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## **Code of Conduct**

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**Approved by the Board of Trustees on September 17, 2015.**

## **From the President and Chief Executive Officer**

Being part of the team that introduces Automotive Properties REIT to the market is very exciting. We have an opportunity to make this organization anything we want it to be. We have a chance to build it together.

As a team, we will create our vision, mission and the values that will become the foundation of our business. This Code of Conduct will help you understand our expectations and what it means to represent our organization and provides you with guidelines for making ethical choices in our day-to-day conduct.

Our stakeholders, whether they are our trustees, unitholders, tenants, customers who visit our properties or personnel who work for us, expect us to conduct business ethically, lawfully and professionally. We are committed to upholding the highest standards of conduct.

Being an organization that Canadians trust, whether it applies to our properties, our business dealings or day-to-day interactions is critical to our reputation and success. It is our solid commitment to integrity and exemplary conduct that will make the Trust an outstanding corporate citizen.

Thank you,

Milton Lamb

President and Chief Executive Officer

## **About this Code**

Automotive Properties Real Estate Investment Trust and its subsidiaries (collectively, the “**REIT**”) are committed to honesty, integrity and fair play in all that we do.

This Code of Conduct (“**Code**”) reflects our values, but it does not cover all expectations or prohibited behaviours. Rather, it provides fundamental principles to guide your conduct as a trustee, officer or upper management of the REIT.

Underlying the Code are specific policies and procedures, which set out the REIT’s expectations and individual obligations in detail. You can find most of them on the REIT’s website. If the REIT has policies or procedures that apply to you which are stricter, or more detailed than this Code, then those policies and procedures must be followed.

All of the REIT’s trustees, officers and senior management must review, understand and comply with this Code, as well as the REIT’s policies and procedures. Reasonable steps must be taken to ensure that any external consultants or contractors engaged to provide services to the REIT also understand and comply with this Code, and the REIT’s policies and procedures.

If you have questions, please ask the Chief Financial Officer (the “**CFO**”).

This Code shall be posted on the REIT’s website.

### **Whistleblower Policy:**

The Integrity Action Line is an externally managed reporting service available to relay concerns or issues about the REIT or any of its trustees, officers or senior managers that is administered under the REIT’s Whistleblower Policy.

If you suspect a violation of the Code, report it immediately in accordance with the Whistleblower Policy;

You may remain anonymous. The REIT protects its personnel who make reports and treats all reports seriously.

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## **Integrity in all matters**

*Integrity is the foundation upon which the REIT is built. It is the basis for our strong reputation and loyal relationships. The REIT is committed to integrity in all of its dealings, and expects all REIT trustees, officers and senior managers (collectively, “**personnel**”) to conduct themselves in an ethical, lawful and professional manner.*

### **Uphold the law**

The REIT takes compliance very seriously, expecting all REIT personnel to understand, respect and abide by the law, this Code and the REIT’s policies and procedures.

The REIT relies on personnel to understand the laws that apply to their work, to participate in relevant training and to help the REIT comply with its legal obligations.

If you’re unsure what’s expected of you, talk with the President and Chief Executive Officer (the “**CEO**”) or CFO or other officer or senior manager of the REIT.

### **No conflicts of Interest**

Business decisions must be based on the best interests of the REIT, never on possible personal benefit to yourself or other individuals.

You must avoid conflict of interest situations where your personal interests (or those of your relatives or friends) could interfere with your obligations to the REIT. This includes misusing your position in any way for personal gain and situations which create the appearance of a conflict of interest.

You must disclose any actual, potential or perceived conflicts of interest to the CEO.

It could be a conflict of interest for you to:

- perform services for a competitor;
- perform services for a company that does business or wants to do business with the REIT or the Dilawri Group of Companies (the “**Dilawri Group**”);
- have a financial interest in a competitor (although you may hold up to 5% of the publicly traded securities of a competitor);
- conduct business on behalf of the REIT with a relative or friend; or
- engage in a personal relationship with a subordinate.

### **Receiving gifts**

We must never allow personal interests or relationships to influence our ability to make objective business decisions. For this reason, we follow strict rules relating to gifts from persons with

whom we do, or may do, business. Gifts include goods, services, entertainment, hospitality, cash, cash equivalents, or any other benefit. These rules apply whether they are offered directly to personnel, or indirectly through family members or others. In no instances are personnel to accept, offer or engage in activities that involve bribes or kickbacks.

Never accept a gift that:

- takes the form of cash or cash equivalents (such as gift cards), or could reasonably be seen as:
  - improperly influencing your professional decision-making;
  - creating a conflict of interest between your personal interests and the REIT's interests; or
  - excessive in terms of value or frequency.

Other kinds of gifts may be permitted, but personnel are expected to exercise moderation and good judgment before accepting them - always protecting the best interests of the REIT.

If they comply with the principles above, the following gifts are specifically permitted:

- gifts of nominal value (less than \$20);
- gifts that:
  - consist of a presentation, seminar, conference or materials, if most of the content is educational or on a business/professional topic directly relevant to your job. A meal provided to participants directly before or afterwards is also permitted; or
  - consist of a meal with a professional advisor or a vendor of products or services, or that is provided while working on a business related matter, if the nature and amount of that meal does not create a real personal enrichment of the recipient (personnel are expected to exercise moderation); or
- gifts that have been approved by the CEO or the CFO that consist of a local cultural, sporting or entertainment event.

If you receive an unsolicited gift that cannot respectfully be returned (e.g. gift baskets received during the year-end holiday season), then you may accept it on behalf of the REIT so that it can be distributed appropriately by the CEO or CFO.

If you have any questions about which gifts are acceptable and which must be refused, speak with the CFO.

## **Unitholder relations**

As a Canadian publicly-traded real estate investment trust, the REIT could be closely followed by both current and prospective investors and other market participants.

The REIT deals fairly with all stakeholders, including unitholders.

The REIT accurately and fairly reports financial and other information to unitholders, other stakeholders and the public.

You are required to refer all unitholder and investment community related queries to Investor Relations (email: investor-relations@automotivepropertiesreit.ca).

## **Fair dealings with government or regulatory officials**

Aspects of our operations may be regulated and could be subject to routine inspections by government and other regulatory authorities.

The REIT is serious about our compliance obligations and our commitment to integrity. We cooperate with government inspectors and other regulatory authorities, dealing with them in a fair, honest and ethical manner.

It is never appropriate to offer or receive a benefit or gift from a government or regulatory official.

If you are notified of an investigation, audit or request for information by a regulatory authority:

- inform the CEO or the CFO before you respond.

## **Dealing with Competitors/Anti-Trust Compliance**

We are governed by laws that ensure fair competition among companies. All personnel must comply with these laws. To better understand these requirements, please speak with the CFO.

## **External board involvement**

- If you wish to accept a board position with any for-profit or not-for-profit external organization, you must:
  - obtain prior approval from the Board of Trustees of the REIT; and
  - withdraw from any discussions that may involve or impact the REIT or the Dilawri Group.

## **Respecting the rights of others**

The REIT conducts its business fairly. We respect the rights of others and expect the same in return. Personnel are expected to act in accordance with this principle of fairness. For example, do not bring any competitively sensitive data from prior employers to the REIT.

Do not respond directly to letters or calls from other parties alleging that they have claims (whether legal or otherwise) against the REIT. Direct them promptly to the CEO or CFO.

### **Upon leaving the REIT**

Immediately return all REIT property to the REIT as soon as your engagement ends and remember that obligations continue even after engagement with the REIT. For instance, you must:

- continue to protect confidential and proprietary information of the REIT; and
- honour all post-engagement obligations contained in any agreement you have with the REIT. These may include promises not to compete, or to not entice other persons, including tenants, away from the REIT.

### **Financial matters**

*As a publicly traded real estate investment trust and a respected corporate citizen, the REIT must always provide full, true and plain disclosure of its financial results. Accurate and timely accounting and reporting are necessary to make responsible business decisions, and to maintain the trust of our stakeholders.*

### **Integrity of financial reporting**

The REIT reflects its business transactions accurately, fairly and in a timely manner.

The REIT maintains adequate and effective accounting, auditing and business control practices in accordance with industry standards, and complies with accepted accounting rules and controls at all times.

The REIT is committed to providing full, true and plain disclosure in accordance with the law.

In keeping with those commitments you are expected to:

- report expenses accurately and honestly;
- only use REIT funds for REIT purposes; and
- fully co-operate with the internal and external audit procedures of the REIT.

Personnel must make accurate entries into corporate books, records, reports, financial statements and public disclosures.

### **Insider trading**

The REIT encourages all personnel to become unitholders of the REIT. However, from time to time, some personnel may become aware of internal developments or plans which could affect

the value of securities before those developments or plans are made public. To comply with the REIT's policies and the law you must:

- not use or share undisclosed information with others that potentially could be used to decide whether to buy or sell securities of the REIT; and
- only trade securities of the REIT when you are permitted to do so.

Examples of undisclosed information include proposed changes in capital structure, proposed financings, proposed changes in corporate structure such as amalgamations or reorganizations, and proposed significant acquisitions.

As a general rule, carefully avoid any trading or disclosure which might be, or appear to be, unfair to the public investors.

The REIT's Insider Trading Policy provides more detailed information on trading restrictions.

***Whistleblower Policy:***

**If you suspect a violation of the Code, report it immediately in accordance with the Whistleblower Policy.**

**You may remain anonymous. The REIT protects its personnel who make reports and treats all reports seriously.**

## **We respect each other**

*Being a great place to work starts with respect. This includes treating our personnel with dignity and fairness, and maintaining a workplace that is free of harassment, discrimination and violence. It also means welcoming personnel with different backgrounds and capabilities. This diversity brings us a wealth of experience that makes us a better team.*

### **Respect in the workplace**

Personnel are expected to work together and resolve issues in a constructive manner. This includes respecting fellow personnel's rights and protecting their confidential information.

The REIT does not tolerate discrimination, harassment or violence. Our policies against such behaviours extend to inappropriate use of social media, as well as to activities outside of the workplace if there is a connection to the REIT.

Report discrimination, harassment or violence as soon as you become aware of it. It's not only the right thing to do - it is your duty to others and to the REIT.

***Whistleblower Policy:***

**If you suspect a violation of the Code, report it immediately in accordance with the Whistleblower Policy.**

**You may remain anonymous. The REIT protects its personnel who make reports and treats all reports seriously.**

## **Workplace safety**

The REIT is committed to making our environment safe for personnel. In keeping with that commitment you are expected to:

- comply with the law and all REIT health and safety requirements, policies and procedures;
- keep up-to-date with health and safety requirements and participate in training that applies to your position;
- wear and use protective equipment or devices as required by the REIT;
- work and act in a way that won't endanger your safety or the safety of others; and
- immediately report any workplace accidents, injuries or other safety concerns to the CFO.

The REIT welcomes persons with disabilities in a way that respects their dignity and independence. This includes allowing service animals onto our premises.

Safety is not just about procedures and equipment - it's about how we do our jobs every day. We cannot provide excellent service if our judgment and productivity are impaired. That is why the REIT maintains an alcohol and drug free environment.

Consumption of alcohol or illegal drugs is prohibited on REIT premises, excepting responsible alcohol use at events where the REIT has sanctioned alcohol consumption.

## **Caring for our communities and the environment**

*At the REIT, we aim to be a force for positive change. Our commitment to social responsibility, our efforts to minimize negative impacts on the environment and our charitable activities affirm our support of the communities in which we do business.*

### **Corporate social responsibility**

The REIT strives to be a leading corporate citizen, guided by fundamental principles of corporate social responsibility including:

- respecting the environment;
- sourcing with integrity;
- making a positive difference in our community; and

- being a great place to work.

When you make decisions in your daily work, bear these in mind. You are encouraged to behave in a manner that is in keeping with these principles.

### **Environmental responsibility**

The REIT is committed to complying with environmental laws and reducing our negative impact on the environment. You are expected to:

- take part in all environmental training relevant to your job;
- follow all of the REIT's policies and procedures regarding environmental sustainability and compliance with environmental legislation; and
- make a report if you suspect that other personnel are not following the REIT's environmental policies or procedures.

***Whistleblower Policy:***

**If you suspect a violation of the Code, report it immediately in accordance with the Whistleblower Policy.**

**You may remain anonymous. The REIT protects its personnel who make reports and treats all reports seriously.**

### **Charitable donations**

The REIT appreciates the generosity of our personnel, suppliers, contractors and tenants when we seek support for fundraising efforts. To be sure that our contributions have a strong impact, and to avoid imposing on the goodwill of contributors, the REIT only seeks donations for REIT-designated charities.

It is your choice whether to personally support a REIT-designated charity. The REIT will not treat personnel negatively for choosing not to support our charitable programs.

### **Protecting the REIT's information and assets**

#### **The REIT's Information**

On a daily basis, we are entrusted with confidential REIT information that must be treated with care. Disclosure of confidential REIT information can seriously harm the REIT and others. Generally, "confidential REIT information" includes any information that hasn't been disclosed to the public by the REIT, including projects, development activities, earnings or other financial results, future development plans, forecasting and business plans.

You must only share confidential REIT information as follows:

- Internally, with personnel who have a specific need to know, for appropriate business purposes.
- Externally, outside of the REIT only if:
  - the other party has signed a non-disclosure agreement in the REIT's form, or as approved by the CEO or the CFO; and
  - you have obtained the approval of the CEO or CFO and any other appropriate approvals required by the REIT's policies and procedures.

If you are unsure about whether you are dealing with confidential REIT information or the appropriate approval required before disclosing it, check with the CFO.

### **Use of the REIT's assets**

The REIT's assets (for example cash and business records) are to be used only for the benefit of the REIT and must always be protected from theft, misuse or damage.

Limited personal use of REIT computers, phones and other communication equipment is permitted on an occasional basis, but must not negatively impact your productivity, or interfere with normal business operations.

If you use REIT assets for personal purposes, you should have no expectation of privacy. As they are REIT assets, the REIT has a right to access any information contained on or accessed through them.

### **Management of the REIT's records**

Records are valuable assets of the REIT and it is very important that we manage them properly.

There are rules that set out how we need to manage and store our records, how long we must retain them, and how we must dispose of them.

It is your obligation to familiarize yourself and comply with all records management policies and procedures that apply to your function.

### **Data governance**

The REIT believes that data is an important asset.

To maintain the integrity of our data, and to make sure that our processes run smoothly, it is essential to make accurate entries into REIT systems.

Follow all processes, data policies and standards to ensure that our data is defined and used consistently.

## **Business process management**

The REIT offers and supports training in many aspects of our business. You are expected to familiarize yourself with all training that is applicable to your job, as well as general knowledge to enable you to reach your highest potential as a person working for the REIT.

You must follow all processes defined by the REIT.

## **Protecting the REIT's reputation**

*The REIT's reputation is a valuable asset that could be damaged through carelessness. What you do and say, internally and externally, really matters.*

## **Communicating with the media and the public**

The REIT has specified individuals to manage our important relationships with the media and the public. To help them do their jobs properly:

- do not speak publicly or to the media on behalf of the REIT without the approval of the CEO or the CFO. This includes speaking about the REIT at public events and trade conferences.
- send any requests for comments or information received from the media to the CEO or the CFO.

Of course, if you are authorized to speak publicly on behalf of the REIT, always provide factual and accurate information.

## **Social media**

Social media is a powerful marketing and communications tool, and a venue for doing business.

The REIT wants you to feel engaged and empowered to share information and ideas using social media, but you must do so in a responsible manner. Specifically, personnel using social media must:

- use sound judgment and common sense;
- adhere to this Code and all applicable REIT policies; and
- where use of social media is permitted, participate in a manner that protects the REIT's reputation, goodwill and confidential and proprietary information.

## **Consequences for Code violations**

*The REIT is committed to honesty, integrity and fair play in all that we do. This commitment is part of what makes us trusted by Canadians and a great place to work.*

In keeping with this commitment, all personnel must review, understand and comply with this Code, as well as the REIT's policies and procedures. A violation of the REIT's policies or procedures is considered a violation of this Code. Behaviour that is contrary to our Code reflects poorly on the individual and, importantly, on our business and the rest of our personnel. The REIT cannot - and will not - tolerate violations of the Code.

Personnel who violate the Code will be subject to disciplinary measures, which may include dismissal and/or other legal actions.

***Whistleblower Policy:***

**If you suspect a violation of the Code, report it immediately in accordance with the Whistleblower Policy.**

**You may remain anonymous. The REIT protects its personnel who make reports and treats all reports seriously.**

**Interpretation**

Responsibility for the interpretation of this Code and granting exceptions to its application rests jointly with the CEO and the CFO.

**Review**

The REIT's Governance, Compensation and Nominating Committee shall review this Code at least annually or otherwise as it deems appropriate, and, if applicable, propose recommended changes to the Board of Trustees.