



Killam Apartment REIT
Notice of 2020 Annual Meeting of
Unitholders and Management
Proxy Circular



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NOTICE OF ANNUAL MEETING OF UNITHOLDERS

The annual meeting (the “Meeting”) of unitholders of Killam Apartment Real Estate Investment Trust (“Killam” or the “Trust”) will be held on Thursday, May 7, 2020 at 1:30 p.m. (AST) at 3700 Kempt Road, Halifax, NS.

Items of Business

Voting Proposal	Board Recommendation
Item 1 To elect the trustees of the Trust (“Trustees”)	✓
Item 2 To appoint Ernst & Young LLP as the auditors and authorize the Trustees to fix its remuneration	✓
Item 3 To consider, and if thought advisable, to approve the non-binding advisory say-on-pay resolution on executive compensation	✓

In addition, unitholders will receive the audited financial statements and the auditor’s report for the year ended December 31, 2019 and consider any other business that may be properly brought before the Meeting.

The record date for the determination of those unitholders entitled to this notice of Meeting (this “Notice of Meeting”) is the close of business on March 25, 2020. Accompanying this Notice of Meeting is a Management Information Circular (the “Circular”) dated March 30, 2020, and a form of proxy. Unitholders who are unable to attend the Meeting are entitled to be represented by proxy and are requested to date, sign and return the instrument of proxy, or other appropriate form of proxy, in accordance with the instructions included in the Circular. To ensure your vote is counted, proxies must be received by Killam’s transfer agent, Computershare Investor Services Inc., at 1500 Robert-Bourassa Blvd, 7th floor, Montreal, Quebec, H3A 3S8 by 1:30 p.m. on May 5, 2020.

Dated at Halifax, Nova Scotia, this 30th day of March, 2020.

BY ORDER OF THE BOARD OF TRUSTEES



Ronald Barron

Secretary

LOGISTICS

Date and Time

Thursday, May 7, 2020
at 1:30pm AST

Location

3700 Kempt Road,
Halifax, NS

Voting

A unitholder is entitled to one vote in respect of each matter to be voted upon at the Meeting for each Unit registered in his or her name as at the close of business on March 25, 2020.

IMPORTANT NOTE: On March 22, 2020, the Province of Nova Scotia declared a state of emergency to help contain the spread of the Coronavirus (COVID-19). The state of emergency is in effect for 14 days and may be renewed. Currently, the emergency order is valid until noon on April 5, 2020. Under the provincial statement of emergency Nova Scotians are requested not to leave the province and to only leave home for essential items and services. Specifically, there are to be no social gatherings of more than 5 people. Based on these restrictions, the Trust currently intends on holding an in-person Unitholder meeting whereby Unitholders are strongly encouraged to submit proxies in advance and attend via webcast only. At this time, only registered Unitholders and duly appointed proxy holders will be entitled to attend the Meeting in person. However, as COVID-19 is a rapidly evolving situation, the Trust will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting, which may include potentially adjourning or postponing the Meeting. The Trust will provide updates to any arrangements in respect of the Meeting by way of news release. Unitholders are encouraged to monitor Killam's website at <https://killamreit.com/investor-relations/news-releases> or Killam's SEDAR profile at www.sedar.com, where copies of such news releases, if any, will be posted.

The Trust will be providing a live webcast of the Meeting this year. Unitholders are encouraged to listen to the webcast rather than attend the Meeting in person. However, unitholders will not be able to vote through the webcast or otherwise participate in the Meeting. A link to the webcast will be available at www.killamreit.com several days prior to the meeting. A copy of this webcast will be available on the website for one year.

To ensure as many Trust Units as possible are represented at the Meeting, unitholders are strongly encouraged to be represented by proxy and are requested to date, sign and return the instrument of proxy, or other appropriate form of proxy, in accordance with the instructions included in the Circular. To ensure your vote is counted, proxies must be received by Killam's transfer agent, Computershare Investor Services Inc., at 1500 Robert-Bourassa Blvd, 7th floor, Montreal, Quebec, H3A 3S8 by 10:00 a.m. on May 5, 2020. Unitholders who do not hold their units in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out under "Advice to Beneficial Shareholders" section.

PROXY STATEMENT SUMMARY

This summary highlights information contained throughout this proxy document. This summary does not contain all the information that should be considered and thoroughly read for the purposes of decision making and voting.

Trustee nominee and position	Age	Trustee since	Committees ⁽¹⁾			Other current public board memberships
			AC	CC	GE	
 Timothy Banks <i>President and Chief Executive officer,</i> APM Group of Companies	66	2000				
 Philip D. Fraser <i>President and Chief Executive Officer,</i> Killam Apartment REIT	58	2000				
 Robert G. Kay <i>Chairman,</i> International and Springwall Sleep Products Inc.	83	2002	M			RediShred Capital Corp.
 Aldéa Landry <i>President,</i> Landal Inc.	74	2017		M	M	
 James C. Lawley <i>Trustee/Corporate Director,</i> Killam Apartment REIT	61	2000				RediShred Capital Corp.
 Arthur G. Lloyd <i>President,</i> ADAM Capital	64	2000			M	
 Karine L. MacIndoe <i>Trustee/Corporate Director,</i> Killam Apartment REIT	46	2014	M	C		DREAM Office REIT, Dream Hard Asset Alternatives
 Laurie MacKeigan <i>President,</i> Backman Vid-Comm Ltd.	48	2020				
 Robert Richardson <i>Executive Vice President,</i> Killam Apartment REIT	58	2000				RediShred Capital Corp.
 Manfred J. Walt <i>President and Chief Executive Officer,</i> Walt & Co. Inc.	67	2007			C	Firm Capital Property Trust Wilmington Capital Management Inc.
 G. Wayne Watson <i>Trustee/Corporate Director,</i> Killam Apartment REIT	72	2000	C		M	

AC: Audit Committee

C: Chair

CC: Compensation Committee

M: Member

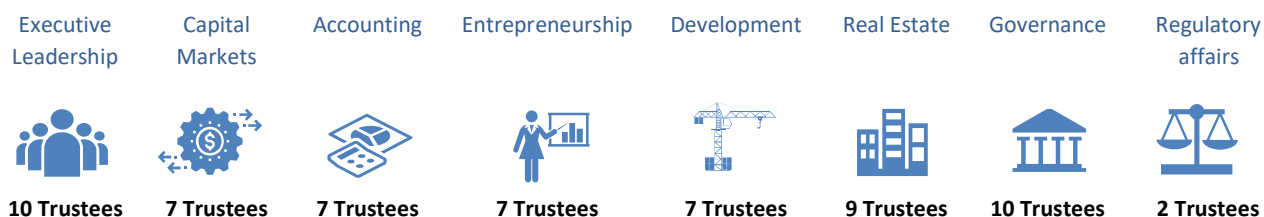
GE: Governance & ESG Committee

⁽¹⁾ Committees as at December 31, 2019. Please refer to page 70 for a summary of committee changes for 2020.

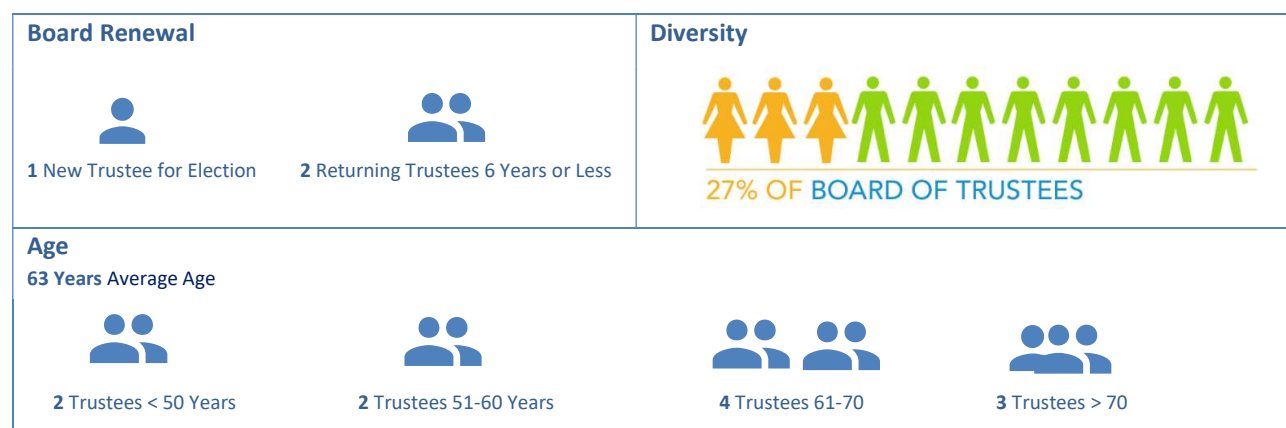
TRUSTEE NOMINEE HIGHLIGHTS

TRUSTEE SKILLS AND EXPERIENCE

The skills chart below summarizes the expertise possessed by the Trustees. The areas of expertise outlined in the skills matrix below are considered in assessing candidates during the nomination process. Such areas of expertise are referred to in identifying any skills gaps. The emphasis placed on any area of expertise may change as part of the ongoing assessment of the composition of the board of trustees (the “Board of Trustees”).



DIVERSITY OF AGE, GENDER AND TENURE



CORPORATE GOVERNANCE HIGHLIGHTS & BEST PRACTICES

Trustee Independence

- 8 of 11 Trustee nominees are independent
- Two fully independent Board Committees

Unit Ownership Requirements

- CEO, senior executives, and Trustees required to hold units at multiples of their salary or retainer

Clawback and Anti-hedging Policies

- Clawback policy with respect to incentive-based compensation and are prohibition against speculation and hedging in securities of the Trust for all executives

Trustee Evaluation & Engagement

- Annual Board and Committee self-assessments
- Incumbent Trustees attended 98% of Board and Committee meetings in 2019
- Board policy limits Trustee membership on other public entity Boards to no more than three

ESG Oversight and Reporting

- Board oversight and ongoing engagement with senior executives on key matters, including cybersecurity (Audit Committee), diversity and sustainability (Governance & ESG Committee)

SECTION I. PROXY AND VOTING INFORMATION

ANNUAL MEETING

The annual Meeting of unitholders of Killam Apartment Real Estate Investment Trust (the “Trust” or “Killam”) will be held at 3700 Kempt Road, Halifax, NS, on Thursday May, 7, 2020, at 1:30 p.m. AST for the purposes set forth in the accompanying Notice of Meeting. The Trust currently intends on holding an in-person unitholder Meeting whereby unitholders are strongly encouraged to submit proxies in advance and attend via webcast only. At this time, only registered unitholders and duly appointed proxy holders will be entitled to attend the Meeting in person. Please refer to the Important Note on page 5 of the Notice of Meeting for further information.

As noted on page 5, as COVID-19 is a rapidly evolving situation, the Trust will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting, which may include potentially adjourning or postponing the Meeting. The Trust will provide updates to any arrangements in respect of the Meeting by way of news release. Unitholders are encouraged to monitor Killam’s website at <https://killamreit.com/investor-relations/news-releases> or Killam’s SEDAR profile at www.sedar.com, where copies of such news releases, if any, will be posted.

NOTICE AND ACCESS

The Trust is using “notice and access” for the delivery of this Management Information Circular (“Circular”). Under notice and access, you still receive a proxy or voting instruction form enabling you to vote at the Meeting. However, instead of a paper copy of the Circular, you will receive a notice which contains information about how to access the Circular electronically. The principal benefit of notice and access is that it reduces the environmental impact of producing and distributing paper copies of documents in large quantities.

Accordingly, this Notice of Meeting of unitholders and Circular have been printed and mailed to our registered unitholders and posted online for our beneficial unitholders to view at www.killamreit.com.

Beneficial unitholders may obtain a paper copy by:

- emailing a request to investorrelations@killamreit.com;
- calling toll-free to Killam Apartment Real Estate Investment Trust at 1-866-453-9000; or
- mailing a request to Killam Apartment Real Estate Investment Trust, 3700 Kempt Road, Suite 100, Halifax, Nova Scotia, B3K 4X8.

A request for a paper copy should be sent so that it is received by Killam by April 16, 2020, in order to allow sufficient time for the beneficial unitholder to receive the paper copy and return the proxy by May 5, 2020. Beneficial unitholders are reminded to review this Notice of Meeting of unitholders and the Circular prior to voting.

SOLICITATION OF PROXIES

This Circular relates to the solicitation of proxies by the Trustees to be used at the Meeting and at any adjournment(s) of the Meeting.

This Circular is furnished in connection with the solicitation by and on behalf of the management of Killam (“Management”) of proxies to be used at the annual Meeting of the holders of the units (the “Units” or “Trust Units”) and the special voting units (the “Special Voting Units”)⁽¹⁾ of Killam to be held on May 7, 2020, at the time and place and for the purposes set forth in the Notice of Meeting accompanying this Circular and at any adjournment(s) or postponement(s) thereof. It is expected that the solicitation will be primarily by mail. The costs of the solicitation will be borne by Killam.

SECTION I. PROXY AND VOTING INFORMATION

(1) Special Voting Units are associated with Class B limited partnership units (“**Exchangeable Units**”) of Killam Apartment Limited Partnership, which is controlled by the Trust. The Exchangeable Units are intended to be economically equivalent to and exchangeable for Trust Units on a one-for-one basis and are accompanied by Special Voting Units of the Trust that provide their holders with equivalent voting rights to holders of Trust Units.

AUTHORIZED CAPITAL, VOTING UNITS AND PRINCIPAL HOLDERS OF UNITS

The Trust is an unincorporated open-ended real estate investment trust formed under the laws of the Province of Ontario pursuant to the Amended and Restated Declaration of Trust dated November 27, 2015 (the “Declaration of Trust”).

The authorized capital of Killam consists of an unlimited number of Units and an unlimited number of Special Voting Units. Special Voting Units are only issued in tandem with the issuance of securities exchangeable into Units. As at March 30, 2020, 98,214,648 Units and 4,153,520 Special Voting Units were issued and outstanding.

A unitholder is entitled to one (1) vote in respect of each matter to be voted upon at the Meeting for each Unit registered in his or her name as at the close of business on March 25, 2020 (the “Record Date”). Only unitholders of record on the books of Killam as of the close of business on the Record Date are entitled to receive notice of and vote at the Meeting.

Each Special Voting Unit shall entitle the holder of record thereof to a number of votes at any meeting of the unitholders equal to the number of Units that may be obtained upon the exchange of the exchangeable security to which such Special Voting Unit is attached.

To the knowledge of the Trustees and officers of Killam, as at March 17, 2020, no person or company beneficially owns, or controls or directs, directly or indirectly, Units or Special Voting Units carrying more than ten percent (10%) of the voting rights of the Trust.

QUORUM

The quorum at the Meeting or any adjournment thereof shall consist of at least two (2) individuals present in person, each of whom is a holder of Units or Special Voting Units or represented by proxy representing a holder of Units or Special Voting Units, and who hold or represent by proxy in aggregate not less than 25% of the total number of outstanding Units and Special Voting Units.

At this time, only registered Unitholders and duly appointed proxy holders will be entitled to attend the Meeting in person.

APPOINTMENT AND VOTING OF PROXIES

What am I voting on?

Unitholders will be voting on:

- (i) the election of Trustees;
- (ii) the appointment of auditors;
- (iii) the approval of an advisory resolution on the Trust’s approach to executive compensation.

Who can vote?

Only holders of Units and Special Voting Units are entitled to vote at the Meeting. Each Unit and each Special Voting Unit held is entitled to one vote per unit.

SECTION I. PROXY AND VOTING INFORMATION

Unitholders who do not hold Units in their own name on the records of Killam are not entitled to receive notice of the Meeting or to vote in respect of such Units at the Meeting, and should refer to the section entitled “Advice to Beneficial Holders of Units” on page 12 for details regarding how they may exercise voting rights in respect of Units beneficially held by them.

How will these matters be decided at the Meeting?

A simple majority of the votes cast, in person or by proxy, will constitute approval of these matters.

Who is soliciting my proxy?

The solicitation is being primarily made by mail, but our Trustees, officers and employees may also solicit proxies at a nominal cost to the Trust. Killam may also reimburse brokers and other persons holding Units in their name or as nominees for their costs incurred in sending proxy forms and related materials to their principals in order to obtain their proxies. These costs will be nominal and will be borne by Killam.

How do I vote?

If you are a registered unitholder you can vote in person at the Meeting or you can sign the enclosed form of proxy appointing the persons named in the proxy or some other person, who need not be a unitholder, to represent you as proxyholder and vote your Units at the Meeting. Unitholders are strongly encouraged to submit proxies in advance and attend via webcast only. You may also vote using the telephone or the internet, as described on the enclosed Voting Information Form (“VIF”). **Please note the majority of unitholders are beneficial unitholders. Beneficial unitholders are persons who have purchased Units and are entitled to distributions but who may not be registered on Killam’s records for the purposes of voting at annual meetings. Usually, a depository, broker or other intermediary is listed as the registered owner. If you are a beneficial unitholder, please see the section entitled “Advice to Beneficial Holders of Units” for voting instructions on page 12.** At this time, only registered Unitholders and duly appointed proxy holders will be entitled to attend the Meeting in person.

Can I vote by internet?

If you are a registered unitholder, go to www.investorvote.com and follow the instructions. You will need your control number (located below the voting instructions on the front of your proxy) to identify yourself to the system. You must submit your vote no later than 1:00 p.m., Atlantic Time, on May 5, 2020.

Appointment of Proxyholder

An instrument of proxy (the “Proxy”) accompanies this Circular, and the persons named in the Proxy are both officers of Killam. A unitholder has the right to appoint a person (who does not need to be a unitholder), other than the persons designated in the Proxy, to represent him or her at the Meeting. To exercise this right, a unitholder should strike out the Management designated names on the Proxy and insert the name of the desired person in the blank space provided on the Proxy. Alternatively, a unitholder may complete another appropriate form of proxy. The Proxy, or an alternate form of proxy, will not be valid unless it is deposited at the offices of Computershare Investor Services Inc. (“Computershare”), at 1500 Robert-Bourassa Blvd, 7th floor, Montreal, Quebec, H3A 3S8, not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment of the Meeting.

SECTION I. PROXY AND VOTING INFORMATION

What if I change my mind after the Proxy has been submitted?

A unitholder who has submitted a Proxy or alternative form of proxy may revoke it with an instrument in writing signed by the unitholder or by his or her duly authorized attorney or, if the unitholder is a corporation, by a duly authorized officer or officers or attorney of such corporation, provided such instrument is deposited either: (i) at the registered office of Killam, being 2571 Windsor Street, Halifax, Nova Scotia, B3K 5C4, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of the Meeting at which the form of proxy is to be used; or (ii) with the Chair of the Meeting on the day of the Meeting or any adjournment of the Meeting. In addition, a form of proxy may be revoked: (i) by the unitholder personally attending at the Meeting and voting the securities represented by the Proxy; or, (ii) if the unitholder is a corporation, by a duly authorized officer or officers or attorney of such corporation attending at the Meeting and voting such securities; or, (iii) in any other manner permitted by law.

How will my Units be voted with the Proxy?

The persons named in the Proxy will vote or withhold from voting the Units and Special Voting Units in respect of which they are appointed on any ballot that may be called for in accordance with the direction of the unitholder appointing them.

In the absence of such specification, the proxyholder shall be deemed to have been granted the authority to vote the relevant Units and Special Voting Units FOR: (i) the election of the Trustees as set forth in this Circular; (ii) the appointment of auditors as set forth in this Circular, at such remuneration as may be determined by the Board; and (iii) the approval of the Trust's approach to executive compensation as set for in this Circular. The Proxy also confers discretionary authority upon the persons named in the Proxy with respect to amendments to, or variations of, the matters identified in the Notice of Meeting and with respect to other matters that may properly be brought before the Meeting.

As of March 17, 2020, the Management of Killam knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

Who can sign the Proxy?

The Proxy must be signed by the unitholder or the unitholder's duly appointed attorney authorized in writing or, if the unitholder is a corporation, by a duly authorized officer or officers or attorney of such corporation. A Proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a unitholder) should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with Killam or Computershare).

SECTION I. PROXY AND VOTING INFORMATION

Advice to Beneficial Holders of Units

The information set forth in this section is of significant importance to many unitholders as a substantial number of unitholders do not hold their Units in their own name. Unitholders who do not hold their Units in their own name (referred to in this Circular as “beneficial unitholders”) should note that only proxies deposited by unitholders whose names appear on the records of Killam as the registered holders of Units can be recognized and acted upon at the Meeting. If the Units are listed in an account statement provided to a unitholder by a broker, then in almost all cases those Units will not be registered in the unitholder’s own name on the records of Killam. Such Units will more likely be registered in the name of the unitholder’s broker or an agent of that broker. In Canada, the vast majority of Units are registered in the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Units held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the beneficial unitholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Units for the brokers’ clients. **Therefore, each beneficial unitholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Applicable regulatory policy requires brokers to seek voting instructions from beneficial unitholders in advance of unitholders’ meetings. Every broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by beneficial unitholders in order to ensure that their Units are voted at the Meeting. In certain cases, the form of proxy supplied to a beneficial unitholder by its broker (or the agent of the broker) is identical to the proxy provided to registered unitholders. However, its purpose is limited to instructing the registered unitholder (i.e., the broker or agent of the broker) how to vote on behalf of the beneficial unitholder. The majority of Canadian brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”). Broadridge typically prepares a machine-readable voting instruction form, mails that form to the beneficial unitholders and asks beneficial unitholders to return the instruction forms to Broadridge. Alternatively, beneficial unitholders can either call Broadridge’s toll-free telephone number to vote their Units or access Broadridge’s dedicated voting website at www.proxyvotecanada.com to deliver their voting instructions. Broadridge then tabulates the results of all instructions received and provides instructions respecting the voting of Units to be represented at the Meeting. **A beneficial unitholder receiving a voting instruction form from Broadridge cannot use that form to vote Units directly at the Meeting – voting instructions must be provided to Broadridge (in accordance with the instructions set forth on the Broadridge form) well in advance of the Meeting in order to have the Units voted. If you have any questions respecting the voting of Units held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Beneficial unitholders fall into two categories – those who object to their identity being made known to the issuers of securities which they own (“OBOs”) and those who do not object to their identity being made known to the issuers of the securities they own (“NOBOs”). Subject to the provisions of National Instrument 54-101- *Communication with Beneficial Owners of Securities of Reporting Issuers* (“NI 54-101”) issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge) to such NOBOs.

Killam utilizes the provisions of NI 54-101 that permit it to deliver proxy-related materials directly to its NOBOs. As a result, any NOBO of Killam can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided. In addition, telephone voting and internet voting are available as further described in the VIF, along with instructions with respect to the procedure for telephone and internet voting. Computershare will tabulate the results of the VIFs received from Killam’s NOBOs and will provide appropriate instructions at the Meeting with respect to the units represented by the VIFs received by Computershare. Killam’s OBOs can expect to be contacted by Broadridge, their brokers or their broker’s agents as set out above.

SECTION I. PROXY AND VOTING INFORMATION

Although a beneficial unitholder may not be recognized directly at the Meeting for the purposes of voting Units registered in the name of his or her broker, a beneficial unitholder may attend the Meeting via webcast only as proxyholder for the registered unitholder and vote the Units in that capacity. **Beneficial unitholders who wish to attend the Meeting via webcast only and indirectly vote their Units as proxyholder for the registered unitholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker. Beneficial unitholders are strongly encouraged to attend the Meeting via webcast only.**

How many votes are required to pass a matter on the agenda?

A simple majority of the votes cast, in person or by proxy, is required for each of the matters specific in this Circular.

How do I contact Killam's transfer agent?

Computershare is Killam's transfer agent. Computershare may be contacted by mail at 1500 Robert-Bourassa Blvd, 7th floor, Montreal, Quebec, H3A 3S8; by telephone at: (902) 864-4050; or by fax at: (514) 982-7580.

All references to unitholders in this Circular, the accompanying Proxy, and the Notice of Meeting are to registered unitholders unless specifically stated otherwise.

ADDITIONAL INFORMATION ABOUT THE TRUST

Financial information about the Trust is provided in its comparative consolidated audited financial statements and management's discussion and analysis of the Trust's results of operations and financial condition for the year ended December 31, 2019. Copies of the Trust's latest annual information form, including Form 52-110F1 – Audit Committee Information Required in an AIF, together with the documents incorporated therein by reference, the comparative consolidated financial statements of the Trust for the year ended December 31, 2019, together with the report of the auditors thereon, management's discussion and analysis of the Trust's results of operations and financial condition for 2019, the interim financial statements of the Trust for reporting periods subsequent to the end of the Trust's last fiscal year (if applicable), and this Circular are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com, the Trust's website at www.killamreit.com, and are also available upon request, free of charge, by calling Investor Relations at 1-866-453-9000. Additional information relating to the Trust is also available on SEDAR at www.sedar.com, the Trust's website at www.killamreit.com, and upon request by calling Investor Relations at 1-866-453-9000.

SECTION II. BUSINESS OF THE MEETING

VOTING MATTERS AND VOTE RECOMMENDATIONS

MATTER	BOARD VOTE RECOMMENDATION
Election of Trustees	For
Appointment of Auditors	For
Approval of executive compensation approach	For

1. REPORT OF MANAGEMENT AND CONSOLIDATED FINANCIAL STATEMENTS

Killam's annual audited consolidated financial statements and management's discussion and analysis for the year ended December 31, 2019, together with the external auditor's report, will be placed before the unitholders at the Meeting. These documents are included in Killam's 2019 Annual Report. The 2019 Annual Report will be available at the Meeting and is also available under the Trust's SEDAR profile at www.sedar.com and on the Trust's website at www.killamreit.com.

2. ELECTION OF TRUSTEES

Unless the unitholder specifies in the enclosed Proxy that the Units represented by the Proxy are to be withheld from voting in the election of Trustees, the persons named in the Proxy shall vote the Units represented by the Proxy in favour of the election of the persons whose names are set forth on pages 16 through 26. The Trustees do not contemplate that any of these persons will be unable to serve as a Trustee but, if that should occur for any reason prior to the Meeting, then the person named in the Proxy may vote for the election of another person or persons at his or her discretion. Each Trustee elected will be elected to hold office until the next annual meeting of unitholders or until his or her successor is elected or appointed, subject to the provisions of the Declaration of Trust.

3. APPOINTMENT OF AUDITORS AND AUDITORS' REMUNERATION

Killam proposes to nominate Ernst & Young LLP, 1871 Hollis Street, #500, Halifax, NS, B3J 0C3, as the auditor of Killam to hold such office until the close of the next annual meeting of unitholders at remuneration to be fixed by the Trustees. Ernst & Young LLP ("EY") have been auditors of Killam since June 26, 2000. The Board has assessed the performance and independence of EY and recommends the re-appointment of EY as auditors until the close of the next annual meeting. Last year, the vote was 97.9% for EY as auditor. A representative of EY has been invited to the Meeting. The affirmative vote of a majority of Units voted on such matter is required to reappoint the firm of EY as auditors of Killam.

Auditors' Fees

The table below lists the services EY provides and the fees paid by Killam for the fiscal year ended December 31, 2019, and December 31, 2018. The Audit Committee can pre-approve services as long as they are within the scope of the policies and procedures approved by the committee.

Summary of Audit Fees

	Year Ended	
	December 31, 2019	December 31, 2018
	\$	\$
Audit Services Fees ⁽¹⁾	385,400	310,000
Audit-Related Services Fees ⁽²⁾	74,256	5,420
Tax Service Fees ⁽³⁾	74,448	64,296
Non-Audit Services Fees ⁽⁴⁾	51,729	125,091
Total⁽⁵⁾	\$585,833	\$504,807

⁽¹⁾ "Audit services" generally relate to the statutory audit and review of financial statements, as well as services associated with prospectuses or other documents issued in connection with securities offerings.

⁽²⁾ "Audit-related services" include the aggregate fees paid to the external auditors for services related to the audit services, including consultations regarding financial reporting and accounting standards, accounting consultation services and Canadian Public Accountability Board fees.

⁽³⁾ "Tax service outside of the audit scope" include the aggregate fees paid to the external auditors for tax compliance, tax advice, tax planning and advisory services, including preparation of tax returns and tax planning considerations. \$35,750 of the tax-related fees in 2019 relate to tax compliance/preparation fees (2018 - \$35,000) and \$38,700 relate to assistance with tax appeals and audits.

⁽⁴⁾ "Other non-audit services" include the aggregate fees paid to the external auditors for all other services other than those presented in the categories of audit services, audit-related services and tax services outside of the audit scope.

⁽⁵⁾ HST is not included in the fees above.

In the absence of contrary directions, the persons named in the Proxy intend to vote in favour of the reappointment of EY as the auditors of Killam.

4. EXECUTIVE COMPENSATION AND ADVISORY VOTE

The Board of Trustees, on the recommendation of the Governance & ESG Committee and the Compensation Committee, has determined that it is appropriate to hold a non-binding advisory vote relating to executive compensation. As a unitholder, you may vote "For" or "Against" Killam's approach to executive compensation through the following resolution:

Resolved, on an advisory basis and not to diminish the role and responsibilities of the Board of Trustees, that the unitholders accept the approach to executive compensation disclosed in this Management Information Circular for the Meeting of unitholders on May 7, 2020.

Since the vote is advisory, it will not be binding on the Board. However, the Board and, in particular, the Compensation Committee, will consider the outcome of the vote as part of its ongoing review of executive compensation. The Compensation Discussion & Analysis section of this Circular describes Killam's compensation practices for the named executive officers ("NEOs"). The executive compensation is designed to be aligned with performance and the interests of unitholders, and, to drive strategic initiatives.

Killam will disclose the results of the unitholder advisory vote as a part of its report on voting results for the Meeting. In the absence of contrary directions, the persons named in the Proxy intend to vote in favour of the non-binding resolution set forth above.

SECTION II. BUSINESS OF THE MEETING

TRUSTEES NOMINATED FOR ELECTION

Killam’s Declaration of Trust states that there shall be a minimum of five (5) and a maximum of twelve (12) Trustees. There are currently ten (10) Trustees. The Board of Trustees has set the number of Trustees to be elected at the Meeting at eleven (11). The current term of office of the Trustees of Killam will expire at the close of the Meeting. It is proposed that each of the persons whose name appears below be elected as a Trustee of Killam to serve until the close of the next annual meeting of unitholders or until his or her successor is elected or appointed. Individual profiles include a summary of career experience over the past five years, areas of expertise, current Board committee membership and directorships at other public companies. The information on each Trustee nominee in this circular is current as of March 17, 2020.



TIMOTHY BANKS

Mr. Banks is the President and CEO of the APM Group of Companies (“APM”), a position he has held since December 1980. APM is one of Atlantic Canada’s leading construction and design-build companies. Mr. Banks is a certified engineering technologist with 40 years of experience in the construction, development and management of retail, industrial, and residential real estate throughout Atlantic Canada. Tim is a recipient of The Queen Elizabeth II Diamond Jubilee Medal, a member of the Atlantic Business Top 50 CEO Hall of Fame and was inducted into the Junior Achievement Prince Edward Island Business Hall of Fame in

Timothy R. Banks

Charlottetown,
Prince Edward Island,
Canada

Age: 66

Trustee since: 2000

Non-Independent
Trustee

Areas of Expertise					
Executive Leadership, Governance, Real Estate, Development, Government & Regulatory Affairs, Entrepreneurship					
Board and Committee Attendance during 2019				Other Public Board Membership during the Last Five Years	
Board of Trustees	5 of 5	100%		N/A	
Ownership and Value At-Risk					
As at	Trust Units	Exchangeable Units	Restricted Trust Units	Total Units	Total Value At-Risk
March 17, 2020	208,720		5,430	214,150	\$4,327,972
March 20, 2019	207,494		6,527	214,021	\$3,929,426
<i>Meets unit ownership requirement.</i>					
Voting Results of the 2019 Annual Meeting of Unitholders					
	Votes For	Votes Withheld	Total Votes Cast		
# of Votes	39,208,596	18,611,028	57,819,624		
% of Votes	67.81%	32.19%	100%		



PHILIP FRASER

Mr. Fraser is the founding President and Chief Executive Officer of Killam. He has held this position for 20 years, since the inception of Killam Properties Inc., the predecessor of Killam Apartment REIT. Mr. Fraser is responsible for developing, communicating and implementing Killam's strategy to maximize long term unitholder value and returns. Mr. Fraser has worked in the real estate industry for over 32 years. Mr. Fraser holds a Bachelor of Commerce and a Master of Urban and Rural Planning from Dalhousie University and a Master of Business Administration from Saint Mary's University. Mr. Fraser is a member of the Board of Governors of Saint Mary's University and serves on the Board's Executive Committee, Advancement Committee, and Honorary Degree Committee.

Philip D. Fraser

Halifax,
Nova Scotia, Canada

Age: 58

Trustee since: 2000

Executive Trustee

Areas of Expertise					
Executive Leadership, Governance, Real Estate, Corporate Finance and Capital Markets, Entrepreneurship, Development, Accounting					
Board and Committee Attendance during 2019				Other Public Board Membership during the Last Five Years	
Board of Trustees	5 of 5	100%		RediShred Capital Corp. (TSX-V) (2007 to May 25, 2017)	
Ownership and Value At-Risk					
As at	Trust Units	Exchangeable Units	Restricted Trust Units	Total Units	Total Value At-Risk
March 17, 2020	416,922	261,941	100,243	779,106	\$15,745,732
March 20, 2019	377,849	261,941	130,261	770,051	\$14,138,136
<i>Meets unit ownership requirement for President & Chief Executive Officer.</i>					
Voting Results of the 2019 Annual Meeting of Unitholders					
	Votes For	Votes Withheld	Total Votes Cast		
# of Votes	56,336,322	1,483,302	57,819,624		
% of Votes	97.43%	2.57%	100%		

SECTION II. BUSINESS OF THE MEETING



ROBERT KAY

Mr. Kay is Chairman and founder of Springwall Group International and Springwall Sleep Products Inc., one of Canada's largest mattress manufacturers. He is an entrepreneur who has successfully built and managed various businesses, including Cable TV for South Eastern New Brunswick, the first cellular telephone service in Atlantic Canada as well as the development and management of multi-family real estate properties. He is a Director of RediShred Capital Corp. and has served on various trade association boards. In 2014, he was awarded the Lifetime Achievement Award by the Canadian Home Furnishings Alliance. Mr. Kay holds a Bachelor of Business Administration from Mount Allison University.

Robert G. Kay

Moncton,
New Brunswick,
Canada

Age: 83

Trustee since: 2002

Independent Trustee

Areas of Expertise					
Executive Leadership, Governance, Real Estate, Accounting, Entrepreneurship, Development					
Board and Committee Attendance during 2019				Other Public Board Membership during the Last Five Years	
Board of Trustees (Chair)	5 of 5	100%		RediShred Capital Corp. (TSX-V) (2009 to present)	
Audit Committee ⁽¹⁾	4 of 4	100%			
⁽¹⁾ Mr. Kay resigned from the Audit Committee effective March 17, 2020.					
Ownership and Value At-Risk					
As at	Trust Units	Exchangeable Units	Restricted Trust Units	Total Units	Total Value At-Risk
March 17, 2020	27,672	535,062		562,734	\$11,372,854
March 20, 2019	27,672	535,062		562,734	\$10,331,796
<i>Meets unit ownership requirement.</i>					
Voting Results of the 2019 Annual Meeting of Unitholders					
	Votes For	Votes Withheld	Total Votes Cast		
# of Votes	50,746,898	7,072,726	57,819,624		
% of Votes	87.77%	12.23%	100%		



ALDÉA LANDRY

Ms. Landry is a lawyer, business executive and corporate director with significant legal, government and corporate governance experience. She practiced law with the New Brunswick Department of Justice prior to co-founding a law firm. She later served as a Cabinet Minister and Deputy Premier of New Brunswick. She is currently President of Landal Inc., a consulting firm offering integrated services in organizational and business development, and Vice-President of Diversis Inc., a consulting firm specializing in immigration and diversity. She has served on the boards of two public companies and on numerous high-profile private and public sector organizations, including the Bank of Canada, the Canadian Investors Protection Fund and chaired the Atlantic Provinces Economic Council. Ms. Landry holds a Bachelor of Arts degree from the Université de Moncton and a Bachelor of Laws from the University of New Brunswick, and from 2011 to 2019 she was chancellor of the Université Sainte-Anne. She was appointed Queen's Counsel in 1987, to the Privy Council of Canada in 2005, and was awarded the Order of Canada in 2006. In 2013, Ms. Landry was inducted into the New Brunswick Business Hall of Fame.

Aldéa M. Landry

Moncton,
New Brunswick, Canada

Age: 74

Trustee since: 2017

Independent Trustee

Areas of Expertise					
Legal, Executive Leadership, Governance, Government & Regulatory Affairs					
Board and Committee Attendance during 2019				Other Public Board Membership during the Last Five Years	
Board of Trustees	5 of 5	100%		N/A	
Governance & ESG Committee	4 of 4	100%			
Compensation Committee ⁽¹⁾	3 of 3	100%			
⁽¹⁾ Ms. Landry was appointed to the Compensation Committee on February 12, 2019.					
Ownership and Value At-Risk					
As at	Trust Units	Exchangeable Units	Restricted Trust Units	Total Units	Total Value At-Risk
March 17, 2020	9,850		5,434	15,284	\$308,890
March 20, 2019	-		3,365	3,365	\$61,781
<i>Meets unit ownership requirement.</i>					
Voting Results of the 2019 Annual Meeting of Unitholders					
	Votes For	Votes Withheld	Total Votes Cast		
# of Votes	56,428,931	1,390,693	57,819,624		
% of Votes	97.59%	2.41%	100%		

SECTION II. BUSINESS OF THE MEETING



JAMES LAWLEY

Mr. Lawley is involved in the commercial and residential real estate industry as the President and co-owner of Halkirk Properties Inc. and Salters Gate Developments Inc. Mr. Lawley is an owner and operator of several national fast food franchises throughout the Maritimes and Quebec and is a part owner of six Atlantic salmon sport fishing lodges. Mr. Lawley is also part owner of Sustainable Blue, a land-based operation to raise Atlantic Salmon in a sustainable and environmentally friendly basis. Mr. Lawley holds a Bachelor of Commerce (Hon) from Dalhousie University and is on the Board of the Atlantic Salmon Conservation Foundation and the Board of Directors of the Atlantic Salmon Federation. Mr. Lawley is a Director of Renewable Energy Services Limited, a private renewable energy company focused on wind resources.

James C. Lawley

Halifax,
Nova Scotia, Canada

Age: 61

Trustee since: 2000

Independent Trustee

Areas of Expertise					
Executive Leadership, Real Estate, Development, Entrepreneurship, Governance					
Board and Committee Attendance during 2019				Other Public Board Membership during the Last Five Years	
Board of Trustees		4 of 5	80%	RediShred Capital Corp. (TSX-V) (2007 to present)	
Ownership and Value At-Risk					
As at	Trust Units	Exchangeable Units	Restricted Trust Units	Total Units	Total Value At-Risk
March 17, 2020	685,184	1,210,126		1,895,310	\$38,304,215
March 20, 2019	685,184	1,210,126		1,895,310	\$34,797,892
<i>Meets unit ownership requirement.</i>					
Voting Results of the 2019 Annual Meeting of Unitholders					
	Votes For	Votes Withheld	Total Votes Cast		
# of Votes	34,118,933	23,700,691	57,819,624		
% of Votes	59.01%	40.99%	100%		

ARTHUR LLOYD



Mr. Lloyd has over 37 years of real estate experience. Most recently he was the Chief Development Officer, Office, North America, and Vice Chairman for Ivanhoé Cambridge. Prior to joining Ivanhoé Cambridge in 2010, Mr. Lloyd was President of Adam Capital Inc., a private venture capital firm. From January 2003 to January 2004, he was President and Chief Operating Officer of TGS North American Real Estate Investment Trust. Mr. Lloyd was also Chairman of Renewable Energy Services Limited, a private renewable energy company and served as Chairman of the Calgary East Village Housing Society for many years. Mr. Lloyd holds a Bachelor of Arts (Hon) from St. Mary's University.

Arthur G. Lloyd

Calgary,
Alberta, Canada

Age: 64

Trustee since: 2000

Independent Trustee

Areas of Expertise					
Executive Leadership, Real Estate, Governance, Corporate Finance and Capital Markets, Development					
Board and Committee Attendance during 2019				Other Public Board Membership during the Last Five Years Last Five Years	
Board of Trustees	5 of 5	100%		N/A	
Governance & ESG Committee ⁽¹⁾	4 of 4	100%			
⁽¹⁾ Mr. Lloyd resigned from the Governance & ESG Committee effective March 27, 2020.					
Ownership and Value At-Risk					
As at	Trust Units	Exchangeable Units	Restricted Trust	Total Units	Total Value At-Risk
March 17, 2020	17,415	253,692	12,966	284,073	\$5,741,115
March 20, 2019	16,214	253,692	11,654	281,560	\$5,169,442
<i>Meets unit ownership requirement.</i>					
Voting Results of the 2019 Annual Meeting of Unitholders					
	Votes For	Votes Withheld	Total Votes		
# of Votes	51,803,647	6,015,977	57,819,624		
% of Votes	89.60%	10.40%	100%		

SECTION II. BUSINESS OF THE MEETING



KARINE MACINDOE

Karine MacIndoe has 25 years of professional experience, mostly in real estate and capital markets, and over 5 years of public board experience. She is currently also on the boards of DREAM Office REIT (TSX: D.UN) and DREAM Hard Asset Alternatives (TSX: DRA.UN), as well as the Fred Victor charitable organization. Sub-committee responsibilities include chairing the Audit Committee at DREAM Office and DREAM Alternatives and chairing the Compensation Committee at Killam in 2019 and appointed Chair of Killam's Audit Committee in March 2020. Until 2013, Ms. MacIndoe was a Managing Director and Senior Equity Research Analyst at BMO Capital Markets covering Real Estate & REITs across all property types (retail, office, industrial, multi-residential, seniors housing and hotels). During her more than 10-year career at BMO, she was consistently ranked as a top-ranked analyst in the Brendan Wood Canadian Equity Research Survey; both for the quality of her research and strength of client relationships. Prior work experience also includes M&A Advisory at NM Rothschild & Sons, and management of sales planning at Canadian Airlines International. Ms. MacIndoe has an MBA from the Richard Ivey School of Business (graduated an Ivey Scholar) and a Bachelor of Commerce from the University of Calgary (graduated Honor Society).

Karine L. MacIndoe

Toronto,
Ontario, Canada

Age: 46

Trustee since: 2014

Independent Trustee

Areas of Expertise					
Real Estate, Accounting, Governance, Corporate Finance and Capital Markets					
Board and Committee Attendance during 2019				Other Public Board Membership during the Last Five Years	
Board of Trustees	5 of 5	100%		DREAM Office REIT (2015 to Present) Dream Hard Asset Alternatives Trust (2018 to Present)	
Compensation Committee (Chair) ⁽¹⁾	4 of 4	100%			
Audit Committee (Chair) ⁽²⁾	4 of 4	100%			
⁽¹⁾ Ms. MacIndoe was appointed as Chair of the Compensation Committee on February 12, 2019. ⁽²⁾ Ms. MacIndoe was appointed as Chair of the Audit Committee on March 17, 2020.					
Ownership and Value At-Risk					
As at	Trust Units	Exchangeable Units	Restricted Trust Units	Total Units	Total Value At-Risk
March 17, 2020	57,535		-	57,535	\$1,162,782
March 20, 2019	55,771		2,478	58,249	\$1,069,452
<i>Meets unit ownership requirement.</i>					
Voting Results of the 2019 Annual Meeting of Unitholders					
	Votes For	Votes Withheld	Total Votes		
# of Votes	57,113,207	706,417	57,819,624		
% of Votes	98.78%	1.22%	100%		



LAURIE MACKEIGAN

Laurie MacKeigan is the President of Backman Vid-Comm Ltd., a commercial audio-visual integrator located in Halifax, NS. Prior to purchasing Backman-Vid in 2014, Ms. MacKeigan had a career in public accounting, banking and investments. She has experience in public financial reporting for banking and real estate. She spent 11 years in Bermuda and was appointed Vice-President, Finance of the Bank of Bermuda. Ms. MacKeigan has a BBA from Acadia University and is a CPA in both Canada and the United States. In 2019, Ms. MacKeigan was recognized as EY Entrepreneur of the Year – Emerging for Atlantic Canada.

Laurie M. MacKeigan,
CPA, CA, CPA(IL)

Halifax,
Nova Scotia, Canada

Age: 48

Trustee since:
Nominated

Independent Trustee
for 2020

Areas of Expertise					
Executive Leadership, Entrepreneurship, Accounting, Corporate Finance and Capital Markets					
Board and Committee Attendance during 2019 ⁽¹⁾				Other Public Board Membership during the Last Five Years	
N/A				N/A	
Ownership and Value At-Risk					
As at	Trust Units	Exchangeable Units	Restricted Trust Units	Total Units	Total Value At-Risk
March 17, 2020	554			554	\$11,196
March 20, 2019					
<i>Ms. MacKeigan has five years from her appointment in 2020 to meet Killam's Trustee unit ownership requirement.</i>					
Voting Results of the 2019 Annual Meeting of Unitholders					
	Votes For	Votes Withheld	Total Votes Cast		
# of Votes					
% of Votes					

⁽¹⁾ Ms. MacKeigan is nominated as a new Independent Trustee at the 2020 Meeting.

SECTION II. BUSINESS OF THE MEETING



ROBERT RICHARDSON

Mr. Richardson is the founding Chief Financial Officer and Vice President of Killam and is currently the Executive Vice President. He is also President of Freehold Commercial Realty Limited, a commercial real estate management company based in Halifax. Most recently, Robert is co-founder of Sustane Technologies Inc., an advanced recycling company building a biomass pellet and syn-diesel plant in Chester, NS. Mr. Richardson has worked in real estate for over 30 years and holds a Bachelor of Commerce from Dalhousie University and is a Fellow Chartered Professional Accountant. Mr. Richardson is a member of Dalhousie's Board of Governors where he chairs the Capital Projects and Facilities and Investments Committees, and the Halifax YMCA's Capital Campaign Committee. In the past, he has Chaired the Board of Directors for the YMCA of Greater Halifax/Dartmouth and the IWK Health Centre.

**Robert G. Richardson,
FCPA, FCA**

Halifax,
Nova Scotia, Canada

Age: 58

Trustee since: 2000

Executive Trustee

Areas of Expertise					
Executive Leadership, Real Estate, Accounting, Entrepreneurship, Governance, Development, Corporate Finance and Capital Markets					
Board and Committee Attendance during 2019				Other Public Board Membership during the Last Five Years	
Board of Trustees	5 of 5	100%		RediShred Capital Corp. (TSX-V) (2007 to present)	
Ownership and Value At-Risk					
As at	Trust Units	Exchangeable Units	Restricted Trust Units	Total Units	Total Value At-Risk
March 17, 2020	116,758	281,482	46,870	445,110	\$8,996,673
March 20, 2019	93,338	281,482	72,083	446,903	\$8,205,139
<i>Meets unit ownership requirement for Executive Vice President.</i>					
Voting Results of the 2019 Annual Meeting of Unitholders					
	Votes For	Votes Withheld	Total Votes Cast		
# of Votes	50,671,318	7,148,306	57,819,624		
% of Votes	87.64%	12.36%	100%		



MANFRED WALT

Mr. Walt is President and Chief Executive Officer of Walt & Co. Inc., a private investment and management company. Mr. Walt has been associated with the Bronfman family (Brookfield Asset Management) from 1980 – 1998 and the Reichman family (Retirement Residences REIT) from 1998 – current. Mr. Walt has played various executive roles in the abovementioned families' private and public companies over these years. Mr. Walt holds a Bachelor of Commerce and a Certificate in the Theory of Accountancy from the University of Cape Town and is a Chartered Professional Accountant.

Manfred J. Walt
CPA, CA

Toronto,
Ontario, Canada

Age: 67

Trustee since: 2007

Areas of Expertise					
Executive Leadership, Governance, Real Estate, Accounting, Corporate Finance and Capital Markets, Development, Entrepreneurship					
Board and Committee Attendance during 2019 ⁽¹⁾				Other Public Board Membership during the Last Five Years	
Board of Trustees	5 of 5	100%		Firm Capital Property Trust (2012 to present)	
Governance & ESG Committee (Chair)	4 of 4	100%		Wilmington Capital Management Inc. (2019 to present)	
Ownership and Value At-Risk					
As at	Trust Units	Exchangeable Units	Restricted Trust	Total Units	Total Value At-Risk
March 17, 2020	79,795	319,646	13,994	413,435	\$8,355,521
March 20, 2019	76,988	319,646	12,609	409,243	\$7,513,701
<i>Meets unit ownership requirement.</i>					
Voting Results of the 2019 Annual Meeting of Unitholders					
	Votes For	Votes Withheld	Total Votes		
# of Votes	56,547,103	1,272,521	57,819,624		
% of Votes	97.80%	2.20%	100%		

SECTION II. BUSINESS OF THE MEETING



WAYNE WATSON

Mr. Watson has extensive experience in finance and accounting. He has worked in senior financial roles in the past, including the position of Vice-President of Finance for CanJam Trading Limited from 2002 to 2007 and Chief Financial Officer and Vice-President, Finance, for Fortis Inc., an international electric and gas utility holding company, for the period 1992 to 2000. Mr. Watson is a Chartered Professional Accountant.

G. Wayne Watson
CPA, CA
 Dartmouth,
 Nova Scotia, Canada
 Age: 72
 Trustee since: 2000
 Independent Trustee

Areas of Expertise					
Executive Leadership, Accounting, Real Estate, Governance, Corporate Finance and Capital Markets					
Board and Committee Attendance during 2019				Other Public Board Membership during the Last Five Years	
Board of Trustees	5 of 5	100%		N/A	
Audit Committee ⁽¹⁾	4 of 4	100%			
Compensation Committee	4 of 4	100%			
⁽¹⁾ Mr. Watson was Chair of the Audit Committee until March 17, 2020 when he resigned. Ms. MacIndoe was appointed Chair of the Audit Committee effective March 17, 2020.					
Ownership and Value At-Risk					
As at	Trust Units	Exchangeable Units	Restricted Trust Units	Total Units	Total Value At-Risk
March 17, 2020	5,732	85,000	3,046	93,778	\$1,895,253
March 20, 2019	5,311	85,000	2,742	93,053	\$1,708,453
<i>Meets unit ownership requirement.</i>					
Voting Results of the 2019 Annual Meeting of Unitholders					
	Votes For	Votes Withheld	Total Votes Cast		
# of Votes	50,277,981	7,541,643	57,819,624		
% of Votes	86.96%	13.04%	100%		

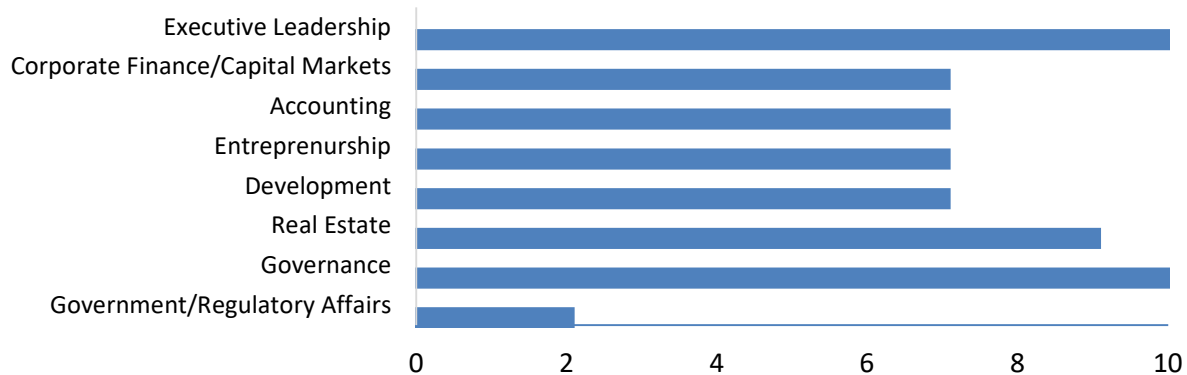
Notes relating to Trustees Nominated for Election:

- 1) The information as to the number of Trust Units and Exchangeable Units beneficially owned as at March 17, 2020, and March 20, 2019, not being within the knowledge of Killam, has been furnished by the respective nominees.
- 2) The market value of Trust Units, Exchangeable Units, and Restricted Trust Units (“RTUs”) is based on a value of \$20.21 with respect to Units held at March 17, 2020, and \$18.36 in respect of Units held at March 20, 2019, being the closing price on the Toronto Stock Exchange (“TSX”) on such dates.
- 3) As at March 17, 2020, the Trustees held 2,946,949 Exchangeable Units (March 20, 2019 — 2,946,949 Exchangeable Units).

Trustees' Areas of Expertise

The skills matrix below summarizes the expertise possessed by Trustees. The areas of expertise outlined in the skills matrix below are considered in assessing candidates during the nomination process. Such areas of expertise are referred to in identifying any skills gaps. The emphasis placed on any area of expertise may change as part of the ongoing assessment of the composition of the Board.

Skills and Experience



Description of areas of expertise:

- Executive leadership - Experience driving strategic direction and leading growth of a corporation/trust.
- Governance - Previous or current experience as a board member of a public or private organization.
- Real Estate - Senior executive experience in the real estate industry.
- Development - Senior executive experience in the development of real estate assets.
- Entrepreneurship - Experience in building a business.
- Accounting - Senior executive experience in financial accounting and reporting.
- Corporate Finance and Capital Markets – Experience in investment banking or capital markets.
- Government and Regulatory Affairs – Experience in or a strong understanding of the working of government and public policy.

All Trustees are considered financially literate, defined by the Canadian securities regulators as having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Killam's financial statements.

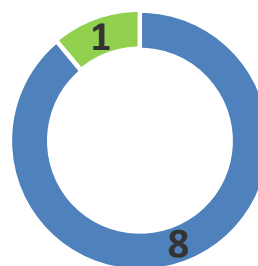
SECTION II. BUSINESS OF THE MEETING

Trustee Independence

To be effective, the Board must be independent of Management. Trustees are independent only if they are unaffiliated with Killam, other than by virtue of their position as a Trustee, and the Board has determined that they have no direct or indirect material relationship with Killam that could interfere with their independent judgement.

Currently, seven (7) of eight (8), or 88% of the non-executive nominated Trustees are independent. None of the non-executive Trustees has ever served as an executive of Killam.

Non-executive Trustee Independence



■ Independent ■ Non-Independent

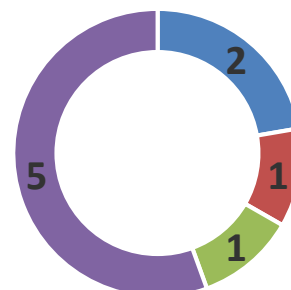
Trustee Tenure

In 2015, Killam introduced Trustee term limits to ensure ongoing Board renewal, sustain Board performance and add expertise. Trustees who joined the Board prior to February 17, 2015, may serve for an additional ten (10) years and Trustees who joined the Board after February 17, 2015, may serve until they have reached ten (10) years. In addition, the Board may recommend any Trustees for re-election for an additional two-year term.

The Governance & ESG Committee, in conjunction with its review of the Trustees' skills and experience, reviews each Trustee's tenure on the Board annually. Four (4) of the current non-executive Trustees have served on the Board since inception and are original investors in Killam. These Trustees have extensive real estate knowledge and continue to provide in-depth strategic guidance to the Trust.

The Board understands the importance of Board refreshment and since 2014, Killam has added three (3) new Trustees, expanding the diversity and knowledge base of the Board. These appointments have allowed the Trust to ensure both its Audit Committee and Compensation Committee are comprised of fully independent Trustees in 2020. Currently, approximately 30% of Killam's Board (including non-executive Trustees) has less than 12 years tenure and the Board is committed to continuing to refresh Board membership. Specifically, Mr. Watson has given notice that he will not seek renomination at Killam's 2021 Annual General Meeting and Mr. Lloyd has given notice that he will not seek renomination at Killam's 2022 Annual General Meeting.

Non-executive Trustee Tenure



■ 0-5 years ■ 6-10 years ■ 11-15 years ■ 16-20 years

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE COMPENSATION PHILOSOPHY AND STRATEGY

The goal of Killam's executive compensation program is to attract, retain and motivate top executive talent to achieve the Trust's business goals and objectives with appropriate risk-taking and encourage ethical behaviour of executives. Killam strives to ensure its executive compensation program aligns with unitholder interests and corporate governance best practices.

Pay-for-Performance

- ✓ The majority of total direct compensation for executives is performance-based including a portion of equity-based compensation to align with unitholder value.
- ✓ Total direct compensation is targeted at or near the market median. The compensation of peer companies is considered in order to ensure pay levels for the NEOs are appropriate and competitive.
- ✓ A portion of incentive awards are dependent upon unit performance and are measured against objective financial metrics that link either directly or indirectly to the creation of value for unitholders.
- ✓ Variable compensation balances overall FFO per unit growth with same property net operating income ("NOI") growth, as well as short-and long-term objectives to reward for overall performance that does not over-emphasize a singular focus.
- ✓ A portion of long-term incentives are delivered in the form of performance based RTUs which vest only upon the achievement of relative unitholder return and FFO per unit objectives.
- ✓ Maximum payouts under annual incentive awards and under long-term incentives are capped at 1.5x. Should minimum performance targets for long-term incentives not be met executives will not qualify for payout.

Corporate Governance

- ✓ Killam's compensation program is designed to mitigate compensation-related risk and promote long-term growth by determining award payouts based on a range of performance goals.
- ✓ Killam has an executive compensation clawback policy.
- ✓ Validation of Killam's pay-for-performance relationship is completed annually. The Compensation Committee is actively involved in the review and approval of performance goals under the annual incentive plan.
- ✓ Corporate performance goals and achievements related to these goals are disclosed.
- ✓ Excessive perquisites are not provided to employees including executive officers.
- ✓ Minimum ownership levels are required for executive officers.

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

The primary goals of Killam’s compensation program are to:

- Provide total compensation that is competitive in the context of Killam’s peer group and the real estate industry in general.
- Attract, retain and motivate executives who are critical to the success and financial performance of Killam.
- Reward targeted achievements with a variable pay component, based on the achievement of both individual and the Trust’s operational and financial results.
- Link a portion of the variable pay to enhance long-term alignment between executives and unitholders interests, rewarding for superior total return performance.

ELEMENTS OF EXECUTIVE COMPENSATION PROGRAM

Killam’s compensation is structured with a clear focus on pay-for-performance and aligns with the interest of unitholders. Killam’s compensation is comprised principally of base salary, short-term cash incentives (bonus) and long-term incentives (in the form of RTUs) as described in the table below. Benefit and perquisites generally comprise a small part of total annual compensation.

Components		Form	Period	Program Objectives and Details
Fixed Compensation	Base Salary	Cash	Annual	<ul style="list-style-type: none"> • Reflects the executive’s level of responsibility and experience, market competitiveness, and the executive’s overall performance.
Variable Compensation	Short-Term Annual Incentive Plan (“AIP”)	Cash	Annual	<ul style="list-style-type: none"> • Incentive program is linked to the achievement of FFO per Unit and same property NOI growth targets in the fiscal year. • Each executive has a target annual bonus (% of base salary). • Actual payout is determined by the achievement of predetermined financial performance objectives and individual performance objectives.
	Long-Term Incentive Plan (“LTIP”)	Restricted Trust Units (No performance factors)	Three-year vesting period	<ul style="list-style-type: none"> • Serves as a key component in retaining executives. • RTU grants are made once per year. • Individual awards are differentiated based on role. • RTUs with no performance factors comprise 50% of the total value of RTU grants to executives. • Settled in cash or Trust Units issued from treasury at the end of the applicable vesting period. • Restricted Trust Unit Plan (“RTU Plan”) provides for the crediting of additional RTUs in respect of distributions paid on Trust Units for the period when an RTU is outstanding.

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

Variable Compensation		Restricted Trust Units (With performance factors)	Three-year performance period	<ul style="list-style-type: none"> • Encourages and rewards executives for increasing total unitholder value and used to retain executives. • RTU grants (with performance factors) are generally made once per year. • Individual awards are differentiated based on role and expected future performance. • RTUs (with performance factors) comprise 50% of the total value of RTU grants to executives. • The value at vesting is based 50% on the Trust's success in FFO per Unit results versus pre-determined targets over a three-year period and 50% on total unitholder return compared to the S&P TSX Capped REIT Index over a three-year period. • RTUs (with performance factors) settled in cash or Trust Units issued from treasury at the end of the applicable vesting period. • RTU Plan provides for the crediting of additional RTUs in respect of distributions paid on Trust Units for the period when an RTU (with performance factors) is outstanding.
Benefits	Group health, dental and insurance benefits		Annual	<ul style="list-style-type: none"> • Executive benefit plans, paid for by the Trust, provide health, dental, disability and insurance coverage.
Perquisites	Cash allowance/ Employee Unit Purchase Plan		Annual	<ul style="list-style-type: none"> • A limited number of personal benefits are provided, including a car allowance (for the President & CEO) and the ability for all employees to participate in the employee unit purchase plan.

Base Salaries

Base salary for the senior executive officers is based on proxy data from Killam's peer group for similar positions and targets the 50th percentile of the market based on proxy data from Killam's peer group for similar positions. Base salaries also consider each executive's job responsibilities and the level of skill and experience required to perform his or her given role. Base salaries and subsequent increases are approved by the Compensation Committee.

Short-Term Annual Incentive Plan

Killam has a short-term AIP that is designed to motivate executives to meet Killam's annual business and strategic objectives. The AIP objectives include pre-set financial performance targets and strategic goals for individuals, determined annually and approved by the Compensation Committee.

All executives have AIP award targets that are expressed as a percentage of their base salary, with such targets determined by the executive's position and level within the organization. Actual payouts to an executive are dependent upon actual performance relative to the performance targets which are set annually. Payouts to an executive for each of the Trust's operating performance targets (65% – 75% of target compensation) range from zero to a maximum of 150% of target. Payouts to an executive for individual performance targets (25% - 35% of target compensation) range from zero to a maximum of 100%. The AIP award payments are made annually in cash following approval by the Compensation Committee.

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

Long-Term Annual Incentive Plan – Restricted Trust Units

Killam's RTU awards are designed to retain and motivate executives to achieve specific results over continuous three-year periods that are expected to increase unitholder value. RTUs are awarded each year based on a percentage of base salary. Half (50%) of the RTUs awarded each year are linked to performance factors and half (50%) do not have a performance factor. The values of the awards are directly linked to the market value of the Trust Units and to unit distributions. Under the RTU Plan, when distributions are paid on Trust Units for the period when an RTU is outstanding, additional RTUs equivalent in value to the distributions paid on Trust Units will be credited to the participant's account.

All RTUs cliff vest after three years. Upon vesting, the executive receives Trust Units, or a cash payment, based on the market value of the underlying Units plus accrued distributions, subject to a performance factor, if applicable. The RTUs with performance factors have a maximum award of 1.5X target for superior performance, while no awards are paid for performance below specific thresholds.

RTUs with performance factors represent a form of at-risk long-term compensation that serves to motivate the recipient to deliver on specific objectives set forth in Killam's strategic plan. RTUs with performance factors serve as a pay-for-performance incentive to reward executives for the achievement of prescribed goals and Trust Unit price appreciation.

If a participant is either terminated for cause or voluntarily resigns prior to the end of the applicable vesting period, all RTUs, are cancelled on the date of cessation of employment and no payments are made in respect of such RTUs. If a participant's employment is terminated: (i) due to death; (ii) retirement; or (iii) by the Trust without cause, then the RTUs that do not have conditions to vesting related to performance measures shall vest on a pro-rata basis for the period of time the participant was actively employed. The RTUs that have conditions to vesting related to performance measures shall remain eligible to vest on a pro-rata basis for the period of time the participant was actively employed (to the extent the applicable conditions to vesting are ultimately satisfied). All other RTUs are cancelled. Settlement of vested RTUs is made as soon as practicable following the last day of active employment. A summary of Killam's RTU Plan can be found on pages 53 and 54.

Overall compensation including base salary, and bonus payments under Killam's AIP and LTIP for the senior executive officers is targeted to be within the 50th percentile of the market based on proxy data from Killam's peer group for similar positions.

Unit Purchase Plan

Killam offers a unit purchase plan to its full-time and part-time employees with a view to encourage its staff to own Units in the Trust. Employees, including executives, may contribute up to 7% of their base salary to the plan, to a maximum of \$5,000 annually. Killam will match 50% of the employee's contribution for all employees that have been with the Trust for over two (2) years. Funds contributed are invested in Units.

Retirement Plans

Killam has no retirement plans, pension plans or other forms of funded or unfunded retirement compensation for its employees.

EXECUTIVE COMPENSATION AND RISK MANAGEMENT

Killam has designed its compensation program to provide an appropriate balance of risk and reward in relation to its overall business strategy. The Compensation Committee believes that, in its review of risk mitigation practices, having a compensation program that comprises a mix of compensation elements, with a significant portion of compensation in the form of long-term equity based awards, acts as a deterrent to executives taking excessive risk. Additionally, the Trust has risk mitigation practices that include Board oversight, designing balanced incentive plans that are not focused on a single financial measure, a clawback policy for short and long-term compensation, Trust Unit ownership requirements for all executives at the vice president level or higher and trading restrictions and hedging prohibitions, each of which are described in more detail below.

Board Oversight

The Compensation Committee is an independent committee of the Board made up of three (3) independent Board members which, together with the Board, is accountable for the decisions relating to executive compensation. Effective February 12, 2019, Ms. MacIndoe was appointed Chair and Ms. Landry was appointed as a member of the Compensation Committee.

The members of the Compensation Committee have the relevant skills and experience that enable them to make decisions in relation to the suitability of the Trust's compensation policies and practices. Ms. MacIndoe spent over 10 years as a Managing Director and Senior Equity Research Analyst covering real estate/REITs and serves on the Compensation Committee of DREAM Office REIT. Mr. Watson spent eight years with Fortis Inc., a publicly traded utility, as CFO overseeing the corporation's compensation policies and practices and Ms. Landry is a lawyer, business executive and corporate director with significant legal, government and corporate governance experience.

Incentive Plan Design

Killam's AIP was designed on a balanced set of performance measures and weightings, which are reviewed and approved by the Compensation Committee annually. The 2019 AIP performance measures and weightings include funds from operations per Unit growth, NOI growth and an individual performance component. Using multiple performance measures requires that the operating results of Killam must outperform in all key metrics in order for executives to achieve the maximum compensation award. This balanced approach reduces the risk of a disproportionate focus on any single aspect of the business for the sole purpose of increasing compensation. Killam's AIP has a maximum payout level that limits the amount that an executive can be paid in order to limit incentives to take excessive risk. The AIP's performance metrics are stress tested and the results of this analysis are reviewed by the Compensation Committee as part of its annual approval process.

A portion of executive compensation is also allocated to long-term incentives to focus executives on sustainable value creation. The Trust's objective is to design incentive plans that do not motivate executives to take excessive or inappropriate risks given the potential negative impacts on the long-term equity components of compensation. The LTIP consists of restricted Trust Units and restricted Trust Units with performance conditions. These units provide for alignment with changes in Trust Unit price, participation in distributions and retention value. Equity awards are granted annually and vest over time. This creates overlapping vesting periods which maintain executives' exposure to the consequences of their decision-making through their unvested equity. The Compensation Committee regularly reviews Killam's compensation plan and can adjust compensation plan components, including incentive awards, targets and payouts, as appropriate.

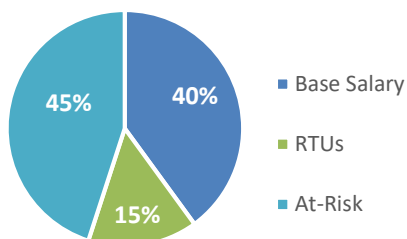
On an annual basis, the Compensation Committee also reviews Killam's compensation practices with a view to maintain the appropriate balance between "at-risk" and "not at-risk" compensation. The two large components of compensation are base salary, a form of compensation that is not "at-risk", and incentive awards, which are considered to be "at-risk". This mix is designed to encourage executives to take measured risks that may have a positive impact on Killam's performance while simultaneously providing adequate compensation to executives to discourage them from taking excessive risks.

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

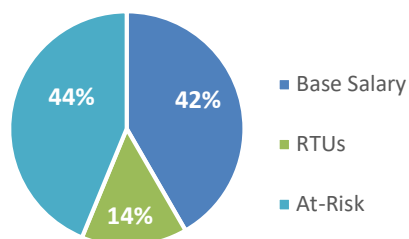
At-Risk Compensation

The graphs below demonstrate the “at-risk” pay for the CEO as well as the average “at-risk” pay for all other NEOs. In 2019, the target compensation for the CEO and Executive Vice President was 45% at-risk, 38% for the CFO and 33% for the other NEO’s. (The at-risk component of the target compensation included the target annual AIP award and performance based RTUs).

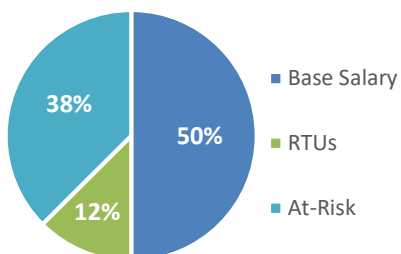
President & CEO



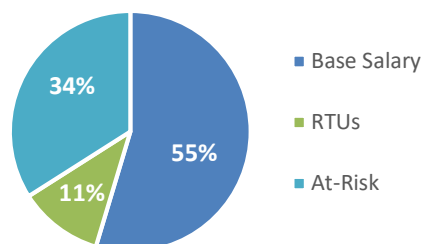
Executive Vice President



Chief Financial Officer



Other NEOs



SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

Clawback Policy

Killam has an executive compensation clawback policy with respect to incentive-based compensation. Under this policy, which applies to all current or former executive officers and vice-presidents of the Trust, the Board may, in its sole discretion, require reimbursement of all or a portion of the incentive-based compensation received by an executive. The Board may seek reimbursement or full or partial compensation in situations where:

- (a) any incentive-based compensation paid or granted to an executive was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently affected by an accounting restatement due to the material non-compliance;
- (b) the executive engaged in misconduct that caused or partially caused the need for the accounting restatement; and
- (c) such incentive-based compensation paid or granted to the executive would have been lower had the financial statements materially complied with applicable securities laws.

In the circumstances described above, the Board may, to the fullest extent permitted by applicable law and to the extent it determines that it is in the Trust's best interest to do so, require the executive to reimburse the Trust for all or any portion of the excess amount received by the applicable Executive. The policy requires that when the clawback is triggered, the executive must repay all applicable excess incentive payments received over the two-year period preceding the triggering event.

Prohibition against Speculating and Hedging

All of Killam's personnel and Trustees, including its NEOs (as defined herein), are prohibited at any time from, directly or indirectly, undertaking any of the following activities:

- speculating in securities of the Trust, which may include buying with the intention of quickly reselling such securities, or selling securities of the Trust with the intention of quickly buying such securities (other than in connection with the acquisition and sale of Units issued under the Trust's RTU Plan or any other benefit plan or arrangement);
- short selling a security of the Trust or any other arrangement that results in a gain only if the value of the Trust's securities declines in the future;
- selling a "call option" giving the holder an option to purchase securities of the Trust; and
- buying a "put option" giving the holder an option to sell securities of the Trust.

Additionally, Trustees and executive officers are prohibited from undertaking any activities or engaging in trades in securities whereby the interests of such person making the trade are not aligned with those of Killam, including, but not limited to, purchasing financial instruments that are designed to hedge or offset a decrease in the market value of the Units or other equity securities granted as compensation or otherwise held.

Unit Ownership Requirements

All executives at the vice-president level or higher are required to maintain an equity investment in Killam. The Trust's Unit Ownership Guidelines are designed to align executives' interests with those of the unitholders, and to mitigate the likelihood of undue risk taking. The Unit Ownership Guidelines establish minimum Unit ownership levels, which are set at a multiple of base salary based on the position. Specifically, executives must hold a minimum value of investment of Units, Exchangeable Units or RTUs equal to:

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

President & CEO	4 times base salary
EVP	3 times base salary
CFO	2 times base salary
Other VPs	1 times base salary

This requirement must be met within five years of becoming an executive. As at March 17, 2020, all NEOs held the minimum requirement of their base salaries in Trust Units, Exchangeable Units or RTUs, as detailed below:

NEO	Trust Units (#)	Exchangeable Units (#)	RTUs (#)	Total Units (#)	Total Value at Risk ⁽¹⁾ (\$)	2019 Salary (\$)	Holdings at Risk Compared to Base Salary
Philip Fraser	416,922	261,941	100,243	779,106	\$15,745,732	\$650,000	24.2x
Robert Richardson	116,758	281,482	46,870	445,110	\$8,995,673	\$330,000	27.3x
Dale Noseworthy	33,831	-	26,549	60,380	\$1,220,280	\$290,000	4.2x
Ruth Buckle	45,834	-	20,620	66,454	\$1,343,035	\$275,000	4.9x
Michael McLean	30,786	-	20,010	50,796	\$1,026,587	\$270,000	3.8x

⁽¹⁾ Value at-risk based on the closing price of the Units on the TSX on March 17, 2020, of \$20.21.

COMPENSATION CONSULTANTS AND ROLE OF MANAGEMENT

Compensation Consultants and Advisors

Killam implemented changes to its executive compensation program in 2017 to increase the at-risk component of compensation and increase alignment of the program with long-term unitholder value. The Compensation Committee and the Board did not make any significant changes to Killam's compensation program in 2019. Killam did not engage a compensation consultant or pay any fees to a compensation consultant during 2019.

Comparative Market Data

Comparative market data is one factor used in setting the compensation of executives. Other factors considered by the Compensation Committee include individual performance and experience, scope of the role, leadership ability, internal pay equity among executives and the operating results of the business. The Compensation Committee uses benchmarking and comparisons of compensation programs from a peer group of real estate entities annually to confirm that the Trust's programs remain competitive.

Compensation Peer Group

For the purpose of benchmarking, Killam reviews and considers its identified peer group as a primary source of reference. The intent is for Killam to fall in the median of the group in terms of both revenue and asset base to ensure that Killam's relative size is considered and reflected in benchmarking. Based upon a review of Killam's peer group conducted during 2019, the Compensation Committee approved the following changes to Killam's compensation peer group in 2019:

Additions: Minto Apartment REIT, Sienna Senior Living Inc., Cominar REIT

Deletions: Melcor Developments Ltd., Wall Financial Corporation, Plaza Retail REIT, Mainstreet Equity Corp., WPT Industrial REIT

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

The approved peer group selected for 2019 was comprised of the following REITs and corporations:

Artis REIT	Cominar REIT	Northview Apartment REIT
Boardwalk REIT	Dream Unlimited Corporation	Sienna Senior Living Inc.
Canadian Apartment Properties REIT	Granite REIT	Summit Industrial Income REIT
Chartwell Retirement Residences REIT	InterRent REIT	
CT REIT	Minto Apartment REIT	
Crombie REIT	Morguard North American Residential REIT	

Role of Management in the Compensation and Evaluation Process

Management's primary role in executive compensation decisions is to gather data and prepare analysis to make preliminary recommendations to the Compensation Committee and to the Board. Specifically, Management gathers and analyzes information including:

- Compensation data from its peer group;
- Specific analyses prepared by a compensation consultant (as required);
- Killam's performance and market position compared to Killam's proxy peer group;
- Corporate performance benchmarking – financial and operational;
- Recommendations on the compensation design process; and
- Recommendations on the annual Trust performance targets for the AIP.

In addition, the President and CEO evaluates the performance of key senior executives and makes recommendations to the Compensation Committee with respect to the compensation and individual strategic goals to be used as performance targets for the AIP of the other NEOs. The evaluations of executives are based on the achievement of objectives and targets related to both the Trust and the individual and include an assessment of each executive's leadership capabilities and team development skills. The views of the President and CEO are valued because of his ongoing involvement with key senior executives. As a result, he is in the best position to effectively assess the performance of the other NEOs and how their efforts have contributed to the achievement of the Trust's strategic objectives and operational targets.

Annual Process

As previously mentioned, salaries for executives are determined using market data and consider the scope and job responsibilities of the executive. To determine the AIP and RTU awards, the Compensation Committee and the Board consider multiple factors, including Killam's corporate performance against targets, the executive's individual performance, and the variable compensation paid to the top executives of Killam's peers. On an ongoing basis, Management and the Compensation Committee discuss executive performance, as well as monitor executive compensation and the alignment with Killam's performance and strategy.

The following schedule illustrates the timing and process for determining Killam's executive compensation:

January

- Killam's results are compared with targets for annual incentive payments;
- Executive performance reviews are prepared, including evaluation of individual performance against targets for AIP award payments; and
- CEO prepares a comprehensive report to the Compensation Committee and Board including performance against targets and recommendations for executive compensation, as well as AIP awards and base salary increases.

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

February

- Compensation Committee meets to review the AIP and RTU performance-based awards and approve the AIP and RTU performance-based targets for the current year. Based on this review, the Compensation Committee and the Board approve the following:
 - AIP payments related to the previous year's performance;
 - RTU performance-based award payments for the previous three-year cycle;
 - Base salary increases for the executives;
 - Grant of RTUs based on approved salaries, to vest over three years;
 - AIP performance targets for the current year; and
 - Performance-based RTU targets for the next three-year period.
- AIP awards are paid to executives.

March

- Individual performance targets are confirmed and approved by the CEO; and
- Proxy information is compiled.

August – October

- Management prepares an analysis of peer group compensation based on previous year's proxy circulars; and
- Killam's annual operating budget is prepared.

November - December

- Killam's annual budget is approved by the Board. Targets for the AIP awards for the next year are linked to the approved operating budget.

Unitholder Engagement

Killam is committed to strong corporate governance practices and included its second annual "Say-on-Pay" advisory vote at its 2019 Annual General Meeting that allowed unitholders to indicate whether they agreed with Killam's compensation practices and policies. In 2019, unitholders voted 92.4% in favour of Killam's approach to executive compensation. Killam's 2020 proxy will again present a "Say-on-Pay" non-binding advisory resolution at the Meeting. Killam is committed to proactively engaging with unitholders and believes it is important to receive direct feedback from unitholders about compensation decisions and other governance matters. Unitholders can contact the Chair of the Compensation Committee or the Chair of the Board at the address listed on page 78 of this Circular.

2019 EXECUTIVE COMPENSATION

Annual Incentive Plan

The 2019 AIP incorporated the following performance measures: FFO per Unit growth, same property NOI growth, and the achievement of individual performance objectives. The weightings for the performance measures vary by NEO and are based on their position within the organization. AIP payouts are determined separately for each operating performance measure using a sliding scale and then aggregated to determine the final payout amount. The weightings for performance objectives by NEO in 2019 were as follows:

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

NEO	AIP Target as a % of Base Salary (%)	Performance Weightings		
		FFO per Unit Component (%)	Same Property NOI Growth (%)	Individual Strategic Goals Component (%)
Philip Fraser	75%	50%	25%	25%
Robert Richardson	70%	50%	25%	25%
Dale Noseworthy	50%	50%	25%	25%
Ruth Buckle	40%	45%	20%	35%
Michael McLean	40%	45%	20%	35%

The performance targets are established by the Compensation Committee based on input from Management and independent advice from a compensation consultant as required. Minimum (threshold), target and maximum metrics are established each year for the two operational components of the AIP (FFO per Unit and same property NOI growth), as described below. The following charts summarize each performance measure's target, performance ranges and payout percentages:

FFO per Unit	Threshold	Target	Maximum	Achievement
Performance Range	\$0.930	\$0.976	\$1.030	\$0.979
Payout Factor (% of Target)	50%	100%	150%	103%

Killam's target FFO per Unit is calculated in accordance with the REALPac definition as net income in accordance with IFRS adjusted for depreciation on an owner-occupied building, fair value gains/losses, interest expense related to exchangeable units, gains/losses on disposition, deferred tax expense/recovery, unrealized gains/losses on derivative liability, internal commercial leasing costs, interest expense related to lease liabilities, and non-controlling interest. Actual FFO per unit are calculated in accordance with the REALpac definition, except for the adjustment of insurance proceeds as REALpac does not address this adjustment. A reconciliation between net income and FFO is included on page 29 of Killam's 2019 management discussion and analysis.

In February 2020, the Compensation Committee reviewed the 2019 financial results of Killam and calculated FFO per Unit for AIP purposes in accordance with the plan. Killam's FFO per Unit for 2019 was \$0.979 per Unit, a 4.3% increase over 2019, resulting in a payout of 103% for this component of the AIP.

Killam exceeded its target FFO per Unit in 2019 as a result of strong same property performance and incremental contributions from acquisitions. Killam completed \$191 million of acquisitions and completed \$38 million in developments in 2019.

Same Property NOI Growth	Threshold	Target	Maximum	Achievement
Performance Range	0.0%	2.6%	6.5%	4.1%
Payout Factor (% of Target)	50%	100%	150%	120%

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

Killam's target same property NOI growth is calculated based on Killam's same property results in relation to revenues and property operating expenses for stabilized properties that Killam has owned for equivalent periods in 2019 and 2018 (80% of the fair value of Killam's investment properties as at December 31, 2019).

In February 2020, the Compensation Committee reviewed the 2019 financial results of Killam and calculated same property NOI growth for AIP purposes in accordance with the plan. Killam's same property NOI growth for 2019 was 4.1%, resulting in a payout of 120% for this component of the AIP.

Killam exceeded its target same property NOI growth in 2019 as a result of its execution of revenue optimization initiatives which resulted in same property revenue growth of 3.6% as well an enhanced leasing program and strong market fundamentals which drove same property occupancy to 97.3%. Killam completed 300 suite repositionings during 2019 and also invested in its energy efficiency program to reduce property operating expenses.

The following table sets forth details regarding the 2019 AIP awards for each NEO:

NEO	Base Salary (\$)	AIP Target as a % of Base Salary (%)	AIP Target (\$)	Maximum AIP Award (\$)	FFO per Unit (\$)	Same Property NOI Growth (\$)	Individual Strategic Goals (\$)	Total AIP Award 2019 (\$)
Philip Fraser	650,000	75%	487,500	670,313	251,063	145,641	117,000	513,703
Robert Richardson	330,000	70%	231,000	317,625	118,965	69,011	50,820	238,796
Dale Noseworthy	290,000	50%	145,000	199,375	74,675	43,319	32,190	150,184
Ruth Buckle	275,000	40%	110,000	145,750	50,985	26,290	35,310	112,585
Michael McLean	270,000	40%	108,000	143,100	50,058	25,812	33,858	109,728

Long Term Incentive Plan - Restricted Trust Units

Executives are entitled to receive RTU awards equal to a specified percentage of base salary. Half of the RTUs include a performance factor and half do not. All RTUs cliff vest after three (3) years. The NEOs were awarded RTUs related to their 2019 compensation as follows:

RTUs (No Performance Factors)

NEO	% of Base Salary (%)	RTUs Granted (#)	Grant Value per Trust Unit (\$)	Grant Date Fair Value (\$)	Vesting Date
Philip Fraser	37.5%	14,186	17.18	243,750	February 12, 2022
Robert Richardson	35.0%	6,722	17.18	115,500	February 12, 2022
Dale Noseworthy	25.0%	4,219	17.18	72,500	February 12, 2022
Ruth Buckle	20.0%	3,201	17.18	55,000	February 12, 2022
Michael McLean	20.0%	3,143	17.18	54,000	February 12, 2022

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

RTUs (With Performance Factors)

NEO	% of Base Salary (%)	RTUs Granted (#)	Grant Value per Trust Unit (\$)	Grant Date Fair Value (\$)	Vesting Date
Philip Fraser	37.5%	14,186	17.18	243,750	February 12, 2022
Robert Richardson	35.0%	6,722	17.18	115,500	February 12, 2022
Dale Noseworthy	25.0%	4,219	17.18	72,500	February 12, 2022
Ruth Buckle	20.0%	3,201	17.18	55,000	February 12, 2022
Michael McLean	20.0%	3,143	17.18	54,000	February 12, 2022

For 2019, the RTUs with performance factors had two equally weighted measures which include 1) average three-year FFO per Unit growth and 2) total relative unitholder return compared to the S&P/TSX Capped REIT Index over a three-year period. Both measures align with Killam’s strategic objectives and are drivers of increasing unitholder value, with the underlying objective of the RTU Plan being to focus executives on the achievement of long-term strategic objectives in addition to meeting short-term business and financial objectives contained in Killam’s annual business plan.

Threshold performance factors for each metric must be met for any RTUs with performance factors to vest with any value. For clarity, if threshold targets are not met, the value of the RTU is zero. If the target performance factor is achieved, the number of RTUs that vest will be equal to 100% of the RTUs initially granted. If the maximum performance factor is achieved over the performance period, 150% of the initial number of RTUs granted will vest. Any performance results between the threshold performance conditions and maximum performance factors will result in the vesting of RTUs determined on a linear basis.

The FFO per Unit performance targets for the RTUs with performance factors granted in 2019 relate to a three-year period ending in 2022 and were developed considering the Trust’s business strategies, plans and initiatives and its expectations regarding financial and operational performance. These targets are intended to be challenging – neither impossible nor easy to achieve. These FFO per Unit targets are forward-looking and their disclosure before the end of the performance period would prejudice the Trust’s interests.

The performance targets related to total relative annual unitholder compared to the S&P/TSX Capped REIT Index over a three-year period are as follows:

Return	Performance Factor
Below 25 th percentile	0
25 th percentile	0.5
50 th percentile	1.0
75 th percentile	1.5

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

Performance of 2017 RTUs (with Performance Factors)

In 2017, the Trust's NEOs, were awarded RTUs with performance factors whose vesting was based on total relative unitholder return compared to the S&P/TSX Capped REIT Index over a three-year period (50%) and average FFO per Unit performance over a three-year period (50%). At the time of the grant, the performance targets relating to the 2017 FFO per Unit metric were forward-looking as they related to the three-year period ending in 2019 and were developed taking into account the Trust's confidential business strategies, plans and initiatives and its expectations regarding financial and operating performance. Killam's target FFO per Unit is calculated in accordance with the REALPac definition, except for the adjustment of insurance proceeds as REALPac does not address this adjustment. A reconciliation between net income and FFO is included on page 29 of Killam's 2019 management discussion and analysis.

The performance factors for the 2017 RTU (with performance factors) grant were as follows:

Relative Total Return compared to S&P/TSX Capped REIT Index	Performance Factor	FFO per Unit Growth	Performance Factor
Below 25 th percentile	0	Less than 1%	0
25 th percentile	0.5	1%	0.5
50 th percentile	1.0	3%	1.0
75 th percentile	1.5	5%	1.5

In early 2020, the Compensation Committee reviewed the performance of the 2017 grant of RTUs (with performance factors) and determined the following results:

Relative Total Return compared to S&P/TSX Capped REIT Index

The performance factor applied for Killam's relative total return compared to the S&P TSX Capped REIT Index (50% of the grant) was 1.5x, based on Killam's ranking within the 75% percentile over the three-year performance period.

FFO per Unit Growth

	2016	2017	2018	2019
FFO per Unit (\$)	\$0.86	\$0.90	\$0.94	\$0.98
FFO per Unit Growth (%)		4.7%	4.4%	4.3%
Average FFO per Unit Growth	4.5%			
Overall Payout	1.375x			

The performance factor applied for Killam's FFO per Unit growth over the three-year period December 31, 2016 through December 31, 2019 (50% of the grant) was 1.375x, based on average FFO per Unit growth of 4.5%.

Payout Summary

In 2020, the Compensation Committee approved the payout of the 2017 grant of RTUs (with performance factors). The number of RTUs (with performance factors) that vested pursuant to the results is set out in the table below:

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

	2017 RTUs (with performance factors) Granted (#)	Total number of RTUs (with performance factors) vested prior to application of performance factors⁽¹⁾ (#)	Total number of RTUs (with performance factors) vested with performance factor applied (#)	Actual Settlement Value⁽²⁾ (\$)
Philip Fraser	17,630	19,574	28,137	622,121
Robert Richardson	9,413	10,467	15,046	332,672
Dale Noseworthy	4,694	5,220	7,503	165,894
Ruth Buckle	3,912	4,350	6,253	138,257
Michael McLean	3,521	3,915	5,628	124,438

⁽¹⁾ The total number of RTUs (with performance factors) vested prior to the application of the two performance factors reflects the original number granted plus the distribution equivalents earned subsequent to the grant date.

⁽²⁾ The actual settlement value of the RTUs (with performance factors) was based on the closing price of the Trust Units on the TSX on February 19, 2020, the day immediately preceding the final day of the performance period, which was \$22.11.

The value of total payout for all NEOs in respect of the 2017 grant of RTUs (with performance factors) was approximately \$1.4 million. The total payout for each participant was 160% percent of the original grant value, which factors in Unit price appreciation, notional distribution reinvestment and the performance factors.

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

SUMMARY COMPENSATION TABLE FOR NAMED EXECUTIVE OFFICERS

The summary compensation table details annual and long-term compensation paid during the three fiscal years ending December 31 and is laid out as prescribed by the Canadian Securities Administrators.

Name and Position	Year	Salary	Unit Based Awards ⁽²⁾	Non-Equity Incentive Plan ⁽¹⁾	All Other Compensation ⁽³⁾	Total Compensation
Philip Fraser	2019	650,000	487,500	513,703	98,480	1,749,683
President and CEO ⁽⁴⁾	2018	650,000	487,500	582,563	109,282	1,829,345
	2017	600,000	450,000	553,388	80,210	1,683,598
Robert Richardson ⁽⁵⁾ FCPA, FCA Executive Vice President ⁽⁴⁾	2019	330,000	231,000	238,796	51,531	851,327
	2018	330,000	231,000	274,890	67,485	903,375
	2017	343,750	240,625	295,909	55,715	935,998
Dale Noseworthy ⁽⁶⁾ CPA, CA, CFA Chief Financial Officer	2019	290,000	145,000	150,184	23,834	609,018
	2018	275,000	137,500	162,938	22,307	597,745
	2017	240,000	120,000	148,050	13,813	521,863
Ruth Buckle Senior Vice-President, Property Management	2019	275,000	110,000	112,585	20,228	517,813
	2018	260,000	104,000	117,156	22,016	503,172
	2017	250,000	100,000	119,554	16,220	485,764
Michael McLean Senior Vice-President, Development	2019	270,000	108,000	109,728	19,058	506,786
	2018	250,000	100,000	114,150	19,372	483,522
	2017	225,000	90,000	106,423	13,565	434,988

- (1) The annual incentive bonus was earned by the NEO in the respective year. The bonus was paid to the individual in the first quarter of the following year after the audited financial statements for the applicable year were released.
- (2) All Unit-based awards were granted in the form of RTUs. The fair value of RTU awards at the time of grant are based on the number of RTUs awarded times the weighted average trading price of Units for the five trading days prior to the date of grant. In 2019, RTUs were granted on February 12, 2019, at \$17.18.
- (3) All other compensation includes Killam's match for the employees' participation in Killam's unit purchase plan and distributions paid on RTUs, which are automatically reinvested pursuant to the RTU Plan.
- (4) The President and CEO and Executive Vice-President do not receive compensation for services as Trustees of Killam.
- (5) Effective April 1, 2017, Mr. Richardson reduced his work week to 60% and his 2017 base salary reflects a prorated amount based on a salary of \$475,000 for the first three months and \$300,000 for the remaining nine months of 2017.
- (6) Effective April 1, 2017, Ms. Noseworthy was appointed Chief Financial Officer. Prior to the appointment, Ms. Noseworthy was Vice-President Investor Relations and Corporate Planning. Ms. Noseworthy's 2017 base salary reflects a prorated amount based on a salary of \$210,000 for the first three months of 2017 and \$250,000 for the remaining nine months of 2017.

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

Compensation of the President & Chief Executive Officer

Mr. Fraser is the founder and President and Chief Executive Officer of Killam. He has held these positions since Killam's inception in May 2000. Mr. Fraser has worked in the real estate industry for over 30 years. He has extensive experience in real estate, corporate finance, leasing, brokerage and property development. As President and CEO, Mr. Fraser has overall responsibility for the development of Killam's business model and strategy and the leadership responsibilities for Killam's long-term success.

The base salary paid to Mr. Fraser in 2019 was \$650,000, consistent with the base salary approved in 2018 of \$650,000. The President & CEO had robust objectives established with the goal of growing FFO and Net Asset Value ("NAV") per Unit. Mr. Fraser's 2019 performance targets were based on Killam's business strategy and included clearly defined goals in respect of strategy, financing, operations, acquisitions, development, sustainability and stakeholder relations.

Mr. Fraser's AIP award is based on corporate and individual performance. The AIP payout for 2019 was \$513,703. The payout reflected results of 120% of target for same property NOI growth and 103% of FFO per Unit growth (75% of award) and 96% of individual results (25% of award). The following table highlights the individual performance objectives used to determine the individual strategic objective portion of the AIP for the President & CEO related to his 2019 performance:

Individual Performance Targets for 2019	Performance Achievement in 2019
Increase liquidity, strengthen the balance sheet, and maintain total debt as a percentage of total assets below 49%.	Exceeded Target Total debt as a percentage of total assets was 43.4% at December 31, 2019, below Killam's target of a maximum of 49%.
Control G&A costs to be no greater than 6.5% of total revenue.	Exceeded Target G&A expenses were 6.0% of total revenues in 2019.
Grow the portfolio to over \$3.0 billion by the end of 2019, with a minimum acquisition target of \$100 million.	Exceeded Target Completed \$191 million in acquisitions during 2019 growing the portfolio to \$3.3 billion.
Earn at least 30% of 2019 NOI outside of Atlantic Canada.	Met Target 30% of 2019 NOI was generated outside of Atlantic Canada.
To complete Phase 1 (Frontier) of the Ottawa development, break ground on Silver Spear II, plus one additional development project.	Met Target Frontier was completed in June 2019 and the Kay (Silver Spear II) broke ground during Q3-2019. Latitude (Phase II of the Gloucester City Centre development) broke ground in Q2-2019.
Continue to promote and maintain capital market relationships and presence.	Met Target
Leading the execution of Killam's strategic plan and promotion of Killam's core values.	Partially Met Target Killam executed on its strategy in 2019 meeting its targets and generating strong financial and operational results in addition to exceptional employee engagement and tenant satisfaction survey results. In 2019 Killam's strategy included an increased focus on environment, social and governance ("ESG"). Specifically, Mr. Fraser engaged leaders within Killam to form an ESG committee to integrate ESG into Killam's strategic objectives. Killam also submitted an initial GRESB assessment, completed a third party 2018 greenhouse gas review and created a sustainability scorecard for property managers.

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

Compensation of the Executive Vice-President

Mr. Richardson is the Executive Vice-President of Killam. Prior to April 2017, Mr. Richardson was Killam's Chief Financial Officer and Executive Vice-President since Killam's inception in May 2000. Mr. Richardson has worked for over 30 years in real estate and has extensive experience in accounting, corporate finance, leasing, brokerage and property development. Mr. Richardson is a FCPA, FCA.

Mr. Richardson's 2019 base salary was \$330,000, consistent with the 2018 base salary of \$330,000. The Executive Vice-President had robust objectives established with the goal of enabling long-term and shorter-term FFO and same property NOI growth.

Mr. Richardson's AIP award is based on corporate and individual performance. The AIP payout for 2019 was \$238,796. The payout reflected results of 120% of target for same property NOI growth, 103% of FFO per Unit growth (75% of award) and 88% of individual results (25% of award). The following table highlights the individual performance objectives used to determine the individual strategic objective portion of the AIP for the Executive Vice-President related to his 2019 performance:

Individual Performance Targets for 2019	Performance Achievement in 2019
Achieve 3% - 5% same property NOI growth.	Exceeded Target Same property NOI grew by 4.1% in 2019 due to strong top-line results and moderate expense growth.
Control G&A costs to be no greater than 6.5% of total revenue.	Exceeded Target G&A expenses were 6.0% of total revenues in 2019.
Maintain same-property commercial occupancy at 90% or greater.	Did not meet target Same property commercial occupancy was 87.9% at December 31, 2019.
Manage capital budget with a focus on repositioning units with a minimum return on investment of 10%.	Met Target Total capital investment in 2019 was \$62 million with a return on investment for repositioned units of 14%. During 2019, Killam also invested in energy-related capital projects including the installation of low-flow toilets and LED lighting, system recommissioning, insulation upgrades and thermostat replacements. Killam also completed a third-party verification of its 2018 greenhouse gas consumption data to ensure an accurate baseline and benchmarking.
Leadership of maintenance team initiatives to improve performance metrics.	Met Target In 2019 Killam's maintenance team achieved 81% completion of work orders within 48 hours of receipt and the maintenance team tenant survey results also achieved an 88% satisfaction rating.
Expansion and management of Killam's joint venture relationships.	Met Target Expanded joint venture relationships through the acquisition of a 50% interest in a commercial property in Charlottetown, PE as well as completion of Phase 1 and commencement of Phase 2 of the Gloucester City Centre joint development project in Ottawa.

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

Compensation of the Chief Financial Officer

Ms. Noseworthy joined Killam in 2006 as Director of Investor Relations, and most recently held the role of Vice-President of Investor Relations and Corporate Planning prior to her appointment as Chief Financial Officer in April 2017. Ms. Noseworthy has over 25 years of accounting, finance, investor relations and strategic planning experience. Prior to joining Killam, Ms. Noseworthy worked as an equity research analyst at Beacon Securities and in various accounting and finance roles at Emera Inc. Ms. Noseworthy is a CPA, CA and CFA charterholder.

Ms. Noseworthy's 2019 salary was \$290,000, a 5.5% increase compared to \$275,000 in 2018. The increase reflects an alignment with compensation for similar positions at Killam's peers based on a review completed in 2019. The Chief Financial Officer had robust objectives established with the goal of growing FFO and NAV per Unit. The objectives resulted from Killam's business strategy and included clearly defined goals in respect of finance, financial reporting, strategy, risk management and stakeholder relations.

Ms. Noseworthy's AIP award is based on corporate and individual performance. The AIP payout for 2019 was \$150,184. The payout reflected results of 120% of target for same property NOI growth, 103% of FFO per Unit growth (75% of award) and 89% of individual results (25% of award). The following table highlights the individual performance objectives used to determine the individual strategic objective portion of the AIP for the Chief Financial Officer related to her 2019 performance:

Individual Performance Targets for 2019	Performance Achievement in 2019
Financial leadership, including timely and accurate financial reporting both externally and internally.	Met Target In addition to accurate and timely reporting, implemented enhancements to development, capital and unit turn renovation reporting and processes.
Increase operating efficiencies, proactively monitor and report on financial performance and key performance indicators.	Met Target Increased the use of data analytics across the organization, including enhancements to Killam's customer relationship management software, as well as the implementation of business intelligence software.
Optimize cost of capital, maintain liquidity and increase financial flexibility.	Exceeded Target Total debt as a percentage of total assets was 43.4% at December 31, 2019, below Killam's target of a maximum of 49%.
Facilitate and monitor Killam's annual strategic plan.	Met Target
Enhance internal risk management program.	Partially Met Target Implementation of risk management software and roll out of automated incident report tracking.
Strong stakeholder relations.	Met Target Expanded relationships with external stakeholders and Trustees, and continued leadership of Killam's investor relations program. Killam also completed its first Global Real Estate Sustainability Benchmark ("GRESB") submission, which is a globally recognized third-party analysis and data review of real estate companies ESG performance.

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

Compensation of the Senior Vice-President, Property Management

Ms. Buckle joined Killam in 2003 as Vice-President of Property Management and was promoted to Senior Vice-President of Property Management in December 2019. Ms. Buckle is responsible for the operation of Killam's apartment portfolio and has worked in property management for over 30 years. Prior to joining Killam, Ms. Buckle was Vice-President of Property Management with O&Y Enterprise, where she worked for 14 years.

The base salary paid to Ms. Buckle in 2019 was \$275,000, an increase of 5.8% from the base salary approved in 2018 of \$260,000. The increase reflects an alignment with compensation for similar positions at Killam's peers based on a review completed in 2019.

Ms. Buckle's AIP award is based on corporate and individual performance. The AIP payout for 2019 was \$112,585. The payout reflected results of 120% of target for same property NOI growth, 103% of FFO per Unit growth (65% of award) and 92% of individual results (35% of award). The following table highlights the individual performance objectives used to determine the individual strategic objective portion of the AIP for the Senior Vice-President, Property Management related to her 2019 performance:

Individual Performance Targets for 2019	Performance Achievement in 2019
Leadership of leasing teams to maximize occupancy.	Exceeded Target Achieved same property occupancy of 97.3% the highest annual occupancy in Killam's history.
Drive rental increases to enhance same property revenue.	Exceeded Target Achieved same property weighted-average rental increases of 3.6%, 90 basis point increase from 2018.
Implementation of efficiencies in property management processes to drive cost savings.	Met Target Managed same property expense growth to 2.5% in line with budget.
Enhance rental collection processes to reduce arrears and bad debt expense.	Partially Met Target
Lead and monitor senior staff property visit program to ensure properties meet Killam's standard of curb appeal.	Met Target 93% achievement of programs which includes three senior team inspections of each property. Ms. Buckle also oversaw the creation of a sustainability scorecard prepared for all property managers to promote and measure sustainability initiatives at the asset-level across the portfolio.

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

Compensation of the Senior Vice-President, Development

Mr. McLean is Senior Vice-President, Development and is responsible for overseeing Killam’s acquisitions, developments and information technology. He acted as a consultant to Killam from 2000-2003, when he became Director of Acquisitions and Information Technology. Mr. McLean was promoted to Vice President, Developments in 2008 and Senior Vice-President, Developments in 2019. Mr. Mclean holds engineering and math degrees from Dalhousie University and has over 25 years of experience in real estate and technology.

The base salary paid to Mr. McLean in 2019 was \$270,000, an 8% increase compared to his 2018 base salary of \$250,000. The increase reflects an alignment with compensation for similar positions at Killam’s peers based on a review completed in 2019.

Mr. McLean’s AIP award is based on corporate and individual performance. The AIP payout for 2019 was \$109,728. The payout reflected results of 120% of target for same property NOI growth, 103% of FFO per Unit growth (65% of award) and 90% of individual results (35% of award). The following table highlights the performance objectives used to determine the bonus accrued to the Vice-President, Development related to his 2019 performance:

Individual Performance Targets for 2019	Performance Achievement in 2019
Grow the portfolio to over \$3.0 billion by the end of 2019, with a minimum acquisition target of \$100 million.	Exceeded Target Completed \$191.1 million in acquisitions during 2019.
To complete Phase 1 (Frontier) of the Ottawa development, break ground on Silver Spear II, plus one additional development project.	Met Target Frontier was completed in June 2019 and the Kay (Silver Spear II) broke ground during Q3-2019. Latitude (Phase II of the Gloucester City Center development) broke ground in Q2-2019.
Complete development projects within 5% of approved budget.	Met Target
Expand exposure and knowledge of new construction and design features to incorporate into Killam’s future developments.	Partially Met Target Research for new construction and design features completed. Preferred options have been selected and testing of new products began in 2019. Implemented additional environment policies for developments, due diligence procedures for acquisitions and researched and evaluated LEED, BOMA BEST and other building certifications.
Mitigate Killam’s exposure to cyber risk through implementation of new initiatives.	Met Target Migrated Killam’s file storage to a cloud-based solution and implemented two factor authentication for all network access.

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

INCENTIVE PLAN AWARDS

Outstanding Unit-Based Awards

The following Unit-based awards held by the NEOs were outstanding as at December 31, 2019:

	Unit-Based Awards	
	Number of Unit-Based Awards That Have Not Vested ⁽¹⁾	Market Value of Unit-Based Awards That Have Not Vested ⁽²⁾
Philip Fraser	108,802	\$2,060,709
Robert Richardson	53,883	\$1,020,535
Dale Noseworthy	30,540	\$578,428
Ruth Buckle	23,920	\$453,053
Michael McLean	22,620	\$428,089

(1) Each NEO is entitled to RTU distributions from the date of the award. See “Restricted Trust Unit Plan” for further information.

(2) Market value of Unit-based awards is based on the closing price of Killam’s Units on the TSX of \$18.94 as at December 31, 2019.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table summarizes the value of Unit-based awards vested and earned for each NEO during 2019. The terms of all plan-based awards under which Unit-based awards are granted or vested are discussed on pages 53 and 54.

NEO	Unit-Based Awards - Value vested during the year ⁽¹⁾⁽²⁾	
	Number of Unit-Based Awards	Value Vested
Philip Fraser	48,902	\$906,838
Robert Richardson	39,538	\$733,182
Dale Noseworthy	5,806	\$107,666
Ruth Buckle	7,170	\$132,956
Michael McLean	6,284	\$116,519

(1) The table reflects the closing price of Units on the TSX on the vesting date, but RTUs are paid out based on the closing price of Units on the TSX on the redemption date. The RTUs can be redeemed on any date subsequent to the vesting date, but prior to December 31 of the calendar year in which the RTUs vest.

(2) The Unit-based awards vested on February 24, 2019, at a price of \$17.91 and December 16, 2019, at a price of \$19.16.

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

TERMINATION AND CHANGE OF CONTROL BENEFITS

Effective December 31, 2002, employment contracts were entered into with Mr. Fraser and Mr. Richardson. New executive employment contracts were entered into with Mr. Fraser and Mr. Richardson effective October 1, 2014, which were approved by the Board on February 17, 2015. Pursuant to the terms of the employment agreements, each executive is entitled to an annual base salary, eligible to receive an annual incentive bonus under Killam's AIP and annual RTU grants under Killam's LTIP.

In 2008, employment contracts were entered into with other members of the senior management team, including Ms. Noseworthy, Ms. Buckle, Mr. McLean and were most recently updated in September 2017.

The following table estimates the amount payable to each of the NEOs upon specific termination events, assuming that such event occurred on December 31, 2019. The table does not include benefits that are generally available to salaried employees.

	Philip Fraser	Robert Richardson	Dale Noseworthy	Ruth Buckle	Michael McLean
Termination Without Cause	\$5,930,478	\$2,952,681	\$1,701,162	\$771,588	\$755,749
Termination Following Change in Control	\$9,800,247	\$4,884,828	\$1,738,428	\$1,413,053	\$1,360,089

Payments to be Made Upon Termination without Cause

In the event of termination of employment by Killam without cause, Mr. Fraser and Mr. Richardson are entitled to receive severance in an aggregate amount equal to two times the aggregate of annual base salary, the executive officer's average RTU award granted during the last three calendar years preceding the termination date, the executive officer's average annual incentive bonus during the last three calendar years preceding the termination date, the deemed benefit award (equivalent to 40% of base salary), and the immediate vesting of RTUs held by the executive officer.

In the event of termination of employment by Killam without cause, Ms. Noseworthy is entitled to receive severance in an aggregate amount equal to 24 months of total annual compensation, which includes base salary, AIP, and RTU grants and any incentive payment which would have been payable over the period of notice.

In the event of termination of employment by Killam without cause Ms. Buckle and Mr. McLean are entitled to receive severance equal to the greater of 14 months or one month per year of service to a maximum of 24 months of base salary and, and any incentive payment which would have been payable over the period of notice. Termination without cause will result in outstanding RTUs to vest on a pro-rata basis.

Payments to be Made Upon a Change in Control

In the event of a change in control, Mr. Fraser and Mr. Richardson are entitled to receive four times the aggregate of annual base salary and the additional compensation set forth above. The Board included this clause in their employment contracts early in Killam's history, in 2003, to reflect the fact these individuals are founders of Killam and that property management has been internal since incorporation while many other real estate investment trusts ("REITs") began with an external platform and have received sizeable compensation upon internalization. In addition, the Trust has never provided any executives with loans for the purchase of Units of Killam.

In the event of a change in control, Ms. Noseworthy, Ms. Buckle, and Mr. McLean are entitled to 24 months, of current base salary, AIP and LTIP compensation. A change in control will also result in the immediate vesting of RTUs held by the NEOs.

The payments were determined by a review of other publicly traded companies' executive termination and change of control benefits and acknowledging the fact Mr. Fraser and Mr. Richardson are founders of Killam. Mr. Fraser's employment contract includes a standard non-compete clause, the period of which is six months, and all NEOs have a non-soliciting clause as a condition of receiving payment, the period of which is 24 months.

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

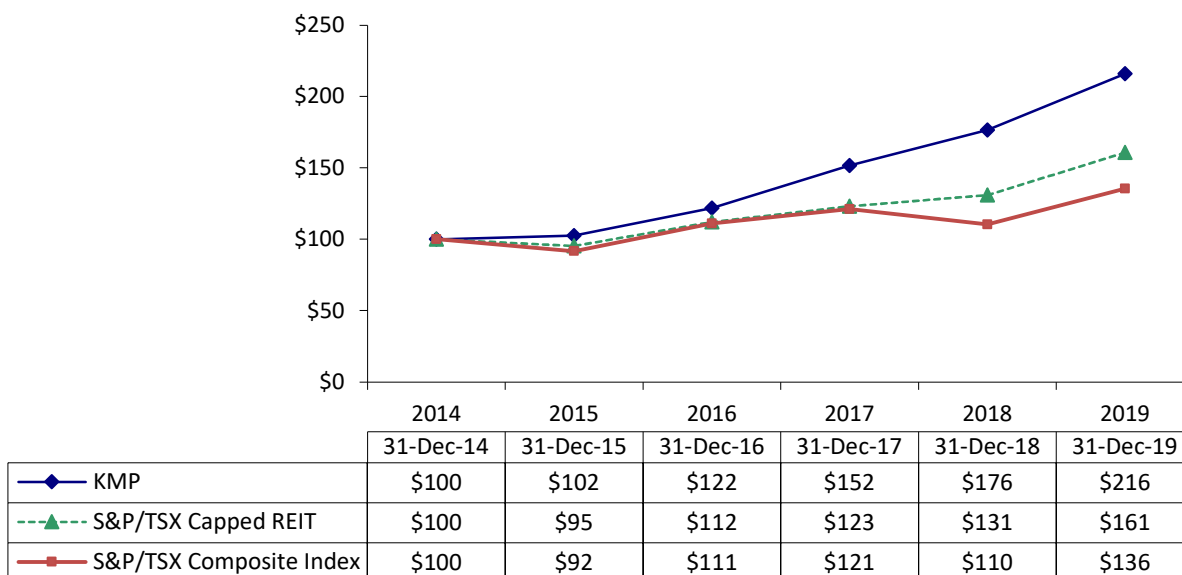
Retention Bonus

As part of the employment contracts that were updated in October 2014 for Mr. Fraser and Mr. Richardson, the Board awarded a retention bonus on the basis of the Board's determination that their continued employment over a long-term horizon was in the best interest of unitholders. In the event of a voluntary resignation by the executive officer from his employment at any time on or after June 30, 2018, Killam shall pay to the executive officer a retention bonus of \$1,000,000, payable over five years in equal annual installments of \$200,000, the first of which installment shall be payable upon the effective date of the executive officer's resignation, and each subsequent installment payable on each anniversary thereafter.

Five-Year Performance Graph

The following graph shows the cumulative total return for Killam's Common Shares/Units compared to the S&P/TSX Composite Index and the S&P/TSX Capped REIT Index for a five-year period ending December 31, 2019. The graph assumes all dividends/distributions are reinvested.

Comparison of 5 Year Total Return on \$100 Invested



OVERVIEW OF KILLAM’S COMPENSATION PLANS

Restricted Trust Unit Plan

In 2011, Killam’s shareholders approved the adoption of a restricted share unit plan which was subsequently re-approved by the shareholders in May 2015. Effective January 1, 2016, the plan was amended and restated to allow for the issuance of Trust Units in line with the completion of Killam’s conversion to a real estate investment trust. The RTU Plan was further Amended and Restated on February 22, 2017 and March 23, 2018 and approved by unitholders on May 10, 2018.

The purpose of the RTU Plan is to promote a greater alignment of interests among the Trustees, officers and employees of Killam and the unitholders. The following outlines the key terms of the RTU Plan:

Category	Description
Participants	<ul style="list-style-type: none"> Eligible participants (primarily Trustees, executive officers, vice-presidents and director-level employees of the Trust and its subsidiaries) as determined by the Board.
Granting of RTUs	<ul style="list-style-type: none"> Trustees may elect, irrevocably and in advance, to have 0%, 25%, 50%, 75% or 100% of their annual board retainer paid through the issuance of RTUs. RTUs are awarded annually to eligible employees based upon an approved percentage of the individual’s base salary.
Distributions	<ul style="list-style-type: none"> When distributions are paid on Units, additional RTUs will be credited to each participant’s RTU account. The number of such additional RTUs shall be calculated by dividing: (i) the amount determined by: multiplying (a) the number of RTUs in a participant’s RTU account on the record date for the payment of such distribution by (b) the distribution paid per Unit; by (ii) the market value of a Unit on the distribution payment date for such distribution, in each case.
Vesting	<ul style="list-style-type: none"> RTUs granted to Trustees automatically vest following retirement from the Board. RTUs granted to eligible employees’ vest 3 years from the RTU grant date.
Departure before Vesting	<ul style="list-style-type: none"> RTUs granted to eligible employees vest immediately on a pro-rata basis and are redeemable by the participant following an event including termination other than for cause, retirement or death. Where a participant that is an employee has been terminated for cause or voluntarily resigns from his or her position with Killam any outstanding RTUs will be immediately forfeited and cancelled.
Payment upon Vesting	<ul style="list-style-type: none"> RTUs granted to Trustees must be redeemed and paid out by December 31st in the year in which they vest by way of issuance of Units from treasury of Killam, net of any applicable taxes. RTUs granted to eligible employees must be redeemed and paid out by December 31st in the year in which they vest. Killam can choose to pay out the RTUs by either Units or cash, net of any applicable taxes.

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

Category	Description
Maximum Allocation	<ul style="list-style-type: none"> • On May 10, 2018 unitholders approved converting the RTU Plan to a “fixed plan” from a “rolling plan” whereby the maximum number of Trust Units issuable under the RTU Plan is the aggregate of 2,000,000 and the number of Units issuable to the RTUs outstanding as of March 23, 2018. • The number of Units reserved for issuance to insiders or to any one person under the RTU Plan cannot exceed 5% of the issued and outstanding Units. • The aggregate number of Units issuable from treasury to insiders under the RTU Plan and all other security-based compensation arrangements of the Trust at any time shall not exceed 10% of the issued and outstanding Units. • During any one-year period, the aggregate number of Units issued from treasury to insiders under the RTU Plan and all other security-based compensation arrangements of the Trust shall not exceed 10% of the issued and outstanding Units. • The aggregate number of Units reserved for issuance to Trustees of the Trust who are not officers or employees of the Trust shall be limited to the lesser of i) 1% of the issued and outstanding Units and ii) a per year individual Trustee limit of \$150,000 worth of securities in grant date value. The individual Trustee limit was added pursuant to an amendment to the RTU Plan approved by the Board on March 23, 2018. Such amendment does not require the approval of unitholders in accordance with the amendment provisions of the RTU Plan described below.
Amendments	<ul style="list-style-type: none"> • The RTU Plan provides that, to the extent required by applicable law or by requirements of the TSX, unitholder approval will be required for the following types of amendments to the RTU Plan: <ul style="list-style-type: none"> ○ increase in the maximum number of Units available for issuance pursuant to the RTU Plan; ○ amendment to the determination of market value under the RTU Plan in respect of an RTU; ○ extension of the latest eligible redemption date of any RTU; ○ modification or amendment to the provision of the RTU Plan in any manner which would permit RTUs, including those previously granted, to be transferable or assignable other than for normal settlement purposes; ○ addition to the categories of eligible persons under the RTU Plan; or removal or amendment to the insider or independent trustee participation restrictions; ○ amendment to the amendment procedures in the RTU Plan. • Unitholder approval for amendments to the RTU Plan are, by contrast, not required in connection with the following types of amendments, which may be made by the Board of Trustees alone, unless and to the extent prohibited by applicable law or by requirement of the TSX: <ul style="list-style-type: none"> ○ amendment to the vesting provisions; ○ amendment to the termination provisions; ○ amendment to the persons eligible to receive RTUs other than an amendment which would have the potential of broadening or increasing insider participation; or amendments of a housekeeping nature.
Assignability	<ul style="list-style-type: none"> • In no event may the rights or interests of a participant under the RTU Plan be assigned, encumbered, pledged, transferred or alienated in any way, except to the extent that certain rights may pass to a beneficiary or legal representative upon death of participant, by will or by the laws of succession and distribution.

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

Killam had 364,875 RTUs issued and outstanding as of December 31, 2019 (representing 0.37% of the outstanding Units at December 31, 2019) and 2,347,512 RTUs remain available for grant under the RTU Plan (representing 2.4% of the outstanding Units). Killam converted from a rolling plan to a fixed plan in 2018.

Securities Authorized for Issuance under Equity Compensation Plans

Details of the Securities authorized for issuance under equity compensation plans as at December 31, 2019, are set forth below:

Plan Category	Number of Securities to be issued upon exercise of outstanding rights	Weighted-average exercise price of outstanding rights	Number of Securities remaining available for future issuance under equity compensation plans (excluding Trust Units reflected in (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	364,875	\$14.73	2,347,512
Equity compensation plans not approved by security holders	n/a	n/a	n/a
Total	364,875	\$14.73	2,347,512

The table below provides additional information on the RTU Plan for the past three years:

	2019	2018	2017
Burn Rate ⁽¹⁾	0.11%	0.15%	0.33%
Dilution ⁽²⁾	0.40%	0.49%	0.59%
Overhang ⁽³⁾	3.4%	3.4%	3.3%

⁽¹⁾Total number of RTUs issued in a fiscal year, divided by the weighted average number of Trust Units outstanding.

⁽²⁾Total number of RTUs outstanding divided by the weighted average number of Trust Units outstanding.

⁽³⁾Total number of RTUs available for issue plus RTUs outstanding divided by the weighted average number of Trust Units outstanding.

During 2019, there were 41,016 RTUs with performance factors granted. These RTUs (with performance factors) have a multiplier of 1.5x assuming the maximum target payout is achieved. The revised burn rate of 0.17% assuming the maximum payout for 2019 is comparable with 2018. The impact on the burn rate in 2019 assuming threshold payout is not achieved is 0.10% compared to 0.09% in 2018.

Killam's Compensation Program in 2020

Killam recognizes incentive arrangements play a crucial role in aligning the interests of top management and unitholders, in supporting the delivery of business strategy and long-term sustainability. In 2020, Killam's Compensation Committee is committed to reviewing Killam's current compensation program to address market trends and Killam's competitive positioning. Specific areas which will be reviewed include the portion of equity grants with performance conditions (currently 50%) as well as the payout ranges for both the AIP and RTUs (with performance factors) for below median performance.

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

TRUSTEE COMPENSATION

The Board plays an important role in building unitholder value. The Trustees' compensation program is designed to attract and retain well-qualified trustees with varied and relevant experience to meet the evolving needs of Killam. The Compensation Committee reviews, on an annual basis, the compensation of the Trustees who are not employees of Killam and recommends to the Board the level of compensation and any adjustments necessary to consider the level of work and the responsibilities of the members of the Board and its committees.

The intent is for Killam to fall in the median of the group in terms of both revenue and asset base to ensure that Killam's relative size is considered and reflected in benchmarking. Based upon a review of Killam's peer group conducted during 2019, the Compensation Committee approved the following changes to Killam's compensation peer group in 2019:

Additions: Minto Apartment REIT, Sienna Senior Living Inc., Cominar REIT

Deletions: Melcor Developments Ltd., Wall Financial Corporation, Plaza Retail REIT, Mainstreet Equity Corp., WPT Industrial REIT

The approved peer group selected for 2019 was comprised of the following REITs and corporations:

Artis REIT	Cominar REIT	Northview Apartment REIT
Boardwalk REIT	Dream Unlimited Corporation	Sienna Senior Living Inc.
Canadian Apartment Properties REIT	Granite REIT	Summit Industrial Income REIT
Chartwell Retirement Residences REIT	InterRent REIT	
CT REIT	Minto Apartment REIT	
Crombie REIT	Morguard North American Residential REIT	

The Board believes that it can derive certain trends from this analysis relating to the compensation for entities within its peer group with whom Killam competes to attract trustees. The total compensation of Trustees was in the mid-range of the compensation offered by these entities. Trustees that are employees of Killam are not eligible. Trustees receive annual fees and additional compensation, which varies depending on their attendance at meetings of the Board and of its committees, and compensation is paid quarterly.

Following a detailed review by a third-party compensation consultant in 2017 Killam made changes to bring Killam's Trustee compensation plan in line with compensation and governance best practices and to maintain compensation within a competitive range of market median.

Based on the Compensation Committee's annual review of Trustee compensation, no changes were made to the Trustee Compensation for 2019.

Trustee Restricted Trust Unit Plan

Trustees may elect, irrevocably and in advance, to have 0%, 25%, 50%, 75% or 100% of their annual board and committee retainers paid through the issuance of RTUs. The RTUs issued to Trustees automatically vest following the Trustee's retirement from the Board.

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

Trustee Fees and Retainers

Killam's Trustee compensation includes:

- an annual retainer (higher retainer for the Chair of the Board);
- an annual fee for serving as a committee chair or committee member;
- an attendance fee for each set of Board and committee meetings attended; and
- a reasonable travel fee and other out-of-pocket expense reimbursements for costs relating to their duties as Trustees.

The table below shows Killam's fee schedule for non-employee Trustees:

Trustee Fees	2019 (\$)
Annual Retainer – Board Chair	85,000
Annual Retainer – Other Trustees	60,000
Chair Fee - Audit Committee	15,000
Chair Fee – Governance and ESG Committee	8,000
Chair Fee - Compensation Committee	8,000
Committee Member	3,000
Board Meeting Attendance Fee – In person	1,500
Board Meeting Attendance Fee – By telephone	1,000
Committee Attendance Fee (Day of Board Meeting)	1,500
Committee Attendance Fee (Non Board Meeting Day) – In person	1,000
Committee Attendance Fee (Non Board Meeting Day) – By telephone	1,000
Additional allowance for travel in excess of 4 hours	1,000

Trustee Unit Ownership Requirements

The Trustees must hold a minimum value of investment of \$300,000 in Units, Exchangeable Units and/or RTUs. Based on the annual Board retainer of \$60,000 per annum, this reflects a 5x multiple of the annual Board retainer. This requirement must be met within five years of becoming a Trustee. As at March 17, 2020, all the nominated Trustees were in compliance with the ownership requirements except for Ms. Landry, who was appointed to the Board on October 10, 2017, and has five years from this date to accumulate the required minimum value of investment.

Trustee Compensation Table

The following table sets out the compensation that was paid by Killam to its non-employee Trustees during the year ended December 31, 2019, under the compensation arrangements described above. Some Trustees elected to receive all or a portion of their retainer fees in RTUs. As employees of Killam, Mr. Fraser and Mr. Richardson do not receive any compensation for serving as Trustees of Killam. Their compensation for serving as executives is included under Compensation of NEOs on page 44.

SECTION III. COMPENSATION DISCUSSION AND ANALYSIS

Trustee	Trustee Fees Earned ⁽¹⁾				Total \$
	Trustee and Board Chair Retainer \$	Committee Chair Retainer \$	Committee Member Retainer \$	Board & Committee Attendance Fees \$	
Timothy R. Banks	60,000	-	-	6,000	66,000
Robert G. Kay (Chair)	85,000	-	3,000	12,000	100,000
Aldéa M. Landry	60,000	-	8,650	18,000	86,650
James C. Lawley	60,000	-	-	5,500	65,500
Arthur G. Lloyd	60,000	-	3,000	14,000	77,000
Karine L. MacIndoe	60,000	7,067	3,350	18,000	88,417
Manfred J. Walt	60,000	8,000	-	12,500	80,500
G. Wayne Watson	60,000	15,000	3,000	19,000	97,000
Total	505,000	30,067	21,000	105,000	661,067

(1) All independent Trustees are reimbursed for reasonable expenses incurred by them while acting in their capacity as Trustees, including expenses associated with attendance at Board, committee and unitholder meetings.

Allocation of Trustees' Total Fees Earned

The table below shows a breakdown of the total fees earned by Trustees in 2019 between amounts paid in cash and RTUs. Non-executive Trustees may choose to receive up to 100% of their annual retainer in RTUs, which automatically vest when the Trustee retires from the Board. Additional details on Killam's RTU Plan are included on pages 53 and 54.

Trustee	Cash Payments \$	RTU Awards \$	Total Compensation \$
Timothy R. Banks	42,000	24,000	66,000
Robert G. Kay	100,000	-	100,000
Aldéa M. Landry	48,866	37,784	86,650
James C. Lawley	65,500	-	65,500
Arthur G. Lloyd	14,000	63,000	77,000
Karine MacIndoe	88,417	-	88,417
Manfred J. Walt	12,500	68,000	80,500
G. Wayne Watson	77,500	19,500	97,000
Total	448,783	212,284	661,067

SECTION IV. STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Highlights of Corporate Governance Practices:

- The Board has an independent non-executive Chair
- Members of all Board committees are independent. In 2020, this will be expanded to ensure members of the Audit Committee and Compensation Committee have not exceeded Board tenure of over 13 years
- Majority voting policy for election of Trustees
- Executive compensation plan includes a clawback policy, variable pay linked to performance, and a long-term performance focus
- The Board and executives have mandatory Unit ownership requirements
- Three women are proposed for election to the Board of Trustees at the 2020 Meeting achieving Killam's previously set diversity target
- More than 50% of Killam's senior leadership are women
- Formal senior management ESG oversight committee created in 2019
- Strong Trustee engagement with 98% attendance at Board meetings in 2019
- Third annual say-on pay advisory vote included in Killam's 2019 proxy

The Trustees believe that effective corporate governance is critical to the continued and long-term success of Killam by helping to maximize unitholder value. The Trustees strongly believe that their commitment to sound governance practices is in the best interest of the Trust and its unitholders and contributes to effective and efficient decision making.

The National Policy 58-201 – Corporate Governance Guidelines (“**NP 58-201**”) of the Canadian Securities Administrators (the “**CSA**”) as well as NI 58-101, require Canadian reporting issuers to annually disclose their corporate governance practices. Regulatory changes to governance that have occurred, or will occur, are continually monitored by the Board and the Board has taken, or will take, appropriate action as regulatory changes occur. The Trustees of Killam believe that Killam's governance practices are substantially in compliance with the CSA governance rules.

BOARD OF TRUSTEES MANDATE

The Board of Trustees believes that clear accountabilities lead to the best governance and, therefore, maintains a Mandate for the Board. The Board initially adopted a Board Mandate in May 2000. The Board Mandate is reviewed by the Board on an annual basis with the most recent amendment occurring in January 2016, upon Killam's conversion from a corporation to a real estate investment trust.

Under the Mandate, the Board is responsible for overseeing the management of the business of the Trust and for providing stewardship and governance for the long-term success of the Trust. The Mandate describes the duties and responsibilities of the Board in matters of independence and integrity, strategic planning, risk management, leadership and succession, financial reporting, corporate communications, public disclosure and corporate governance. We encourage you to carefully review the Mandate for more detail about the obligations of the Board in these areas.

SECTION IV. CORPORATE GOVERNANCE

The Board Mandate is available on SEDAR at www.sedar.com, the Trust's website at www.killamreit.com, or may be obtained upon request and free of charge by calling Investor Relations at 1-866-453-9000. The Board mandate is also set forth on Appendix A in this Circular.

BOARD INDEPENDENCE

To be effective, the Board must be independent of Management. Trustees are independent only if they are not affiliated with Killam and the Board has determined that they have no direct or indirect material relationship with Killam that could interfere with their independent judgement. The Governance & ESG Committee, with the support of Management, assesses Trustee independence using the definition of "independence" from the Canadian Securities Administrator guidelines.

Assessing Trustee Independence

To determine whether Trustees are independent, the Board uses information about their personal and business relationships with Killam. The Board collects this information from sources such as:

- Trustee responses to an annual detailed questionnaire;
- Trustee biographical information; and
- Internal records and reports on relationships between entities affiliated with Trustees and Killam.

The Board considers the nature and extent of these relationships and their importance not only to the Trustee and to Killam, but also the entity with which a Trustee is affiliated. The current independent status of the proposed Trustees is outlined below:

Proposed Trustees	Independence Status in 2019	Basis for Determination of Independence Status
Timothy R. Banks	Non-Independent Trustee	See Note 2
Philip D. Fraser	Executive Trustee	President & CEO of Killam Apartment REIT
Robert G. Kay	Independent Trustee	See Note 1
Aldéa M. Landry	Independent Trustee	See Note 1
James C. Lawley	Independent Trustee	See Note 1
Arthur G. Lloyd	Independent Trustee	See Note 1
Karine L. MacIndoe	Independent Trustee	See Note 1
Laurie MacKeigan	Independent Trustee	See Note 1
Robert G. Richardson	Executive Trustee	Executive Vice President of Killam Apartment REIT
Manfred J. Walt	Independent Trustee	See Note 1
G. Wayne Watson	Independent Trustee	See Note 1

- 1) The Trustee is considered an independent Trustee as he or she is not in a "material relationship" with Killam. Additionally, the Trustee or his or her immediate family members:
 - a) are not, and have not previously been, employees or executive officers of the Trust; and
 - b) are not, and have not previously been, employed by the Trust's external auditors; and
 - c) have no significant business or other relationships with the Trust or its affiliates; and
 - d) do not receive remuneration from the Trust in excess of their individual Trustee fees.

- 2) Killam has construction management and development agreements with APM Construction and MacLean Contracting Ltd. (“MacLean”) which commenced in December 2018. These companies are owned and controlled by Mr. Banks, and provide construction services related to Killam’s Shorefront apartment development and reconstruction of the Harley Street apartment building in PEI. APM Construction is paid a market rate development and construction management fee for their services. For the year ended December 31, 2019, APM Construction and MacLean were paid \$2.4 million in development and construction management fees and construction labour (December 31, 2018 - \$0.3 million). Given the involvement of APM Construction and MacLean with these projects, the Board believes that Mr. Banks should be considered a non-independent, non-executive Trustee during the construction phase of the projects.

Maintaining Trustee Independence

The Board has established other important ways to maintain independence.

Access to Management	All independent Trustees have unrestricted access to Management and Killam employees
External advisors	Each Board committee and, with the approval of the Board Chair, individual Trustees may engage external advisors at the expense of Killam to ensure they have access to independent advice
<i>In camera</i> sessions	The Board Chair and Committee Chairs lead sessions without Management to facilitate open and candid discussion amongst the Trustees

In 2019, all Board and regularly scheduled committee meetings held an *in-camera* session without Management.

INDEPENDENT CHAIR

Killam believes that separating the position of Chair of the Board and the position of CEO is key in effectively providing independent Board oversight and in holding Management accountable to the Board of Trustee’s operations. Mr. Kay, the Chair of the Board, is an independent Trustee.

POSITION DESCRIPTIONS

The Board has approved written position descriptions setting out duties and responsibilities for each of the following roles which are reviewed on an annual basis.

Chair of the Board of Trustees

The Chair provides leadership to the Board, in order that it may fulfill its duties effectively, efficiently and independent of Management. The Chair’s role is to see that the Board and unitholder meetings function effectively. The Chair provides advice and counsel to Trustees and the President and CEO. The Chair participates in the recruitment of Trustees and the assessment of their performance and of the Board as a whole.

Committee Chairs

The Board has adopted position descriptions for each Committee Chair, which detail the duties of the Committee Chairs. Each Committee Chair is required to provide leadership to the Committee members and support the Committee’s effective operation in order to fulfill its mandate.

SECTION IV. CORPORATE GOVERNANCE

Chief Executive Officer

The roles and responsibilities of the President and CEO are contained in his employment contract. The President and CEO's employment contract is reviewed by the Chair of the Board of Trustees and the Compensation Committee, and it is approved by the Board of Trustees. Among the various responsibilities of the Board, CEO selection is of critical importance. The Board oversees the succession planning program for the CEO.

BOARD SIZE

Killam's Declaration of Trust provides that the number of Trustee's on the Board there shall be a minimum of five (5) and a maximum of (12) Trustees. Eleven (11) Trustee nominees are being proposed for election at the 2020 Meeting.

BOARD ROLE IN SUCCESSION PLANNING FOR CEO AND MANAGEMENT

The Board identifies that effective succession planning, especially for the President & CEO, is important to the success of the Trust. Killam has discussed a management succession planning process and the Governance & ESG Committee supports the Board in this area by reviewing, assessing and reporting to the Board on this process for the President & CEO and other executive officers. The Governance & ESG Committee manages, tracks and evaluates leadership development and succession. Killam's succession process ensures that suitable candidates are identified and receive appropriate development opportunities. Supporting Killam's succession planning during 2019, three vice-presidents were promoted to senior vice president and three directors were promoted to vice president.

The CEO is involved in developing preliminary plans for his succession. The Governance & ESG Committee has oversight of the succession planning process, including the identification and development of CEO, and other officer, succession candidates and the Board is ultimately responsible for approving a management succession plan. This process also includes a plan that would respond to an emergency situation which requires an immediate replacement of the incumbent CEO.

RISK MANAGEMENT AND STRATEGIC PLANNING OVERSIGHT

Killam faces a variety of risks, the majority of which are common to real estate entities. Ensuring these risks are managed effectively is a high priority. Board members are responsible for overseeing the principal risks Killam has exposure to and ensuring there are processes in place to effectively mitigate these risk areas. The Board relies on senior management to monitor and manage day-to-day risk management, and senior management provides regular updates directly to the Board and relevant Board committees.

Strategic planning oversight is also one of the Board of Trustee's key roles. Killam's strategic plan is developed by senior management with Board engagement. Most Board member's area of expertise includes executive leadership, which entails experience driving strategic direction and leading growth of an organization. The Board approves the strategic plan developed by Management on an annual basis. Killam's current strategic objectives to drive value and profitability focus on three priorities: (i) increasing earnings from the existing portfolio; (ii) expanding the portfolio and diversifying geographically through accretive acquisitions, targeting newer properties; and (ii) developing high-quality properties in its core markets.

DIRECTORS/TRUSTEES OF OTHER ISSUERS

Trustees are encouraged to limit the number of other public entity boards on which they serve to no more than three. A Trustee's request to serve on more than three other public entity boards, will be reviewed by the Governance & ESG Committee to ensure that a Trustees' attendance, participation and effectiveness at Killam are not compromised as a result. The following chart lists those Proposed Trustees who serve as directors or trustees of other public companies or REITs:

Proposed Trustee	Public Company
Robert G. Kay	RediShred Capital Corp. (TSX-V)
James C. Lawley	RediShred Capital Corp. (TSX-V)
Karine L. MacIndoe	Dream Office REIT (TSX) Dream Hard Asset Alternatives Trust (TSX)
Robert G. Richardson	RediShred Capital Corp. (TSX-V)
Manfred J. Walt	Firm Capital Property Trust (TSX-V) Wilmington Capital Management Inc. (WCM.A, WCM.B) (TSX)

BOARD AND COMMITTEE MEETINGS

The Board and each of its committees hold regularly scheduled meetings through the year. The following table sets forth the Proposed Trustees and their record of attendance at the meetings of the Board and its committees which occurred in 2019. It is the Board's policy for non-management Trustees to hold regularly scheduled meetings without the attendance of Management of the Trust ("in-camera" meetings). Time is specifically reserved for in-camera meetings at the beginning and/or end of the Board, Audit, Compensation and Governance & ESG Committee meetings

Name	Number of Board Meetings Attended	Number of Committee Meetings Attended			Total Rate of Attendance at Board Meetings	Total Rate of Attendance at Committee Meetings
		Audit Committee	Compensation Committee	Governance & ESG Committee		
Timothy R. Banks	5 of 5	-	-	-	100%	-
Robert G. Kay	5 of 5	4 of 4	-	-	100%	100%
Aldéa M. Landry	5 of 5		3 of 3 ⁽¹⁾	4 of 4	100%	100%
James C. Lawley	4 of 5	-	-	-	80%	-
Arthur G. Lloyd	5 of 5	-	-	4 of 4	100%	100%
Karine L. MacIndoe	5 of 5	4 of 4	4 of 4 ⁽²⁾	-	100%	100%
Manfred J. Walt	5 of 5	-	-	4 of 4	100%	100%
G. Wayne Watson	5 of 5	4 of 4	4 of 4	-	100%	100%

⁽¹⁾ Ms. Landry was appointed to the Compensation Committee effective February 12, 2019.

⁽²⁾ Ms. MacIndoe was appointed Chair of the Compensation Committee effective February 12, 2019.

NOMINATION OF TRUSTEES

The Governance & ESG Committee is responsible for identifying new candidates for nomination to serve on the Board of Killam. However, the full Board retains the discretion to select nominees and fill vacancies. The Governance & ESG Committee is required, as necessary or appropriate, to establish qualifications for Trustees, and procedures for identifying possible nominees who meet these criteria. In doing so, it considers the desired competencies and skills, the appropriate size of the Board, and the needs of the Board when vacancies arise. The Governance & ESG Committee believes that nominees for the Board should possess established skill sets, in particular with respect to management, leadership, governance, financial acumen and real estate.

SECTION IV. CORPORATE GOVERNANCE

The Governance & ESG Committee also has the responsibility of recommending the resignation or removal of Trustees in the event where their current or past conduct is or has been improper or reasonably likely to adversely affect the assets of Killam or its reputation. Killam's Declaration of Trust includes certain advance notice provisions which will: (i) facilitate orderly and efficient annual or, where the need arises, special, meetings; (ii) ensure that all Unitholders receive adequate notice of Trustee nominations and sufficient information with respect to all nominees; and (iii) allow Unitholders to register an informed vote.

Majority Voting Policy

The Trustees have a policy that allows each unitholder to vote for each nominee on an individual basis. The Trustees also have a majority voting policy with respect to the election of Trustees at any meeting of unitholders where an "uncontested election" of Trustees is held. Pursuant to the majority voting policy, if a Trustee receives more withheld votes than for votes, the Trustee is required to immediately tender an offer of his or her resignation to the Chair of the Board of Trustees following the applicable meeting of the unitholders. Following receipt of an offer of resignation tendered pursuant to this policy, the Governance & ESG Committee shall consider whether or not to accept the offer of resignation and shall recommend to the Board of Trustees whether or not to accept the offer of resignation. In considering whether or not to accept an offer of resignation from a Trustee under the majority voting policy, the Governance & ESG Committee will consider all factors deemed relevant by the Governance & ESG Committee including, without limitation, the reasons why unitholders withheld votes from the election of such Trustee, and the contributions of such Trustee. Within 90 days following the applicable meeting of the unitholders, the Board of Trustees shall make its decision regarding acceptance of an offer of resignation. The resignation will be effective when accepted by the Board of Trustees. If an offer of resignation is accepted, the Board of Trustees may appoint a new Trustee to fill any vacancy created by the resignation or reduce the size of the Board of Trustees.

Any Trustee who tenders his or her offer of resignation for consideration pursuant to the majority voting policy shall not be permitted to participate in any meeting of the Governance & ESG Committee or any meeting of the Board of Trustees at which his or her offer of resignation is to be considered. Promptly following the decision of the Board of Trustees to accept, or not to accept, an offer of resignation pursuant to the majority voting policy, Killam shall issue a press release with the Board of Trustees' decision. If the Board of Trustees determines not to accept an offer of resignation, the news release shall fully state the reasons for that decision. A copy of the news release will be provided to the TSX.

TRUSTEE TERM LIMITS

The Board has Trustee term limits to ensure ongoing Board renewal, sustain Board performance and add expertise. Trustees who joined the Board prior to February 17, 2015 may serve for an additional 10 years and Trustees who joined the Board after February 17, 2015 may serve until they have reached 10 years. In addition, the Board may recommend any Trustees for re-election for an additional two-year term.

The Trust does not currently have a specific retirement age policy. Term limits do not take precedence over Killam's annual Trustee effectiveness evaluation. Re-nomination for election as Trustees will be based on the needs of the Board and Killam given its strategic objectives and will take into consideration the results of the effectiveness evaluation and peer reviews.

BOARD AND COMMITTEE ASSESSMENTS

The Board of Trustees evaluates and reviews its own performance and that of its committees and its Trustees regularly. The Board delegated this function to the Governance & ESG Committee which, under its mandate, is required to conduct an annual assessment of the effectiveness of the Board, committees of the Board and individual Trustees. The Governance & ESG Committee may retain an external consultant to assist in conducting this assessment. The assessment process for the 2019 financial year was completed in February 2020 with all Board members completing a long-form assessment. The Board alternates between a short-form and long-form assessment annually.

SECTION IV. CORPORATE GOVERNANCE

In consultation with senior management of Killam, the Chair of the Governance & ESG Committee developed a questionnaire for the Trustees to assist in reviewing performance against their mandate and other criteria. The questionnaire is designed to provide constructive input to improve overall Board performance. The Trustees were asked to consider criteria such as skills and experience, preparation, attendance and availability, communication and interaction with Board members and/or Management and business, Killam and industry knowledge, Board composition, orientation and development and the Board's effectiveness addressing conflict of interest. Trustees are encouraged to comment broadly, positively or negatively, on any issue concerning the Board, Board committees and Trustee performance.

The Chair of the Board presents the summary of the completed questionnaires to the Board, and reviews individual performance with each Trustee. The Board discusses the results and develops recommendations as appropriate and highlights any improvement opportunities to facilitate the greater functioning of the Board and the Board committees.

ORIENTATION AND CONTINUING EDUCATION

The Board and Management of Killam tailor orientation packages for new Board and committee members to their individual needs and areas of expertise, ensuring that they receive detailed information on the role of the Board and its committees, and the nature and operation of Killam's business. Existing Board members have historically provided orientation and education to new members considering the particular needs of each new member.

The Board also recognizes that continuing education is important for Trustees to fulfill their duties effectively. Killam offers education sessions for Trustees on key topics and encourages them to participate in associations and organizations that can broaden their awareness and knowledge of developments related to Killam's business.

Throughout their tenure, Trustees receive quarterly presentations from senior management on strategic issues and participate in tours of Killam's properties. Quarterly briefings include reviews of the competitive environment, Killam's performance relative to its peers and any other developments that could materially affect the business. Trustees can also request presentations on a particular topic.

Killam will also pay for continuing education opportunities through third parties and encourages Trustees to pursue education seminars and courses offered externally. Every Board member has access to Management and relevant business information, and meetings are arranged with the President & CEO, Executive Vice-President, and Chief Financial Officer, as well as other executives within Killam.

The table below summarizes the key areas of Killam's Board orientation and on-going education processes and procedures.

Orientation and onboarding	<ul style="list-style-type: none"> • In-depth orientation guide covering quarterly Board materials, Board and Committee mandates and sample due diligence packages • Strategic discussions with the executives and senior management • Summaries of recent business, operating and financial information • Attendance at committee meetings even if a trustee is not a member • A detailed review of Board terms of reference, code of conduct, insider trading policies, continuous disclosure policies, diversity and inclusion policy and legal duties and obligations of Trustees • Committee chair orientation sessions to prepare them for their role
Integration	<ul style="list-style-type: none"> • One-on-one meetings with the Chair of the Board and committee chairs to enhance their understanding of the Board's culture and dynamics • Ongoing engagement with executives and senior management to deepen knowledge of Killam's strategic objectives and foster open dialogue

SECTION IV. CORPORATE GOVERNANCE

Personal development	<ul style="list-style-type: none"> • Quarterly educational sessions/presentation provided by senior management on the business, including specialized and complex aspects of our business and operations • External guest speakers that provide Trustees with updates on key topics including business and market trends • Board participation in property tours to further learn about Killam’s assets • Ongoing educational materials and updates are provided between board meetings on matters relevant to Killam’s business
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The members of the Board attended the following education sessions which were presented by Management and advisors during 2019.

Date	Topic of Educational Sessions
November 2019	<p><i>Information Technology, Cyber Security and Risk Update</i></p> <p>Overview of new technology and cyber risk mitigations strategies adopted by Killam over the past 12 months, including an overview of cyber risk training for employees and new technologies on the horizon including the implementation of a business intelligence software.</p>
December 2019	<p><i>Environmental, Social and Governance Education Session</i></p> <p>The Vice President, Investor Relations and Sustainability provided an overview of ESG issues, macro picture of the United Nations and global view of climate risk, institutional investor expectations, understanding the different ESG frameworks and rating agencies available, as well as an overview of Killam’s ESG programs and initiatives.</p>

ETHICAL BUSINESS CONDUCT

Code of Conduct

Killam strives to be a good corporate citizen and maintain a high standard of integrity in conducting business. Killam’s Code of Business Conduct and Ethics (the “Code”) establishes a framework of guidelines and principles to oversee and foster ethical behaviour in all business activities. The Code is applicable to all Trustees, officers, and employees of Killam and is reviewed annually by the Board.

The principles in the Code are intended to:

- Establish ethical and fair practice in all business relationships, dealings and activities.
- Ensure compliance with all laws, regulations and Killam policies.
- Facilitate a safe working environment with respect for people and a commitment to diversity, equal opportunity and freedom from exposure to improper conduct and discrimination.
- Maintain professional integrity in all business dealings.
- Protect Killam’s assets, ensuring only proper use for Killam’s benefit.
- Safeguard the use of confidential information and maintain proper reporting procedures.

The Code provides additional, practical insight into applying Killam’s Core Values, specifically Do the Right Thing, to Killam’s everyday operations. The Code strives to create a culture in Killam that values honesty, high ethical standards and compliance with laws, rules and regulations. A copy of the Code is available on SEDAR at www.sedar.com, the Trust’s website at www.killamreit.com, or may be obtained upon request and free of charge by calling Investor Relations at 1-866-453-9000.

Killam also has a Whistleblower Policy to encourage individuals and businesses to report any harmful activity without fear of retribution. The Whistleblower Policy underscores Killam's commitment to operating under the highest standards of accountability and transparency. Through Killam's corporate website, persons can complete a confidential form to report any harmful activity that they may have witnessed. Reports are sent directly to the Chair of the Audit Committee and all information submitted will remain confidential.

The goal of the Whistleblower Policy is to:

- Encourage employees, advisors, residents, people and companies who do business with Killam to report possible violations of law, accounting irregularities and other suspected wrongdoing.
- Provide a confidential channel to report such activity.
- Discourage illegal activity and illegal business conduct.
- Protect Killam's good name, business interests and its relationships with employees, unitholders, broker dealers, real estate professionals, suppliers, residents and the community at large.

A copy of the Whistleblower Policy, which includes a confidential electronic form that can be used to contact the Chair of the Audit Committee, is available on the Trust's website at www.killamreit.com.

Insider Trading Policy and Blackout Periods

While performing their duties, the Board may gain knowledge or information about Killam that is generally not available to the public. All Board members have the responsibility to keep such information confidential until it is officially announced publicly. Killam has also adopted a trading policy that includes regular "Blackout periods". Blackout periods are periods within which Trustees and Management are not permitted to trade securities of Killam. A copy of the Insider Trading policy is available on the Trust's website at www.killamreit.com.

Conflict of Interest

Trustees are governed by the conflict of interest provisions in both the Code and the Trust's Declaration of Trust when considering material contracts or transactions, or proposed material contracts or transactions in which he/she has a material interest. Further, the Governance & ESG Committee reviews any conflict of interest matters relating to Trustees or officers of the Trust on a quarterly basis.

KILLAM'S COMMITMENT TO DIVERSITY AND INCLUSION

Killam and the Board are committed to diversity and inclusion at all levels providing a supportive and inclusive workplace for all employees. Killam recognizes the benefits arising from employee diversity, including a strengthened corporate culture, improved employee retention, access to different perspectives and ideas and the benefit of all available talent. Killam's commitment to diversity is evident in its employee policies, handbooks, documents and employee portal and more importantly, respect and fair treatment are an essential part of Killam's culture.

The Board believes that Trustee candidates must possess backgrounds, qualifications and attributes that when taken together provide Killam with a broad range of skills and experience. When considering potential Trustee nominees, the Governance & ESG Committee reviews available information regarding each potential candidate, including qualifications, experience, skills, integrity, judgment and communication skills, as well as race, gender and ethnicity. The Board views diversity as a priority and seeks diverse representation among its members.

In 2015, the Board approved a written policy relating to the identification and nomination of female Trustees and committed that gender diversity is a priority. Specifically, Killam set a target of increasing the number of women on the Board to two by the end of 2017 and a minimum of three by 2020. Killam successfully achieved both targets with two women appointed to the Board by the end of 2017 and a third woman Trustee proposed for election at Killam's 2020 Meeting.

SECTION IV. CORPORATE GOVERNANCE

While Killam does not have targets regarding women in executive officer positions, the Board and Management recognizes the importance of diversity, including gender, and consider the representation of such diversity in the selection of executive officer appointments. Killam has a long history of promoting and hiring women in executive officer positions. During 2019, Killam promoted two (2) female executives to senior vice president and two (2) females to vice president and currently 58%, or 7 of 12, of Killam's executive officers are women.

KILLAM'S COMMITMENT TO ESG

The Board is committed to the ensuring ESG is integrated in all aspects of Killam's operations. During 2019, the mandate of Killam's Governance Committee was expanded to encompass reporting on matters of environmental and social responsibility in addition to its current mandate regarding corporate governance. The Committee's name was also updated to reflect this important change to the Governance and ESG Committee. The Governance and ESG Committee and Board is proud that Killam has always taken its responsibility regarding corporate citizenship seriously and that Killam's core values reflect two decades of commitment to environmental, social, and governance issues. In 2019, Killam completed its first Global Real Estate Sustainability Benchmark ("GRESB") submission, which is a globally recognized third-party analysis and data review of real estate companies ESG performance. Killam was the first publicly traded Canadian multi-residential REIT to complete a GRESB submission.

The Board understands Killam's environmental impact and the importance in reducing greenhouse gas emissions. Killam is dedicated to improving the efficiency of its current buildings and developing energy-efficient apartments. Killam's investments to-date have led to significant reductions in water consumption and greenhouse gas (GHG) emissions. Killam seeks operational efficiencies to reduce resource consumption and dependence of fossil fuels. Monitoring and benchmarking greenhouse gas emissions is critical to properly assess Killam's carbon footprint and help combat climate change. Killam has been monitoring its GHG emissions since 2016. In 2019, Killam expanded its monitoring process by engaging a third party to review its GHG data for 2018. This was to ensure accurate baseline and benchmarking for future years.

Killam employees continue to be active community members. Killam grants a full day of paid leave each year for employees to volunteer with a charity of their choice. Killam's key community initiatives in 2019 include:

- Partnering with non-profit housing agencies and provincial government housing boards to provide more than 750 subsidized units to previously under-housed individuals;
- Annually donating nine fully furnished units to hospitals for their exclusive use;
- Providing financial assistance to organizations that offer shelter and support to individuals and families; and
- Providing assistance to residents who have fallen on hard times and need financial support through Killam's Tenant Relief Program.

Gender Diversity | Female Composition



SECTION IV. CORPORATE GOVERNANCE

To foster a respectful work experience, Killam is committed to providing a supportive and inclusive workplace for all employees. Employees are encouraged to develop their full potential and use their unique talents, maximizing the efficiency of our team. Killam recognizes the benefits which arise from employee diversity, including a strengthened corporate culture, improved employee retention, access to different perspectives and ideas and the benefit of all available talent.

The Board recognizes that communication and connection is essential in fostering a strong culture. In 2019, Killam celebrated its first “Killam Day” event where simultaneous events took place across the country. Making use of technology, the senior executive team hosted a live broadcast from Halifax, where they responded live to video questions about the organization.

The Board understands that ESG requires an all-encompassing approach, addressing not only Killam’s impact on the environment, but also its impact to its communities, residents, employees and unitholders. Performance against strategic ESG targets is part of Killam’s annual performance review process for its Management team.

For further information on Killam’s ESG policies and targets, please see Killam’s 2019 Environmental, Social & Governance Report, published on Killam’s website at <https://killamreit.com/about/we-are-community-our-esg-initiatives> following the review and approval of the Governance & ESG Committee. This report includes a Global Reporting Initiative Content Index.

ENGAGING WITH UNITHOLDERS AND OTHER STAKEHOLDERS

Continuous and open dialogue with unitholders and other stakeholders is a key priority for Killam. Killam relies on unitholders to provide different perspectives and share their thoughts on topics such as sustainability, governance and environmental impact, and listen to their opinions and concerns. The Board regularly reviews its engagement with unitholders and stakeholders for alignment with best practices. There are many ways people can engage with Killam and access important information:

Event	Who Engages	Event details and topics of discussion
Non-deal roadshows, meetings, calls and discussion	Senior management	Meet with institutional investors various times throughout the year to present public information on our business, operations, development and sustainability initiatives.
Quarterly conference call and webcast	Senior management	Review our most recently released financial and operating results and future development opportunities and a question and answer session with the investment community. All unitholders have access to the webcast available on Killam’s website.
News releases	Senior management	Provide news releases to media throughout the year to report on any material changes within Killam.
Broker-sponsored conferences	Senior management	Speak at industry investor conferences about public information on our business and operations.
Investor Day/Property Tour	Senior management	Research analysts and institutional unitholders are invited to attend scheduled investor days/property tours.
Meetings, calls and discussions	Investor relations	Meet with select unitholders throughout the year to address any unitholder-related concerns and to provide public information on Killam. Also engage with unitholder advocacy groups, such as ISS and Glass Lewis, to discuss governance issues.

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COMMITTEES OF THE BOARD OF TRUSTEES

The Board carries out its responsibilities with the support of several Board committees including the Audit Committee, Compensation Committee and the Governance & ESG Committee.

Committee Changes

During 2019, the Governance & ESG Committee completed a review of Board committee composition and governance best practices and concluded that the Audit Committee and Compensation Committees should be comprised of all independent Board members whose tenure is less than 13 years.

Effective March 17, 2020, Mr. Kay resigned from the Audit Committee, Mr. Watson resigned as Chair of the Audit Committee and Ms. MacIndoe was appointed Chair of the Audit Committee. Following the Meeting and appointment of the nominated Trustees, Mr. Watson will resign from the Audit Committee and Ms. MacKeigan will be appointed to the Audit Committee.

Following the Meeting and appointment of the nominated Trustees, Mr. Watson will resign from the Compensation Committee and Ms. MacKeigan will be appointed to the Compensation Committee.

Effective March 27, 2020, Mr. Lloyd resigned from the Governance & ESG Committee. The remaining Governance & ESG committee members include Mr. Walt and Ms. Landry. Following the Meeting and appointment of the nominated Trustees, a third committee member will be appointed to the Governance & ESG Committee.

A summary of the Committee appointments intended to be effective following the Meeting are as follows:

Committee	Committee Chair	Committee Members
Audit Committee	Karine MacIndoe	Manfred Walt, Laurie MacKeigan ⁽¹⁾
Compensation Committee	Karine MacIndoe	Aldéa Landry, Laurie MacKeigan ⁽¹⁾

⁽¹⁾ Ms. MacKeigan will be appointed to the Audit Committee and Compensation Committee following her election to the Board at the Meeting.

Audit Committee

The Audit Committee in 2019 was comprised of:

Chair: Mr. Watson

Members: Ms. MacIndoe & Mr. Kay

The Audit Committee assists the Board in discharging its oversight responsibilities concerning the integrity of Killam's financial statements, its internal control systems, the internal audit and assurance process, the external audit process and its compliance with legal and regulatory requirements.

For 2020, following the changes outlined above the Audit Committee consists of independent Trustees whose tenure is less than 13 years, and who each have a high degree of financial acumen. The Audit Committee is responsible for reviewing and recommending to the Board the annual and interim financial statements and all related management discussion and analysis.

The Audit Committee evaluates and recommends to the Board the appointment of the external auditors and the compensation of such external auditors. Once appointed, the external auditors report directly to the Audit Committee, and the Audit Committee oversees the work of the external auditors concerning the preparation or issuance of the Auditors' Report or the performance of other audit, review or attest services for Killam.

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The Audit Committee reviews and discusses Killam's financial risk exposures and the steps Management has taken to monitor and control such exposures, including the risk of cybersecurity. The Audit Committee also reviews Management controls and processes concerning the administration of acquisitions and dispositions, financial reporting, and financial performance.

For the full text of the Audit Committee Mandate, visit <https://killamreit.com/investor-relations/corporate-governance/board-committees>.

Compensation Committee

The Compensation Committee in 2019 was comprised of:

Chair: Ms. MacIndoe (Appointed February 12, 2019)

Members: Mr. Watson, Ms. Landry (Appointed February 12, 2019)

The Compensation Committee reviews overall compensation, including salary and benefits policies, and recommends such policies to the Board of Trustees for approval.

The Compensation Committee supports the Board in conducting a review of corporate goals and objectives relevant to the President and CEO's compensation and supports the Board in recommending such goals and objectives for the current year. The Compensation Committee ensures that an assessment of the President and CEO's performance in relation to these goals and objectives is completed. It makes recommendations to the Board relating to the President and CEO's total compensation, including participation in incentive-compensation and equity-based plans. It also makes recommendations about senior management total compensation and incentive compensation plans and equity-based plans. It approves grants of RTUs in accordance with the provisions of the RTU Plan. It reviews executive compensation disclosure prior to the Trust releasing such information to the public.

The Compensation Committee supports and contributes to the Board's succession planning process in respect of the President & CEO and also annually reviews the succession planning process for senior management and other potential senior management candidates. The Compensation Committee is responsible for evaluating the compensation programs to determine that they do not reward executive officers for taking inappropriate risks that may harm the interests of the Company and its unitholders and reviews unit ownership guidelines for executive officers.

In 2019, the Compensation Committee members were all independent Trustees. In 2020, based on the committee changes outlined above all members will be independent, with less than 13 years of service on the Board.

For the full text of the Compensation Committee Mandate, visit <https://killamreit.com/investor-relations/corporate-governance/board-committees>.

Governance & ESG Committee

The Governance & ESG Committee was comprised of:

Chair: Mr. Walt

Members: Mr. Lloyd, Ms. Landry

The Governance & ESG Committee assists the Board with a variety of matters relating to corporate governance. These duties include responsibility for providing Killam with a list of nominees for election as Trustees to be included in the Trust's Management Information Circular prior to each annual meeting of unitholders. For more information about the nomination of Trustees, see Nomination of Trustees, earlier in this Circular.

The Governance & ESG Committee is responsible for developing and communicating Killam's approach to corporate governance issues, and reviews and approves Killam's disclosure of corporate governance practices. The Governance & ESG Committee keeps abreast of best governance practice benchmarks and regularly evaluates the governance practices

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of Killam. The Governance & ESG Committee also oversees the orientation of new Trustees. This orientation program for new Trustees is reviewed each time that a new Trustee joins the Board and is updated as required.

Other duties and responsibilities of the Committee include: (a) assisting the Board and its Committees in determining Committee composition, as well as reviewing and updating the mandate of each Committee, for submission to the Board; (b) ensuring procedures are in place to assist the Board in obtaining information necessary to carry out its duties and ensuring the Board has access to executive management; (c) reviewing and updating Killam's Code of Conduct; (d) determining the process by which performance assessments are to be conducted, which evaluate the performance of the Board, the Board Chair, individual Trustees, Board Committee Chairs and Board Committee members and (e) new in late 2019 report on matters of environmental and social responsibility, in particular monitoring and assessing the effectiveness of ESG policies and procedures.

For the full text of the Governance & ESG Committee Mandate visit <https://killamreit.com/investor-relations/corporate-governance/board-committees>.

REPORT OF THE AUDIT COMMITTEE TO UNITHOLDERS

Mandate

The Audit Committee assists the Board in fulfilling its oversight responsibilities regarding the integrity of the Trust's financial statements and related public disclosure. The Audit Committee oversees, on behalf of the Board, the Trust's internal controls over financial reporting, disclosure controls and procedures, legal, regulatory and ethical compliance, reporting and timeliness of filings with regulatory authorities, and the independence and performance of Killam's external auditors. The Audit Committee also oversees Killam's whistle blower program and assists the Board in its oversight of Killam's enterprise risk management program. The mandate of the Audit Committee is included in Appendix B. During 2019, the Committee reviewed its mandate and is satisfied that it carried out its duties and responsibilities.

Membership

Killam's Audit Committee in 2019 was comprised of three Trustees: Wayne Watson (Chair), Robert Kay and Karine MacIndoe.

The Board determined that each of the members of the Audit Committee is financially literate, as required under applicable Canadian securities legislation, and that Wayne Watson is an audit committee financial expert, and has accounting and related financial management expertise as defined by applicable securities laws. The Board also considers Karine MacIndoe a financial expert based on her professional experience as the Managing Director and Senior Equity Research Analyst at BMO Capital Markets for over 10 years.

Meetings

The Committee meets at least once each quarter and reports on its activities to the Board. Activities reviewed are based on its mandate and annual work plan. At each quarterly meeting, the Committee holds an in-camera session without Management and meets separately with Killam's auditor, EY, at each regularly scheduled meeting. The Audit Committee held four (4) meetings in 2019.

Highlights

The following sets forth the highlights of the actions taken by the Committee in 2019:

Financial Reporting and Disclosure

- Received presentations from Killam's CFO and made inquiries related to the quarterly and annual financial performance and operating results of Killam relative to results in prior periods, budgets and investor expectations;
- Received presentations and analyzed information provided on the organizational structure of Killam's finance group and initiatives to streamline finance processes;
- Reviewed, throughout the year, any changes to or adoption of significant accounting policies or changes in significant accounting estimates;
- Assessed the use of non-GAAP financial measures and their presentation within financial documents;
- Reviewed and discussed with Management and the external auditor, and recommended for approval to the Board, the annual and quarterly financial statements and management's discussion and analysis, as well as the annual information form, press releases and other disclosure documents containing financial information; and
- Reviewed and discussed with Management and the external auditor the integrity of Killam's disclosure controls and procedures, and discussed significant financial risk exposures and the monitoring and control of these risks.

External Auditors

- Reviewed the independence and performance of the external auditor, taking into consideration all audit, audit-related and non-audit related services provided;

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- Reviewed the external auditors' annual audit plan and oversaw the audit, and reviewed and discussed the annual external audit report;
- Oversaw the Pre-Approval of Audit, Audit-Related, and Non-Audit Services. All services provided by our Auditor in 2019 were approved by the Audit Committee;
- Conducted a periodic review of the external auditor and concluded the review with a recommendation to the Board that the external auditor be reappointed, subject to unitholder approval; and
- The Committee recognizes the length of tenure of Killam's current external auditor and will review the requirement for an external auditor tender in 2020.

Internal Control, Legal and Regulatory and Risk Management

- Maintained Killam's whistle blower program;
- Reviewed maintenance of the Trust's SIFT compliance;
- Reviewed and discussed with Management compliance with the Code of Business Conduct;
- Reviewed the results of Management's annual risk assessment, the identification and prioritization of key enterprise risks, the engagement of executives to mitigate risk exposures, the perception of risk tolerance and appetite by key risk category, and Management's perceptions of Killam's resilience and readiness level for key risks;
- Reviewed IT-related controls, including logical access and change management controls and reviewed and discussed with Management Killam's assessment and mitigation of cyber security risk;
- Reviewed and discussed with Management and with the Trust's legal counsel, any legal matters that could have a significant impact on Killam's financial statements; and
- Reviewed and approved, on a quarterly basis, the expenses of the CEO, Executive Vice-President and CFO.

Submitted by the Audit Committee:

Wayne Watson (Chair)

Robert Kay

Karine MacIndoe

REPORT OF THE GOVERNANCE AND ESG COMMITTEE TO UNITHOLDERS

Mandate

Killam's Governance and ESG Committee is responsible for contributing to the effective stewardship of Killam by assisting the Board in fulfilling its oversight of governance, environmental and social matters. The Governance & ESG Committee assumes general responsibility for developing Killam's approach to governance and ESG issues and applicable guidelines and makes recommendations to the Board in this regard for discussion and final approval. The mandate of the Governance and ESG Committee is included in Appendix C.

Membership

The Governance & ESG Committee in 2019 was comprised of Manfred Walt (Chair), Arthur Lloyd and Aldéa Landry. All members of the Governance & ESG Committee are knowledgeable and experienced individuals who have the necessary background in governance to fulfill the Governance & ESG Committee's obligations to the Board.

Meetings

The Governance & ESG Committee meets at least once each quarter and reports on its activities to the Board. Activities are reviewed based on its mandate and annual work plan. The Governance & ESG Committee held four (4) meetings in 2019.

Highlights

Expansion of Governance Committee Mandate

It was agreed upon by the Governance Committee and approved by the Board of Trustees in November 2019 that the Governance Committee expand its role and responsibilities to include reporting to the Board on matters of environmental and social responsibility in addition to the Committee's current mandate regarding corporate governance. It was also approved by the Board that the name of the committee be changed to the Governance and ESG Committee.

The Governance & ESG Committee's mandate was updated and is included in Appendix C to address oversight of social, political and environmental trends, risk and opportunities that affect the Trust's business strategy and performance and to carry out actions the Trust can take to be, and be known as, a responsible and good corporate citizen in the communities in which it operates, while furthering long-term business goals.

Nomination & Succession Activities

The Governance & ESG Committee is responsible for identifying new candidates for nomination to serve on the Board, assessing independence and assessing Board committee membership. The Governance & ESG Committee completed the following during 2019:

- Continued to develop a trustee candidate pipeline and reviewed the current Board composition and confirmed that the Board should include individuals who possess experience and expertise in one or more of the following areas: executive leadership, real estate and development; accounting; governance; corporate finance and capital markets; and government and regulatory affairs;
- Reviewed and approved the Trustee nominees for election and assessed Trustees' independence; and
- Reviewed Board committee membership to confirm the appropriate knowledge base and experience of each committee.

Board Evaluation Activities

The Governance & ESG Committee is responsible for assessing the performance of the Board and its Chair, the Board committees and individual Trustees on an ongoing basis. The Governance & ESG Committee discussed and agreed to use the long form questionnaire with an expanded section pertaining to Board performance for 2019. All the Trustees completed the confidential questionnaire in early 2020. This questionnaire's purpose is to evaluate the effectiveness of the Board and the Board committees and suggest ideas for improving performance and results of the questionnaire were discussed at the February 2020 Governance & ESG Committee and Board meetings.

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Continuing Education Activities

The Governance & ESG Committee reviewed the continuing education programs of the Board and its individual Trustees. During 2019, the Board, its committees, and individual Trustees participated in presentations from senior management, as well as external third-parties as described in the continuing education section on page 66 and attended various other educational information sessions on a variety of topics as set out below:

- Attended the PWC Emerging Trends in Real Estate Seminar;
- Panelist at the IA Securities – Year Ahead Investment Conference;
- Attended the Bennett Jones Business Forum;
- Keynote at the Atlantic Real Estate Forum;
- Attended CMHC’s Multi-Unit Client Information Session;
- Attended various continuing education courses including Ethical Decision Making, Ethics at Our Core, Technology Updates, Social Media and Human Resources Issues, Board Oversight of Harassment, Board Oversight of Strategy, Mandatory Data Breach Reporting;
- Attended EY’s Autonomous Future in Real Estate with MIT and “Now Next Beyond” Technology Experience and Exhibition as well as PWCs Designed to Disrupt Event;
- Panelist and attended the Toronto Real Estate Forum, Canadian Apartment Investment Conference, BMO, Scotiabank and CIBC Annual Real Estate Conferences and Real REIT Forum; and
- Property tours of Killam’s assets located in various regions.

Monitor Best Practices and Trends

During 2019 the Governance & ESG Committee reviewed current governance policies to identify areas for improvement in line with corporate governance best practices. In line with this review the Governance & ESG Committee recommended the following:

- Approval of an expanded policy mandate to including reporting on environmental and social responsibilities; and
- Discussion and planning for Board renewal and refreshment.

Other Activities

In addition to the preceding noted items, during 2019 the Governance & ESG Committee also:

- Reviewed all approved all related party transactions during 2019;
- Reviewed and approved the Trustee and Officer’s Insurance Policy for 2019;
- Reviewed and approved the Trust’s Statement of Governance Practices and other governance disclosure for inclusion in the Circular;
- Reviewed and discussed Killam’s Declaration of Trust and documents respecting the rights of unitholders relative to those applicable to shareholders of a corporation incorporated under the *Canada Business Corporation Act*; and
- Discussed current governance issues in relation to the Trust and its peers.

Submitted by the Governance & ESG Committee:
Manfred Walt (Chair)
Arthur Lloyd
Aldéa Landry

REPORT OF THE COMPENSATION COMMITTEE TO UNITHOLDERS

Mandate

The Board is responsible for the oversight of the compensation principles and programs at Killam. The Compensation Committee assists the Board in carrying out its responsibilities with respect to compensation matters by approving the goals and objectives of the Trust's President and CEO, Executive Vice-President and CFO, and evaluating their performance, reviewing and recommending to the Board the remuneration of the executive officers and approving the remuneration of all employees on an aggregate basis. The Compensation Committee also ensures that the design of the compensation program and payouts are aligned with risk management principles and practices and ensures the compensation program effectively addresses employee retention and succession planning. The mandate of the Compensation Committee is included in Appendix D.

Membership

During 2019 the Compensation Committee was comprised of three Trustees: Karine MacIndoe (Chair), Wayne Watson and Aldéa Landry. Ms. MacIndoe was appointed the Chair of the Compensation Committee and Ms. Landry was appointed to the Compensation Committee effective February 12, 2019.

Meetings

The Compensation Committee meets at least once each quarter and reports to the Board on its activities. The matters reviewed are based on its mandate and annual work plan. At each meeting the Compensation Committee holds an in-camera session without Management present. The Compensation Committee held four (4) meetings in 2019.

Highlights

The Committee accomplished the following in 2019:

- Reviewed Killam's approach to executive compensation, including the approach, design and positioning relative to Killam's peers;
- Reviewed and approved a revised peer group for executive and Trustee compensation comparison purposes;
- Reviewed and recommended to the Board for approval consistent Trustee fees for 2019 following a peer review;
- Reviewed compensation information for senior executives within the Trust's peer group and recommended 2019 salary increases for the executive to the Board;
- Reviewed the performance assessment of the CEO against objectives and approved performance objectives and metrics for the coming year;
- Reviewed and approved the 2019 AIP payouts, based on the operating and financial performance targets and individual strategic goals for the CEO, EVP and CFO;
- Reviewed and approved the 2019 payouts for the RTUs (with performance factors) for the period December 31, 2016 – December 31, 2019;
- Reviewed the results of scenario analyses for the AIP and LTIP to assess payouts under different levels of Killam's performance. This ensures that these programs incorporate appropriate pay-for-performance and compensation objectives; and
- Reviewed and approved corporate targets for the AIP and performance factors for the RTUs for 2020.

Disclosure

The Compensation Committee reviewed any changes to executive and Trustee compensation disclosure rules adopted by the Canadian Securities Administrators and considered their impact.

Submitted by the Compensation Committee:
Karine MacIndoe (Chair)
Wayne Watson
Aldéa Landry

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OTHER INFORMATION

Trustees' and Officers' Liability Insurance

Killam has purchased trustees' and officers' liability insurance, which provides protection for Trustees and officers against liability incurred by them in their capacities as Trustees and officers of Killam and its subsidiaries. For the twelve months ending July 13, 2020, a premium of \$66,040 was paid. For the period noted, the aggregate insurance coverage obtained under the policy included a limited amount of \$30,000,000 and a \$100,000 deductible for claims by the Trust. There is no deductible for individual Trustees or officers. To date, no claims have been presented or paid under such policy.

Indebtedness of Trustees and Executive Officers

As at March 17, 2020, there was no indebtedness of any Trustee, executive officer or senior officer, or any associate of any such Trustee or executive officer to Killam or to any other entity which is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Killam.

Effective Date

Except as otherwise specified, the information set forth in this Circular is provided as of March 17, 2020.

Other Matters Coming Before the Meeting

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting and this Circular. Should any other matters properly come before the Meeting, the Units and Special Voting Units represented by proxy solicited hereby will be voted on such matters in accordance with the best judgment of the person voting such Proxy.

Additional Information

Additional information relating to Killam is on SEDAR at www.sedar.com. Information regarding the business of Killam is provided in the current Annual Information Form. Financial information is provided in Killam's comparative financial statements and management's discussion and analysis for the year ended December 31, 2018. Unitholders may obtain copies of these documents and additional copies of this Circular without charge by contacting Ms. Dale Noseworthy, CFO at 3700 Kempt Road, Suite 100, Halifax, Nova Scotia B3K 4X8 (email: dnoseworthy@killamreit.com, phone: (902) 442-0388).

Contacting the Board of Trustees

Unitholders, employees and other interested parties may communicate directly with the Board through the Chair of the Board of Trustees by writing to:

Chair of the Board of Trustees
Killam Apartment Real Estate Investment Trust
Suite 100, 3700 Kempt Road
Halifax, Nova Scotia, B3K 4X8

APPROVAL OF THE BOARD OF TRUSTEES

The Trustees of the Trust have approved the contents of this Circular and its sending to the unitholders of the Trust, the auditor of the Trust and to appropriate governmental and regulatory agencies.

Dated as of the 30th day of March, 2020.

By Order of the Board of Trustees

A handwritten signature in black ink, appearing to read "Philip Fraser". The signature is written in a cursive, slightly slanted style.

Philip Fraser

Trustee, President and Chief Executive Officer

APPENDIX A

BOARD OF TRUSTEES' MANDATE

The Board of Trustees (the “Board”) of Killam Apartment REIT (“Killam”) is responsible for the stewardship of Killam and for overseeing the conduct of the business of Killam and the activities of Management, who are responsible for the day-to-day conduct of the business.

COMPOSITION AND OPERATION

The Board operates by reserving certain powers to itself and delegating certain of its authorities to Management. The Board retains responsibility for managing its own affairs, including selecting its chair, nominating candidates for election to the Board, constituting committees of the Board, and determining Trustee compensation. Subject to the Declaration of Trust, the Board may constitute, seek the advice of, and delegate powers, duties and responsibilities to committees of the Board.

RESPONSIBILITIES

The Board’s primary responsibilities are to enhance and preserve long term unitholder value and to ensure that Killam meets its obligations on an on-going basis and operates in a reliable and prudent manner. In performing its duties, the Board should also consider the legitimate interests other stakeholders, such as employees, customers and communities, may have in Killam. In broad terms, the stewardship of Killam involves the Board in strategic planning, risk management and mitigation, Senior Management determination, communication planning, and internal control integrity. More specifically, the Board is responsible for:

- a) to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer (“CEO”) and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization;
- b) adopting a strategic planning process and approving, on an annual basis, a strategic plan for Killam which considers, among other things, the opportunities and risks of the business;
- c) identifying the principal risks of Killam’s business and ensuring the implementation of appropriate systems to manage these risks;
- d) succession planning (including appointing, training and monitoring Senior Management);
- e) adopting a communication policy for Killam that includes measures for receiving feedback from stakeholders;
- f) Killam’s internal control and management information systems;
- g) developing Killam’s approach to governance, including developing a set of governance principles and guidelines that are specifically applicable to Killam; and
- h) on an individual basis, attending all Board meetings, reviewing meeting materials in advance of meetings, and complying with the other expectations and responsibilities of trustees of Killam established by the Board.

Specific Duties

The Board's specific duties, obligations and responsibilities fall into the following categories.

Section 1 Legal Requirements

- a) the Board has oversight responsibility for Killam's satisfaction of its legal obligations and for properly preparing, approving and maintaining Killam's documents and records;
- b) the Board has the statutory obligation to:
 - i) manage the business and affairs of Killam;
 - ii) act honestly and in good faith with a view to the best interests of Killam;
 - iii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
 - iv) act in accordance with its obligations contained in Killam's Declaration of Trust.
- c) the Board has the statutory obligation to consider certain matters as a Board of Trustees. The Board may not delegate to Management or to a committee of the Board the authority to:
 - i) submit to the unitholders any question or matter requiring the approval of the unitholders;
 - ii) fill a vacancy among the trustees or in the office of auditor;
 - iii) issue securities except in the manner and on the terms authorized by the Board;
 - iv) declare distributions;
 - v) purchase, redeem or otherwise acquire units issued by Killam, except in the manner and on the terms authorized by the Board;
 - vi) pay a commission to any person in consideration of the person's purchasing or agreeing to purchase Units of Killam from Killam or from any other person, or procuring or agreeing to procure purchasers for Units of Killam;
 - vii) approve any Management Proxy Circular relating to a solicitation of proxies by or on behalf of the Management of Killam;
 - viii) approve any take-over bid circular or trustees' circular; or
 - ix) approve any annual financial statements of Killam.

Section 2 Independence

The Board is responsible for implementing appropriate structures and procedures to permit the Board to function independently of Management.

Section 3 Strategic Planning

The Board is responsible for ensuring that there are long-term goals and a strategic planning process in place for Killam and participating with Management directly or through its committees in approving the strategic plan by which Killam proposes to achieve its goals.

Section 4 Risk Management

The Board is responsible for understanding the principal risks of the business in which Killam is engaged, achieving a proper balance between risks incurred and the potential return to unitholders, and confirming that there are systems in place that effectively monitor and manage those risks with a view to the long-term viability of Killam.

APPENDIX A. BOARD OF TRUSTEES' MANDATE

Section 5 Appointment, Training and Monitoring of Senior Management

The Board is responsible for:

- a) appointing the CEO of Killam, monitoring and assessing the CEO's performance, determining the CEO's compensation, and providing advice and counsel to the CEO in the execution of the CEO's duties;
- b) approving the appointment and remuneration of all officers of Killam; and
- c) confirming that adequate provision has been made for the training and development of Management and for the orderly succession of Management.

Section 6 Reporting and Communication

The Board is responsible for:

- a) verifying that Killam has in place policies and programs to enable Killam to communicate effectively with its unitholders, other stakeholders and the public generally;
- b) verifying that the financial performance of Killam is adequately reported to unitholders, other security holders and regulators on a timely and regular basis;
- c) verifying that Killam's financial results are reported fairly and in accordance with International Financial Reporting Standards;
- d) verifying the timely reporting of any other developments that have a significant and material effect on the value of Killam; and
- e) reporting annually to unitholders on the Board's stewardship of the affairs of Killam for the preceding year.

Section 7 Monitoring and Acting

The Board is responsible for:

- a) verifying that Killam operates at all times within applicable laws and regulations to the highest ethical and moral standards;
- b) approving and monitoring compliance with the significant policies and procedures by which Killam is operated;
- c) verifying that Killam sets high environmental standards in its operations and is in compliance with environmental laws and legislation;
- d) verifying that Killam has in place appropriate programs and policies for the health and safety of its employees in the workplace;
- e) monitoring Killam's progress toward its goals and objectives and revising and altering its direction through Management in response to changing circumstances;
- f) taking action when Killam's performance falls short of its goals and objectives or when other special circumstances warrant;
- g) verifying that Killam has implemented adequate disclosure controls and procedures and internal control and information systems;
- h) ensuring that the Board receives from Senior Management on a timely basis the information and input required to enable the Board to effectively perform its duties;
- i) adopting a written code of business conduct and monitoring compliance with the code; and
- j) conducting and acting upon annual assessments and evaluations of the Board, Committees of the Board and individual trustees.

Section 8 Other

The Board may perform any other activities consistent with this mandate, the Declaration of Trust, and any other governing laws, as the Board deems necessary or appropriate.

APPENDIX B

AUDIT COMMITTEE MANDATE

PURPOSE

The Audit Committee is appointed by the Board of Trustees (“Board”) to assist the Board in fulfilling its oversight responsibilities. The Audit Committee’s primary duties and responsibilities are to:

- a) identify and monitor the management of the principal risks that could impact the financial reporting of Killam Apartment Real Estate Investment Trust (the “Trust” or “Killam”);
- b) monitor the integrity of the Trust’s financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- c) monitor the independence and performance of Killam’s external auditors; and
- d) provide an avenue of communication among the external auditors, Management and the Board.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at Killam’s expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

COMPOSITION AND OPERATION

- a) the Audit Committee shall be comprised of three or more Trustees as determined by the Board, each of whom shall be independent Trustees as determined in National Instrument 52-110 – Audit Committees;
- b) all members of the Committee shall be financially literate, being defined as able to read and understand a set of financial statements which present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Killam’s financial statements, and at least one member of the Committee shall have accounting or related financial management expertise;
- c) committee members are encouraged to enhance their familiarity with finance and accounting by participating in seminars, conferences, roundtables and other educational programs conducted by Killam or outside organizations;
- d) audit Committee members shall be appointed by the Board on recommendation from the nominating process. If an Audit Committee Chair is not designated or present, the members of the Committee may designate a Chair by majority vote of the Committee membership;
- e) the Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Audit Committee Chair shall prepare and/or approve an agenda in advance of each meeting;
- f) the Committee shall meet privately at least annually with Management and the external auditors to discuss any matters that the Committee or each of these groups believes should be discussed;
- g) in addition, the Committee will consider with Management and the external auditors the need or requirement for the external auditors to review Killam’s interim financial statements.

RESPONSIBILITIES

Section 1 Review Procedures

- a) review and assess the adequacy of the mandate at least annually and submit the mandate to the Board for approval;
- b) review Killam’s annual audited financial statements, management’s discussion and analysis and related documents (i.e. Annual Information Form, Information Circular, Annual Report and earnings press releases) prior to filing or distribution and make appropriate recommendation to the Board. Review shall include discussion with Management and external auditors of significant issues regarding accounting principles, practices and significant Management estimates and judgements;
- c) annually, in consultation with Management and external auditors, consider the integrity of Killam’s financial reporting processes and controls. Discuss significant financial risk exposures and the steps Management has taken to monitor, control, and report such exposures. Review significant findings prepared by the external auditors together with Management responses;
- d) review the effectiveness of the overall process for identifying the principal risks affecting financial reporting and provide the Committee’s view to the Board;
- e) review with Management and the external auditors Killam’s quarterly financial results, management’s discussion and analysis and related documents prior to the release of earnings and/or Killam’s quarterly financial statements prior to filing or distribution. Discuss any significant changes to Killam’s accounting principles; and
- f) review policies and practices concerning officers’ expenses and perquisites.

Section 2 External Auditors

- a) the Audit Committee shall review the independence and performance of the auditors and annually recommend to the Board the appointment of the external auditors or approve the discharge of auditors when circumstances warrant;
- b) approve fees and other significant compensation to be paid to the external auditors;
- c) on an annual basis, the Committee will review and discuss with the external auditors all significant relationships they have with Killam that could impair the auditors’ independence;
- d) review the external auditors’ audit plan – discuss and approve audit scope, staffing, reliance upon Management and general audit approach;
- e) prior to releasing the year-end results, discuss the results of the audit with the external auditors including certain matters required to be communicated to audit committees in accordance with the standards established by the Chartered Professional Accountants of Canada; and
- f) consider the external auditors’ judgments about the quality and appropriateness of Killam’s accounting principles as applied in Killam’s financial reporting.

Section 3 Non-Audit Services

- a) the Committee shall be responsible for reviewing and pre-approving all non-audit services to be provided by the external auditor; and
- b) the Committee shall be permitted to establish specific policies and procedures concerning the performance of non-audit services which are to be reviewed annually.

APPENDIX B. AUDIT COMMITTEE MANDATE

Section 4 Other Audit Committee Responsibilities

- a) the Committee shall be responsible for reviewing and approving Killam's hiring policy concerning partners or employees, as well as former partners and employees of the present or former external auditors;
- b) the Committee shall ensure that procedures are in place relating to the receipt and treatment of complaints which may be received concerning accounting, internal controls or auditing matters. In addition, the Committee shall ensure procedures are in place concerning the confidential, anonymous submissions of concerns by Killam's employees relating to these matters;
- c) review and approve Management's decision related to the need for internal auditing;
- d) on at least an annual basis, review with Killam's legal counsel any legal matters that could have a significant impact on Killam's financial statements, compliance with applicable laws and regulations and inquiries received from regulators or government agencies;
- e) annually assess the effectiveness of the Committee against its Mandate and report the results to the Board; and
- f) prepare and disclose a summary of the Mandate to the unitholders.

Section 5 Administrative Matters

- a) a quorum of the Audit Committee shall be the attendance of two (2) members thereof. No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Audit Committee is present or by a resolution in writing signed by all members of the Committee;
- b) any member of the Audit Committee may be removed or replaced at any time by resolution of the Board of Trustees. If and whenever a vacancy shall exist on the Audit committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, each member of the Audit Committee shall hold such office until the close of the annual meeting of the unitholders next following the date of appointment as a member of the Audit Committee or until a successor is duly appointed;
- c) the Audit Committee may invite such officers, trustees and employees of the Trust or affiliates as it may see fit from time to time to attend at meetings of the Audit Committee and to assist thereat in the
- d) discussion of matters being considered by the Audit Committee. The external auditor is to appear before the Audit Committee when requested to do so by the Audit Committee;
- e) the Audit Committee, having regard to the Declaration of Trust, shall determine the time and place for Audit Committee meetings, the calling and the procedure at such meetings;
- f) notice of all meetings of the Audit Committee shall be given to the external auditor and the external auditor shall be entitled to attend and be heard at each Audit Committee meeting. The external auditor must attend every meeting of the Audit Committee that is specially requested to attend by a member of the Audit Committee. Upon the request of the external auditor or any member of the Audit Committee, the Audit Committee shall convene a meeting of the Audit Committee to consider any matters that should be brought to the attention of the Board of Trustees;
- g) the Audit Committee shall report to the Board of Trustees on such matters and questions relating to the financial position of Killam or any affiliates of Killam, as the Board of Trustees may from time to time refer to the Audit Committee;

APPENDIX B. AUDIT COMMITTEE MANDATE

- h) the members of the Audit Committee shall, for the purpose of performing their duties, have the right to inspect all the books and the records of the Trust and its affiliates, and to discuss such books and records that are in any way related to the financial position of the Trust with its officers, employees and external auditor and its affiliates; and
- i) maintain minutes of meetings and periodically report to the Board on significant results of the foregoing activities.

APPENDIX C

GOVERNANCE AND ESG COMMITTEE MANDATE

OBJECTIVES

The Governance and ESG Committee (the "Committee") is appointed by the board of trustees (the "Board") of Killam Apartment REIT (the "REIT") to assist the Board in fulfilling its oversight responsibilities with respect to the environmental, social, governance ("ESG") and nomination issues facing the REIT.

The Committee acknowledges the corporate governance guidelines issued by the Canadian Securities Administrators in National Instrument 58-101 Disclosure of Corporate Governance Practices ("NI 58-101") and National Policy 58-201 Corporate Governance Guidelines ("NP 58-201"), and other regulatory provisions as they pertain to corporate governance matters. The objective of the Committee is to promote appropriate behaviour with respect to all aspects of the REIT's business.

The purpose of the Committee is: (a) to review and report to the Board on matters of corporate governance, Board composition, environmental and social responsibility; (b) to provide oversight review of the REIT's systems for achieving compliance with legal and regulatory requirements; (c) to provide oversight of social, political and environmental trends, risks and opportunities that affect the REIT's business strategy and performance; and (d) to carry out actions the REIT can take to be, and be known as, a responsible and good corporate citizen in the communities in which it operates, while furthering its long-term business goals. The Committee's oversight role regarding compliance systems shall not include responsibility for the REIT's actual compliance with applicable laws and regulations.

The Committee will review and modify this mandate with regards to, and to reflect changes in, the business environment, industry standards on ESG matters, additional standards which the Committee believes may be applicable to the REIT's business, the location of the REIT's business and its unitholders and the application of laws and policies.

COMPOSITION

The Committee shall consist of not less than three and not more than six trustees, and a majority shall be "independent" as that term is defined in NI 58-101 (as set out in Schedule "A" hereto).

The members of the Committee shall be appointed or re-appointed at the organizational meeting of the Board immediately following each annual meeting of the unitholders of the REIT and shall continue as members of the Committee until their successors are appointed or until they cease to be trustees of the REIT. The Board may fill any vacancy in the membership of the Committee at any time.

The members of the Committee shall appoint a Chair from among their number.

MEETINGS AND MINUTES

The Committee shall meet as often as necessary to carry out its responsibilities, typically in conjunction with regularly scheduled board meetings.

In addition, a meeting may be called by the Chair of the Committee, the Chief Executive Officer of the REIT (the "CEO") or any member of the Committee. A notice of time and place of every meeting of the Committee shall be given in writing to each member of the Committee at least two business days prior to the time fixed for such meeting, unless waived by all members entitled to attend. Attendance of a member of the Committee at a meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

APPENDIX C. GOVERNANCE AND ESG COMMITTEE MANDATE

A quorum for meetings of the Committee shall require a majority of its members present in person or by telephone. If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting will be chosen to preside by a majority of the members of the Committee present at that meeting.

The CEO shall be available to advise the Committee, shall receive notice of meetings and may attend meetings of the Committee at the invitation of the Chair. Other management representatives shall be invited to attend as necessary. Notwithstanding the foregoing, the Chair of the Committee shall hold in camera sessions, without management present, at every meeting of the Committee.

Decisions of the Committee shall be determined by a majority of the votes cast.

The Committee shall appoint a member of the Committee, other officer of the REIT, or legal counsel to act as secretary at each meeting for the purpose of recording the minutes of each meeting.

The Committee shall provide the Board with a summary of all meetings together with a copy of the minutes from such meetings. Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee. All information reviewed and discussed by the Committee at any meeting shall be referred to in the minutes and made available for examination by the Board upon request to the Chair.

SCOPE, DUTIES AND RESPONSIBILITIES

Mandatory Duties

Pursuant to NI 58-101 and NP 58-201, the Committee is required to:

- I. Bring to the attention of the Board such corporate governance issues as are necessary for the proper governance of the REIT and to develop the approach of the REIT in matters of corporate governance, including the written statement of corporate governance principles applicable to the REIT as set forth in the REIT's annual information circular, and to make recommendations to the Board with respect to all such matters.
- II. Assess and report to the Board in respect of matters relating to the ongoing composition of the Board, including:
 - a. recommending to the Board criteria for the composition of the Board and the selection of trustees;
 - b. assessing the competencies and skills each existing trustee should possess;
 - c. considering the appropriate size of the Board, with a view to facilitating effective decision making;
 - d. identifying, either directly or with the assistance of a search firm, candidates for membership on the Board and review their competencies and skills, including their ability to satisfy the criteria approved by the Board and their ability to devote sufficient time and resources to his or her duties as a trustee; and
 - e. establishing, implementing and executing procedures to evaluate the independence, performance and effectiveness of the Board, Board committees, all individual Trustees, the Chair and committee chairs (other than this Committee chair) and review with the Board on an annual basis the results of the assessment.
- III. Review succession planning issues with respect to the members of the Board and, upon the retirement of the Chair, make a recommendation to the Board with respect to the appointment of a new Chair.
- IV. Review and periodically reassess a position description for the Chair.

APPENDIX C. GOVERNANCE AND ESG COMMITTEE MANDATE

- V. Establish structures and procedures to permit the Board to function independently of management.
- VI. Recommend Board committees and their composition, including the independence of the members nominated thereto; review the need for, and the performance and suitability of, those committees; and make such adjustments as are deemed necessary from time to time, all in conjunction with the Chair and the relevant committees of the Board.
- VII. Oversee the development, implementation and disclosure of the ongoing trustee education program including, as appropriate, education sessions on the REIT's business by way of presentations and operating site visits, individual or group education sessions from internal personnel or external consultants on topics of importance to trustees and the REIT, and recommended formal educational opportunities through appropriate organizations to be made available to individual trustees and paid for by the REIT.
- VIII. Assess and report to the Board with respect to the new trustees' orientation program of the REIT.
- IX. Monitor compliance with, and review and approve, if considered appropriate, all proposed waivers to, the REIT's Code of Business Conduct and Ethics.
- X. Conduct an annual performance evaluation of the Committee and each of its members.

Discretionary Duties

The Committee's responsibilities may, at the Committee's discretion, also include the following (provided that some of the following functions might be assumed from time to time by other committees of the Board as Board priorities and resources permit):

- I. Monitor and assess the effectiveness of the ESG policies and procedures of the REIT.
- II. In conjunction with the Compensation Committee, oversee the evaluation of, and report to the Board on, the performance of the management of the REIT.
- III. In conjunction with the Compensation Committee, monitor, evaluate and report to the Board with respect to the performance and accountability of the CEO, including the setting of short term and long-term corporate objectives and performance management indicators.
- IV. In the context of an overall corporate budget approved by the Board, recommend to the Board the appointment of officers on behalf of the REIT and other key employees.
- V. Ensure that the REIT's governance practices are fully disclosed in the REIT's management information circular or annual information form, as appropriate.
- VI. Review the policies, programs and practices of the REIT and monitor the adequacy of compliance systems in the following areas:
 - a. corporate and securities law (including insider trading and self dealing);
 - b. environmental law;
 - c. stock exchange listing standards;
 - d. anti-trust and competition law;
 - e. regulation of employment practices;
 - f. code of business conduct and ethics;
 - g. corporate policy on conflicts of interest;

APPENDIX C. GOVERNANCE AND ESG COMMITTEE MANDATE

- h. corporate policy with respect to communications and disclosure; and
 - i. such other areas of regulatory law and corporate policy statements as the Committee considers appropriate from time to time.
- VII. To report and make recommendations to the Board on such areas of regulatory and corporate compliance as are considered appropriate from time to time.
- VIII. To review, approve or make recommendations to the Board in respect of corporate social responsibility and sustainability matters, including, but not limited to, monitoring the REIT's progress on integrating ESG factors into business strategy and decision-making, and adopting ESG policies.
- IX. To review and provide oversight of the REIT's conduct of business in a socially responsible, ethical and transparent manner and that management engages, supports and respects the communities in which the REIT works.
- X. To provide oversight of the REIT's programs to identify environmental, social and political trends in public debate, public policy, regulation and legislation that may impact the REIT's strategies and business interests.
- XI. To provide oversight of the REIT's performance, engagement and communications directed towards building public confidence and stakeholder trust.
- XII. To review and approve the REIT's periodic Environmental, Social and Governance Report and monitor ongoing compliance with the initiatives described therein.

COMMUNICATION, AUTHORITY TO ENGAGE ADVISORS AND EXPENSES

The Committee shall have direct access to such officers and employees of the REIT and to any other consultants or advisors, and to such information respecting the REIT it considers necessary to perform its duties and responsibilities.

Any employee may bring before the Committee, on a confidential basis, any concerns relating to matters over which the Committee has oversight responsibilities.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any such counsel and other advisors, such engagement to be at the REIT's expense. The REIT shall be responsible for all other expenses of the Committee that are deemed necessary or appropriate by the Committee in order to carry out its duties.

APPENDIX D

COMPENSATION COMMITTEE MANDATE

PURPOSE

The purpose of this Mandate is to establish the terms of reference of the Compensation Committee (the “Committee”) of Killam Apartment Real Estate Investment Trust (the “Trust” or “Killam”). The Committee is appointed by the Board of Trustees (the “Board”). The Committee is responsible for contributing to the effective stewardship of Killam by assisting the Board in fulfilling its oversight of compensation matters.

COMPOSITION AND OPERATION

The Committee shall be comprised of a minimum of three non-employee Trustees; a majority of whom are “independent Trustees” within the meaning set forth in National Instrument 58-101 – Disclosure of Corporate Governance Practices. Members shall be appointed annually from among members of the Board, with one trustee named as Chair. A member of the Committee shall cease to be a member of the Committee upon ceasing to be a Trustee of Killam.

RESPONSIBILITIES

With respect to compensation matters, the Committee’s responsibilities will be to:

Section 1 Specific Duties

- a) annually review and determine executive compensation packages for the senior officers of Killam, including salary, bonuses, restricted trust units or awards and other incentives;
- b) annually review and approve corporate goals and objectives related to compensation and evaluate the compensation of Killam’s executive officers in light of those goals and objectives;
- c) conduct annually and report to the Board the result of performance appraisals of the chief executive officers and other officers as appropriate;
- d) periodically review Killam’s executive benefit plans to ensure the appropriateness thereof;
- e) review annually and recommend for approval to the Board the executive compensation disclosure of Killam in its management information circular;
- f) review and approve any management contract; change of control agreements, indemnity agreements, and significant consulting contracts; and
- g) review annually and report to the Board on the adequacy of the Committee’s mandate.

Section 2 Authority to Engage Advisors

- a) the Committee shall be authorized to retain and compensate any outside advisor as it determines necessary to permit it to carry out its duties.

Section 3 Delegation

- a) the Committee shall be authorized to delegate its authority and duties to subcommittees or individual members of the Committee as it considers appropriate.

Section 4 Administrative Matters

- a) the Committee shall meet as required, but not less than twice each year;

APPENDIX D. COMPENSATION COMMITTEE MANDATE

- b) the quorum for meetings of the Committee shall be two members thereof. Business may be transacted by the Committee at a meeting of its members at which a quorum is present or by a resolution in writing signed by all the members of the Committee;
- c) any member of the Committee may be removed or replaced at any time by the Board. If a vacancy exists on the Committee, the remaining members may exercise all of the powers of the Committee so long as a quorum remains. Subject to the foregoing, each member of the Committee shall hold office until the close of the next annual meeting of unitholders following the date of appointment as a member or until a successor is duly appointed;
- d) the Committee may invite such officers, Trustees and employees of the Trust as it may see fit from time to time to attend meetings of the Committee and assist thereat in the discussion and consideration of the matters being considered by the Committee;
- e) the time at which and place where the meetings of the Committee shall be held and the calling of meetings and the procedure in all respects at such meetings shall be determined by the Committee unless otherwise determined by resolution of the Board; and
- f) the members of the Committee shall, for the purpose of performing their duties, have the right to inspect all the books and records of Killam and its subsidiaries, and to discuss such books and records as are in any way related to the compensation of any one or more of the trustees and officers of Killam with the officers and employees of Killam and its subsidiaries.

Section 5 Record Keeping for Due Diligence Purposes

- a) Compensation should be demonstrably fair to the Trust and its executive officers and key employees.
- b) Minutes of the Committee meetings shall be recorded and maintained. The chair of the Committee shall report to the Board on the activities of the Committee and the minutes of the Committee meetings will be promptly circulated to the trustees who are not members of the Committee upon request.