (i) within 120 days after the end of each fiscal year of Crombie, copies of its annual audited consolidated financial statements for such fiscal year; and (ii) within 60 days after the end of each of the first three fiscal quarters of Crombie, copies of its unaudited condensed consolidated interim financial statements for such fiscal quarter, in each case prepared in accordance with IFRS in respect of those financial statements.

Events of Default

The Indenture will provide that each of the following events will constitute an event of default (the "**Event of Default**") in respect of each series of Debt Securities (including the Notes):

- (a) default in payment of principal when due;
- (b) default in payment of any interest when due where such default continues for a period of three Business Days after the relevant interest payment date;
- (c) a breach of or default in the performance of the covenants described under "*Change of Control Triggering Event*" or "*Restrictions on Consolidations and Mergers*";
- (d) a breach of or default in the performance of any other covenant of Crombie under the Notes or the Indenture where such default or breach continues for a period of 30 days after (i) the Trustee has given notice in writing to Crombie or (ii) Holders of at least 25% of the aggregate principal amount of the outstanding Debt Securities of such series has given notice in writing to Crombie and the Trustee, in each case specifying such breach or default and requiring Crombie to remedy such breach or default;
- (e) certain events of bankruptcy, insolvency, winding up or dissolution related to Crombie or a Material Subsidiary as set out in the Indenture;
- (f) the rendering of a final judgment or judgments (not subject to appeal) against Crombie or any Material Subsidiary in an aggregate amount in excess of \$25 million by a court of competent jurisdiction, which remains undischarged and unstayed for a period of 60 days after the date on which the right to appeal has expired;
- (g) default by Crombie or any Subsidiary under the terms of any Indebtedness (other than any Non-Recourse Indebtedness) or any Financial Instrument Obligation where that default results in the acceleration of the stated maturity of that Indebtedness (after expiration of any applicable grace period) unless such acceleration is waived or rescinded; provided that the aggregate amount of all such Indebtedness and Financial Instrument Obligations which is accelerated exceeds \$25 million; and
- (h) any Note Guarantee of a Material Subsidiary is held in any judicial proceeding to be unenforceable or invalid or ceases to be in full force and effect (except as contemplated by the terms thereof) and such default continues for 10 days or a Guarantor, or any Person acting on behalf of a Guarantor, denies or disaffirms Crombie LP's obligations under its Guarantee or the Indenture.

Subject to the provisions of the Base Indenture relating to the duties of the Trustee, in case an event of default applicable to a particular series of Debt Securities occurs and is continuing, the Trustee will be under no obligation to exercise any of its rights or powers under the Base Indenture at the request or direction of any of the Holders of Debt Securities of such series, unless such Holders have offered to indemnify the Trustee to its reasonable satisfaction.

If an Event of Default (other than an Event of Default described in paragraph (e) above) occurs and is continuing with respect to a particular series of Debt Securities (including the Notes), the Trustee may, in its discretion, or will, upon receiving instruction from the Holders of at least 25% in aggregate principal amount of the outstanding Debt Securities of such series, accelerate the maturity of all Debt Securities of such series. If an Event of Default specified in paragraph (e) above occurs, the outstanding Debt Securities will become immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

At any time before a judgment or decree for payment of the money due thereon has been obtained by the Trustee as provided in the applicable Indenture, the Holders of a majority in principal amount of the outstanding Debt Securities of such series, by written notice to Crombie and the Trustee, may rescind and annul such declaration of acceleration and its consequences if:

- (a) Crombie has paid or deposited, or caused to be paid or deposited, with the Trustee a sum sufficient to pay,
 - i. all unpaid principal of any outstanding Debt Securities of such series which has become due and payable otherwise than by such declaration of acceleration, and interest on such unpaid principal at the rate borne by the Debt Securities of such series,
 - ii. to the extent that payment of such interest is lawful, interest on overdue interest on the Debentures of such Series at the rate borne by the Debt Securities of such series, and
 - iii. all sums paid or advanced by the Trustee under the Indenture for Debt Securities of such series and the reasonable compensation, expenses, disbursements and advances of the Trustee and its counsel; and
- (b) all Events of Default, other than the non-payment of amounts of principal of, premium or interest on the Debt Securities of such series which have become due solely by such declaration of acceleration, have been cured or waived.

Defeasance

The Base Indenture will contain provisions requiring the Trustee to release Crombie from its obligations under the Indenture relating to a particular series of Debt Securities (including the Notes) provided that, among other things, Crombie satisfies the Trustee that it has deposited funds or made due provision for the payment of the expenses of the Trustee and for payment of all principal and interest and other amounts due or to become due in respect of such series of Debt Securities.

Modification and Waiver

The rights of Holders (including Noteholders) may be modified if authorized by Extraordinary Resolution. If the proposed modification affects the rights of the Holders of a separate series of Debt Securities rather than all of the Debt Securities, the approval of a like proportion of the Holders of such separate series of Debt Securities outstanding will be required.

Notwithstanding the above, the Base Indenture provides that the approval of Holders of 75% of the outstanding principal amount of Debt Securities of a particular series will be required (a) to change the

stated maturity of the principal of, or any instalment of interest on, any Debt Securities of such series or the time at which any Debt Securities of such series may or must be redeemed, (b) to reduce the principal amount of, or interest or premium (if any) on, any Debt Securities of such series, or reduce the redemption price thereof, or impair the right to institute suit for the enforcement of any such payment after the stated maturity thereof (or, in the case of redemption, on or after the applicable redemption date), (c) to change the place or currency of payment of the principal of, premium (if any) on redemption price of or interest on, any Debt Securities of such series, (d) to reduce the percentage of principal amount of outstanding Debt Securities of such series, the consent of whose Holders is necessary to amend or waive compliance with certain provisions of the Base Indenture or the supplemental indenture applicable to such series or to waive certain Defaults, (e) to modify the guarantee of any Subsidiary in respect of any Debt Securities in any manner adverse to the Holders of those Debt Securities or release any such Subsidiary from any of its obligations under any such guarantee or the Indenture, except in accordance with the terms of the Indenture, (f) to modify any provision affecting the ranking of the Debt Securities or any guarantee thereof in any manner adverse to the holders of those Debt Securities, or (g) to modify any of the provisions relating to the modification or amendment of the Base Indenture or the particular terms and conditions of such series which provisions require the consent of Holders of outstanding Debt Securities of such series or relating to the waiver of past Defaults, except to increase the percentage of outstanding Debt Securities of such series the consent of whose Holders is required for such actions or to provide that certain other provisions of the Base Indenture or the supplemental indenture applicable to such series cannot be modified or waived without the consent of the Holder of 75% of the outstanding principal amount of Debt Securities of that series. The Supplements further provide that approval of the Holders of 75% of the outstanding principal amount of each series of the Notes will be required for any modification or amendment of the obligations of Crombie to make a Change of Control Offer after the obligation to make such offer has arisen or any waiver of any Event of Default arising from any breach of or default in the performance of any of covenants or conditions described above under "Change of Control Triggering Event".

Subject to certain rights of the Trustee as provided in the Base Indenture, the Holders of a majority of the outstanding principal amount of the Debt Securities of a particular series, on behalf of all Holders of Debt Securities of such series, may waive compliance by Crombie with certain covenants and other provisions of the Base Indenture that apply to such series of Debt Securities and the supplemental indenture applicable to such series, including any existing Default or Event of Default and its consequences under the Base Indenture and such supplemental indenture other than a Default or Event of Default (i) in the payment of interest (or premium, if any) on, or the principal of, the Debt Securities of that series or (ii) in respect of a covenant or other provision that cannot be modified or amended without the consent of the Holders of 75% of the outstanding principal amount of Debt Securities of that series.

Depository Services

Except as otherwise provided below, the Notes will be issued in book-entry only form and deposited with CDS and must be purchased or transferred through participant in the depository services of CDS (the "**Participant**"), which include securities dealers, banks and trust companies. On the date of closing of this offering, Crombie will cause a Global Note to be delivered to, and registered in the name of, CDS or its nominee. Except as described below, no purchaser of a Note will be entitled to a certificate or other instrument from Crombie or CDS evidencing that purchaser's ownership thereof, and no Noteholder will be shown on the records maintained by CDS except through a book-entry account of a Participant acting on behalf of such Noteholder. Each Noteholder will receive a customer confirmation of purchase from the registered dealer from which the Note is purchased in accordance with the practices and procedures of that registered dealer. Practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in the Notes.

Notes will be issued in fully registered form to Noteholders or their nominees other than CDS or its nominee only if: (i) Crombie determines that CDS is no longer willing or able to discharge properly its

responsibilities as depository and Crombie is unable to find a qualified successor, (ii) Crombie at its option elects, or is required by law, to terminate the book-entry system through CDS, (iii) an Event of Default under the Indenture shall have occurred and be continuing, or (iv) the book-entry only system ceases to exist.

Neither Crombie nor the Agents will assume any liability for: (a) any aspect of the records relating to the beneficial ownership of the Notes held by CDS or the payments relating thereto; (b) maintaining, supervising or reviewing any records relating to the Notes; or (c) any advice or representation made by or with respect to CDS and contained in the offering memorandum and relating to the rules governing CDS or any action to be taken by CDS or at the direction of its Participants. The rules governing CDS provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to CDS and beneficial owners must look solely to Participants for the payment of the principal and interest on the Notes paid by or on behalf of Crombie to CDS.

As indirect holders of Notes, investors should be aware that they (subject to certain exceptions): (a) may not have Notes registered in their name; (b) may not have physical certificates representing their interest in the Notes; (c) may not be able to sell the Notes to institutions required by law to hold physical certificates for securities they own; and (d) may be unable to pledge Notes as security.

Transfers

Transfers of ownership in the Notes will be effected only through records maintained by CDS or its nominee for such Notes with respect to interests of Participants and on the records of Participants with respect to interests of Persons other than Participants. Noteholders who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interest in the Notes, may do so only through Participants.

The ability of a Noteholder to pledge a Note or otherwise take action with respect to such Noteholder's interest in the Note (other than through a Participant) may be limited due to the lack of a physical certificate.

Payment of Interest and Principal

Except in the case of payment on maturity or redemption, in which case, at the option of Crombie, payment may be made on surrender of the Global Note(s), payments of interest and principal on each Global Note will be made to CDS as the sole registered Noteholder. Principal payments on a Global Note will be made by deposit to the applicable account one Business Day before the Maturity Date or the redemption date and the funds will be paid to CDS against receipt of the Global Note. As long as CDS is the registered Noteholder, CDS will be considered the sole owner of the Global Note for the purpose of receiving payment on the Notes and for all other purposes under the Indenture and the Notes.

Crombie expects that CDS, upon receipt of any payment of principal or interest in respect of a Global Note, will credit Participants' accounts, on the date principal or interest is payable, with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Note as shown on the records of CDS. Crombie also expects that payments of principal and interest by Participants to the owners of beneficial interests in such Global Note held through such Participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants. The responsibility and liability of Crombie and the Trustee in respect of Notes represented by a Global Note is limited to making payment of any principal and interest due on such Global Note to CDS.

If the date for payment of any amount of principal or interest on any Note is not a Business Day at the place of payment, then payment will be made on the next Business Day and the Noteholder will not be entitled to any further interest or other payment in respect of the delay.

While the Notes are represented by a Global Note, the date specified for determining holders entitled to receive interest on the Notes (the "**Regular Record Date**") will be the close of business three Business Days preceding the relevant interest payment date. If the Notes cease to be represented by a Global Note, the REIT may select a Regular Record Date which will be a date that is at least 10 Business Days preceding the relevant interest payment date.

Credit Rating

As of December 31, 2015, the Series A Notes, Series B Notes and Series C Notes maintained a credit rating of "BBB (low)" with a "Stable" trend from DBRS Limited ("DBRS"). The requests for such credit ratings were initiated by Crombie.

DBRS provides credit ratings of debt securities for commercial entities and the following description has been sourced from information made publicly available by DBRS. DBRS ratings are opinions that reflect the creditworthiness of an issuer, a security, or an obligation. They are opinions based on forward-looking measurements that assess an issuer's ability and willingness to make timely payments on outstanding obligations (whether principal, interest, dividend, or distributions) with respect to the terms of an obligation. Ratings are opinions based on the quantitative and qualitative analysis of information sourced and received by DBRS, which information is not audited or verified by DBRS. DBRS cautions that no two issuers possess exactly the same characteristics, nor are they likely to have the same future opportunities. Consequently, two issuers with the same rating should not be considered to be of exactly the same credit quality. The DBRS long-term rating scale provides an opinion on the risk of default, that is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued.

The BBB (low), with a Stable trend, rating assigned to Crombie and the Notes by DBRS is the fourth highest rating of DBRS' ten rating categories, which range from AAA to D. With the exception of the AAA and D categories, DBRS uses high or low designations to indicate the relative standing of the securities being rated within a particular rating category, and the absence of either a high or low designation indicates the rating is in the middle of the category. Under the DBRS rating system, debt securities rated BBB are of adequate credit quality and the capacity for payment of financial obligations is considered acceptable, but the entity may be vulnerable to future events.

DBRS uses "rating trends" for its ratings in, among other areas, the real estate investment trust sector. DBRS' rating trends provide guidance in respect of DBRS' opinion regarding the outlook for the rating in question, with rating trends falling into one of three categories: "Positive", "Stable" or "Negative". The rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue or, in some cases, unless challenges are addressed. In general, DBRS' view is based primarily on an evaluation of the issuer, but may also include consideration of the outlook for the industry or industries in which the issuer operates. A "Positive" or "Negative" trend assigned by DBRS is not an indication that a rating change is imminent, but represents an indication that there is a greater likelihood that the rating could change in the future than would be the case if a "Stable" trend was assigned.

The credit rating assigned to Crombie and the Notes by DBRS is not a recommendation to buy, hold or sell securities of Crombie. A rating is not a comment on the market price of a security nor is it an assessment of ownership given various investment objectives. There is no assurance that any rating will remain in effect for any given period of time and ratings may be upgraded, downgraded, placed under review, confirmed and discontinued. Non-credit risks that can meaningfully impact the value of the securities issued include market risk, trading liquidity risk and covenant risk. DBRS uses rating symbols as a simple and concise method of expressing its opinion to the market, although DBRS ratings usually

consist of broader contextual information regarding the security provided by DBRS in rating reports, which generally set out the full rationale for the chosen rating symbol, and in other releases.

Crombie paid to DBRS the customary fee in connection with the ratings assigned to Crombie and the Notes and will continue to make payments to DBRS from time to time in connection with the confirmation of such ratings for purposes of securities offerings, if any, from time to time.

DISTRIBUTIONS

The following outlines the distribution policy of Crombie as contained in the Declaration of Trust. Subject to compliance with such distribution policy, determinations as to the amounts actually distributable are made in the sole discretion of the trustees.

Distribution Policy

Pursuant to the Declaration of Trust, cash distributions are to be determined by the Trustees in their discretion. Crombie intends to make distributions to Unitholders at least equal to the amount of net income, net realized capital gains and net recapture income of Crombie as is necessary to ensure that Crombie will not be liable for ordinary income taxes on such income. Any increase or reductions in the percentage of income to be distributed to Unitholders will result in a corresponding increase or decrease in distributions on Class B LP Units.

Distributions are made to Unitholders of record as at the close of business on the last business day of the month preceding a distribution date. Distributions may be adjusted for amounts paid in prior periods if the actual distribution for the prior periods is greater than or less than the estimates for the prior periods. Under the Declaration of Trust and pursuant to the distribution policy of Crombie, where Crombie's cash is not sufficient to make payment of the full amount of a distribution, such payment will, to the extent necessary, be distributed in the form of additional Units.

Crombie LP is the primary source of cash flow to fund distributions to Unitholders. The amended and restated Crombie LP Partnership Agreement (the "**Crombie LP Agreement**") dated March 23, 2006, between ECL Properties, CS Trust and Crombie General Partner Limited ("**Crombie GP**") requires Crombie LP to make monthly cash distributions to CS Trust and to holders of Class B LP Units equal to the distribution payout ratio set by Crombie from time to time. Crombie LP retains the discretion to make unequal distributions to account for expenses incurred or income earned by CS Trust and Crombie so that distributions to be made to Class B LP Units are economically equivalent, to the greatest extent possible, to the distributions that the holder of Class B LP Units would have received if they were holding Units instead of Class B LP Units.

Crombie has implemented a Distribution Reinvestment Plan ("DRIP") to enable Canadian resident Unitholders to automatically reinvest cash distributions paid on their Units in additional Units. Units to be issued under the DRIP will be issued directly from treasury of Crombie at a price equal to 97% of the volume-weighted average trading price of the Units on the Toronto Stock Exchange for the five trading days immediately preceding the relevant distribution payment date. The DRIP also permits owners of the outstanding Class B LP units of Crombie LP to reinvest distributions in additional Class B LP units on substantially the same terms. Crombie has reserved for issuance with the Toronto Stock Exchange four million additional Units to accommodate the purchase of Units under the DRIP.

Distribution History

The monthly distributions paid by Crombie during the fiscal years 2013, 2014 and 2015 are as follows:

Month	2013 \$/unit	2014 \$/unit	2015 \$/unit
January	\$0.07417	\$0.07417	\$0.07417
February	\$0.07417	\$0.07417	\$0.07417
March	\$0.07417	\$0.07417	\$0.07417
April	\$0.07417	\$0.07417	\$0.07417
May	\$0.07417	\$0.07417	\$0.07417
June	\$0.07417	\$0.07417	\$0.07417
July	\$0.07417	\$0.07417	\$0.07417
August	\$0.07417	\$0.07417	\$0.07417
September	\$0.07417	\$0.07417	\$0.07417
October	\$0.07417	\$0.07417	\$0.07417
November	\$0.07417	\$0.07417	\$0.07417
December	\$0.07417	\$0.07417	\$0.07417
TOTAL:	\$0.89004	\$0.89004	\$0.89004

Amendments

The distribution policy may be amended only with the approval of 66 ⅔ % of the votes cast at a meeting of Unitholders called for such purpose. At the 2008 annual general meeting, Unitholders approved amendments to the Declaration of Trust to eliminate the term "Distributable Income" and the use of such term in the determination of cash distributions to Unitholders. At the 2009 annual general meeting, Unitholders approved amendments to the Declaration of Trust to provide the Trustees in limited circumstances with the power to amend the Declaration of Trust where such amendment is required for compliance with IFRS, and/or so as to ensure the Units are regarded as "equity" and not a "liability" for purposes of financial reporting under IFRS. On November 5, 2009, the Trustees adopted amendments to the Declaration of Trust which eliminated the obligation of the Trust to distribute in each year an amount at least equal to its taxable income calculated prior to such distributions, in accordance with the Declaration of Trust. At the 2014 annual general meeting, Unitholders approved amendments to the Declaration of Trust to amend the definition of "Independent Trustee", to provide Crombie with the option of non- certificated inventory in place of physical Unit certificates, to add flexibility to the number of Trustees who can sit on the Governance and Nominating Committee, the Human Resource Committee and the Investment Committee, to provide more flexibility to the Trust under its investment guidelines and operating policies, including the expansion of the types of asset that Crombie can invest in and its ability to pursue certain development opportunities, and with respect to the requirement to obtain an appraisal, environmental and property condition report for each property prior to any acquisition.

MARKET FOR SECURITIES

The Units are listed on the TSX under the trading symbol "CRR.UN". The monthly closing high and low trading price and the volume for the Units for the fiscal year ended December 31, 2015 are as follows:

Month	High (\$ per Unit)	Low (\$ per Unit)	Volume by Month (in Units)
January 2015	\$13.66	\$12.93	6,492,000
February 2015	\$13.63	\$13.20	5,095,000
March 2015	\$13.87	\$13.01	3,625,000
April 2015	\$13.60	\$13.17	2,766,000
May 2015	\$13.44	\$12.53	3,638,000
June 2015	\$12.87	\$12.26	4,195,000
July 2015	\$13.02	\$12.33	2,054,000
August 2015	\$13.28	\$12.29	7,407,000
September 2015	\$13.24	\$12.51	3,651,000
October 2015	\$13.37	\$12.65	2,741,000

Month	High (\$ per Unit)	Low (\$ per Unit)	Volume by Month (in Units)
November 2015	\$13.18	\$12.47	2,496,000
December 2015	\$13.00	\$12.21	3,211,000

The Series D Debentures are listed on the TSX under the trading symbol "CRR.DB.D". The monthly closing high and low trading price and the volume for the Series D Debentures for the fiscal year ended December 31, 2015 are as follows:

Month	High	Low	Volume by Month
January 2015	\$103.60	\$101.50	179,000
February 2015	\$104.01	\$103.89	161,000
March 2015	\$104.75	\$103.50	333,000
April 2015	\$105.00	\$104.00	354,000
May 2015	\$104.50	\$102.03	714,000
June 2015	\$104.01	\$102.00	527,000
July 2015	\$105.01	\$104.50	309,000
August 2015	\$105.25	\$104.75	134,000
September 2015	\$105.50	\$103.25	309,000
October 2015	\$103.25	\$102.74	223,000
November 2015	\$104.95	\$101.99	308,000
December 2015	\$104.00	\$102.25	526,000

The Series E Debentures are listed on the TSX under the trading symbol "CRR.DB.E". The monthly closing high and low trading price and the volume for the Series E Debentures for the fiscal year ended December 31, 2015 are as follows:

Month	High	Low	Volume by Month
January 2015	\$104.02	\$101.24	2,117,000
February 2015	\$103.25	\$102.20	3,674,000
March 2015	\$104.38	\$102.76	8,645,000
April 2015	\$104.50	\$103.40	1,129,000
May 2015	\$105.00	\$104.25	654,000
June 2015	\$104.50	\$103.50	1,147,000
July 2015	\$105.00	\$103.50	730,000
August 2015	\$106.75	\$105.50	695,000
September 2015	\$107.80	\$104.00	473,000
October 2015	\$103.92	\$101.75	517,000
November 2015	\$104.75	\$102.50	349,000
December 2015	\$104.99	\$101.72	731,000

INVESTMENT GUIDELINES AND OPERATING POLICIES OF CROMBIE

Investment Guidelines

The Declaration of Trust provides certain guidelines on investments that may be made directly or indirectly by Crombie. These guidelines were amended by Unitholders at Crombie's Annual Meeting of Unitholders held on May 14, 2014. As a result, the assets of Crombie may be invested only in accordance with the following restrictions:

- (a) Crombie is intended to invest primarily, directly or indirectly (including by investments by its subsidiaries), in interests (including fee ownership and leasehold interests) in income producing real property that is or will be primarily commercial or retail in nature and assets ancillary thereto necessary for the operation of such real estate and such other activities as are consistent with the other investment guidelines of Crombie;
- (b) notwithstanding anything else contained in the Declaration of Trust, Crombie shall not make or hold, directly or indirectly (including by investments by its subsidiaries), any investment, take any action or omit to take any action where such investment, action or omission would result in:
 - i. Crombie not qualifying as a “mutual fund trust” (effective the date it was established and thereafter) or a “unit trust” both within the meaning of the Tax Act;
 - ii. Units not qualifying as qualified investments for Plans;
 - iii. Crombie not qualifying as a “real estate investment trust” within the meaning of the Tax Act if, as a consequence of the Trust not so qualifying, the Trust or any of its subsidiaries would be liable to pay a tax imposed under either paragraph 122(1)(b) or subsection 197(2) of the Tax Act; or
 - iv. Crombie being liable to pay a tax under Part XII.2 of the Tax Act;
- (c) Crombie shall not invest, directly or indirectly (including by investments by its subsidiaries), in any interest in a single real property if, after giving effect to the proposed investment, the cost to Crombie of such investment (net of the amount of debt incurred or assumed in connection with such investment) will exceed 15% of Gross Book Value at the time the investment is made;
- (d) Crombie may, directly or indirectly (including by investments by its subsidiaries), invest in a joint venture arrangement for the purposes of owning interests or investments otherwise permitted to be held by Crombie; provided that such joint venture arrangement contains terms and conditions which, in the opinion of management, are commercially reasonable, including without limitation such terms and conditions relating to restrictions on the transfer, acquisition and sale of Crombie's and any joint venturer's interest in the joint venture arrangement, provisions to provide liquidity to Crombie, provisions to limit the liability of Crombie and its Unitholders to third parties, and provisions to provide for the participation of Crombie in the management of the joint venture arrangement. For purposes hereof, a joint venture arrangement is an arrangement between Crombie and one or more other persons pursuant to which Crombie, directly or indirectly, conducts an undertaking for one or more of the purposes set out in the investment guidelines of Crombie and in respect of which Crombie may hold its interest jointly or in common or in another manner with others either directly or through the ownership of securities of a corporation or other entity;
- (e) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, short-term government debt securities or money market instruments maturing prior to one year from the date of issue and except as permitted pursuant to the investment guidelines and operating policies of Crombie, Crombie may not hold, directly or indirectly (including by investments by its subsidiaries), securities of a person other than to the extent such securities would constitute an investment in real property (as determined by the Trustees) and provided further that, notwithstanding anything contained in the Declaration of Trust to the contrary, but in all events subject to Subsection (b) above, Crombie may acquire securities of other real estate investment trusts;

- (f) Crombie shall not invest, directly or indirectly (including by investments by its subsidiaries), in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
- (g) Crombie shall not invest, directly or indirectly (including by investments by its subsidiaries), in operating businesses unless such investment is an indirect investment and is incidental to a transaction:
 - i. where revenue will be derived, directly or indirectly, principally from real property; or
 - ii. which principally involves the ownership, maintenance, development, improvement, leasing or management, directly or indirectly, of real property (in each case as determined by the Trustees);
- (h) Crombie may invest, directly or indirectly (including by investments by its subsidiaries), in mortgages and mortgage bonds (including participating or convertible mortgages) and similar instruments where:
 - i. the real property which is security therefor is real property which otherwise meets the other investment guidelines of Crombie; and
 - ii. the aggregate book value of the investments of Crombie in mortgages, after giving effect to the proposed investment, will not exceed 15% of Gross Book Value;

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

Operating Policies

The Declaration of Trust provides that the operations and affairs of Crombie are to be conducted in accordance with the following policies. These policies were amended by Unitholders at Crombie's Annual Meeting of Unitholders held on May 14, 2014, to read as follows:

- (a) Crombie shall not purchase, sell, market or trade, directly or indirectly (including by investments in its subsidiaries), in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof, the term "hedging" has the meaning ascribed thereto by National Instrument 81-102 adopted by the Canadian Securities Administrators, as amended from time to time;
- (b)
 - i. any written instrument creating an obligation which is or includes the granting by Crombie or subsidiary of a mortgage; and
 - ii. to the extent the trustees determine to be practicable and consistent with their fiduciary duties to act in the best interest of the Unitholders, any written instrument which is, in the judgment of the trustees, a material obligation,

shall contain a provision, or be subject to an acknowledgement to the effect, that the obligation being created is not personally binding upon, and that resort must not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise the private property of any of the trustees, Unitholders, annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of Crombie, but that only property of Crombie or a

specific portion thereof is bound; Crombie, however, is not required, but must use all reasonable efforts, to comply with this requirement in respect of obligations assumed by Crombie upon the acquisition of real property;

- (c) Crombie shall not lease or sublease, directly or indirectly (including by investments by its subsidiaries), to any person (other than Sobeys) any real property, premises or space where that person and its affiliates would, after the contemplated lease or sublease, be leasing or subleasing real property, premises or space having a fair market value net of encumbrances in excess of 15% of gross book value;
- (d) the limitation contained in paragraph (c) will not apply to the renewal of a lease or sublease and will not apply where the lessee or sublessee is, or where the lease or sublease is guaranteed by: (i) the Government of Canada, any province or territory of Canada, any municipality or city in Canada or any agency or crown corporation thereof; (ii) any entity, of which any of the bonds, debentures or other evidences of indebtedness of, or guaranteed by, such entity, or any of the other securities of such entity, have received and continue to hold, an investment grade rating from a recognized credit rating agency, in each case at the time the lease or sublease is entered into, or at the time other satisfactory leasing or pre-leasing arrangements (as determined by the trustees) were entered into; or (iii) a Canadian chartered bank or a trust company or insurance company registered or licensed federally or under the laws of a province of Canada;
- (e) title to each real property shall be held by and registered in the name of Crombie, the trustees or a corporation or other entity wholly-owned, directly or indirectly, by Crombie or jointly-owned, directly or indirectly, by Crombie, with joint venturers;
- (f) Crombie shall not incur or assume any indebtedness (other than by the assumption of existing indebtedness) or renew or refinance any indebtedness under a mortgage on any of the real property of Crombie where (i) in the case of an individual property, the total amount of indebtedness, excluding operating lines, secured by mortgages on such property exceeds 75% of the market value of such individual property; or (ii) in the case of more than one property or a pool or portfolio of properties, the total amount of indebtedness, excluding operating lines, secured by mortgages on such properties exceeds 75% of the market value of such properties on an aggregate basis;
- (g) Crombie shall not incur or assume, directly or indirectly (including by investments by its subsidiaries), any indebtedness if, after giving effect to the incurrence or assumption of such indebtedness, the total indebtedness of Crombie would be more than 60% of gross book value (65% including any convertible debentures of Crombie);
- (h) at no time shall Crombie incur, directly or indirectly (including by investments by its subsidiaries), indebtedness aggregating more than 20% of its gross book value (excluding debt with an original maturity of one year or more falling due in the next 12 months or variable rate debt for which Crombie or a subsidiary has entered into interest rate swap agreements to fix the interest rate for a one year period or more) at floating interest rates or having maturities of less than one year;
- (i) Crombie shall not directly or indirectly (including by investments by its subsidiaries) guarantee any indebtedness or liabilities of any kind of a third party, except indebtedness or liabilities assumed or incurred by an entity in which Crombie holds an interest, directly or indirectly (including by investments by its subsidiaries), or by an entity jointly-owned by Crombie or a subsidiary with joint venturers and operated solely for the purpose of holding a particular property or properties, where such indebtedness, if granted by Crombie directly, would cause Crombie to contravene its investment guidelines or operating policies. Crombie is not required

but shall use its reasonable best efforts to comply with this requirement (i) in respect of obligations assumed by Crombie pursuant to the acquisition of real property or (ii) if doing so is necessary or desirable in order to further the initiatives of Crombie permitted under the Declaration of Trust;

- (j) unless the acquisition or development has been approved by the Investment Committee in accordance with its mandate which had been approved by the Trustees, no acquisition of a value greater than \$5 million may be made nor any development undertaken unless and until the officers of Crombie have prepared and presented to the Board of Trustees a written report containing their recommendation that Crombie, directly or indirectly (including by investments by its subsidiaries), make the investment together with a financial analysis of the estimated cost and projected return from the investment and such supplementary information and data (including, without limitation, underlying assumptions, proposed financial arrangements and leasing, economic and market data) as is reasonably necessary to the investment decision;
- (k) Crombie shall directly or indirectly (including by investments by its subsidiaries) obtain and maintain at all times property insurance coverage in respect of potential liabilities of Crombie and the accidental loss of value of the assets of Crombie from risks, in amounts, with such insurers, and on such terms as the trustees consider appropriate, taking into account all relevant factors including the practice of owners of comparable properties;
- (l) Unless the requirement for such an appraisal or engineering survey is waived by the Trustees, Crombie shall obtain an independent appraisal of each property it intends to acquire and an engineering survey with respect to the physical condition thereof (including capital replacement programs); and
- (m) Unless the requirement for such environmental site assessment is waived by the Trustees, the Trust shall (i) obtain a Phase I environmental site assessment, or (ii) be entitled to rely on a Phase I environmental site assessment dated no earlier than 24 months prior to receipt by the Trust, of each real property to be acquired by it, and, if the Phase I environmental site assessment report recommends that a further environmental site assessment be conducted, the Trust shall conduct such further environmental site assessments, in each case by an independent and experienced environmental consultant.

For the purposes of the foregoing investment guidelines and operating policies, the assets, liabilities and transactions of a corporation, partnership or other entity in which Crombie has an interest will be deemed to be those of Crombie on a proportionate, consolidated basis. In addition, any references in the foregoing investment guidelines and operating policies to an investment in real property will be deemed to include an investment in a joint venture arrangement. In addition, the term "indebtedness" means (without duplication) on a consolidated basis:

- (a) any obligation of Crombie for borrowed money (excluding any premium in respect of indebtedness assumed by Crombie for which Crombie has the benefit of an interest rate subsidy, but only to the extent an amount receivable has been excluded in the calculation of gross book value with respect to such interest rate subsidy);
- (b) any obligation of Crombie incurred in connection with the acquisition of property, assets or business other than the amount of future income tax liability arising out of indirect acquisitions;
- (c) any obligation of Crombie issued or assumed as the deferred purchase price of property;
- (d) any capital lease obligation of Crombie; and

- (e) any obligation of the type referred to in clauses (a) through (d) of another person, the payment of which Crombie has guaranteed or for which Crombie is responsible for or liable, provided that (i) for the purposes of (a) through (d), an obligation will constitute indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of Crombie in accordance with Canadian generally accepted accounting principles; and (ii) obligations referred to in clauses (a) through (c) exclude trade accounts payable, distributions payable to Unitholders and accrued liabilities arising in the ordinary course of business.

Amendments to Investment Guidelines and Operating Policies

Pursuant to the Declaration of Trust, all of the investment guidelines set out under the heading “Investment Guidelines” and the operating policies contained in paragraphs (a), (c), (d), (f), (g), (h), (i), (j), (k), (l) and (m) set out under the heading “Operating Policies” may be amended only with the approval of two-thirds of the votes cast by Unitholders at a meeting called for such purpose. The remaining operating policies may be amended with the approval of a majority of the votes cast by Unitholders at a meeting called for such purpose.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Consolidated financial information relating to Crombie is included in Crombie's audited financial statements for the year ended December 31, 2015.

In addition, the following table provides summary financial information for Crombie over the last three fiscal periods.

(in thousands, except per share information)	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
Property revenue	\$369,866	\$358,319	\$297,043
Property net operating income	\$256,605	\$248,699	\$190,370
Decrease in net assets attributable to Unitholders	\$(50,791)	\$(42,259)	\$(47,595)
Basic and diluted net income per unit	NA	NA	NA

(in thousands)	December 31, 2015	December 31, 2014	December 31, 2013
Investment property debt	\$1,641,203	\$1,624,547	\$1,694,200
Senior unsecured notes	\$398,080	\$273,592	\$173,937
Convertible debentures	\$131,518	\$175,215	\$174,929
Net assets attributable to Unitholders	\$1,147,230	\$1,183,314	\$1,124,298
Total assets	\$3,472,193	\$3,413,414	\$3,345,165

MANAGEMENT'S DISCUSSION AND ANALYSIS

Reference is made to Crombie's 2015 Management Discussion and Analysis, which is incorporated into this AIF, a copy of which may be obtained, without charge, from the SEDAR website (www.sedar.com) or by contacting the Secretary of Crombie at 610 East River Road, Suite 200, New Glasgow, Nova Scotia B2H 3S2.

MANAGEMENT OF CROMBIE

Governance and Board of Trustees

The Declaration of Trust provides that, subject to certain conditions, the trustees have absolute and exclusive power, control and authority over Crombie's assets and operations, as if the trustees were the sole and absolute legal and beneficial owners of Crombie's assets. The governance practices, investment guidelines and operating policies of Crombie are overseen by the Board of Trustees consisting of a

minimum of three (3) and a maximum of twelve (12) trustees, a majority of whom are Canadian residents. At all times, a majority of trustees must be Independent Trustees within the meaning of National Instrument 52-110— *Audit Committees*.

In fulfilling its mandate, the Board is responsible for, among other things, (i) participating in the development of and approving a strategic plan for Crombie; (ii) supervising the activities and managing the investments and affairs of Crombie; (iii) approving major decisions regarding Crombie; (iv) defining the roles and responsibilities of management; (v) reviewing and approving the business and investment objectives to be met by management; (vi) assessing the performance of and overseeing management; (vii) reviewing Crombie's debt strategy; (viii) identifying and managing risk exposure; (ix) ensuring the integrity and adequacy of Crombie's internal controls and management information systems; (x) succession planning; (xi) establishing committees of the Board, where required or prudent, and defining their mandate; (xii) maintaining records and providing reports to Unitholders; (xiii) ensuring effective and adequate communication with Unitholders, other stakeholders and the public; (xiv) effecting payments of cash available for distribution from Crombie to Unitholders; (xv) acting for, voting on behalf of and representing Crombie as a holder of trust units, notes and other securities of CS Trust and as an indirect holder of limited partnership Units of Crombie LP; and (xvi) voting in favour of Crombie's nominees to serve as trustees of CS Trust and directors of Crombie GP.

Other than the trustees appointed by ECL as described below, trustees are elected at each annual meeting of Unitholders to hold office for a term expiring at the close of the next annual meeting. The nominees for election of the trustees are determined by the Governance and Nominating Committee in accordance with the provisions of the Declaration of Trust and are included in the proxy-related materials to be sent to Unitholders prior to each annual meeting of Unitholders.

The Declaration of Trust grants ECL the exclusive right to appoint certain trustees of Crombie based on its direct and indirect voting interest in Crombie at the time of appointment and the size of the Board, as shown in the following table:

ECL's Voting Interest in Crombie	Total Number of Trustees of Crombie	Number of ECL Appointees
Greater than 30%	Greater than 10	5
	10	4
	7 to 9	3
	5 to 6	2
	Less than 5	1
20% – 30%	Greater than 10	4
	10	3
	7 to 9	2
	Less than 7	1
10% – 19.99%	10 or greater than 10	2
	Less than 10	1
Less than 10%	Any	0

Trustees

The following table sets forth the name, municipality of residence, positions held with Crombie and principal occupation of each of the trustees of Crombie. All of the trustees have held that position since the date indicated below, and will hold such positions until the next annual meeting of Unitholders, at which time they will be proposed for re-election or appointed by ECL.

Name and Municipality of Residence	Position with Crombie	Principal Occupation	Director Since
DONALD E. CLOW ⁽⁴⁾ Halifax, NS, Canada	Trustee, President and Chief Executive Officer	President and Chief Executive Officer of Crombie	August 6, 2009
JOHN EBY ⁽¹⁾⁽³⁾⁽⁴⁾ Toronto, ON, Canada	Independent Trustee and Lead Trustee	Corporate Director	April 14, 2008
BRIAN A. JOHNSON ⁽²⁾⁽⁴⁾ Toronto, ON, Canada	Independent Trustee	Partner of Crown Realty Partners	November 6, 2008
MICHAEL KNOWLTON ⁽¹⁾⁽⁴⁾ Whistler, BC, Canada	Independent Trustee	Corporate Director	May 18, 2011
E. JOHN LATIMER ⁽¹⁾⁽³⁾⁽⁴⁾ Toronto, ON, Canada	Independent Trustee	Corporate Director	February 14, 2006
BARBARA PALK ⁽²⁾⁽³⁾⁽⁴⁾ Toronto, ON, Canada	Independent Trustee	Corporate Director	May 14, 2014
FRANK C. SOBEY King's Head, NS, Canada	Trustee and Chairman of the Board	Non-Executive Chairman of Crombie	February 14, 2006
KENT SOBEY ⁽⁴⁾ Toronto, ON, Canada	Independent Trustee	Television and Film Producer and Director	November 6, 2008
PAUL D. SOBEY ⁽²⁾⁽⁴⁾ Chance Harbour, NS, Canada	Trustee	Retired President and Chief Executive Officer of Empire Company Limited	February 14, 2006
ELISABETH STROBACK ⁽²⁾⁽³⁾⁽⁴⁾ Toronto, ON, Canada	Independent Trustee	Property Development Executive and Corporate Director	February 14, 2006
FRANCOIS VIMARD ⁽⁴⁾ Toronto, ON, Canada	Trustee	Chief Financial Officer of Empire Company Limited	July 23, 2014

Notes:

1. Member of the Audit Committee.
2. Member of the Human Resources Committee.
3. Member of the Governance and Nominating Committee.
4. Member of the Investment Committee.

Additional biographical information regarding the trustees of Crombie for the past five years is set out below:

Donald E. Clow. Donald Clow was appointed President and Chief Executive Officer in 2009. Prior to joining Crombie, Mr. Clow held the position of President, ECL Developments Limited, the real estate development subsidiary of Empire Company Limited for 2 years. Previous to Empire, he was President of Southwest Properties, a real estate development company in Halifax. Mr. Clow is a member of the Board of Governors of Acadia University and is on the Board of Directors of REALPac. Mr. Clow graduated from Acadia University with a BBA, earned his CA designation with KPMG and was designated a Fellow Chartered Accountant in 2002. Mr. Clow is a graduate of the YPO President's Program at Harvard Business School and the Director's Education Program at the Rotman School of Business.

John Eby. John Eby is a corporate director. He was Vice-Chairman of Scotia Capital from 2000 until his retirement in 2006 and for 10 years prior thereto had been Senior Vice President, Corporate and Energy Banking, The Bank of Nova Scotia. He is also a director of Wajax Corporation. Mr. Eby received his BA and MBA in finance from Queen's University. Mr. Eby is the founder and CEO of Developing Scholars, a not-for-profit organization that promotes educational initiatives in Guatemala.

Brian A. Johnson. Brian Johnson is a partner of Crown Realty Partners. From September 1993 until July 2007 he was President and Chief Executive Officer of Crown Life Insurance Company. Mr. Johnson is a director of MCAN Mortgage Corporation and Western Surety Company. He was a member of the University of Regina board of governors from 1995 to 2002 and served as board chair from 1999 to 2001. He was also a director and Saskatchewan president of the Canadian Unity Council. Mr. Johnson received his B. Comm. (Gold Medalist) from the University of Manitoba and his M.B.A. from the University of Pennsylvania. He also holds the Chartered Financial Analyst (CFA) designation.

Michael Knowlton. Michael Knowlton retired from Dundee Realty Corporation as President of Dundee REIT in May 2011 after 13 years of service. From December 1998 until May 2011 he held increasingly senior executive positions culminating in becoming President of Dundee REIT. Mr. Knowlton is a director of Tricon Capital Group Inc.. Mr. Knowlton received his B.Sc. (Engineering) and M.B.A. from Queens University, earned his CA designation in 1977 and his ICD.D designation in 2011.

E. John Latimer. John Latimer retired from Monarch Corporation, a real estate development company as President and Chief Executive Officer in June 2000, after 22 years of service. He also served on the Executive Committee of Taylor Woodrow plc, the London, UK based major shareholder of Monarch. He is the Audit Chairman and Director of R Split III Corp., a managed company of Bank of Nova Scotia. Mr. Latimer is the Managing Director of Aldert Chemicals Limited. He was a 13 year member of the Real Estate Development Committee and Board of Trustees of the University of Guelph and has served on the cabinet of the Greater Toronto United Way and the Mayor of Toronto's Homelessness Action Task Force.

Barbara Palk. Barbara Palk retired as President of TD Asset Management Inc. in 2010, following a 30-year career in institutional and investment management. She currently serves on the Boards of TD Asset Management USA Funds Inc., Ontario Teachers' Pension Plan, First National Financial Corporation and Queen's University (Chair). Ms. Palk is a member of the Institute of Corporate Directors, a Fellow of the Canadian Securities Institute and holds the Chartered Financial Analyst (CFA) designation. Ms. Palk also holds a Bachelor of Arts (Honours, Economics) degree from Queen's University and has received the ICD.D designation.

Frank C. Sobey. Frank Sobey retired as President of ECL Properties Limited in 2014 and has been a director of Crombie and its predecessors since 1981 and Chairman since 1998. Mr. Sobey is a director of Empire Company Limited, was Chairman of the former Oversight Committee of Empire and served as a trustee and Chairman of the governance and nominating committee of Wajax Income Fund (now Wajax Corporation) until October 5, 2010. He is also Chairman of the Dalhousie Medical Research Foundation. Mr. Sobey is a graduate of the Harvard Business School's Advanced Management Program (AMP) and, in 2013, received the ICD.D designation.

Kent Sobey. Kent Sobey is founder and President of Farmhouse Productions Ltd., a television and digital media production company. Mr. Sobey is a corporate director of Blue Ant Media and Hollywood Suite. He also serves on the board of directors of The North York Harvest Food Bank. From 2011-2013, Mr. Sobey served on the advisory board for Empire Theatres. Mr. Sobey received his Bachelor of Arts from Dalhousie University and also graduated from The Vancouver Film School. Mr. Sobey has completed executive development at Rotman School of Management and Queens University.

Paul D. Sobey. Paul Sobey retired as President and Chief Executive Officer of Empire Company Limited in 2013 after 32 years with the company. He received his Bachelor of Commerce from Dalhousie University, attended Harvard University Business School, Advanced Management Program and is a Chartered Accountant. Mr. Sobey became a Fellow Chartered Accountant of Nova Scotia in 2006. Mr. Sobey sits on the boards of Empire Company Limited, Sobeys Inc. and the Bank of Nova Scotia. He is Chancellor of Saint Mary's University in Halifax, Nova Scotia.

Elisabeth Stroback. Elisabeth Stroback is Executive Lead, Capital Projects and Real Estate for Ryerson University, Toronto, leading the design and construction of new buildings and acquisition of future development sites. Previously, through her company, Tanalex Corp., Ms. Stroback provided advice on property development and public private partnerships. Prior to 1999, Ms. Stroback was President of Hammerson Canada Inc., a commercial property development company. She is a member of the Renascent Foundation Board. Ms. Stroback received her Bachelor of Arts from the University of Western Ontario and Master's Degree in Economics from Queen's University, Kingston, Ontario and is Human Resources Compensation Committee Certified (HRCC) from the Director's College.

Francois Vimard. Francois Vimard, CPA, CA is the Chief Financial Officer of Empire Company Limited as well as the Chief Financial and Administrative Officer of Sobeys Inc., a leading Canadian grocery retailer and food distributor. He provides leadership for the Company's Finance, Information Technology, Distribution & Logistics, Corporate Strategy, Real Estate, and Legal functions. In July 2007, he became Chief Financial Officer for Sobeys Inc. and was appointed to Executive Vice President in October 2011. Mr. Vimard is Chair of GS1 Canada and member since 2003. Mr. Vimard is a Chartered Professional Accountant. Mr. Vimard earned his Bachelor of Business Administration degree and Licence in Accounting Sciences from Universite Laval. He is a member of the Quebec Chartered Accountant Order.

The trustees and executive officers of Crombie, as a group, beneficially own, or control or direct, directly or indirectly, approximately 625,103 Units, representing approximately 0.5% of the outstanding voting securities of Crombie (Units and Special Voting Units).

No Trustee or executive officer is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including a personal holding company), that:

- (a) was subject to an order (as defined in Form 51-102 F2 of National Instrument 51-102 – *Continuous Disclosure Obligations*) that was issued while the trustee or executive officer was acting in the capacity as director, chief executive officer or chief financial officer other than Mr. Latimer who was a director of Genesis Land Development Corp. at the time it had an insider cease trade order in place from April 7, 2006 to June 6, 2006, an issuer cease trade order in place from June 6, 2006 to June 21, 2006 and an issuer cease trade order in place from April 9, 2009 to May 8, 2009, in each case for failing to file financial statements on time; or
- (b) was subject to an order (as defined in Form 51-102 F2 of National Instrument 51-102 – *Continuous Disclosure Obligations*) that was issued after the trustee or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No Trustee, executive officer, unitholder holding a sufficient number of securities of Crombie to affect materially the control of Crombie, or a personal holding company thereof,

- (a) is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director or executive officer of any company (including a personal holding company) that, while that person

was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, other than: Mr. Johnson who (A) was Chair of the Board of Directors of CrownAg International ("CrownAg") from 2000 to 2005. During that time Crown Life Insurance Company was both a shareholder and a secured creditor of CrownAg. Mr. Johnson was president and CEO of Crown Life Insurance Company. In order to realize on its security in 2005, Crown Life together with two other secured creditors, placed CrownAg into receivership under the *Bankruptcy and Insolvency Act* (Canada), (B) was a director of Big Sky Farms Inc., a private Saskatchewan company, which sought and obtained an order on November 10, 2009 under the *Companies' Creditors Arrangement Act* (Canada), and (C) was a director of Stegg USA Inc., a private company which filed a voluntary petition under Chapter 7 of the United States Bankruptcy Act on July 30, 2009 within one year of Mr. Johnson's resignation from the board on September 26, 2008.

- (b) has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the trustee, executive officer or shareholder; or
- (c) has been subject to:
 - i. any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
 - ii. any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Audit Committee

The Audit Committee consists of at least three Trustees, all of which are both Independent Trustees and financially literate as required by National Instrument 52-110 - Audit Committees. The Audit Committee's responsibilities include: (i) reviewing Crombie's procedures for internal control with Crombie's auditors and Chief Financial Officer; (ii) reviewing and approving the engagement of the auditors; (iii) reviewing annual and quarterly financial statements and all other material continuous disclosure documents, including Crombie's AIF and Management's Discussion and Analysis; (iv) overseeing Crombie's financial and accounting personnel; (v) assessing Crombie's accounting policies; (vi) reviewing Crombie's risk management procedures; and (vii) reviewing any significant transactions outside Crombie's ordinary course of business and any pending litigation involving Crombie.

The Audit Committee has direct communication channels with the Chief Financial Officer of Crombie and the external auditors of Crombie to discuss and review such issues as the Audit Committee may deem appropriate.

As at December 31, 2015, the Audit Committee is comprised of Michael Knowlton (Chair), John Latimer and John Eby.

Governance and Nominating Committee

The Governance and Nominating Committee is comprised of at least three Independent Trustees and is charged with reviewing, overseeing and evaluating the governance and nominating policies of Crombie. In addition, the Governance and Nominating Committee is responsible for: (i) assessing the effectiveness of the Board of Trustees, each of its committees and individual trustees; (ii) overseeing the recruitment

and selection of candidates as trustees of Crombie; (iii) organizing an orientation and education program for new trustees; (iv) considering and approving proposals by the trustees to engage outside advisers on behalf of the Board as a whole or on behalf of the Independent Trustees; and (v) reviewing and making recommendations to the Board concerning any change in the number of trustees composing the Board.

As at December 31, 2015, the Governance and Nominating Committee is comprised of John Latimer (Chair), Barbara Palk, John Eby and Elisabeth Stroback.

Human Resources Committee

The Human Resources Committee is comprised of at least three trustees, a majority of which are Independent Trustees. The Committee assists the Board in its oversight of Crombie's human resource strategies, policies and programs. Its mandate includes reviewing, overseeing and evaluating talent management and compensation policies of Crombie with a primary focus on executive compensation, development and succession planning.

As at December 31, 2015, the Human Resources Committee is comprised of Elisabeth Stroback (Chair), Barbara Palk, Brian Johnson and Paul Sobey. The Board recognizes that, while not a legal requirement, maintaining a Human Resources Committee with a non-independent trustee as a member does not fulfill the guidelines set forth by Canadian securities regulators. The Human Resources Committee has been structured in this way to reflect the significant retained interest of ECL in Crombie, to provide ECL with representation on this important committee proportionate to its interest and to leverage the specific experience and competency of the Trustee in question on such human resources matters. Crombie believes that the presence of an ECL nominee on the Human Resources Committee will result in a more collaborative process which will support the Committee in fulfilling its mandate.

Investment Committee

The Investment Committee is comprised of all trustees, seven of which are Independent Trustees. No more than one member of the Investment Committee may be a member of management of Crombie, and the trustees of the Investment Committee shall be comprised of two trustees who shall have particular expertise in the area of real estate investment and management and two trustees who shall have particular expertise in the area of corporate finance. The Investment Committee is charged with assisting in discharging the Board's responsibilities with regards to investments, dispositions and developments undertaken by Crombie. In addition, the Investment Committee is responsible for considering and, if appropriate, approving acquisitions proposed by management of Crombie with a value greater than \$5 million dollars or any development proposed to be undertaken by management of Crombie, provided that such authority is limited to the approval of individual transactions of up to \$25 million. Project activity in excess of the Investment Committee's authority level shall receive the Committee's full consideration but will be advanced to the full Board of Trustees for approval. Any property acquisitions made by Crombie from Empire or affiliated companies must be considered and approved by only elected Trustees. Mr. Johnson and Mr. Knowlton have particular expertise in the area of real estate investment and management, and Mr. Vimard and Ms. Palk have particular expertise in the area of corporate finance.

Remuneration of Trustees and Ownership Requirements

Each trustee who is not a senior executive of Crombie receives from Crombie an annual retainer initially in the amount of \$40,000 per year, plus a fee of \$1,500 for each day on which the trustee attends a board meeting in person, and \$1,000 for attendance by telephone. On an annual basis, the Board may be awarded Deferred Units as part of their total compensation. In November 2015, \$12,500 of Deferred Units were issued to each Trustee, with the exception of the CEO of Crombie and Trustees whose fees are paid to Empire. In February 2016, an additional \$7,500 of Deferred Units was issued to each Trustee. Trustees may also elect to take a portion of their retainer and other fees in Deferred Units in lieu of cash. The Chairman of the Board receives an annual retainer of \$85,000 but does not receive meeting fees. Members of the Human Resources Committee, Investment Committee and Governance and Nominating

Committee receive a fee of \$1,500 for each committee meeting attended in person and \$1,000 for attendance by telephone. Members of the Audit Committee receive \$2,000 for each committee meeting attended in person and \$1,000 for attendance by telephone. The Lead Trustee receives an additional annual retainer of \$14,000, the Chair of the Audit Committee receives an additional annual retainer of \$15,000, the Chair of the Human Resources Committee receives an annual retainer of \$10,000 and the Chairs of the Governance and Nominating Committee and the Investment Committee receive an annual retainer of \$8,000. Trustees' fees for the services of Francois Vimard and Paul Sobey are paid by Crombie to Empire. Each trustee is also reimbursed for reasonable travel and other expenses properly incurred by him or her in attending meetings of the Board or any committee meeting.

Each Trustee is expected to hold a minimum number of Units or Deferred Units having a total value equal to four times the amount of the annual retainer paid to a non-management Trustee. This goal should be met by the fifth anniversary of joining the Board.

Conflicts of Interest

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

All decisions of the Board of Trustees will require the approval of a majority of the trustees present in person or by phone at a meeting of the Board, except for each of the following matters which will also require the approval of a majority of the independent elected Trustees:

- (a) an acquisition or disposition of a property or an investment in a property, whether by co-investment or otherwise, in which ECL or any related parties has any direct or indirect interest;
- (b) a material change to any material agreement or any renewal, extension or termination thereof or any increase in any fees payable thereunder (including any transaction fees);
- (c) the entering into of, or the waiver, exercise or enforcement of any rights or remedies under, any agreement entered into by Crombie, or the making, directly or indirectly, of any co-investment, in each case with (i) any trustee, (ii) any entity directly or indirectly controlled by any trustee or in which any trustee holds a significant interest, or (iii) any entity for which any trustee acts as a director or other similar capacity;
- (d) the refinancing, increase or renewal of any indebtedness owed by or to (i) any trustee, (ii) any entity directly or indirectly controlled by any trustee or in which any trustee holds a significant interest, or (iii) any entity for which any trustee acts as a director or other similar capacity;

- (e) the grant of options or issuing of Units under any option or purchase plan, or any amendment thereto, provided to any trustee, officer or others;
- (f) a change in the number of trustees;
- (g) decisions relating to compensation of trustees; and
- (h) decisions relating to any claims by or against one or more parties to any of the material agreements, or any related party.

The Board also has in place appropriate structures to ensure that it can function independently of management of Crombie, including the appointment of a Chairman of the Board and a Lead Trustee. The Chairman of the Board is Frank Sobey and the Lead Trustee is John Eby. The Chairman's role and responsibilities includes managing the affairs of the Board of Trustees and, together with the Governance and Nominating Committee, monitoring the effectiveness of the Board. The Lead Trustee is an Independent Trustee, acting as an effective leader of the Board in respect of matters required to be considered by the Independent Trustees only, and ensures that the Board's agenda will enable it to successfully carry out its duties.

Senior Management

The responsibilities of the senior management of Crombie includes: (i) providing the Board of Trustees with information and advice relating to the operation of Crombie's properties, acquisitions and financings; (ii) establishing, at least on an annual basis, investment and operating plans for the ensuing period; (iii) conducting and supervising the due diligence required in connection with proposed acquisitions, and completing any acquisitions or dispositions; (iv) maintaining the books and financial records of Crombie; (v) determining and preparing designations, elections and determinations to be made in connection with the income and capital gains of Crombie for tax and accounting purposes; (vi) preparing reports and other information required to be sent to Unitholders and other disclosure documents; (vii) calculating and determining all distributions; (viii) communicating with Unitholders and other persons, including investment dealers, lenders and professionals; and (ix) administering or supervising the administration, on behalf of the Board of Trustees, of the payment of cash available for distribution and other distributions by Crombie.

The following table sets forth the name, municipality of residence and positions held with Crombie of each executive officer of Crombie:

Name and Municipality of Residence	Office with Crombie
DONALD E. CLOW Halifax, Nova Scotia, Canada	President and Chief Executive Officer
GLENN HYNES New Glasgow, Nova Scotia, Canada	Executive Vice President, Chief Financial Officer and Secretary
PATRICK G. MARTIN Toronto, Ontario, Canada	Executive Vice President Operations
SCOTT R. MACLEAN Chance Harbour, Nova Scotia, Canada	Regional Vice President Atlantic Canada
FRED SANTINI Toronto, Ontario, Canada	Regional Vice President Central Canada
TREVOR LEE Calgary, Alberta, Canada	Regional Vice President Western Canada
CHERYL FRASER New Glasgow, Nova Scotia, Canada	Chief Talent Officer
JOHN BARNOSKI Toronto, Ontario, Canada	Vice President, Corporate Development

Additional biographical information regarding the executive officers of Crombie is provided as follows:

Donald E. Clow. Mr. Clow was appointed President and Chief Executive Officer on August 6, 2009. Prior to joining Crombie, Mr. Clow held the position of President, ECL Developments Limited, the real estate development subsidiary of Empire Company Limited. Previous to Empire he held various executive positions with Southwest Properties Group of Companies in Halifax evolving to the position of President and Chief Operating Officer, a position he held for seven years. Mr. Clow graduated from Acadia University with a BBA, earned his CA designation with KPMG and was designated a Fellow Chartered Accountant in 2002. Mr. Clow is a graduate of the YPO President's Program at Harvard Business School and the Director's Education Program at the Rotman School of Business and received the ICD.D designation in 2014.

Glenn Hynes. Mr. Hynes was appointed Chief Financial Officer and Secretary, in 2010 and Executive Vice President effective March 1, 2014. Prior to joining Crombie, Mr. Hynes held the position of Chief Financial Officer and Partner of Bluewave Energy LP; a national fuel distribution business. From 1996 to 2006, he held several executive positions with Sobeys Inc. (TSX:SBY) including Executive Vice President and Chief Financial Officer (2001 – 2005) and Executive Vice President and Chief Development Officer (2005 - 2006). Mr. Hynes also acted as Chief Financial Officer of Crombie from February 2006 to June 2006, which included the time of Crombie's initial public offering. Mr. Hynes is a graduate of the University of Prince Edward Island with a Bachelor of Business Administration and earned his CA designation. His present professional affiliations include Past Chair of the Atlantic Provinces Economic Council (APEC). He was designated a Fellow Chartered Accountant in 2011 and received the ICD.D designation in 2014. He received the UPEI Distinguished Alumnus Award in 2002 and Canada's Top 40 Under 40 Award in 2000.

Patrick G. Martin. Mr. Martin was appointed Executive Vice President, Operations effective March 1, 2014. Prior to his most recent appointment, Mr. Martin held a number of executive positions with Crombie including Regional Vice President Atlantic from 2010 to 2013 and Vice President, Leasing from 2007 to 2010. He initially joined ECL in 1997 and held a number of progressive positions including

Regional Vice-President, Ontario/Quebec between February 2005 and September 2007. Mr. Martin has been involved in various aspects of the real estate industry for approximately 25 years. Mr. Martin is a graduate of Saint Mary's University with a Master of Business Administration.

Scott R. MacLean. Mr. MacLean was appointed Regional Vice President, Atlantic on March 1, 2014. Prior to his most recent appointment, he has held a number of executive positions with Crombie. He joined Atlantic Shopping Centres, a predecessor of Crombie, in 1993 as Director of Operations and assumed responsibility for the Construction department in 1996. He obtained his Certified Shopping Centre Manager (SCM) designation in 1993. Prior to this, he held increasing roles of responsibilities with Cambridge Shopping Centres Limited. Mr. MacLean has a Bachelor of Commerce from Saint Mary's University.

Fred Santini. Mr. Santini was appointed Regional Vice President, Central Canada on November 13, 2014. Prior to his most recent appointment Mr. Santini held the position of National Director of Legal Services (2012-2014) and National Director, Lease Administration (2010-2012). Upon completion of an Honours B.A. in Economics and Political Science at the University of Toronto, Mr. Santini received his LL.B. from the University of Windsor, Faculty of Law in 1986. He articulated at Blake Cassels and Graydon and then subsequently joined the firm as an associate after his call to the Ontario Bar in 1988 practicing in the areas of commercial litigation and, commercial real estate. Mr. Santini continued his legal career as Legal Counsel for such leading organizations as Sears Canada, The Bank of Nova Scotia and, as Senior Legal Counsel for Ivanhoe Cambridge. Over that last 15 years, Mr. Santini has also had an extensive role in the education of children with autism as one of the co-founders and past and current Board Member and President of Shining Through Centre for Children with Autism.

Trevor Lee. Mr. Lee joined Crombie in March 2014 and heads up the company's expanding Western region including the recently acquired Safeway Portfolio. Prior to joining Crombie, Mr. Lee held numerous senior real estate positions in management, operations, and development including: Director of Real Estate for Canada Safeway, Director of Property Management at CREIT, Vice President of Operations at Opus Building Canada, and Vice President of Shopping Centres at Martello Property Services. Mr. Lee earned a Master of Business Administration from the University of British Columbia in 1992 and a Diploma in Urban Land Economics in 1998.

Cheryl Fraser. Ms. Fraser joined Crombie REIT in September 2012 as Chief Talent Officer. Prior to joining Crombie, Ms. Fraser was Chief Human Resource Officer and Assistant Commissioner HR for the Canada Revenue Agency, a public sector agency with over 50,000 employees. Ms. Fraser spent the majority of her career as a federal public servant in Ottawa and Halifax. She served as an Assistant Deputy Minister for over 20 years in various departments including the Correctional Service of Canada, Treasury Board Secretariat of Canada and Fisheries and Oceans, leading the strategic planning/policy, operations and human resource areas. Ms. Fraser holds a Masters of Environmental Studies (Resource Economics), a Bachelor of Science (Mathematics) from Dalhousie University and is bilingual. She was awarded the Queen's Jubilee Medal for public service in 2012, and the Michelle C. Comeau Leadership Award for HR Leadership in 2010. Ms. Fraser serves as the Vice President of the John Howard Society of NS, and is a Director on the Board of the YMCA of Pictou County, NS.

John Barnoski. Mr. Barnoski joined Crombie in July 2015 and leads the national development program, responsible for acquisitions, dispositions and development functions including the implementation of future joint venture and partnership opportunities. Mr. Barnoski has an extensive career in the real estate industry. An 18 year veteran of Shoppers Drug Mart, Mr. Barnoski held the position of National Vice President of Real Estate at Shoppers immediately prior to joining Crombie. Mr. Barnoski held numerous progressively expanding roles within the real estate function of the F.W. Woolworth Company prior to joining Shoppers. John is a graduate of Schulich's Executive Development Program and holds a Diploma in Assessment, Appraisal & Real Estate Management, a P1 License from the Law Society of Upper Canada and an A.I.M.A. designation from the Institute of Assessors.

Certain trustees of Crombie are also directors and/or officers of Empire or the Empire Subsidiaries which have entered into several contractual arrangements with Crombie as described in this AIF. No trustee or officer of Crombie has any other existing or potential material conflicts of interest with Crombie or any of its subsidiaries.

AUDIT COMMITTEE INFORMATION

Audit Committee Mandate

The Audit Committee Mandate as approved by the Board is attached to the AIF as Appendix A. The Audit Committee Mandate contains specific policies and procedures for the engagement of non-audit services.

Audit Committee Composition

The members of the Audit Committee, at the fiscal year ended December 31, 2015, and their relevant education and experience are:

1. Michael Knowlton (Audit Committee Chair)
 - President, Dundee REIT from 2003 to 2011
 - Chief Financial Officer, Dundee REIT from 2004 to 2006
 - Member of the Institute of Chartered Accountants of Ontario
 - Director and Chair of Audit Committee of Tricon Capital Group Inc.
 - Former Director and Chair of Audit Committee of Northwest Healthcare REIT
 - MBA from Queen's University
2. John Latimer
 - Chairman of the Finance Committee of the Weston Golf and Country Club from January, 2006 to December 2007
 - Chairman of the Audit Committee of Lifeco Split Corp from August 2001 to 2012
 - Chairman of the Audit Committee of R Split III Corp from January 2007 to present
 - Member of the Audit Committee of Genesis Land Development Corp. from September 2001 to May 2009.
 - Chairman of the Finance Committee of Westminster United Church from January 1990 to December 2006.
3. John Eby
 - Vice-Chairman of Scotia Capital from 2000 to 2006
 - MBA, Accounting and Finance
 - Member of audit committee of Wajax Corporation
 - Prior member of audit committee of Inmet Mining Corporation

All members of the Audit Committee are considered to be financially literate and independent.

Pre-Approval Policies and Procedures

Reference is made to Appendix A – Section E.4 for a description of the specific policies and procedures for the engagement of non-audit resources.

External Auditor Service Fees (by Category)

During fiscal 2015 and 2014, fees charged by Grant Thornton LLP were as follows:

Fees	Year Ended December 31, 2015	Year Ended December 31, 2014
Audit Fees:	\$281,998	\$339,900
Audit-Related Fees:	208,976	332,514
Tax Fees:	110,328	74,610
Other Fees:	0	0
Total Fees:	\$601,302	\$747,024

Audit fees include annual audit and quarterly reviews of Crombie quarterly financial statements. Audit related fees include French translation services, tenant cost recovery statements, services related to the issue of units and debentures and fees related to discussion of accounting issues and disclosures. Tax fees include tax planning and project based assignments related to regulatory compliance. Other fees include services related to special project work separately approved by the Audit Committee.

The Audit Committee has considered whether the nature and extent of non-audit or audit-related services is compatible with maintaining the independence of the external auditor and has concluded that the independence of Grant Thornton LLP is not compromised by the non-audit services provided. In addition, the Audit Committee's mandate requires that the committee pre-approve the nature and extent of all significant non-audit engagements with the external auditor.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Crombie is not a party or subject to any legal proceedings or group of similar proceedings, nor are any such proceedings known to Crombie to be contemplated, where the amount involved, exclusive of interest and costs, exceed 10% of the current assets of Crombie.

During fiscal 2015, Crombie has not been subject to any penalties or sanctions imposed by a court or regulatory authority nor have any settlement agreements been entered into in respect of same.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

As at December 31, 2015, Empire, through its wholly-owned subsidiary ECL, holds a 41.5% indirect interest in Crombie. Crombie acquired from subsidiaries of Empire the initial 44 investment properties on March 23, 2006, two additional properties in 2007, 61 investment properties on April 22, 2008, 17 additional properties in 2010, seven additional properties in 2011, two additional properties in 2012, 73 additional properties in 2013, 10 additional properties in 2014 and four additional properties in 2015. The purchase price for each property acquired by Crombie from subsidiaries of Empire was fair market value determined by external appraisals and approved by the non-Empire appointed trustees of Crombie.

Multilateral Instrument 61-101 —Protection of Minority Shareholders in Special Transactions ("**MI 61-101**") provides a number of circumstances in which a transaction between an issuer and a related party may be subject to valuation and minority approval requirements. An exemption from such requirements is available when the fair market value of the transaction is not more than 25% of the market capitalization of the issuer. Crombie received exemptive relief from securities regulators in Ontario and Quebec from the requirements of MI 61-101 that, subject to certain conditions, permit it to be exempt from the minority approval and valuation requirements for transactions that would have a value of less than 25% of Crombie's market capitalization if Empire's indirect economic and voting interest in Crombie was included in the calculation of Crombie's market capitalization. As a result, the 25% threshold above which the minority approval and valuation requirements would apply would be increased to reflect the approximately 40.8% indirect interest in Crombie held by Empire.

Related party transactions are transactions with associates, post employment benefit plans, and key management personnel. Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Other than property acquisitions and financing activities described under “General Development of Crombie”, Crombie’s transactions with related parties are as follows (all amounts in thousands of CAD dollars):

Year Ended December 31				
	Note	2015	2014	2013
Property revenue	(a)	<u>\$160,470</u>	<u>\$152,855</u>	<u>\$106,926</u>
Head lease income	(b)	<u>\$736</u>	<u>\$947</u>	<u>\$712</u>
Management support services provided	(c)	<u>\$377</u>	<u>\$431</u>	<u>\$344</u>
Property management services	(d)	<u>\$869</u>	<u>\$500</u>	<u>\$224</u>
Rental expense	(e)	<u>\$78</u>	<u>\$187</u>	<u>\$187</u>
Property operating expenses		<u>\$135</u>	<u>\$145</u>	<u>\$--</u>
Interest rate subsidy	(b)	<u>\$482</u>	<u>\$700</u>	<u>\$888</u>
Finance costs – operations	(f)	<u>\$1,200</u>	<u>\$1,200</u>	<u>\$1,200</u>
Finance costs – distributions to Unitholders		<u>\$48,369</u>	<u>\$47,318</u>	<u>\$36,766</u>
Lease termination income		<u>\$3,999</u>	<u>\$--</u>	<u>\$--</u>

(a) Crombie earned property revenue from Sobeys Inc. and other subsidiaries of Empire.

(b) For various periods, ECL Developments Limited has an obligation to provide rental income and interest rate subsidies pursuant to an Omnibus Subsidy Agreement dated March 23, 2006, between Crombie Developments Limited, Crombie Limited Partnership and ECL Developments Limited. The rental income is included in Property revenue and the interest rate subsidy is netted against Finance costs - operations.

(c) Certain executive management individuals and other employees of Crombie provide general management, financial, leasing, administrative, and other administration support services to certain subsidiaries of Empire on a cost sharing basis pursuant to a Management Cost Sharing Agreement, dated March 23, 2006, between Crombie Developments Limited, a subsidiary of Crombie, and ECL Developments Limited, a subsidiary of Empire.

(d) Certain on-site maintenance and management employees of Crombie provide property management services to certain subsidiaries of Empire on a cost sharing basis pursuant to the Management Cost Sharing Agreement. The costs recovered by Crombie pursuant to the Agreement were netted against property expenses.

(e) Crombie leases its head office space from ECL Developments Limited under a lease that expires December 2027.

(f) Empire holds \$24,000 of Series D Convertible Debentures with an annual interest rate of 5.00%.

In addition to the above:

During 2015, Crombie issued 383,036 Class B LP Units and attached Special Voting Units (2014 - 15,153) to ECL Developments Limited under a distribution reinvestment plan.

During the first quarter of 2014, Crombie entered into a loan agreement with SDLP to partially finance SDLP's acquisition of development lands in Langford, British Columbia. The \$11,856 loan bears interest at a rate of 6% per annum and has no principal repayments until maturity on October 1, 2016.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar is CST Trust Company with offices located in Halifax, Nova Scotia and Toronto, Ontario, and can be contacted by phone at 1-800-387-0825 or by e-mail at newbusiness@canstockta.com.

MATERIAL CONTRACTS

In addition to the Declaration of Trust, the following are the only contracts, other than contracts entered into in the ordinary course of business, which have been entered into by Crombie within the most recently completed financial year, or before the most recently completed financial year that are still in effect (referred to herein as the "Material Contracts"). The following is a summary of the Material Contracts, which summaries are not intended to be complete. Reference is made to the Material Contracts for a complete description and the full text of their provisions. Copies of each Material Contract may be obtained on request without charge from Glenn Hynes, Chief Financial Officer of Crombie, via Crombie's website at: www.crombiereit.com, or on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Acquisition Agreement

In connection with the Safeway Portfolio Acquisition, on July 24, 2013, Crombie LP entered into the an acquisition agreement (the "**Acquisition Agreement**") with Sobeys West Inc. ("**Sobeys West**"), a wholly-owned subsidiary of Sobeys, which provided for the indirect acquisition of the Safeway Acquisition Properties, and certain related assets, including shares of Snowcat Property Holdings Limited, a bare trustee of Sobeys West, holding registered title to each of the Safeway Acquisition Properties, for an aggregate purchase price of \$990 million, subsequently adjusted to \$991.3 million. The Safeway Portfolio Acquisition was subject to certain conditions precedent, including the accuracy of the representations and warranties on the closing and receipt of Competition Act approval and the approval of the Unitholders. The closing of the Safeway Portfolio Acquisition took place effective on November 3, 2013.

Under the Acquisition Agreement, upon the closing of the Safeway Portfolio Acquisition, Sobeys West, as tenant, and Sobeys, as indemnifier, entered into the Sobeys Leases. Pursuant to the Sobeys Leases, Sobeys West retained the obligations under: (i) the contracts and other documents binding on Sobeys West with respect to the ownership or operation of the Safeway Acquisition Properties, (ii) the leases or other rights or licences binding upon Sobeys West with respect to the Safeway Acquisition Properties, (iii) the existing third party warranties and guarantees relating to the Safeway Acquisition Properties, and (iv) certain permitted encumbrances. The Acquisition Agreement also identified 17 of the Safeway Acquisition Properties as having potential for redevelopment, and provides for such redevelopment to be undertaken on a 50/50 joint venture basis between Crombie LP and Sobeys West.

Also upon the closing of the Safeway Portfolio Acquisition, Sobeys West and Sobeys executed and delivered an environmental indemnity (the "**Omnibus Environmental Indemnity Agreement**") with respect to all of the Safeway Acquisition Properties to the extent that environmental issues were identified in the course of Crombie LP's due diligence investigation of the Safeway Acquisition Properties, including matters identified up to 90 days after the closing of the Safeway Portfolio Acquisition (the "**Identified Issues**"). Under the terms of the Omnibus Environmental Indemnity Agreement, Sobeys shall retain independent engineers to undertake such remediation and monitoring steps with respect to the Identified Issues as may be agreed by the Independent Engineers and Crombie LP, such work to be completed within 36 months following the closing of the Safeway Portfolio Acquisition. Sobeys will indemnify Crombie for any claims or costs imposed by, under or pursuant to applicable environmental laws which arise as a result of or in connection with any Identified Issue, the work done or required to be done in connection therewith or any breach of the Omnibus Environmental Indemnity Agreement by Sobeys or Sobeys West, including costs of remediation and monitoring work. The indemnification obligation is not limited in amount. Crombie cannot assign the benefit of the Omnibus Environmental Indemnity Agreement to a purchaser of any of the Safeway Acquisition Properties, but may assign the benefit of the agreement to a lender. The form of Omnibus Environmental Indemnity Agreement is attached to the Acquisition Agreement as Schedule D.

The Acquisition Agreement also contained provisions for the removal from the transaction of properties that (i) Sobeys acquired subject to a Competition Act requirement to sell such property to a party other than an affiliate of Crombie or (ii) Crombie LP's environmental due diligence review determined has an environmental issue in respect of which the estimated remediation costs exceed \$500,000. As a result of these provisions, two properties were removed from the Safeway Portfolio Acquisition and four other properties added to the Safeway Acquisition Properties, resulting in the final number of 70 Safeway Acquisition Properties, and the purchase price was adjusted to \$991.3 million.

The Acquisition Agreement contains representations and warranties relating to each of Sobeys West, Sobeys, Crombie GP, Crombie LP and Crombie as are customary in arm's length transactions of this nature. The Acquisition Agreement also contains customary indemnity provisions between Sobeys West and Sobeys, on one hand, and Crombie LP, on the other hand for breaches of covenant and representations and warranties, as well as taxes and certain matters that could affect title to the Safeway Acquisition Properties. The indemnification obligation is subject to certain thresholds and the aggregate liability shall not exceed the aggregate purchase price under the Acquisition Agreement. Such indemnification is in addition to the specific indemnity provided under the Omnibus Environmental Indemnity Agreement.

Underwriting and Agency Agreements

In connection with Crombie's public offering that closed on May 30, 2014, (see "General Development of Crombie"), Crombie entered into an underwriting agreement dated May 23, 2014 with CIBC World Markets Inc., BMO Nesbitt Burns Inc., Scotia Capital Inc., TD Securities Inc., National Bank Financial Inc., RBC Dominion Securities Inc., Canaccord Genuity Corp., Raymond James Ltd. and Desjardins Securities Inc. (the "**May 2014 Offering Underwriters**"), pursuant to which the May 2014 Offering Underwriters agreed to purchase 4,530,000 Units at a price of \$13.25 per Unit, for an underwriters fee in the aggregate amount of \$2,400,900, plus reimbursement of certain expenses of the May 2014 Offering Underwriters. The underwriting agreement also contained certain customary representations and warranties, closing conditions and indemnities.

In connection with Crombie's private placement on March 5, 2014 (see "General Development of Crombie"), Crombie entered into an underwriting agreement dated February 28 2014 with Scotia Capital Inc., CIBC World Markets Inc., BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., TD Securities Inc. and National Bank Financial Inc., (the "**Note Underwriters**"), pursuant to which the Note Underwriters agreed to agree to purchase \$100 million aggregate principal amount of 3.962% Series B Notes due June 1, 2021 (Senior Unsecured), for an underwriting fee in the aggregate amount of \$700,000,

plus reimbursement of certain expenses of the Agents. The underwriting agreement also contained certain customary representations and warranties, closing conditions and indemnities.

Trust Indentures

Crombie entered into a trust indenture dated March 20, 2008 with CIBC Mellon Trust Company as debenture trustee, as supplemented by a first supplemental indenture dated September 30, 2009, by a second supplemental indenture dated February 8, 2010, by a third supplemental indenture dated July 3, 2012 and by a fourth supplemental indenture dated August 14, 2013, providing for the issue of the Convertible Debentures (see "Description of Debentures and Indenture").

Crombie entered into a trust indenture dated October 31, 2013 with BNY Trust Company of Canada as note trustee, as supplemented by a first supplemental indenture dated October 31, 2013 and a second supplemental indenture dated March 5, 2014 and a third supplemental indenture dated February 10, 2015 providing for the issue of the Notes (see "Description of Notes and Indenture").

Development Agreement

Crombie is a party to a Property Development Agreement dated March 23, 2006 (the "**Development Agreement**"). Pursuant to the Development Agreement, ECL provides Crombie with a preferential right to acquire all property developments proposed to be undertaken by ECL which consists of retail (or predominantly retail) space (other than those developed for Sobeys at Sobeys' request). If Crombie elects not to participate in a development opportunity, then ECL will be entitled to develop and sell the property as it sees fit. If Crombie elects to participate in the development opportunity, Crombie will be afforded the opportunity to work with ECL in the planning and design of and the budgeting for the property and Crombie will select and approve all proposed tenants for such property. Prior to commencing any development project, Crombie and ECL will agree on an acceptable rate of return on its investment in the project. All determinations required to be made by Crombie in connection with the decision to participate in a development opportunity under the Development Agreement will be made by Independent Trustees.

Once a development project is substantially complete and at least 80% of the GLA of the property is leased, the fair market value of the property will be determined by an independent third party appraiser using a valuation multiple equal to those commonly accepted by REITs under similar circumstances. If a sale of the property at a price equal to its appraised value would provide ECL with the agreed upon return on investment, ECL will be required to offer to sell the property to Crombie for such price and Crombie will be obligated to complete the purchase unless, in the opinion of the non-Empire appointed Trustees: (i) Crombie is unable to obtain acquisition financing on reasonably acceptable terms; or (ii) the acquisition will not generate an acceptable return for Crombie. If these conditions cannot be satisfied and Crombie rejects the offer, then ECL will be free to retain the property or sell it to a third party. If a sale of the property at the appraised value would not provide ECL with the agreed upon rate of return on investment, ECL will have the right to retain the property until such time as the fair market value of the property (as subsequently determined through a new independent third party appraisal) would provide ECL with the agreed upon return, at which time ECL will be required to offer to sell the property to Crombie at such new price and Crombie will have the option as described above to purchase such property, subject to the same conditions. Should ECL desire to sell the property at a price that would not provide it with the agreed upon rate of return upon investment, ECL must first offer Crombie the right to purchase the property before being entitled to sell it to a third party on terms not more favourable to the third party than those offered to Crombie.

Subject to the exceptions described below, ECL is the exclusive developer for Crombie and its subsidiaries throughout the term of the Development Agreement. Crombie is obligated to engage ECL to undertake all development or redevelopment projects on behalf of Crombie. However, if a third party offers a development property for sale to Crombie and such sale is conditional on that third party completing the development, Crombie will be entitled to request that ECL waive its rights under the

Development Agreement with respect to that property, such waiver not to be unreasonably withheld. With respect to redevelopment projects, Crombie and ECL will be required to negotiate in good faith mutually agreeable terms for such redevelopment. If Crombie and ECL are unable to agree upon such terms, Crombie will be entitled to use a lower cost third party provider for that redevelopment.

ECL will have the option of requesting that Crombie provide mezzanine financing for the development of a property. If Crombie agrees to provide such mezzanine financing on mutually acceptable terms, Crombie will have the option, as described above, to purchase such property, subject to the same conditions, except that the purchase price of the property in such circumstances will be equal to the greater of, (i) the carried cost, being the cost of land plus all improvements (including, construction costs, professional fees, interest and applicable general and administrative costs) during the period to opening and all operating losses after opening, and (ii) 95% of the appraised fair market value at the date of acquisition.

The initial term of the Development Agreement is ten years, subject to extension as may be determined by mutual agreement of the parties. Either party is entitled to terminate the Development Agreement upon 30 days' written notice at any time if ECL's ownership of Special Voting Units falls below 10% of the outstanding Special Voting Units. In the event of such termination, the Development Agreement will continue to apply in all respects to the development of any property in which Crombie has elected to participate prior to such termination.

The debt secured by a development property may be assumed by Crombie upon its purchase only to the extent that it will not cause Crombie to exceed its debt covenants or breach its investment restrictions.

During 2010 ECL transferred a number of its properties under development to its subsidiary. The terms of the Development Agreement continues to apply to those properties acquired by SDLP from ECL.

Right of First Offer Agreement

Crombie is a party to a Right of First Offer Agreement dated August 3, 2011 (the "**ROFO Agreement**"). Pursuant to the ROFO Agreement, Sobeys agreed to provide to Crombie a right of first offer to acquire any property that Sobeys intends to dispose of other than to an affiliate of Sobeys. Crombie shall have a period of 30 days following receipt of a notice of disposition from Sobeys to indicate that it will exercise the right of first offer to acquire the property. In the event that no notice of acceptance is issued to Sobeys within the thirty days, Crombie will be deemed to have refused to exercise its right.

Sobeys has the right to offer to sell any such property within 180 days after the expiration 30 day period, provided that the disposition to a third party is not on terms more favourable to the third party than those offered to Crombie. Sobeys has the right to exempt properties from the ROFO Agreement as a result of the bona fide grant of any option, right of first refusal, right of first offer or other similar right to any franchisee, developer or other such party in furtherance of any aspect of Sobeys' business, and to exempt any group of properties from the ROFO Agreement if the sale of such properties is related to the sale by Sobeys of substantially all of the operating assets of any division or region of its business.

The ROFO Agreement shall terminate: (i) after five years unless extended by agreement of the parties; (ii) in case of change of control of Crombie; (iii) in case of change of control of Sobeys; or (iv) in case of the sale of substantially all of the assets of Sobeys.

Non-Competition Agreement

Crombie is a party to a Non-Competition Agreement dated March 23, 2006 (the "**Non-Competition Agreement**"). Pursuant to the Non-Competition Agreement, Empire and its affiliates shall not compete with Crombie in the acquisition, ownership, investment in or development of any anchored plazas in Canada. The Non-Competition Agreement excludes from the prohibited activities: (i) activities covered

by the Development Agreement; (ii) activities of Sobeys or its subsidiaries; (iii) activities related to the properties currently owned by Empire or its affiliates; and (iv) activities related to any properties acquired or developed by Empire or its affiliates (other than Sobeys) that are first offered to Crombie or which are purchased as replacement properties under certain financing arrangements of Empire Subsidiaries.

The Non-Competition Agreement also provides that anchored plazas currently owned or under development by Empire and its affiliates (other than Sobeys) are subject to a right of first offer in favour of Crombie prior to disposition to a third party (other than an affiliate of Empire) which will be on terms not more favourable to the third party than those offered to Crombie.

The term of the Non-Competition Agreement is co-terminus with the term of the Development Agreement.

Omnibus Subsidy Agreement

Crombie is a party to an Omnibus Subsidy Agreement dated March 23, 2006 (the "**Omnibus Subsidy Agreement**"). Pursuant to the Omnibus Subsidy Agreement, ECL provides Crombie with an interest rate subsidy to reduce the effective interest rates on certain mortgages during their remaining terms to 5.54%. The amount of the interest rate subsidy is received by Crombie through monthly repayments by ECL of amounts due under one of the demand notes issued by ECL to CDL. During the year ended December 31, 2015, \$0.5 million was received in relation to this subsidy.

Management Cost Sharing Agreement

Crombie is a party to a Management Cost Sharing agreement dated March 23, 2006 (the "**Management Cost Sharing Agreement**"). Pursuant to this agreement, for an initial period of five years commencing March 23, 2006, certain executive management individuals and other employees of Crombie will provide general management, financial, leasing, administrative, and other administration support services to certain real estate subsidiaries of Empire on a cost sharing basis. The costs assumed by Empire pursuant to this arrangement during the year ended December 31, 2015 were \$0.4 million (year ended December 31, 2014 - \$0.4 million) and were netted against general and administrative expenses, which amounts are owing by Crombie to Empire. Additional properties and services can be covered by this arrangement by mutual agreement between Crombie and ECL for a fee to be determined based on fair market value. The Management Cost Sharing Agreement has an initial term of five years and will be renewed automatically for one-year terms unless either party notifies the other 90 days' prior to the expiration of the then current term of its intention not to renew such agreement. As of January 1, 2016, the Management Cost Sharing Agreement has been terminated.

Head Leases

In order to provide Crombie with stable and predictable monthly revenue with respect to certain leaseable space, the aggregate of approximately 373,000 square feet of GLA, Crombie is a party to head lease agreements between Crombie LP or CDL, as lessor, and ECL, as lessee, in relation to properties located in Greenfield Park Centre and Highland Square Mall (the "**Head Leases**").

Certain terms and conditions applicable to the Head Lease for Highland Square Mall (the "**Highland Lease**") are different from those applicable to the Greenfield Park Centre (the "**Greenfield Lease**"). The Highland Lease is for an initial term of three years, with options to renew in favour of Crombie for one two-year term and one further five-year term. During the term of the lease, including options, ECL will pay net annual rent of \$1.95 million (the "**Highland Rent**") to Crombie. Rental revenue received from third party tenants by Crombie will be credited against such payment and reduce ECL's payment obligation under the Highland Lease. In the event that during the ten-year period the total net rents received during any year from third party tenants exceed the Highland Rent, Crombie will retain 90% of the excess and ECL will receive 10% of the excess from Crombie, provided that ECL has not exercised its right to purchase the property. At the end of the ten-year period, Crombie will have the option to sell

Highland Square Mall to ECL for the same purchase price that was attributed to the property at the time of its acquisition by Crombie. If, at any time prior to the expiry of the Highland Lease, including any options to renew, the annual rental revenue received from third party tenants does not exceed 70% of ECL's rent for two consecutive lease years, ECL will have the right to purchase the property from Crombie for the same purchase price that was attributed to the property at the time of its acquisition by Crombie. Crombie and ECL negotiated an extension of the Highland Lease and put option for a period of five years with either party having the ability to terminate the agreements with written notice.

The Greenfield Lease has a term of ten years. During such term, ECL will be responsible for net rents equal to the projected net rent for a certain portion of the premises subject to the Greenfield Lease, less the net rent receivable from third party tenants occupying such premises.

Annually, for the term of the Greenfield Lease, if the aggregate net rents receivable from all replacement tenants on lease-up is less than the anticipated rental rate applicable under such Head Lease, ECL will continue to pay the income shortfall. In the event that the aggregate net rents payable by replacement tenants on lease-up exceeds the anticipated rental rate applicable under such Head Lease, Crombie will retain 90% of the excess and ECL will receive 10% of the excess from Crombie for a 10-year period terminating March 22, 2016. Crombie may elect to buy out the 10% entitlement from ECL at fair market value. During the year ended December 31, 2015, a total of \$NIL had been recovered in relation to capital expenditures under this subsidy while a total of \$0.7 million had been received as rental income subsidy.

For all Head Leases, ECL implements all budgeted capital expenditures associated with establishing tenants for the designated vacant space, as it relates to the remaining term of the respective Head Lease. ECL will also be obligated to develop and lease up each property in accordance with general specifications agreed to between ECL and Crombie.

Each of the Head Leases will be partially surrendered from time to time, and ECL's obligation reduced accordingly, in respect of any space to be leased by a replacement tenant, provided such tenant is approved by Independent Trustees and the following conditions are met: (i) the term of the tenant's lease is at least five years, unless a shorter term would be typical for the designated space or would normally be acceptable to a landlord for such space; and (ii) the replacement tenant has commenced rental payments under its lease for the designated space.

Ground Lease

Vacant land at Greenfield Park Centre of approximately 95,000 square feet is subject to a ground lease in favour of ECL (the "**Ground Lease**"). Pursuant to the Ground Lease, ECL leases the undeveloped land at a nominal gross rent of \$10,000 per annum for 40 years less a day. ECL will be entitled in its sole discretion to develop this land (subject to a municipal development plan) and to the extent that ECL elects to do so, it will be responsible for all related development costs and any incremental operating costs. If and when ECL leases up all or a portion of the property to a new tenant approved by the Independent Trustees, ECL will offer to sell to Crombie ECL's interest in the space leased for the fair market value of the property as determined by an independent third party appraiser provided ECL will not be required to sell the property unless the sale price satisfies ECL's development costs and certain minimum rate of return on investment requirements. Crombie may decline to purchase the leasehold interest if, in the opinion of the Independent Trustees, (i) Crombie is unable to obtain acquisition financing on reasonably acceptable terms or (ii) the acquisition of such space would not generate an acceptable return for Crombie. Concurrently with such sale, ECL will surrender the relevant portion of the Ground Lease and be released accordingly.

Exchange Agreement

Crombie has entered into an Exchange Agreement dated March 23, 2006 (the "**Exchange Agreement**") whereby ECL is granted certain rights, such as the right to require Crombie to indirectly exchange each Class B LP Unit for one Unit of Crombie, provided certain conditions have been met, and, for so long as ECL continues to hold at least 10% of the Units, pre-emptive rights to purchase Units in Crombie to maintain its *pro rata* ownership interest in Crombie.

INTEREST OF EXPERTS

Crombie's auditor for 2015 is Grant Thornton LLP, 1100 – 2000 Barrington Street, Halifax, NS B3J 3K1. Crombie's consolidated financial statements as at the year ended December 31, 2015 have been filed under National Instrument 51-102 in reliance on the report of Grant Thornton LLP, independent chartered accountants, given on their authority as experts in auditing and accounting. Grant Thornton LLP has advised us they are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Nova Scotia.

PROMOTERS

Crombie had no promoters within its two most recently completed financial years.

ADDITIONAL INFORMATION

Additional information relating to Crombie may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Crombie's securities and securities authorized for issuance under equity compensation plans is contained in Crombie's management information circular for its 2015 annual meeting.

Additional financial information is provided in Crombie's comparative financial statements and Management's Discussion and Analysis for its last fiscal year ended December 31, 2015. A copy of such documents may be obtained by request from Glenn Hynes, Executive Vice President and Chief Financial Officer of Crombie, via Crombie's web site at: www.crombiereit.com, or on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

APPENDIX A – CROMBIE AUDIT COMMITTEE MANDATE

MANDATE

The Audit Committee of the Board of Trustees has the responsibilities and duties as outlined below:

A. MANDATE

- To perform such duties as may be required by applicable legislation and regulations including those of the Ontario Securities Commission and the Toronto Stock Exchange.
- To assist the Board of Trustees in fulfilling its oversight responsibilities for:
 - The integrity of the financial statements;
 - Compliance with legal and regulatory requirements relating to financial disclosure;
 - The external auditors' independence, performance and fees;
 - Identification and monitoring of principal risks that could impact financial reporting; and
 - The system of internal control for financial reporting and management information systems.
- To perform such other duties as may from time to time be assigned to the Audit Committee by the Board.

B. AUDIT COMMITTEE COMPOSITION

The Audit Committee shall be composed of three or more Trustees, appointed by the Board on the recommendation of the Governance and Nominating Committee. All members of the Committee must be independent. Independence will be defined by applicable legislation and Crombie's Declaration of Trust and at a minimum each Committee member will have no direct or indirect relationship with the REIT which in the view of the Board of Trustees could reasonably interfere with the exercise of a member's independent judgement except as otherwise permitted by applicable laws.

All members of the Audit Committee shall be financially literate (as defined by applicable legislation). A member of the Board of Trustees who is not financially literate may be appointed to the Audit Committee provided that the member becomes financially literate within four months following his or her appointment, subject to the Board of Trustees determining that this appointment will not materially adversely affect the ability of the Audit Committee to act independently and to satisfy the other requirements of this mandate.

If an Audit Committee member ceases to be independent for reasons outside the member's reasonable control, the member shall tender their resignation to the Chair of the Governance and Nominating Committee within three months of the occurrence of the event which caused the member to not be independent.

Members are reappointed annually by the Board, with such appointments to take effect immediately following the Annual General Meeting of Unitholders. Members shall hold office until the earlier of the time when their successors are appointed or they cease to be Trustees of Crombie REIT. Vacancies of members of the Audit Committee may be filled for the remainder of the current term of appointment by the Board, upon recommendation of the Governance and Nominating Committee.

The Board shall appoint from the Audit Committee membership a Chair for the Audit Committee to preside at its meetings. The Chair must be independent. In the absence of the Chair, one of the other members of the Audit Committee present shall be chosen by the Audit Committee to preside at the meeting.

C. AUTHORITY

The Audit Committee has the authority to:

1. Conduct or authorize an investigation into any matters within the scope of its mandate or responsibility;
2. At the REIT's expense, as determined by the Committee, retain independent counsel, accountants or others to advise the Audit Committee or assist in carrying out its duties or assist in the conduct of an investigation;
3. Meet with Management, internal auditors, external auditors or outside counsel as necessary; and
4. Call a meeting of the Board to consider any matter of concern to the Audit Committee.

D. MEETINGS

The Audit Committee shall meet quarterly or more frequently as circumstances dictate. Meetings of the Audit Committee may be called by:

- The Chair;
- Any member of the Audit Committee; or
- The external auditors.

The external auditors and internal audit shall be invited to attend and be heard at every Audit Committee meeting, and have the opportunity to discuss matters with the Audit Committee without the presence of Management at each meeting. The Audit Committee will meet in-camera with the external auditors, internal audit, management and the Committee itself at each meeting. The Secretary of the REIT shall act as Secretary of the Audit Committee and minutes of the Audit Committee shall be recorded and maintained by the Secretary.

E. RESPONSIBILITIES

Administration:

1. The Committee annually reviews its mandate and recommends any changes to the Corporate Governance Committee.
2. The Audit Committee shall report to the Board on the proceedings of each Audit Committee meeting and on the Audit Committee's recommendations at the next regularly scheduled Board meeting.

External Auditor:

3. As required by the Board, the external auditor reports directly to the Audit Committee, is invited to attend each Audit Committee meeting and meets quarterly in camera with the Audit Committee.
4. The Audit Committee must recommend to the Board of Trustees;
 - (a) the external auditor to be nominated, after annual review, for purposes of preparing or issuing an auditor's report or performing other audit, review or attest services for the REIT; and

- (b) the compensation of the external auditor.
- 5. The Audit Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing the Auditor's Report or performing other audit, review or attest services for the REIT, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- 6. The Audit Committee must pre-approve all non-audit services to be provided to the REIT or its subsidiary entities by the REIT's external auditor. The Audit Committee has delegated to the Chair of the Committee the authority to pre-approve the non-audit services, with such pre-approval presented to the Audit Committee at the next scheduled Audit Committee meeting following such pre-approval.

De minimis non-audit services satisfy the pre-approval requirement provided:

- (a) the aggregate amount of all these non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total audit fees paid by the REIT and its subsidiaries to the REIT's external auditor during the fiscal year in which the services are provided;
- (b) the REIT or subsidiaries of the REIT, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- (c) the services are promptly brought to the attention of the Audit Committee of the REIT and approved, prior to the completion of the audit, by the Audit Committee or by the Chair of the Audit Committee, who has been granted authority to pre-approve non-audit services.

The Audit Committee has instructed management that, to obtain pre-approval, management must detail the work to be performed by the external auditor and obtain the assurance from the external auditor that the proposed work does not impair their independence.

- 7. The Committee reviews with the external auditor and management all major accounting policies and practices adopted, any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties and key estimates and judgements of management that may be material to financial reporting. The Committee shall also review any significant changes to GAAP / IFRS or its application.
- 8. The Committee reviews and approves Crombie's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of Crombie.
- 9. The Committee ensures through enquiry that the external auditor is in good standing with the Canadian Public Accountability Board (CPAB) and that the lead partner and other partners fulfil the rotation requirements. The Committee also reviews that the relationship with the external auditor and Crombie Management is independent with consideration to the requirements set out by the Canadian Securities Administrators and the CICA.
- 10. The Committee receives from the external auditor an outline of the annual audit scope, plan, resources, reliance on management and progress reports against that plan. The Committee approves the year end audit plan.
- 11. The Committee reviews the Auditor Report with the external auditor:

- (a) significant findings during the year and management's response thereto;
 - (b) any difficulties encountered in the course of their audits, including any restrictions to the scope of their work or access to required information; and
- any changes required to the planned scope of their audit or quarterly reviews.

Risk Management

- 12. The Committee annually reviews the adequacy and quality of insurance coverage maintained by the REIT and the status of litigation matters occurring in the ordinary course of business.
- 13. The Committee reviews the principal risks of the business and ensures appropriate risk management techniques are in place. This will involve enquiry of management regarding how risks are managed as well as opinions from management regarding the degree of integrity of the risk mitigation strategies and accepted thresholds. The Committee shall review risk management policies as recommended by management.
- 14. The Committee reviews the Environmental Report, Litigation Report and Hedge Report prepared by management and ensures their appropriateness.
- 15. The Committee reviews the status of compliance with laws and regulations and the scope and status of systems designed to ensure compliance therewith, and receives reports from management, legal counsel and other third parties as determined by the Committee on such matters, as well as major legislative and regulatory developments which could impact the Company's contingent liabilities and risks.
- 16. The Committee determines through enquiry with Committee members and others the specific technical training and/or education required for Committee members to stay apprised of ongoing changes in financial reporting, risk management, etc
- 17. The Committee receives ongoing reports from management and other third party opinions confirming compliance with SIFT and other taxation policies outlining the ongoing risks, priorities and action plans to maintain that compliance.
- 18. The Committee annually reviews the REIT's ongoing Investor Relations plan, priorities and activities.
- 19. The Committee annually reviews the REIT's Information Technology platform including hardware, applications and infrastructure to monitor new initiatives, risks and changes since last report.
- 20. The Committee completes debt overviews on a regular basis to ensure;
 - (a) Compliance with debt covenants in trust deeds, mortgages and credit agreements
 - (b) Achievement of liquidity requirements and financing plans
 - (c) No material business risks, uncertainties and contingent liabilities
 - (d) Appropriate debt ladder maturities exist that are aligned with the REIT's objectives and risk thresholds.

Financial Management and Reporting

21. The Audit Committee reviews and recommends to the Board approval of the REIT's financial statements, MD&A and annual and interim earnings press releases prior to public disclosure of this information. It also ensures that adequate procedures are in place for the review of financial information extracted or derived from the REIT's financial statements, contained in the REIT's other financial disclosures and must periodically assess the adequacy of those procedures.
22. The Committee reviews the financially related disclosures contained in the Annual Report, Annual Information Form and Annual Information Circular.
23. The Committee reviews the disclosure controls and procedures and internal controls on financial reporting, including any significant deficiencies or material non-compliance with such controls and procedures.
24. The Committee reviews the Corporate Disclosure Policy and the Disclosure Committee Mandate and reviews the minutes of the quarterly Disclosure Committee meetings.
25. The Committee establishes procedures for:
 - (a) the receipt, retention and treatment of complaints received by Crombie regarding accounting, internal accounting controls, or auditing matters; and
 - (b) the confidential, anonymous submission by employees of Crombie of concerns regarding questionable accounting or auditing matters.
26. The Committee reviews the status and adequacy of the REIT's efforts to ensure its businesses are conducted and its facilities are operated in an ethical, legally compliant and socially responsible way, and recommends to the Board, for approval, policy changes and program initiatives considered advisable.

Internal Audit

27. The REIT annually reviews and approves the Internal Audit relationship and Annual Plan.
28. The Committee receives quarterly reports from, and meets in camera with, Internal Audit. Internal Audit is invited to each quarterly Audit Committee meeting.
29. The Committee ensures that the Internal Audit function is independent of management and has sufficient resources to carry out its mandate.
30. The Committee approves the appointment, replacement or termination of key Internal Audit Resources.