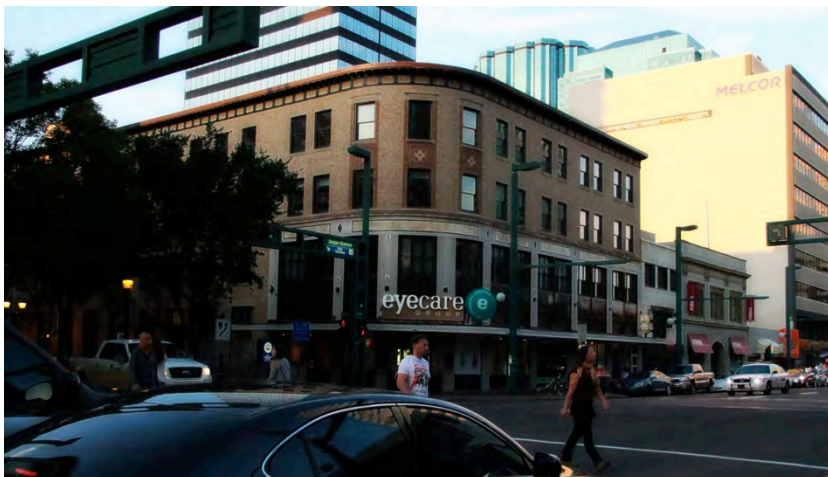




MELCOR | REIT

an employee guide to how we do things

CODE & POLICIES



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The background image shows a vast, modern interior space, likely a corporate lobby or airport terminal. The ceiling is a complex, curved glass structure supported by a network of steel beams, allowing natural light to filter through. The floor is highly reflective, mirroring the silhouettes of people and the structural elements above. Numerous people are seen in motion, their forms dark against the bright background, creating a sense of activity and scale. The overall color palette is monochromatic, dominated by dark blues and greys, which emphasizes the architectural details and the human element.

The Golden Rule - treat others as you would be treated – continues to guide our actions.

Dear Fellow Employee:

People drive our business, so Melcor REIT's success begins with each and every member of our team.

We are backed by Melcor Developments Ltd.: a financially sound company with a 90+ year history of stable returns in real estate. We are proud of our traditional values: Honesty, Loyalty, Respect, Quality and above all, Acting with Integrity in all that we do. The Golden Rule - **treat others as you would be treated** – continues to guide our actions.

Integrity is a foundation that has served us well and helped us to grow and evolve through various economic cycles. Integrity enables us to build strong, trust-based relationships with each other, with our customers, our suppliers and the communities where we operate.

This Code of Conduct is an extension of our values and reflects our commitment to ethical business practices. While the Code cannot account for every possible scenario you may encounter, it should provide you with the basis for making good decisions.

We are all responsible for protecting Melcor REIT's interests and reputation. If you see something that doesn't seem right to you, please speak up about it.

Thank you for sharing our values and acting with integrity.

Integrity enables us to build strong, trust-based relationships with each other, with our customers, our suppliers and the communities where we operate.



Darin Rayburn
President & Chief Executive Officer

General Policy Information

Who the Code Applies To

Our Code of Conduct and the policies contained in this document apply to all employees of Melcor REIT, including seasonal employees, contract employees and our Trustees and Executive Officers. They also apply to consultants and contractors doing business with Melcor REIT.

Personal Responsibility & Annual Sign Off

We are all responsible for understanding and abiding by our Code. Where possible, we should also help others understand their responsibilities and the importance of the Code, especially if we manage or supervise employees.

Once you have read and understand this Code, we ask that you sign an annual Statement of Compliance as a condition of continued employment.

Purpose of our Code & Policies

The philosophies of how we conduct business and our moral beliefs as a company are our **Business Ethics**. Our Business Ethics are defined by our values and guided by our Code of Conduct: these are the principles and guidelines that we all agree to follow as a member of the Melcor REIT team. We aspire to the highest standard of honesty and integrity in all that we do. In being honest, we also ensure that we abide by all applicable laws, regulations and policies. Although we cannot anticipate every situation that you may encounter, we trust that this Code will serve as your guide for ethical decision-making.

We are proud of our employees, and we all want to be proud of the company we work for. We hope that this Code will help you to recognize your personal responsibility to ensure that your conduct protects and promotes Melcor REIT's good name and reputation at all times.


Questions & Reporting Concerns

If you have any questions or if anything is unclear, please ask before you act or before you sign. The *Who to Contact Guide* on page 7 will help you determine the best person to reach out to for clarification.

If you feel that anyone (an employee, Trustee, Officer, or contractor or consultant) has violated this Code, please refer to *Reporting Concerns* on page 9 for guidance.

Any change or waiver of the Code requires the approval of the Board of Trustees.

Who to Contact Guide



Chair or General Counsel

Audit Committee Chair or
Compensation and Governance
Committee Chair

CEO or CFO

Corporate Communications

Human Resources

Direct Manager or Supervisor

Your first contact for questions related to the Code of Conduct should be your manager or supervisor. If they are unable to assist, contact Human Resources.

You may also contact any of the people mentioned on this page or the next.

| Questions About | Contacts |
|---|--|
| Insider trading/general trading | CFO |
| Use of private information/customer data | CFO + Communications Director |
| Request for information or questions from the media, analysts or government (see next page for more comprehensive guidelines) | CFO + Communications Director |
| If you suspect a virus has been introduced to our network | IT Department |
| Accounting controls, auditing or disclosure concerns | Chair of the Audit Committee |
| Harassment, discrimination, conflict of interest or other non-financial concern | Chair of the Compensation and Governance Committee |
| Situations where you feel none of the options above are appropriate | Chair of the Board or Melcor's General Counsel |

Who To Contact Guide

Human Resources

Lindsay Lefebvre
P: 780.945.4815
E: llefebvre@melcor.ca

CFO

Naomi Stefura
P: 780.945.4654
E: nstefura@melcor.ca

Director, Communications

Nicole Forsythe
P: 780.945.4707
E: nforsythe@melcor.ca

Lead Trustee

Don Lowry
P: 780.446.2457
E: dlowry51@gmail.com

President & CEO

Darin Rayburn
P: 780.423.6931
E: drayburn@melcor.ca

Chair of the Board of Trustees

Ralph Young
P: 780.945.2803
E: ryoung@melcor.ca

General Counsel

Doug Goss
Bryan & Company, LLP
2600 Manulife Place
Edmonton, AB T5J 3Y2
P: 780.420.4713
F: 780.428.6324

Audit Committee Chair

Brian Hunt
300, 1130 Kensington Road NW
Calgary, AB T2N 3P3
P: 403.452.0033
E: bhunt@taviston.com

Compensation and Governance Committee Chair

Don Lowry
Capital Power Corporation
12th Floor, Epcor Tower
#1200 10423 101 Street
Edmonton, Alberta
P: 780.446.2457
E: dlowry51@gmail.com

Crisis Communications & Media Relations

What is a Crisis?

Any situation or event that could seriously threaten the REIT's viability, integrity or reputation.

This may include, but is not limited to:

- Significant personal injury events
- Terrorism, sabotage or workplace violence events
- Cyber attack and/or significant damage to systems and technology equipment or the accidental disclosure of personal information
- Significant property damage events
- Significant litigation or dispute events
- Threats of going to the news or social media to resolve specific disputes

It is every employee's responsibility to be aware of how we define a crisis, and to notify appropriate personnel.

We encourage proactive engagement with the communications department when there is a known and/or potentially contentious issue so that we may monitor social channels and prepare media responses as appropriate.

Please refer to the table below for the minimum notification levels based on the potential severity of a crisis (potential or in place):

| | | Effects to Melcor (Reputation, Integrity, Viability) | | |
|--|--------|--|---|---|
| | | Negative | Threatening | Destructive |
| Probability of risk/threat occurring | High | | | |
| | Medium | | | |
| | Low | | | |
| Little or no public/media attention | | Risk of negative social media coverage | Risk of negative media coverage; threat to business & systems; threat to reputation, integrity, viability | Negative media coverage at higher level; growing crisis and attention |
| Inform Manager, Monitor Situation | | Inform Manager + Dir Comm | Inform Manager + Dir Comm + CFO | Inform Manager + Dir Comm + CFO |
| Highly intense crisis with immediate need to get information to people | | | Call 911 if needed Inform Manager + Dir Comm + CFO + CEO | |

NOTE: Department manager should also be notified if threat relates to their area of expertise. For example, a cyber incident should also inform IT

Reporting Concerns

Violations of our Code, other company policies or the law may have serious consequences, including disciplinary action up to and including termination. Violations may also be subject to civil or criminal penalties. We will discipline code violations in a manner that fits the nature of the violation.

If you believe that a violation of our Code or any law, rule, or regulation has been or is likely to be committed by you or someone else who is a representative of Melcor REIT, you have an obligation to promptly report your concern.

Our Safe Disclosure Policy is in place to ensure that all employees can feel confident that there will be no negative repercussions or retaliation for coming forward with a concern in “Good Faith” (where you have reasonable belief that the concern is real). However, since integrity is a cornerstone of our moral beliefs, we will not tolerate purposefully false information or accusations.

Refer to the Safe Disclosure Policy (page 24) for more information.

| Specific Concerns About | Contacts |
|---|---|
| Accounting controls, auditing or disclosure | Chair of the Audit Committee |
| Harassment, discrimination, conflict of interest or other non-financial concern | Chair of the Compensation and Governance Committee |
| Situations where you feel none of the options above are appropriate | Chair of the Board of Trustees or Melcor REIT’s General Counsel |

How to Report a Concern

You may report your concern in person, via email or phone call to:

- Your manager or supervisor
- Human Resources
- The CEO of the Company
- The Chair of the Audit Committee
- The Chair of the Compensation and Governance Committee
- Any other Trustee

Contact information is provided in the [*Who to Contact Guide*](#).

Anonymous Reports

You may report a concern anonymously by mail or fax to:

Melcor REIT
Attention: Audit Committee Chair (Brian Hunt)
900, 10310 Jasper Avenue
Edmonton, AB T5J 1Y8
Fax: 780.426.1796

Please be sure to include thorough and complete information, including specific details and supporting documentation where feasible, so that we can conduct a comprehensive investigation. It is difficult to properly investigate an anonymous report if the information provided is vague or unsupported by documentation.

No matter how you choose to report an actual or perceived violation to the Code, all reports will be taken seriously and addressed promptly.

Our Code of Conduct

We Treat Each Other with Respect

The very heart of our business is the Golden Rule: Treat others as you would like to be treated.

- We cultivate a respectful environment and have zero tolerance towards discrimination, harassment or violence.
- We share responsibility for ensuring that every employee is safe.

We Conduct Business with Integrity

Integrity means that our everyday actions are consistent with the values that we hold: Honesty, Loyalty, Respect, and Quality.

- We share responsibility for knowing and complying with the laws, rules, and regulations that apply to us.
- We avoid personal and professional conflicts of interest to ensure that we make the best decisions for Melcor REIT.
- We deal fairly with clients, suppliers, and competitors.
- We do not offer or accept gifts that may be perceived as influencing a business decision.

We Treat Our Assets with Respect

- Our company assets include physical resources as well as corporate information. We protect, care for and use them properly.
- We abide by Securities Laws and Insider Trading Policies.

We Ensure Financial Integrity and Safeguard Melcor REIT's Reputation

- We ensure that all financial records are complete and accurate.
- We protect our reputation by naming authorized spokespeople to speak on behalf of Melcor REIT.



Treat Each Other with Respect

Discrimination, Harassment, and Violence Free Environment

Melcor REIT has zero tolerance for workplace discrimination, harassment, or violence.

We are committed to creating a welcoming work environment.

We share responsibility for making Melcor REIT a respectful environment focused on equity, fairness and dignity and free from discrimination, harassment or workplace violence.

Discrimination or harassment based on race, gender, sexual orientation, color, national or ethnic origin, religion, marital status, family status, citizenship status, veteran status, age or disability is not tolerated.

Maintaining a discrimination-free workplace means that we make employment decisions based on merit and applicable law.

Harassment generally means offensive and unwanted verbal or physical conduct. This conduct might include insults, offensive jokes, slurs or sexual advances. Harassment may occur in a variety of ways and may be unintentional. Regardless of intent, such conduct is not acceptable and may constitute a violation of human rights.

Violent conduct of any kind will not be tolerated. This includes, but is not limited to, any intimidating physical conduct or threat of harm to a Melcor REIT employee.

Treat Each Other with Respect

Safe Working Conditions

We are committed to providing a healthy and safe work environment for our employees.



Observing safety rules and following safe work practices is a part of the job. All employees are required to correct and report unsafe conditions and apply common sense to keeping the work environment safe for all.

We will:

- Follow all applicable occupational health and safety laws
- Comply with any safety policies, procedures and instructions

Any incident that may compromise Melcor REIT or our employee's security or safety, such as damage to property, fire, or security problems must be reported immediately. Likewise, all accidents and injuries, no matter how minor, must be reported as soon as possible and no more than twenty-four (24) hours following the occurrence.

Report **damage to property** to the CFO.

Report **accidents or injuries** to Human Resources.

Conduct Business with Integrity

Compliance With Laws, Rules, and Regulations

We share responsibility for understanding and following the laws that apply to us.

Many of our activities are subject to complex and changing laws, rules, and regulations (the Rules), and other environmental standards. Not knowing the Rules is generally not a valid defense against breaking a Rule.

We expect all employees to:

- Be familiar with the Rules that affect their activities
- Comply with those Rules
- Ensure that coworkers and direct reports are also aware of the Rules
- Meet accepted environmental standards and aim to be environmentally conscious in the management of our operations

To aid our employees in understanding the applicable Rules, we will provide periodic information on these Rules. If you have any questions about the Rules and how they apply to you, please contact the appropriate person as outlined in *Who to Contact Guide*, page 7.

No Trustee, Officer or employee may enter into any arrangement contrary to applicable requirements or laws.

Conduct Business with Integrity

Conflict of Interest

Avoid situations in which your personal interests conflict or might appear to conflict with Melcor REIT's interests.

What Would You Do?

Stacey is a Melcor REIT employee and is thinking about starting up her own property management business. Some of the services she plans to offer in her company are quite similar to the work she does for Melcor REIT, but Stacey will make every effort to ensure that her company isn't competing on the same properties as Melcor REIT. What do you think Stacey should do?

(Answer on page 23)

We expect all employees to act honestly, ethically and in the best interests of Melcor REIT by avoiding conflicts of interest in your personal and professional relationships. A conflict of interest may arise if you are involved in an activity, relationship or situation that:

- Prevents you from performing your job properly
- Affects your judgment
- Impacts your ability to act in the company's best interest

For example, no employee should have a significant interest in a business, either themselves or their immediate family, that supplies goods or services to, or receives goods or services from us without first receiving approval from the CEO.

Serving as a Trustee or consultant to any outside company, organization, or government agency – even one in which Melcor REIT has an interest – may create a conflict of interest. Please discuss the situation with the CEO before accepting such a position.

While being politically active is not of itself a conflict of interest, please be clear that you are acting on your own behalf and not as a representative of Melcor REIT.

If you are unsure whether something is a conflict, please ask your manager or other appropriate person as indicated in the *Who to Contact Guide* on page 7.

Conduct Business with Integrity

Fair Dealing

Compete and deal fairly with our customers, suppliers and competition.

What Would You Do?

Jack's department is currently accepting bids from construction companies for a big capital project. Jack's brother owns a construction company and has decided to bid on the Melcor REIT contract. Jack isn't sure if he needs to disclose the situation to his manager. What would you do?

(Answer on page 23)

Accurate and truthful business dealings are an important part of Melcor REIT's principle of Integrity. We expect all employees to deal fairly with each other and with our customers, suppliers, competitors and security holders.

Taking unfair advantage through manipulation, concealment, abuse of privileged information, misrepresenting material facts or other unfair practice is not acceptable.

If we are required for business reasons to gather information about our competitors, we will acquire this information ethically, legally and by public means.



Conduct Business with Integrity

Gifts

Use your best judgment in giving and receiving gifts. A gift that could reasonably be assumed to impact a business decision should not be offered or accepted.

Trustees, Officers, and employees should not offer or receive expensive gifts or other benefits that might influence, or be perceived as influencing, a business decision. This includes public officials, political parties and persons or companies seeking to do business with Melcor REIT.

Modest gifts, including entertainment, to people who are in a business relationship with Melcor REIT are permissible provided they are in accordance with generally accepted ethical business practices. For example:

- Taking a customer to dinner: acceptable
- Giving a customer cash: not acceptable

Expensive gifts or other benefits from people or companies seeking to do business with Melcor REIT must not be encouraged or accepted. Modest gifts, including entertainment, may be accepted provided that they are in accordance with generally accepted ethical business practices. For example:

- Hockey tickets from a supplier: acceptable
- A trip from a supplier: unacceptable (unless there is a legitimate business purpose and the CEO approves the trip).

Treat Our Assets with Respect

Corporate Opportunities & Confidential Information

Protect Melcor REIT's confidential information and do not use it for personal gain.

Protect private information.



Material non-public information is information that has not been made available to the investing public but that could affect the price of Melcor REIT's trust units or another company's shares if it were known. Financial results are the most common example of material non-public information.

Except where legally required, you must keep any information concerning Melcor REIT or its business that is not generally available to the investing public confidential. This information may not be used for personal gain for yourself or anyone else including relatives or friends. Your responsibility to maintain the confidentiality of material non-public information continues to apply even if Melcor REIT no longer employs you.

Information is public if it has been disclosed in an annual report, annual information form, management information circular, press release or interim report. Rumors, even if accurate, are not considered public disclosure.

Confidential or proprietary information should only be shared as necessary with those who need the information to do their job.

You may have access to confidential information about other companies or certain employees. This information should be protected with the same regard as Melcor REIT's confidential information.

Disclosing confidential information could be the basis for legal action against Melcor REIT or the employee who disclosed the information.

Treat Our Assets with Respect

Protect Melcor REIT Assets & Resources

Company resources should be used with care.



Treat Melcor REIT's assets and resources with care and respect to ensure that they are not damaged, lost, stolen, misused or wasted. Our assets and resources include equipment, property, memos, notes, lists, records and other documents (including copies) that you make or compile relating to our business.

Misappropriation, carelessness or waste of our assets is not acceptable. The unauthorized removal of our assets and resources from Melcor REIT property is a breach of the Code and may also be an act of fraud or theft, which may result in dismissal.

Treat Our Assets with Respect

Our Network & Electronic Communication

Communicate appropriately and in a way that protects Melcor REIT's reputation.

We provide our employees with access to email, the Internet, telephones and other forms of communication for business purposes. Personal use is acceptable provided that it:

- Is professional, ethical and lawful
- Is not excessive
- Does not impact your job performance
- Does not impact the job performance of others
- Does not negatively impact our network capabilities
- Does not violate other elements of our Code or policies

Not acceptable:

- Visiting websites containing obscene or offensive material
- Sending derogatory or harassing emails to another person or group
- Sending chain emails

Please be vigilant in ensuring that our network security is maintained. Only download files from trusted sources.

Anything that is created, stored, sent, viewed, or received using our computer equipment may be monitored. We may block access to websites that we view as inappropriate for the workplace.

Financial Integrity & Communicating with the Public

Financial Reporting Integrity

We provide accurate and fair public disclosure based on complete and accurate financial records.

We will provide full, fair, accurate, timely, and understandable disclosure in all public communications, including reports and documents that we file with the Alberta Securities Commission (ASC) and other Canadian securities regulators and the Toronto Stock Exchange (TSX).

All employees involved in preparing Melcor REIT's public disclosures, or who provide information as part of the process, have a responsibility to ensure that disclosures are made honestly, accurately and in compliance with our disclosure controls and procedures.

Our books and records must reflect all transactions, including assets and liabilities, in a timely and accurate manner so that we can prepare our financial statements in accordance with International Financial Reporting Standards. This includes:

- Proper authorization and accurate documentation to support all business transactions
- Periodic review of the recorded value of our assets compared to current value, with appropriate action taken if differences arise

We operate openly and transparently and share information freely with our auditors, the Audit Committee and the Board.

We share responsibility for asking questions and sharing concerns regarding accounting, auditing or disclosure matters.

We strictly prohibit the falsification of any document.

Financial Integrity & Communicating with the Public

Securities Laws & Insider Trading

Securities laws prohibit trading in Melcor REIT securities while you possess material non-public information.

Material non-public information generally includes, but is not limited to:

- Unreleased earnings estimates or results
- Material pending acquisitions or divestitures
- Pending sales
- Changes to key personnel

If you are not sure whether you have material non-public information and you are considering trading Melcor REIT securities, please consult our CFO prior to making a trade.

For more information, please refer to the Insider Trading Policy on page 28.

Financial Integrity & Communicating with the Public

Communicating with the Public

We have a responsibility to our trust unit holders to present a complete and consistent picture of Melcor REIT not only financially, but also about business developments. Any queries from the media, financial analysts, general public or government agencies should be addressed by an authorized spokesperson.

The CFO and Director, Communications must be made aware of all interviews and/or requests for information.

Authorized spokespersons include:

- Chairman of the Board
- Chief Executive Officer
- Chief Financial Officer

The responses we provide to questions from the media, financial analysts, or government authorities can have far-reaching implications, including impact on our trust unit price and our ability to compete. When we provide information about our operational strategies or financial results, we must ensure that the information is accurate and appropriate and that it is the right time to “go public” with that information.

The CFO and Director, Communications must be informed of all interviews and/or requests for information.

Depending on your role within the organization, you may be deemed a subject matter expert who is invited to speak on behalf of Melcor REIT in your area of expertise. A briefing with the Director, Communications should occur before you respond to any questions.

What Would You Do?

Kathy has been offered an opportunity from a neighbor who invests in land to make some potentially “big money” by buying a piece of property located just outside of the city. What should Kathy do?

While Kathy’s situation is not so clear, the rule of thumb should always be: If you don’t know: Ask.

Always err on the side of caution, and disclose the investment before purchasing to ensure that there is no conflict of interest with Melcor REIT’s interests.

Example on Page 14:

Before starting her business, Stacey must disclose her plans to her supervisor. Because she will be doing similar work in her property management business, she may be competing with Melcor REIT without realizing it.

Example on Page 15:

Jack should disclose his relationship with the bidding company to his supervisor immediately. He will also need to excuse himself from the vendor selection process to avoid a potential conflict of interest.

Safe Disclosure Policy



A Quick Policy Overview

This Safe Disclosure Policy provides a way for employees to share their concerns without fear of discrimination, retaliation, or harassment.

Melcor REIT is committed to maintaining a safe and positive work environment for all staff. We are also committed to conducting business with the highest level of integrity. If you are aware of any activity that could harm the company, our staff, or the public, we want you to come forward with that information.

This policy is in place to protect you from retaliation and ensure that disclosures are taken seriously and properly investigated. This protection is sometimes known as “whistleblower” protection.

Safe Disclosure Policy

What Would You Do?

Steven is a contractor for a large commercial development company. He discovers that several public schools that were built by his company are on contaminated land that is causing a high occurrence of cancer. He wants to tell someone, but he's afraid that he'll lose his job.

Dr. Tanner, a physician at a hospital for sick children, is a part of a group that is conducting a clinical trial on patients with blood disorders. The hospital has high hopes for the success of a new drug. During testing, Dr. Tanner is worried by signs that the drug is causing more harm than good. She tells the Hospital's Ethics Board and the drug Manufacturer of her findings. The Board tells her to inform her patients. The Manufacturer tells her that she signed a confidentiality agreement with them, and if she says anything, they will sue her and she will lose her job.

(Answers on page 27)



Our Safe Disclosure Policy

This Safe Disclosure Policy provides a way for employees to share their concerns without fear of discrimination, retaliation, or harassment.

We encourage anyone who feels they have information about dishonest or illegal activities to report those concerns.

We will not tolerate any form of retaliation against any employee or consultant who reports activities that they reasonably believe to have occurred, or to be occurring.

We also strictly prohibit any form of retaliation against any employee or consultant who reports improper activity to authorities outside Melcor REIT (for example, securities commissions or law enforcement). This includes an employee or consultant who testifies, participates or assists in a proceeding with these external authorities.

We will promptly and thoroughly investigate any report of discrimination, retaliation, threat, or harassment. If the complaint is valid, appropriate disciplinary action will be taken. Disciplinary action may include termination of employment.

Our policies and practices guide our legal and ethical responsibilities. Conduct that violates Melcor REIT's policies is viewed as unacceptable and may constitute grounds for dismissal.

Safe Disclosure Policy

What Kinds of Activities Should I Report?

Integrity is the heart of Melcor REIT's business. If you are aware of any improper activity, it should be reported.

Improper activity means any alleged unethical or illegal act, including fraud, theft, violations of laws, violations of our Code of Conduct or other Melcor REIT policies or negligence of duty.

As a public company, the integrity of our financial data and other information concerning our business are also very important. In addition to the improper activity described above, please report any concerns you may have over:

- Accounting, internal accounting controls or auditing matters
- The potential violation of any law relating to fraud against unitholders, including without limitation; the reporting of fraudulent financial or other information to our trust unit holders, the government or the financial markets

How do I Report a Concern?

See *Reporting Concerns* on page 9 for specific instructions.

Criminal & Civil Penalties

Certain federal, provincial, state, and local law enforcement agencies may be authorized to review reported concerns.

Certain violations of our policies and practices could result in civil or criminal penalties against Melcor REIT and/or our employees.

Where appropriate, we will report the findings of an investigation to the applicable legal or regulatory authority.

It's the Law

To encourage employees to come forward with information, there are whistleblower protection laws designed to protect employees from retaliation.

In 2004, the Federal Government added a new section to Bill C-13 (sect. 425.1) in the *Criminal Code* that makes it a criminal offense for an employer, or anyone acting on behalf of the employer, to threaten to, or take any disciplinary action against, or adversely affect the employment of an employee who has reported improper activity.

The right to disclose information without fear of retaliation is protected under the guarantee of freedom of expression in the Canadian Charter of Rights and Freedoms.

Safe Disclosure Policy

What Happens Next?

Once a concern has been reported, an investigation will begin. All information disclosed during the course of the investigation will remain confidential unless we are required by law to disclose the information.

It is everyone's duty to cooperate in the investigation of a reported concern.

Anyone who does not willingly cooperate with an investigation, or who deliberately provides false information, will be subject to disciplinary action. This may include termination of employment.

Following the investigation, if a reported concern is determined to be valid, we will take remedial action that is appropriate to the severity of the offense.

We will also take reasonable and necessary steps to prevent further violations.

All documentation related to the reporting, investigating, and enforcement of this policy will be kept in accordance with our record retention policy and applicable law.

What Happened with Steve & Dr. Tanner?

These cases are real accounts of whistleblowers in Canada. Steve and Dr. Tanner both work for organizations that take protection of the public seriously and have Safe Disclosure Policies:

Steve is an employee of the Environmental Protection Agency who found documents and emails stating that land was causing cases of cancer in students in a small town. He reported the documents to the government. He did not lose his job.

The Board supported Dr. Tanner when she reported the adverse affects of the trial drug. Not only did she keep her job, they stopped the testing, and she was promoted to the head of the Ethical Review board.

Insider Trading

A Quick Policy Overview

- If you have knowledge of material non-public information that could affect the price of Melcor REIT or another company's shares, please do not trade in those securities.
- If you are a member of an investment club, please do not discuss or make investment decisions pertaining to our trust units.
- Confidential information should not be shared with anyone except when absolutely necessary during the course of business. This includes your spouse, children, friends, relatives, etc.

This information summarizes Melcor's insider trading policy, which should be referenced for additional information. To view the full Insider Trading Policy, please visit [Our Melcor](#).



Insider Trading

What IS Insider Trading?

As an employee of Melcor REIT, you may sometimes be privy to confidential information (e.g. ownership changes, asset purchases or sales, financial results, etc.) before it is made public. If this information could reasonably be expected to have a significant impact on the market value of our trust units if it were publicly known, we call it material non-public information.

If you buy or sell Melcor REIT's trust units or another public company's stock while in possession of material non-public information, it is called Insider Trading.

This information summarizes Melcor's insider trading policy, which should be referenced for additional information. To view the full Insider Trading Policy, please visit [Our Melcor](#).

Insider Trading in the News

A Pennsylvania man was found guilty for his role in an international scam that made him millions of dollars off hacked drafts of company press releases.

Vitaly Korchevsky, a former Morgan Stanley vice president, was convicted of pocketing at least \$14 million from 2011 to 2015 by trading securities on information he gleaned from earnings reports and other market-moving announcements stolen by Ukrainian hackers before they were released publicly.

Investigators counted hundreds of trades made in Korchevsky's brokerage accounts in the window after companies uploaded releases into news-wire systems but before the releases were distributed.

He made millions of dollars by trading on information about companies including Panera Bread, Caterpillar Inc., Home Depot, and Advanced Micro Devices Inc.

Insider Trading

Who is an Insider?

Anyone who is routinely in possession of material non-public information is considered an insider. This includes any person in a “special relationship” with Melcor REIT such as lawyers, engineers, bankers and accountants.

Certain insider’s need to file insider trading reports whenever a trust unit transaction occurs (they buy or sell MR.UN or are granted a type of trust unit-based compensation). Even if you do not need to file these reports, you may still be considered an insider from time to time simply because you know something that is material non-public information.

This information summarizes Melcor’s insider trading policy, which should be referenced for additional information. To view the full Insider Trading Policy, please visit [Our Melcor](#).

It’s the Law

Insider trading laws were first introduced in 1970 as part of the Canadian Corporations Act. In 1985 they became Part XI of The Canadian Business Corporations Act (The Act), created by the Canadian Department of Justice. The regulation of policies such as Insider Trading is established by The Canadian Securities Administrators (CSA), an umbrella organization that develops a harmonized approach to securities regulations for each of the 10 provinces and 3 territories in Canada.

What Would You Do?

Kelvin has learned that Melcor REIT is about to buy a Toronto Stock Exchange listed company. He suspects that this company’s stock price will rise sharply once the deal is announced. While he knows that he can’t personally buy stock in the company or tell anyone about the pending deal, he figures he can help his family by encouraging them to buy the other company’s stock.

What should Kelvin do?

(See answer on page 32)



Insider Trading

Our Insider Trading Policy

We comply with all insider trading regulations established by the CSA, applicable legislation, and the rules of the Toronto Stock Exchange (TSX).

We strictly prohibit trading in our securities based on material non-public information. A “trade” is a sale or purchase of Melcor REIT’s trust units, the grant or exercise of options, or the trading of derivatives, short selling and other speculative/market instruments that relate to our security.

Management is required to take steps to ensure that insider trading does not occur. One of these steps is that we impose trading bans or blackout periods from time to time. Regular trading bans occur each quarter after our financial results are known internally but not yet public.

A violation of our Insider trading policy may also be a violation of securities law. Any violations will be referred to the appropriate regulatory authorities. Violators may face disciplinary action or termination of employment with Melcor REIT. They may also be prosecuted by regulatory authorities.

No Tipping

Material non-public information cannot be “tipped” to others who might benefit from trading based on the information. This includes your spouse, immediate family, friends and relatives.

Regular Trading Blackouts

Each quarter, we place the company under trading blackout. Employees are prohibited from trading during the following approximate periods:

- April 10 → 24 hours following Q1 announcement
- July 10 → 24 hours following Q2 announcement
- October 10 → 24 hours following Q3 announcement
- February 1 → 24 hours following fiscal year announcement

We will communicate when blackouts start and end via email. The blackout will generally be lifted 24 hours after the results are released. Blackouts may start earlier if the CFO determines that results can be accurately estimated.

Irregular Blackouts

If a material non-public development is pending, we may place the company or certain individuals under trading blackout. You are not allowed to trade in our trust units during these times, even if you do not know the details of why there is a blackout.

We will communicate when blackouts start and end via email, or through a Confidential Disclosure Agreement.

NOTE: Irregular blackouts are confidential. The fact that you are under blackout should not be shared with anyone.

Insider Trading

Who Can I Contact If I'm Not Sure?

If you are uncertain whether you may trade or not, please contact the CFO.

Insiders of the Company

Trustees and Executive Officers are deemed Insiders of the company by law and are required to file insider trading reports on the System for Electronic Disclosure by Insiders (SEDI) whenever they trade Melcor REIT securities.

This information summarizes Melcor's insider trading policy, which should be referenced for additional information. To view the full Insider Trading Policy, please visit [Our Melcor](#).

What Would You Do?

What would have been the right thing to do in Kelvin's situation outlined on page 30?

Kelvin should not "tip" his family about the big news or encourage them to purchase shares. By tipping this information, he is violating Melcor REIT's Code, as well as Canadian securities laws.

The consequences for tipping can be just as severe as those for engaging in insider trading. Kelvin should refrain from providing any confidential information that he learns through his employment to anyone without a business need to know.



Policy Acknowledgement

I acknowledge that I have read Melcor REIT's Code of Conduct, Safe Disclosure and Insider Trading policies. I will comply with them.

I understand that a violation of these policies may subject me to disciplinary action, up to and including termination, as well as civil and criminal penalties.

I understand that I should discuss any questions I have about the Code or the Policies with the appropriate person according to the *Who to Contact Guide* on page 6.

I recognize the importance of seeking clarification before taking any action that may be questionable or may violate our Code.

To the best of my knowledge, I am not involved in any situation that conflicts or might appear to conflict with the Code.

Please complete the acknowledgement electronically, via the link provided to you by Melcor.