

Insider Trading Policy

Purpose

The purpose of this Policy is to assist the trustees, officers, employees, consultants and contractors of Killam Apartment REIT and its subsidiaries ("**Killam**") in complying with the prohibitions under applicable securities laws against insider trading, tipping and recommending trades in securities of Killam. This Policy also contains additional pre-clearance, blackout and other trading restrictions on certain individuals.

Canadian securities laws prohibit persons in a special relationship (as defined in Canadian securities laws) with Killam from:

- Purchasing or selling securities of Killam with knowledge of material non-public information ("**MNPI**") concerning Killam. This is the prohibition against insider trading.
- Informing, other than in the necessary course of business, another person or company of MNPI concerning Killam. This is the prohibition against tipping.
- Recommending or encouraging, other than in the necessary course of business, another person or company to purchase or sell securities of Killam with knowledge of MNPI concerning Killam. This is the prohibition against recommending trades.

See below for the definitions of "material" and "non-public" information. These prohibitions may also apply to a person in a special relationship with Killam with respect to the securities of other issuers with which Killam does business where such person may have knowledge of MNPI regarding the other issuer.

Application of Policy

This Policy applies to all trustees, senior management, employees, consultants or contractors of Killam, as well as their family members living in the same household and any corporation, partnership or other entity with which they are affiliated or control (each a "**Killam Insider**"). Certain sections of this Policy apply specifically to members of the Pre-Clearance Group (as defined in this Policy).

- a) For purposes of this Policy, "senior management" means President & CEO, Executive Vice President, CFO, Senior Vice Presidents, Vice Presidents, Directors, and Associate Directors, whether or not officers of Killam.
- b) This Policy applies to all trades in Trust Units, Killam Apartment Limited Partnership Exchangeable Units and other securities that Killam may issue from time to time (collectively, "**Killam Securities**"), including, but not limited to, purchases or sales of Trust Units or Killam Apartment Limited Partnership Exchangeable Units and the redemption of Restricted Trust Units and subsequent sale of Trust Units received.
- c) This Policy should be reviewed in conjunction with Killam's [Code of Conduct](#) and [Disclosure Policy](#).

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Insider Trading and Recommending Trades

Killam Insiders must not buy or sell, or recommend or encourage others to buy or sell, any Killam Securities while in possession of MNPI concerning Killam. This prohibition commences when the Killam Insider receives such MNPI and ends when such MNPI is generally disclosed and is no longer non-public.

Restricted Trust Units may be redeemed while in possession of MNPI, but the Trust Units received cannot be sold until the applicable MNPI is generally disclosed and is no longer non-public.

Tipping

No Killam Insider shall inform, other than in the necessary course of business, another person or company of MNPI regarding Killam. Killam Insiders may be liable for improper transactions by "tippees," i.e., persons to whom they have disclosed MNPI regarding Killam (including to family members).

- a) If a Killam Insider has MNPI, the Killam Insider must not disclose this information to anyone outside Killam, other than in the necessary course of business. Also, the Killam Insider must not disclose this information, in writing or casually, to any other Killam employee unless that employee has a need to know the information in order to perform his or her job.
- b) If disclosing MNPI in the necessary course of business, those receiving the MNPI should be advised that the information is confidential, they must not pass the information onto anyone else (other than in the necessary course of business and on a need-to-know basis) or trade on the information until it has been generally disclosed and they are subject to the insider trading, tipping and recommending prohibitions of applicable securities laws. The necessary course of business exception exists so as to not unduly interfere with Killam's ordinary business activities. For example, the "necessary course of business" exception would generally cover communications with:
 - i. Vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing, and supply contracts;
 - ii. Employees, officers, and trustees;
 - iii. Lenders, legal counsel, auditors, underwriters, and financial and other professional advisors to Killam;
 - iv. Parties to negotiations;
 - v. Labour unions and industry associations;
 - vi. Government agencies and non-governmental regulators; and

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- vii. Credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency's ratings generally are or will be publicly available).

Definition of Material Information

It is not possible to define all categories of material information. Information should be regarded as material if the information has a significant effect, or would reasonably be expected to have a significant effect, on the market price or value of Trust Units. While it may be difficult under this standard to determine whether certain information is material, there are various categories of information that may be regarded as material, such as:

- a) Changes in Unit ownership that may affect control of Killam
- b) Major reorganizations, amalgamations or mergers
- c) Takeover bids, issuer bids or insider bids
- d) Public or private sale of additional securities
- e) Planned repurchases or redemptions of securities
- f) Planned splits of Units or offerings of warrants or rights to buy Units
- g) Any Unit consolidation, exchange or distributions
- h) Changes in Killam's distribution payments or policies
- i) The possible initiation of a proxy fight
- j) Material modification to rights of security holders
- k) A significant increase or decrease in near-term earnings prospects
- l) Unexpected changes in financial results for any periods
- m) Shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- n) Changes in the value or composition of Killam's assets
- o) Material changes in Killam's accounting policy
- p) Any development that affects Killam's resources, technology, products or markets

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- q) Significant changes in capital investment plans or corporate objectives
- r) Major labour disputes or disputes with major contractors or suppliers
- s) Significant new contracts, products, patents or services or significant losses of contracts or business
- t) Changes to the board of trustees or executive management, including the departure of Killam's Chief Executive Officer, Executive Vice President, Chief Financial Officer, or persons in equivalent positions
- u) The commencement of, or developments in, material legal proceedings or regulatory matters
- v) Waivers of corporate ethics and conduct rules for officers, trustees, and other key employees
- w) Any notice that reliance on a prior audit is no longer permissible
- x) De-listing of Killam's securities or their movement from one quotation system or exchange to another
- y) Significant acquisitions or dispositions of assets, property or joint venture interests
- z) Acquisitions of other companies, including a take-over bid for, or merger with, another company
- aa) The borrowing or lending of a significant amount of money
- bb) Any mortgaging or encumbering of Killam's assets
- cc) Defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- dd) Changes in rating agency decisions
- ee) Significant new credit arrangements

As a general rule, if the information makes you think of buying or selling Killam Units, it probably would have the same effect on others and would therefore constitute material information. If you are unsure whether information is material, please consult with one of the Designated Officers identified in this Policy.

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Definition of “Non-public” Information

Information is "non-public" until it has been generally disclosed to the public via a press release issued through major newswire services, national news services and financial news services or through Killam's publicly disclosed financial results. General disclosure also means public investors have had a reasonable amount of time to analyze the information.

For the purposes of this Policy, information will be considered public, i.e. no longer "non-public," after the close of the first full trading day following Killam's widespread public release of the information.

Regular Blackout Periods

Quarterly trading blackout periods will apply to all trustees, officers, senior management and any other employees designated by Killam's President & CEO or who have information relating to Killam's financial results during periods when financial statements are being prepared but results have not yet been publicly disclosed (collectively, "**Blacked-out Insiders**").

- a) In each and every fiscal quarter, the blackout period begins upon the first calendar day after the end of a quarter and ends after the first full trading day following the issuance of a news release disclosing Killam's interim or year-end financial results.
- b) Blacked-out Insiders, and any entities affiliated with or controlled by such persons, may not trade Killam Securities during regular blackout periods. Blacked-out Insiders may, however, redeem Restricted Trust Units but may not sell the Trust Units received until the blackout period is no longer in effect.

Notwithstanding the prohibitions contained in this Policy, Killam's President & CEO may in certain circumstances waive the prohibition contained in paragraphs (a) and (b) above, provided that the individual seeking the waiver does not have any MNPI concerning Killam and that making such a waiver would not otherwise violate any applicable corporate or securities laws. Killam's President & CEO will report any such waivers to Killam's Board at its next regularly scheduled meeting.

Discretionary Blackout Periods

Killam may announce discretionary blackout periods from time to time as a result of special circumstances relating to Killam when Killam Insiders would be precluded from trading in its securities. All parties with knowledge of such special circumstances should be covered by the blackout. These parties may include external advisors such as legal counsel, investment bankers, investor relations consultants and other professional advisors, and counterparties in negotiations of material potential transactions.

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- a) All Killam team members who are considered in a blackout period for discretionary blackout periods will receive notice that they are designated "Blacked-out Insiders" during such periods. Trustees will also be included and advised of any discretionary blackout periods.
- b) Killam Insiders may confirm if a blackout is in effect by checking with the CFO.

Prior Notification and Approval of Trades by the Pre-Clearance Group

To assist in preventing even the appearance of an improper trade by a Killam Insider, the following procedures must be followed by all trustees, officers and senior management of Killam (collectively, the "**Pre-Clearance Group**"). Members of the Pre-Clearance Group should provide prior notice of the intention to carry out a trade of securities of Killam to one of the President & CEO, Executive Vice President, CFO or Senior Vice President Finance (the "**Designated Officers**").

- a) No trade of Killam securities shall be carried out by a member of the Pre-Clearance Group without the approval of one of the Designated Officers. Any approval granted for any proposed trade will be valid for a period of 7 days, unless revoked prior to that time. No trade may be carried out after the expiry of 7 days following the receipt of approval unless such approval is renewed. The notice of intention to carry out a trade should be provided in writing. Approval of any trade will also be provided in writing.
- b) Attached as Appendix A to this Policy is a suggested form of notification to be used in connection with a proposed purchase, sale or other transaction in Killam securities.
- c) The Pre-Clearance Group is reminded that, notwithstanding any approval of a trade by a Designated Officer, the ultimate responsibility for complying with this Policy and applicable laws and regulations rests with the individual.

Insider Reporting Requirements – Filing Requirements on SEDI

- a) All trustees, certain senior executive officers (President & CEO, Executive Vice President, CFO, Senior Vice Presidents and Vice Presidents) and certain other "reporting insiders" of Killam are required to file an insider trading report with applicable securities regulatory authorities within 10 days after becoming a reporting insider, disclosing such person's beneficial ownership of or control or direction over securities of Killam, including Trust Units, debt securities, and security-based awards under Killam compensation plans.
- b) Each "reporting insider" is generally required to file an insider trading report with securities regulators any time such beneficial ownership of or control or direction changes within five days (including weekends and holidays) of the date on which the change occurs.

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- c) Killam's Senior Vice President, Finance, is available to file the required insider trading reports. Any individual completing a transaction should contact Killam's Senior Vice President, Finance in order for the required insider filing to be completed.
- d) Reporting insiders are reminded that they remain personally responsible for the timely disclosure of their trading activities and that the assistance offered by Killam in no way reduces the obligations imposed on them by applicable insider trading laws. Any late filing fees will be the responsibility of the individual.

Options, Puts, Calls and Like Instruments

Killam Insiders are restricted from buying or selling or otherwise trading options, puts, calls or similar types of instruments exercisable into Trust Units, taking short positions in Trust Units and entering into other hedging transactions with respect to Killam securities.

Application of Policy after Termination

If an individual's employment or term as a trustee terminates, the prohibition on trading on any MNPI continues until such information is no longer non-public, or until such time as the information is no longer material.

Any questions about material non-public information should be directed to a Designated Officer.

Potential Criminal and Civil Liability

The consequences of prohibited insider trading, tipping or a failure to file an insider report where required on a timely basis can be severe and may include dismissal, fines, and criminal sanctions.

Summary

Do not trade securities of Killam or of another public company when you:

- a) Know material information about Killam which has not been generally disclosed and disseminated to the public; or
- b) Know material information about another public company which has not been generally disclosed and disseminated to the public and you learned of such material information because of your business or dealings with Killam; or
- c) Have received notice from that you are subject to a blackout period.

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Implementation

- a) Killam's Disclosure Committee will be responsible for implementing this Policy.
- b) All employees will be provided with a copy of this Policy within 30 days of its preparation and all new employees will be provided with a copy within 30 days of their hire date.
- c) A copy of this Policy will be provided to new trustees, officers, and director-level employees who will be educated about its importance and, unless already signing off on a code of conduct that encompasses this Policy, will be required to sign a copy as evidence of their commitment to abide by this Policy.
- d) This Policy will be posted on the Killam's internal website and material changes will be communicated to all employees. A summary of the policy will be included in Killam's Code of Conduct, which will also include a link to the full Policy.
- e) Killam's Disclosure Committee will review this Policy as needed (at least annually) to ensure compliance with changing regulatory requirements and make recommendations to the Board for any appropriate changes.

Any questions or concerns relating to this Policy can be directed to the President & CEO, Executive Vice President or CFO.

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Appendix A

Killam Apartment REIT NOTICE OF INTENTION TO TRADE SECURITIES

I hereby notify you of my intention to execute the following transaction in securities of Killam Apartment Real Estate Investment Trust or its subsidiaries ("**Killam**") and request approval of such transaction.

Type of transaction (check one):

Purchase Sale Other

If you selected "Other," please explain:

Number of securities to be traded: _____

I confirm that I am aware of the legal prohibitions against insider trading or tipping and confirm that I am not in possession of any material information relating to Killam or any of its operations that has not been disclosed to the public generally.

I understand that Killam's Insider Trading Policy supplements, and does not replace, applicable insider trading laws. I understand that a violation of insider trading or tipping laws and regulations may subject me to severe civil and/or criminal penalties, and that violation of the terms of Killam's Insider Trading Policy will subject me to discipline by Killam, up to and including termination.

I understand that, notwithstanding any trading authorization granted upon approval of this form, I remain personally responsible for complying with Killam's Insider Trading Policy and applicable laws and regulations.

Name (please print) _____

Signature _____

Date _____

AUTHORIZATION

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Authorized by: _____ Date: _____ Time: _____

This authorization is valid for 14 days, unless revoked prior to that time.