

MANAGEMENT INFORMATION CIRCULAR



AUTOMOTIVE PROPERTIES REAL ESTATE INVESTMENT TRUST ANNUAL MEETING OF UNITHOLDERS

April 11, 2024



April 11, 2024

Dear Fellow Unitholder,

It is my pleasure to invite you to our Annual Meeting of Unitholders, which will be held on Wednesday, May 22, 2024, at 9:00 a.m. (Toronto time). The Trustees have determined that it is desirable and in the best interest of the REIT, the Unitholders and the REIT's other stakeholders to again hold this year's meeting in a virtual meeting format only, by way of a live webcast. Unitholders and duly appointed proxyholders will be able to listen to, participate in, ask questions, and vote at the meeting in real time through a web-based platform instead of attending the meeting in person. We hope that hosting a virtual meeting will enable greater participation by our Unitholders by allowing Unitholders who might not otherwise be able to travel to a physical meeting to attend online.

The Notice of Annual Meeting of Unitholders and related materials are enclosed.

This Management Information Circular describes the business to be conducted at the meeting and other important matters. The Circular contains information on our board of trustees, our governance practices and our approach to executive compensation. It is important that you exercise your vote, either by completing and sending in your proxy form or at the meeting by online ballot through the live webcast platform. Please read the enclosed materials as they contain relevant information for voting on the business to be conducted at the meeting.

We hope you will be able to join us at the meeting, which will occur by live webcast at www.virtualshareholdermeeting.com/APREIT2024. Additional information on how to attend the virtual meeting is enclosed. This meeting is an opportunity to listen to and ask questions of the people who are responsible for the performance of Automotive Properties Real Estate Investment Trust.

We look forward to your attendance at this year's meeting.

Yours very truly,

"Kap Dilawri"

Kap Dilawri
Chair



NOTICE OF ANNUAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that an Annual Meeting of Unitholders (the “**Meeting**”) of Automotive Properties Real Estate Investment Trust (the “**REIT**”) will be held on Wednesday, May 22, 2024, at 9:00 a.m. (Toronto time). The Trustees have determined that it is desirable and in the best interest of the REIT, the Unitholders and the REIT’s other stakeholders to again hold this year’s Meeting in a virtual meeting format only, by way of a live webcast. We hope that hosting a virtual meeting will enable greater participation by our Unitholders by allowing Unitholders who might not otherwise be able to travel to a physical meeting to attend online. Unitholders and duly appointed proxyholders will be able to listen to, participate in, ask questions, and vote at the Meeting in real time through a web-based platform instead of attending the Meeting in person.

You can attend the Meeting by joining the live webcast online at www.virtualshareholdermeeting.com/APREIT2024. See “Voting Information” in the REIT’s Management Information Circular dated April 11, 2024 (the “**Circular**”) for detailed instructions on how to attend and vote at the Meeting.

Meeting Business

The Meeting will be held for the following purposes:

1. to receive the annual consolidated financial statements of the REIT for the year ended December 31, 2023, and the auditors’ report thereon (see “Business to be Transacted at the Meeting – Receiving the Financial Statements”);
2. to elect members of the Board of Trustees of the REIT (see “Business to be Transacted at the Meeting – Election of the Board of Trustees”);
3. to appoint the REIT’s auditors and to authorize the trustees to fix the auditors’ remuneration (see “Business to be Transacted at the Meeting – Appointment of the Auditors”); and
4. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

Record Date

You have the right to vote at the Meeting as set out in the Circular if you are a Unitholder as of the close of business on April 4, 2024.

Notice and Access

The REIT is using the “Notice and Access” procedure adopted by the Canadian Securities Administrators for the delivery of the Circular to both its registered and non-registered Unitholders. Under the Notice and Access procedure, you are still entitled to receive a form of proxy (or voting instruction form) enabling you to vote at the Meeting. However, instead of a paper copy of the Circular, you are receiving this Notice of Meeting that contains information about how to access the Circular electronically. The principal benefit of the Notice and Access procedure is that it reduces costs and the environmental impact of producing and distributing paper copies of documents in large quantities. Unitholders who have consented to electronic delivery of materials are receiving this Notice of Meeting in an electronic format.

The Circular and the accompanying form of proxy (or voting instruction form) provide additional information concerning the matters to be dealt with at the Meeting. You should access and review all information contained in the Circular before voting.

Unitholders with questions about the Notice and Access procedure can call Broadridge Investor Communications Corporation (“**Broadridge**”) toll free at 1-844-916-0609 (English) or 1-844-973-0593 (French).

Websites Where the Meeting Materials are Posted

The Circular can be viewed online on the REIT’s website at www.automotivepropertiesreit.ca or under the REIT’s profile on the System for Electronic Document Analysis and Retrieval+ (“**SEDAR+**”) at www.sedarplus.ca.

How to Obtain a Paper Copy of the Circular

All Unitholders may request that a paper copy of the Circular be mailed to them at no cost for up to one year from the date that the Circular was filed on SEDAR+.

Unitholders with a 16-digit Control Number may request a paper copy of the Circular at any time prior to or following the Meeting at www.proxyvote.com or by calling 1-877-907-7643 and following the instructions.

If you do not have a 16-digit Control Number and wish to request a paper copy of the Circular, please contact Broadridge toll free at 1-844-916-0609 (English) or 1-844-973-0593 (French) and a copy will be delivered to you.

All requests must be received by May 3, 2024 (i.e., at least ten business days in advance of the date and time specified in your form of proxy or voting instruction form as the voting deadline for the Meeting) if you would like to receive the Circular in advance of the voting deadline and Meeting date.

Your Vote is Important

As a Unitholder, it is important that you read the Circular carefully.

You are entitled to vote either by proxy or at the Meeting by online ballot through the live webcast platform. If you are unable to attend the Meeting, you are requested to vote your Units using the enclosed form of proxy or voting instruction form.

Registered Unitholders should complete and sign the enclosed form of proxy and return it in the envelope provided. Proxies must be received by Broadridge at Data Processing Centre, P.O. Box 3700 STN Industrial Park, Markham, ON, L3R 9Z9, by no later than 5:00 p.m. (Toronto time) on May 17, 2024.

If you are a non-registered Unitholder, you should review the voting instruction form provided by your intermediary, which sets out the procedures to be followed for voting Units held through intermediaries.

If you wish to appoint a proxyholder other than John Morrison or Patricia Kay, each of whom is a trustee of the REIT, you must create an **appointee name** and an **eight-character appointee identification number**, either online at www.proxyvote.com or in your form of proxy or voting instruction form. This applies to both registered and non-registered Unitholders. If you do not provide your proxyholder with the **exact appointee name** and **eight-character appointee identification number** you created, your proxyholder will not be able to vote at the Meeting.

Toronto, Ontario
April 11, 2024

By Order of the Board of Trustees,

“Milton Lamb”

Milton Lamb
President and Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR

All information in this Management Information Circular (the “**Circular**”) is as of April 11, 2024, unless otherwise indicated.

In this Circular, “we”, “us”, “our” and “the REIT” refer to Automotive Properties Real Estate Investment Trust and its subsidiaries, where applicable. “Dilawri” refers to 893353 Alberta Inc. and its affiliates, as and to the extent applicable. “Dilawri Group” refers to Dilawri and its affiliates, other than any shareholder of Dilawri or any other person that controls Dilawri. “You” and “your” refer to holders of trust units of the REIT (“**Trust Unitholders**”) and holders of special voting units of the REIT (“**Special Voting Unitholders**”), and together with the Trust Unitholders, the “**Unitholders**”).

This Circular is provided in connection with our Annual Meeting of Unitholders to be held on Wednesday, May 22, 2024 (the “**Meeting**”). Your proxy is being solicited by management of the REIT for the items described in the Notice of Meeting on the previous page. We pay for all costs associated with soliciting your proxy. We usually make our request by mail, but we may also solicit your proxy by telephone.

As a Unitholder, you have the right to electronically attend and vote at the Meeting as set out in this Circular. Please read this Circular, as it gives you information that you will need to know in order to cast your vote. We also encourage you to read the REIT’s management’s discussion and analysis and annual consolidated financial statements for the year ended December 31, 2023. A copy of the management’s discussion and analysis and the annual consolidated financial statements will be sent to all registered and beneficial Unitholders other than those who have requested that materials not be sent to them. They are also available on the System for Electronic Document Analysis and Retrieval + (“**SEDAR+**”) at www.sedarplus.ca and the REIT’s website at www.automotivepropertiesreit.ca.

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BUSINESS TO BE TRANSACTED AT THE MEETING

The following business will be transacted at the Meeting:

Receiving the financial statements

- Management will present the annual financial results at the Meeting.

Election of the Board of Trustees

- Seven trustee nominees are proposed for election to the board of trustees (the “**Board**”). Unitholders may vote on the election of the trustees.

Appointment of the auditors

- The Board recommends the re-appointment of BDO Canada LLP as the REIT’s auditors. Unitholders may vote on the re-appointment of the auditors and the authorization of the Board to fix such auditors’ compensation.

RECEIVING THE FINANCIAL STATEMENTS

Our audited consolidated financial statements for the year ended December 31, 2023, including the auditors’ report thereon, have been prepared and will be sent to registered and beneficial Unitholders who have requested that these materials be sent to them. Our audited consolidated financial statements are also available on SEDAR+ at www.sedarplus.ca and the REIT’s website at www.automotivepropertiesreit.ca.

ELECTION OF THE BOARD OF TRUSTEES

The Board has determined that seven trustees will be elected at the Meeting. See “About the Proposed Trustees” on page 11 for more information.

The Board recommends that you vote **FOR** the election of each of the following persons who have been proposed by the Board for election as trustees by the Unitholders:

- Patricia Kay
- Milton Lamb
- Stuart Lazier
- James Matthews
- Julie Morin
- John Morrison

The Board recommends that you vote **FOR** the election of the following person who has been nominated by Dilawri and who has been proposed by the Board for election as a trustee by the Unitholders:

- Kapil Dilawri

All of the proposed trustees are currently trustees of the REIT and were appointed as trustees at our Annual Meeting of Unitholders held on May 25, 2023.

APPOINTMENT OF THE AUDITORS

If you are a Unitholder, you can vote on the appointment of the auditors and authorizing the Board to set the auditors' compensation. The Board recommends that you vote **FOR** the reappointment of the REIT's current auditors, BDO Canada LLP, Chartered Professional Accountants, Licensed Public Accountants, as the REIT's auditors, and authorizing the Board to set its compensation.

BDO Canada LLP has been the REIT's auditors since the REIT's inception in 2015.

CONSIDERING OTHER BUSINESS

We will consider any other business that may properly come before the Meeting. As of the date of this Circular, we are not aware of any changes to the items above or any other business to be considered at the Meeting. If there are changes or new items, you or your proxyholder can vote your Units (as defined below) on these items as you or your proxyholder sees fit.

NOTICE AND ACCESS

The REIT is using the "Notice and Access" procedure that allows it to furnish proxy materials over the internet instead of mailing paper copies to Unitholders. Under the Notice and Access procedure, the REIT will deliver proxy-related materials by: (i) posting this Circular on the REIT's website at www.automotivepropertiesreit.ca; and (ii) sending the Notice of Meeting informing Unitholders that the Circular and proxy-related materials have been posted on the REIT's website and explaining how to access them.

On or about April 22, 2024, the REIT will send to Unitholders the Notice of Meeting and the relevant voting document (a form of proxy or a voting instruction form). The Notice of Meeting contains basic information about the Meeting and the matters to be voted on, instructions on how to access the proxy materials, and explains how to obtain a paper copy of the Circular.

VOTING INFORMATION

WHO CAN VOTE

The REIT is authorized to issue an unlimited number of trust units (the "**Trust Units**") and special voting units (the "**Special Voting Units**", and together with the Trust Units and as the context requires, the "**Units**"). As of the date hereof, there were 49,054,833 issued and outstanding Units, which are comprised of: (i) 39,727,346 issued and outstanding Trust Units, and (ii) 9,327,487 Special Voting Units (which were issued in tandem with the issuance of Class B limited partnership units (the "**Class B LP Units**") of the REIT's subsidiary, Automotive Properties Limited Partnership (the "**Partnership**"), for the purpose of providing voting rights with respect to the REIT to the holders of Class B LP Units).

Each Unit you own as of the close of business on April 4, 2024, the record date for the Meeting, entitles you to one vote on each of the matters to be acted upon at the Meeting, or any adjournment or postponement thereof, either by proxy or at the Meeting by online ballot through the live webcast platform. The right to vote at the Meeting is limited to Unitholders who own Units as of the above record date for the Meeting.

The trustees and officers of the REIT are not aware of any person or company that beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the total outstanding Units, other than (i) Dilawri which beneficially owns, directly and indirectly, or exercises control or direction over 6,421,020 Trust Units and 9,327,487 Special Voting Units, representing approximately 16.2% of the issued and outstanding Trust Units and all of the outstanding Special Voting Units (and an approximate 31.4% effective interest in the REIT); and (ii) based on publicly available information, TWC Enterprises Limited ("**TWC**") and K. Rai Sahi, the Director, Chairman, President, Chief Executive Officer and controlling shareholder of TWC, which together beneficially own, directly and indirectly, or exercise control or

direction over 9,490,712 Trust Units, representing approximately 23.9% of the issued and outstanding Trust Units (and an approximate 19.3% effective interest in the REIT).

Dilawri has advised the REIT that it intends to vote **FOR** the election of trustees to the Board and the appointment of the auditors and authorizing the trustees to set the auditors' compensation.

HOW TO VOTE

Registered Unitholder Voting

You are a registered Unitholder if your Units are held directly in your name either electronically or in the form of a Unit certificate ("**Registered Unitholder**"). If you are a Registered Unitholder, you may vote at the Meeting by online ballot through the live webcast platform or by proxy. See below for details on each voting option.

Voting at the Meeting

If you are a Registered Unitholder and you wish to vote your Units at the Meeting, you do not need to complete and return the form of proxy. Your vote will be taken by electronic ballot and counted at the virtual Meeting. See "How to Attend and Participate at the Virtual Meeting" below.

Voting by Proxy

Registered Unitholders have three options to vote by proxy:

- ***By Mail***
Complete, date and sign the enclosed form of proxy and return it to Broadridge Investor Communications Corporation ("**Broadridge**") at: Data Processing Centre, P.O. Box 3700 STN Industrial Park, Markham, ON L3R 9Z9, in the envelope provided so that it arrives no later than 5:00 p.m. (Toronto time) on May 17, 2024. This will ensure your vote is recorded.
- ***By Telephone***
Call 1-800-474-7493 (English) or 1-800-474-7501 (French) and follow the instructions. You will need your 16-digit control number (located on the front of the form of proxy) to identify yourself to the system. If you are voting by telephone, all required information must be entered by 5:00 p.m. (Toronto time) on May 17, 2024. If you vote by telephone, you cannot appoint anyone other than the trustees named on your proxy form as your proxyholder.
- ***On the Internet in advance of the Meeting***
Visit www.proxyvote.com or scan the QR code on the form of proxy to access the website and follow the instructions. You will need your 16-digit control number (located on the front of the form of proxy) to identify yourself to the system. If you are voting through the Internet, all required information must be entered by 5:00 p.m. (Toronto time) on May 17, 2024.

If Units are registered in the name of more than one holder (for example, joint ownership, trustees, executors, etc.), then each registered holder should sign the form of proxy. If you are voting Units registered in the name of a corporation or other legal entity or another individual, you may have to provide proof that you are authorized to sign on behalf of that corporation, legal entity or individual.

Signing the enclosed form of proxy gives authority to John Morrison or Patricia Kay, each of whom is a trustee of the REIT, to vote your Units at the Meeting. **You may appoint someone other than the above-named trustees to vote your Units by writing the name of the person that you wish to appoint, who need not be a Unitholder, in the blank space provided on the form of proxy.**

It is important to ensure that any other person you appoint is attending the Meeting and is aware that he or she has been appointed to vote your Units. If you appoint someone other than the above-named trustees as your proxyholder, you must create an **appointee name** and an **eight-character appointee identification number**, either online at www.proxyvote.com or in your form of proxy. If you do not provide your

proxyholder with the **exact appointee name** and **eight-character appointee identification number** you created, your proxyholder will not be able to vote at the Meeting.

The persons named on the form of proxy must vote or withhold from voting your Units in accordance with your directions, or you can let your proxyholder decide for you. In the absence of such directions, proxies received by management will be voted in favour of the election of trustees to the Board and the appointment of the auditors and authorizing the trustees to set the auditors' compensation.

The persons named in the form of proxy will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Annual Meeting of Unitholders of the REIT and with respect to other matters which may properly come before the Meeting.

As of the date of this Circular, management of the REIT knows of no such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the person named in your form of proxy will vote on them in accordance with their best judgment.

Revoking Your Proxy

If you are a Registered Unitholder and wish to revoke your proxy, you may (i) vote again by completing and signing a proxy bearing a later date and depositing it in accordance with the instructions on the form of proxy, which will revoke any proxy you previously submitted, (ii) vote at the virtual Meeting by submitting an online ballot through the live webcast platform, which will revoke any proxy you previously submitted, (iii) prepare a written statement stating that you wish to revoke your proxy, or (iv) in any other manner permitted by law.

If you prepare a written statement to revoke your proxy, such statement must be signed by you or your attorney as authorized in writing or by electronic signature to the extent permitted by applicable law or, if the Unitholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the corporation. This statement must be delivered or faxed to the Chief Financial Officer and Corporate Secretary of the REIT at the address listed below no later than 5:00 p.m. (Toronto time) on May 17, 2024, or two business days immediately preceding any adjournment or postponement of the Meeting, or delivered in any other manner provided by law.

Automotive Properties Real Estate Investment Trust
133 King Street East, Suite 300
Toronto, Ontario M5C 1G6
Attention: Andrew Kalra, Chief Financial Officer and Corporate Secretary
Fax: 647-789-2449

Non-Registered Beneficial Unitholder Voting

Information in this section is very important to non-registered beneficial owners of Units. You are a non-registered beneficial owner if your Units are held in the name of an intermediary such as a bank, trust company, securities broker or other intermediary ("**Beneficial Unitholder**"). Applicable Canadian securities laws require intermediaries to seek voting instructions from Beneficial Unitholders. Accordingly, you will have received from your intermediary a voting instruction form for the number of Units you hold.

Voting at the Meeting

A Beneficial Unitholder who receives a voting instruction form from their intermediary cannot use that voting instruction form to vote Units directly at the virtual Meeting. To vote your Units at the Meeting by online ballot through the live webcast platform, your intermediary must appoint you as proxyholder. In order to be appointed as proxyholder, insert your name in the space provided on the voting instruction form and follow the return instructions provided by your intermediary. In addition, you must create an **appointee name** and an **eight-character appointee identification number**, either online at www.proxyvote.com or in your voting instruction form. If you do not create an appointee name and eight-character appointee identification number, you will not be able to vote at the Meeting. Do not fill in the

voting directions as your vote will be taken at the Meeting. **The voting instruction form must be returned to your intermediary well in advance of the Meeting in order to appoint your proxyholder.**

If you are a Beneficial Unitholder holding your Units through a U.S. bank, broker or dealer, you must also obtain a valid legal proxy from your broker, bank, dealer or other agent and then register in advance to attend the virtual Meeting. Follow the instructions from your broker, bank, dealer or other agent included with these proxy materials, or contact your broker, bank, dealer or other agent to request a legal proxy form.

Voting Instruction

Beneficial Unitholders who do not wish to vote at the Meeting by online ballot through the live webcast platform are still encouraged to vote their Units. You can do so by following the instructions on the voting instruction form provided by your intermediary. **The voting instruction form must be returned to your intermediary well in advance of the Meeting in order to have the Units voted.**

Each intermediary has its own procedures, which should be carefully followed to ensure that your Units are voted at the Meeting. The persons named on the voting instruction form must vote or withhold from voting your Units in accordance with your directions, or you can let your proxyholder decide for you. In the absence of such directions, voting instruction forms received will be voted in favour of the election of trustees to the Board and the appointment of the auditors and authorizing the trustees to set the auditors' compensation.

The persons named in the voting instruction form you receive will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Annual Meeting of Unitholders of the REIT and with respect to other matters which may properly come before the Meeting.

As of the date of this Circular, management of the REIT knows of no such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the persons named in the voting instruction form will vote on them in accordance with their best judgment.

Revoking Your Voting Instruction

If you are a Beneficial Unitholder, please contact your intermediary for instructions on how to revoke your voting instructions well in advance of the Meeting.

Delivery of Proxy-Related Materials

Proxy-related materials will be sent by the REIT to the intermediaries and not directly to Beneficial Unitholders. The REIT intends to pay for intermediaries to deliver proxy-related materials and Form 54-101F7 – *Request for Voting Instructions made by Intermediary* to “objecting beneficial owners”.

Additional Voting Information

Broadridge counts and tabulates the votes.

For general Unitholder enquiries, you can contact the Chief Financial Officer and Corporate Secretary of the REIT by mail at:

Automotive Properties Real Estate Investment Trust
133 King Street East, Suite 300
Toronto, Ontario M5C 1G6
Attention: Andrew Kalra, Chief Financial Officer and Corporate Secretary

or by telephone at 647-789-2446;

or by fax at 647-789-2449;

or by e-mail at akalra@automotivereit.ca.

HOW TO ATTEND AND PARTICIPATE AT THE VIRTUAL MEETING

In order to attend the Meeting, Registered Unitholders, Beneficial Unitholders who have not duly appointed themselves as proxyholder, duly appointed proxyholders (including Beneficial Unitholders who have duly appointed themselves as proxyholder) and guests must log in online as set out below.

- **Step 1:** Log in online at www.virtualshareholdermeeting.com/APREIT2024.
- **Step 2:** Follow the instructions below:

Registered Unitholders and Beneficial Unitholders who have not appointed themselves as proxyholders: Click “Login” and then enter your control number. The 16-digit control number located on the front of your form of proxy or voting instruction form is your control number. If you use your control number to log in to the Meeting, any vote you cast at the Meeting will revoke any proxy you previously submitted. If you do not wish to revoke a previously submitted proxy, you should not vote at the Meeting. If you are a Beneficial Unitholder who has appointed yourself as a proxyholder, you should log in as a proxyholder, as described below.

Duly appointed proxyholders (including Beneficial Unitholders who have appointed themselves as proxyholders): Click “Login” and then enter the **appointee name** and the **eight-character appointee identification number** provided to you by the Unitholder who appointed you.

Guests (including Beneficial Unitholders who have not appointed themselves as proxyholders): Click “Guest” and then complete the online form.

Registered Unitholders and duly appointed proxyholders may attend, ask questions and vote at the virtual Meeting. Beneficial Unitholders who have not duly appointed themselves as proxyholders and guests may attend the virtual Meeting, but will not be permitted to vote or ask questions.

We recognize the importance of Unitholders being able to ask questions in a virtual meeting format. At the virtual Meeting, Registered Unitholders and duly appointed proxyholders, regardless of geographic location, will be able to participate and have an equal opportunity to ask questions, and vote in real time at the Meeting, provided they are connected to the internet and have logged into the online platform accessible at www.virtualshareholdermeeting.com/APREIT2024. To ask a question during the Meeting through the live webcast after logging-in, type your question into the “Ask a Question” field, and click “Submit”. **We strongly encourage you to submit your questions as early as possible during the Meeting as we intend to answer questions in the order in which they are submitted to us by Unitholders.** Questions submitted via the online platform that relate to the business of the Meeting are expected to be addressed in the question-and-answer section of the Meeting. Such questions will be read by the Chair of the Meeting or a designee of the Chair and responded to by a representative of the REIT as they would be at in-person Unitholder meetings. Questions submitted via the online platform will be moderated before being sent to the Chair of the Meeting. This is to avoid repetition and to ensure an orderly Meeting. The Chair of the Meeting will decide on the amount of time allocated to each question and will have the right to limit or consolidate questions and to reject questions that do not relate to the business of the Meeting or which are determined to be inappropriate or otherwise out of order. Questions can be submitted at any time as prompted by the Chair during the Meeting until the Chair closes the session. It is anticipated that Registered Unitholders and duly appointed proxyholders attending the Meeting virtually will have substantially the same opportunity to ask questions on matters of business before the Meeting as if the Meeting was held in person.

If you plan to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure

internet connectivity for the duration of the Meeting. You should allow ample time to log in to the Meeting online and complete the check-in procedures.

For any technical difficulties experienced during the check-in process or during the Meeting, please call 1-800-586-1548 (Canada and the United States) or 303-562-9288 (international) for assistance.

Please note that the Meeting website may not be fully accessible on all Internet browsers and if you are unable to access this site on your preferred browser, we suggest trying to access it via a different browser and/or ensuring that your browser is updated to the latest version. Note that Chrome, Firefox, Edge and Safari are the preferred browsers for accessing the web based meeting platform. Internet Explorer is not supported. In addition, internal network security protocols including firewalls and virtual private network (VPN) connections may block your access to the online platform. If you are experiencing any difficulty connecting or watching the meeting, please also ensure your VPN setting is disabled or connect to the platform on a network not restricted to the security settings of your organization.

ABOUT AUTOMOTIVE PROPERTIES REAL ESTATE INVESTMENT TRUST

OVERVIEW

The REIT is an internally managed, unincorporated, open-ended real estate investment trust existing pursuant to the amended and restated declaration of trust dated July 22, 2015 (the “**Declaration of Trust**”) under, and governed by, the laws of the Province of Ontario. The principal, registered and head office of the REIT is located at 133 King Street East, Suite 300, Toronto, Ontario, M5C 1G6. The REIT was formed on June 1, 2015 to own primarily income-producing automotive properties, including retail dealership and original equipment manufacturer properties, in Canada.

The REIT currently owns a portfolio of 77 income-producing commercial properties, representing approximately 2.9 million square feet of gross leasable area (“**GLA**”) on approximately 249 acres of land in primarily metropolitan markets across British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec (the “**Properties**”). The Dilawri Group exclusively occupies 37 of the REIT’s properties for use as automotive dealerships or, in one case, an automotive repair facility. The Dilawri Group jointly occupies one of the REIT’s properties (for use as an automotive dealership) with one or more third parties (for use as automotive dealerships or complementary uses, including restaurants). The remaining 39 properties are exclusively occupied by other dealership groups or original equipment manufacturers for use as automotive dealerships, automotive service centres or for automotive ancillary services, such as a vehicle service compound facility or a repair facility.

ARRANGEMENTS WITH DILAWRI

Dilawri took the initiative in creating the REIT in order to establish a growth-oriented real estate entity. The REIT expects to benefit from the continuing consolidation of the automotive dealership industry and its relationship with the Dilawri Group, who expects to retain a significant economic interest in the REIT.

The REIT and Dilawri are parties to a number of commercial agreements which govern the relationship between them. As of the date hereof, such agreements include a Strategic Alliance Agreement, an Exchange Agreement and a Financial Information and Confidentiality Agreement.

For a discussion of the commercial agreements with Dilawri and other arrangements with Dilawri, please refer to our annual information form for the year ended December 31, 2023 (the “**AIF**”), and our management’s discussion and analysis and audited consolidated financial statements for the year ended December 31, 2023, which are available on the REIT’s website at www.automotivepropertiesreit.ca and on SEDAR+ at www.sedarplus.ca. The Strategic Alliance Agreement and the Exchange Agreement are material contracts for the REIT and any disclosure in this Circular, the AIF or elsewhere is qualified in its entirety by reference to the terms of such agreements which are available on SEDAR+ at www.sedarplus.ca.

ABOUT THE PROPOSED TRUSTEES

The trustee biographies on pages 14 to 18 of this Circular describe the trustees who are proposed for election, along with their ownership of Trust Units.

Pursuant to the Declaration of Trust, the REIT must have between three and twelve trustees on the Board, the majority of whom must be resident Canadians. The Board determines the number of trustees to be elected at a meeting of Unitholders. The Declaration of Trust also states that Dilawri has the exclusive right to nominate a number of trustees as follows:

- so long as the Dilawri Organization and the Transferors (as each such term is defined in the Declaration of Trust as described in the AIF) that are subject to the voting trust agreement dated July 22, 2015 among Dilawri and each holder of Class B LP Units (the “**Voting Trust Agreement**”) own, control or direct, in the aggregate, an effective interest of 33% or higher in the REIT (on a fully diluted basis), Dilawri shall have the exclusive right to nominate two trustees for election by Unitholders;
- so long as the Dilawri Organization and the Transferors that are subject to the Voting Trust Agreement own, control or direct, in the aggregate, at least a 10%, but less than 33%, effective interest in the REIT (on a fully diluted basis), Dilawri shall have the exclusive right to nominate one Trustee;
- should the size of the Board be increased or decreased, Dilawri’s nomination rights shall be increased or decreased proportionately (rounding up or down to the nearest whole number, with 0.5 being rounded up); and
- one of the nominees of Dilawri, if any, and if he or she so wishes, shall have the right to be appointed the chair of the Board.

Pursuant to the Declaration of Trust, Dilawri exercises its nomination right by submitting its nominee(s) to the REIT’s Governance, Compensation and Nominating Committee (“**GCN Committee**”), which reviews the proposed nominations together with the remaining trustee nominations, determined solely by the GCN Committee, to be elected by the Unitholders at the Meeting.

All nominees have established their eligibility and willingness to serve as trustees. Four of the seven nominees are independent. All nominees are currently trustees of the REIT. Management does not believe that any of the nominees will be unable to serve as a trustee, but if that should occur for any reason prior to the Meeting, the persons named in the accompanying form of proxy (or voting instruction form) may vote for another nominee at their discretion (subject to Dilawri’s nomination rights as described above). Each trustee shall hold office until the next annual meeting of Unitholders or until the trustee resigns or a successor is elected or appointed.

INDIVIDUAL AND MAJORITY VOTING POLICY

The REIT has adopted a majority voting policy requiring the form of proxy (or voting instruction form) to enable Unitholders to vote separately for each nominee. The majority voting policy also requires that, for uncontested elections of trustees, each trustee nominee must receive the support of a majority of the total number of votes cast by the Unitholders or immediately tender his or her resignation to the Board for consideration promptly after a meeting of the Unitholders. The Board will have 90 days from the date of the applicable meeting of Unitholders to accept the resignation and the policy provides that, absent exceptional circumstances, any such resignation shall be accepted. The Board’s decision to accept or reject the resignation offer will be publicly disclosed and, if applicable, will state the reasons for any decision by the Board to not accept the resignation.

ADVANCE NOTICE REQUIREMENT

The Declaration of Trust includes certain advance notice provisions (the “**Advance Notice Provision**”), which are intended to: (i) facilitate orderly and efficient annual general or, where the need arises, special meetings; (ii) ensure that all Unitholders receive adequate notice of the trustee nominations and sufficient information with respect to all nominees; and (iii) allow Unitholders to register an informed vote. Except as otherwise provided above with respect to Dilawri’s nomination rights, only persons who are nominated by Unitholders in accordance with the Advance Notice Provision will be eligible for election as trustees. Nominations of persons for election to the Board may be made for any annual meeting of Unitholders, or for any special meeting of Unitholders if one of the purposes for which the special meeting was called was the election of trustees: (a) by or at the direction of the trustees, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more Unitholders pursuant to a requisition of the Unitholders made in accordance with the Declaration of Trust; or (c) by any person (a “**Nominating Unitholder**”): (A) who, at the close of business on the date of the giving of the notice provided for below and on the record date for notice of such meeting, is entered in the REIT’s register as a holder of one or more Units carrying the right to vote at such meeting or who beneficially owns Units that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth in the Advance Notice Provision.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Unitholder, the Nominating Unitholder must have given timely notice thereof in proper written form to the trustees. To be timely, a Nominating Unitholder’s notice to the trustees must be made: (a) in the case of an annual meeting of Unitholders, not less than 30 days prior to the date of the annual meeting of Unitholders; provided, however, that in the event that the annual meeting of Unitholders is to be held on a date that is less than 50 days after the date that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the annual meeting was made (the “**Notice Date**”), notice by the Nominating Unitholder may be made not later than the close of business on the tenth day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of Unitholders called for the purpose of electing trustees (whether or not called for other purposes), not later than the close of business on the 15th day following the day that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the special meeting of Unitholders was made.

To be in proper written form, a Nominating Unitholder’s notice to the trustees must set forth the following information, all of which the REIT believes to be necessary information to be included in a dissident proxy circular, or is necessary to enable the Board and Unitholders to determine trustee nominee qualifications, relevant experience, Unit holdings or voting interest in the REIT or independence, all in the same manner as would be required for management or Dilawri nominees: (a) as to each person whom the Nominating Unitholder proposes to nominate for election as a trustee: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of Trust Units or Special Voting Units which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of Unitholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of trustees pursuant to applicable securities laws; and (b) as to the Nominating Unitholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Unitholder has a right to vote any Units and any other information relating to such Nominating Unitholder that would be required to be made in a dissident’s proxy circular in connection with solicitations of proxies for election of trustees pursuant to applicable securities laws. The REIT may require any proposed nominee to furnish such other information as may reasonably be required by the REIT to determine the eligibility of such proposed nominee to serve as an Independent Trustee or that could be material to a reasonable Unitholder’s understanding of the independence, or lack thereof, of such proposed nominee. Such information, if received, will generally be summarized in the REIT’s proxy circular.

The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Notwithstanding the foregoing, the trustees may, in their sole discretion, waive any or all requirements in the Advance Notice Provision. The Advance Notice Provision does not apply to Dilawri in respect of its nomination of trustees pursuant to its nomination rights outlined above.

2023 RESULTS OF VOTING FOR THE ELECTION OF TRUSTEES

All of the current trustee nominees were elected as trustees at the annual meeting of Unitholders held on May 25, 2023 (the “**2023 Meeting**”). The following table describes the votes received in connection with the election of trustees at the 2023 Meeting:

Name	% Votes For (Trust Units)	% Votes Withheld (Trust Units)	% Votes For (Class B LP Units)	% Votes Withheld (Class B LP Units)
Kapil Dilawri	98.46%	1.54%	100%	Nil
Patricia Kay	92.42%	7.58%	100%	Nil
Milton Lamb	98.18%	1.82%	100%	Nil
Stuart Lazier	98.21%	1.79%	100%	Nil
James Matthews	98.41%	1.59%	100%	Nil
Julie Morin	98.68%	1.32%	100%	Nil
John Morrison	98.42%	1.58%	100%	Nil

TRUSTEE NOMINEE BIOGRAPHIES

KAPIL DILAWRI⁽¹⁾

Not Independent⁽²⁾



Ontario, Canada
Age: 59

Chair since:
June 1, 2015

Principal Occupation:

Mr. Dilawri is the Co-Founder and President of the Dilawri Group.

Past Activities:

For more than 30 years, Mr. Dilawri has been instrumental in growing the Dilawri Group from a single dealership in Regina to one of the largest automotive dealership group in Canada. Mr. Dilawri remains active in strategic initiatives and business operations of the Dilawri Group. In 2002, Mr. Dilawri co-founded the Dilawri Foundation, a charitable organization committed to giving back to Canada by supporting medical research, hospitals, children and their families.

Public Board Memberships During Last Five Years:

None

Public Board Interlocks:

None

Committees:

None

Meetings Attended in 2023:

Board Meetings – 8 of 8 (100%)

EQUITY OWNERSHIP

Trust Units Owned or Controlled ⁽³⁾	Deferred Units ⁽⁷⁾	Market Value ⁽⁴⁾	Minimum Equity Ownership ⁽⁶⁾	Date at which Unit Ownership Guideline is to be Met	Has Unit Ownership Guideline Been Met?
202,000	N/A	\$2,177,560	N/A	N/A	N/A

PATRICIA KAY⁽¹⁾

Independent



Massachusetts, United States
Age: 70

Trustee since:
June 12, 2019

Principal Occupation:

Ms. Kay is a corporate director.

Past Activities:

Ms. Kay served as Senior Vice President, Dealer Finance – National Accounts at Bank of America Merrill Lynch from 1998 to 2019. She has over 40 years of banking experience in the commercial banking industry which includes 25 years focused on public and large private automotive retailers in the United States. Ms. Kay was instrumental in positioning Bank of America Merrill Lynch into its leading role serving the financial needs of the public auto retail sector. In the years preceding her retirement in 2019, she accumulated extensive expertise in the financial operations and capital structures of auto retailers. Prior to 1998, Ms. Kay served as a Vice President in Dealer Finance between 1993 and 1998, and a Vice President in Corporate Banking between 1980 and 1993, also at Bank of America Merrill Lynch. Ms. Kay holds an MBA from Indiana University and a Bachelor of Arts degree from Syracuse University.

Public Board Memberships During Last Five Years:

None

Public Board Interlocks:

None

Committees:

Audit Committee
GCN Committee (Chair)

Meetings Attended in 2023:

Board Meetings – 8 of 8 (100%)
Audit Committee Meetings – 4 of 4 (100%)
GCN Committee Meetings – 6 of 6 (100%)

EQUITY OWNERSHIP

Trust Units Owned or Controlled	Deferred Units ⁽⁷⁾	Market Value ⁽⁴⁾	Minimum Equity Ownership	Date at which Unit Ownership Guideline is to be Met	Has Unit Ownership Guideline Been Met?
Nil	56,907	\$608,336	\$187,500	June 12, 2024	Yes

MILTON LAMB⁽¹⁾**Not Independent⁽⁸⁾**

Ontario, Canada
Age: 55

Trustee since:
 June 25, 2020

Principal Occupation:

Mr. Lamb is the President and Chief Executive Officer of the REIT, a role he has served in since the REIT's initial public offering in July 2015.

Past Activities:

Mr. Lamb has over 30 years of experience in the Canadian commercial real estate industry, with a track record of successful commercial real estate transactions, development projects and joint ventures totaling over \$2.5 billion. Mr. Lamb has worked with the largest global real estate service companies including CBRE, Jones Lang Wootton (now known as JLL) and, most recently, Colliers International, a position he held from 2007 until becoming the REIT's President and Chief Executive Officer in July 2015. Mr. Lamb became an employee of the REIT effective January 1, 2020 in conjunction with the internalization of the REIT's management. During his tenure at Colliers International, Mr. Lamb was Chair of the National Investment Services represented Canada on Colliers Global Investment Services and Colliers Investment Services Group (USA) from 2008 to 2013. Mr. Lamb was formerly a director of NAIOP Toronto and Big Brothers Big Sisters Toronto and is currently a mentor for NAIOP Developing Leaders. Mr. Lamb is an institute certified Director with the Institute of Corporate Directors (ICD).

Public Board Memberships During Last Five Years:

None

Public Board Interlocks:

None

Committees:

None

Meetings Attended in 2023:

Board Meetings – 8 of 8 (100%)

EQUITY OWNERSHIP

Trust Units Owned or Controlled	Deferred Units ⁽⁷⁾	Market Value ⁽⁴⁾	Minimum Equity Ownership ⁽⁹⁾	Date at which Unit Ownership Guideline is to be Met	Has Unit Ownership Guideline Been Met?
49,500	794,980	\$9,013,944	\$2,475,000	January 1, 2026	Yes

STUART LAZIER⁽¹⁾**Independent**

Ontario, Canada
Age: 73

Trustee since:
 July 22, 2015

Principal Occupation:

Mr. Lazier is the Chairman of Northbridge Capital Inc., a private equity real estate investment company located in Toronto, Ontario.

Past Activities:

Mr. Lazier has over 40 years of experience as a leader in real estate management and investment. Prior to selling his interest in Fiera Properties to his public company partner, Fiera Capital, Mr. Lazier was a partner, co-founder and the Chief Executive Officer of Fiera Properties Limited, a Canadian real estate investment management company. As a partner at Fiera Properties, and a member of the Board of Directors, Mr. Lazier oversaw all corporate initiatives and operations for Fiera Properties. Between 2001 and 2009, Mr. Lazier co-founded and played a key role in building KingSett Capital, now one of Canada's leading real estate fund management firms. Prior to KingSett Capital, for 14 years, Mr. Lazier was the Managing Partner of Canada's leading independent real estate management services company, Enterprise Property Group. Mr. Lazier merged this company with O&Y Enterprise, managing over 110 million square feet of commercial real estate, and assets of more than \$20 billion. Mr. Lazier has served his community as a board member and Chair of Covenant House Toronto, Chair of the Real Estate Committee for the Toronto United Way, Vice Chair of the Board of Governors at Upper Canada College, and Chairman of the Build Toronto Board of Directors. Mr. Lazier is currently a director of a number of other private companies and non-profit organizations. Mr. Lazier holds an MBA from the Richard Ivey School of Business at the University of Western Ontario.

Public Board Memberships During Last Five Years:

None

Public Board Interlocks:

None

Committees:

Audit Committee
 GCN Committee

Meetings Attended in 2023:

Board Meetings – 8 of 8 (100%)
 Audit Committee Meetings – 4 of 4 (100%)
 GCN Committee Meetings – 6 of 6 (100%)

EQUITY OWNERSHIP

Trust Units Owned or Controlled	Deferred Units⁽⁷⁾	Market Value⁽⁴⁾	Minimum Equity Ownership	Date at which Unit Ownership Guideline is to be Met	Has Unit Ownership Guideline Been Met?
49,900	71,364	\$1,300,803	\$187,500	April 19, 2021	Yes

JAMES MATTHEWS⁽¹⁾

Not Independent⁽⁵⁾



Ontario, Canada
Age: 61

Trustee since:
June 1, 2015

Principal Occupation:

Mr. Matthews serves as Executive Vice-President of the Dilawri Group. Mr. Matthews previously served in the capacity of Chief Financial Officer of the Dilawri Group and other Dilawri Group companies since 2007, and as a member of the Management Board of the Dilawri Group. During his tenure with the Dilawri Group, Mr. Matthews has played a key role in acquisition transactions, business operations, developments and redevelopments, and financing activities.

Past Activities:

Previously, Mr. Matthews held senior positions with industry-leading companies including Chief Financial Officer of W.K. Buckley Limited, VP Finance with KIK Custom Products Inc. and Regional Controller for Rogers Communications Inc. (cablevision division). Mr. Matthews holds a Bachelor of Administration in Finance and Economics from the University of Western Ontario and a CPA, CA designation.

Public Board Memberships During Last Five Years:

None

Public Board Interlocks:

None

Committees:

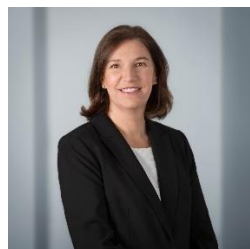
None

Meetings Attended in 2023:

Board Meetings – 8 of 8 (100%)

EQUITY OWNERSHIP

Trust Units Owned or Controlled	Deferred Units⁽⁷⁾	Market Value⁽⁴⁾	Minimum Equity Ownership⁽⁶⁾	Date at which Unit Ownership Guideline is to be Met	Has Unit Ownership Guideline Been Met?
22,660	N/A	\$244,275	N/A	N/A	N/A

JULIE MORIN⁽¹⁾**Independent**

Ontario, Canada
Age: 54

Trustee since:
 June 7, 2022

Principal Occupation:

Ms. Morin is the Chief Financial Officer of Minto Holdings Inc., a family-owned real estate development company located in Ottawa, Ontario, a position that she has held since 2014.

Past Activities:

Ms. Morin is an experienced senior finance and accounting professional with over 25 years of experience specializing in public reporting. Ms. Morin was the Chief Financial Officer of Minto Apartment Real Estate Investment Trust from 2018 until 2023, where she had responsibility for Minto Apartment Real Estate Investment Trust's overall financial strategy and management, including its financial reporting and long-range business planning as well as treasury and tax functions. Prior to joining Minto Holdings Inc. in 2014, Ms. Morin was corporate controller at Telesat Canada and, prior to that, she was vice president, finance at Brookfield Renewable Energy Group. She also spent ten years at Ernst & Young LLP. Ms. Morin was the 2020 recipient of CFO of the Year, awarded by the Ottawa Board of Trade and Ottawa Business Journal. Ms. Morin received her Bachelor of Commerce, Accounting from the University of Ottawa and is a Chartered Professional Accountant (CPA, CA).

Public Board Memberships During Last Five Years:

None

Public Board Interlocks:

None

Committees:

Audit Committee (Chair)
 GCN Committee

Meetings Attended in 2023:

Board Meetings – 8 of 8 (100%)
 Audit Committee Meetings – 4 of 4 (100%)
 GCN Committee Meetings – 6 of 6 (100%)

EQUITY OWNERSHIP					
Trust Units Owned or Controlled	Deferred Units ⁽⁷⁾	Market Value ⁽⁴⁾	Minimum Equity Ownership	Date at which Unit Ownership Guideline is to be Met	Has Unit Ownership Guideline Been Met?
Nil	19,057	\$203,719	\$187,500	June 7, 2027	Yes

JOHN MORRISON⁽¹⁾**Independent**

Ontario, Canada
Age: 67

Lead Independent Trustee since:
 July 22, 2015

Principal Occupation:

Mr. Morrison is a corporate director.

Past Activities:

Mr. Morrison is a past Trustee and Vice Chairman of Choice Properties Real Estate Investment Trust. Mr. Morrison has over 40 years of experience in the commercial real estate industry including as President and Chief Executive Officer of Choice Properties Real Estate Investment Trust from 2013 to 2018. Prior to serving in that role, Mr. Morrison was President and Chief Executive Officer of Primaris Retail Real Estate Investment Trust from 2009 to 2013. Mr. Morrison was President, Real Estate Management, at Oxford Properties Group and prior, a senior executive at OMERS. Mr. Morrison is a third term Trustee of ICSC and served as Chair in 2021. He is a past Director of the ICSC Foundation (U.S.) and the Founder and Past Chair of the ICSC Foundation Canada. He is the founding Vice Chairman of the Urban Land Institute Toronto District Council and is past Chairman of the Toronto Metropolitan University Real Estate Advisory Committee. He currently serves on the Dean's Advisory Board at the Ted Rogers School of Business at Toronto Metropolitan University in Toronto. Mr. Morrison also currently serves as a Director of Forum Real Estate Investment and Impact Fund and Forum Make Space Storage Fund. Mr. Morrison is an Institute-certified Director with the Institute of Corporate Directors.

Public Board Memberships During Last Five Years:

Choice Properties Real Estate Investment Trust (2013 to 2019)

Public Board Interlocks:

None

Committees:

Audit Committee
 GCN Committee

Meetings Attended in 2023:

Board Meetings – 8 of 8 (100%)
 Audit Committee Meetings – 4 of 4 (100%)

EQUITY OWNERSHIP					
Trust Units Owned or Controlled	Deferred Units ⁽⁷⁾	Market Value ⁽⁴⁾	Minimum Equity Ownership	Date at which Unit Ownership Guideline is to be Met	Has Unit Ownership Guideline Been Met?
22,000	80,889	\$1,101,863	\$187,500	April 19, 2021	Yes

Notes:

- (1) None of the trustee nominees of the REIT, as at the date of this Circular, is or has been within the 10 years before the date of this Circular, (a) a director, chief executive officer or chief financial officer of any company that was subject to an order that was issued while the existing or proposed director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the existing or proposed director 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, or (c) a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in 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. For the purposes of this paragraph, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

No nominee has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been 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.

No nominee 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 in deciding whether to vote for a nominee.
- (2) Mr. Dilawri is considered a non-Independent Trustee as he is an executive officer of Dilawri. Mr. Dilawri is a Dilawri nominee.
- (3) Mr. Dilawri does not own, control or direct the 6,421,020 Trust Units or the 9,327,487 Special Voting Units owned or controlled by Dilawri.
- (4) Includes the market value of Trust Units, Deferred Units (“DUs”) and Income Deferred Units (“IDUs”). Market value of Trust Units represents the number of Trust Units held as of the date hereof multiplied by the closing price of the Trust Units on the Toronto Stock Exchange (“TSX”) on December 29, 2023, of \$10.78. Market value of DUs and IDUs represents the number of DUs and IDUs held as of the date hereof multiplied by the volume-weighted average trading price of the Trust Units on the TSX for the five trading days ended December 29, 2023, of \$10.69.
- (5) Mr. Matthews is considered a non-Independent Trustee as he is an executive officer of Dilawri. Mr. Matthews was previously a Dilawri nominee. Although Dilawri’s current ownership level entitles it to nominate only one trustee, the Independent Trustees have determined to nominate Mr. Matthews for election by Unitholders at the Meeting as he continues to be an effective and contributing member of the Board with industry knowledge.
- (6) As non-Independent Trustees, Mr. Dilawri and Mr. Matthews do not receive compensation in their capacity as trustees of the REIT. Accordingly, Mr. Dilawri and Mr. Matthews are not subject to the Trustee Unit Ownership Guidelines.
- (7) Includes IDUs (see “Executive Compensation – Compensation Discussion & Analysis – Incentive Awards – Equity Incentive Plan” for a description of IDUs).
- (8) Mr. Lamb is considered a non-Independent Trustee as he is the President and Chief Executive Officer of the REIT.
- (9) As the President and Chief Executive Officer of the REIT, Mr. Lamb is subject to the REIT’s Executive Unit Ownership Guidelines. See “Executive Unit Ownership Guidelines” below for further details.

BOARD AND COMMITTEE ATTENDANCE

The following table provides a summary of each trustee's attendance at Board and Committee meetings in 2023:

Name	Board (8 meetings)	Audit Committee (4 meetings)	GCN Committee (6 meetings)	Overall Attendance	
Kapil Dilawri	8 of 8 (100%)	–	–	18 of 18	100%
Patricia Kay	8 of 8 (100%)	4 of 4 (100%)	6 of 6 (100%)	18 of 18	100%
Milton Lamb	8 of 8 (100%)	–	–	8 of 8	100%
Stuart Lazier	8 of 8 (100%)	4 of 4 (100%)	6 of 6 (100%)	18 of 18	100%
James Matthews	8 of 8 (100%)	–	–	8 of 8	100%
Julie Morin	8 of 8 (100%)	4 of 4 (100%)	6 of 6 (100%)	18 of 18	100%
John Morrison	8 of 8 (100%)	4 of 4 (100%)	6 of 6 (100%)	18 of 18	100%
TOTAL	100%	100%	100%	–	100%

BOARD SKILLS AND COMPETENCIES MATRIX

The Board is comprised of individuals that have demonstrated skills in one or more of the following areas:

Real Estate/REIT – Experience in the retail, commercial or residential real estate industries, real estate property development and management, regulatory requirements, construction and development and a strong knowledge of markets, business challenges and real estate finance. A thorough understanding of real estate investment trusts, including investment guidelines and operating policies and declarations of trust generally.

Financial Literacy – Is “financially literate” within the meaning of applicable securities laws.

Auditing/Accounting – Experience in financial accounting and reporting and understanding of internal financial controls. Experience with and knowledge of tax implications and tax treatment of commercial real estate business operations and developments.

Auto/Auto Retail/OEM – Experience in the automotive industry, automotive retail segment and/or with original equipment manufacturers, which may include knowledge of markets, competitors, supply chain, franchise agreements, consumer trends, product cycles, business challenges and regulatory matters.

M&A/Investing – Experience with mergers and acquisitions and real estate investments and other transactions.

Capital Markets – Experience with corporate finance, debt and equity capital markets, public company reporting and continuous disclosure obligations, investor relations and related activities in public capital markets, either domestically or internationally.

Strategy – Experience driving strategic insight and direction to encourage innovation and conceptualize key trends to continuously challenge the organization to sharpen its strategic vision.

International/U.S. – Experience in corporate leadership internationally or in the United States.

Legal – Experience with and knowledge of legal contracts and the legal and regulatory environments associated with carrying on business in Canada and/or abroad.

HR/Executive Compensation – Experience in and a thorough understanding of succession planning, talent development and retention, and compensation programs, including executive compensation.

Risk Management – Experience and a thorough understanding of risk management, risk mitigation and oversight of the implementation of risk mitigation strategies.

Governance – Experience with corporate governance, including best practices and governance trends.

Environmental and Social – Experience in and a thorough understanding of environmental liability, impacts and remediation requirements, and social governance issues such as principles of wellness, equity,

diversity and inclusivity of trustees, management and employees, health and safety considerations, purpose and presence in the community at large, among others.

EV and Futuristic – Experience of the electrification of automobiles or other innovations and emerging trends in the automotive sector generally.

The following skills matrix illustrates the relevant skills possessed by each of the nominee trustees. The skills matrix can be used to evaluate and guide the development of the Board, assist in the recruiting process and identify areas for training or education.

Name	Real Estate /REIT	Financial Literacy	Audit/ Accounting	Auto/Auto Retail/OEM	M&A/ Investing	Capital Markets	Strategy	International/ US	Legal	HR/ Executive Compensation	Risk Management	Governance	Environmental & Social	EV & Futuristic
Kapil Dilawri	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓
Patricia Kay	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Milton Lamb	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Stuart Lazier	✓	✓	✓		✓	✓	✓		✓	✓	✓	✓	✓	
James Matthews	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Julie Morin	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	
John Morrison	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	

OUR APPROACH TO CORPORATE GOVERNANCE

THE ROLE OF THE BOARD

The mandate of the Board is to provide governance and stewardship to the REIT and its business. The mandate sets out the Board’s responsibility for, among other things, (i) participating in the development of and approving a strategic plan for the REIT; (ii) supervising the activities and managing the investments and affairs of the REIT; (iii) approving major decisions regarding the REIT; (iv) defining the roles and responsibilities of management and delegating management authority to the President and Chief Executive Officer; (v) approving related party transactions; (vi) reviewing and approving the business and investment objectives to be met by management; (vii) assessing the performance of and overseeing management; (viii) reviewing the REIT’s debt strategy; (ix) identifying and managing risk exposure; (x) ensuring the integrity and adequacy of the REIT’s internal controls and management information systems; (xi) succession planning; (xii) establishing committees of the Board, where required or prudent, and defining their mandate; (xiii) maintaining records and providing reports to Unitholders; (xiv) ensuring effective communication with Unitholders, other stakeholders and the public; (xv) determining the amount and timing of distributions to Unitholders; and (xvi) monitoring the social responsibility, integrity and ethics of the REIT.

The Board’s decision-making function involves the formulation, in conjunction with management, of strategic objectives and fundamental policies for the REIT. The oversight function includes ensuring compliance with the Declaration of Trust, including the investment guidelines and operating policies, the supervision of management’s decisions, the adequacy of systems and controls and the implementation of policies. The Board fulfills its duties directly, through its committees and through management.

The Board actively reviews the REIT’s strategic plan and continues to be actively involved in overseeing the implementation and refinement of that plan. The Board discusses the REIT’s strategy and refinements thereto, and monitors implementation progress, at every regularly scheduled Board meeting as well as at

periodically scheduled strategy meetings. To allow the Board to focus on strategy, it has delegated certain of its authorities to its committees as more fully discussed on page 23.

A portion of every meeting is devoted to *in camera* sessions during which the Board meets without management present and then without the non-Independent Trustees and management present.

The full text of the Board's written mandate is attached to this Circular as Appendix A.

CORPORATE GOVERNANCE POLICIES AND PRACTICES

The REIT is committed to strong corporate governance policies and practices. The REIT's policies and practices continue to be developed having regard to the external environment and externally cited best practices to ensure that its governance practices are comprehensive, relevant, effective and transparent. The REIT has adopted the following corporate governance policies to date, certain of which are available on the REIT's website at www.automotivepropertiesreit.ca:

- Clawback Policy;
- Code of Conduct;
- Disclosure Policy;
- Diversity Policy;
- Environmental and Corporate Social Responsibility Policy;
- External Auditor Policy;
- Insider Trading Policy;
- Majority Voting Policy;
- Related Party Transaction Policy; and
- Whistleblower Policy.

CONFLICTS OF INTEREST

The Declaration of Trust contains provisions, similar to those contained in the *Canada Business Corporations Act*, that require each trustee to disclose to the REIT any interest in a material contract or transaction or proposed material contract or transaction with the REIT (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 the REIT. Such disclosure is required to be made at the first meeting at which a proposed contract or transaction is considered. In any case, a trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating to: (i) his or her direct remuneration as a trustee, officer, employee or agent of the REIT; or (ii) the indemnification of himself or herself as a trustee or the purchase or maintenance of liability insurance.

All decisions of the Board require the approval of a majority of the trustees. The following matters also require the approval of a majority of the Independent Trustees who are disinterested Independent Trustees in accordance with the Declaration of Trust:

- (a) an acquisition of a property or an investment in a property, whether by co-investment or otherwise, in respect of a property under the terms of the Strategic Alliance Agreement with Dilawri or otherwise in which Dilawri or an affiliate of Dilawri or any related party of the REIT has any direct or indirect interest;
- (b) a material change to any agreement with Dilawri or an affiliate of Dilawri or a related party of the REIT or any approval, consent, waiver or other decision of trustees thereunder, or any renewal, extension or termination thereof or any increase in any fees or distributions payable thereunder;
- (c) the entering into of, or the waiver, exercise or enforcement of any rights or remedies under, any agreement entered into by the REIT, 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 in which any trustee holds a significant interest or (iii) any entity for which any trustee acts as a director or in another 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 in another similar capacity; or
- (e) decisions relating to any claims by or against one or more parties to any agreement with Dilawri or an affiliate of Dilawri or any related party of the REIT.

As the Chair of the Board is not currently an Independent Trustee, an Independent Trustee, Mr. John Morrison, has been appointed as “Lead Independent Trustee” in order to ensure appropriate leadership for the Independent Trustees. The Lead Independent Trustee (i) ensures that appropriate structures and procedures are in place so that the Board may function independently of management of the REIT; and (ii) leads the process by which the Independent Trustees seek to ensure that the Board represents and protects the interests of all Unitholders.

The Independent Trustees regularly hold *in camera* meetings, with members of management not in attendance, as part of all of its Board meetings. The Chair of the Board conducts the *in camera* meetings without the presence of management and the Lead Independent Trustee (or another Independent Trustee in his absence) conducts *in camera* sessions without the presence of management or the non-Independent Trustees (including the Chair of the Board).

The role of the Board is to provide governance and stewardship to the REIT, and it has broad responsibilities in this regard, including, among other things, overseeing and appropriately managing potential conflicts of interest with Dilawri. As part of the Board’s responsibilities in this regard, the Board has adopted a related party transaction policy that sets forth the procedure to be followed by the REIT and its Independent Trustees in connection with the assessment, review, documentation and approval of transactions involving related parties, including Dilawri.

CHAIR/LEAD INDEPENDENT TRUSTEE OF THE BOARD AND COMMITTEES

The Board has adopted written position descriptions for the Chair of the Board and Lead Independent Trustee, which sets out the Chair’s and Lead Independent Trustee’s key responsibilities, including duties relating to setting Board meeting agendas, chairing Board and Unitholder meetings, trustee development, communicating with Unitholders and regulators, ensuring the Board is comprised of capable, experienced and diverse individuals and Board succession planning.

The Board has also adopted written position descriptions for the committee chairs which sets out the committee chair’s key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

The Board has also approved a written position description for the President and Chief Executive Officer which sets out the key responsibilities of the President and Chief Executive Officer. The primary functions of the President and Chief Executive Officer are to lead management of the business and affairs of the REIT, to lead the implementation of the resolutions and the policies of the Board, to supervise day to day management of the REIT and to communicate with Unitholders and regulators. The President and Chief Executive Officer’s mandate will be considered by the Board for approval at least annually.

INDEPENDENCE OF THE BOARD AND COMMITTEES

The Board is comprised of a majority of trustees who are “independent”, as that term is defined in National Instrument 58-101 — *Disclosure of Corporate Governance Practices* (each, an “**Independent Trustee**”). As the Chair of the Board, Mr. Kapil Dilawri, is not an Independent Trustee, the Board is led by a Lead Independent Trustee, Mr. John Morrison. The Board has also appointed an Independent Trustee to act as

Chair of each of the REIT's committees. See "Trustee Nominee Biographies" above for details regarding the independence (or non-independence) of each nominee.

All members of the Audit Committee and the GCN Committee are independent. With the exception of Patricia Kay, who is a resident of the United States, all members of each committee are residents of Canada. None of the current members of any of the committees are a current or former employee of Dilawri or any of its subsidiaries.

The Board enhances independence by conducting *in camera* sessions without management present. In addition, the Independent Trustees meet without the non-Independent Trustees present. These sessions generally take place at Board and committee meetings and are conducted by the Lead Independent Trustee of the Board (or another Independent Trustee) and the Chair of the committees, respectively.

BOARD COMMITTEES

The Board has established two committees (each a "**Committee**" and, collectively, the "**Committees**"): the Audit Committee and the GCN Committee. Pursuant to the Declaration of Trust, all members of the Audit Committee must be persons determined by the Board to be Independent Trustees, except for temporary periods in limited circumstances in accordance with National Instrument 52-110 — *Audit Committees* ("**NI 52-110**"). Further, pursuant to the Declaration of Trust, a majority of the members of the GCN Committee must be persons determined by the Board to be Independent Trustees and a majority of each Committee must be residents of Canada.

Currently, all members of the Audit Committee and all members of the GCN Committee are resident Canadians, with the exception of Patricia Kay, who is a resident of the United States. All members of the Committees are persons determined by the Board to be Independent Trustees.

The Board has delegated a number of its routine approval responsibilities to its Committees, as permitted by the Declaration of Trust, in order to enable the Board to spend more time on business and strategic issues. The Board has approved a mandate for each Committee which reflects this delegation of authority, resulting in improved efficiencies in decision-making. Each Committee is to review its mandate and work plan on a regular basis to ensure that it has fulfilled all of its responsibilities under its mandate. All matters approved by the Committees will be reported to the Board and it is always within the prerogative of the Board to approve, veto, amend or change any approval made by a Committee. All Committees regularly meet without management present.

Audit Committee

Pursuant to the Declaration of Trust, the Audit Committee must consist of at least three trustees, all of whom must be persons determined by the REIT to be both Independent Trustees and financially literate within the meaning of NI 52-110 and a majority of whom must be residents of Canada.

The Audit Committee currently consists of four trustees, all of whom are persons determined by the REIT to be both Independent Trustees and financially literate within the meaning of NI 52-110. With the exception of Patricia Kay, who is a resident of the United States, all Audit Committee members are residents of Canada. The Audit Committee is currently comprised of:

- Julie Morin (Chair);
- Patricia Kay;
- Stuart Lazier; and
- John Morrison.

Each of the Audit Committee members have an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting.

The Board has adopted a written charter for the Audit Committee that sets out the Audit Committee's responsibilities, and includes: (i) reviewing the REIT's procedures for internal control with the REIT'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 the REIT's annual information form and management's discussion and analysis; (iv) assessing the REIT's financial and accounting personnel; (v) assessing the REIT's accounting policies; (vi) reviewing the REIT's risk management procedures; (vii) reviewing any significant transactions outside of the REIT's ordinary course of business and any legal matters that may significantly affect the REIT's financial statements; (viii) overseeing the work and confirming the independence of the auditors; (ix) reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management; and (x) overseeing the duties of the Chief Financial Officer of the REIT, including to ensure the appropriate supervision and management of any potential conflicts of interest between the REIT and Dilawri.

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

Additional information about our Audit Committee, as required by NI 52-110, is in our AIF, which is available on SEDAR+ at www.sedarplus.ca.

Auditors' Fees

BDO Canada LLP was first appointed as auditors of the REIT on June 1, 2015, the date the REIT was formed. The table below shows the fees that BDO Canada LLP received for services for the fiscal years ended December 31, 2023 and December 31, 2022, respectively.

	2023	2022
Audit Fees	\$410,000	\$390,000
Audit-Related Fees	\$15,000	\$10,000
All Other Fees	\$70,000 ⁽¹⁾	\$60,000 ⁽¹⁾
Total Fees	\$495,000	\$460,000

Notes:

(1) All Other Fees incurred include tax advisory fees of \$70,000 for fiscal 2023 and \$60,000 for fiscal 2022.

For more information about the fees paid to our auditors, see page 87 of the AIF.

Governance, Compensation and Nominating Committee

Pursuant to the Declaration of Trust, the GCN Committee must be comprised of at least three trustees, a majority of whom must be persons determined by the REIT to be Independent Trustees and a majority of whom must be residents of Canada, and is charged with reviewing, overseeing and evaluating the corporate governance, compensation and nominating policies of the REIT.

The GCN Committee currently consists of four trustees, all of whom are persons determined by the REIT to be Independent Trustees. With the exception of Patricia Kay, who is a resident of the United States, all GCN Committee members are residents of Canada. The GCN Committee is currently comprised of:

- Patricia Kay (Chair);
- Julie Morin;
- Stuart Lazier; and
- John Morrison.

The Board has adopted a written charter for the GCN Committee setting out its responsibilities, which include: (i) regularly assessing the effectiveness of the Board, each of its committees and individual trustees; (ii) overseeing the recruitment and selection of candidates as trustees of the REIT, other than the candidates nominated by Dilawri; (iii) organizing an orientation and education program for new trustees; (iv) considering and approving proposals by the trustees to engage outside advisors on behalf of the Board as a whole or on behalf of the Independent Trustees; (v) reviewing and making recommendations to the Board concerning any change in the number of trustees composing the Board; (vi) considering questions of management succession; (vii) administering any Unit purchase plan of the REIT and any compensation incentive programs; (viii) assessing the performance of management of the REIT; (ix) reviewing and approving the compensation paid by the REIT to the officers of the REIT; (x) overseeing the duties of the President and Chief Executive Officer of the REIT, including to ensure the appropriate supervision and management of any potential conflicts of interest between the President and Chief Executive Officer, the REIT and Dilawri; and (xi) reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to trustees and officers of the REIT.

The Board believes that the members of the GCN Committee individually and collectively have the requisite knowledge, skill and experience in governance and compensation matters, including human resource management, executive compensation matters and general business leadership, to fulfill the Committee’s mandate. All members of the GCN Committee have substantial knowledge and experience as current and former senior executives of large and complex organizations and/or board members of other publicly-traded companies, including real estate investment trusts. See “Trustee Nominee Biographies” above for further details.

Role of Compensation Consultant

During the year ended December 31, 2023, the REIT retained Meridian Compensation Partners (“**Meridian**”) to provide independent advice with respect to proposed changes to the compensation of the REIT’s executive officers and with respect to the determination of the REIT’s performance for the purposes of determining the vesting of outstanding PDUs (as defined below). See “Executive Compensation – Compensation Discussion & Analysis” below for further details. Meridian provided periodic advice to the GCN Committee with respect to such compensation matters and in response to other GCN Committee requests. Meridian has not provided any services to management.

The fees billed by Meridian during the financial years ended December 31, 2023 and December 31, 2022, respectively, are provided in the table below:

	2023	2022
Executive Compensation- Related Fees	\$565	\$23,465
All Other Fees	-	-
Total Fees	\$565	\$23,465

SELECTING OUR TRUSTEE NOMINEES

The Declaration of Trust provides that the Board shall consist of a minimum of three and a maximum of twelve trustees, a majority of whom must be independent under Canadian securities laws and a majority of whom must be Canadian residents.

The Declaration of Trust grants Dilawri certain nomination rights in respect of nominating trustees for election to the Board. At present, Dilawri has the right to nominate one trustee for election to the Board. Dilawri exercises its nomination rights by submitting its nominees to the GCN Committee which reviews

such proposed nominations, together with the remaining trustee nominations solely determined by that Committee. Kapil Dilawri is Dilawri's nominee.

The GCN Committee has the mandate to recommend to the Board qualified individuals as nominees for election as trustees to the Board by the Unitholders of the REIT at a meeting of Unitholders and for appointment by the Board to fill any vacancies on the Board if a trustee elected by the Unitholders ceases to be a trustee (subject to Dilawri's nomination rights).

The GCN Committee will review prospective nominees' qualifications under applicable laws, regulations and rules as well as the talents already represented on the Board and the competencies and skills a new nominee would bring to the boardroom. Based on its assessment of the existing strengths of the Board and the changing needs of the REIT, the GCN Committee will determine the competencies, skills and personal qualities it should seek in new Board members.

TRUSTEE ORIENTATION AND CONTINUING EDUCATION

To maintain reasonable assurance that every new trustee engages in a comprehensive orientation process and that all trustees are provided with continuing education opportunities, the GCN Committee has put in place an orientation program for new trustees under which a new trustee will meet with the Chair of the Board, the Lead Independent Trustee and members of the executive management team of the REIT. The new trustee will also be provided with comprehensive orientation and education as to the nature and operation of the REIT and its business, the role of the Board and its committees, the contribution that an individual trustee is expected to make and the REIT's policies and procedures. New trustees are also provided with tours of certain of the REIT's Properties in order to assist with their understanding of the REIT's business.

The GCN Committee is responsible for coordinating development programs for trustees to enable the trustees to maintain or enhance their skills and abilities as trustees as well as ensuring that their knowledge and understanding of the REIT and its business remains current. During the year ended December 31, 2023, trustees attended conferences, seminars, workshops and webcasts regarding a variety of matters relevant to the REIT's business and their roles as members of the Board, including executive compensation, environmental and corporate social responsibility, mergers and acquisitions, cybersecurity and fraud, emerging automotive trends, the future of automotive retail and automotive retail showrooms, the capital markets, taxation, finance and accounting and the real estate industry generally. In addition, trustees receive a substantial amount of background information on current events affecting the REIT and its business through board meeting materials and presentations to the Board by external consultants and advisors. Updates regarding emerging and significant economic, legal, capital markets, financial reporting, and automotive and real estate industry developments are provided and shared among management and trustees on a regular basis.

ASSESSMENT OF THE BOARD AND ITS COMMITTEES

The performance and effectiveness of the Board, the Committees, the Chair of the Board and individual trustees (including in their capacity as Committee members and the Lead Independent Trustee) are regularly assessed by the GCN Committee.

An assessment of the Board's performance is conducted annually. Trustees are asked to provide their views in respect of a number of areas, including the Board's composition, practices and relationship with management, as well as its oversight of the REIT's strategy, President and Chief Executive Officer succession and performance, financial reporting and internal controls, identification and management of risks and corporate governance practices.

The performance of the Lead Independent Trustee of the Board is also assessed annually. The evaluation considers how the Lead Independent Trustee has carried out his or her responsibilities as set out in the position description. The results of the evaluation are reviewed by the Chair of the GCN Committee, the GCN Committee and the Board.

Assessments of the Committees and their chairs are also conducted annually. Trustees are asked to evaluate the performance and effectiveness of the Committees on which they serve against a number of criteria, including the Committee's composition, practices, relationship with the Board and management and the performance and fulfillment of its responsibilities under its mandate.

ETHICAL BUSINESS CONDUCT

The REIT has adopted a written code of conduct (the “**Code of Conduct**”) that applies to all trustees, officers, management and employees of the REIT and its subsidiaries. The objective of the Code of Conduct is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the REIT and its subsidiaries. The Code of Conduct addresses conflicts of interest, protecting the REIT's assets, confidentiality, fair dealings with securityholders, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. As part of the Code of Conduct, any person subject to the Code of Conduct is required to avoid or fully disclose interests or relationships that are harmful or detrimental to the REIT's best interests or that may give rise to real, potential or the appearance of conflicts of interest. All trustees and employees certify compliance with the Code of Conduct on an annual basis. The Board has the ultimate responsibility for the stewardship of the Code of Conduct.

The Code of Conduct is available on the REIT's website at www.automotivepropertiesreit.ca and on SEDAR+ at www.sedarplus.ca. The Code of Conduct contains an explanation of how the REIT monitors compliance with the Code of Conduct.

ENVIRONMENTAL AND CORPORATE SOCIAL RESPONSIBILITY POLICY

The REIT has a triple-net lease structure and has adopted a written Environmental and Corporate Social Responsibility Policy on April 23, 2019, which was updated on March 23, 2020 (the “**ESG Policy**”) to formally recognize the REIT's approach to addressing its environmental and social responsibilities as a good corporate citizen. In addition, in early 2022, the REIT adopted an environmental and corporate social responsibility and sustainability plan (the “**ESG Plan**”). The ESG Policy acknowledges the nature of the REIT's business as an owner of automotive dealership properties in Canada and its efforts to promote a culture of improvement with regards to sustainability and social responsibility for the benefit of all its stakeholders, including employees, tenants, suppliers, Unitholders and local communities. The REIT is committed to protecting Unitholders by managing sustainability-related risks; informing its tenants, suppliers and investment partners of sustainable options; and collaborating on sustainability initiatives with industry bodies.

In 2023, the REIT completed a third party comprehensive analysis of its head office's emissions during the period from 2019 to 2023, which included a detailed examination of its primary emission sources, including its head office, employee commutes, and business travel, resulting in the quantification of all scope 1, 2, and 3 emissions under the REIT's operational control. The REIT intends to use the results of this analysis to identify and implement emissions reduction initiatives. Following this third party comprehensive analysis, the REIT successfully purchased carbon offsets to allow the REIT to be carbon neutral (scope 1 & 2, 2019-2023) for primary emission sources as outlined above. These offsets utilize carbon dioxide removal technology, providing permanent, verifiable, and scalable carbon reductions specifically tailored for the concrete industry.

The ESG Policy articulates the REIT's commitment to: (i) protecting its investors by managing sustainability-related risks; (ii) informing its tenants, suppliers and investment partners of sustainable options; (iii) sourcing with integrity; (iv) collaborating on sustainability with industry bodies; (v) compliance with applicable Canadian federal, provincial, territorial and municipal laws relating to environmental matters; (vi) making, or requiring its tenants to make, the necessary capital and operating expenditures to comply with environmental laws and address any material environmental issues; (vii) requiring its officers and other staff to adhere to the REIT's policies and procedures regarding the environment, sustainability and compliance with environmental legislation, and report any non-compliance with such policies and procedures; and (viii) offering a safe place to work.

The ESG Plan supports the REIT's commitments to carrying out ethical, environmental, and sustainable business activities and how it will aim to achieve its environmental, social and governance responsibilities goals for 2022 and beyond. The ESG Plan further confirms the REIT's commitment to provide transparency to Unitholders by providing periodic updates on its environmental, social and governance progress through enhanced reporting.

Oversight of the ESG Policy is within the mandate of the GCN Committee. As part of that oversight, management reports to the GCN Committee at each quarterly meeting of the GCN Committee in respect of, among other things, compliance with the ESG Policy and any environmental and corporate social responsibility ("ESG") initiatives undertaken by management. Furthermore, commencing in 2021, the GCN Committee and the Board made ESG a stand-alone metric in the REIT's short-term incentive plan for the REIT's named executive officers ("NEOs") in recognition of the importance of ESG to the REIT. The REIT's ESG Plan was approved by the Board in early 2022 and is available on the REIT's website as www.automotivepropertiesreit.ca. The REIT has also established an ESG committee comprised of REIT management and employees that makes recommendations to the NEOs in respect of ESG initiatives and engagement.

BOARD AND COMMITTEE TENURE

Trustees are to be elected at each annual meeting of Unitholders to hold office for a term expiring at the close of the next annual meeting, or until a successor is appointed, and will be eligible to be considered for re-election. Other than the nominee(s) which may be nominated by Dilawri pursuant to its nomination rights as described above, nominees will be nominated by the GCN Committee, in each case for election by Unitholders as trustees in accordance with the provisions of the Declaration of Trust. All nominees who are nominated, whether by Dilawri or the GCN Committee, will be included in the proxy-related materials to be sent to Unitholders prior to each annual meeting of Unitholders.

The REIT does not impose term limits on its trustees as it takes the view that term limits are an arbitrary mechanism for removing trustees which can result in valuable, experienced trustees being forced to leave the Board solely because of length of service. Instead, the REIT believes that trustees should be assessed based on their ability to continue to make a meaningful contribution to the Board and the REIT. The REIT's annual performance review of trustees assesses the strengths and weaknesses of trustees and, in the REIT's view, is a more meaningful way to evaluate the performance of trustees and to make determinations about whether a trustee should be removed due to under-performance.

DIVERSITY

The Board and the GCN Committee recognize and value the benefits of diversity in the Board and management of the REIT. The Trustees believe that a diverse Board and employee base is one that offers a depth of perspective, experience and expertise, and is required to achieve effective stewardship and enhance the Board's and the REIT's effectiveness. Accordingly, the Board has adopted a written Diversity Policy which outlines its approach to achieving and maintaining diversity on the Board and management of the REIT.

The Board believes that "diversity" is, among other things, any characteristic or quality that can be used to differentiate different groups and people from one another and includes gender, age, race, nationality, culture, language and other ethnic distinctions, education, regional and industry experience, and perspective. Each of these characteristics are considered as part of the Board's overall annual evaluation of trustee nominees for election or re-election. Representation of women is of particular importance to the REIT in ensuring diversity within the Board.

It is an objective of the Diversity Policy that diversity be considered in determining the optimal composition of the Board. The REIT is committed to a merit-based system for Board composition within a diverse and inclusive culture that solicits multiple perspectives and views and is free of conscious or unconscious bias or discrimination. Recommendations concerning trustee nominees are, foremost, based on merit and

performance using objective criteria, but due consideration is given to diversity in identifying and selecting candidates.

The REIT recruits and selects trustee candidates that both enhance the Board's diversity, including gender diversity, and business understanding and experience. The Board recognizes that gender diversity is a significant aspect of diversity and acknowledges the role that women with relevant competencies and skills can play in contributing to diversity of perspective in the boardroom. Accordingly, in order to promote the objective of gender diversity, the selection process for Board nominees will include female candidates.

In furtherance of Board diversity, the REIT aspired to attain by the date of its 2019 annual general meeting, and thereafter maintain, a Board composition in which women comprise at least 20% of the Independent Trustees (other than any such trustees nominated by Dilawri pursuant to its nomination rights under the Declaration of Trust). From the REIT's initial public offering in July 2015 until June 20, 2017, there was one woman on the Board, representing 33% of the Board's trustees other than those nominated by Dilawri and 33% of the Board's Independent Trustees. Currently, there are two women on the Board, representing approximately 33% of the Board's trustees other than those nominated by Dilawri and 50% of the Board's Independent Trustees, which exceeds the REIT's Diversity Policy target. Further, one of the trustees on the Board self-identifies as a person of colour, representing approximately 14% of the Board's trustees.

Prior to December 31, 2019, when the REIT's management, operating and administrative personnel become employed directly by the REIT ("**Internalization**"), the REIT had an external organization structure which included the provision of senior management functions by employees of a subsidiary of Dilawri. As a result, the REIT did not have any executive officers who were directly employed by the REIT. Further, the REIT did not exert any control over Dilawri's hiring practices and policies. Neither the President and Chief Executive Officer, nor the Chief Financial Officer and Corporate Secretary, both of whom were employed by a subsidiary of Dilawri, are women. Given its external structure, the REIT was not previously in a position to maintain or apply a meaningful policy relating to the level of diversity and representation of women in executive officer positions.

As a result of the Internalization, the REIT is now responsible for the hiring of its executive officers. In conjunction with the Internalization, the REIT hired its President and Chief Executive Officer and Chief Financial Officer and Corporate Secretary following their respective resignations from the applicable Dilawri subsidiary. Other than the President and Chief Executive Officer and Chief Financial Officer and Corporate Secretary, the REIT has not hired any executive officers. The REIT expects to follow a balanced approach in identifying the factors to be considered when determining the make-up of its executive team. Similar to its approach regarding the Board, the GCN Committee believes that having a diverse senior management and executive team offers a depth of perspective and enhances management operations. The REIT expects to recruit and select candidates that represent, among other factors, both diversity, including gender diversity, and business understanding and experience. The REIT will consider other factors including experience, leadership capabilities, innovative thinking and strategic agility.

In searches for new trustees and executive officers, the GCN Committee has and will continue to consider the level of representation of women and diversity on the Board and management and this is and will continue to be one of several factors used in its search process. This has been and will continue to be achieved through monitoring the level of representation of women on the Board and in senior management positions and, where appropriate, recruiting qualified women candidates as part of the REIT's overall recruitment and selection process to fill Board and senior management positions, as the need arises, through vacancies, growth or otherwise. Where a qualified female candidate can offer the REIT a unique skill set or perspective (whether by virtue of such candidate's diverse characteristics or otherwise), the GCN Committee anticipates that it would typically select such a candidate over a male candidate. Where the GCN Committee believes that a male candidate and a female candidate each offer the REIT substantially the same skill set and perspective, such Committee will consider numerous other factors beyond diversity and the overall level of representation of women in deciding the candidate to whom the offer will be made. As part of the Board's succession planning, the Board has determined to identify a number of qualified women candidates that can be considered by the GCN Committee in its selection of future Board nominees

and has identified a number of qualified women candidates that can be considered by the GCN Committee in its selection of future members of senior management.

DISCLOSURE POLICY

The Board has adopted a Disclosure Policy to deal with the timely dissemination of all material information. The Disclosure Policy, which is reviewed annually, establishes consistent guidance for determining what information is material and how it is to be disclosed to avoid selective disclosure and to ensure wide dissemination. The Board, directly and through its committees, reviews and approves the contents of major disclosure documents, including annual and interim consolidated financial statements, prospectuses, the annual information form, management’s discussion and analysis and the management information circular. The REIT seeks to communicate to its Unitholders through these documents as well as by means of news releases, its website and investor relations calls and meetings.

Disclosure Committee

A Disclosure Committee comprised of senior management of the REIT oversees the REIT’s disclosure process as outlined in the Disclosure Policy. The Disclosure Committee’s mandate includes ensuring that effective controls and procedures are in place to allow the REIT to satisfy all of its continuous disclosure obligations, including certification requirements. The Disclosure Committee is also responsible for ensuring that the policies and procedures contained in the Disclosure Policy are in compliance with regulatory requirements.

ADDITIONAL INFORMATION

For information on the process by which the GCN Committee and the Board determine the compensation of the REIT’s trustees, see “Trustee Compensation” below.

TRUSTEE COMPENSATION

TRUSTEE FEES

The trustees’ compensation program is designed to attract and retain the most qualified individuals to serve on the Board. The Board, through the GCN Committee, is responsible for reviewing and approving any changes to the trustees’ compensation arrangements. In consideration for serving on the Board, each trustee that is not an employee of the REIT or Dilawri or one of their respective affiliates was entitled to be compensated during 2023 as indicated below:

Type of Fee	Amount⁽¹⁾
Trustee Annual Cash Retainer	\$37,500/year
Trustee Annual Retainer paid in the form of DUs	\$25,000/year
Chair or, if applicable, Lead Independent Trustee Additional Retainer	\$17,500/year
Audit Committee Chair Additional Retainer	\$17,500/year
Audit Committee Member Additional Retainer ⁽²⁾	\$7,500/year
Governance, Compensation and Nominating Committee Chair Additional Retainer	\$15,000/year
Governance, Compensation and Nominating Committee Member Additional Retainer ⁽²⁾	\$7,500/year
Annual Flat Fee for Board Meeting Attendance at a Rate Over 90%	\$20,000/year

Notes:

- (1) Amount is paid in Canadian dollars for trustees resident in Canada and in U.S. dollars for trustees resident in the United States.
- (2) Other than the chair of the applicable Committee.

The trustees are also entitled to be reimbursed for their reasonable out-of-pocket expenses incurred in acting as trustees. In addition, trustees are entitled to receive remuneration for services rendered to the REIT in any other capacity, except in respect of their service as directors of any of the REIT's subsidiaries. Trustees who are members of the Dilawri Organization, employees of Dilawri or its affiliates and trustees who are officers of the REIT are not entitled to receive any remuneration for their services in acting as trustees, but are entitled to reimbursement of their reasonable out-of-pocket expenses incurred in acting as trustees.

On June 12, 2019, the REIT's Unitholders approved the adoption of the Equity Incentive Plan, as amended, pursuant to which trustees are entitled to take all or a portion of their annual fees in the form of DUs. Trustees may elect to take up to 100% of their remuneration in the form of DUs. This aligns the interests of trustees with those of Unitholders. All Independent Trustees elected to receive all of their Board and committee fees in the form of DUs in 2023. See "Executive Compensation – Incentive Awards – Equity Incentive Plan" for a description of the Equity Incentive Plan.

TRUSTEE UNIT OWNERSHIP GUIDELINES

To ensure that trustees' interests are aligned with those of Unitholders, demonstrate that trustees are financially committed to the REIT through personal Trust Unit ownership and promote the REIT's commitment to sound corporate governance, under the REIT's Trustee Unit Ownership Guidelines, each trustee that is not an employee of the REIT or Dilawri or one of their respective affiliates will be required to accumulate and maintain a level of unit ownership of at least three times the value of the base annual trustee retainers, which equates to \$187,500, by the later of (i) the fifth anniversary of becoming a trustee, and (ii) third anniversary following change in compensation.

Achievement of the Trustee Unit Ownership Guidelines will be calculated based on the greater of the weighted average purchase price of the Trust Units and the market value of the Trust Units, where market value is calculated based on the closing Trust Unit price as reported on the TSX on the last business day in December in each calendar year. Market value of units under the Equity Incentive Plan, performance unit plans, deferred unit plans and similar plans, to the extent such plans have been adopted by the REIT, will be determined annually as of the last business day in December in each year based on the market value of the Trust Units. For these purposes, "market value" will be calculated as the five-day volume-weighted average trading price of the Trust Units on the TSX.

When the annual trustee retainers are increased, trustees who met the guideline by the fifth anniversary of becoming a trustee but would not meet the guideline on the effective date of the increase in the retainers are required to increase their investment. The amount of the required increase in investment is the difference between three times the new annual retainer and the value of the trustee's holdings as at the fifth anniversary of becoming a trustee, which amount must be invested by the date that is two years after the effective date of the increase.

Each year, management will review and report on each trustee's level of ownership to the GCN Committee. See "About the Proposed Trustees" for information regarding the number of Trust Units and DUs held by each of the proposed trustees as of the date hereof and the market value thereof.

TRUSTEES' HEDGING POLICY

The REIT's insider trading policy prohibits all trustees of the REIT from selling "short" or selling "call options" on any of the REIT's securities and from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a

decrease in the market value of equity securities granted to such trustees as compensation or of any other securities of the REIT held directly or indirectly by such person.

TRUSTEE COMPENSATION TABLE

The following table sets out the compensation that was paid by the REIT to trustees (other than trustees who are members of management of the REIT or Dilawri) during the year ended December 31, 2023 under the compensation arrangements described above. Messrs. Dilawri, Lamb and Matthews do not receive any compensation for serving as a trustee of the REIT.

Name	Fees Earned ⁽¹⁾ (\$)	Unit-Based Awards	Option-Based Awards	Non-Equity Incentive Plan Compensation	All Other Compensation (\$)	Total (\$)	% of Fees Earned taken in DUs
Patricia Kay ⁽²⁾	141,750	—	—	—	—	141,750	100%
Stuart Lazier	97,500	—	—	—	—	97,500	100%
Julie Morin	107,500	—	—	—	—	107,500	100%
John Morrison	115,000	—	—	—	—	115,000	100%
Total:						461,750	

Notes:

- Trustees may elect to take up to 100% of their remuneration in the form of DUs. All Independent Trustees elected to receive 100% of their Board and committee fees for the year ended December 31, 2023 in the form of DUs.
- Represents amounts paid in U.S. dollars converted from Canadian dollars using the average quarterly exchange rate then in effect.

OUTSTANDING UNIT-BASED AWARDS

The following table sets out information on the outstanding DUs and IDUs held by the trustees (other than trustees who are members of management of the REIT or Dilawri) as of December 31, 2023.

Name	Unit-Based Awards		
	Number of DUs That Have Not Vested	Market or Payout Value of Unit-Based Awards That Have Not Vested	Market or Payout Value of Vested Unit-Based Awards Not Paid Out or Distributed ⁽¹⁾
Patricia Kay	—	—	\$560,744
Stuart Lazier	—	—	\$723,553
Julie Morin	—	—	\$171,959
John Morrison	—	—	\$818,972

Notes:

- Amounts are calculated based on the volume-weighted average trading price of the Trust Units on the TSX for the five trading days ended December 29, 2023, of \$10.69.

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

Name	Unit-Based Awards – Value Vested During the Year ⁽¹⁾	Non-Equity Incentive Plan Compensation – Value Earned During the Year
Patricia Kay	\$175,718	—
Stuart Lazier	\$145,474	—
Julie Morin	\$116,066	—
John Morrison	\$169,009	—

Notes:

- (1) For the DUs, amounts are calculated based on the volume-weighted average trading price of the Trust Units on the TSX for the five trading days immediately preceding the grant date, which was \$12.04 in respect of 9,593 DUs granted to the trustees in the first quarter of 2023, \$11.30 in respect of 10,154 DUs granted to the trustees in the second quarter of 2023, \$10.35 in respect of 11,156 DUs granted to the trustees in the third quarter of 2023 and \$10.68 in respect of 10,857 DUs granted to the trustees in the fourth quarter of 2023. For the IDUs, amounts are calculated based on the closing price at the date of the distribution payable each month. A trustee who has been granted DUs in lieu of receiving annual fees can elect when to settle his or her DUs and related IDUs provided that the trustee meets the Trustee Unit Ownership Guidelines and the settlement date occurs within 90 days after the trustee ceases to be a member of the Board.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The GCN Committee and the Board are committed to ensuring that the REIT's compensation philosophy, plan and programs are appropriate and support its ability to achieve its strategic objectives, and will be effective in attracting, retaining and motivating a skilled team of executives to maximize Unitholder value. The Executive Compensation section in this Circular provides details of the REIT's executive compensation and the processes and decisions that underlie it.

Introduction

The following discussion describes the significant elements of our executive compensation program.

In 2019, in conjunction with Internalization, the REIT retained Meridian to assist it in establishing a framework for NEO compensation that was in-line with market comparables and with a total direct compensation package (that is, base salary and incentive compensation) at target in the range of median compensation for a selected peer group. For those purposes, the GCN Committee selected a peer group from relevant industries in North America, including real estate investment trusts and the real estate service industry, and then narrowed the resultant list based on quantitative and qualitative factors. Those factors included that the peer be internally managed and have an asset value approximately between \$150 million and \$1.5 billion, or approximately 1/3 to 3 times that of the REIT at December 31, 2018. As a result of certain members of the original compensation peer group established in 2019 ceasing to exist, and other changes determined appropriate by the GCN Committee and the Board, effective as of January 1, 2022, the original compensation peer group was changed to be as follows (the "**Compensation Peer Group**"):

Compensation Peer Group	
American Hotel Income Properties REIT LP	Melcor Developments Ltd.
BTB Real Estate Investment Trust	Nexus Real Estate Investment Trust
CT Real Estate Investment Trust	Plaza Retail REIT
Extencicare Inc.	Pro Real Estate Investment Trust
InterRent Real Estate Investment Trust	Sienna Senior Living Inc.
Invesque Inc.	StorageVault Canada Inc.
Mainstreet Equity Corp.	

For purposes of revising the original compensation peer group, the GCN Committee used the same general criteria described above that it used in its selection of the original compensation peer group, but as of December 31, 2021. The GCN Committee included CT Real Estate Investment Trust in the Compensation Peer Group although it was outside these parameters on the basis that its business is substantially similar to that of the REIT. The GCN Committee compares the chief financial officer's compensation against a subset of the Compensation Peer Group (the "**Adjusted Compensation Peer Group**"), which excludes Compensation Peer Group members that employ a chief financial officer that is a founding partner of such Compensation Peer Group member, is a co-chief executive officer of such Compensation Peer Group member or is expected to be chief executive officer of such Compensation Peer Group member.

Concurrently with its selection of the original compensation peer group, the GCN Committee, on the advice of Meridian, also selected a group of companies used only for purposes of assessing relative performance, and not assessing compensation levels. These peers were selected from relevant industries to reflect comparable businesses facing similar business challenges and economic influences. As a result of certain members of the original performance peer group established in 2019 ceasing to exist, effective as of January 1, 2022, the original performance peer group was changed to be as follows (the "**Performance Peer Group**"):

Performance Peer Group

BTB Real Estate Investment Trust	Invesque Inc.
Choice Properties Real Estate Investment Trust	Nexus Real Estate Investment Trust
Crombie Real Estate Investment Trust	Plaza Retail REIT
CT Real Estate Investment Trust	Pro Real Estate Investment Trust
InterRent Real Estate Investment Trust	

The activities of the executive officers are subject to the overriding supervision and direction of the Board. The responsibilities of the executive officers of the REIT include: (i) providing the Board with information and advice relating to the operation of the REIT's properties, acquisitions, dispositions, developments and financings; (ii) establishing, at least on an annual basis, investment and operating plans for the ensuing period, as approved by the Board, and implementing such plans and monitoring the financial performance of the REIT and the Partnership; (iii) conducting and supervising the due diligence required in connection with proposed acquisitions and completing any acquisitions or dispositions, as approved by the Board; (iv) maintaining the books and financial records of the REIT; (v) determining and preparing designations, elections and determinations to be made in connection with the income and capital gains of the REIT for tax and accounting purposes, as approved by the Board; (vi) preparing reports and other information required to be sent to Unitholders and other disclosure documents, as approved by the Board; (vii) calculating all distributions, as approved by the Board; (viii) communicating with Unitholders and other persons, including investment dealers, lenders, investors, and professionals; (ix) administering or supervising the administration, on behalf of the Board, of the payment of distributions by the REIT; and (x) ensuring that the REIT is in compliance with internal policies and regulatory and legal requirements.

Principal Elements of Compensation

On the advice of the GCN Committee, the Board adopted the following executive compensation structure for the NEOs effective as of January 1, 2020 such that the REIT's executive compensation is comprised of four major elements, namely: (1) base salaries, (2) a short-term cash incentive (bonus) award, which, pursuant to the NEO Employment Agreements (as defined below), effective January 1, 2023, the NEOs are required to elect to receive a minimum of 50% of in the form of DUs under the Equity Incentive Plan, (3) long-term incentive awards in the form of RDUs (as defined below) and PDUs under the Equity Incentive Plan, and (4) perquisites and benefits. The REIT's philosophy on executive compensation is to pay at or slightly below the median of the Compensation Peer Group (or in the case of the chief financial officer, the Adjusted Compensation Peer Group). The REIT does not have any pension plans. The principal elements of each are described below.

The following discussion supplements the more detailed information concerning executive compensation that appears in the "Summary Compensation Table" below.

On March 23, 2023, the REIT entered into new written employment agreements for each of the NEOs (the "**NEO Employment Agreements**") in replacement of their previous employment agreements with the REIT, which NEO Employment Agreements took retroactive effect commencing January 1, 2023. The principal elements of the NEO Employment Agreements are described below, including under the heading "Employment Agreements and Termination Benefits". NEO compensation was increased pursuant to the NEO Employment Agreements for the first time since initial compensation levels were established in 2019 in order to increase the at-risk component of NEO compensation and otherwise bring NEO compensation into alignment with the REIT's philosophy on executive compensation. Assuming performance at target, at-risk compensation accounts for 67% and 46% of the President and Chief Executive Officer's and the Chief Financial Officer and Corporate Secretary's total compensation in 2023, respectively (compared to 56% and 38% had performance been at target in 2022).

Base Salary

Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. The REIT has paid the base salaries of the NEOs since January 1, 2020, when Mr. Lamb and Mr. Kalra became employees of the REIT in connection with the Internalization. Effective January 1, 2020, the base salary for the President and Chief Executive Officer was \$475,000 per year (and was increased to \$495,000 per year effective January 1, 2023 and to \$525,000 per year effective January 1, 2024 pursuant to the NEO Employment Agreements) and the base salary for the Chief Financial Officer and Corporate Secretary was \$275,000 per year (and was increased to \$300,000 per year effective January 1, 2023 and to \$320,000 per year effective January 1, 2024 pursuant to the NEO Employment Agreements). The NEO's base salaries were not adjusted in 2021 or 2022. The base salaries of the NEOs were moderately increased in both 2023 and 2024 to more closely align their respective compensation levels with the REIT's compensation philosophy to pay at or slightly below the median of the Compensation Peer Group (or in the case of the chief financial officer, the Adjusted Compensation Peer Group).

Short-Term Cash Incentive Plan

Effective January 1, 2020, the REIT adopted a cash-based short-term incentive plan, pursuant to which the NEOs are eligible to be paid annual cash bonuses, subject to the achievement of annual performance targets established by the Board each year. Under this short-term incentive plan, NEOs can elect to receive up to 100% of their respective cash bonuses in the form of DUs granted under the Equity Incentive Plan (see "Incentive Awards – Equity Incentive Plan" below for further details). Pursuant to the NEO Employment Agreements, effective January 1, 2023, the NEOs are required to elect to receive a minimum of 50% of any such cash bonus in the form of DUs. Annual targets are established by the Board for the President and Chief Executive Officer and the Chief Financial Officer and Corporate Secretary, which include targets related to both the REIT's performance and the relevant NEO's personal achievements.

Under the short-term incentive plan, the President and Chief Executive Officer and the Chief Financial Officer and Corporate Secretary were eligible to receive, at the discretion of the GCN Committee, a short-term cash incentive award targeted at 100% and 40% of base salary, respectively, for meeting applicable performance objectives for the year, with a maximum short-term cash incentive award of 150% of target performance where applicable performance objectives have been exceeded or an award of 0% where performance objectives have not been achieved. Prior to January 1, 2023, the short-term cash incentive award targets for the President and Chief Executive Officer and the Chief Financial Officer and Corporate Secretary were 75% and 37.5% of base salary, respectively, pursuant to the NEO Employment Agreements, with the same maximum and minimum eligible awards.

Long-Term Incentive Awards under the Equity Incentive Plan

Effective January 1, 2020, the REIT adopted a modified long-term incentive plan, pursuant to which the NEOs are eligible to receive long-term equity-based incentives in the form of annual RDU and PDU grants in accordance with the terms of their respective employment agreements.

RDU

The President and Chief Executive Officer and Chief Financial Officer and Corporate Secretary were granted RDU awards representing 57.5% and 27.5% of their base salaries, respectively, for the 2023 fiscal year, which vest in equal installments over a three-year period following the grant date, pursuant to the NEO Employment Agreements.

PDU

The President and Chief Executive Officer and Chief Financial Officer and Corporate Secretary were granted PDU awards representing 57.5% and 27.5% of their base salaries, respectively, for the 2023 fiscal year pursuant to the NEO Employment Agreements, which cliff vest at the end of the applicable three-year performance period based on the relative performance of the REIT over the performance period in accordance with the below.

Vesting of the NEOs' PDUs is determined on the basis of the REIT's performance of the specified performance-related conditions relative to the Performance Peer Group (60%) and the S&P/TSX Capped REIT Index (40%), in accordance with the following percentages: (i) 0% vesting if the REIT's relative performance is below the 25th percentile, (ii) 100% vesting if the REIT's relative performance is at the 50th percentile, (iii) 150% vesting if the REIT's relative performance is at the 75th percentile and (iv) 200% vesting if the REIT's relative performance is above the 75th percentile, with straight-line interpolation for results falling between the 25th and 50th percentiles and the 50th and 75th percentiles. The performance conditions will be measured over a period of time specified in the relevant DU Agreement (as defined below).

See "Incentive Awards – Equity Incentive Plan" below for further details.

Perquisites and Benefits

Effective January 1, 2023, the REIT agreed to perquisites and benefits payable to the NEOs in an amount equal to \$28,272 each per year, comprised of a health spending account, a car allowance and health and wellness benefits.

Incentive Awards – Equity Incentive Plan

In 2023, pursuant to the NEO Employment Agreements, the President and Chief Executive Officer and the Chief Financial Officer and Corporate Secretary were eligible to receive, at the discretion of the GCN Committee, an annual short-term cash incentive award targeted at 100% and 40% of base salary, respectively, for meeting applicable performance objectives for the year, each with a maximum short-term cash incentive award of 150% of base salary where applicable performance objectives have been exceeded (or 0% where applicable performance objectives have not been achieved). All or a portion of the short-term cash incentive award is payable, at the election of the officer, in fully vested DUs under the Equity Incentive Plan, provided that the NEO Employment Agreements require that the President and Chief Executive Officer and the Chief Financial Officer and Corporate Secretary elect to receive a minimum of 50% of any such short-term cash incentive reward in the form of DUs. In addition, the President and Chief Executive Officer and the Chief Financial Officer and Corporate Secretary are eligible to receive, at the discretion of the GCN Committee, an annual long-term incentive grant of DUs under the Equity Incentive Plan with a target grant date fair value of 115% and 55% of base salary, respectively, pursuant to the NEO Employment Agreements. Half of the DUs granted as long-term incentives will be delivered to the President and Chief Executive Officer and to the Chief Financial Officer and Corporate Secretary as time vesting DUs, which will vest in equal installments over a three-year period following the grant date. The other half will be delivered as performance vesting DUs which will cliff vest at the end of the applicable three-year performance period based on the relative performance of the REIT over the performance period, up to 200% for maximum performance (or 0% if the REIT's relative performance is below the 25th percentile). Generally, previous grants are taken into account when considering new grants under the Equity Incentive Plan. Modifications to these grants can be made at the discretion of the GCN Committee where the application of the grants would have unintended results.

The GCN Committee believes that the awards under the Equity Incentive Plan should be designed to motivate the NEOs to achieve the REIT's annual business plan and strategic objectives and to more closely align management's interests with those of Unitholders. In or about the first quarter of each fiscal year, the GCN Committee, in conjunction with management, establishes specific business performance measures and weightings, and presents them to the Board for approval. In determining the performance measures and weightings for each fiscal year, the GCN Committee takes into account the key components of the REIT's business plan, budget and strategic objectives. Following year-end, the GCN Committee reviews the financial results of the REIT against the performance measures and considers, in its judgment, whether any adjustments are required to account for unexpected events during the year.

The following is a summary of the principal terms of the Equity Incentive Plan.

Eligibility

Individuals eligible to participate in the Equity Incentive Plan consist of trustees, officers and employees of the REIT and/or its subsidiaries, as well as employees of any entity engaged by the REIT from time to time to provide executive personnel and other administrative support services to the REIT, who spend a significant amount of time and attention on the business and affairs of the REIT.

Units Available for Grant and Participation Limits

The maximum number of Trust Units currently available for issuance under the Equity Incentive Plan is 1,750,000, representing approximately 3.6% of the issued and outstanding Units as of the date of this Circular, subject to adjustment for any subdivision, consolidation or other change in the capitalization of the REIT, as contemplated by the Equity Incentive Plan.

As at December 31, 2023, 1,048,149 DUs and IDUs have been granted, representing approximately 2.1% of the issued and outstanding Units as of that date and 701,851 DUs and IDUs remain available for future grant under the Equity Incentive Plan, representing approximately 1.4% of the issued and outstanding Units as of that date.

No more than 10% of the outstanding Units may be issued under the Equity Incentive Plan or pursuant to any other security-based compensation arrangements of the REIT in any one year period. No more than 5% of the outstanding Units may be issued under the Equity Incentive Plan or pursuant to any other security-based compensation arrangements of the REIT to any one participant. The number of Units that may be issued to insiders within any one year period or issuable to insiders, at any time, under the Equity Incentive Plan, or when combined with all of the REIT's other security-based compensation arrangements, cannot exceed 10% of the outstanding Units, respectively.

Under the Equity Incentive Plan, DUs may be granted from time to time to eligible persons (other than Independent Trustees) at the discretion of the GCN Committee. In addition, trustees may elect to take all or a portion of their annual fees in the form of DUs and certain eligible persons may be granted a short-term incentive award in the form of DUs. In these circumstances, the number of DUs granted will be equal to the amount of the fees or award being taken in DUs divided by the market value of the Trust Units on the grant date.

The number of IDUs credited to a holder of DUs or IDUs will be calculated by multiplying the aggregate number of DUs and IDUs held on the relevant distribution record date by the amount of distributions paid by the REIT on each Trust Unit, and dividing the result by the market value of the Trust Units on the distribution date. Under the Equity Incentive Plan, market value means the volume weighted average trading price of the Trust Units on the TSX for the five trading days immediately preceding the applicable date. The IDUs generally accrue on the outstanding DUs and IDUs (vested and unvested) at the time that ordinary distributions are paid on the Trust Units and those IDUs would vest at the same time as the underlying DUs and IDUs (and based on the same performance achievement as PDUs in the case of IDUs earned on PDUs from the date of grant of the related PDUs).

Vesting and Settlement

DUs granted to trustees in lieu of receiving all or a portion of their annual fees and DUs granted to participants as a short-term incentive award vest immediately. Whereas, discretionary DUs granted under the Equity Incentive Plan following the Internalization will vest over time (“**RDU**s”) or subject to the achievement of performance vesting conditions (“**PDU**s”). RDUs generally vest as to one-third on each of the first, second and third anniversary of the grant date. PDUs will only vest upon achievement of the performance vesting conditions set forth in the eligible person's grant agreement, which may include but are not limited to, financial or operational performance of the REIT, total unitholder return or individual

performance criteria, measured over a performance period, which is generally three years. Prior to the Internalization, discretionary DUs granted under the Equity Incentive Plan generally vested as to one-third on each of the third, fourth and fifth anniversary of the grant date and no RDUs or PDUs were available to be granted.

A trustee who has been granted DUs in lieu of receiving annual fees can elect when to settle his or her DUs and related IDUs provided that the trustee meets the Trustee Unit Ownership Guidelines and the settlement date occurs on or prior to the date that is 90 days after the trustee ceases to be a member of the Board. A participant who has been granted discretionary DUs or a short-term incentive award (including cash incentive award) in the form of DUs has the ability to elect when to settle his or her DUs and related IDUs provided that the participant meets the Executive Unit Ownership Guidelines and the settlement date occurs on or prior to the earlier of the seventh anniversary of the grant date and 90 days following the participant's termination date. DUs and IDUs must be settled within a fixed period as described above, provided that if the expiry date falls during or within 10 business days immediately following a blackout period, the expiry date will be automatically extended until 10 business days after the end of the blackout period.

On settlement, subject to satisfying any applicable withholding taxes, the REIT shall issue to the participant from treasury the number of Trust Units that is equal to the whole number of DUs and IDUs being settled by the participant.

Termination of Service

Except as otherwise provided in the applicable grant agreement, any unvested DUs or IDUs held by a participant will be forfeited upon resignation or termination with cause of the participant's employment or service with the REIT.

Change of Control

In the event of a change of control of the REIT, any surviving, successor or acquiring entity will assume any outstanding DUs and IDUs or will substitute similar share units for the outstanding DUs and IDUs. If the surviving, successor or acquiring entity does not assume the outstanding DUs and IDUs or substitute similar share units for the outstanding DUs and IDUs, or if the Board otherwise determines, subject to the rules of the TSX, the REIT will give written notice to all participants advising that the Equity Incentive Plan will be terminated effective immediately prior to the change of control and all DUs (other than PDUs) and related IDUs and a specified number of PDUs and related IDUs will be deemed to be vested and have a settlement date immediately prior to the termination of the plan. The number of PDUs and related IDUs that will be deemed to be vested will be determined by the Board having regard to the achievement of the applicable performance vesting conditions up to the change of control.

In the event of a change of control of the REIT, the Board has the authority to: (i) make such other changes to the terms of the DUs and IDUs as it considers fair and appropriate in the circumstances, provided such changes are not materially adverse to the participants; (ii) otherwise modify the terms of the DUs and IDUs to assist the participants to tender into a takeover bid or other arrangement leading to a change of control, and thereafter; and (iii) terminate, conditionally or otherwise, the DUs and IDUs not settled following successful completion of such change of control. If the change of control is not completed within the time specified therein (as the same may be extended), the DUs and IDUs which vest will be returned by the REIT to the participant and, if settled, the Trust Units issued on such settlement will be reinstated as authorized but unissued Trust Units and the original terms applicable to such DUs and IDUs will be reinstated.

Adjustments

In the event of any *in specie* distribution, consolidation or subdivision of securities, combination or exchange of securities, merger, consolidation, spin-off or other distribution (other than normal cash distributions) of the REIT's assets to Unitholders, or any other change in the capital of the REIT affecting the Trust Units, that in each case, in the opinion of the GCN Committee, would warrant the amendment or replacement of any existing awards, the Equity Incentive Plan provides for appropriate adjustments in the number and kind of securities available for issuance under the Equity Incentive Plan, the number of DUs and IDUs credited to a participant and the number and kind of securities issuable to participants on the settlement of outstanding awards, as necessary in order to preserve proportionately the rights and obligations of the participants under the Equity Incentive Plan.

Non-Transferability

DUs and IDUs are non-transferable, except to a participant's estate or personal representative, and the rights of participants under the Equity Incentive Plan are not assignable, except as required by law.

Amendment or Discontinuance

The Board may amend, suspend or terminate the Equity Incentive Plan, or any portion thereof, subject to applicable law (including stock exchange rules) that requires the approval of securityholders or any governmental or regulatory body, provided that no such action may be taken that adversely alters or impairs any rights of a participant under any award previously granted without the consent of such affected participant.

Notwithstanding the above, the Board may make certain amendments to the Equity Incentive Plan or to any award outstanding thereunder without seeking Unitholder approval, including housekeeping amendments, amendments to comply with applicable laws, including tax laws, amendments to accelerate vesting, and amendments to the termination or early termination provisions of the Equity Incentive Plan or any awards granted thereunder. The following types of amendments cannot be made without obtaining Unitholder approval:

- increasing the number of Trust Units available for issuance under the Equity Incentive Plan;
- increasing the length of the period after a blackout period during which DUs and IDUs may be settled;
- permitting independent trustees to receive discretionary grants of DUs under the Equity Incentive Plan;
- removing or exceeding the insider participation limit;
- extending the expiry date of an award, except for an automatic extension of an award that expires during or shortly following a blackout period;
- permitting awards to be transferred or assigned other than for normal estate settlement purposes;
- amendments required to be approved by security holders under applicable law (including the rules, regulations and policies of the TSX); or
- amending the amendment provision under the Equity Incentive Plan.

Burn Rate

The annual burn rate for the Equity Incentive Plan for 2021 was 0.26%, for 2022 was 0.24% and for 2023 was 0.48%.

2023 Equity Incentive Plan Award Performance

Short-Term Incentive Plan

As described above, in determining the performance measures and weightings for Equity Incentive Plan awards in a fiscal year, the GCN Committee takes into account the key components of the REIT's business plan, budget and strategic objectives. Following year-end, the GCN Committee reviews the REIT's results against the performance measures and considers, in its judgment, whether any adjustments are required to account for unexpected events during the year or to account for unintended consequences.

In early 2023, the GCN Committee met to consider the short-term and long-term Equity Incentive Plan targets and grants for the NEOs for 2023. The GCN Committee included several key financial metrics as the principal component of the REIT's Equity Incentive Plan targets for the NEOs for 2023, as well as ESG and capital management. The GCN Committee also included a qualitative (or discretionary) component in order to make adjustments to ensure that Equity Incentive Plan awards appropriately compensate for individual performance. The GCN Committee determined that discretionary targets would include elements that the REIT could continue to leverage in order to drive performance for years to come, including the implementation of a formal long-term strategic plan, investor engagement and a continued focus on tenant relationships, including with Dilawri.

The following table sets forth the performance measures and weightings at target that were used in determining the Equity Incentive Plan awards for the NEOs applicable for 2023:

President and Chief Executive Officer and Chief Financial Officer and Chief Financial Officer and Corporate Secretary		Target	Actual	% Performance determined by the GCN Committee
Business Objectives (75%)	Adjusted Funds From Operations (AFFO) per Unit ⁽¹⁾ (25%)	Base case - AFFO of \$0.91 per Unit (50% weighting) Growth - 12 months additional AFFO per Unit - diluted of \$0.051 from acquisitions (50% weighting)	Base case - AFFO of \$0.908 per Unit (50% weighting) ⁽²⁾ Growth - 12 months additional AFFO per Unit - diluted of \$0.00 from acquisitions (50% weighting)	Base case - 93% (slightly below target) Growth - 0% (below target)
	Strategic Growth (25% for the CEO; 20% for the CFO)	\$70 million of strategic growth through acquisitions and value creation	\$16 million of strategic growth through acquisitions and value creation	0% (below target)
	Environmental, Social and Governance (5%)	Includes various ESG-related initiatives	Targets substantially achieved	100% (at target)
	Capital Management (20% for the CEO; 25% for the CFO)	Includes various capital management-related targets including weighted average term for SWAPs and debt	Targets substantially achieved	100% (at target)

Individual Performance (25%)	Discretionary (25%)	Includes various leadership, strategic and other assessments	Targets exceeded	150% (above target)

Notes:

- (1) “AFFO” is a non-IFRS measure of economic earnings operating performance widely used in the real estate industry to assess an entity’s distribution capacity from earnings. The REIT calculates AFFO in accordance with the Real Property Association of Canada’s *White Paper on Funds from Operations & Adjusted Funds from Operations for IFRS* issued in February 2019. AFFO is calculated as FFO (as defined below) subject to certain adjustments, to remove the impact of: (i) any adjustments resulting from recognizing property rental revenues or expenses (including ground lease rental payments) on a straight-line basis; and (ii) capital expenditures. The REIT includes a capital expenditure reserve of 0.5% of base rent in the AFFO calculation. To date, the REIT has not incurred capital expenditure costs. The capital expenditure reserve is based on management’s best estimate of costs that the REIT may incur, related to the sustaining/maintaining of the existing leased area. “FFO” is a non-IFRS measure of operating performance widely used by the real estate industry, particularly by those publicly traded entities that own and operate income-producing properties. FFO should not be considered as an alternative to net income or cash flows provided by operating activities determined in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). The REIT calculates FFO in accordance with the Real Property Association of Canada’s *White Paper on Funds from Operations & Adjusted Funds from Operations for IFRS* issued in February 2019. FFO is calculated as net income in accordance with IFRS, adjusted by removing the impact of: (i) fair value adjustments on investment properties; (ii) other fair value adjustments including fair value adjustments on redeemable or exchangeable units; (iii) gains and losses on the sale of investment properties; (iv) amortization of tenant incentives; (v) distributions on redeemable or exchangeable units treated as interest expense; and (vi) operational revenue and expenses from the right-of-use assets. AFFO (as well as “per Unit” amounts) and FFO are not defined by IFRS and do not have standardized meanings prescribed by IFRS, and therefore should not be construed as alternatives to net income or cash flows provided by operating activities determined in accordance with IFRS. The IFRS measurement most directly comparable to AFFO and FFO is net income. For further information regarding these non-IFRS measures, including reconciliations of AFFO and FFO to net income, please refer to Section 1 “General Information and Cautionary Statements – Non-IFRS Financial Measures” and Section 6 “Non-IFRS Financial Measures” in the REIT’s management’s discussion and analysis for the year ended December 31, 2023, which is incorporated by reference herein and is available on the REIT’s website at www.automotivepropertiesreit.ca and on SEDAR+ at www.sedarplus.ca.
- (2) For the purposes of determining management’s base case AFFO performance, the GCN Committee made certain adjustments to AFFO to eliminate the positive and negative impacts of matters outside of the control of management. For example, the GCN Committee adjusted AFFO to eliminate the positive impact of higher than expected inflation on base rents and the negative impact of higher than expected interest rates on debt.

In early-February 2024, the GCN Committee reviewed the REIT’s 2023 performance and the NEOs’ individual 2023 performance as compared to applicable targets and determined the performance bonus payout under the Equity Incentive Plan to each of the President and Chief Executive Officer and the Chief Financial Officer and Corporate Secretary, as follows:

Milton Lamb, President and Chief Executive Officer

In respect of the year ended December 31, 2023, and in accordance with the Equity Incentive Plan and based on the REIT's performance and the GCN Committee's assessment of performance, Mr. Lamb received (i) a short-term incentive plan award of \$366,919, representing Mr. Lamb's entitlement at 75% of his base salary in the form of DUs, with full vesting on the date of grant, and (ii) a long-term incentive plan award in the form of DUs with a grant date fair value of \$603,750, representing Mr. Lamb's target entitlement of 115% of his base salary, with (a) one-half granted in the form of RDUs with one-third of the RDUs vesting on each of the first, second and third anniversaries of the date of grant, and (b) one-half granted in the form of PDUs for the period from January 1, 2024 to December 31, 2026 (the "**Performance Period**"), with actual performance to be determined after the 2026 financial year based on the REIT's relative performance to the Performance Peer Group (as to 60%) and to the S&P/TSX Capped REIT Index (as to 40%).

Mr. Lamb's short-term and long-term incentive plan awards reflect Mr. Lamb's role as President and Chief Executive Officer during the year ended December 31, 2023. In assessing individual performance, the GCN Committee took into account quantitative factors including Mr. Lamb's performance in implementing and achieving the REIT's strategic objectives and his role in the overall achievement of the REIT's 2023 business plan. The GCN Committee also considered qualitative factors, such as Mr. Lamb's leadership qualities and role in advancing the REIT's environmental and social governance initiatives and driving culture and engagement objectives.

Andrew Kalra, Chief Financial Officer and Corporate Secretary

In respect of the year ended December 31, 2023, and in accordance with the Equity Incentive Plan and based on the REIT's performance and the GCN Committee's assessment of performance, Mr. Kalra received (i) a short-term incentive plan award of \$94,950, representing Mr. Kalra's entitlement at 75% of his base salary, with \$47,475 paid in cash and \$47,475 in the form of DUs, with full vesting on the date of the grant, and (ii) a long-term incentive plan award in the form of DUs with a grant date fair value of \$176,000, representing Mr. Kalra's target entitlement of 55% of his base salary, with (a) one-half granted in the form of RDUs with one-third of the RDUs vesting on each of the first, second and third anniversaries of the date of grant, and (b) one-half granted in the form of PDUs for the Performance Period, with actual performance to be determined after the 2026 financial year based on the REIT's relative performance to the Performance Peer Group (as to 60%) and to the S&P/TSX Capped REIT Index (as to 40%).

Mr. Kalra's short-term and long-term incentive plan awards reflect Mr. Kalra's role as Chief Financial Officer and Corporate Secretary during the year ended December 31, 2023. In assessing individual performance, the GCN Committee took into account quantitative factors including Mr. Kalra's performance in implementing and achieving the REIT's strategic objectives and his role in executing the REIT's financial plan. The GCN Committee also considered qualitative factors, such as Mr. Kalra's leadership qualities and contributions to the enhancement of board processes and financial reporting.

Performance Deferred Units

In 2021, Milton Lamb was awarded 12,435 PDUs and Andrew Kalra was awarded 3,599 PDUs, the vesting of which was based on total Unitholder return relative to the Performance Peer Group and performance of the REIT relative to the S&P/TSX Capped REIT Index, in each case, over a three-year period. Consequently, in addition to awards under the REIT's short-term incentive plan, in early-February 2024, the GCN Committee reviewed the REIT's performance for purposes of determining the performance level of those PDUs. Vesting of the NEOs' 2021 PDUs is determined on the basis of the REIT's performance of the specified performance-related conditions relative to the Performance Peer Group (60%) and the S&P/TSX Capped REIT Index (40%), in accordance with the following percentages: (i) 0% vesting if the REIT's relative performance is below the 25th percentile, (ii) 100% vesting if the REIT's relative performance is at the 50th percentile, (iii) 150% vesting if the REIT's relative performance is at the 75th percentile and (iv) 200% vesting if the REIT's relative performance is above the 75th percentile, with straight-line interpolation for results falling between the 25th and 50th percentiles and the 50th and 75th percentiles.

The performance for the PDUs awarded in 2021 was in the 54.5th percentile relative to the Performance Peer Group and in the 71st percentile relative to the S&P/TSX Capped REIT Index.

Based on the foregoing, the GCN Committee confirmed that the 2021 grant of PDUs paid out at 122% of target. The actual value of the PDU payout earned was based on the volume-weighted average trading price of the Trust Units on the TSX for the five trading days immediately preceding December 29, 2023, being the final day of the performance period, which was \$10.69.

The number of PDUs that vested pursuant to this performance result is set out in the table below:

Name	PDUs Granted (#)	Number of PDUs vested prior to application of performance factor ⁽¹⁾ (#)	Total actual settlement value of PDUs based on performance factor ⁽²⁾ (\$)
Milton Lamb	12,435	3,393	169,201
Andrew Kalra	3,599	982	48,971

Notes:

- (1) The total number of PDUs vested prior to the application of the performance factor reflects the original number of PDUs granted plus the IDU equivalents earned.
- (2) The actual value of the PDU payout earned was based on the volume-weighted average trading price of the Trust Units on the TSX for the five trading days immediately preceding December 29, 2023, being the final day of the performance period, which was \$10.69.

Securities Authorized for Issuance under Equity Compensation Plans

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾⁽²⁾	Weighted-average exercise price of outstanding options, warrants and rights ⁽¹⁾	Number of securities remaining available for future issuance ⁽¹⁾
Equity compensation plans previously approved by Unitholders	1,048,149	N/A	701,851
Equity compensation plans not previously approved by Unitholders	N/A	N/A	N/A
Total	1,048,149	N/A	701,851

Notes:

- (1) As at December 31, 2023.
- (2) Includes DUs and IDUs.

Compensation Risk and Hedging Policy

The GCN Committee considers the implications of the risks associated with the REIT's compensation policies and practices as part of its responsibility to ensure that the compensation for the trustees and NEOs align the interests of the trustees and the NEOs with Unitholders and the REIT as a whole. The REIT's insider trading policy prohibits all officers of the REIT from selling "short" or selling "call options" on any of the REIT's securities and from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in the market value of equity securities granted to such officers as compensation or of any other securities of the REIT held directly or indirectly by such person.

Clawback Policy

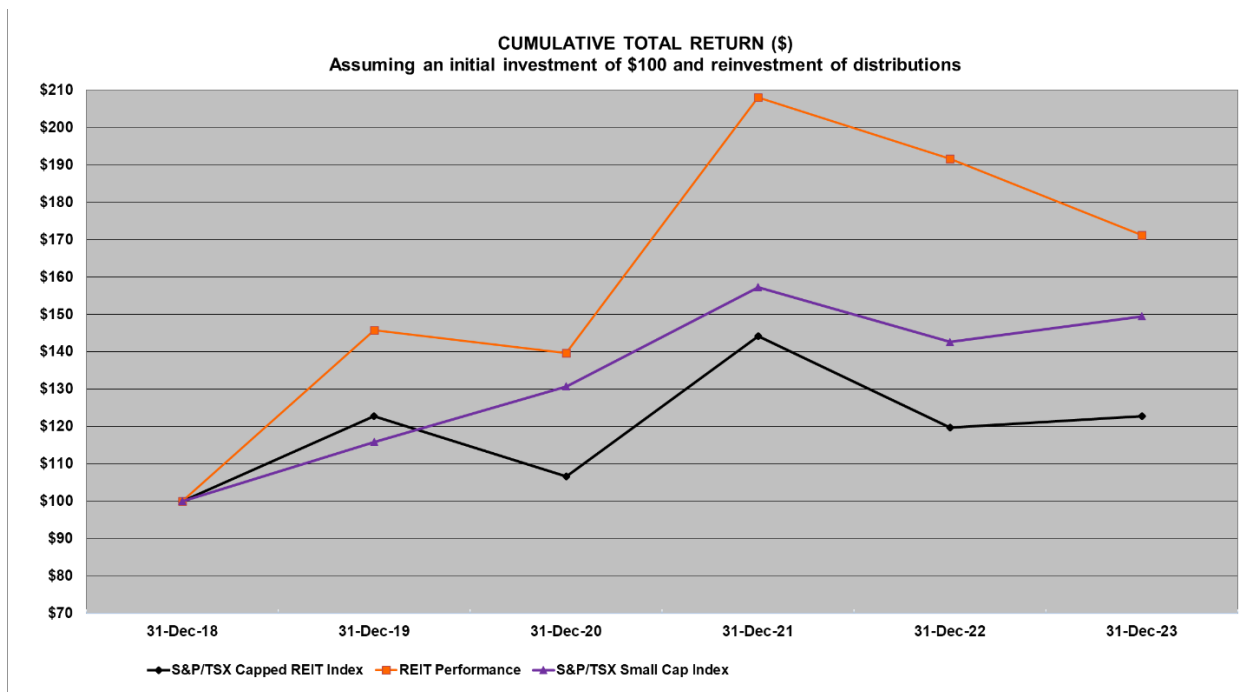
On February 16, 2023, the Board approved a clawback policy (the "**Clawback Policy**") to support its Code of Conduct and reinforce the REIT's pay for performance compensation philosophy by providing for the recoupment of certain management compensation (annual bonus payments and other incentive compensation) in the event of misconduct by certain current and former officers and employees of the REIT, including the NEOs (each, a "**Covered Individual**"). Under the Clawback Policy, a clawback may be triggered in respect of a Covered Individual if such Covered Individual:

- engages in misconduct that results in the need to restate the REIT's financial statements, where the Covered Individual received an award calculated on the achievement of those financial statements and the award received would have been lower had the financial statements been properly reported;
- commits a material breach of the REIT's Code of Conduct;
- engages in gross negligence, fraud, theft, dishonesty or willful misconduct; or
- is indicted, convicted or enters a guilty plea in respect of a criminal offence or certain statutory offences involving moral turpitude.

The Clawback Policy provides that the Board may require a Covered Individual to repay all or a portion of the annual bonus payments and other incentive compensation received over a specified period preceding the triggering event, among other remedies available to the Board. The GCN Committee will continue to keep this policy under review as part of its regular risk review.

PERFORMANCE GRAPH

The following graph compares the cumulative total unitholder return on \$100 invested in Trust Units on December 31, 2018 with the cumulative total annual return of the S&P/TSX Capped REIT Index and the S&P/TSX Small Cap Index over the same period, assuming the re-investment of all cash distributions of the REIT since December 31, 2018.



Executive officer compensation is not strongly correlated to Unitholder returns in the short term, in part because equity-based incentives are calculated at the time of grant using grant date fair values, which do not reflect the actual value of compensation received when such incentives vest (in the case of long-term incentive awards) or are settled. In the longer term, executive officer compensation is directly impacted by the REIT’s Unit price performance.

The cumulative total return on the Trust Units over the past five years was higher than that of the S&P/TSX Capped REIT Index and the S&P/TSX Small Cap Index. The REIT’s executive officer compensation has increased over the same period.

Over the past five fiscal years, Mr. Lamb’s total compensation has increased by approximately 70% and Mr. Kalra’s total compensation has increased by approximately 23%. Over the same period, the cumulative total return on the Trust Units has increased by 42%. The increase in Mr. Lamb and Mr. Kalra’s respective total compensation over the past five fiscal years is due in part to the fact that, prior to January 1, 2020 (namely, prior to the Internalization), Mr. Lamb and Mr. Kalra acted in a variety of capacities for the Dilawri Group and only a portion of the compensation that they received was attributable to services that they provided to the REIT, and due in part to the receipt by Mr. Lamb and Mr. Kalra of incremental compensation in 2023 as a result of the vesting of PDUs with a performance factor of 122% (see “Executive Compensation – Compensation Discussion and Analysis – Performance Deferred Units”).

A substantial portion of executive officer compensation is at-risk. The REIT’s short-term incentive plan awards are made based on successful performance of key objectives that are tied to the REIT’s business plan. Additionally, one-half of long-term incentive plan awards are tied directly to total unitholder return relative to the Performance Peer Group, as well as to a relevant TSX index, in each case, over a three year period. Furthermore, the remaining one-half of long-term incentive plan awards are tied to the performance of the Trust Units as they are granted in the form of DUs. In 2023, these at-risk components accounted for approximately 39% and 29% of the President and Chief Executive Officer’s and the Chief Financial Officer and Corporate Secretary’s total compensation, respectively.

SUMMARY COMPENSATION TABLE

The table below shows the compensation paid to the NEOs in respect of the REIT's three most recently completed financial years in accordance with Canadian securities laws.

Name and Principal Position	Year	Salary	Unit-Based Awards ⁽¹⁾	Option-Based Awards ⁽⁶⁾	Non-Equity Incentive Plan Compensation ⁽⁶⁾	All Other Compensation ⁽⁷⁾	Total Compensation
Milton Lamb <i>President and Chief Executive Officer</i>	2023	\$495,000	\$1,006,906 ⁽²⁾⁽⁸⁾	—	—	\$28,272	\$1,530,178
	2022	\$475,000	\$1,312,654 ⁽²⁾⁽⁹⁾	—	—	\$24,800	\$1,812,454
	2021	\$475,000	\$460,007 ⁽²⁾	—	\$175,009 ⁽³⁾	\$24,800	\$1,134,816
Andrew Kalra <i>Chief Financial Officer and Corporate Secretary</i>	2023	\$300,000	\$233,963 ⁽⁴⁾⁽⁸⁾	—	\$47,475 ⁽⁵⁾	\$28,272	\$609,710
	2022	\$275,000	\$225,657 ⁽⁴⁾⁽⁹⁾	—	\$148,346 ⁽⁵⁾	\$24,800	\$673,803
	2021	\$275,000	\$82,500 ⁽⁴⁾	—	\$112,922 ⁽⁵⁾	\$24,800	\$495,222

Notes:

- (1) Represents the grant date fair value of DUs granted to the applicable NEO under the Equity Incentive Plan in respect of the applicable financial year. The grant date fair value of the DUs is determined based on the volume-weighted average trading price of the Trust Units on the TSX for the five trading days preceding the grant date.
- (2) Mr. Lamb received the following unit-based awards under the REIT's short-term incentive plan and the REIT's long-term incentive plan in respect of compensation paid for the three most recently-completed financial years: for 2023, 35,762 DUs granted at a per Unit grant price of \$10.26, 29,422 PDUs awarded at a per Unit grant price of \$10.26 (valued at target) and 29,422 RDUs granted at a per Unit grant price of \$10.26; for 2022, 45,164 DUs granted at a per Unit grant price of \$11.82, 24,079 PDUs awarded at a per Unit grant price of \$11.82 (valued at target) and 24,079 RDUs granted at a per Unit grant price of \$11.82; and for 2021, 12,053 DUs granted at a per Unit grant price of \$14.52, 9,814 PDUs awarded at a per Unit grant price of \$14.52 (valued at target) and 9,814 RDUs granted at a per Unit grant price of \$14.52.
- (3) Mr. Lamb elected to receive 50% of the \$350,015.63 award granted to him under the REIT's short-term incentive plan in respect of the year ended December 31, 2021 in the form of cash.
- (4) Mr. Kalra received the following unit-based awards under the REIT's short-term incentive plan and the REIT's long-term incentive plan in respect of compensation paid for the three most recently-completed financial years: for 2023, 4,627 DUs granted at a per Unit grant price of \$10.26, 8,576 PDUs awarded at a per Unit grant price of \$10.26 (valued at target) and 8,576 RDUs granted at a per Unit grant price of \$10.26; for 2022, 6,979 PDUs awarded at a per Unit grant price of \$11.82 (valued at target) and 6,979 RDUs granted at a per Unit grant price of \$11.82; and for 2021, 2,840 PDUs awarded at a per Unit grant price of \$14.52 (valued at target) and 2,840 RDUs granted at a per Unit grant price of \$14.52.
- (5) Mr. Kalra elected to receive 50% of the \$94,950 award granted to him under the REIT's short-term incentive plan in respect of the year ended December 31, 2023, 100% of the \$148,346 award granted to him under the REIT's short-term incentive plan in respect of the year ended December 31, 2022 and 100% of the \$112,922 award granted to him under the REIT's short-term incentive plan in respect of the year ended December 31, 2021 in the form of cash.
- (6) The REIT does not currently have in place any option-based plans or non-equity incentive plans, other than the short-term cash incentive plan that took effect during the 2021 fiscal year. For further details, see "Executive Compensation – Compensation Discussion & Analysis – Principal Elements of Compensation".
- (7) For 2023, all other compensation for Mr. Lamb includes a health spending account of \$5,700 and a car allowance and health and wellness benefits of \$22,600 in the aggregate and for Mr. Kalra includes a health spending account of \$5,700 and a car allowance and health and wellness benefits of \$22,600 in the aggregate, and for each of 2022 and 2021, all other compensation for Mr. Lamb includes a health spending account of \$5,000 and a car allowance and health and wellness benefits of \$19,800 in the aggregate and for Mr. Kalra includes a health spending account of \$5,000 and a car allowance and health and wellness benefits of \$19,800 in the aggregate.
- (8) Includes the incremental value of PDUs vested in 2023 as a result of the performance for the applicable PDUs being at 122% of target. For further details, see "Executive Compensation – Compensation Discussion and Analysis – Performance Deferred Units".
- (9) Includes the incremental value of PDUs vested in 2022 as a result of the performance for the applicable PDUs being at 200% of target. For further details, see "Executive Compensation – Compensation Discussion and Analysis – Performance Deferred Units".

OUTSTANDING UNIT-BASED AWARDS

The following table sets out information on the outstanding DUs and IDUs held by the NEOs as of December 31, 2023.

Name	Unit-Based Awards ⁽¹⁾		
	Number of Unit-Based Awards That Have Not Vested	Market or Payout Value of Unit-Based Awards That Have Not Vested (\$) ⁽²⁾	Market or Payout Value of Vested Unit-Based Awards Not Paid Out or Distributed (\$) ⁽²⁾
Milton Lamb	311,933	3,334,565	5,017,305
Andrew Kalra	91,514	978,285	890,252

Notes:

- (1) Includes DUs granted to NEOs in respect of 2023 compensation but granted in 2024 and includes IDUs granted in connection therewith as of March 19, 2024.
- (2) Market value of DUs and IDUs represents the number of DUs and IDUs identified in note (1) above multiplied by the volume-weighted average trading price of the Trust Units on the TSX for the five trading days ended December 29, 2023, of \$10.69 with PDUs being valued at target.

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

Name	Unit-Based Awards – Value Vested During the Year ⁽¹⁾	Non-Equity Incentive Plan Compensation – Value Earned During the Year
Milton Lamb	\$1,647,778	—
Andrew Kalra	\$349,463	—

Notes:

- (1) Includes DUs and IDUs earned in respect of the fiscal year ended December 31, 2023. The value of the DUs is calculated based on the volume-weighted average trading price of the Trust Units on the TSX for the five trading days immediately preceding the grant date with PDUs being valued at target. The value of the IDUs is calculated based on the closing trading price of the Trust Units on the TSX on the date that each monthly IDU distribution is payable.

EMPLOYMENT AGREEMENTS AND TERMINATION BENEFITS

In connection with Internalization, Mr. Lamb and Mr. Kalra resigned from Dilawri on December 31, 2019 and each became an employee of the REIT effective January 1, 2020 and each entered into written employment agreements with the REIT effective as of such date. Mr. Lamb and Mr. Kalra entered into the NEO Employment Agreements on March 23, 2023, which agreements have retroactive effect to January 1, 2023.

Descriptions of the NEO Employment Agreements in respect of each of the NEOs is provided below.

Milton Lamb, President and Chief Executive Officer

Mr. Lamb's employment agreement provides for base salary, a discretionary annual performance bonus, benefits, perquisites, and participation in the Equity Incentive Plan.

The employment agreement with Mr. Lamb specifies the amounts or items payable, including severance, to Mr. Lamb in the event that he is terminated without cause or resigns with good reason. The payment of severance to Mr. Lamb is conditional on his execution of a release of claims.

If Mr. Lamb is terminated without cause or resigns with good reason, then in addition to his accrued but unpaid base salary, reimbursement of expenses and vacation pay up to the termination date, and benefits continuation, the REIT will pay Mr. Lamb severance in an amount equal to the number of months in the 2 years following the date of termination multiplied by the sum of:

- (i) 1/12th of the average of Mr. Lamb's base salary in respect of the two fiscal years prior to the termination date; and
- (ii) 1/12th of the average of any bonuses received by Mr. Lamb in respect of the two fiscal years prior to the termination date.

In addition, if Mr. Lamb is terminated without cause or resigns with good reason, then Mr. Lamb will be entitled to receive a payment in cash in respect of any bonus to which Mr. Lamb would have been entitled to receive in respect of the fiscal year in which the termination occurs, pro-rated for the number of months actually served. Mr. Lamb will also be entitled to immediate vesting of any DUs, IDUs and RDUs, including DUs issued as a one-time signing bonus in connection with the Internalization (“**Signing Bonus DUs**”), held by Mr. Lamb on the termination date as well as immediate vesting of any PDUs held by Mr. Lamb on the termination date on a pro-rated basis based on the actual performance of the REIT and the number of months elapsed between the date of grant and the termination date.

If Mr. Lamb's employment is terminated due to death or permanent disability, then Mr. Lamb will be entitled to receive payment of his accrued but unpaid base salary and vacation pay, reimbursement of expenses, and benefits continuation, in each case up to the termination date, and any payments required by applicable employment standards legislation. Mr. Lamb will also be entitled to immediate vesting of any DUs, IDUs and RDUs, including Signing Bonus DUs, held by Mr. Lamb on the termination date as well as immediate vesting of any PDUs held by Mr. Lamb on the termination date on a pro-rated basis based on the actual performance of the REIT and the number of months elapsed between the date of grant and the termination date.

If Mr. Lamb's employment is terminated with cause or due to his resignation, he will not be entitled to any severance, notice or payment in lieu of notice or similar payment in respect of such termination or resignation, other than payment of his accrued but unpaid base salary and vacation pay, reimbursement of expenses and benefits continuation, in each case up to the termination date, and any payments required by applicable employment standards legislation.

If Mr. Lamb's employment is terminated due to his resignation, Mr. Lamb will be deemed to forfeit any unvested DUs, RDUs and/or PDUs that he held as of the termination date; *provided that*, if Mr. Lamb has been employed by the REIT and/or Dilawri Real Estate Group Inc. for ten or more consecutive years commencing as of July 22, 2015, the Board will allow any such DUs, RDUs and/or PDUs to vest pursuant to the terms of the Equity Incentive Plan and the applicable grant agreement as if Mr. Lamb remained an employee of the REIT through the applicable vesting and settlement dates, subject to certain conditions.

Mr. Lamb's employment agreement also contains customary confidentiality and non-disparagement covenants and certain restrictive covenants that will continue to apply following the termination of his employment, including non-competition and non-solicitation provisions which are in effect during Mr. Lamb's employment and for the 12 months following the termination of his employment.

Andrew Kalra, Chief Financial Officer and Corporate Secretary

Mr. Kalra's employment agreement provides for base salary, a discretionary annual performance bonus, benefits, perquisites, and participation in the Equity Incentive Plan.

The employment agreement with Mr. Kalra specifies the amounts or items payable, including severance, to Mr. Kalra in the event that he is terminated without cause or resigns with good reason. The payment of severance to Mr. Kalra is conditional on his execution of a release of claims.

If Mr. Kalra is terminated without cause or resigns with good reason, then in addition to his accrued but unpaid base salary, reimbursement of expenses and vacation pay up to the termination date, and benefits continuation, the REIT will pay Mr. Kalra severance in an amount equal to the number of months in the 12 months following the date of termination multiplied by the sum of:

- (i) 1/12th of the average of Mr. Kalra's base salary in respect of the two fiscal years prior to the termination date; and
- (ii) 1/12th of the average of any bonuses received by Mr. Kalra in respect of the two fiscal years prior to the termination date.

In addition, if Mr. Kalra is terminated without cause or resigns with good reason, then Mr. Kalra will be entitled to receive a payment in cash in respect of any bonus to which Mr. Kalra would have been entitled to receive in respect of the fiscal year in which the termination occurs, pro-rated for the number of months actually served.

Mr. Kalra will also be entitled to immediate vesting of any DUs, IDUs and RDUs, including Signing Bonus DUs, held by Mr. Kalra on the termination date as well as immediate vesting of any PDUs held by Mr. Kalra on the termination date on a pro-rated basis based on the actual performance of the REIT and the number of months elapsed between the date of grant and the termination date.

If Mr. Kalra's employment is terminated due to death or permanent disability, then Mr. Kalra will be entitled to receive payment of his accrued but unpaid base salary and vacation pay, reimbursement of expenses, and benefits continuation, in each case up to the termination date, and any payments required by applicable employment standards legislation. Mr. Kalra will also be entitled to immediate vesting of any DUs, IDUs and RDUs, including Signing Bonus DUs, held by Mr. Kalra on the termination date as well as immediate vesting of any PDUs held by Mr. Kalra on the termination date on a pro-rated basis based on the actual performance of the REIT and the number of months elapsed between the date of grant and the termination date.

If Mr. Kalra's employment is terminated with cause or due to his resignation, he will not be entitled to any severance, notice or payment in lieu of notice or similar payment in respect of such termination or resignation, other than payment of his accrued but unpaid base salary and vacation pay, reimbursement of expenses and benefits continuation, in each case up to the termination date, and any payments required by applicable employment standards legislation.

If Mr. Kalra's employment is terminated due to his resignation, Mr. Kalra will be deemed to forfeit any unvested DUs, RDUs and/or PDUs that he held as of the termination date; *provided that*, if Mr. Kalra has been employed by the REIT and/or Dilawri Real Estate Group Inc. for ten or more consecutive years commencing as of July 22, 2015, the Board will allow any such DUs, RDUs and/or PDUs to vest pursuant to the terms of the Equity Incentive Plan and the applicable grant agreement as if Mr. Kalra remained an employee of the REIT through the applicable vesting and settlement dates, subject to certain conditions.

Mr. Kalra's employment agreement also contains customary confidentiality and non-disparagement covenants and certain restrictive covenants that will continue to apply following the termination of his employment, including non-competition and non-solicitation provisions which are in effect during Mr. Kalra's employment and for the 12 months following the termination of his employment.

DU Agreements

In connection with each grant of DUs to Mr. Lamb and Mr. Kalra pursuant to the Equity Incentive Plan, the REIT enters into a Deferred Unit Agreement with each of Mr. Lamb and Mr. Kalra (the "**DU Agreements**"). The DU Agreements entered into prior to January 1, 2020, including those in respect of the Signing Bonus DUs, provide that all DUs and IDUs granted shall vest immediately upon the grantee's termination from his role at the REIT without cause. The DU Agreements provide that any of the NEO's unvested DUs and IDUs will be forfeited upon such NEO's resignation or termination with cause.

The Signing Bonus DU Agreements also provide Mr. Lamb and Mr. Kalra with immediate vesting of DUs and IDUs upon the NEO's termination on account of death or permanent disability and resignation for good reason. If the NEO's employment is terminated due to resignation without good reason, the unvested Signing Bonus DUs and IDUs will be forfeited; *provided that*, if the NEO provides ninety (90) days written

notice of the resignation and is in good standing, as determined by the Board, and has been employed by the REIT (including service with Automotive Properties Management Limited Partnership) and/or Dilawri for ten or more consecutive years commencing as of July 22, 2015 the Board will agree to allow the Signing Bonus DUs and IDUs to vest pursuant to the terms of the grant agreement as if the NEO remained an employee of the REIT through the applicable vesting period.

The table below shows the incremental payments that would be made to the NEOs under the terms of their employment agreements upon the occurrence of certain events, if such events were to occur on December 31, 2023.

Name and Principal Position	Event	Severance	Benefits Coverage	Value of DUs and IDUs⁽¹⁾	Total
Milton Lamb <i>President and Chief Executive Officer</i>	Termination without cause or resignation with good reason	\$1,870,759	\$56,544	\$8,351,870	\$10,279,173
	Termination due to death or permanent disability	—	—	\$8,351,870	\$8,351,870
Andrew Kalra <i>Chief Financial Officer and Corporate Secretary</i>	Termination without cause or resignation with good reason	\$409,148	\$28,272	\$1,868,537	\$2,305,957
	Termination due to death or permanent disability	—	—	\$1,868,537	\$1,868,537

Notes:

- (1) Value of DUs and IDUs represents the number of vested DUs and IDUs that would be held by the NEO had the applicable termination event occurred on December 31, 2023, multiplied by the volume-weighted average trading price of the Trust Units on the TSX for the five trading days ended December 29, 2023, of \$10.69.

EXECUTIVE UNIT OWNERSHIP GUIDELINES

The REIT has established Executive Unit Ownership Guidelines that set out minimum levels of equity ownership for executives of the REIT. The Executive Unit Ownership Guidelines are designed to align the interests of the President and Chief Executive Officer and the Chief Financial Officer and Corporate Secretary of the REIT with the interests of Unitholders, demonstrate that these executives are financially committed to the REIT through personal Trust Unit ownership and promote the REIT's commitment to sound corporate governance.

Under the Executive Unit Ownership Guidelines, Mr. Lamb is required to accumulate and maintain a level of unit ownership of at least five times the value of his base annual salary paid by or attributable to the services expected to be provided to the REIT and its subsidiaries in a calendar year, which as of December 31, 2023 equated to \$2,475,000. Mr. Lamb's unit ownership met this guideline before the April 19, 2020 deadline, as required by the Executive Unit Ownership Guidelines. If the annual base salary of Mr. Lamb is increased and his level of unit ownership would no longer meet the guideline on the effective date of the increase in salary, Mr. Lamb will be required to increase his investment. The amount of the required increase in investment is the difference between five times the new base annual salary and the value of Mr. Lamb's holdings as at the fourth anniversary of his initial appointment as Chief Executive Officer, which amount must be invested by the date that is two years after the effective date of the increase. Effective January 1, 2024, the increase to Mr. Lamb's base salary requires Mr. Lamb to accumulate and maintain a level of unit ownership equal to \$2,625,000 within two years of the date of the increase. As at the date hereof, Mr. Lamb has already met his increased unit ownership requirements.

Mr. Kalra is required to accumulate and maintain a level of unit ownership of at least three times the value of his base annual salary paid by or attributable to the services expected to be provided to the REIT and its subsidiaries in a calendar year, which as of December 31, 2023 equated to \$900,000. Mr. Kalra's unit ownership met this guideline before the April 19, 2021 deadline, as required by the Executive Unit

Ownership Guidelines. If the annual base salary of Mr. Kalra is increased, if Mr. Kalra met the guideline by the fifth anniversary of his initial appointment as Chief Financial Officer but would not meet the guideline on the effective date of the increase in salary, Mr. Kalra will be required to increase his investment. The amount of the required increase in investment is the difference between three times the new base annual salary and the value of Mr. Kalra's holdings as at the fifth anniversary of his initial appointment as Chief Financial Officer, which amount must be invested by the date that is two years after the effective date of the increase. Effective January 1, 2024, the increase to Mr. Kalra's base salary requires Mr. Kalra to accumulate and maintain a level of unit ownership equal to \$960,000 within two years of the date of the increase. As at the date hereof, Mr. Kalra has already met his increased unit ownership requirements.

Achievement of the Executive Unit Ownership Guidelines will be calculated based on the greater of the weighted average purchase price of the Trust Units and the market value of the Trust Units, where market value is calculated based on the closing Trust Unit price as reported on the TSX on December 31st in each calendar year. Market value of units under the Equity Incentive Plan, performance unit plans, deferred unit plans and similar plans, to the extent such plans have been adopted by the REIT, will be determined annually as of December 31st in each year based on the market value of the Trust Units. For these purposes, "market value" will be calculated as the five-day volume-weighted average trading price of the Trust Units on the TSX.

Each year, management will review and report on each executive's level of ownership to the GCN Committee. As of December 31, 2023 and as at the date hereof, Mr. Lamb and Mr. Kalra have met their unit ownership requirements.

The following table sets out information on the NEOs' unit ownership as of December 31, 2023.

Name	Trust Units Owned or Controlled	DUs and IDUs	Greater of Weighted Average Purchase Price and Market Value ⁽¹⁾	Minimum Equity Ownership	Date at which Unit Ownership Guideline is to be Met	Has Unit Ownership Guideline Been Met?
Milton Lamb	49,500	781,279	\$8,885,481	\$2,475,000	January 1, 2025	Yes
Andrew Kalra	3,592	174,793	\$1,907,259	\$900,000	January 1, 2025	Yes

Notes:

- (1) Includes the weighted average purchase price of Trust Units and market value of Trust Units, DUs and IDUs. Market value of Trust Units represents the number of Trust Units held as of December 31, 2023 multiplied by the closing price of the Trust Units on the TSX on December 29, 2023, of \$10.78. Market value of DUs and IDUs represents the number of DUs and IDUs outstanding at December 31, 2023 (including DUs granted to NEOs in respect of 2023 compensation but granted in 2024) multiplied by the volume-weighted average trading price of the Trust Units on the TSX for the five trading days ended December 29, 2023, of \$10.69.

OTHER INFORMATION

INDEBTEDNESS OF TRUSTEES, EXECUTIVE OFFICERS AND EMPLOYEES

As of April 11, 2024, there was no indebtedness owing to the REIT or any of its subsidiaries by any trustees, directors, executive officers, employees or former trustees, directors, executive officers or employees of the REIT or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management is not aware of any material interest, direct or indirect, in any material transaction of (i) any trustee or executive officer of the REIT, (ii) any director or executive officer of Dilawri, (iii) any person beneficially owning or controlling, directly or indirectly, more than 10% of the REIT's outstanding Units, or (iv) any associate or affiliate of any person listed in items (i) to (iii).

As of April 11, 2024, the Dilawri Group beneficially owned, directly and indirectly, 6,421,020 Trust Units and 9,327,487 Special Voting Units, representing an approximate 31.4% effective interest in the REIT, on a fully diluted basis.

TRUSTEES' AND OFFICERS' LIABILITY INSURANCE

The REIT maintains insurance for the benefit of its trustees and officers in respect of the performance by them of their duties. Under this insurance coverage, the REIT will be reimbursed for insured claims where payments have been made under indemnity provisions on behalf of the trustees and executive officers contained in the Declaration of Trust and/or indemnity agreements with the trustees and officers, subject to a deductible for each loss, which will be paid by the REIT. Individual trustees and officers will also be reimbursed for insured claims arising during the performance of their duties for which they are not indemnified by the REIT. Excluded from insurance coverage are illegal acts, acts which result in personal profit and certain other acts. In addition, the REIT entered into indemnity agreements with each of the trustees and executive officers.

The insurance limit is \$30,000,000 per year (on an aggregate basis or per occurrence basis). There is no deductible for non-indemnifiable claims against trustees and officers and a deductible of up to a maximum of \$100,000 for the REIT.

ADDITIONAL INFORMATION

The REIT is a reporting issuer under the applicable legislation of all of the provinces of Canada and is required to file financial statements and information circulars with the various securities commissions. The REIT has filed its AIF with those securities commissions which, among other things, contained all of the disclosure required by Form 52-110F1 under NI 52-110.

Copies of the REIT's latest AIF, this Circular and the REIT's consolidated financial statements and management's discussion and analysis can be obtained upon request from the Chief Financial Officer and Corporate Secretary of the REIT by writing to:

Automotive Properties Real Estate Investment Trust
133 King Street East, Suite 300
Toronto, Ontario M5C 1G6

Financial information is provided in the REIT's audited consolidated financial statements and management's discussion and analysis for its most recently completed financial year. Additional information about or relating to the REIT can also be found at www.automotivepropertiesreit.ca and on SEDAR+ at www.sedarplus.ca.

CONTACTING THE BOARD OF TRUSTEES

Unitholders, employees and other interested parties may communicate directly with the Board through the Lead Independent Trustee by writing to:

Lead Independent Trustee
Automotive Properties Real Estate Investment Trust
133 King Street East, Suite 300,
Toronto, Ontario M5C 1G6
E-mail: aprboard@automotivereit.ca

BOARD APPROVAL

The contents and sending of this Circular to Unitholders entitled to receive notice of the Meeting, to each trustee, to the auditors of the REIT and to the appropriate securities regulatory authorities have been approved by the Board.

Toronto, Ontario
April 11, 2024

“Milton Lamb”

Milton Lamb
President and Chief Executive Officer

APPENDIX A

AUTOMOTIVE PROPERTIES REAL ESTATE INVESTMENT TRUST

MANDATE OF THE BOARD OF TRUSTEES

The purpose of this mandate is to describe the principal duties and responsibilities of the Board of Trustees (the “**Board**”) of Automotive Properties Real Estate Investment Trust (the “**Trust**”).

1. **ROLE**

The role of the Board is to provide governance and stewardship to the Trust. Its role is to review strategy, assign responsibility to management for achievement of that strategy, establish limitations on the authority delegated to management and monitor performance against approved objectives. In fulfilling this role, the Board regularly reviews management’s strategic plans so that they continue to be responsive to the changing business environment in which the Trust operates. The Board oversees the Trust’s approach to governance, succession planning, risk management activities, internal control over financial reporting, disclosure controls and procedures, information systems and conflicts of interest. Through its oversight, the Board ensures that the Trust accurately reports financial and other information to unitholders, other stakeholders and the public. The Board is required to appoint officers. The Board satisfies itself as to the integrity of senior management, that the Trust engages in ethical and legal conduct and that executives maintain a culture of integrity throughout the Trust.

2. **RESPONSIBILITIES**

To ensure that it fulfills its role, the Board will:

(a) **Ensure Compliance with the Declaration of Trust**

- Exercise its powers and take whatever actions as may be necessary or desirable in order to carry out the provisions of the Trust’s declaration of trust (the “**Declaration of Trust**”).
- Ensure that the exercise of such powers or the taking of such actions is consistent with the provisions of the Declaration of Trust.

(b) **Define Unitholder Expectations and Monitor Performance**

- Determine, from time to time, the appropriate criteria against which to evaluate performance, and set strategic goals and objectives within this context.
- Monitor performance against both strategic goals and objectives of the Trust.

(c) **Approve Strategic Goals, Performance Objectives and Operational Policies**

The Board will review and approve strategic objectives and values against which the performance of the Trust will be measured. In this regard, the Board will:

- Approve long-term strategies and goals.
- Review and approve management’s strategic and operational plans so that they are consistent with long-term strategies and goals.
- Review and approve annual budgets.
- Approve strategic and operational policies within which management will operate.

- Approve acquisitions, sales of assets or units, and material financing arrangements.
- Review and approve the Trust's distribution policy and approve the timing and payment of distributions.
- Set targets and budgets against which to measure executive performance and the performance of the Trust.
- Satisfy itself of the appropriateness of all executive and employee compensation matters and, to the extent feasible, that a portion of executive compensation is linked appropriately to the performance of the Trust.
- Approve, directly or through a committee delegated by the Board, the compensation of any executives of the Trust that are employees of the Trust or a subsidiary of the Trust.
- Satisfy itself that a process is in place with respect to the appointment, development, evaluation and succession of senior management and approve an overall succession plan for the Trust's executives.
- Approve the compensation to be paid to the trustees.

(d) Delegate Management Authority to the President and Chief Executive Officer

- Delegate to the President and Chief Executive Officer the authority to manage and supervise the business of the Trust, including making any decisions regarding the Trust's ordinary course of business and operations that are not specifically reserved to the Board under the terms of that delegation of authority.
- Determine what, if any, executive limitations may be required in the exercise of the authority delegated to management.

(e) Monitor Financial Disclosure

- Oversee the Trust's financial reporting and disclosure obligations in accordance with applicable law.
- Approve the Trust's financial statements, management's discussion and analysis and related releases.
- Oversee the Trust's compliance with applicable audit, accounting and reporting requirements, including in the areas of internal control over financial reporting and disclosure controls and procedures.

(f) Monitor Enterprise Risk Management

- Approve management's approach to enterprise risk management, including the identification, mitigation and assessment of the principal risks with a view to the long-term viability of the Trust and achieving a proper balance between the risks incurred and the potential return for unitholders.
- Satisfy itself as to the effective oversight of risk management of individual risks by the Board or by a committee delegated by the Board, through the receipt of periodic reports from the committee chairs or senior management, as appropriate.

- (g) **Approve Related Party Transactions**
- Approve all proposed related party transactions and any related party transactions that are not dealt with by a “**special committee**” of independent trustees pursuant to applicable securities legislation.
- (h) **Oversee Effective External Communications**
- Satisfy itself that there is effective communication between the Board and the Trust’s unitholders, other stakeholders and the public.
 - At least annually, with the assistance of the Audit Committee and Governance, Compensation and Nominating Committee, review and approve any material changes to the Trust’s disclosure policy.
- (i) **Monitor Governance of the Trust**
- Develop, and monitor compliance with, a set of governance principles and guidelines, including overseeing and appropriately managing, directly or through one or more committees established by it, potential conflicts of interests, including between the Trust and 893353 Alberta Inc. and its affiliates (“**Dilawri**”) and the duties of the President and Chief Executive Officer of the Trust, including to ensure the appropriate supervision and management of any potential conflicts of interest between the President and Chief Executive Officer, the Trust and Dilawri.
 - If at any time the Chair of the Board is not independent, appoint a Lead Independent Trustee who is an independent trustee to provide leadership to the Board and the independent trustees, including presiding over meetings or sessions of the independent trustees and consulting with the Chair of the Board on any matters arising out of such sessions.
 - Ensure that independent trustees hold regular meetings without the attendance of management or non-independent trustees.
 - Review the Board’s mandate on at least an annual basis and make appropriate revisions.
 - Develop, adopt and regularly review position descriptions for the Chair of the Board, the Lead Independent Trustee (if any), the chair of each committee of the Board and the President and Chief Executive Officer.
 - Assess the effectiveness and performance of the Board and its committees as well as their individual members.
- (j) **Monitor Social Responsibility, Integrity and Ethics of the Trust**
- Take all reasonable steps to ensure that the Trust’s executives act with integrity and that the Trust’s executives maintain a culture of integrity throughout the Trust.
 - Adopt a written code of conduct which is applicable to employees, officers and trustees, and monitor compliance with the code.
 - Monitor and receive periodic reports on policies and practices related to social responsibility of the Trust.

3. COMPOSITION

The Board shall be comprised of a majority of independent trustees and a majority of trustees who are residents of Canada (within the meaning of the *Income Tax Act* (Canada)). For this purpose, a

trustee is independent if he or she would be Independent within the meaning of National Instrument 58-101 — *Disclosure of Corporate Governance Practices*, as the same may be amended or replaced from time to time. The Board will review the independence of all trustees at least annually. All meetings of the Board will be held in Canada. The Board is responsible for the composition and organization of the Board, including: the number, qualifications and remuneration of trustees; quorum requirements (which shall be no less than a majority of trustees then in office); and meeting procedures. The Board shall ensure that due notice of meetings is provided as required by applicable law and the Declaration of Trust, subject to any exemptions or relief that may be granted from such requirements. Meetings of the Board will be held at least quarterly. After each meeting of the Board, the independent trustees will meet without management and without non-independent trustees. In addition, separate, regularly scheduled meetings of the independent trustees may be held. The Chair shall not have a casting vote.

The Governance, Compensation and Nominating Committee is responsible for establishing the competencies, skills and personal qualities that the Board considers necessary for the Board, as a whole, to possess, including existing trustees and new candidates to be elected or appointed by unitholders.

The Board believes that the Trust is best served by a board of trustees that functions independently of management and is informed and engaged. Trustees must have sufficient time to carry out their duties and not assume responsibilities which would materially interfere with, or be incompatible with, Board membership. Before accepting an appointment to the board or a committee of any publicly-traded entity, a trustee must advise the Chair (or, if not the Chair, the Lead Independent Trustee if one has been appointed, or the chair of the Governance, Nominating and Compensation Committee) and the Board must approve such appointment.

4. COMMITTEES

The Board may establish committees of the Board where required or prudent. The Board may delegate to such committees matters for which the Board is responsible, including the approval of Board and management compensation, the conduct of performance evaluations and oversight of internal controls, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities. The Board has established the following committees:

- the Audit Committee (comprised entirely of independent trustees and a majority of trustees who are residents of Canada); and
- the Governance, Compensation and Nominating Committee (comprised of not less than a majority of independent trustees and a majority of trustees who are residents of Canada).

Circumstances may warrant the establishment of new committees, the disbanding of current committees or the reassignment of authority and responsibilities amongst committees. The authority and responsibilities of each committee are set out in a written mandate approved by the Board. At least annually, each mandate shall be reviewed and, on the recommendation of the Governance, Compensation and Nominating Committee, any changes to any such mandate shall be approved by the Board. Each committee chair shall provide a report to the Board on material matters considered by the committee at the next regular Board meeting following such committee's meeting.

5. ORIENTATION AND CONTINUING EDUCATION

With the Governance, Compensation and Nominating Committee, the Board shall ensure that all trustees receive a comprehensive orientation program and continuing education in connection with

their role, responsibilities, the business of the Trust, and the skills they must use in their roles as trustees.

6. EQUITY OWNERSHIP GUIDELINES

The Board shall oversee trustees' and executive officers' compliance with unit ownership guidelines that may from time to time be established by the Board.

7. ACCESS

The Board has complete access to members of management and the Trust's auditors and outside counsel. The Board may retain an outside advisor at the expense of the Trust at any time. Individual trustees may retain an outside advisor at the expense of the Trust with the approval of the Board or a committee of the Board.

8. POLICIES

The Board will adopt policies and procedures designed to ensure that the Trust, its trustees, officers and employees comply with all applicable laws, rules and regulations and conduct the Trust's business ethically and with honesty and integrity. The following policies have been approved:

- Clawback Policy
- Code of Conduct
- Disclosure Policy
- Diversity Policy
- Environmental and Corporate Social Responsibility Policy
- External Auditor Policy
- Insider Trading Policy
- Majority Voting Policy
- Related Party Transaction Policy
- Whistleblower Policy

9. REVIEW

The Board will review this mandate and the Trust's formal policies at least annually, with the assistance of the Governance, Compensation and Nominating Committee and, if appropriate, approve changes thereto. This Mandate shall be posted on the Trust's website.