Notice of Annual General Meeting and Information Circular

Annual General Meeting of Unitholders

May 5, 2011

INVITATION TO UNITHOLDERS

March 31, 2011

Dear Unitholder:

We are pleased to invite you to join our Board of Trustees and senior management team at our Annual General Meeting of Unitholders of Crombie Real Estate Investment Trust ("**Crombie**"). The meeting will be held on:

May 5, 2011
11:00 a.m. (Atlantic Daylight Saving Time)
Empire Studio 7 Cinemas
610 East River Road, New Glasgow, Nova Scotia

The items of business to be considered and voted upon at this meeting are set out in the accompanying Notice of Meeting and Management Information Circular. In addition, this meeting provides you with the opportunity to meet, listen to and ask questions of the people who are responsible for the performance of Crombie.

Crombie is committed to keeping you, our investors, informed about your investment in Crombie. We are also committed to respecting your wishes when you elect not to receive copies of the Annual Report or Quarterly Reports. We want you to know that you have a choice as to whether you would like to receive the Crombie Annual Report. Please read and make your choice accordingly on the enclosed document being used for that purpose.

If you are interested in receiving the 2010 Annual Report, copies will be available on our website www.crombiereit.com, or from the SEDAR website (www.sedar.com), or you can write to the following address and request a copy:

Glenn Hynes
Crombie REIT
115 King Street
Stellarton, Nova Scotia B0K 1S0
Email: investing@crombie.ca

We will webcast the Annual General Meeting at www.crombiereit.com. We encourage you to visit our website at any time before the meeting as it provides useful information about us.

We look forward to seeing you on May 5, 2011.

Sincerely,

(signed) "*David J. Hennigar*"

David J. Hennigar
Lead Trustee

(signed) "*Frank C. Sobey*"

Frank C. Sobey
Chair

NOTICE OF ANNUAL GENERAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that an annual general meeting (the "**Meeting**") of the Unitholders of Crombie Real Estate Investment Trust ("**Crombie**") will be held at Empire Studio 7 Cinemas, 610 East River Road, New Glasgow, Nova Scotia, on Thursday, the 5th day of May, 2011, at 11:00 o'clock in the morning (Atlantic Daylight Saving Time) for the following purposes:

- To receive and consider the Financial Statements of Crombie for the year ended December 31, 2010, together with the report of the Auditors thereon and related management discussion and analysis;
- To elect Trustees for the ensuing year;
- To appoint the auditors for the ensuing year;
- To authorize the Trustees to fix the remuneration of the auditors; and
- To transact such other business as may properly come before the meeting.

Unitholders who are unable to be present in person at the Meeting are requested to complete, sign, date, and return the enclosed voting instruction form in accordance with the instructions provided. The accompanying Management Information Circular provides further information regarding proxies and the matters to be considered at the Meeting and is deemed to form part of this Notice.

Dated at Stellarton, Nova Scotia, this 31st day of March, 2011.

BY ORDER OF THE BOARD OF TRUSTEES

(signed) "*Glenn R. Hynes*"

Glenn R. Hynes
Chief Financial Officer and Secretary

MANAGEMENT INFORMATION CIRCULAR

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INFORMATION CONCERNING THE MEETING

Purpose of the Meeting

The items of business to be considered and voted upon at this annual general meeting, or any adjournment thereof, (the "**Meeting**") of the Unitholders are set out in the accompanying Notice of Meeting.

Date, Time and Place of Meeting

The Meeting will be held at Empire Studio 7 Cinemas, 610 East River Road, New Glasgow, Nova Scotia, on Thursday, the 5th day of May, 2011, at 11:00 o'clock in the morning (Atlantic Daylight Saving Time).

Solicitation of Proxies

This Circular is furnished in connection with the solicitation by Management of proxies (hereinafter referred to as the "**Proxy**" or "**Proxies**") from holders (collectively "**Unitholders**") of units ("**Units**") of Crombie and special voting units ("**Special Voting Units**") of Crombie for use at the Meeting. It is expected that the solicitation will be primarily by mail, but Proxies may also be solicited personally by the Trustees or officers of Crombie. The cost of such solicitation will be borne by Crombie.

Appointment and Revocation of Proxies

The persons named in the enclosed form of Proxy are Trustees of Crombie. **A Unitholder has the right to appoint a person to represent such Unitholder at the meeting other than the persons named in the enclosed form of Proxy**. Such right may be exercised by striking out the name of the persons designated and by inserting such other person's name in the blank space provided in the form of Proxy. Failing any designation, one of the persons already named on the Proxy form shall be deemed to have been appointed as the nominee of such Unitholder for the purposes set out in the accompanying Notice of Meeting. To be valid, the form of Proxy must be executed and received by CIBC Mellon Trust Company before 11:00 a.m. (Atlantic Daylight Saving Time) on May 4, 2011. If the meeting is adjourned or postponed, the proxy must be executed and received by CIBC Mellon Trust Company at least 24 hours before the adjourned meeting.

If the accompanying separate form of Proxy is executed and returned, the Proxy may nevertheless be revoked by an instrument in writing revoking the Proxy and executed by the Unitholder, or by the attorney of the Unitholder authorized in writing, or if the Unitholder is a corporation, under its corporate seal or by an officer or attorney thereof, duly authorized and deposited with the Secretary of Crombie prior to the commencement of the Meeting on the date of the Meeting or any adjournment thereof.

Voting of Units Represented by Proxies

Units represented by Proxy will be voted or withheld from voting in accordance with instructions specified by the Unitholder on the form of Proxy. If no instructions are given by the Unitholder, the Proxy confers discretionary authority upon the Proxy nominees with respect to the matters set out in the Notice of Meeting and other matters that may properly come before the Meeting or any adjournment thereof, but shall not confer authority to vote for the election of any person as a Trustee, unless a bona fide proposed nominee for such election is named in this Circular, or to vote at any meeting other than the Meeting specified in the Notice of Meeting, or any adjournment thereof. **Where either David J. Hennigar or Frank C. Sobey has been appointed to vote on behalf of another Unitholder, he will vote:**

(a) in favour of the election of those persons listed in this Circular as the proposed Trustees for the ensuing year;

(b) in favour of the appointment of Grant Thornton LLP as auditor for the ensuing year; and

(c) in favour of the authorization of the Trustees to fix the remuneration of the auditor.

Management has no present knowledge that any business other than that referred to in the accompanying Notice of Meeting will be presented to the Meeting. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the Proxies to vote the Proxies in accordance with what they consider to be in the best interest of Crombie.

Non-Registered Unitholders

Investors in Units are Non-Registered Unitholders

Unlike some issuers where the names of individual security holders are recorded on a register of holders, the ownership of Units is tracked only through a book-entry only system administered by CDS Clearing and Depository Services Inc. ("**CDS**"). In a book-based system, the only registered Unitholder is CDS who acts as clearing agent for the brokers and other intermediaries who, in turn, act on behalf of investors who are the beneficial owners of the Units.

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called "**Objecting Beneficial Owners**") and those who do not object (called "**Non-Objecting Beneficial Owners**").

Non-Objecting Beneficial Owners

If you are a Non-Objecting Beneficial Owner, Crombie will obtain your name and you will be treated as if you are a registered holder. You will receive a form of proxy from our transfer agent, CIBC Mellon Trust Company. You may attend the Meeting and vote in person or you may appoint another person to represent you as proxyholder to vote your Units at the Meeting. You are encouraged to complete and return the enclosed form of proxy to ensure that your vote is counted should your plans to attend change. When you arrive at the Meeting, please register with the transfer agent, CIBC Mellon Trust Company.

Objecting Beneficial Owners

Objecting Beneficial Owners can only exercise their rights as beneficial owners of Units through CDS or a participant in the CDS depository service. This means that in order for Objecting Beneficial Owners to exercise their right to vote their Units at the Meeting, they must carefully review and follow the voting instructions provided by their broker or other intermediary.

Units held by brokers or their nominees for an Objecting Beneficial Owner can only be voted or otherwise represented upon the instructions of the Objecting Beneficial Owner. Without specific instructions, the broker/nominees are prohibited from voting or otherwise representing Units for their clients. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Objecting Beneficial Owners in advance of Unitholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Objecting Beneficial Owners in order to ensure that their Units are voted or otherwise represented at the Meeting. Often, the form of proxy supplied to an Objecting Beneficial Owners by its broker is identical to the form of proxy provided to registered Unitholders. However, its purpose is limited to instructing the intermediaries/brokers how to vote on behalf of or otherwise represent the Objecting Beneficial Owner.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc ("**Broadridge**"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Objecting Beneficial Owners and asks Objecting Beneficial Owners to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions respecting the Units to be represented at the Meeting. An Objecting Beneficial Owner receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote or otherwise represent Units in person at the Meeting as the proxy must be returned as directed by Broadridge well in advance of the Meeting in order to have the Units voted or otherwise represented. Accordingly, it is strongly suggested that Objecting Beneficial Owners return their completed proxies as directed by Broadridge well in advance of the Meeting.

Voting in Person by Objecting Beneficial Owners

An Objecting Beneficial Owner who receives a form of proxy or a voting instruction form and wishes to vote at the Meeting in person should strike out the names of the persons designated in the form of proxy and insert the Objecting Beneficial Owner's name in the blank space provided or, in the case of a voting instruction form, follow the corresponding directions on the form. In either case, Objecting Beneficial Owner should carefully follow the instructions of their intermediary/broker, including those regarding when and where the proxy or proxy authorization form is to be delivered. If you are an Objecting Beneficial Owner and wish to vote in person at the Meeting, we recommend that you contact your broker or agent well in advance of the Meeting to confirm how you can do so.

Record Date and Unitholders Entitled to Vote

Units

The board of trustees of Crombie (the "**Board**" or "**Board of Trustees**") has fixed March 14, 2011 as the record date for the purpose of determining which Unitholders are entitled to receive the Notice of Meeting.

On March 14, 2011, Crombie had 35,551,895 outstanding Units, each carrying the right to one vote per Unit at the Meeting. Any registered Unitholder of record at the time of the Meeting will be entitled to attend and vote at the Meeting either in person or by Proxy. See "Information Concerning the Meeting – Voting of Units Represented by Proxies" and "Information Concerning the Meeting – Non-Registered Unitholders" for information regarding the voting of Units at the Meeting.

Special Voting Units

On March 14, 2011, Crombie had 30,780,730 outstanding Special Voting Units, each carrying the right to one vote per Special Voting Unit. Special Voting Units may only be issued in connection with or in relation to Class B Limited Partnership Units ("**Class B LP Units**") of Crombie Limited Partnership ("**Crombie LP**") for the purpose of providing voting rights with respect to Crombie to the holders of such securities. Special Voting Units are issued in conjunction with all Class B LP Units, and are evidenced only by the certificates representing such Class B LP Units. All of the outstanding Special Voting Units are held indirectly by Empire Company Limited ("**Empire**").

Voting Units and Principal Holders Thereof

The Trustees and Management do not know of any person or company beneficially owning, directly or indirectly, or exercising control or direction over more than 10% of the Units. Empire currently holds 30,780,730 Special Voting Units of Crombie, representing 46.4% of the outstanding voting units of Crombie.

BUSINESS OF THE MEETING

Financial Statements

The audited consolidated financial statements of Crombie for the year ended December 31, 2010, and the report of the auditor thereon will be tabled at the Meeting. These audited consolidated financial statements were mailed to Unitholders with this Notice of Meeting and Circular. Additional copies of the audited consolidated financial statements may be obtained from the Secretary of Crombie upon request and will be available at the Meeting.

Election and Appointment of the Board of Trustees

ECL Right to Appoint Trustees

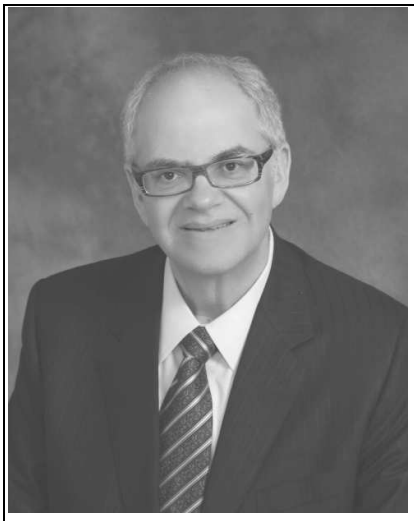
Pursuant to the Declaration of Trust of Crombie dated as of January 1, 2006, as amended and restated from time to time (the "**Declaration of Trust**"), ECL Properties Limited ("**ECL Properties**"), a wholly-owned direct subsidiary of Empire and the direct parent of ECL Developments Limited ("**ECL**"), has an exclusive right to appoint certain Trustees ("**ECL Trustees**") based on the proportion of outstanding Units and Special Voting Units held, directly or indirectly, by ECL Properties at the time of such appointment and the size of the Board at such time, all in accordance with the following table. ECL Trustees are required to meet the qualification requirements as set out in Declaration of Trust.

ECL's Proportion of Outstanding Units and Special Voting Units Held	Total Number of Trustees of the Trust	Number of ECL Appointees
Greater than 30%	Greater than 10	5
	10	4
	7 to 9	3
	5 to 6	2
	Less than 5	1
20% - 30%	Greater than 10	4
	10	3
	7 to 9	2
	Less than 7	1
10% - 19.99%	10 or greater than 10	2
	Less than 10	1
Less than 10%	Any	0

Based on the current Board size and ECL's ownership of 46.6% of the outstanding Units and Special Voting Units combined, ECL has the right to appoint five Trustees.

ECL Trustees

ECL intends to exercise its exclusive right to appoint the following five Trustees (the "**ECL Trustees**"), each to hold office until the next annual meeting or until his or her successor is elected or appointed. **Unitholders do not have the right to vote on the appointment of the ECL Trustees**. In the opinion of the Board, the ECL Trustees are well-qualified to act as Trustees for the ensuing year. Each of the ECL Trustees has established their eligibility and willingness to serve.



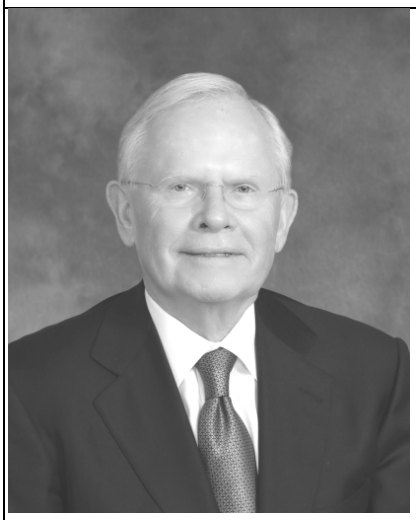
Paul V. Beesley
Resident of Stellarton, NS, Canada
Trustee since 2009
Trustee

Paul Beesley is the Executive Vice President and Chief Financial Officer of Empire Company Limited, and is currently a director of Genstar Development Partnership. Prior to joining Empire Company Limited in 1999, Mr. Beesley was Vice President and Chief Financial Officer at The Globe and Mail in Toronto for four years. Previously Mr. Beesley worked for Delrina Corporation, Toronto, and with Sunoco and Suncor Inc. in Toronto and Fort McMurray. Mr. Beesley graduated from Dalhousie University in 1979 with his Bachelor of Science and obtained a Masters of Business Administration at Saint Mary's University, and his Chartered Accountant designation, in 1984. In 2006 Mr. Beesley completed the Advanced Management Program at Harvard University and in 2011 received the ICD.D designation.

Committee Membership: Mr. Beesley is a member of the Investment Committee.

Other Public Board Membership: None.

Unitholdings: 10,000 (Satisfies Unit ownership guidelines)[(1)]



David A. Leslie
Resident of Toronto, ON, Canada
Trustee since 2007
Independent Trustee

David Leslie, a Fellow of the Institute of Chartered Accountants of Ontario, retired in 2004 after 37 years of service with Ernst & Young LLP, where he was Chairman and Chief Executive Officer from 1999 to 2004. While at Ernst & Young, he was seconded for a period to the federal Department of Finance as Senior Tax Advisor on Tax Policy and Legislation. He is a director of Empire Company Limited, Enbridge Gas Distribution Inc., IMRIS Inc., Enbridge Inc., Sobeys Inc. and Chair of Sunnybrook Health Sciences Centre.

Committee Membership: Mr. Leslie is a member of the Audit Committee (Chair) and the Investment Committee.

Other Public Board Membership: Empire Company Limited, Sobeys Inc., Enbridge Gas Distribution Inc., Enbridge Inc., and IMRIS Inc.

Unitholdings: 11,700 (Satisfies Unit ownership guidelines)[(1)]

Frank Sobey is President of ECL Properties Limited and Vice President of Real Estate for Empire Company Limited and has been a director of Crombie and its predecessors since 1981 and Chairman since 1998. Mr. Sobey is a director and Chairman of the Oversight Committee of Empire Company Limited, a director of Sobeys Inc. and served as a trustee and Chairman of the governance and nominating committee of Wajax Income Fund (formerly Wajax Limited) until October 5, 2010. He is also Chairman of the Dalhousie Medical Research Foundation.

Committee Membership: None.

Other Public Board Membership: Empire Company Limited and Sobeys Inc.

Unitholdings: 20,000 (Satisfies Unit ownership guidelines)[(1)]

Frank C. Sobey
Resident of Stellarton, NS, Canada
Trustee since 2006
Trustee and Chairman

Kent Sobey founded Farmhouse Productions Ltd. in 2002, a company that produces film and television content for Canadian and United States broadcasters. He is an active private equity investor. In 2008, he formed Sumac Realty Canada, which invests in commercial real estate in Canada and Europe. He is a director of The North York Harvest Food Bank. Mr. Sobey received his Bachelor of Arts from Dalhousie University and also graduated from Vancouver Film School. He has also taken executive development at Rotman School of Management and Queens University.

Committee Membership: Mr. Sobey is a member of the Governance and Nominating Committee.

Other Public Board Membership: None.

Unitholdings: 10,100 (Satisfies Unit ownership guidelines)[(1)]

Kent R. Sobey
Resident of Toronto, ON, Canada
Trustee since 2008
Independent Trustee

Paul Sobey is President and Chief Executive Officer of Empire Company Limited. He received his Bachelor of Commerce from Dalhousie University and attended Harvard University Business School, Advanced Management Program in 1996. Mr. Sobey sits on the boards of Empire Company Limited, Sobeys Inc. and the Bank of Nova Scotia. Mr. Sobey served as Chairman and director of Wajax Income Fund (formerly Wajax Limited) from 2002 – May 2006. Mr. Sobey became a Fellow Chartered Accountant of Nova Scotia in 2006.

Committee Membership: Mr. Sobey is a member of the Human Resources Committee.

Other Public Board Membership: Empire Company Limited, Sobeys Inc. and Bank of Nova Scotia.

Unitholdings: 20,000 (Satisfies Unit ownership guidelines)[(1)]

Paul D. Sobey
Resident of Chance Harbour, NS, Canada
Trustee since 2006
Trustee

Nominees

Mr. Hennigar has advised the Governance and Nominating Committee that he will retire from the Board and does not wish to stand for re-election as a Trustee. The Board has determined that Mr. Hennigar will be replaced as Lead Trustee by John Eby, assuming re-election of Mr. Eby as a Trustee. At this time, the Governance and Nominating Committee is considering possible candidates to replace Mr. Hennigar as a Trustee, however, a replacement nominee has not been identified in time to be put forward for election at the Meeting. Consequently, the number of Trustees will be reduced to 11, including the ECL Trustees, and there are to be six Trustees elected at the Meeting, each to hold office until the next annual meeting or until his or her successor is elected or appointed. Unless authority to vote on the election of Trustees is withheld, **it is the intention of persons named in the enclosed form of Proxy to vote the Units represented thereby in favour of the six nominees listed below.**

The Governance and Nominating Committee of the Board reviews annually the qualifications of persons proposed for election to the Board and submits its recommendation to the Board for consideration. The persons proposed for nominations are, in the opinion of the Board, well-qualified to act as Trustees for the ensuing year. Each Trustee has established his or her eligibility and willingness to serve.

Donald E. Clow
Resident of New Glasgow, NS, Canada
Trustee since 2009
Trustee, President and CEO

Donald Clow was appointed President and Chief Executive Officer on August 6, 2009. Prior to joining Crombie, Mr. Clow held the position of President, ECL Developments Limited, the real estate development subsidiary of Empire Company Limited for three years. Previous to Empire he held various executive positions with Southwest Properties Group of Companies in Halifax evolving to the position of President and Chief Operating Officer, a position he held for seven years. Mr. Clow graduated from Acadia University, Bachelor of Business Administration and earned his CA designation with KPMG. In addition to leadership programs at the Harvard Business School and the University of Western Ontario Ivey School of Business, he was designated a Fellow Chartered Accountant in 2002.

Committee Membership: Mr. Clow is a non-voting member of the Investment Committee.

Other Public Board Membership: None.

Unitholdings: 102,330 (Satisfies Unit ownership guidelines)[(1)]

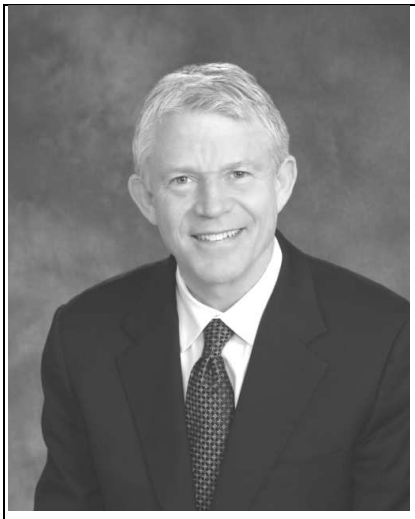
John Eby
Resident of Toronto, ON, Canada
Trustee since 2008
Independent Trustee

John Eby is a corporate director. He was Vice-Chairman of Scotia Capital from 2000 until his retirement in 2006 and for 10 years prior thereto had been Senior Vice President, Corporate and Energy Banking, The Bank of Nova Scotia. He is also a director of Inmet Mining Corporation and Wajax Corporation. Mr. Eby received his BA and MBA in finance from Queen's University. Mr. Eby is the founder and CEO of Developing Scholars, a not-for-profit organization that promotes educational initiatives in Guatemala.

Committee Membership: Mr. Eby is a member of the Audit Committee, Governance and Nominating Committee and the Investment Committee.

Other Public Board Membership: Inmet Mining Corporation and Wajax Corporation.

Unitholdings: 13,000 (Satisfies Unit ownership guidelines)[(1)]



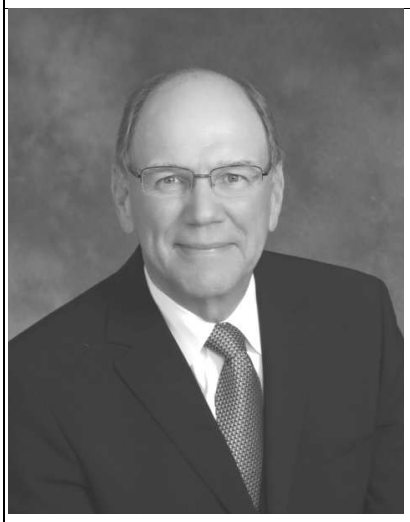
David G. Graham
Resident of Halifax, NS, Canada
Trustee since 2006
Independent Trustee

David G. Graham is the President of Atlantic Developments Inc., a real estate development company. Mr. Graham has held various positions with CB Richard Ellis Canada Inc. and was an Assistant to the Federal Minister of Fitness and Amateur Sport. Currently Mr. Graham serves on the Toronto Advisory Board of Nova Scotia Business Inc. and on The Coady International Institute Capital Campaign Leadership Team. Mr. Graham has a Bachelor of Business Administration and a Bachelor of Education from St. Francis Xavier University and a Masters of Science in Real Estate Development from Columbia University.

Committee Membership: Mr. Graham is a member of the Governance and Nominating Committee and the Human Resources Committee.

Other Public Board Membership: None.

Unitholdings: 10,000 (Satisfies Unit ownership guidelines)[(1)]



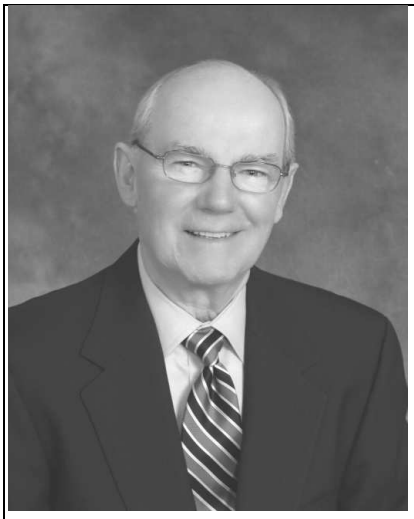
Brian A. Johnson
Resident of Toronto, ON, Canada
Trustee since 2008
Independent Trustee

Brian Johnson is a partner of Crown Capital Partners and of Crown Realty Partners. From September 1993 until July 2007 he was President and Chief Executive Officer of Crown Life Insurance Company. Mr. Johnson is a director of MCAN Mortgage Corporation and Western Surety Company. He was a member of the University of Regina board of governors from 1995 to 2002 and served as board chair from 1999 to 2001. He was also a director and Saskatchewan president of the Canadian Unity Council. Mr. Johnson received his B. Comm. (Gold Medalist) from the University of Manitoba and his M.B.A. from the University of Pennsylvania. He also holds the Chartered Financial Analyst (CFA) designation.

Committee Membership: Mr. Johnson is a member of the Audit Committee, the Investment Committee and the Human Resources Committee.

Other Public Board Membership: MCAN Mortgage Corporation.

Unitholdings: 11,000 (Satisfies Unit ownership guidelines)[(1)]



John E. Latimer
Resident of Toronto, ON, Canada
Trustee since 2006
Independent Trustee

John Latimer retired from Monarch Corporation, a real estate development company as President and Chief Executive Officer in June 2000, after 22 years of service. He is the Audit Chairman of Lifeco Split Corporation Inc. of Toronto, a mutual fund, the Audit Chairman of R Split III Corp. and Chairman of SL Split Corp. He serves on the Real Estate Advisory Committee for the University of Guelph and has served on the cabinet of the Greater Toronto United Way and the Mayor of Toronto's Homelessness Action Task Force.

Committee Membership: Mr. Latimer is a member of the Audit Committee, the Human Resources Committee and the Investment Committee.

Other Public Board Membership: Lifeco Split Corporation Inc., R Split III Corp. and SL Split Corp.

Unitholdings: 13,000 (Satisfies Unit ownership guidelines)[(1)]

Elisabeth Stroback
Resident of Toronto, ON, Canada
Trustee since 2006
Independent Trustee

Elisabeth Stroback is an advisor on the development of public infrastructure. Through her company, Tanalex Corp., Ms. Stroback provides clients with a broad range of advice on real estate matters, private public partnerships, property development and project management services. Her clients include universities, hospitals, municipalities, provincial government ministries and agencies. Prior to 1999, Ms. Stroback was President of Hammerson Canada Inc., a commercial property development company. She is a member of the Capital Projects Committee of Sunnybrook Health Sciences Centre and the Properties Committee of Hincks-Dellcrest Centre. Ms. Stroback received her Bachelor of Arts from the University of Western Ontario and Master's Degree in Economics from Queen's University, Kingston, Ontario.

Committee Membership: Ms. Stroback is a member of the Human Resources Committee (Chair) and the Investment Committee.

Other Public Board Membership: None.

Unitholdings: 10,000 (Satisfies Unit ownership guidelines)[(1)]

Total number of Units held by all Trustees: 231,130[(2)]

Total value of Units held by all Trustees: $2,239,139[(3)]

(1) Unit ownership guidelines stipulate that each Trustee must own $120,000 in Crombie Units, which is a proxy for four times the standard annual Trustee retainer of $30,000, measured at the greater of acquisition value and current market value. This requirement must be met within five years of the Trustee becoming a member of the Board.
(2) Value is based on the acquisition price of the Units.

No nominee is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including a personal holding company), that:

(a) was subject to an order (as defined in Form 51-102 F5 of National Instrument 51-102 – *Continuous Disclosure Obligations*) that was issued while the trustee or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, other than (i) Mr. Latimer who was a director of Genesis Land Development Corp. at the time it had an insider cease trade order in place from April 7, 2006 to June 6, 2006, an issuer cease trade order in place from June 6, 2006 to June 21, 2006 and an issuer cease trade order in place from April 9, 2009 to May 8, 2009, in each case for failing to file financial statements on time; or

(b) was subject to an order (as defined in Form 51-102 F5 of National Instrument 51-102 – *Continuous Disclosure Obligations*) that was issued after the trustee or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No nominee is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director or executive officer of any company (including a personal holding company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, other than (i) Mr. Johnson who (A) was Chair of the Board of Directors of CrownAg International ("**CrownAg**") from 2000 to 2005. During that time Crown Life Insurance Company was both a shareholder and a secured creditor of CrownAg. Mr. Johnson was president and CEO of Crown Life Insurance Company. In order to realize on its security in 2005, Crown Life together with two other secured creditors, placed CrownAg into receivership under the *Bankruptcy and Insolvency Act* (Canada), (B) is a director of Big Sky Farms Inc., a private Saskatchewan company, which sought and obtained an order on November 10, 2009 under the *Companies' Creditors Arrangement Act* (Canada), and (C) was a director of Stegg USA Inc., a private company which filed a voluntary petition under Chapter 7 of the United States Bankruptcy Act on July 30, 2009 within one year of Mr. Johnson's resignation from the board on September 26, 2008; (ii) David Leslie who was a director of Canwest Global Communications Corp. up to January 14, 2009. On October 6, 2009 Canwest Global Communications Corp. sought and obtained an order commencing proceedings under *Companies' Creditors Arrangement Act* (Canada); and (iii) David Graham who was a director and officer of Trax Construction Limited, a private company which filed for bankruptcy within one year of Mr. Graham's resignation in August, 2008.

No nominee has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the trustee, executive officer or shareholder.

No nominee has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Committee Membership and Record of Attendance

The following tables summarize the meetings of the Board and its Committees held for the fiscal year ended December 31, 2010, and the attendance of the individual Trustees of Crombie at such meetings:

Board:	5
Audit Committee:	5
Human Resources Committee:	5
Governance and Nominating Committee:	4
Investment Committee:	4

Trustee	Board Meeting Attendance	Committee Membership	Committee Meetings Attendance
Paul Beesley[(1)]	5/5	Investment Committee	2/2
Donald E. Clow	5/5	Investment Committee	4/4
John Eby	5/5	Audit Committee Governance and Nominating Committee Investment Committee	4/5 3/4 3/4
David G. Graham	5/5	Human Resources Committee Governance and Nominating Committee	5/5 4/4
David J. Hennigar	5/5	Audit Committee Governance and Nominating Committee	4/5 4/4
Brian A. Johnson[(2)]	5/5	Audit Committee Human Resources Committee Investment Committee	5/5 5/5 1/2
John E. Latimer	4/5	Audit Committee Investment Committee Human Resources Committee	4/5 3/4 3/5
David A. Leslie	5/5	Audit Committee Investment Committee	4/5 3/4
Frank C. Sobey	5/5	-	-
Kent Sobey	5/5	Governance and Nominating Committee	4/4
Paul D. Sobey	5/5	Human Resources Committee	5/5
Elisabeth Stroback	5/5	Human Resources Committee Investment Committee	5/5 4/4

(1) Paul Beesley joined the Investment Committee effective August 11, 2010.
(2) Brian Johnson joined the Investment Committee effective August 11, 2010.

Audit Committee Information

In accordance with National Instrument 52-110 – *Audit Committees*, information relating to Crombie's audit committee is disclosed under the heading "Audit Committee Information" in Crombie's Annual Information Form for the fiscal year ended December 31, 2010.

Trustee Independence and Other Relationships

For a Trustee to be considered independent, the Board must determine that the Trustee does not have any material relationship with Crombie, either directly or indirectly.

The Board is responsible for applying the definition of "Independent Trustee" to the circumstances of each individual Trustee, and for disclosing annually whether the Board has a majority of Independent Trustees and an analysis of the application of the principles supporting this conclusion.

The Board considers the following five Trustees proposed for election to be independent: John Eby, David G. Graham, Brian Johnson, John E. Latimer and Elisabeth Stroback. The Board also considers ECL appointees Kent R. Sobey and David A. Leslie to be independent.

In light of general guidelines and other literature, the Board considers that Paul Beesley, Donald E. Clow, Frank C. Sobey and Paul D. Sobey have a material relationship with Crombie and are therefore non-independent. Donald E. Clow is considered to be non-independent because of his position as President and CEO of Crombie. Frank C. Sobey is considered to be non-independent because of his position as President of ECL. Paul Beesley and Paul D. Sobey are considered to be non-independent because of their positions as officers of Empire. Crombie has material contracts with Empire and certain of its subsidiaries.

Appointment of Auditor

Grant Thornton LLP was first appointed as the external auditor of Crombie on March 23, 2006.

The Audit Committee has reviewed the independence and performance of Grant Thornton LLP as external auditor of Crombie. Based on this review, it has recommended to the Board of Trustees that they be reappointed, subject to Unitholder approval.

Based on the Board's recommendation, the persons named in the enclosed Proxy form intend to vote the Units represented thereby FOR the appointment of Grant Thornton LLP as auditor of Crombie, to hold office until the next annual meeting of the Unitholders.

During fiscal 2010 and 2009, fees charged by Grant Thornton LLP were as follows:

Fees	**Year Ended December 31, 2010**	**Year Ended December 31, 2009**
Audit Fees:	$341,500	$283,000
Audit-Related Fees:	240,650	271,600
Tax Fees:	53,510	60,940
Other Fees:	0	54,000
Total Fees:	**$635,660**	**$669,540**

Audit fees include annual audit, quarterly reviews of Crombie quarterly financial statements and French translation. Audit related fees include tenant cost recovery statements, services related to the issue of units and debentures and fees related to discussion of accounting issues and disclosures. Tax fees include tax planning and project based assignments related to regulatory compliance. Other fees include services related to special project work separately approved by the Audit Committee.

Approval of Auditors Fees

The persons named in the enclosed Proxy form intend to vote the Units represented thereby FOR the authorization of the Trustees to fix the remuneration of the auditor as the Trustees deem appropriate.

STATEMENT OF EXECUTIVE COMPENSATION

Report of the Human Resources Committee

The Human Resources Committee (the "**HRC**") assists the Board in its oversight of Crombie's human resource strategy, policies and programs. The HRC's primary focus is on the compensation, development and succession of executives. The Board is responsible for ensuring that relevant information on executive compensation is clearly disclosed to Unitholders. The HRC is responsible for reviewing and recommending policies related to the Senior and Executive Management compensation elements of:

- Annual base salaries
- Annual management incentive programs
- Long-term management incentive programs
- Employee unit purchase plan
- Executive management pension plan
- Executive management health and life insurance benefits
- Senior and executive perquisites
- Equal pay for work of equal value

The HRC is composed of three or more Trustees appointed by the Board on recommendation from the Governance and Nominating Committee. As of December 31, 2010, the HRC was composed of Elisabeth Stroback (chair), David Graham, Brian Johnson and John Latimer and Paul D. Sobey.

Aon Consulting Inc. provides advice to management on various compensation initiatives.

This report has been approved by members of the HRC.

Elisabeth Stroback (Chair)
David Graham
Brian Johnson
John Latimer
Paul D. Sobey

Compensation Discussion & Analysis

Compensation Philosophy

The objective of the Crombie compensation program is to provide a competitive level of compensation in a consistent and fair manner across the organization. Crombie believes that the caliber and commitment of its executives is critical to the continued success and performance of Crombie. Crombie's compensation program is performance based and combines the achievement of corporate objectives with a rigorous assessment of individual performance and potential and allows Crombie to differentiate the rewards paid to its executives. The program is designed to develop and motivate executives to execute Crombie's short and long-term goals and to act in the best interests of Crombie and its Unitholders. Equally important, the compensation program is structured to facilitate retaining and attracting senior management to Crombie.

In developing its compensation program, Crombie has adopted the following guiding principles:

- Compensation programs are to be designed to enable and support Crombie's business strategy and create long term unitholder value;
- The total compensation package is to be attractive to executives, affordable to Crombie, proportional to the employee's contribution and fair to unitholders;
- The compensation strategy is to be consistent with best practices and avoid controversial pay practices;
- There will be oversight of the compensation programs and package by the HRC;
- The compensation programs and package will be communicated to all stakeholders in a timely, transparent and understandable fashion; and
- Compensation programs should be easy to understand and measure so that senior management effort and alignment are clear.

Incentive plan objectives are reviewed against annual corporate goals and objectives with the short-term cash compensation, including base salary and annual management incentive plan ("**AMIP**") driven by group and company results for the year, as well as individual performance. The long-term incentive plan ("**LTIP**"), reflects Crombie's results over a 3 year period in achieving longer term strategic goals thus ensuring executive actions are targeted to the success of Crombie over the long term. These incentives also serve as retention tools. The Board reserves the right to withdraw or alter the AMIP or the LTIP at its discretion. Such a decision may be taken as the result of overall business factors or individual performance. The AMIP and LTIP are both subject to claw-back provisions in the event of awards being granted resulting from erroneous or fraudulent financial results.

Elements of Compensation and Direct Compensation Mix

The focus of Crombie's executive compensation program is total rewards, or the sum of all compensation provided to executives.

The components of the total rewards structure are base salary, AMIP, LTIP, employee unit purchase plan ("**EUPP**"), pension, benefits and perquisites. Direct Compensation is defined as the sum of base salary, AMIP and LTIP. Each component of the total rewards structure is described in detail below. In structuring the compensation programs, the HRC considered market comparison information provided by multiple external independent remuneration surveys. Crombie provides pay at risk through the AMIP and LTIP. The actual direct compensation mix varies by executive level, reflecting the impact senior executives have on Crombie's results. For the executive group, the target mix in 2010 was:

Position	Base Salary	AMIP	LTIP	Pay at Risk
Chief Executive Officer	50.0%	25.0%	25.0%	50.0%
Chief Financial Officer	57.1%	25.7%	17.2%	42.9%
Other Vice Presidents	62.5%	25.0%	12.5%	37.5%

* note numbers may not add to 100% due to rounding

Market Positioning

The market competitiveness of Crombie's executive compensation program, and each of its components, is assessed relative to market survey data provided by Aon Consulting Inc. Total compensation levels are targeted at the median of the relevant survey comparator group for the executive positions.

Aon Consulting Inc. reviews Crombie's executive positions for the HRC and benchmarks compensation against other real estate organizations in Canada, using industry specific compensation surveys. Additionally, general industry compensation surveys are consulted to understand broader market trends.

Crombie reviews the Aon Real Estate Survey data which includes 20 real estate organizations in Canada, including other real estate investment trusts ("REITs"), development companies and property management companies.

To further compare executive compensation, Aon Consulting Inc. prepared an analysis of the executive compensation from the following specific real estate entities who more closely reflect Crombie's business profile: Allied Properties REIT, Canadian REIT, Calloway REIT, Dundee REIT, First Capital Realty Inc., Morguard Investments Limited, Primaris Retail REIT and RioCan REIT.

Base Salary

Compensation Component	Applies to	Performance Period	How Determined
Base Salary	All employees	1 year	Based on market competitiveness, individual performance and internal equity

Base salary compensates employees for the roles they perform for Crombie and is paid to give executives a minimum level of compensation in a given year. Base salaries and salary ranges, including the minimums, midpoints and maximums, are benchmarked externally against other real estate entities and internally against similar positions. Salaries are then adjusted for individual employee qualifications, experience and performance, within the applicable salary range. Salaries are reviewed at least once a year, with annual salary adjustments effective April 1st.

Short-Term Incentive (AMIP)

Compensation Component	Applies to	Performance Period	How Determined
Annual Incentive	All eligible employees	1 year	Target levels are established based on market competitive levels. Actual awards are based on the achievement of corporate, group and personal objectives

The AMIP provides executives with the opportunity to earn cash incentives based on the achievement of pre-established annual corporate, group and individual performance objectives. Crombie pays the AMIP to encourage the achievement of annual results, on a corporate, group and personal level, which fit with the broader strategic goals of Crombie.

AMIP target awards vary as a percentage of base salary and are based on median incentive targets of relevant comparator organizations. Incentive targets for all levels are reviewed to ensure ongoing market competitiveness. The minimum incentive payment under the AMIP is zero when company, group and/or personal performance is below minimum performance thresholds. The maximum incentive achievable for exceeding business and individual performance objectives is twice the target payout. Individual performance objectives are based on Crombie's business plan for the fiscal year and are intended to be challenging but achievable.

A summary of the AMIP calculation is provided as follows: Base salary multiplied by the AMIP target and the corporate multiplier, plus base salary multiplied by the AMIP target and the group multiplier (if applicable), plus base salary multiplied by the AMIP target and the personal multiplier. The result of this calculation will give the AMIP payout for each executive based on corporate, group and personal performance. The payout range under the AMIP ranges from 0% of base salary to the applicable AMIP maximum, where the maximum can only be achieved by having all the applicable multipliers reach the maximum.

Base salary and AMIP maximum level vary by individual qualifications, experience, performance and level. The weightings attributed to the corporate, group and personal multipliers vary by level within Crombie.

The payout targets, maximums and business performance weightings for the 2010 AMIP were as follows:

Position	AMIP Target	AMIP Maximum	Multiplier Weightings		
	(as a % of base salary)		Corporate	Group	Personal
President and CEO	50 %	100 %	70 %	0 %	30 %
Chief Financial Officer	45 %	90 %	70 %	0 %	30 %
Other Vice Presidents	40 %	80 %	50 %	40 %	10 %

The performance targets are established by the HRC based on input from management. A minimum, target and maximum are established each year for the three components of the AMIP, as described below.

Corporate Multiplier

The Board of Trustees reserves the right to set and adjust annual targets for AMIP, at its discretion. The corporate performance metric for 2010 AMIP was FFO per unit, which is defined as net income (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable real estate and extraordinary items, plus depreciation and amortization expense, plus future income taxes, and after adjustments for equity accounted entities and non-controlling interests. The HRC reviewed management's achievements in 2010 and concluded that management had performed above the payout level reflected in the AMIP calculation for corporate performance using the FFO per unit measurement as described above. Based on its discretion to amend the AMIP award, the HRC approved for recommendation to the Board that the corporate multiplier portion of the AMIP award for 2010 for all participants be increased to 103% of the target to reflect management achievements during 2010, in particular 1) the strengthening of Crombie's balance sheet; 2) improvement of Crombie's liquidity; 3) higher than budgeted growth in same property cash net operating income and occupancy; and 4) successful acquisition and financing of $173.8 million of high quality properties.

Corporate performance payouts are determined by the following table:

Achievement	Multiplier
90% of target *(Minimum)*	0x
100% of target *(Target)*	1x
110% of target *(Maximum)*	2x

Performance between achievement levels are calculated on a linear (pro-rata) scale.

Group Multiplier

Group objectives are specific quantifiable factors that are under the direct management responsibility of the specific group executive, as determined by the HRC and approved by the Board of Trustees.

In setting the targets, management considers goals for the particular group taking into account several factors including historical performance, future growth projections under a variety of scenarios, competitive positioning and economic conditions.

Group performance payouts are determined by the following table:

Achievement	Multiplier
90% of target *(Minimum)*	0x
100% of target *(Target)*	1x
110% of target *(Maximum)*	2x

Performance between achievement levels is calculated on a linear (pro-rata) scale.

Personal Multiplier

Personal objectives are individual measures consisting of two to four objectives which are generally quantitative but which allow for some qualitative judgment and are subject to the approval of the Board of Trustees. The rating scale applicable for personal objectives is as follows:

Achievement	Rating Code	Multiplier
Missed Objectives	1	0x
Met Most Objectives	2	0.5x
Met Objectives	3	1x
Exceeded Objectives	4	1.5x
Outstanding Achievement of Objective	5	2x

Payouts

AMIP incentives are normally paid to employees in March following the performance year. Further details on the AMIP incentives paid to the CEO, the CFO, and the three other highest paid executives of Crombie who were serving as executives at December 31, 2010 (collectively, the "**Named Executive Officers**" or "**NEOs**") can be found on page 25.

Long Term Incentives (LTIP)

Compensation Component	Applies to	Performance Period	How Determined
Long Term Incentive	All eligible employees	3 years	Target levels are established based on market competitive levels. Actual awards are based on the achievement of corporate objectives

The LTIP is designed to reward the performance of executives in the area of growth in Adjusted Funds From Operations (AFFO), (which is defined as FFO adjusted for non-cash revenue adjustments, less maintenance capital expenditures, maintenance tenant improvements and leasing costs and the cash settlement of effective interest rate swap agreements) as a percentage of invested capital (invested capital is defined as equity issued to either public unitholders or to ECL through Class B LP units, plus trade payables, distributions payable, commercial property debt and AFFO net of actual paid distributions). Crombie pays the LTIP to align the interest of executives with the interest of unitholders. Additionally, the plan is in place to provide a retention component to the compensation package.

Executives are entitled to receive a bonus on an annual basis based on three year targets measured versus actual results. Executives are entitled to receive a bonus equal to a specified percentage of base salary for achieving the target level of performance. The maximum bonus under this plan is a specific percent of the eligible employee's base salary. Payout in between achievement levels is calculated on a linear (pro-rata) scale from target payout to maximum payout. No bonuses are paid for performance below specified levels over the applicable three year period. Bonus payouts are made on a rolling three year basis versus budgeted rolling three year results. The Board of Trustees reserves the right to adjust the target at its discretion.

Crombie reviews the terms of its long-term incentives against market practice and makes adjustments from time to time.

The payout targets and maximums for the 2010 LTIP were as follows:

Position	LTIP Target	LTIP Maximum
	(as a % of base salary)	
President and CEO	50 %	100 %
Chief Financial Officer	30 %	60 %
Other Vice Presidents	20 %	40 %

Employee Unit Purchase Plan

Compensation Component	Applies to	Performance Period	How Determined
EUPP	Executives	1 year	Board discretion up to prescribed maximums

The EUPP is designed to encourage ownership in Crombie by executives. In addition, it provides a long term incentive and serves as an attraction and retention tool.

The total number of Units made available in the EUPP is 750,000, or such greater number of units as determined by the Board. This represents approximately 2.1% of the Units outstanding as of March 14, 2011. The total number of Units issued under the EUPP as of March 14, 2011 is 292,928 Units, which represents approximately 0.8% of the Units outstanding as of March 14, 2011. Units are issued from treasury and no fractional units may be purchased or issued. Awards allow executives to purchase units at a price determined by the HRC, provided that the price shall not be less than the average of the daily high and low board lot trading prices per unit on the Toronto Stock Exchange ("**TSX**") for the five trading days preceding the date of allotment.

Crombie may, at the discretion of the Board provide executives with a loan to finance the purchase of units under the EUPP. The amount of the loan, the interest payable thereon, the maturity date and any

other terms and conditions relating to each loan is determined by the HRC with respect to the following matters:

Each loan is payable on the earlier of the date of demand for repayment and ten years from the date on which the loan was made (the "**Maturity Date**"). Each loan shall bear interest at a rate of 3% per annum. In no event may the term of a loan exceed ten years from the date on which the loan was made.

The maximum amount of the loan to which an executive is entitled is a function of position and base salary. Maximum permitted loans currently range from 1 to 2 times base salary.

Units subscribed for with the proceeds of a loan ("**Pledged units**") and any units issued as stock distributions on such units ("**Stock Distribution units**") are held by the trustee of the EUPP in trust for the participant as security for the repayment of the loan. The participant is only entitled to transfer such units as are represented by certificates that have been delivered by the trustee of the EUPP to the participant. The participant is entitled to exercise all voting rights in respect of Pledged units and Pledged units remain the property of the participant, subject to the security interest of Crombie or Crombie's subsidiary.

The loan is repaid through the application of the after-tax amount of all distributions received on the units, as well as the after-tax portion of any LTIP cash awards received, as payments on interest and principal. Each participant is entitled, on or before the 30th day prior to the Maturity Date, to elect to take delivery from the trustee of the EUPP of certificates representing up to and including 100% of the participant's Pledged units, as well as Stock Distribution units, if any, which have been issued to the participant with respect to the Pledged units that are the subject matter of an election. An election to take delivery shall be made by written notice to Crombie, indicating the aggregate percentage of the participant's Pledged units that the participant has elected to receive, together with payment. Unless otherwise determined by the HRC, all, or the balance of a loan, shall mature and be payable on the earlier of:

i. 6 months (or such other date as may be agreed upon by the HRC and the participant) following the date of cessation of employment of the participant, being the date upon which the participant ceases to be employed by Crombie, or a subsidiary of Crombie, by reason of retirement at normal retirement age (age 65 or such other age as may be adopted by Crombie from time to time) or by reason of having suffered a permanent physical or mental disability;
ii. 6 months following the date of death of the participant;
iii. 30 days following the date of termination of employment of the participant, being the date upon which the participant ceases to be employed by Crombie or a subsidiary of Crombie for any reason other than death, retirement at normal retirement age or permanent disability; and
iv. the Maturity Date.

Upon receipt of the payment required on the loan, if any, by a participant who ceases to be employed by Crombie, or a subsidiary of Crombie, for any reason other than death, Crombie shall, on the 10th business day following the receipt of payment, deliver to the participant a certificate for any remaining units. Fractional units will be rounded up to the next whole. In the event that the market value of the remaining units is less than the payment required on the loan, Crombie may purchase the remaining units being paid by forgiveness of amounts payable on the loan. To the extent that the outstanding loan amount exceeds the repurchase price of the remaining units, Crombie may cancel the remaining portion of the loan in part or in full. Such cancellation of the loan will be an additional (taxable) benefit to the participant. The personal representative of a deceased participant is entitled, for a period ending on the earlier of:

i. six months following the date of death of such participant, and

ii. 30 days preceding the Maturity Date, to elect to take delivery of certificates representing in the aggregate up to 100% of all the participant's remaining units.

If the personal representative of a deceased participant does not exercise this right within the prescribed time, the personal representative shall be deemed to have elected not to take delivery and shall be deemed to have sold and shall be bound to sell and Crombie shall be deemed to have purchased and shall be bound to purchase the participant's remaining units for an aggregate purchase price equal to the principal amount outstanding under the loan. The payment of the aggregate purchase price for such units shall be satisfied by the cancellation of the loan. On the later of the Maturity Date and the expiry of 5 years following the date on which units were last issued to a participant, each participant who is identified as a senior executive is entitled to sell to Crombie his or her remaining units for an aggregate purchase price equal to the repurchase price of the units on the date of sale. The payment of the aggregate purchase price for such units shall be satisfied by the forgiveness of amounts payable on the loan. To the extent that the outstanding loan amount exceeds the repurchase price of the remaining units, Crombie may cancel the remaining portion of the loan in part or in full. Such cancellation of the loan shall be an additional (taxable) benefit to the participant.

From time to time the Board of Trustees of Crombie may, subject to necessary regulatory approval from administrative bodies with jurisdiction over the EUPP, terminate the EUPP and/or amend any of the provisions of the EUPP, provided that any amendment of the provisions of the EUPP or any termination of the EUPP shall not:

i. divest any participant of his entitlement to the participant's pledged units and stock distribution units as provided herein or of any rights a participant may have in respect of the participant's pledged units and the stock distribution units, or
ii. have the effect of altering the terms of repayment of any loan made to a participant, without the prior written consent of the participant.

Without limiting the generality of the foregoing, the Board of Trustees of Crombie may make the following types of amendments to the provisions of the EUPP without unitholder approval:

i. reduce the number of units issuable under the EUPP;
ii. increase or decrease the maximum number of units any single participant is entitled to receive under the EUPP;
iii. any amendment to the terms of the EUPP relating to the effect of termination, cessation or death of a participant;
iv. any amendment pertaining to the assignability of grants required for estate planning purposes;
v. increase an award price;
vi. add and/or amend any form of financial assistance provision to the EUPP;
vii. amend the eligibility requirements for participants in the EUPP;
viii. any amendment as may be necessary or desirable to bring the EUPP into compliance with securities, corporate or tax laws and the rules and policies of any stock exchange upon which the units are from time to time listed;
ix. any amendment to add covenants of Crombie for the protection of participants, provided that the HRC shall be of the good faith opinion that such additions will not be prejudicial to the rights or interest of the participants;
x. any amendment not inconsistent with the EUPP as may be necessary or desirable with respect to matters or questions, which in the good faith opinion of the HRC, having in mind the best interests of the participants, it may be expedient to make, provided that the

HRC shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the participants; or

xi. any such changes or corrections which, in the advice of counsel to Crombie, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the HRC shall be for the opinion that such changes or corrections will not be prejudicial to the rights and interest of the participants.

Notwithstanding any other provision of the EUPP, none of the following amendments shall be made to the EUPP without approval of the unitholders:

i. amendments to the EUPP which would increase the number of units issuable under the EUPP;

ii. amendments to the EUPP which would result in a reduction in the exercise price, or cancellation and reissue, of awards;

iii. any amendment to the EUPP to increase the maximum limit of the number of units that may be: (a) issued to insiders within any one year period, or (b) issuable to insiders, at any time;

iv. any amendment to the EUPP adding participants that may permit the introduction or re-introduction of non-employee trustees on a discretionary basis;

v. any amendment to the EUPP allowing awards granted under EUPPs to be transferable or assignable other than for normal estate settlement purposes; or

vi. any amendment to the amending provisions of the EUPP.

The EUPP is binding upon Crombie, its successors and assigns. The interest of any participant under the EUPP is not transferable or alienable by the participant either by assignment or in any other manner whatsoever and, during his or her lifetime, shall be vested only in the participant, but shall ensure to the benefit of and be binding upon the legal personal representative of the participant.

Pension

Compensation Component	Applies to	Performance Period	How Determined
Pension	All eligible employees, specific additional plans for executives	n/a	Pension plans are benchmarked against comparator organizations, from time to time

Crombie offers pension plans to eligible employees to assist them in providing for their retirement. The pension plan is a defined contribution pension plan (the "**Basic Plan**") that is registered under the *Pension Benefits Act* (Nova Scotia) and the *Income Tax Act* (Canada) (hereafter, the "**Tax Act**"*)*. Plan members are required to contribute 2.5% of earnings and such contributions are matched by Crombie. Additionally, members may make additional unmatched contributions up to 10% of pensionable earnings up to the maximum money purchase contribution limit permitted under the Tax Act. In 2010, Crombie changed the plan to allow those employees who are eligible for the AMIP to make additional voluntary contributions. Crombie will match those contributions up to and including 2% of base salary. Upon retirement, the employee's credits in the plan may be used to, among other things, purchase an annuity that provides pension income payable during the lifetime of the retiree and continues to a surviving spouse. If elected by the retiree, the pension income may have certain guaranteed payment periods.

Certain senior management employees also contribute to an additional defined contribution plan (the "**Senior Management Plan**"). Each member is required to contribute to the Senior Management Plan such amount as is required for the member's total annual contribution to the Senior Management Plan and the Basic Plan is equal to $2,500. Crombie contributes an amount equal to 6% of each member's basic salary, less any contributions by Crombie to the Basic Plan or the Gain Share Plan ("**GSP**") for the member. All contributions are capped by the maximum permitted by the Canada Revenue Agency ("**CRA**").

A third defined contribution plan exists for executive officers and certain senior management of Crombie, including NEOs (the "**Executive Plan**"). Each member is required to contribute to the Executive Plan such amount as is required for the member's total annual contribution to the Executive Plan , Senior Management Plan and Basic Plan to equal $3,500. Crombie contributes an amount equal to 12% of each member's basic salary, less any contributions by Crombie to the Basic Plan or the GSP for the member. All contributions are capped by the maximum permitted by the CRA.

The CEO's and CFO's employment arrangements with Crombie include a provision for supplementary payments (the Senior Executive Retirement Plan, "**SERP**") to be made to him upon retirement if the level of payments to him under the Basic Plan and the Executive Plan together do not reach certain target levels. These target levels are determined as an annual accrual of 2% per credited year of service to a maximum of 60% of the average of the CEO's and CFO's last five years base salary.

Gain Share Plan

Compensation Component	Applies to	Performance Period	How Determined
Profit Sharing	All eligible employees	1 year	n/a

Eligible employees of Crombie, including the NEOs, participate in a GSP (formerly Deferred Profit Sharing Plan) that is registered under the Tax Act. The GSP is a discretionary benefit, the provision of which is subject to review by the HRC on an annual basis. The GSP is designed to offer profit sharing to employees to treat them as if they were a unitholder in Crombie. Crombie uses the distribution per unit as a measure of Crombie's return of wealth to its stakeholders. Each year, a member may elect to receive 50 percent of the current GSP award in cash. All amounts vested in a member's account become payable when the member ceases to be an employee of Crombie. The GSP does not make up a material part of Crombie executives' compensation.

Benefits and Perquisites

Compensation Component	Applies to	Performance Period	How Determined
Benefits	All eligible employees	n/a	Benefit plans are benchmarked against comparator organizations, from time to time
Perquisites	All eligible employees	n/a	n/a

Crombie offers group life, health and dental insurance, paid time off and other benefits to eligible employees. Crombie offers these benefits on a competitive level with comparator organizations, while ensuring that benefit costs are contained over the long-term.

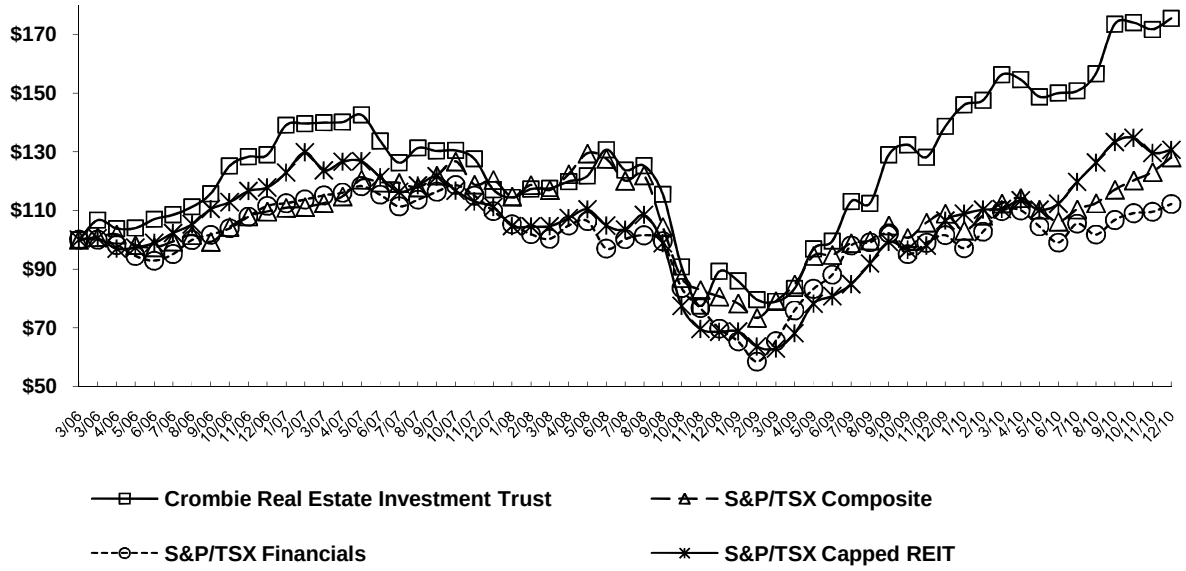
Perquisites are generally provided to executives in the form of annual allowances to be used for a number of personal expenditures such as car leases and club memberships. These are offered as fixed allowances subject to maximum limits.

Performance Graph

The following performance graph shows the cumulative Total Shareholder Return for Crombie compared to the performance of the S&P/TSX Composite Index, S&P/TSX Capped REIT Index and S&P/TSX Financial Index. The graph shows what a $100 investment made on March 23, 2006 in Crombie and in each index would be worth as at December 31, 2010.

COMPARISON OF 57 MONTH CUMULATIVE TOTAL RETURN*

Among Crombie Real Estate Investment Trust, The S&P/TSX Composite Index, The S&P/TSX Financials Index And The S&P/TSX Capped REIT Index



*$100 invested on 3/23/06 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

In general, Crombie recognizes that there is no element of direct compensation that is directly linked to unit performance. The variable components of direct compensation, AMIP and LTIP, have been historically linked to FFO and AFFO respectively. Crombie believes that the total compensation package provides an alignment to unitholder value and ensures that executives are aligned with both the short term and long term interests of Crombie. The performance graph above shows Crombie's sustained performance has been consistent with the S&P/TSX Capped REIT Index, which holds many of Crombie's direct business competitors.

Changes to AMIP and LTIP in 2011

During 2010, the HRC and Board reviewed the AMIP and LTIP compared to the peer group noted above. The Board has approved changes to the AMIP and LTIP effective January 1, 2011 to better reflect Crombie's compensation philosophy as described at the beginning of the Compensation Discussion and Analysis above.

For the NEOs, and certain other members of senior management, the AMIP for 2011 will be comprised of two or three components under the new plan, depending on the direct nature of the individual's role: The corporate multiplier, group multiplier and personal multiplier will all operate under substantially the same parameters as the current AMIP, but with revised percentage weightings. The personal multiplier will also be revised to include a measure for strategic initiatives that are attributable to certain employees in addition to individual results.

The Board has also approved a change to the LTIP for the 2011 fiscal year. Under the revised plan, eligible employees are entitled to receive a reward based on the same scale and parameters as under the existing plan, but using new measures rather than AFFO as a percentage of invested capital. The new LTIP will be determined using three equally weighted measures that will be measured on a three-year average basis, to be phased in under the first two years of the revised plan. The three measures under the new plan will be: 1) Total Unitholder Return in relation to an HRC approved comparator group of Canadian real estate entities; 2) growth in AFFO per Unit compared to Board approved targets; and 3) growth of same-asset cash net operating income compared to Board approved targets.

Total Compensation of Named Executive Officers

The following profiles are intended to provide unitholders with an indication of the total compensation for each NEO. When determining annual compensation for NEOs, the HRC considers the competitiveness of all aspects of compensation, the relative performance of peers in the previously stated comparator groups, and the individual performance and achievement of performance targets for each NEO.

The summary compensation table for NEOs details annual and long-term compensation paid during the three fiscal years ending December 31, 2010 for the Chief Executive Officer, Chief Financial Officer and the three other most highly compensated executives. The summary compensation table is laid out as prescribed by the Canadian Securities Administrators.

Name and Principal Position	Year	Salary ($)	Share based awards ($)	Option based awards ($)	Non-equity incentive plan compensation ($)		Pension Value ($)	All Other Compensation ($) [4]	Total Compensation ($)
					Annual Incentive Plans	Long-term incentive plans			
Donald E. Clow Chief Executive Officer[1]	2010	$367,500	$-	$-	$263,000	$183,750	$69,650	$-	$883,900
	2009	$141,918	$-	$-	$92,980	$70,959	$28,884	$-	$334,651
	2008	-	-	-	-	-	-	-	-
Glenn R. Hynes Chief Financial Officer[2]	2010	$128,082	$-	$-	$81,804	$38,425	$25,423	$50,000[5]	$323,734
	2009	$-	$-	$-	$-	$-	$-	$-	$-
	2008	$-	$-	$-	$-	$-	$-	$-	$-
Scott Ball Former Chief Financial Officer[3]	2010	$106,354	$-	$-	$47,864	$31,906	$18,950	$251,702[6]	$456,776
	2009	$228,340	$-	$-	$118,071	$68,502	$18,500	$-	$433,413
	2008	$219,554	$-	$-	$90,504	$65,866	$17,500	$1,043	$394,467
Gary Finkelstein Regional Vice President Ontario & Quebec[9]	2010	$218,046	$-	$-	95,583	$43,609	$18,950	$-	$376,188
	2009	$214,198	$-	$-	$91,225	$42,840	$18,500	$-	$366,763
	2008	$109,037	$-	$-	$78,201	$22,899	$13,084	$50,000[7]	$273,221

Name and Principal Position	Year	Salary ($)	Share based awards ($)	Option based awards ($)	Non-equity incentive plan compensation ($)		Pension Value ($)	All Other Compensation ($) [4]	Total Compensation ($)
					Annual Incentive Plans	Long-term incentive plans			
Patrick G. Martin Regional Vice President Atlantic[8]	2010	$200,150	$-	$-	$105,230	$40,030	$18,950	$-	$364,360
	2009	$182,781	$-	$-	$84,330	$36,556	$18,500	$-	$322,167
	2008	$179,194	$-	$-	$128,155	$35,839	$17,500	$453	$361,141
Scott R. MacLean Senior Vice President Operations Atlantic[10]	2010	$181,894	$-	$-	$108,654	$36,379	$18,950	$-	$345,877
	2009	$178,670	$-	$-	$95,809	$35,734	$18,500	$-	$328,713
	2008	$171,799	$-	$-	$126,623	$34,360	$17,500	$811	$351,093

(1) Mr. Clow was appointed President and Chief Executive Officer of Crombie effective August 6, 2009.
(2) Mr. Hynes was appointed Chief Financial Officer of Crombie effective June 28, 2010.
(3) Mr. Ball resigned as Chief Financial Officer of Crombie effective June 16, 2010.
(4) All Other Compensation represented the imputed interest on low-interest loans provided by Crombie to NEOs in connection with the purchase of units under Crombie's EUPP. The aggregate amount of annual compensation paid to any NEO in the form of perquisites and/or other personal benefits, securities or property do not exceed the lesser of $50,000 or 10% of the total salary for the fiscal year.
(5) This reflects a $50,000 signing bonus that was paid to Mr. Hynes. This bonus was intended to represent a foregone bonus for Mr. Hynes leaving his previous organization.
(6) This reflects payments made to Mr. Ball under terms of his resignation agreement.
(7) This reflects a $50,000 signing bonus that was paid to Mr. Finkelstein. This bonus was intended to represent a foregone bonus for Mr. Finkelstein leaving his previous organization.
(8) Mr. Martin was appointed as Interim Vice President Leasing on October 8, 2007 and confirmed as Vice President Leasing on February 28, 2008. Effective March 1, 2010, Mr. Martin's title was changed to Regional Vice President Atlantic.
(9) Mr. Finkelstein was appointed as Vice President Ontario and Quebec on June 16, 2008. Effective March 1, 2010, Mr. Finkelstein's title was changed to Regional Vice President Ontario and Quebec.
(10) Effective March 1, 2010, Mr. MacLean's title was changed from Vice President Operations to Senior Vice President Operations Atlantic.

The CEO's annual base salary was increased to $367,500. In determining the AMIP for 2010, the Board assessed the corporate multiplier on financial measures and the CEO's personal multiplier on non-financial measures. The AMIP payout for 2010 was $263,000 which reflected a payout of 43.96% (of base salary) on the corporate multiplier and a payout of 27.60% (of base salary) on the personal multiplier. The LTIP payout for 2010 was $183,750 which reflects a payout of 50.00% (of base salary). In 2010 Mr. Clow received $883,900 in total compensation.

The incoming CFO's 2010 annual base salary was set at $250,000 upon his hire on June 28, 2010. In determining the AMIP for 2010, the Board assessed the corporate multiplier on financial measures and the CFO's personal multiplier on non-financial measures. The AMIP payout for 2010 was $81,804 which reflects a payout of 39.57% (of base salary) on the corporate multiplier and a payout of 24.30% (of base salary) on the personal multiplier. The LTIP payout for 2010 was $38,425 which reflects a payout of 30.00% (of base salary). Mr. Hynes also received a one-time payment of $50,000 that represented a foregone bonus upon leaving his previous organization. In 2010 Mr. Hynes received $323,734 in total compensation.

The former CFO's 2010 annual base salary was increased to $232,450. This represents a 1.8% increase over 2009. In determining the AMIP for 2010, the Board assessed the corporate multiplier on financial measures and the CFO's personal multiplier on non-financial measures. The AMIP payout for 2010 was $47,864 which reflects a payout of 39.57% (of base salary) on the corporate multiplier and a payout of 5.43% (of base salary) on the personal multiplier. The LTIP payout for 2010 was $31,906 which reflects a payout of 30.00% (of base salary). As a term of his resignation, Mr. Ball was also eligible for salary continuance in the amount of $251,702. In 2010 Mr. Ball received $456,776 in total compensation.

The Regional Vice President Ontario and Quebec's annual base salary was increased to $218,046. This represents a 1.8% increase over 2009. In determining the AMIP for 2010, the Board assessed the

corporate multiplier and the group multiplier on financial measures and the personal multiplier on non-financial measures. The AMIP payout for 2010 was $95,583 which reflected a payout of 25.12% (of base salary) on the corporate multiplier, a payout 13.12% (of base salary) on the group multiplier and a payout of 5.60% (of base salary) on the personal multiplier. The LTIP payout for 2010 was $43,609 which reflected a payout of 20.00% (of base salary). In 2010, Mr. Finkelstein received $376,188 in total compensation.

The Regional Vice President Atlantic's annual base salary was increased to $200,150. This represents a 9.5% increase over 2009. In determining the AMIP for 2010, the Board assessed the corporate multiplier and the group multiplier on financial measures and the personal multiplier on non-financial measures. The AMIP payout for 2010 was $105,230 which reflected a payout of 25.12% (of base salary) on the corporate multiplier, a payout 20.26% (of base salary) on the group multiplier and a payout of 7.20% (of base salary) on the personal multiplier. The LTIP payout for 2010 was $40,030 which reflected a payout of 20.00% (of base salary). In 2010, Mr. Martin received $364,360 in total compensation.

The Senior Vice President Operations Atlantic's annual base salary was increased to $181,894. This represents a 1.8% increase over 2009. In determining the AMIP for 2010, the Board assessed the corporate multiplier and the group multiplier on financial measures and the personal multiplier on non-financial measures. The AMIP payout for 2010 was $108,654 which reflected a payout of 25.12% (of base salary) on the corporate multiplier, a payout 28.21% (of base salary) on the group multiplier and a payout of 6.40% (of base salary) on the personal multiplier. The LTIP payout for 2010 was $36,379 which reflected a payout of 20.00% (of base salary). In 2010, Mr. MacLean received $345,877 in total compensation.

Incentive Plan Awards

The summary incentive table for NEOs details incentive plan contributions earned during the fiscal year ending December 31, 2010. The summary incentive table is laid out as prescribed by the Canadian Securities Administrators.

Name and Principal Position	Option-based awards – value vested during the year ($)	Share based awards - value vested during the year ($)	Non-equity Incentive Plan Compensation – Value earned during the year[(1)] ($)
Donald E. Clow Chief Executive Officer	$-	$-	$446,750
Glenn R. Hynes Chief Financial Officer	$-	$-	$120,229
Scott Ball Former Chief Financial Officer	$-	$-	$79,770
Gary Finkelstein Regional Vice President Ontario & Quebec	$-	$-	$139,192
Patrick G. Martin Regional Vice President Atlantic	$-	$-	$145,260

Name and Principal Position	Option-based awards – value vested during the year ($)	Share based awards - value vested during the year ($)	Non-equity Incentive Plan Compensation – Value earned during the year[(1)] ($)
Scott R. MacLean Senior Vice President Operations Atlantic	$-	$-	$145,033

(1) Non-Equity Incentive Plan amounts represent the aggregate of the AMIP payout and the LTIP payout to each NEO during 2010.

Pension

The summary pension table for NEOs details defined contribution pension contributions paid during the fiscal year ending December 31, 2010. The summary pension table is laid out as prescribed by the Canadian Securities Administrators.

Name and Principal Position	Accumulated value at start of year ($)	Compensatory ($)	Non-compensatory ($)	Accumulated value at end of year ($)
Donald E. Clow Chief Executive Officer	$52,107	$18,950	$13,058	$84,115
Glenn R. Hynes Chief Financial Officer	$-	$14,423	$2,471	$16,894
Scott Ball Former Chief Financial Officer	$69,514	$18,950	$14,140	$102,604
Gary Finkelstein Regional Vice President Ontario & Quebec	$27,021	$18,950	$8,824	$54,795
Patrick G. Martin Regional Vice President Atlantic	$149,328	$18,950	$23,919	$192,197
Scott R. MacLean Senior Vice President Operations Atlantic	$303,062	$18,950	$42,928	$364,940

The Accumulated value at start of year column shows the balance for each NEO as of January 1, 2010. The Accumulated value at end of year column shows the balance for each NEO as of December 31, 2010. The Compensatory column represents the amount that Crombie has contributed to each NEOs defined contribution pension plan for 2010. The Non-Compensatory column represents all other changes in the Accrued Obligation that are not included in the Compensatory column. Since Crombie makes a payment for NEOs in January the Accumulated value column will understate the value in the NEOs pension plan, as a portion of 2010 payments are not shown until the 2011 fiscal year.

The summary pension table for NEOs details defined benefit pension contributions accrued during the fiscal year ending December 31, 2010. The summary pension table is laid out as prescribed by the Canadian Securities Administrators.

Name and Principal Position	Number of years credited service	Annual benefits payable ($)		Accrued obligation at start of year ($)	Compensatory change ($)	Non-compensatory change ($)	Accrued obligation at end of year ($)
		At year end	At age 65				
Donald E. Clow Chief Executive Officer	3.92	$3,000	$31,300	$19,900	$50,700	$133,300	$203,900
Glenn R. Hynes Chief Financial Officer	0.50	$1,100	$2,000	$-	$11,000	$1,400	$12,400
Scott Ball Former Chief Financial Officer	0	$-	$-	$-	$-	$-	$-
Gary Finkelstein Regional Vice President Ontario & Quebec	0	$-	$-	$-	$-	$-	$-
Patrick G. Martin Regional Vice President Atlantic	0	$-	$-	$-	$-	$-	$-
Scott R. MacLean Senior Vice President Operations Atlantic	0	$-	$-	$-	$-	$-	$-

The values presented above have been calculated using the same actuarial assumptions as those used and described in the company's financial statements. The annual lifetime benefit payable at age 65 was calculated taking into account future service, but assuming no salary increases.

Total Compensation of Board of Trustees

The trustee compensation table for Board of Trustees members' details annual compensation paid during the fiscal year ending December 31, 2010. The trustee compensation table is laid out as prescribed by the Canadian Securities Administrators.

Name	Fees earned ($)	Share based awards ($)	Option based awards ($)	Non-equity incentive plan compensation ($)	Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
Paul Beesley[(1)]	$39,250	$-	$-	$-	$-	$-	$39,250
John Eby	$54,250	$-	$-	$-	$-	$-	$54,250
David G. Graham	$52,000	$-	$-	$-	$-	$-	$52,000
Brian Johnson	$57,000	$-	$-	$-	$-	$-	$57,000
David J. Hennigar	$67,250	$-	$-	$-	$-	$-	$67,250
John E. Latimer	$52,750	$-	$-	$-	$-	$-	$52,750
David A. Leslie	$57,500	$-	$-	$-	$-	$-	$57,500
Frank C. Sobey[(1)]	$75,000	$-	$-	$-	$-	$-	$75,000
Kent Sobey	$43,750	$-	$-	$-	$-	$-	$43,750
Paul D. Sobey[(1)]	$43,750	$-	$-	$-	$-	$-	$43,750
Elisabeth Stroback	$59,500	$-	$-	$-	$-	$-	$59,500

(1) Compensation is paid to Empire.

Trustees are reimbursed for travel and other expenses incurred for attendance at Board and committee meetings.

The Board of Trustees compensation is designed to attract and retain talented and experienced Trustees who will act in the long-term interests of Crombie. Compensation is paid only to non-employee and non-officer Trustees, except for Frank Sobey, Paul Beesley and Paul Sobey, whose compensation is paid to Empire.

Compensation paid to the Board of Trustees is strictly cash in the form of an annual retainer, committee chair retainers and meeting fees. Each non-management Trustee receives a cash retainer of $30,000 and the Chairperson of the Board receives a total retainer of $75,000. Board meetings fees are set at $1,500 per meeting attended in person and $750 per meeting attended via teleconference.

The Board currently has four committees, the Audit Committee, the Human Resources Committee, the Investment Committee and the Governance & Nominating Committee. Fees are paid for service on these committees. The fee for being the Chair of a committee is $5,000, with the exception of the Chair of the Audit Committee who receives $10,000 and the Chair of the HRC who receives $7,500. Committee meeting fees are set at $1,500 for attending in person and $750 for attending via teleconference, with the exception of $2,000 for an Audit Committee meeting attended in person and $1,000 via teleconference.

Each Trustee is expected to hold a minimum number of Units having a total value equal to four times the amount of the annual retainer (currently $30,000) paid to a non-management Trustee. This objective should be met by the fifth anniversary of joining the Board. See "Business of the Meeting – Election and Appointment of the Board of Trustees" for information relating to the units held by each Trustee and the status of each Trustee's compliance with the Unit ownership objective.

Termination and Change of Control Benefits

Crombie does not currently have any policy related to termination or change of control benefits.

Board Endorsement

The Trustees, with the support of the HRC, gave careful consideration to the compensation decisions for each component of the NEOs compensation and the aggregate effect of these decisions, and is satisfied they are fair and reasonable in the context of both the absolute and relative performance of Crombie and the compensation practices among Crombie's identified peers.

The Trustees, with the support of the HRC, also carefully reviewed and approved the compensation programs for executives, as described in this report.

INDEBTEDNESS OF TRUSTEES, OFFICERS AND EMPLOYEES

The following table sets out the aggregate indebtedness at March 14, 2011 to Crombie and its subsidiaries of all executive officers, directors, employees, former executive officers and Trustees of Crombie or its subsidiaries.

Purpose	Aggregate Indebtedness to Crombie or its Subsidiaries	Aggregate Indebtedness to Another Entity Guaranteed or Supported by Crombie or its Subsidiaries
Unit purchases	$1,695,529	Nil
Other	Nil	Nil

The following tables set out information for each individual who is, or at any time during the most recently completed financial year was, a Trustee or executive officer of Crombie, each proposed nominee for election as a Trustee of Crombie, and each associate of any such Trustee, executive officer or proposed nominee who is, or at any time since the beginning of the most recently completed financial year of Crombie has been, indebted to Crombie or any of its subsidiaries. No such persons have indebtedness to another 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 Crombie or any of its subsidiaries. Routine indebtedness is excluded from the tables.

TABLE OF INDEBTEDNESS OF TRUSTEES AND EXECUTIVE OFFICERS

Name and Principal Position	Involvement of Crombie	Largest Amount Outstanding During Fiscal 2010 $	Amount Outstanding as at March 31, 2011 $	Financially Assisted Securities Purchased[1] During Fiscal 2010 #	Security For Indebtedness as at December 31, 2010 #	Amount Forgiven During 2010 $
Donald E. Clow CEO	Lender	$693,663	$728,469	4,238 Units	77,819 Units	Nil
Glenn R. Hynes CFO[2]	Lender	$375,000	$372,829	33,390 Units	33,390 Units	Nil
Scott M. Ball, Former CFO[2]	Lender	$226,753	$-	4,547 Units	0 Units	Nil

Name and Principal Position	Involvement of Crombie	Largest Amount Outstanding During Fiscal 2010 $	Amount Outstanding as at March 31, 2011 $	Financially Assisted Securities Purchased[(1)] During Fiscal 2010 #	Security For Indebtedness as at December 31, 2010 #	Amount Forgiven During 2010 $
Gary Finkelstein Regional VP ON & QC	Lender	$211,396	$215,134	3,139 Units	29,763 Units	Nil
Patrick Martin Regional VP Atlantic	Lender	$181,827	$198,782	2,398 Units	18,138 Units	Nil
Scott R. MacLean Senior VP Operations Atlantic	Lender	$177,321	$180,315	2,835 Units	19,303 Units	Nil

(1) Purchased pursuant to EUPP awards.
(2) Scott Ball resigned as CFO of the REIT effective June 16, 2010 and Glenn Hynes was appointed CFO of the REIT effective June 28, 2010.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out aggregate information relating to all compensation plans of Crombie:

Plan Category	Number of Securities to be issued upon exercise of outstanding Options, Warrants and Rights (A)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (B)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in Column A) (C)
Equity Compensation Plans Approved by Securityholders	Nil	N/A	457,072[(1)]
Equity Compensation Plans Not Approved by Securityholders	Nil	N/A	Nil
Total	Nil	N/A	457,072 [(1)]

(1) Available for issuance under the EUPP.

The total number of awards made under the EUPP as of March 31, 2011 is 292,928, representing approximately 0.8% of the Units outstanding as of March 15, 2011. Reference is made to "Employee Unit Purchase Plan" on page 19 of this Circular for details relating to the EUPP.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

As at December 31, 2010, Empire, through its wholly-owned subsidiary ECL, holds a 46.6% indirect interest in Crombie. Crombie acquired from subsidiaries of Empire the initial 44 commercial properties on March 23, 2006, two additional commercial properties in 2007, 61 commercial properties on April 22,

2008 and 17 commercial properties in 2010. The purchase price for each property acquired by Crombie from subsidiaries of Empire was fair market value determined by external appraisals and approved by the non-Empire appointed Trustees of Crombie.

On February 22, 2010, Crombie completed the acquisition of five retail properties, representing approximately 186,000 square feet of GLA, from subsidiaries of Empire. The purchase price of the properties is approximately $31.5 million, excluding closing and transaction costs. The purchase price was funded through $8.4 million of assumed mortgages and the balance from Crombie's Revolving Credit Facility.

On March 24, 2010, Crombie completed the acquisition of three retail properties, representing approximately 147,000 square feet of GLA from subsidiaries of Empire. The purchase price of the three properties is approximately $28 million, excluding closing and transaction costs.

In August, 2010, in satisfaction of its pre-emptive right, Empire purchased 1,855,000 Class B Limited Partnership Units of Crombie Limited Partnership, and the attached Special Voting Units.

On September 28, 2010, Crombie completed the acquisition of nine properties from a subsidiary of Empire. The cost of the portfolio was $84.3 million excluding closing and transaction costs, and was partially financed with mortgage financing on seven of the nine properties. The mortgages total $51.6 million with terms ranging from nine to 15 years, amortization periods between 20 and 25 years, and interest rates between 4.80% and 5.00%. The properties acquired total approximately 400,000 square feet of GLA and include six properties in Alberta, one in Saskatchewan, one in Ontario and one in Nova Scotia.

On October 28, 2010, Crombie completed the acquisition of one property, representing approximately 47,000 square feet of gross leaseable area, from a subsidiary of Empire. The purchase price of the property is approximately $11.3 million, excluding closing and transaction costs. The purchase price was financed through $7.7 million mortgage financing, received November 2, 2010, with an 11 year term, fixed interest rate of 4.71% and an amortization period of 25 years. The balance was funded from the proceeds of the $50 million public offering and private placement of Class B LP Units with ECLD on August 4, 2010.

On November 22, 2010, Crombie completed the acquisition of two properties, representing approximately 86,000 square feet of gross leaseable area, from an entity of which a subsidiary of Empire is a partner. The purchase price of the properties was approximately $17 million, excluding closing and transaction costs. The purchase price was financed through $11.9 million of new mortgage financing, with the balance funded from the proceeds of the $50 million public offering and private placement of Class B LP Units with ECLD on August 4, 2010.

Reference is made to Crombie's Annual Information Form for the fiscal year ended December 31, 2010 for further information relating to the transactions noted above, a copy of which has been filed on SEDAR (www.sedar.com) and may be obtained, without charge, by contacting the Secretary of Crombie at 115 King Street, Stellarton, Nova Scotia B0K 1S0.

MANAGEMENT COST SHARING AGREEMENT

For an initial period of five years commencing March 23, 2006, certain executive management individuals and other employees of Crombie provided general management, financial, leasing, administrative, and other administration support services to certain real estate subsidiaries of Empire on a cost sharing basis. The costs assumed by Empire pursuant to this arrangement during the year ended December 31, 2010 were $0.9 million (year ended December 31, 2009 were $1.1 million) and were netted against general and administrative expenses, which amounts are owing by Crombie to Empire.

TRUSTEES' AND OFFICERS' INSURANCE

Crombie carries trustees' and officers' liability insurance. Under this insurance coverage, Crombie is reimbursed for insured claims where payments have been made under indemnity provisions on behalf of its Trustees and officers contained in the Declaration of Trust, subject to a deductible for each loss, which is paid by Crombie. Individual Trustees and officers are also reimbursed for insured claims arising during the performance of their duties for which they are not indemnified by Crombie. Excluded from insurance coverage are illegal acts, acts which result in personal profit and certain other acts. The Declaration of Trust provides for the indemnification in certain circumstances of Trustees and officers from and against liability and costs in respect of any action or suit against them in respect of the execution of their duties of office. Premiums and other costs of the insurance of approximately $0.1 million per year are paid by Crombie.

GOVERNANCE

The Board of Trustees and management of Crombie believe that the highest standards of governance are essential in the effective management of Crombie as well as the ability to build long term value for customers, business partners, employees and investors.

In accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), Crombie annually discloses information related to its system of governance. The discussion provides information relating to Crombie's governance practices as required by National Policy 58-201 – *Corporate Governance Guidelines*, NI 58-101 and National Instrument 52-110 – *Audit Committees*. Crombie's disclosure addressing each of these guidelines and instruments is set out in Schedule "A" to this Circular.

Pursuant to its mandate, the Board of Trustees oversees the management of the business affairs of Crombie, discharging its responsibilities either directly or through its Committees, with the goal of building sustainable worth for all of Crombie's stakeholders. The Board of Trustee's mandate is attached as Schedule "B" of this Circular.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of Crombie are Grant Thornton LLP, Chartered Accountants, New Glasgow, Nova Scotia.

The Transfer Agent and Registrar for the Units is CIBC Mellon Trust Company.

ADDITIONAL INFORMATION

Financial information is provided in Crombie's consolidated financial statements and Management's Discussion and Analysis for its most recently completed financial year.

Crombie has filed with certain securities regulatory authorities an Annual Information Form in respect of its most recently completed financial year, thereby permitting Crombie to use a short form prospectus for the distribution of securities.

Additional information relating to Crombie, including a copy of Crombie's consolidated financial statements and Management's Discussion and Analysis, as well as Crombie's most recent Annual Information Form together with a copy of the other documents incorporated by reference therein are incorporated by reference into this Circular, may be obtained, without charge, from the SEDAR website (www.sedar.com) or by contacting the Secretary of Crombie at 115 King Street, Stellarton, Nova Scotia B0K 1S0.

TRUSTEES' APPROVAL

The contents and the sending of this Circular have been approved by the Board of Trustees of Crombie.

(signed) "*Glenn R. Hynes*"

Glenn R. Hynes
Chief Financial Officer and Secretary

March 31, 2011

SCHEDULE A - STATEMENT OF GOVERNANCE PRACTICES

Crombie's disclosure of governance practices are substantially in alignment with NP 58-201 "Corporate Governance Guidelines". In addition, the following table discloses Crombie's current governance practices in accordance with the requirements of NI 58-101 "Disclosure of Corporate Governance Practices".

Requirement Under Form 58-101F1 or NP 58-201	Compliance	Governance Procedures for Crombie
1. Board of Trustees		
(a) Disclose the identity of Trustees who are independent.	**Yes**	The Board has determined that all of the Trustees of Crombie with the exception of Paul Beesley, Donald E. Clow, Frank C. Sobey and Paul D. Sobey are independent. See "Business of the Meeting – Election and Appointment of the Board of Trustees –- Trustee Independence and Other Relationships" section of this Circular.
(b) Disclose the identity of Trustees who are not independent and describe the basis for that determination.	**Yes**	See "Business of the Meeting – Election and Appointment of the Board of Trustees – Trustee Independence and Other Relationships" section of this Circular.
(c) Disclose whether or not a majority of Trustees are independent.	**Yes**	8 out of 12 Trustees are considered to be independent.
(d) If a Trustee is presently a Trustee or Director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the Trustee and the other issuer.	**Yes**	All of the Trusteeships and Directorships of the nominee Trustees with other public entities are disclosed in this Circular under the heading "Business of the Meeting — Election and Appointment of the Board of Trustees".
(e) Disclose whether or not the independent Trustees hold regularly scheduled meetings at which non-independent Trustees and members of management are not in attendance. If the independent Trustees hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent Trustees do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent Trustees.	**Yes**	The Trustees meet without management present at every in-person meeting of the Board and its Committees. The independent Trustees also meet without management and non-independent Trustees present at every quarterly meeting of the Board. Private sessions during meetings conducted by telephone are held when circumstances warrant. The non-Empire appointed independent Trustees also met without Management and Empire appointed Trustees at each quarterly Board meeting during 2010. During fiscal 2010, the Board held four meetings of solely independent Trustees.

Requirement Under Form 58-101F1 or NP 58-201	Compliance	Governance Procedures for Crombie
(f) Disclose whether or not the chair of the Board is an independent Trustee. If the Board has a chair or lead Trustee who is an independent Trustee, disclose the identity of the independent chair or Lead Trustee, and describe his or her role and responsibilities.	**Yes**	Frank C. Sobey, the Chairman, is not an independent Trustee. He has served as Chair since 2006. David J. Hennigar, the Lead Trustee, is an independent Trustee. He has served as Lead Trustee since 2008. John C. Eby has been designated by the Board to replace Mr. Hennigar as Lead Trustee following the Meeting. Mr. Eby is an independent Trustee. Amongst other things, the Chair and Lead Trustee are expected to: • Provide leadership to ensure effective functioning of the Board; • Lead in the assessment of Board and Committee performance; • Assist the Human Resources Committee in monitoring and evaluating the performance of the Chief Executive Officer and senior officers of Crombie; • Lead the Board and Committees in ensuring succession plans are in place at the senior management level; and • Act as an effective liaison among the Board and management.
(g) Disclose the attendance record of each Trustee for all Board meetings held since the beginning of the issuer's most recently completed financial year.	**Yes**	The attendance record of each Trustee for Board and Committee meetings during fiscal 2010 is disclosed in this Circular under the heading "Business of the Meeting – Election and Appointment of the Board of Trustees – Committee Membership and Record of Attendance".
2. Board Mandate Disclose the text of the Board's written mandate. The mandate should explicitly acknowledge responsibility for the stewardship of the issuer.	**Yes**	The written Board Mandate is disclosed in Schedule "B" to this Circular which confirms the Board's explicit responsibility.
3. Position Descriptions **(a)** Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.	**Yes**	The Board has developed a written position description for the Lead Trustee, the Chair of the Board and each Committee Chair. There are written mandates for each Committee which delineate the responsibilities of each Committee with which the chair thereof is responsible to comply. Each Committee and the Board must review and approve the mandates annually and forward same to the Governance & Nominating Committee.

Requirement Under Form 58-101F1 or NP 58-201	Compliance	Governance Procedures for Crombie
(b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. The Board should also approve the corporate goals and objectives that the CEO is responsible for meeting. If the Board and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.	**Yes**	The Board has developed a written position description for the CEO. The description is reviewed regularly against both best practices and the requirements of Crombie. Approving the corporate goals and objectives is a part of the mandate of the Board. Amongst other items, the CEO is expected to: • Develop and recommend to the Board a long-term strategy and vision for Crombie that leads to creation of Unitholder value; • Develop and recommend to the Board annual business plans and budgets that support Crombie's long-term strategy; and • Consistently strive to achieve Crombie's financial and operating goals and objectives.
4. Orientation and Continuing Education **(a)** Briefly describe what measures the Board takes to orient new Trustees regarding: • the role of the Board, its companies and its Trustees, and • the nature and operation of the issuer's business.	**Yes**	Crombie provides a detailed and customized orientation to new Trustees which include meetings with senior management of Crombie and its subsidiaries for orientation information on Board operation and policies, as well as current and historical data pertaining to the operation of Crombie and an assessment of current strategic opportunities and issues facing Crombie. New Trustees are also given property tours and a review of Board and Committee Mandates, the Code of Conduct for Trustees and the Code of Business Conduct for Employees, policies and other relevant information. Each Trustee receives a Trustee Handbook which contains this key information.
(b) Briefly describe what measures, if any, the board takes to provide continuing education for its Trustees. If the board does not provide continuing education, describe how the board ensures that its Trustees maintain the skill and knowledge necessary to meet their obligations as Trustees.	**Yes**	The Trustees are provided with written and oral presentations which continue to educate them on Crombie's operations. Crombie encourages participation of Trustees in continuing Trustee education programs offered at university and supports them by reimbursing tuition and out-of-pocket expenses. This is reviewed on an annual basis.
5. Ethical Business Conduct **(a)** Disclose whether or not the Board has adopted a written code of business conduct and ethics for the Trustees, Officers and employees. If the Board has adopted a written code:	**Yes**	The Board has adopted a written Code of Business Conduct for all employees and a Code of Conduct for Trustees of Crombie, both of which cover all of the elements recommended by NP 58-201.

Requirement Under Form 58-101F1 or NP 58-201	Compliance	Governance Procedures for Crombie
(i) disclose how a person or company may obtain a copy of the Code;	**Yes**	The codes are available on Crombie's website, www.crombiereit.ca, or on SEDAR at www.sedar.com.
(ii) describe how the Board monitors compliance with its code or, if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and	**Yes**	The Board, through the Audit Committee, receives reports of unethical behaviour received through the ethics line and otherwise.
(iii) provide a cross reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a Trustee or executive officer that constitutes a departure from the code.	**Yes**	The Board is not aware of any departure from the code by any Trustee or executive officer. Accordingly, no material change report has been required to be filed.
(b) Describe any steps the Board takes to ensure Trustees exercise independent judgement in considering transactions and agreements in respect of which a Trustee or executive officer has a material interest.	**Yes**	The Code of Conduct for the Trustees expressly addresses this issue by requiring Trustees to avoid any situation where there might be a conflict, or the appearance of a conflict, between their personal interests and the performance of their duties as Trustees. Trustees are required to inform the Board of any such situation and to withdraw from participating in associated decision-making. The Declaration of Trust also expressly requires that a majority of the non-Empire appointed Trustees approve any transaction with ECL, any Trustee or any other entity for which any Trustee serves on its Board.
(c) Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.	**Yes**	The Board encourages a culture of ethical conduct by appointing officers of high integrity and monitoring their performance so as to set an example for all employees.
6. Nomination of Trustees **(a)** Describe the process by which the Board identifies new candidates for Board nomination.	**Yes**	The Governance and Nominating Committee is responsible for identifying new candidates for the Board. It annually identifies Trustee skill and experience needs, having regard to projected retirements, and oversees a Trustee recruitment search and nomination process leading to recommendations to the Board for consideration and recommendation for election by the Unitholders.
(b) Disclose whether or not the Board has a nominating committee composed entirely of independent Trustees.	**Yes**	The Governance and Nominating Committee is composed entirely of independent Trustees.

Requirement Under Form 58-101F1 or NP 58-201		Compliance	Governance Procedures for Crombie
(c)	The Nominating committee should have a written charter that clearly establishes its purpose, responsibilities, member qualifications, member appointment and removal, structure and operations, manner of reporting to the Board, etc. In addition, the Nominating Committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to carry out its duties.	**Yes**	The Governance and Nominating Committee mandate encompasses these responsibilities and provides for the effective functioning of the Committee.
(d)	Prior to nominating or appointing individuals as Trustees, the Board should adopt a process involving the following steps: competency/skill assessment of what is required, what exists, gaps, etc. The Board should also consider the appropriate size of the Board.	**Yes**	The Governance and Nominating Committee monitors the composition of the Board and identifies the needs and any gaps that may exist. The Committee also considers the appropriate size of the Board.
(e)	The Nominating committee should be responsible for identifying individuals qualified to become new Board members and recommending to the Board the new Trustee nominees for the AGM of Unitholders.	**Yes**	The Governance and Nominating Committee undertakes, on an ongoing basis, the responsibility of identifying prospective Board members. It recommends new nominees to the Board.
(f)	In making its recommendations, the Nominating committee should consider: Competencies and skills necessary, current assessment of competencies and skills and those of Trustee nominees.	**Yes**	In fulfilling its responsibilities, the Governance and Nominating Committee seeks to ensure there is an appropriate mix of competencies and skills on the Board. It regularly performs a gap analysis to ensure any skill set opportunities are incorporated in future Trustee searches.

Requirement Under Form 58-101F1 or NP 58-201	Compliance	Governance Procedures for Crombie
7. Compensation **(a)** Describe the process by which the Board determines the compensation for the issuer's Trustees and Officers.	**Yes**	The Governance and Nominating Committee annually reviews the compensation of Trustees on a periodic basis in relation to published surveys and private polls of entities comparable to Crombie in either size or activities, and recommends adjustments thereto for adoption by the Board. The Human Resources Committee annually makes recommendations to the Board in respect of compensation of officers. When it is deemed necessary and appropriate, the Committee has retained Towers Watson and/or Aon Consulting Inc. to provide their expertise and access to their compensation information. The targets are approved and set by the Board in advance of the fiscal year. The LTIP targets are developed by the Board for three fiscal years ended with the current fiscal year and evaluated by the Committee. Reference is made to the disclosure in this circular under the heading "Statement of Executive Compensation" for additional information on compensation for Crombie's Trustees and Officers.
(b) Disclose whether or not the Board has a compensation committee composed entirely of independent Trustees. If the Board does not have a compensation committee composed entirely of independent Trustees, describe what steps the Board takes to ensure an objective process for determining such compensation.	**Yes**	The Human Resources Committee acts as a compensation committee in respect of executive compensation. The Human Resources Committee is comprised of four independent Trustees, one of whom chairs the Committee, and one non-independent Trustee. The Committee makes its recommendations to the Board following its objective review of compensation having regard to the advice and recommendations of consultants where appropriate to ensure an independent and objective assessment of executive compensation. In addition, non-independent members are excused from the meeting when the committee is deciding agenda items for which they are not independent.

Requirement Under Form 58-101F1 or NP 58-201		Compliance	Governance Procedures for Crombie
(c)	If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	**Yes**	The Human Resources Committee is responsible for monitoring the compensation practices and policies of Crombie and making recommendations to the Board with respect thereto. Administration and management of the EUPP is the responsibility of the Committee. The Committee is responsible for: • reviewing and approving corporate goals and objectives regarding CEO compensation; • evaluating CEO performance; • assessing CEO compensation based on evaluation; • making recommendations with respect to non-CEO officer compensation; • incentive compensation and equity-based plans; and • reviewing executive compensation disclosure before the issuer publicly discloses this information.
(d)	If a compensation consultant or advisor has been retained to assist in determining compensation for any of the issuer's Trustees and Officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.	**Yes**	No specific consultant or advisor has been retained to assist in determining compensation for Trustees. Aon Consulting Inc. was engaged to review and provide recommendations to the HRC for the changes to the AMIP and LTIP effective in 2011, as well as executive salaries.

Requirement Under Form 58-101F1 or NP 58-201	Compliance	Governance Procedures for Crombie
8. Other Board Committees If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	**Yes**	In addition to the Audit Committee, Governance and Nominating Committee and Human Resources Committee, the Board has an Investment Committee. The Investment Committee is responsible for approving acquisitions, dispositions or developments proposed by management of Crombie with a value greater than $5 million dollars. Such authority is limited to the approval of a maximum of $20 million dollars aggregate cost of acquisitions, dispositions or development projects in any one quarter. Quarterly project activity in excess of the Investment Committee's authority level shall receive the Committee's full consideration but will be advanced to the full Board of Trustees for approval. Any property acquisitions made by Crombie from Empire or affiliated companies must be considered and approved by only non-Empire appointed Trustees.
9. Assessments Disclose whether or not the Board, its committees and individual Trustees are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees and its individual Trustees are performing effectively.	**Yes**	The Governance and Nominating Committee is responsible for regular assessment of the effectiveness and contribution of the Board, its Committees and individual Trustees. It carries out this responsibility through bi-annual confidential surveys of each Trustee regarding his or her views on the effectiveness of the Board and its Committees. Aggregate results of the survey are summarized and reviewed in detail with the Governance and Nominating Committee and the Board. An action plan is developed and implemented to address any issues raised by Trustees. Individual Trustee performance is reviewed through annual meetings between each Trustee and the Chair of the Board, LeadTtrustee and the Chair of the Governance and Nominating Committee.

SCHEDULE B - MANDATE OF THE BOARD OF TRUSTEES

MANDATE OF THE BOARD OF TRUSTEES

Management of the REIT is vested in the Board of Trustees, subject to the provisions of applicable statutes and the Declaration of Trust of the REIT.

The Board of Trustees of the REIT shall have explicit responsibility for the stewardship of the REIT including the strategic planning process, approval of the strategic plan, the identification of principal risks and implementation of systems to manage these risks, succession planning, communications and reporting and the integrity of the REIT's internal control and management information systems.

The following points outline the key principles or guidelines governing how the Board will operate to carry out its overall stewardship responsibility:

Chair

The Board has adopted a policy of appointing a lead trustee if the Chair is not independent.

Board Meetings

The Board shall hold regular meetings at least once in each fiscal quarter, with additional meetings held as and when necessary. The Board shall function with a non-management chair and shall meet periodically without management present to ensure that the Board functions independently of management. At each Board meeting, an in-camera meeting of independent trustees as well as a meeting of non-Empire appointed trustees will take place. The Board shall maintain a policy which permits individual trustees to engage outside advisors at the cost of the REIT, provided that approval is first obtained from the Governance and Nominating Committee.

The Board appreciates having certain members of senior management attend each Board meeting to provide information and opinion to assist the trustees in their deliberations. Management attendees will be excused for any agenda items which are reserved for discussion among trustees only.

Board Contacts with Senior Management

All of the trustees shall have open access to the REIT's senior management. It is expected that trustees will exercise judgement to ensure that such contact does not distract management from the REIT's business operations. Written communications from trustees to members of management will be copied to the CEO.

Board Meeting Agendas and Information

The Chair and the Lead Trustee, in consultation with the CEO and Corporate Secretary, will develop the agenda for each Board meeting. Agendas will be distributed to the trustees before each meeting, and all Board members shall be free to suggest additions to the agenda in advance of the meeting.

Whenever practicable, information and reports pertaining to Board meeting agenda items will be circulated to the trustees in advance of the meeting. Reports may be presented during the meeting by members of the Board, management and/or staff, or by invited outside advisors. It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it will not be prudent or appropriate to distribute written materials in advance.

Committees

The Board will establish committees of its members to address specific matters. In particular, four standing committees shall be established: the Human Resources Committee, the Audit Committee, the Investment Committee and the Governance and Nominating Committee. All of the members of the standing committees shall be outside trustees, the majority of whom shall be Independent. Each standing committee shall operate according to a written mandate approved by the Board.

Committee Meetings

No inside trustee shall be a voting member of a committee but may attend the meeting as a non-voting, non-quorum member. The schedule and agenda for the meetings of each committee will be determined by the committee Chair in consultation with management, staff and committee members. Each committee will report to the Board on the results of each committee meeting. The Chair of the Board will be a non-voting, non-quorum participant of each Committee.

Size of the Board

The Board currently consists of twelve trustees. The ideal size of the Board will provide a diversity of expertise and opinion, as well as efficient operation and decision-making. The Governance and Nominating Committee will review the size of the Board annually and make recommendations to the Board when it believes a change would be in the best interests of the REIT.

Review of Independence of Outside Trustees

The Governance and Nominating Committee will review on an annual basis any relationships between outside trustees and the REIT which might be construed in any way to compromise the designation of any trustee as being independent or unrelated to the REIT. The objective of such review will be to determine the existence of any relationships, to ensure that the composition of the Board remains such that the majority of the trustees are independent and unrelated and that where any relationships exist, the trustee is acting appropriately.

Trustees Who Change Their Present Job Responsibility

The Board shall maintain a policy which requires that a trustee who makes a change in principal occupation will offer a resignation to the Board for consideration. It is not intended that trustees who retire or whose professional positions change should necessarily leave the Board. The Board will take the opportunity to review, through the Governance and Nominating Committee, the continued appropriateness of Board membership under such circumstances.

Governance

The REIT shall make full and complete disclosure of its system of governance on an annual basis in its annual report or information circular. The Board, through the Governance and Nominating Committee, shall have responsibility for developing the REIT's approach to corporate governance issues, including the responsibility for this disclosure.

Board Assessment

The Board is responsible for assessing and developing its effectiveness.

The Board, through the Governance and Nominating Committee shall establish and conduct orientation and education programs for new recruits to the Board, through which the performance expectations for Board members shall be communicated.

The Governance and Nominating Committee shall implement a process for assessing the effectiveness of the Board as a whole, the committees and the contributions of individual trustees. The Board shall assess trustees on an ongoing basis, including periodic formal surveys of trustees and ongoing assessments by the Chairman of the Board, Lead Trustee and the Chairman of the Governance and Nominating Committee.

The Governance and Nominating Committee shall also be responsible for recommending proposals to the Board concerning the compensation of trustees, including the adequacy and form of compensation.

The Governance and Nominating Committee shall have responsibility for the nominating function of the REIT by recommending suitable candidates for nominees for election or appointment as trustees. This process shall include a determination of the competencies, skills and personal qualities required of new trustees in light of opportunities and risks facing the REIT.

Strategic Planning

Management is responsible for the development of individual business unit and corporate strategic plans which take into account, among other things, the opportunities and risks of the business, and for the implementation of strategic plans. The Board shall be responsible for the adoption of a strategic planning process and the approval of the strategic plans, long term goals and objectives of the REIT developed by management. The Board shall monitor senior management's implementation of the plans and shall assess the achievement of the REIT's goals and objectives on an ongoing basis.

Managing Risk

The Board shall have overall responsibility for assessing the principal risks facing the REIT, ensuring the implementation of the appropriate strategies and systems to manage such risks, and reviewing any material legal matters.

The Audit Committee shall review and approve risk management policies as recommended by management, shall receive reports from management on the risk profile of the REIT, risk mitigation activities and accepted risk thresholds and shall provide direction with respect to improvements to risk mitigation or changes to risk threshold. The Audit Committee shall report its recommendations on such matters to the full Board on a regular basis.

Succession Planning

The Board shall have responsibility for the appointment and evaluation of the performance of senior management, including approving the appointment of senior executives of the REIT, reviewing their performance against the objective of maximizing unitholder value, measuring their contribution to that objective, and overseeing compensation policies.

The Human Resources Committee shall have responsibility for recommending proposals to the full Board concerning the compensation of executive management, including incentive programs and awards made pursuant thereto. This committee shall also monitor, review and provide guidance in respect of executive management training, development and succession planning.

Communications and Reporting

The Board approves the content of the REIT's major communications to unitholders and the investing public including the Annual Report, Management Information Circular, the Annual Information Form and any prospectuses which may be issued. The Audit Committee shall review and recommend to the Board the approval of the quarterly and annual financial statements (including the Management Discussion &

Analysis) and press releases relating to financial matters. The Board also has responsibility for monitoring all of the REIT's external communications. However, the Board believes that it is the function of management to speak for the REIT in its communications with the investment community, the media, customers, suppliers, employees, governments and the general public.

The Board shall have responsibility for reviewing the REIT's policies and practices with respect to disclosure of financial and other information including insider reporting and trading. The Board shall approve and monitor the disclosure policies designed to assist the REIT in meeting its objective of providing timely, consistent and credible dissemination of information, consistent with disclosure requirements under applicable securities law. The Board shall review the REIT's policies relating to communication and disclosure on an annual basis.

Generally, communications from unitholders and the investment community will be directed to the Chief Financial Officer, who will coordinate an appropriate response depending on the nature of the communication. It is expected, if communications from stakeholders are made to the Chair or to other individual trustees, management will be informed and consulted to determine any appropriate response.

Internal Control and Management Information Systems

The Board has responsibility for the integrity of the REIT's internal control and management information systems.

All material matters relating to the REIT and its business require the prior approval of the Board. In particular, capital expenditures or commitments in excess of $5 million per project must be approved by the Board in advance. Management is authorized to act, without Board approval, on all ordinary course matters relating to the REIT's business.

The Audit Committee has responsibility for ensuring internal controls are appropriately designed, implemented and monitored and for ensuring that management and financial reporting is complete and accurate, even though management may be charged with developing and implementing the necessary procedures.

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