

KILLAM APARTMENT REIT
Notice of 2021 Annual Meeting of
Unitholders and Management
Proxy Circular



TABLE OF CONTENTS

NOTICE OF ANNUAL MEETING OF UNITHOLDERS	4
SECTION I. PROXY AND VOTING INFORMATION	5
SECTION II. BUSINESS OF THE MEETING	11
SECTION III. ELECTION OF TRUSTEES	13
TRUSTEES NOMINATED FOR ELECTION	13
AREAS OF EXPERTISE	24
TRUSTEE COMPENSATION	25
SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS	28
ELEMENTS OF EXECUTIVE COMPENSATION PROGRAM	29
EXECUTIVE COMPENSATION AND RISK MANAGEMENT	31
COMPENSATION CONSULTANTS AND ROLE OF MANAGEMENT	35
2020 EXECUTIVE COMPENSATION	37
EXECUTIVE PROFILES	42
SUMMARY COMPENSATION TABLE FOR NAMED EXECUTIVE OFFICERS	47
INCENTIVE PLAN AWARDS	48
TERMINATION AND CHANGE OF CONTROL BENEFITS	49
OVERVIEW OF KILLAM'S COMPENSATION PLANS	51
SECTION V. GOVERNANCE PRACTICES	54
BOARD OF TRUSTEES' MANDATE	54
BOARD INDEPENDENCE	55
POSITION DESCRIPTIONS	56
BOARD SIZE	56
BOARD ROLE IN SUCCESSION PLANNING FOR CEO AND MANAGEMENT	56
RISK MANAGEMENT AND STRATEGIC PLANNING OVERSIGHT	56
DIRECTORS/TRUSTEES OF OTHER ISSUERS	57
BOARD AND COMMITTEE MEETINGS	58
NOMINATION OF TRUSTEES	58
MAJORITY VOTING POLICY	59
TRUSTEE TENURE AND BOARD RENEWAL	59
BOARD AND COMMITTEE ASSESSMENTS AND QUESTIONNAIRES	60
ORIENTATION AND CONTINUING EDUCATION	60
ETHICAL BUSINESS CONDUCT	63
KILLAM'S COMMITMENT TO DIVERSITY AND INCLUSION	64
KILLAM'S COMMITMENT TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	65
ENGAGING WITH UNITHOLDERS AND OTHER STAKEHOLDERS	66
SECTION VI. COMMITTEES OF THE BOARD OF TRUSTEES	67
REPORT OF THE AUDIT COMMITTEE TO UNITHOLDERS	67
REPORT OF THE GOVERNANCE AND ESG COMMITTEE TO UNITHOLDERS	69
REPORT OF THE COMPENSATION COMMITTEE TO UNITHOLDERS	71
OTHER INFORMATION	72
APPENDIX A BOARD OF TRUSTEES' MANDATE	74
APPENDIX B AUDIT COMMITTEE MANDATE	78
APPENDIX C GOVERNANCE AND ESG COMMITTEE MANDATE	82
APPENDIX D COMPENSATION COMMITTEE MANDATE	86

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 Friday, May 7, 2021 at 10:30 a.m. (ADT) 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, 2020 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 24, 2021. Accompanying this Notice of Meeting is a Management Information Circular (the “Circular”) dated March 26, 2021, and a form of proxy. Due to COVID-19 social distancing restrictions, unitholders are encouraged to attend via webcast only. Unitholders are 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 10:30 a.m. on May 5, 2021.

Dated at Halifax, Nova Scotia, this 26th day of March, 2021.

BY ORDER OF THE BOARD OF TRUSTEES



Ronald Barron

Secretary

LOGISTICS

Date and Time

Friday, May 7, 2021 at 10:30 a.m. ADT

Location

3700 Kempt Road, Halifax, NS

COVID-19 Restrictions

Due to COVID-19 restrictions, the Trust intends to hold an in-person meeting whereby unitholders are strongly encouraged to submit proxies in advance and attend via webcast only.

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 24, 2021.

NOTICE OF ANNUAL MEETING OF UNITHOLDERS

IMPORTANT NOTE: On March 22, 2020, the Province of Nova Scotia declared a state of emergency to help contain the spread of the novel coronavirus ("COVID-19"). The state of emergency remains in effect as of the date of the Circular. Under the provincial state of emergency strict social distancing measures are in place. Based on these restrictions, the Trust intends to hold 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 proxyholders will be entitled to attend the Meeting in person. The Trust will follow provincial health guidance in order to reduce the risk of spreading the virus at the Meeting.

The Trust will provide a live webcast of the Meeting. 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 10:30 a.m. on May 5, 2021. 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 the "Advice to Beneficial Shareholders" section.

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 Friday, May 7, 2021, at 10:30 a.m. ADT for the purposes set forth in the accompanying Notice of Meeting. The Trust currently intends to hold an in-person unitholder meeting, but due to COVID-19 restrictions, unitholders are strongly encouraged to submit proxies in advance and attend via webcast only. Only registered unitholders and duly appointed proxyholders 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.

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 registered unitholders and posted online for 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.

SECTION I. PROXY AND VOTING INFORMATION

A request for a paper copy should be sent so that it is received by Killam by April 16, 2021, in order to allow sufficient time for the beneficial unitholder to receive the paper copy and return the proxy by May 5, 2021. 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) or postponement(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, 2021, 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.

(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 26, 2021, 103,606,970 Units and 4,101,520 Special Voting Units were issued and outstanding.

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 24, 2021 (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 26, 2021, no person or company beneficially owns, or controls or directs, directly or indirectly, Units or Special Voting Units carrying more than 10% of the voting rights of the Trust.

QUORUM

The quorum at the Meeting or any adjournment thereof shall consist of at least two 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.

Due to COVID-19 restrictions, only registered unitholders and duly appointed proxyholders will be entitled to attend the Meeting in person.

SECTION I. PROXY AND VOTING INFORMATION

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.

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 9 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 by Management is being primarily made by mail, but 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. Due to COVID-19 restrictions, 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 unitholder 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 9.** At this time, only registered unitholders and duly appointed proxyholders 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 10:30 a.m. on May 5, 2021.

SECTION I. PROXY AND VOTING INFORMATION

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 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment or postponement of the Meeting.

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 Killam’s head office, being 3700 Kempt Road, Suite 100, Halifax, Nova Scotia, B3K 4X8, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement 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 forth 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 26, 2021, 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).

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

Beneficial unitholders who wish to attend the Meeting via webcast 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. 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 as proxyholder for the registered unitholder and vote the Units in that capacity.

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, 2020. Copies of the Trust's latest annual information form (AIF), 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, 2020; together with the report of the auditors therein; management's discussion and analysis of the Trust's results of operations and financial condition for 2020; 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, 2020, together with the external auditor's report, will be placed before the unitholders at the Meeting. These documents are included in Killam's 2020 Annual Report. The 2020 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 14 through 23. 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 AUDITOR'S REMUNERATION

Killam proposes to nominate Ernst & Young LLP, 1871 Hollis Street, #500, Halifax, NS, B3J 0C3, as the auditors 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) has been the auditors of Killam since June 26, 2000.

During 2020, the Board conducted a formal request for proposal (RFP) for external audit services starting with the year ended December 31, 2021. Following a detailed review of the submissions, the selection committee selected EY to continue as Killam's auditors. The Board approved this selection after also assessing the performance and independence of EY. Although there are no audit tenure restrictions in Canada, the Board recognizes that EY's tenure as auditors of Killam has been greater than twenty years, and as such has limited EY's term to a maximum of three years, not to exceed December 31, 2024. Killam will conduct an RFP to replace EY for the year ended December 31, 2025, at the latest.

The Board recommends the re-appointment of EY as auditors until the close of the next annual meeting. Last year, the vote was 95.76% in favour of EY as auditors. The affirmative vote of a majority of Units voted on such matters is required to reappoint the firm of EY as auditors of Killam.

Auditor's Fees

The table below lists the services EY provides and the fees paid by Killam for the fiscal years ended December 31, 2020, and December 31, 2019. The Audit Committee can pre-approve services as long as they are within the scope of the policies and procedures approved by the Committee.

SECTION II. BUSINESS OF THE MEETING

Summary of Audit Fees

Year ended December 31	2020	2019
Audit Services Fees ⁽¹⁾	\$315,500	\$385,400
Audit-Related Services Fees ⁽²⁾	44,500	74,256
Tax Services Fees ⁽³⁾	47,500	74,448
Non-Audit Services Fees ⁽⁴⁾	46,967	51,729
Total ⁽⁵⁾	\$454,467	\$585,833

⁽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 services 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. Of the tax-related fees in 2020 \$43,500 relate to tax compliance/preparation fees (2019 - \$35,750) and \$4,000 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

To consider and approve, on an advisory basis, a resolution on Killam's approach to executive compensation.

Killam's executive compensation program is designed 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. The executive compensation is designed to be aligned with performance and the interests of unitholders, and to drive strategic initiatives. The Board, through the Compensation Committee, has directed and reviewed the contents of the executive compensation discussion included in this Circular and has unanimously approved it.

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, 2021.

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 and Analysis section of this Circular describes Killam's compensation practices for the named executive officers ("NEOs").

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.

Management is not aware of any material interest, direct or indirect, of any Trustee or nominee for Trustee or executive officer or anyone who has held office as such since the beginning of the Trust's last financial year or of any associates or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

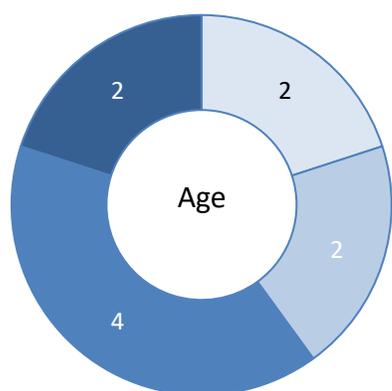
SECTION III. ELECTION OF TRUSTEES

TRUSTEES NOMINATED FOR ELECTION

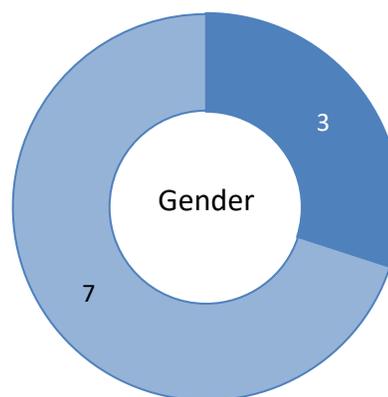
Killam's Declaration of Trust states that there shall be a minimum of 5 and a maximum of 12 Trustees. There are 10 Trustees standing for election in 2021. The current term of office of the Trustees of Killam will expire at the close of the Meeting. Individual nominee profiles include a summary of career 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, 2021.

This section includes each nominee's beneficial ownership of Trust Units, Exchangeable Units and Restricted Trust Units (RTUs) as at March 17, 2021, and March 17, 2020. The value of Trust Units, Exchangeable Units, and RTUs are based on the market value of \$18.93 with respect to Units held at March 17, 2021, and \$20.21 in respect of Units held at March 17, 2020, being the closing price of Trust Units on the Toronto Stock Exchange ("TSX") on such dates.

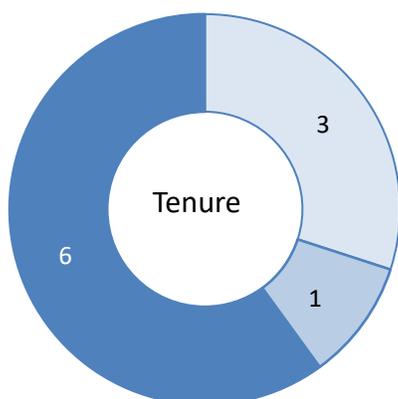
Board Composition



Under 50 51-60 61-70 Over 70



Female Male



Under 5 years 5-9 years Over 10 years



Independent Non-Independent

SECTION III. ELECTION OF TRUSTEES



Philip Fraser

Mr. Fraser is the founding President and Chief Executive Officer of Killam. He has held this position for 21 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 33 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 its Executive Committee, Advancement Committee, and Honorary Degree Committee.

Halifax,
Nova Scotia, Canada
Age: 59
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 2020

Board of Trustees	5 of 5	100%
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Other Public Board Membership during the Last Five Years

RediShred Capital Corp. (TSX-V) (2007 to 2017)

Voting Results of the 2020 Annual Meeting of Unitholders

	Votes For	Votes Withheld	Total Votes Cast
# of Votes	66,848,280	932,417	67,780,697
% of Votes	98.6%	1.4%	100%

Ownership and Value At-Risk

As at	Trust Units	Exchangeable Units	Restricted Trust Units	Total Units	Total Value At-Risk
March 17, 2021	449,211	261,941	98,496	809,648	\$15,326,637
March 17, 2020	416,922	261,941	100,243	779,106	\$15,745,732

✓ Meets unit ownership requirement.



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.

Moncton,
New Brunswick, Canada
Age: 84

Trustee since: 2002

Independent Trustee

Areas of Expertise

Executive Leadership, Governance, Real Estate, Accounting, Entrepreneurship, Development

Board and Committee Attendance during 2020

Board of Trustees (Chair)	5 of 5	100%
Audit Committee ⁽¹⁾	1 of 1	100%

⁽¹⁾ Mr. Kay resigned from the Audit Committee effective March 17, 2020.

Other Public Board Membership during the Last Five Years

RediShred Capital Corp. (TSX-V) (2009 to present)

Voting Results of the 2020 Annual Meeting of Unitholders

	Votes For	Votes Withheld	Total Votes Cast
# of Votes	65,914,333	1,866,364	67,780,697
% of Votes	97.3%	2.7%	100%

Ownership and Value At-Risk

As at	Trust Units	Exchangeable Units	Restricted Trust Units	Total Units	Total Value At-Risk
March 17, 2021	27,672	535,062	-	562,734	\$10,652,555
March 17, 2020	27,672	535,062	-	562,734	\$11,372,854

✓ Meets unit ownership requirement.

SECTION III. ELECTION OF TRUSTEES



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.

Moncton,
New Brunswick, Canada

Age: 75

Trustee since: 2017

Independent Trustee

Areas of Expertise

Executive Leadership, Governance, Government and Regulatory Affairs

Board and Committee Attendance during 2020

Board of Trustees	5 of 5	100%
Governance and ESG Committee	5 of 5	100%
Compensation Committee	4 of 4	100%

Other Public Board Membership during the Last Five Years

N/A

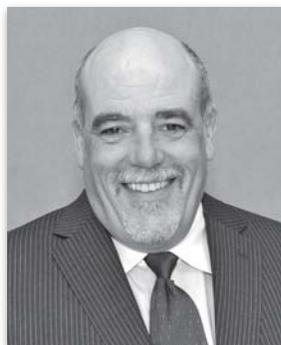
Voting Results of the 2020 Annual Meeting of Unitholders

	Votes For	Votes Withheld	Total Votes Cast
# of Votes	67,610,307	169,790	67,780,697
% of Votes	99.7%	0.3%	100%

Ownership and Value At-Risk

As at	Trust Units	Exchangeable Units	Restricted Trust Units	Total Units	Total Value At-Risk
March 17, 2021	9,850	—	8,217	18,067	\$342,008
March 17, 2020	9,850	—	5,434	15,284	\$308,890

✓ Meets unit ownership requirement.



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 Limited. 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 on 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 and a Director of Sustane Technologies Inc., an advanced recycling company building a biomass pellet and syn-diesel plant in Chester, NS.

Halifax,
Nova Scotia, Canada
Age: 62

Trustee since: 2000

Independent Trustee

Areas of Expertise

Executive Leadership, Real Estate, Development, Entrepreneurship, Governance

Board and Committee Attendance during 2020

Board of Trustees	5 of 5	100%
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Other Public Board Membership during the Last Five Years

RediShred Capital Corp (TSX-V)(2007 to present)

Voting Results of the 2020 Annual Meeting of Unitholders

	Votes For	Votes Withheld	Total Votes Cast
# of Votes	51,510,395	16,270,302	67,780,697
% of Votes	76.0%	24.0%	100%

Ownership and Value At-Risk

As at	Trust Units	Exchangeable Units	Restricted Trust Units	Total Units	Total Value At-Risk
March 17, 2021	715,184	1,210,126	—	1,925,310	\$36,446,118
March 17, 2020	685,184	1,120,126	—	1,895,310	\$38,304,215

✓ Meets unit ownership requirement.

SECTION III. ELECTION OF TRUSTEES



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.

Calgary,
Alberta, Canada
Age: 65

Trustee since: 2000

Independent Trustee

Areas of Expertise

Executive Leadership, Real Estate, Governance, Corporate Finance and Capital Markets, Development

Board and Committee Attendance during 2020

Board of Trustees	5 of 5	100%
Governance and ESG Committee ⁽¹⁾	2 of 2	100%

⁽¹⁾ Mr. Lloyd resigned from the Governance and ESG Committee on March 27, 2020.

Other Public Board Membership during the Last Five Years

N/A

Voting Results of the 2020 Annual Meeting of Unitholders

	Votes For	Votes Withheld	Total Votes Cast
# of Votes	65,372,260	2,408,437	67,780,697
% of Votes	96.5%	3.5%	100%

Ownership and Value At-Risk

As at	Trust Units	Exchangeable Units	Restricted Trust Units	Total Units	Total Value At-Risk
March 17, 2021	17,415	253,692	17,431	288,538	\$5,462,024
March 17, 2020	17,415	253,692	12,966	284,073	\$5,741,115

✓ Meets unit ownership requirement.



Karine MacIndoe

Karine MacIndoe has over 25 years of professional experience, mostly in real estate and capital markets, and 7 years of public board experience. She is also on the boards of Dream Office REIT (TSX: D.UN) and Dream Impact Trust (TSX: MPCT.UN). Committee responsibilities include Chairing Audit at Killam, Dream Office and Dream Impact, and Chairing Compensation at Killam. 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 greater than 10 year career at BMO, she was a consistently 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).

Toronto,
Ontario, Canada
Age: 47

Trustee since: 2014
Independent Trustee

Areas of Expertise

Real Estate, Accounting, Governance, Corporate Finance and Capital Markets

Board and Committee Attendance during 2020

Board of Trustees	5 of 5	100%
Audit Committee (Chair) ⁽¹⁾	4 of 4	100%
Compensation Committee (Chair)	4 of 4	100%

⁽¹⁾Ms. MacIndoe was appointed Chair of the Audit Committee on March 17, 2020.

Other Public Board Membership during the Last Five Years

Dream Office REIT (2015 to present) and Dream Impact Trust (2018 to present)

Voting Results of the 2020 Annual Meeting of Unitholders

	Votes For	Votes Withheld	Total Votes Cast
# of Votes	66,621,254	1,159,443	67,780,697
% of Votes	98.3%	1.7%	100%

Ownership and Value At-Risk

As at	Trust Units	Exchangeable Units	Restricted Trust Units	Total Units	Total Value At-Risk
March 17, 2021	57,535	—	—	57,535	\$1,089,138
March 17, 2020	57,535	—	—	57,535	\$1,162,782

✓ Meets unit ownership requirement.

SECTION III. ELECTION OF TRUSTEES



Laurie MacKeigan, CPA, CA, CPA(IL)

Laurie MacKeigan is the President of Backman Vid-Comm Ltd. ("Backman-Vid"), 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 Bachelor of Business Administration from Acadia University and is a Chartered Professional Accountant in both Canada and the United States. In 2019, Ms. MacKeigan was recognized as EY Entrepreneur of the Year – Emerging, for Atlantic Canada.

Halifax,
Nova Scotia, Canada
Age: 49

Trustee since: 2020
Independent Trustee

Areas of Expertise

Executive Leadership, Entrepreneurship, Accounting, Corporate Finance and Capital Markets

Board and Committee Attendance during 2020

Board of Trustees ⁽¹⁾	3 of 3	100%
Audit Committee ⁽²⁾	2 of 2	100%
Compensation Committee ⁽²⁾	2 of 2	100%

⁽¹⁾ Ms. MacKeigan was appointed to the Board of Trustees on May 7, 2020.

⁽²⁾ Ms. MacKeigan was appointed to the Audit and Compensation Committees on May 7, 2020.

Other Public Board Membership during the Last Five Years

N/A

Voting Results of the 2020 Annual Meeting of Unitholders

	Votes For	Votes Withheld	Total Votes Cast
# of Votes	67,725,405	28,292	67,780,697
% of Votes	99.9%	0.1%	100%

Ownership and Value At-Risk

As at	Trust Units	Exchangeable Units	Restricted Trust Units	Total Units	Total Value At-Risk
March 17, 2021	3,654	—	884	4,538	\$85,904
March 17, 2020	554	—	—	—	\$11,196

✓ Ms. MacKeigan has five years from her appointment in 2020 to meet Killam's Trustee unit ownership requirement.



Doug McGregor

Mr. McGregor was the Group Head, RBC Capital Markets and RBC Investor & Treasury Services, Chairman and CEO of RBC Capital Markets, and was a member of RBC's Group Executive. As Chairman and CEO of RBC Capital Markets, Mr. McGregor had global oversight of the firm's Corporate & Investment Banking and Global Markets activities conducted by its approximately 7,500 employees worldwide. He also directly led the investment bank's real estate lending businesses. As Group Head of RBC Investor & Treasury Services, Mr. McGregor was responsible for this business' custody, treasury and financing services for institutional clients globally. Mr. McGregor is a former Chairman of the Board of Directors of the Investment Industry Regulatory Organization of Canada.

Toronto,
Ontario, Canada

Age: 64

Trustee since: Nominated
2021

Independent Trustee ⁽¹⁾

Areas of Expertise

Executive Leadership, Governance, Real Estate, Development, Corporate Finance and Capital Markets, Government and Regulatory Affairs

Board and Committee Attendance during 2020

N/A

Other Public Board Membership during the Last Five Years

Brookfield Property Partners (2020 to present), Plaza REIT (2020 to present)

Voting Results of the 2020 Annual Meeting of Unitholders

	Votes For	Votes Withheld	Total Votes Cast
# of Votes	N/A	N/A	N/A
% of Votes	N/A	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, 2021	45,308	—	—	45,308	\$857,680
March 17, 2020	N/A	N/A	N/A	N/A	N/A

✓ Meets unit ownership requirement.

(1) Mr. McGregor will be nominated as a new Independent Trustee at the 2021 Meeting.

SECTION III. ELECTION OF TRUSTEES



Robert Richardson, FCPA, FCA

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, NS. Most recently, Mr. Richardson 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.

Halifax,
Nova Scotia, Canada
Age: 59

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 2020

Board of Trustees	5 of 5	100%
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Other Public Board Membership during the Last Five Years

RediShred Capital Corp. (TSX-V) (2007 to present)

Voting Results of the 2020 Annual Meeting of Unitholders

	Votes For	Votes Withheld	Total Votes Cast
# of Votes	65,885,741	1,894,956	67,780,697
% of Votes	97.2%	2.8%	100%

Ownership and Value At-Risk

As at	Trust Units	Exchangeable Units	Restricted Trust Units	Total Units	Total Value At-Risk
March 17, 2021	129,245	281,482	45,573	456,300	\$8,637,759
March 17, 2020	116,758	281,482	46,870	445,110	\$8,995,673

✓ Meets unit ownership requirement.



Toronto,
Ontario, Canada

Age: 68

Trustee since: 2007

Independent Trustee

Manfred Walt, CPA, CA

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 – 2020. Mr. Walt has served in 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.

Areas of Expertise

Executive Leadership, Governance, Real Estate, Accounting, Corporate Finance and Capital Markets, Development, Entrepreneurship

Board and Committee Attendance during 2020

Board of Trustees	5 of 5	100%
Audit Committee ⁽¹⁾	3 of 3	100%
Governance and ESG Committee (Chair)	5 of 5	100%

⁽¹⁾ Mr. Walt was appointed to the Audit Committee on March 17, 2020.

Other Public Board Membership during the Last Five Years

Firm Capital Property Trust (2012 to present) and Wilmington Capital Management Inc. (2019 to 2020)

Voting Results of the 2020 Annual Meeting of Unitholders

	Votes For	Votes Withheld	Total Votes Cast
# of Votes	64,684,721	3,095,976	67,780,697
% of Votes	95.4%	4.6%	100%

Ownership and Value At-Risk

As at	Trust Units	Exchangeable Units	Restricted Trust Units	Total Units	Total Value At-Risk
March 17, 2021	105,326	319,646	19,170	444,142	\$8,407,608
March 17, 2020	79,795	319,646	13,994	413,435	\$8,355,521

✓ Meets unit ownership requirement.

Information 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, 2021, and March 17, 2020, not being within the knowledge of Killam, has been furnished by the respective nominees.
2. As at March 17, 2021, the Trustees held 2,861,949 Exchangeable Units (March 17, 2020 — 2,946,949 Exchangeable Units).

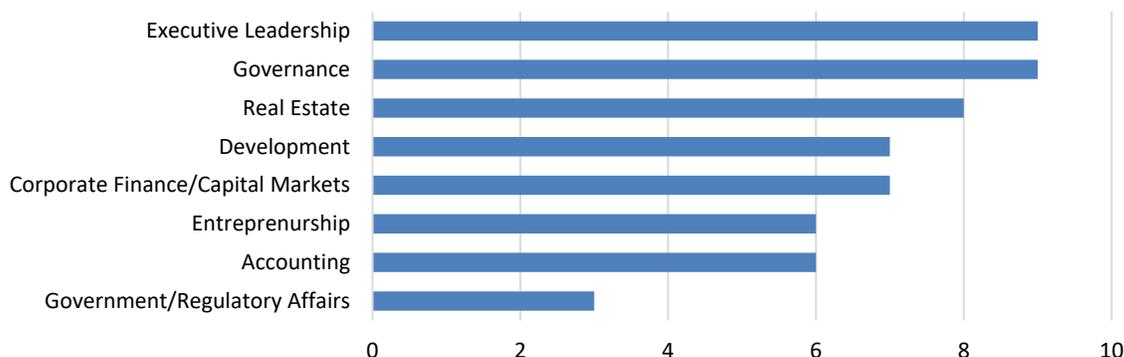
SECTION III. ELECTION OF TRUSTEES

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.

As the matrix highlights, the Trustees nominated for 2021 have a diverse skill base and significant expertise in leadership, governance, and real estate.

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 businesses.
- 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.

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. The approved peer group selected for 2020 was comprised of the following REITs and corporations:

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

In an effort to attract Trustees, the Board believes that it can derive certain trends from this analysis relating to the compensation for entities within its peer group. The total compensation of Trustees was in the mid-range of the compensation offered by these entities. Trustees who are employees of Killam are not eligible to receive trustee compensation. 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 Trustees' compensation for 2020.

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. ELECTION OF TRUSTEES

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 2020 fee schedule for non-employee Trustees:

Trustee Fees	\$
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 or by video teleconference	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 or by video teleconference	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

Each non-executive Trustee 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, 2021, all the nominated Trustees were in compliance with the ownership requirements except for Ms. MacKeigan, who was appointed to the Board on May 7, 2020, and has five years from the appointment date to accumulate the required minimum value of investment.

Trustee ⁽¹⁾	Ownership Requirement \$	Actual Ownership ⁽²⁾ \$	Met Guideline	Date to Meet Requirement
Robert G. Kay (Chair)	\$300,000	\$10,652,555	✓	–
Aldéa M. Landry	\$300,000	\$342,008	✓	–
James C. Lawley	\$300,000	\$36,446,118	✓	–
Arthur G. Lloyd	\$300,000	\$5,462,024	✓	–
Karine L. MacIndoe	\$300,000	\$1,089,138	✓	–
Laurie MacKeigan	\$300,000	\$85,904	–	May 4, 2025
Doug McGregor	\$300,000	\$857,680	✓	–
Manfred J. Walt	\$300,000	\$8,407,608	✓	–

(1) Non-executive Trustees only. Ownership requirements for executive Trustees are included on page 34.

(2) Actual ownership value as at March 17, 2021.

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, 2020, under the compensation arrangements described above. 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. The table includes a breakdown of the total fees earned by Trustees in 2020 between amounts paid in cash and RTUs. Additional details on Killam's RTU Plan are included on pages 51 and 52. As executives 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 47.

Trustee	Trustee Fees Earned ⁽¹⁾				Allocation of Fees		
	Trustee and Board Chair Retainer	Committee Chair Retainer	Committee Member Retainer	Attendance Fees	Total	Cash	RTU Awards
	\$	\$	\$	\$	\$	\$	\$
Timothy R. Banks	60,000	-	-	5,500	65,500	41,500	24,000
Robert G. Kay (Chair)	85,000	-	750	7,000	92,750	92,750	
Aldéa M. Landry	60,000	-	6,000	15,000	81,000	43,878	37,122
James C. Lawley	60,000	-	-	6,000	66,000	66,000	
Arthur G. Lloyd	60,000	-	750	9,500	70,250	9,500	60,750
Karine L. MacIndoe	60,000	17,725	1,055	13,000	91,780	91,780	
Laurie MacKeigan ⁽²⁾	38,901	-	3,890	7,500	50,291	50,291	
Manfred J. Walt	60,000	8,000	2,250	14,500	84,750	14,500	70,250
G. Wayne Watson ⁽³⁾	45,000	5,275	1,055	8,500	59,830	46,998	12,832
Total	528,901	31,000	15,750	86,500	662,151	457,197	204,954

(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.

(2) Ms. MacKeigan was elected to the Board on May 7, 2020.

(3) Mr. Watson passed away on September 28, 2020. On Mr. Watson's passing, 3,911 RTUs vested in accordance with the RTU Plan. Based on the closing price of Killam's Units on the vesting date, the total value of the vested RTUs was \$68,833.

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS

2020 Compensation Highlights

- ✓ The fundamental principles of Killam's compensation philosophy are to pay-for-performance, to align the interests of executives with those of Killam unitholders and to have market competitive compensation to ensure Killam attracts, retains, motivates and rewards the executive team.
- ✓ A review of the compensation plan in 2020 resulted in minor adjustments to reflect Killam's growth and competitive environment. The changes increased the variable compensation targets for certain NEOs, all of which are linked to performance metrics or long-term improved Unit performance.
- ✓ The Compensation Committee bases executive compensation decisions on the achievement of specific performance metrics. Following a challenging environment due to COVID-19, Killam did not achieve target levels for its key corporate metrics, resulting in a 67% payout on funds from operations ("FFO") per Unit and 75% payout for same property net operating income ("NOI") growth targets. No adjustments were made to the corporate performance targets in recognition of COVID-19.
- ✓ The Compensation Committee and the Board were impressed with Management's response to the pandemic and continued execution of Killam's growth strategy. Management also made impressive progress in moving Killam's sustainably practices and disclosure forward. These results are reflected in the payouts for the NEO's individual efforts, ranging from 85% to 100% payout.
- ✓ Based on the NEO's variable compensation program the Board approved a performance factor of 1.32X for the 2018 RTU awards that vested in early 2020. These performance RTUs are an important part of Killam's long-term compensation program. The multiplier considers Killam's average three-year FFO per Unit growth of 3.6% compared to a target of 3.0%, and relative total unitholder return compared to the S&P/TSX Capped REIT Index.

EXECUTIVE COMPENSATION PHILOSOPHY AND STRATEGY

The primary goals of Killam's compensation program are 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.
- > Provide total compensation that is competitive in the context of Killam's peer group and the real estate industry in general.
- > 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 unitholder interests, rewarding for superior total return performance.

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS

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.
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.

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS

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 and CEO) and the ability for all employees to participate in the employee Unit purchase plan to a maximum benefit of \$2,500 per employee.

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 that market. 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.

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 during the related vesting periods. 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 at Killam's preference, calculated 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.

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS

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 51 and 52.

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 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, 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 independent Board members which, together with the Board, is accountable for the decisions relating to executive compensation. Mr. Watson resigned from the Compensation Committee on May 7, 2020, and Ms. MacKeigan joined the Compensation Committee effective May 7, 2020. During 2020, Ms. MacIndoe and Ms. Landry continued to serve as Compensation Committee members.

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.

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 2020 AIP performance measures and weightings include funds from operations per Unit growth, NOI growth and an individual performance component. Multiple performance measures require 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

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS

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 RTUs and RTUs 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 maintaining 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.

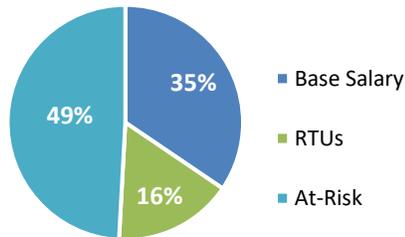
At-Risk Compensation

The graphs below demonstrate the "at-risk" pay for the CEO as well as the average "at-risk" pay for all other NEOs. In 2020, the target compensation for the CEO, Executive Vice President, CFO and other NEOs was 49%, 47%, 38% and 34% at-risk, respectively. The at-risk component of the target compensation included the target AIP award and performance based RTUs. Including the non-performance based RTUs, the at-risk component for the CEO, Executive Vice President, CFO and other NEOs was 65%, 63%, 50% and 46% at-risk, respectively.

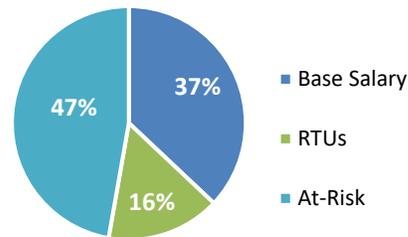
The at-risk compensation component for the CEO increased in 2020 following an approved increase to the AIP component of 95% of base salary, compared to 75% in 2019. The at-risk compensation component for the Executive Vice President also increased in 2020 following an approved increase to the AIP component of 85% of base salary, compared to 70% in 2019. The Compensation Committee approved these changes to reflect Killam's growth and to increase the alignment of executives' incentives with performance. (Base salary for these two executives remained consistent for the last three years.)

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS

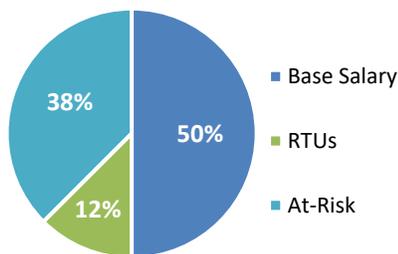
President & CEO



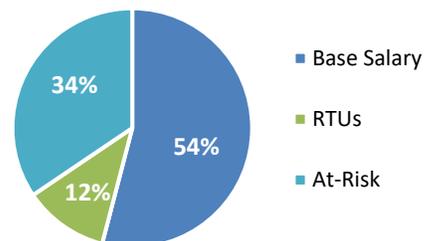
Executive Vice President



Chief Financial Officer



Other NEOs



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 of 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 material non-compliance with any financial reporting requirements under applicable securities laws;
- (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.

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS

Prohibition against Speculating and Hedging

All of Killam's personnel and Trustees, including its NEOs, 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:

President and CEO	4 times base salary
EVP	3 times base salary
CFO	2 times base salary
SVPs and VPs	1 times base salary

This requirement must be met within five years of becoming an executive. As at March 17, 2021, 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⁾ (\$)	2020 Base Salary (\$)	Holdings at Risk Compared to Base Salary
Philip Fraser	449,211	261,941	98,496	809,648	\$15,326,637	\$650,000	23.6x
Robert Richardson	129,245	281,482	45,573	456,300	\$8,637,759	\$330,000	26.2x
Dale Noseworthy	41,063	-	25,485	66,548	\$1,259,754	\$300,000	4.2x
Ruth Buckle	52,856	-	21,165	74,021	\$1,401,218	\$295,000	4.7x
Michael McLean	35,890	-	20,314	56,204	\$1,063,942	\$285,000	3.7x

⁽¹⁾ Value at-risk based on the closing price of the Units on the TSX on March 17, 2021 of \$18.93.

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. Meridian Compensation Partners were engaged in 2016 to advise on the changes implemented in 2017. In 2020, Killam engaged Meridian Compensation Partners to review the payout ranges for RTUs (with performance factors). This consultation, along with engagement with unitholders, resulted in Killam adjusting its long-term performance-based incentive plan to increase the threshold for Killam's three-year relative unitholder performance compared to the S&P/TSX Capped REIT Index to 35% from 25%.

Total fees billed by Meridian Compensation Partners in 2020 and 2019 are listed below:

	2020	2019
Total Executive Compensation-Related Fees	\$3,905	-
Total Other Fees	-	-

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 2020, the Compensation Committee approved the following changes to Killam's compensation peer group in 2020:

Additions: None

Deletions: Artis REIT, Northview REIT

The approved peer group selected for 2020 was comprised of the following REITs and corporations:

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

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS

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, previous awards, 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.

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, if any, 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.

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.

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.

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS

Unitholder Engagement

Killam is committed to strong corporate governance practices and included its third annual say-on-pay advisory vote at its 2020 Annual General Meeting. This vote provided unitholders with the opportunity to indicate their acceptance of the Board's overall approach to executive compensation at Killam. In 2020, unitholders voted 87.12% in favour of Killam's approach to executive compensation, compared to 92.36% in 2019. In 2020, Killam proactively engaged with select unitholders for direct feedback on the compensation plan. As a result of these meetings, Killam adjusted its long-term performance-based incentive plan to increase the threshold for Killam's three-year relative unitholder performance compared to the S&P/TSX Capped REIT Index to 35% from 25%.

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 72 of this Circular.

2020 EXECUTIVE COMPENSATION

Annual Incentive Plan

The 2020 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 2020 were as follows:

NEO	AIP Target (% of Base Salary)	Payout Range (% of Target)	2020 Performance Weightings (%)		
			FFO per Unit Component	Same Property NOI Growth	Individual Strategic Goals Component
Philip Fraser President and CEO	95.0%	0% - 133.3%	33.3%	33.3%	33.3%
Robert Richardson Executive Vice President	85.0%	0% - 133.3%	33.3%	33.3%	33.3%
Dale Noseworthy Chief Financial Officer	50.0%	0% - 137.5%	50.0%	25.0%	25.0%
Ruth Buckle Senior Vice President,	42.5%	0% - 132.5%	45.0%	20.0%	35.0%
Michael McLean Senior Vice President,	42.5%	0% - 132.5%	45.0%	20.0%	35.0%

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. In February 2021, the Compensation Committee reviewed Killam's 2020 financial results and confirmed FFO per Unit and same property NOI for AIP purposes in accordance with the plan.

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS

FFO Per Unit ⁽¹⁾

	Threshold	Target	Maximum	Achievement
Performance Range	\$0.985	\$1.034	\$1.085	\$1.002
Payout Factor (% of Target)	50%	100%	150%	67%

⁽¹⁾ 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 31 of Killam's 2020 management's discussion and analysis.

Same Property NOI Growth ⁽²⁾

	Threshold	Target	Maximum	Achievement
Performance Range	1.0%	3.6%	6.0%	2.0%
Payout Factor (% of Target)	50%	100%	150%	75%

⁽²⁾ 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 2020 and 2019 (90.3% of the fair value of Killam's investment properties as at December 31, 2020).

The following table sets forth details regarding the 2020 AIP awards for each NEO:

NEO	Base Salary (\$)	AIP Target as a % of Base Salary (%)	AIP Target (\$)	Maximum AIP Award (\$)	FFO per Unit (\$)	Award Received		
						Same Property NOI Growth (\$)	Individual Strategic Goals (\$)	Total AIP Award 2020 (\$)
Philip Fraser	650,000	95.0%	617,500	823,330	137,908	154,373	205,833	498,115
Robert Richardson	330,000	85.0%	280,500	373,988	62,645	70,124	93,500	226,269
Dale Noseworthy	300,000	50.0%	150,000	206,250	50,250	28,125	32,475	110,850
Ruth Buckle	295,000	42.5%	123,375	166,122	37,801	18,806	40,935	97,542
Michael McLean	285,000	42.5%	121,125	160,491	36,519	18,169	35,914	90,602

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS

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 years.

The 2020 long-term RTU awards granted were based on the following weightings:

NEO	Long-Term RTU (% of Base Salary)	3-Year Payout Range (% of Award)	RTU Award Weighting		
			RTU with no performance factor	RTU with FFO performance factor	RTU with total return performance factor
Philip Fraser	95.0%	50% - 125%	50%	25%	25%
Robert Richardson	85.0%	50% - 125%	50%	25%	25%
Dale Noseworthy	50.0%	50% - 125%	50%	25%	25%
Ruth Buckle	42.5%	50% - 125%	50%	25%	25%
Michael McLean	42.5%	50% - 125%	50%	25%	25%

The NEOs were awarded RTUs related to their 2020 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	47.5%	14,991	\$20.60	\$308,750	February 12, 2023
Robert Richardson	42.5%	6,810	\$20.60	\$140,250	February 12, 2023
Dale Noseworthy	25.0%	3,642	\$20.60	\$75,000	February 12, 2023
Ruth Buckle	21.3%	3,044	\$20.60	\$62,688	February 12, 2023
Michael McLean	21.3%	2,941	\$20.60	\$60,563	February 12, 2023

RTUs (With Performance Factors)

NEO	% of Base Salary (%)	RTUs Granted (#)	Grant Value per Trust Unit (\$)	Grant Date Fair Value (\$)	Vesting Date
Philip Fraser	47.5%	14,991	\$20.60	\$308,750	February 12, 2023
Robert Richardson	42.5%	6,810	\$20.60	\$140,250	February 12, 2023
Dale Noseworthy	25.0%	3,642	\$20.60	\$75,000	February 12, 2023
Ruth Buckle	21.3%	3,044	\$20.60	\$62,688	February 12, 2023
Michael McLean	21.3%	2,941	\$20.60	\$60,563	February 12, 2023

For 2020, 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 for 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

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS

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 sliding scale.

The FFO per Unit performance targets for the RTUs with performance factors granted in 2020 relate to a three-year period ending in 2023 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 return compared to the S&P/TSX Capped REIT Index over a three-year period are as follows for the RTUs granted on February 12, 2020:

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

Performance of 2018 RTUs (with Performance Factors)

In 2018 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 2018 FFO per Unit metric were forward-looking, as they related to the three-year period ending in 2020 and were developed considering 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 31 of Killam's 2020 management's discussion and analysis.

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS

The performance factors for the 2018 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 2021, the Compensation Committee reviewed the performance of the 2018 grant of RTUs (with performance factors) and determined the following results:

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

Killam's total return for the three years ended December 31, 2020, compared to its S&P/TSX Capped REIT Index, was in the 82nd percentile. The performance factor applied for this 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

	2017	2018	2019	2020
FFO per Unit (\$)	\$0.90	\$0.94	\$0.98	\$1.00
FFO per Unit Growth (%)		4.4%	4.3%	2.0%
Average FFO per Unit Growth		3.6%		
Overall Payout		1.15x		

Payout Summary

In 2021, the Compensation Committee approved the payout of the 2018 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:

	2018 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	18,862	21,219	28,115	\$505,227
Robert Richardson	8,937	10,054	13,321	\$239,378
Dale Noseworthy	5,321	5,986	7,931	\$142,520
Ruth Buckle	4,025	4,528	6,000	\$107,820
Michael McLean	3,870	4,354	5,769	\$103,669

(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 12, 2021, the day immediately preceding the final day of the performance period, which was \$17.97.

The value of total payout for all NEOs in respect of the 2018 grant of RTUs (with performance factors) was approximately \$1.1 million. The total payout for each participant was 107% percent of the original grant value, which factors in Unit price appreciation, notional distribution reinvestment and the performance factors.

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS

EXECUTIVE PROFILES



Philip Fraser
President and Chief Executive Officer

Mr. Fraser is responsible for Killam's overall leadership and vision in developing Killam's strategy and business plans, including overall responsibility for operating and growth of the business while managing risk to create long-term sustainable value to unitholders.

2020 Compensation

	2020	2019	
Fixed			> Mr. Fraser's 2020 AIP was based on 66.6% corporate performance and 33.3% personal.
Base salary	\$650,000	\$650,000	
Variable			> Achievement against corporate performance targets was paid out at 71% and individual goals were paid out at 100%.
Short-term incentive	498,115	513,703	
Long-term incentive	617,500	487,500	> The short-term incentive award was based on a target of 95% of Mr. Fraser's base salary.
Other	81,265	98,480	
Total compensation	\$1,846,880	\$1,749,683	> Mr. Fraser's short-term and long-term incentive awards were 76% and 95% as a percentage of base salary.

2020 Key Achievements

Individual Performance Target	Achievement
Increase liquidity and strengthen balance sheet	Met Target Successful equity raise and \$45M increase to credit facilities.
Control general and administrative (G&A) costs to 6.0% of total revenue	Exceeded Target G&A expenses were 5.6% of total revenues in 2020.
Grow the portfolio to \$3.6 billion by the end of 2020, with a minimum acquisition target of \$175 million	Exceeded Target Completed \$211 million in acquisitions during 2020 and grew the portfolio to \$3.7 billion.
50% of 2020 acquisitions to be outside Atlantic Canada	Exceeded Target 56% of acquisitions were located outside Atlantic Canada.
Continue to promote and maintain capital market relationships and presence	Met Target
Leadership over development projects	Met Target The Shorefront development of 78 units in Prince Edward Island ("Shorefront") was completed and other developments proceeding.
Expand Killam's ESG program	Met Target Advanced sustainability, including second GRESB rating in 2020, realizing a 32% (15 point) improvement over initial 2019 submission.

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS



Robert Richardson, FCPA, FCA
Executive Vice President

Mr. Richardson is responsible for Killam's operating performance, including overseeing its \$70 million capital budget and its commercial leasing program. With over 30 years of real estate experience and as a founding officer of Killam, Mr. Richardson's responsibilities include all aspects of the Trust, including strategic direction.

2020 Compensation

	2020	2019	
Fixed			> Mr. Richardson's AIP was based on 66.6% corporate performance and 33.3% personal.
Base salary	\$330,000	\$330,000	> Achievement against corporate performance targets was paid out at 71% and individual goals were paid out at 100%.
Variable			> The short-term incentive award was based on a target of 85% of Mr. Richardson's base salary.
Short-term incentive	226,269	238,796	
Long-term incentive	280,500	231,000	
Other	35,467	51,531	> Mr. Richardson's short-term and long-term incentive awards were 69% and 85% as a percentage of base salary.
Total compensation	\$872,236	\$851,327	

2020 Key Achievements

Individual Performance Target	Achievement
Control G&A costs to 6.0% of total revenue	Exceeded Target G&A expenses were 5.6% of total revenues in 2020.
Complete at least 40,000 SF of new leases and 35,000 SF of lease renewals for the commercial portfolio	Exceeded Target Completed new leases for 51,000 SF and renewed 40,000 SF of commercial space.
Manage capital budget with a focus on repositioning units with a minimum return on investment of 10%	Met Target Total capital investment of \$66 million. Killam completed 495 repositionings with an average return on investment of 13% and energy-related capital projects with an average return on investment of 11%.
Leadership of maintenance team and initiatives to improve performance metrics	Met Target 87% overall tenant satisfaction from annual tenant survey, including 90% satisfaction with repairs and professionalism of the maintenance team.
Expand Killam's ESG program	Met Target Advanced sustainability, including second GRESB rating in 2020, realizing a 32% (15 point) improvement over initial 2019 submission.

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS



Dale Noseworthy, CPA, CA, CFA
Chief Financial Officer

Ms. Noseworthy is responsible for the financial affairs of Killam, including financial reporting, accounting, finance, taxation, risk management and investor relations and strategy. Ms. Noseworthy has over 25 years of accounting, finance, investor relations and strategic planning experience.

2020 Compensation

	2020	2019	
Fixed			
Base salary	\$300,000	\$290,000	> Ms. Noseworthy's AIP was based on 75% corporate performance and 25% personal.
Variable			
Short-term incentive	110,850	150,184	> Achievement against corporate performance targets was paid out at 70% and individual goals were paid out at 87%.
Long-term incentive	150,000	145,000	> The short-term incentive award was based on a target of 50% of Ms. Noseworthy's base salary.
Other	21,728	23,834	
Total compensation	\$582,578	\$609,018	> Ms. Noseworthy's short-term and long-term incentive awards were 37% and 50% as a percentage of base salary.

2020 Key Achievements

Individual Performance Target	Achievement
Financial leadership, including timely and accurate financial reporting both externally and internally	Exceeded Target In addition to timely external reporting, increased internal financial reporting.
Optimize cost of capital, maintain liquidity and increase financial flexibility	Met Target Increased capital flexibility with a \$45 million increase to Killam's credit facilities.
Enhance internal risk management program	Met Target Expanded Killam's internal risk management program, including enhanced reporting and risk mitigation initiatives.
Strong stakeholder relations	Met Target Successfully grew investor relations program while adapting to the pandemic.
Increase operating efficiencies, proactively monitor and report on financial performance and key performance indicators	Met Target Implemented expanded data analytics across the organization.
Expand Killam's ESG program	Met Target Advanced sustainability, including second GRESB rating in 2020, realizing a 32% (15 point) improvement over initial 2019 submission.

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS



Ruth Buckle
Senior Vice President, Property Management

Ms. Buckle is responsible for the operations of Killam’s portfolio, including property management, leasing and capital investment. Ms. Buckle has worked in property management for over 30 years and has been responsible for the operations of Killam’s apartment portfolio for 18 years. Her role was expanded in 2020 to include the manufactured home community portfolio. Ms. Buckle was promoted to Senior Vice President, Property Management, in November 2019.

2020 Compensation

	2020	2019	
Fixed			
Base salary	\$295,000	\$275,000	> Ms. Buckle’s AIP was based on 65% corporate performance and 35% personal.
Variable			
Short-term incentive	97,542	112,585	> Achievement against corporate performance targets was paid out at 70% and individual goals were paid out at 93%.
Long-term incentive	125,375	110,000	> The short-term incentive award was based on a target of 42.5% of Ms. Buckle’s base salary.
Other	17,487	20,228	
Total compensation	\$535,404	\$517,813	> Ms. Buckle’s short-term and long-term incentive awards were 33% and 42.5% as a percentage of base salary.

2020 Key Achievements

Individual Performance Target	Achievement
Drive revenue growth to enhance same property revenue	Met Target Achieved same property revenue growth of 2.4%, including a weighted average rental increase of 3.4%, despite COVID-19 rent freezes.
Leadership of property management team	Exceeded Target Strong leadership of property management teams in seven provinces through COVID-19 pandemic.
Enhance rental collection processes to reduce arrears and bad debt expense	Exceeded Target Effective process implementation to achieve 99.7% rent collection in 2020.
Implementation of efficiencies in property management processes to drive cost savings	Met Target Expanded Killam’s internal risk management program, including enhanced reporting and risk mitigation initiatives.
Increase operating efficiencies across the portfolio	Met Target Managed same property expenses to 1.4% and drove data analytics enhancements across property management.
Grow the repositioning program	Met Target Successful expansion of unit repositioning program from 304 units in 2019 to 495 units in 2020.

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS



Michael McLean
Senior Vice President, Development

Mr. McLean is responsible for overseeing Killam’s acquisitions, developments and information technology. Mr. McLean holds engineering and math degrees and has over 25 years of experience in real estate and technology. Mr. McLean was promoted to Senior Vice President, Developments, in November 2019.

2020 Compensation

	2020	2019	
Fixed			> Mr. McLean’s AIP was based on 65% corporate performance and 35% personal.
Base salary	\$285,000	\$270,000	> Achievement against corporate performance targets was paid out at 70% and individual goals were paid out at 85%.
Variable			> The short-term incentive award was based on a target of 42.5% of Mr. McLean’s base salary.
Short-term incentive	90,602	109,728	
Long-term incentive	121,125	108,000	
Other	16,952	19,058	
Total compensation	\$513,679	\$506,786	> Mr. McLean’s short-term and long-term incentive awards were 33% and 42.5% as a percentage of base salary.

2020 Key Achievements

Individual Performance Target	Achievement
Grow the portfolio to \$3.6 billion by the end of 2020, with a minimum acquisition target of \$175 million	Exceeded Target Completed \$211 million in acquisitions during 2020 and grew the portfolio to \$3.7 billion.
Completion of Shorefront development	Met Target Shorefront completed in September 2020.
Leadership of development projects	Met Target Oversaw six developments, representing a total investment of over \$250 million.
Expand Killam’s investments in energy production and efficiency	Met Target Showed leadership in Killam’s environmental project investment, including the installation of solar panels at 11 existing properties.
Mitigate Killam’s exposure to cyber risk through implementation of new initiatives	Met Target Successful and timely improvement and investment in cyber risk mitigation led to mitigated risk including a smooth transition during the COVID-19 pandemic.

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS

SUMMARY COMPENSATION TABLE FOR NAMED EXECUTIVE OFFICERS

The following 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 ⁽¹⁾	Non-Equity Incentive Plan ⁽²⁾	All Other Compensation ⁽³⁾	Total Compensation
Philip Fraser President and CEO ⁽⁴⁾	2020	650,000	617,500	498,115	81,265	1,846,880
	2019	650,000	487,500	513,703	98,480	1,749,683
	2018	650,000	487,500	582,563	109,282	1,829,345
Robert Richardson FCPA, FCA Executive Vice President ⁽⁴⁾	2020	330,000	280,500	226,269	35,467	872,236
	2019	330,000	231,000	238,796	51,531	851,327
	2018	330,000	231,000	274,890	67,485	903,375
Dale Noseworthy CPA, CA, CFA Chief Financial Officer	2020	300,000	150,000	110,850	21,728	582,578
	2019	290,000	145,000	150,184	23,834	609,018
	2018	275,000	137,500	162,938	22,307	597,745
Ruth Buckle Senior Vice-President, Property Management	2020	295,000	125,375	97,542	17,487	535,404
	2019	275,000	110,000	112,585	20,228	517,813
	2018	260,000	104,000	117,156	22,016	503,172
Michael McLean Senior Vice-President, Development	2020	285,000	121,125	90,602	16,952	513,679
	2019	270,000	108,000	109,728	19,058	506,786
	2018	250,000	100,000	114,150	19,372	483,522

(1) 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. The Unit-based awards were granted on February 12, 2020, at \$20.60.

(2) 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.

(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. All other compensation also includes the aggregate value of perquisites received by NEOs, including a car allowance, in Mr. Fraser's case.

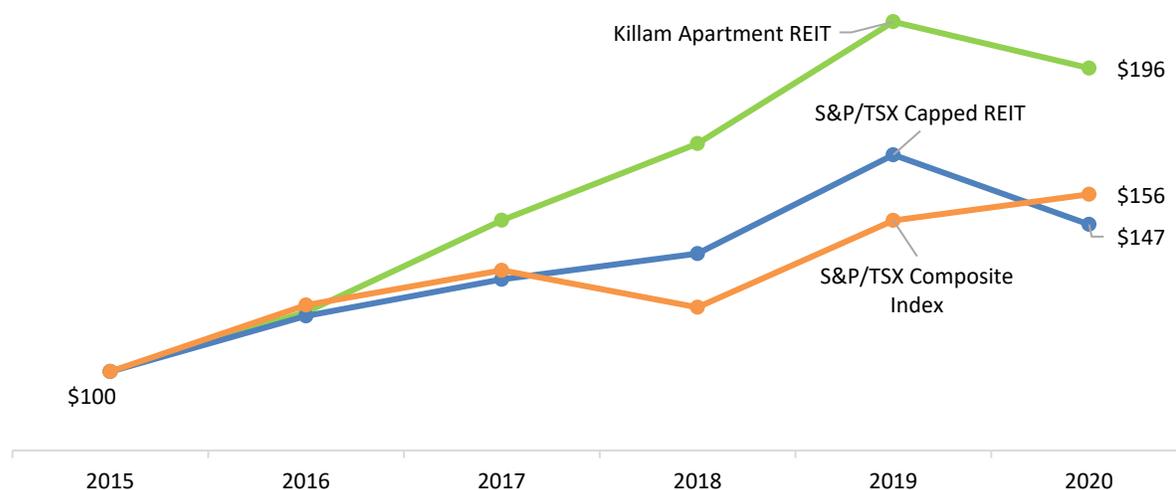
(4) The President and CEO and Executive Vice-President do not receive compensation for services as Trustees of Killam.

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, 2020. The graph assumes all dividends/distributions are reinvested.

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS

Comparison of 5-Year Total Return on \$100 Invested



	2015	2016	2017	2018	2019	2020
5-Year Total Unitholder Return on \$100 Investment						
Killam Apartment REIT (\$)	100	119	148	172	211	196
S&P/TSX Capped REIT (\$)	100	118	129	137	169	147
S&P/TSX Composite Index (\$)	100	121	132	120	148	156

INCENTIVE PLAN AWARDS

Outstanding Unit-Based Awards

The following Unit-based awards held by the NEOs were outstanding as at December 31, 2020:

	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	110,383	\$1,888,650
Robert Richardson	51,696	\$884,526
Dale Noseworthy	30,392	\$520,004
Ruth Buckle	23,607	\$403,917
Michael McLean	22,867	\$391,262

(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 \$17.11 as at December 31, 2020.

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS

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 2020. The terms of all plan-based awards under which Unit-based awards are granted or vested are discussed on pages 51 and 52.

NEO	Unit-Based Awards - Value vested during the year ⁽¹⁾⁽²⁾		
	Number of Unit- Based Awards	Value Vested	Non-equity incentive plan compensation
Philip Fraser	42,818	\$946,701	\$498,115
Robert Richardson	22,896	\$506,235	\$226,269
Dale Noseworthy	11,418	\$252,448	\$110,850
Ruth Buckle	9,516	\$210,391	\$97,542
Michael McLean	8,564	\$189,358	\$90,602

(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 10, 2020, at a price of \$22.11.

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, and 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 and Mr. McLean, and were updated in January 2020.

The following table estimates the amount payable to each of the NEOs upon specific termination events, assuming that such event occurred on December 31, 2020. 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	\$5,833,238	\$2,796,830	\$1,699,546	\$737,564	\$625,341
Termination Following Change in Control	\$9,777,825	\$4,709,133	\$1,720,004	\$1,495,417	\$1,445,762

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 value 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, RTU grants and any incentive payment which would have been payable over the period of notice.

SECTION IV. COMPENSATION DISCUSSION AND ANALYSIS

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 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. These change of control clauses have been included in Mr. Fraser and Mr. Richardson's employment contracts since 2003, to reflect their contributions as founders of Killam and that property management has been internal since Killam incorporated. Many other real estate investment trusts began with external management platforms, the executives of which received sizeable compensation upon internalization. In addition, the Trust has never provided 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 that 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.

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.

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 was most recently 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 31 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 31 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 IV. 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 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; ○ removal or amendment to the insider or independent Trustee participation restrictions; or ○ 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 IV. COMPENSATION DISCUSSION AND ANALYSIS

Killam had 351,734 RTUs issued and outstanding as of December 31, 2020 (representing 0.34% of the outstanding Units at December 31, 2020) and 2,276,963 RTUs remain available for grant under the RTU Plan (representing 2.2% 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, 2020 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	351,733	\$16.93	2,276,963
Equity compensation plans not approved by security holders	n/a	n/a	n/a
Total	351,733	\$16.93	2,276,963

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

	2020	2019	2018
Burn Rate ⁽¹⁾	0.11%	0.11%	0.15%
Dilution ⁽²⁾	0.35%	0.40%	0.49%
Overhang ⁽³⁾	2.6%	3.0%	3.4%

⁽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 2020, there were 43,852 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 0.15% assuming the maximum payout for 2020 is comparable with 2019. The impact on the burn rate in 2020 assuming threshold payout is not achieved is 0.07% compared to 0.10% in 2019.

SECTION V. GOVERNANCE PRACTICES

Highlights of Corporate Governance Practices

- ✓ The Board has an independent non-executive Chair
- ✓ Members of all Board committees are independent
- ✓ All non-executive Trustee nominees are independent
- ✓ 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
- ✓ Focus on Board renewal
- ✓ Mandatory minimum unit ownership requirements for Trustees and executive members
- ✓ Commitment to diversity, including strong gender diversification with 30% of Trustee positions and over 50% of Killam's senior leadership roles held by females
- ✓ Formal environmental, social and governance ("ESG") Board oversight by the Governance and ESG Committee
- ✓ Strong Trustee engagement with 100% attendance at Board and Committee meetings in 2020
- ✓ Annual say-on-pay advisory vote
- ✓ Unitholder engagement to proactively address evolving governance best practices

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 (CSA) as well as National Instrument 58-101 – Disclosure of Corporate Governance Practices ("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 accountability leads to the best governance and, therefore, maintains a mandate for the Board (the "Mandate"). The Board initially adopted the Mandate in May 2000. The Mandate is reviewed by the Board on an annual basis and was most recently amended in January 2016, upon Killam's conversion from a corporation to a real estate investment trust.

SECTION V. GOVERNANCE PRACTICES

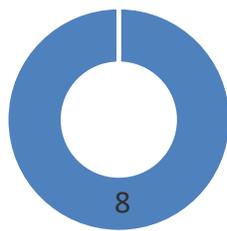
Under the Mandate, the Board is responsible for overseeing the management of the business of the Trust and for providing stewardship and governance for the long-term success of the Trust. The Mandate describes the duties and responsibilities of the Board in matters of independence and integrity, strategic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

BOARD INDEPENDENCE

Killam's Declaration of Trust requires that a majority of the Trustees be independent. All non-executive nominated Trustees are independent and all three board committees are made up of independent Trustees. The two non-independent Trustees are the President and CEO and Executive Vice President, both of whom are founding officers of Killam.

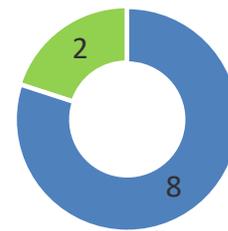
**Non-executive Trustee Nominee
Independence**

■ Independent ■ Non-independent



**Total Trustee Nominee
Independence**

■ Independent ■ Non-independent



Independent Chair

Killam has an independent and non-executive Chair of the Board. Killam believes that separating the position of Chair of the Board and the position of President and CEO is key in effectively providing independent Board oversight.

Assessing Trustee Independence

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 and ESG Committee, with the support of Management, assesses Trustee independence using the definition of "independence" from NI 58-101. 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.

SECTION V. GOVERNANCE PRACTICES

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, to 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.

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 there shall be a minimum of 5 and a maximum of 12 Trustees on the Board. A total of 10 Trustee nominees are being proposed for election at the 2021 Meeting.

BOARD ROLE IN SUCCESSION PLANNING FOR CEO AND MANAGEMENT

The Board considers that effective succession planning, especially for the President and CEO, is important to the success of the Trust. The Board has a management succession planning process and the Governance and ESG Committee supports the Board in this area by reviewing, assessing and reporting to the Board on this process for the President and CEO and other executive officers. The CEO is also involved in developing preliminary plans for his succession. Killam's succession process ensures that suitable candidates are identified and receive appropriate development opportunities.

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 Killam's principal risks and ensuring there are processes in place to effectively mitigate these risks. 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's key roles. Killam's strategic plan is developed by senior management with Board engagement. Most Trustee's areas of expertise include 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 and ESG Committee to ensure that the Trustees' attendance, participation and effectiveness at Killam will not be 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 Impact Trust (TSX)
Robert G. Richardson	RediShred Capital Corp. (TSX-V)
Doug McGregor	Brookfield Property Partners (TSX) Plaza REIT (TSX)
Manfred J. Walt	Firm Capital Property Trust (TSX-V)

SECTION V. GOVERNANCE PRACTICES

BOARD AND COMMITTEE MEETINGS

The Board and each of its committees hold regularly scheduled meetings through the year. The following table sets forth the Trustees and their record of attendance at the meetings of the Board and its committees which occurred in 2020. It is the Board's policy that non-executive Trustees 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 end of the Board, Audit, Compensation, and Governance and 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 and ESG Committee		
Timothy R. Banks	5 of 5	-	-	-	100%	-
Philip D. Fraser	5 of 5	-	-	-	100%	-
Robert G. Kay	5 of 5	1 of 1 ⁽¹⁾	-	-	100%	100%
Aldéa M. Landry	5 of 5	-	4 of 4	5 of 5	100%	100%
James C. Lawley	5 of 5	-	-	-	100%	-
Arthur G. Lloyd	5 of 5	-	-	2 of 2 ⁽²⁾	100%	100%
Laurie MacKeigan ⁽³⁾	3 of 3	2 of 2	2 of 2	-	100%	100%
Karine L. MacIndoe	5 of 5	4 of 4 ⁽⁴⁾	4 of 4	-	100%	100%
Robert G. Richardson	5 of 5	-	-	-	100%	-
Manfred J. Walt	5 of 5	3 of 3 ⁽⁵⁾	-	5 of 5	100%	100%
G. Wayne Watson ⁽⁶⁾	3 of 3	2 of 2	2 of 2	-	100%	100%

⁽¹⁾ Mr. Kay ceased to be a member of the Audit Committee effective March 17, 2020.

⁽²⁾ Mr. Lloyd resigned from the Governance and ESG Committee on March 27, 2020.

⁽³⁾ Ms. MacKeigan was elected to the Board of Trustees and became a member of the Audit Committee and Compensation Committee on May 7, 2020.

⁽⁴⁾ Ms. MacIndoe was appointed Chair of the Audit Committee effective March 17, 2020.

⁽⁵⁾ Mr. Walt was appointed to the Audit Committee on March 17, 2020.

⁽⁶⁾ Mr. Watson passed away on September 28, 2020. Mr. Watson resigned from the Audit Committee and the Compensation Committee on May 7, 2020.

NOMINATION OF TRUSTEES

The Governance and 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 and 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 and 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. The skills matrix for the Trustee nominees in 2021 are included on page 24.

SECTION V. GOVERNANCE PRACTICES

The Governance and ESG Committee also has the responsibility of recommending the resignation or removal of Trustees in the event 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 and 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 and ESG Committee will consider all factors deemed relevant by the Governance and 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 and 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 Trustee's 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 TENURE AND BOARD RENEWAL

The Board understands the importance of Board renewal and in 2015 introduced Trustee term limits to ensure ongoing Board refreshment. Trustees who joined the Board prior to February 17, 2015 may serve for an additional ten years (to 2025), and Trustees who join the Board after February 17, 2015 may serve until they have reached ten 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.

As part of the Board's renewal practice, Mr. Doug McGregor, a new Trustee nominee, is proposed to join the Board at the 2021 Meeting. With extensive experience in executive leadership, real estate and capital markets as the former Chairman and CEO of RBC Capital Markets, Mr. McGregor will bring valuable expertise to the Board.

The proposed addition of Mr. McGregor to the Board follows the election of Ms. MacKeigan in 2020. Through its Trustee renewal process, Killam has expanded the diversification of the Board, and decreased the average term of the non-executive Trustees from 14 years in 2019 to 11 years for the 2021 nominees. Of the Trustee nominees for 2021, 30% have less than four years of tenure.

SECTION V. GOVERNANCE PRACTICES

The Governance and ESG Committee, in conjunction with its review of the Trustees' skills and experience, reviews each Trustee's tenure on the Board annually. Two of the non-executive Trustees for nomination 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. Despite this value, the Board is committed to continuing to refresh Board membership and is considering Board transition plans for these members. Specifically, Mr. Lloyd has given notice that he will not seek re-nomination at Killam's 2022 Annual General Meeting.

Term limits do not take precedence over Killam's annual Trustee effectiveness evaluation. Re-nomination for election as Trustees is based on the needs of the Board and Killam given its strategic objectives and takes into consideration the results of the effectiveness evaluation and peer reviews.

BOARD AND COMMITTEE ASSESSMENTS AND QUESTIONNAIRES

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 and 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 and ESG Committee may retain an external consultant to assist in conducting this assessment. The assessment for the 2020 financial year was completed in December 2020 with all Board members completing a short-form assessment. (The Board alternates between a short-form and long-form assessment annually.) The analysis of the assessments was completed in January 2021 and presented to the Board in February 2021.

In consultation with senior management of Killam, the Chair of the Governance and ESG Committee developed an annual assessment 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 Management, knowledge of Killam's business and industry, Board composition, orientation and development and the Board's effectiveness addressing conflicts of interest. Trustees are encouraged to comment broadly, positively or negatively, on any issue concerning the Board, Board committees and Trustee performance.

In addition to the annual Board questionnaire, the Board regularly reviews Killam's financial performance versus its peers. Management presents the Board with Killam's quarterly and year-to-date performance compared to its public multi-family peers. The quarterly report includes key performance indicators, balance sheet metrics and unit price performance. The report also ranks Killam's performance compared to its peers for all key metrics included. This quarterly report is reviewed by both the Audit Committee and the full Board.

ORIENTATION AND CONTINUING EDUCATION

Orientation

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. Board orientation in 2020 was slowed down by COVID-19. Due to travel restrictions and social distancing measures, certain Board orientation processes were not able to be offered. The Board expects to complete the 2020 orientation once COVID-19 related restrictions are lifted.

The table below summarizes the key areas of Killam’s Board orientation.

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

Continuing Education

The Board recognizes ongoing Trustee education as an important component of good governance. Trustees are expected to be informed about current best practices, emerging trends in corporate governance and relevant regulatory developments. The Trust facilitates corporate governance best practices by maintaining a Membership with the Institute of Corporate Directors (ICD) for the benefit of all Trustees.

While Trustees take personal responsibility for staying current, the Trust’s Governance and ESG Committee Mandate ensures appropriate continuing education opportunities for Trustees to maintain the skill and knowledge necessary to fulfill their duties as Trustees. Killam facilitates this corporate governance best practice by encouraging attendance at industry conferences and educational offerings in relation to REITs and real estate and by contributing to the cost of Trustee education expenses, including educational offerings and industry conferences.

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. In addition, every Board member has access to Management and relevant business information, and meetings are arranged with the President and CEO, Executive Vice-President, and Chief Financial Officer, as well as other executives within Killam.

In 2020, internal sessions offered to the Board included:

Trustee Educational Sessions	Attendees
<p><i>Information Technology, Cyber Security and Risk Update</i> – Senior VP of Development and Associate Director, IT, provided an overview of new technology and cyber risk mitigation strategies adopted by Killam over the past 12 months, including an overview of cyber risk training for employees and new technologies on the horizon such as the implementation of business intelligence software.</p>	<p><i>Full Board</i></p>

SECTION V. GOVERNANCE PRACTICES

<i>Environmental, Social and Governance Education Session</i> – VP, Investor Relations and Sustainability provided an overview of ESG issues, 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.	<i>Full Board</i>
<i>Virtual Property Tour</i> – Virtual aerial tour of Killam’s development sites, including a detailed inside tour of Shorefront, which was completed in September 2020.	<i>Full Board</i>
<i>Apartment Repositioning Program</i> – Virtual tour and discussion of Killam’s expanding apartment reposition program, including a discussion with the director overseeing the program.	<i>Full Board</i>
<i>COVID-19 Impact on Operations</i> – Detailed discussion of key areas of risk and impact associated with COVID-19 for both 2020 and the expectation for 2021.	<i>Full Board</i>

In addition, individual Trustees or groups of Trustees participated in numerous education seminars, conferences and events, including:

Event	Host
Scotiabank Annual Apartment Conference	Scotiabank
Institutional Investors: Public REITs/REOCs & Direct Investing Pension Funds	Queen’s University
Board Oversight of Strategy	ICD
Managing the COVID-19 Pandemic Risk in Real Estate & Hospitality	Marsh
CIBC Real Estate Finance Division Economic Update	CIBC
Key Learning's from the 2020 Proxy Season and Implications of COVID-19	IDC
ETF Speaker Series: Investing Under the New ESG Normal	TD Securities
Canadian 2020 Post-Proxy Season Review	ISS
2020 Real Assets Conference	BMO
Canadian Apartment Investment Conference	Informa Canada
Scotia Real Estate Conference	Scotiabank
Virtual Sustainability Conference	CIBC
Working from Home	CIBC
Ottawa Real Estate Forum	Informa Canada
The Case for Culture: A Strategic Imperative for Boards	ICD
Diversity & Inclusion Bootcamp	Canadian Centre for Diversity and Inclusion (CCDI)
RBC Capital Market’s Annual Small Cap Conference	RBC
Business Forum 2020	Bennett Jones
How are Leaders and Board Directors Stepping Up for the Next Phase of the Pandemic?	ICD
Capital Markets – A Year in Review, 2021 Look Ahead	TD Securities
Scotia Industrial Real Estate Conference	Scotiabank
Responsible Retail: Retail For The Future?	Saint Mary’s University

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 and Management may gain knowledge or information about Killam that is generally not available to the public. All Trustees and Management 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.

SECTION V. GOVERNANCE PRACTICES

Related Party Transactions and Conflicts 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 they have a material interest. In the case of any transaction or agreement in respect of which a Trustee or executive officer has a material interest, the Trustee or officer is required to disclose their interest. Where applicable, they are also required to exclude themselves from any deliberations or votes relating to such a transaction or agreement.

The Governance and ESG Committee reviews all proposed related party transactions and situations involving a potential conflict of interest and makes a recommendation to the Board for final approval. Any member of the Governance and ESG Committee who is party to or has a potential conflict of interest in a proposed transaction, or who has a material interest in any related party transaction or in a party to a related party transaction, must abstain from any vote on that transaction.

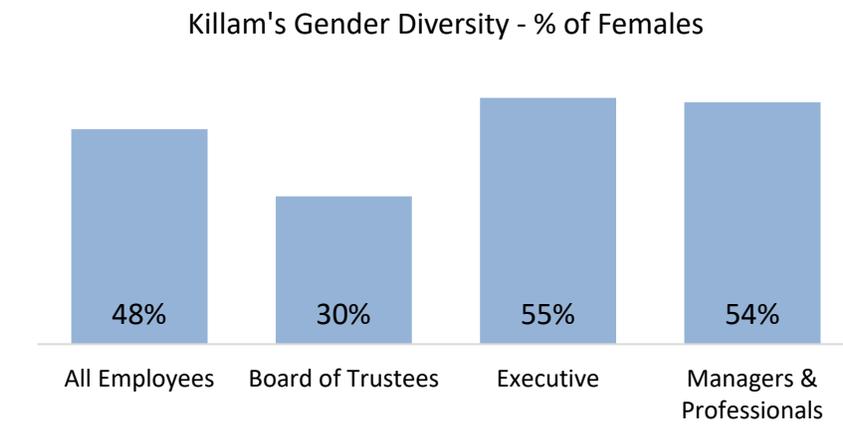
KILLAM'S COMMITMENT TO DIVERSITY AND INCLUSION

Killam and the Board are committed to diversity and inclusion at all levels by 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 and 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.

The Board considers the level of female Trustee representation when identifying and nominating candidates. In 2015, the Board approved a 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 females on the Board to two by the end of 2017 and a minimum of three by 2020. Killam successfully achieved both targets. Three (30%) of the Trustee nominees are female.

While Killam does not have targets regarding females 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 females in executive officer positions. Currently 55%, or 6 of 10, of Killam's executive officers are female. The graph below illustrates female representation across Killam in various positions.



KILLAM'S COMMITMENT TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

The Board is committed to 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 are 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 2020, Killam completed its second GRESB survey, which is a globally recognized third-party analysis and data review of real estate companies' ESG performance, programs and policies. Killam was the first publicly traded Canadian multi-residential REIT to complete the GRESB survey in 2019, and in 2020 achieved a 32% improvement from its initial score. As well, Killam also earned a GRESB public disclosure survey rating of "B", outperforming its GRESB determined comparison group and global scoring average of "C".

The Board understands Killam's environmental impact and the importance of reducing greenhouse gas ("GHG") emissions. Killam is dedicated to improving the efficiency of its current buildings, developing energy-efficient apartments and investing in renewable energy sources. Killam's investments to-date have led to significant reductions in water consumption and GHG emissions. Killam seeks operational efficiencies to reduce resource consumption and dependence on fossil fuels. Monitoring and benchmarking GHG emissions is critical to properly assess Killam's carbon footprint and help combat climate change. While Killam has been monitoring its GHG emissions since 2016, it completed its first GHG Inventory, following The Greenhouse Gas Protocol, in 2018. Killam continues to compile its GHG Inventory annually in accordance with The Greenhouse Gas Protocol. Killam engaged Quinn & Partners to complete an independent verification review of its 2020 GHG Inventory, in accordance with ISO 14064 – Part 3 for its GHG data.

Killam employees are active members of their community. 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 2020 include partnering with non-profit housing agencies and provincial government housing boards to provide more than 750 subsidized units to previously under-housed individuals, donating nine fully furnished units to hospitals for their exclusive use and providing financial assistance to organizations that offer shelter and support to individuals and families.

Throughout the COVID-19 pandemic, Killam continues to be firmly committed to the health and safety of its employees, residents, and communities. Provincial and regional public health guidelines continue to be followed to ensure the safe operation of Killam's properties. Killam is proud to have supported its employees in various ways by offering additional flexibility in work schedules, time-off related to illness, and increased compensation for Killam's front-line employees. Killam also recognized the financial hardships that many of its residents are facing and have provided resources and financial flexibility, including offering zero rent increases on lease renewals, waiving late fees, creating payment plans if needed and pausing evictions for residents who have been financially impacted by the pandemic.

The Board recognizes that a respectful work experience is essential in fostering a strong culture. 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 the Killam team. Killam recognizes the benefits that 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. To strengthen the diversity and inclusion program, Killam partnered with the Canadian Centre for Diversity & Inclusion in 2020 to provide employees with access to expert advice, a virtual library of knowledge, and monthly webinars. One hundred percent of Management completed diversity and inclusion training in 2020.

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

SECTION V. GOVERNANCE PRACTICES

reporting transparency each year and in 2020 added Sustainability Accounting Standards Boards (SASB) standards and the Task Force for Climate-related Financial Disclosure (TCFD) framework to its 2020 ESG report.

For further information on Killam’s ESG policies and targets, please see Killam’s 2020 Environmental, Social & Governance Report, published on Killam’s website at <https://killamreit.com/esg/>.

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 investors 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 Killam’s business, operations, development and sustainability initiatives.
Quarterly conference call and webcast	Senior management	Review the most recently released financial and operating results and future development opportunities along with 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 the 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	Senior management	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.

SECTION VI. 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 and ESG Committee.

REPORT OF THE AUDIT COMMITTEE TO UNITHOLDERS

<ul style="list-style-type: none"> > Karine MacIndoe (chair) > Laurie MacKeigan (from May 7, 2020) > Manfred Walt (from March 17, 2020) > Robert Kay (until March 17, 2020) > Wayne Watson (until May 7, 2020) 	<p>The Audit Committee assists the Board in fulfilling its financial reporting and control responsibilities to Killam’s stakeholders and oversees, on behalf of the Board, the independence and performance of the external auditors, internal controls, legal, regulatory and ethical compliance, reporting and timeliness of filings with regulatory authorities and management information systems. The mandate of the Audit Committee is included in Appendix B. During 2020, the Committee reviewed its mandate and is satisfied that it carried out its duties and responsibilities.</p> <p>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 auditors, EY, at each regularly scheduled meeting. The Audit Committee held four meetings in 2020.</p>
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Key Responsibilities	Key Activities
Financial Reporting and Disclosure	<ul style="list-style-type: none"> > 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; > 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 auditors, 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 auditors the integrity of Killam’s disclosure controls and procedures, and discussed significant financial risk exposures and the monitoring and control of these risks.

SECTION VI. COMMITTEES OF THE BOARD OF TRUSTEES

Responsibilities	Key Activities
External Auditors	<ul style="list-style-type: none"> > Reviewed the independence and performance of the external auditors, taking into consideration all audit, audit-related and non-audit related services provided; > 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 the auditors in 2020 were approved by the Audit Committee; > Oversaw the formal RFP for Killam's external auditors for the year ended December 31, 2021, and following the selection process, recommended to the Board that the external auditors be reappointed, subject to unitholder approval; and > Confirmed that EY's tenure as auditors be limited to a maximum of three years due to their long tenure as Killam's auditors. The Audit Committee confirmed that EY is independent.
Internal Control, Legal and Regulatory and Risk Management	<ul style="list-style-type: none"> > Maintained Killam's Whistleblower program; > Reviewed maintenance of the Trust's specified investment flow-through (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 any legal matters that could have a significant impact on Killam's financial statements; > Reviewed internal audit plan and performance; and > Reviewed and approved, on a quarterly basis, the expenses of the CEO, Executive Vice-President and CFO.

Submitted by the Audit Committee:
 Karine MacIndoe (Chair)
 Laurie MacKeigan
 Manfred Walt

REPORT OF THE GOVERNANCE AND ESG COMMITTEE TO UNITHOLDERS

- > Manfred Walt (chair)
- > Aldéa Landry
- > Arthur Lloyd (until March 27, 2020)

Note: Doug McGregor will be appointed to the Governance and ESG Committee following the Meeting on May 7, 2021.

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 and 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.

The Governance and 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 and ESG Committee held four meetings in 2020.

Key Responsibilities	Key Activities
Nomination & Succession	<ul style="list-style-type: none"> > Responsible for identifying new candidates for nomination to serve on the Board, assessing independence and assessing Board committee membership. The Governance and ESG Committee completed the following during 2020: > Commenced a search for a new Trustee. The process concluded with Laurie MacKeigan being recommended to join the Board at the 2020 AGM. > 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; entrepreneurship; 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 member.
Board Evaluation	<ul style="list-style-type: none"> > Responsible for assessing the performance of the Board and its Chair, the Board committees and individual Trustees on an ongoing basis. > Discussed and agreed to use the short form questionnaire with a revised section pertaining to Board performance for 2020. > All Trustees completed the confidential questionnaire by early 2021, the purpose of which is to evaluate the effectiveness of the Board and the Board committees and suggest ideas for improving performance. Results of the questionnaire were discussed at the February 2021 Governance and ESG Committee meeting.

SECTION VI. COMMITTEES OF THE BOARD OF TRUSTEES

Key Responsibilities	Key Activities
Continuing Education	<ul style="list-style-type: none"> > Reviewed the continuing education programs of the Board and its individual Trustees. During 2020, the Board, its committees, and individual Trustees participated in presentations and virtual property tours from senior management as well as external third-parties, and attended various other educational information sessions on a variety of topics. Details of the educations sessions attended are included the Continuing Education section of the Circular on page 61 and 62.
Monitor Best Practices and Trends	<ul style="list-style-type: none"> > Reviewed current governance policies to identify areas for improvement in line with corporate governance best practices. > Expanded reporting on environmental and social responsibilities; and > Discussion and planning for Board renewal and diversification.
Other Activities	<ul style="list-style-type: none"> > Reviewed and approved related party transactions during 2020; > Reviewed and approved the Trustee and Officer’s Insurance Policy for 2020; > 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 <i>Canada Business Corporation Act</i>; and > Discussed current governance issues in relation to the Trust and its peers. > Approved the appointment of new Trustee nominee Mr. McGregor to the Governance and ESG Committee following the Meeting.

Submitted by the Governance and ESG Committee:
 Manfred Walt (Chair)
 Aldéa Landry

SECTION VI. COMMITTEES OF THE BOARD OF TRUSTEES

REPORT OF THE COMPENSATION COMMITTEE TO UNITHOLDERS

> Karine MacIndoe (chair)
 > Aldéa Landry
 > Laurie MacKeigan (from May 7, 2020)
 > Wayne Watson (until May 7, 2020)

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.

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 meetings in 2020.

Key Responsibilities	Key Activities
Compensation Review and Approval	<ul style="list-style-type: none"> > Reviewed Killam's approach to executive compensation, including the approach, design and positioning relative to Killam's peers; > Engaged third-party compensation consultants to review performance factors related to Killam's long-term incentive plan for best practice and recommended that the Board approve a change to increase the threshold target payout; > Reviewed and approved revised peer group for executive and Trustee compensation comparison purposes; > Reviewed and recommended to the Board for approval 2020 Trustee fees consistent with 2019 following a peer review; > Reviewed compensation information for senior executives within the Trust's peer group and recommended 2020 salary increases to the Board; > Reviewed performance assessment of the CEO against objectives and approved performance objectives and metrics for the coming year; > Reviewed and approved 2020 AIP payouts, based on the operating and financial performance targets and individual strategic goals for the CEO, EVP and CFO; > Reviewed and approved 2020 payouts for the RTUs (with performance factors) for the period December 31, 2017 – December 31, 2020; > Reviewed the results of scenario analyses for the AIP and LTIP to assess payouts under different levels of Killam's performance, ensuring 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 2021.
Disclosure	<ul style="list-style-type: none"> > Reviewed any changes to executive and Trustee compensation disclosure rules adopted by the CSA and considered their impact.

Submitted by the Compensation Committee:
 Karine MacIndoe (Chair)
 Aldéa Landry
 Laurie MacKeigan

SECTION VI. COMMITTEES OF THE BOARD OF TRUSTEES

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 4, 2021, a premium of \$78,360 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 26, 2021, 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 26, 2021.

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, 2020, which is available on SEDAR at sedar.com. 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 auditors of the Trust and to appropriate governmental and regulatory agencies.

Dated as of the 26th day of March, 2021.

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 style with a large initial "P".

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 it 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 of 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 discussion of matters being considered by the Audit Committee. The external auditors are to appear before the Audit Committee when requested to do so by the Audit Committee;
- d) 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;
- e) 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 auditors must attend every meeting of the Audit Committee that is specially requested to attend. 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;
- f) 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

- g) 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
- h) 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.

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.

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

APPENDIX C. GOVERNANCE AND ESG COMMITTEE MANDATE

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 reviewing 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 their 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.
- V. Establish structures and procedures to permit the Board to function independently of Management.

APPENDIX C. GOVERNANCE AND ESG COMMITTEE MANDATE

- 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;
 - h. corporate policy with respect to communications and disclosure; and

APPENDIX C. GOVERNANCE AND ESG COMMITTEE MANDATE

- 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 ensure 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.