

## Reasons for the Recommendation

The REIT Board and the Independent Committee identified a number of factors set out below as being most relevant to its recommendation to Voting Unitholders to vote **FOR** the Arrangement Resolution that will implement the Arrangement. Neither the REIT Board nor the Independent Committee considered it practical to, and did not attempt to, assign relative weights to the various factors. In addition, individual members of the REIT Board and the Independent Committee may have given different weight to different factors. The following discussion of the information and factors considered and evaluated by the REIT Board and the Independent Committee is not intended to be exhaustive of all factors considered and evaluated by the REIT Board or the Independent Committee. The conclusions and recommendations of the REIT Board and the Independent Committee were made after considering the totality of the information and factors considered.

The Independent Committee and the REIT Board identified a number of factors in respect of their recommendations to vote **FOR** the Arrangement Resolution, including those set out below:

- **Best Current Prospect for Maximizing Unitholder Value.** Based on the considerations described in this section and others, the Independent Committee and the REIT Board determined that the Arrangement was the best current prospect for maximizing Unitholder Value.
- **Significant Premium to Market Price.** As of the date of the Arrangement Agreement, the Arrangement values the Units at an equivalent to \$4.95 per Unit, which represents a premium of 46.0% to the September 12, 2024 closing price of the Units on the TSX (the last closing price prior to the announcement of the Arrangement) and a premium of 61.3% to the 30-day VWAP ending September 12, 2024.
- **Certainty of Value and Immediate Liquidity.** The Consideration to be received by Unitholders is payable entirely in cash and therefore provides Unitholders with certainty of value and immediate liquidity, and removes the risks associated with the REIT remaining an independent public entity, including challenges of operating assets in light of an increasingly difficult environment for Canadian office real estate assets as well as external factors such as macroeconomic factors, changes in interest rates, access to and pricing of debt and equity capital, capitalization rates, political conditions and capital markets conditions that are beyond the control of the REIT, the REIT Board and its management team.
- **Strategic Process and Review of Strategic Alternatives.** Prior to executing the Arrangement Agreement, the Independent Committee, with the assistance of its legal and financial advisors, undertook a comprehensive, publicly announced strategic review process over a period of approximately five months. The Independent Committee, with the assistance of its financial and legal advisors, and based upon their collective knowledge of the business, operations, financial condition, earnings and prospects of the REIT, as well as their collective knowledge of the current and prospective environment in which the REIT operates (including economic and market conditions), assessed the relative benefits, risks and potential timelines of various alternatives reasonably available to the REIT, including the continued execution of the REIT's strategic business plan and the possibility of soliciting other potential buyers of the REIT. As part of that evaluation process, the Independent Committee concluded that: (i) the Per Unit Consideration to be received by Unitholders is payable entirely in cash and represents compelling value relative to the continued execution of the REIT's strategic business plan; and (ii) it was unlikely that any other party would be willing to acquire the REIT on terms that were more favourable to Unitholders, from a financial point of view, than the Arrangement, and moreover, the Go-Shop Period provided such an opportunity, which did not yield any Superior Proposals or offers. The Independent Committee ultimately concluded that entering into the Arrangement Agreement with the Purchaser was the most favourable alternative reasonably available.
- **Viability, Liquidity and Capital Constraints.** Prior to executing the Arrangement Agreement and the Backstop Loan Agreement, the Independent Committee, with the assistance of its legal and financial advisors, conducted a careful review of the REIT's ability to remain a viable publicly traded real estate investment trust and the potential risks and impact on Unitholders related thereto. This analysis was conducted primarily on the current operating environment for office real estate characterized by declining market rents, increasing market vacancies, increasing operating and leasing costs to retain existing tenants or attract new tenants, specifically related to the REIT's

office portfolio which comprises approximately 49% of the REIT's gross leasable area. These factors in combination with the REIT's limited existing liquidity profile, maturities of the REIT's Debentures, mortgages and credit facilities, as well as headwinds associated with accessing meaningful additional debt capital funding (apart from funds available to the REIT under the Backstop Loan Agreement) and headwinds associated with the REIT's ability to access the equity capital markets, led the Independent Committee to conclude there are material risks to the business. In addition, the REIT has had limited success in its efforts to sell properties publicly listed for sale with real estate brokers throughout 2023 and 2024 (particularly with respect to its properties in Saskatchewan), adding to the risks associated with the REIT's ability to remain a viable publicly traded real estate investment trust. The REIT is currently under contract on one potential asset sale (with such contract still subject to a due diligence condition), and continues its normal course efforts to secure appropriate asset divestiture transactions in this challenging market. Such risks impose significant time and capital impediments to the REIT's ability to sustain Unitholder equity value, further exacerbated by the headwinds in the REIT's current operating environment.

- **No Prospects of Reinstating the REIT's Distribution in the Foreseeable Future.** As a result of the ongoing liquidity and capital constraints, the Independent Committee concluded that it was unlikely that the REIT could reinstitute distributions in the near to medium term.
- **Go-Shop Provision.** The Arrangement Agreement contains a "go-shop" provision which allowed the REIT to solicit and engage in discussions and negotiations with respect to potential Acquisition Proposals for a period of 30 days following execution of the Arrangement Agreement and to enter into a Superior Proposal during the Go-Shop Period. During the Go-Shop Period, BMO, the REIT's financial advisor, contacted 100 potential buyers and signed 14 REIT Confidentiality Agreements with potential buyers that were subsequently granted access to non-public information about the REIT. The Go-Shop Period expired at 11:59 p.m. MT on October 15, 2024 with no superior proposal having been received.
- **Arm's Length Negotiation and Role of the Independent Committee.** The Independent Committee, which was and is composed entirely of independent directors of the REIT Board who are free from any conflict of interest with respect to the Purchaser and REIT management, engaged in the evaluation and arm's length negotiation process with the Purchaser, and was advised by experienced, qualified and independent financial and legal advisors. The Independent Committee took an active and independent role in considering all strategic decisions on behalf of the REIT with respect to the Arrangement, and in respect of the negotiations of the Arrangement Agreement. The Arrangement was unanimously recommended to the REIT Board by the Independent Committee.
- **The Consideration is Supported by an Independent Valuation.** The value of the Consideration is in the range for the fair market value of the Units as concluded in the Ventum Formal Valuation. The Ventum Formal Valuation sets out a range of \$3.50 to \$5.00 for the fair market value of each Unit. Accordingly, the value of the consideration of \$4.95 per Unit is well above the midpoint of the range for the fair market value of the Units. The Ventum Formal Valuation and Fairness Opinion was delivered on a fixed fee basis and no portion of the fees payable to Ventum are contingent upon the conclusions reached in the formal valuation or the completion of the Arrangement.
- **Receipt of Fairness Opinions.** The Independent Committee has received a written fairness opinion from each of Ventum and BMO, each to the effect that as of September 12, 2024, and based upon and subject to the scope of review, and subject to the analyses, assumptions, limitations, qualifications, and other matters described therein, the Consideration payable to the Unitholders under the Arrangement is fair, from a financial point of view, to such Unitholders. In evaluating the conclusions of the BMO Fairness Opinion and Ventum Fairness Opinion, the Independent Committee noted that, while BMO would be compensated in relation to the Arrangement on a success fee basis, Ventum is independent for purposes of MI 61-101 and would be compensated on a fixed fee basis without regard to the conclusions of its opinion, the Ventum Formal Valuation or the success of the Arrangement. Taking into account the foregoing, the conclusion of the Ventum Fairness Opinion, together with the conclusion of the BMO Fairness Opinion which was confirmatory of the conclusion of the Ventum Fairness Opinion and considered

as secondary support having regard to the compensation of BMO on a success fee basis, provided the Independent Committee and the REIT Board with validation that the strategic review process leading to the Arrangement had produced a transaction that was fair, from a financial point of view, to Unitholders. The full text of such opinions is attached as Schedules "D" and "E", respectively, to the Circular and should be reviewed and considered in their entirety in conjunction with the review of the Circular. See "*The Arrangement — BMO Fairness Opinion*" and "*The Arrangement — Ventum Formal Valuation and Fairness Opinion*".

- **Reasonable Likelihood of Completion.** The Arrangement is not subject to any financing or due diligence conditions and the Independent Committee and the REIT Board believes that the closing conditions that are outside of the control of the REIT are reasonable, such that the likelihood of the Arrangement being completed is considered by the REIT Board to be high.
- **Ability to Respond to and Enter into Superior Proposals.** The REIT retains the ability, under the terms of the Arrangement Agreement, to consider and respond to unsolicited Acquisition Proposals and, in accordance with its fiduciary duties, to terminate the Arrangement Agreement in order to enter into a definitive agreement providing for the implementation of a Superior Proposal upon payment of the REIT Termination Fee, in each case subject to the specific terms and conditions set forth in the Arrangement Agreement. The Independent Committee and the REIT Board, based on advice received from their financial advisors, concluded that the \$5.8 million REIT Termination Fee payable in connection with the acceptance of a Superior Proposal is reasonable in the circumstances and consistent with market precedents. See "*Summary of the Arrangement Agreement — Go-Shop and Non-Solicitation Covenants*" and "*Summary of the Arrangement Agreement — Termination Payments*".
- **Purchaser Termination Payment.** The Purchaser is obligated to pay to the REIT the Purchaser Termination Payment of \$5.8 million in circumstances involving a breach of the Arrangement Agreement by the Purchaser, including a failure to consummate the Arrangement when required to do so under the terms of the Arrangement Agreement. See "*Summary of the Arrangement Agreement — Termination Payments*".
- **The Arrangement is fair to other REIT securityholders.** In connection with closing of the Arrangement, holders of Debentures will be repaid in full in accordance with their terms. Accordingly, the Independent Committee believes that the Arrangement is fair to holders of Debentures.
- **Unitholders have Certain Procedural and Substantive Protections.** The Independent Committee and the REIT Board considered the fact that the Independent Resolution must be approved by: (a) not less than two-thirds of the votes cast by Voting Unitholders in person or by proxy at the Meeting; and (b) not less than a majority of the votes cast by Voting Unitholders in person or by proxy at the Meeting excluding Interested Parties, related parties and their respective joint actors accordance with MI 61-101, to be protective of the rights of Unitholders. The Independent Committee and the REIT Board also considered the fact that the Arrangement must also be approved by the Court, which will consider the fairness of the Arrangement to all Voting Unitholders. In addition, any registered Unitholder who opposes the Arrangement may, on strict compliance with certain conditions, exercise its Dissent Rights and receive the fair value of the Dissenting Units in accordance with the Plan of Arrangement. See "*Dissent Rights*". See "*The Arrangement — Required Voting Unitholder Approval*" and "*The Arrangement — Canadian Securities Law Matters*".
- **Timing for Completion.** The terms and conditions of the Arrangement Agreement, including the covenants of the REIT and conditions to completion are, in the judgement of the Independent Committee and the REIT Board, after consultation with its advisors, reasonable and can be achieved within the timeframe contemplated by the Arrangement Agreement, with Closing currently expected in the last quarter of 2024. See "*Summary of the Arrangement Agreement*".

- **Voting Support.** Each Trustee and executive officer of the REIT has advised the REIT that they intend to vote or cause to be voted all Voting Units beneficially held, controlled or directed by them in favour of the Arrangement Resolution. Collectively, such Trustees and executive officers hold, directly or indirectly, or exercise control or direction over, an aggregate of 205,185 Units, which represented approximately 0.71% of the issued and outstanding Voting Units and 1.58% of the issued and outstanding Units, respectively, in each case as of the Record Date. (the "**Voting Confirmations**"). In addition, pursuant to the terms of the Arrangement Agreement, the Purchaser has agreed to cause all of the Voting Units of the REIT held by it, or over which it exercises control or direction, to be counted as present for purposes of establishing quorum and shall vote (or cause to be voted) all of such Voting Units (i) in favour of the approval of the Arrangement Resolution, and (ii) in favour of any other matter necessary for the consummation of transactions contemplated by the Arrangement Agreement. Notwithstanding the foregoing, the Purchaser's votes, together with all Interested Parties in accordance with MI 61-101, will be excluded in determining whether minority approval is obtained.