NOTICE OF SPECIAL MEETING

to be held September 19, 2013

and

INFORMATION CIRCULAR AND PROXY STATEMENT

with respect to the proposed

ACQUISITION

of 68 real estate properties from

Sobeys West Inc.

and

PRIVATE PLACEMENT

of

Class B LP Units

These materials are important and require your immediate attention. They require holders of units of Crombie Real Estate Investment Trust (the "**Unitholders**") to make important decisions. The Board of Trustees of Crombie Real Estate Investment Trust recommends that Unitholders vote **FOR** the Acquisition and Private Placement Resolution and the Amendment Resolution, each as described in this Information Circular, at the special meeting of Unitholders.

INVITATION TO UNITHOLDERS

August 15, 2013

Dear Unitholder:

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

September 19, 2013
11:00 a.m. (Atlantic Daylight Saving Time)
Empire Studio 7 Cinemas
612 East River Road
New Glasgow, Nova Scotia

Crombie Limited Partnership ("**Crombie LP**") has entered into an agreement on July 24, 2013 for the acquisition (the "**Acquisition**") of a portfolio of properties consisting of 49 freestanding stores and 19 retail plazas, each currently anchored by a Canada Safeway store (the "**Acquisition Properties**") from Sobeys West Inc. ("**Sobeys West**"), a wholly-owned subsidiary of Sobeys Inc. ("**Sobeys**"), for an aggregate purchase price of $990 million, subject to certain customary adjustments. The Acquisition Properties are among the assets to be acquired by Sobeys West from Canada Safeway Limited and its subsidiaries pursuant to an asset purchase agreement dated June 12, 2013 (the "**Canada Safeway Acquisition**"). The Acquisition is expected to close concurrently with the Canada Safeway Acquisition, and is conditional upon closing of the Canada Safeway Acquisition.

In order to partially finance the Acquisition, Crombie has agreed to sell, subject to regulatory approval and on a bought-deal basis, $225,044,000 of subscription receipts (the "**Subscription Receipts**") at a price of $12.70 per Subscription Receipt and $75,000,000 of convertible extendible unsecured subordinated debentures (the "**Debentures**") to a syndicate of underwriters co-led by CIBC World Markets Inc., TD Securities Inc. and Scotia Capital Inc. On the closing of the Acquisition, each Subscription Receipt will convert into one trust unit of Crombie (the "**Units**"). The Debentures have an initial maturity date of March 12, 2014, which will be extended to March 31, 2021 upon the closing of the Acquisition (the "**Acquisition Closing**"). The Debentures have a coupon of 5.25% per annum and will pay interest semi-annually in arrears on September 30 and March 31 in each year commencing on September 30, 2013.

In addition to the issuance of the Subscription Receipts and Debentures, ECL Developments Limited, a wholly owned subsidiary of Empire Company Limited ("**Empire**"), has agreed to purchase 11,811,024 Class B limited partnership units (the "**Class B LP Units**") of Crombie Limited Partnership, and the accompanying special voting units of Crombie (the "**Special Voting Units**"), on the Acquisition Closing at the same $12.70 per Class B LP Unit offering price as the Subscription Receipts, for aggregate proceeds of $150,000,005 (the "**Private Placement**"). The Private Placement is being entered into in satisfaction of ECL's existing pre-emptive right to maintain its interest in Crombie on a fully-diluted basis. Each Class B LP Unit is exchangeable for one Unit.

We believe that the Acquisition will solidify Crombie's position as a national real estate landlord, improve the geographic diversification of Crombie's real estate portfolio, materially expand the size of Crombie's property portfolio and increase Crombie's operating and free cash flow.

The Acquisition significantly strengthens Crombie's position in Western Canada, providing a portfolio in highly sought-after locations. The Acquisition comprises approximately 3 million square feet of gross leasable area in Canada's fastest growing region with a significantly higher portion of net operating income derived from Canada's top 36 markets than Crombie's existing portfolio. The Acquisition is consistent with Crombie's strategy of acquiring grocery or drug-store anchored retail centres, is expected to be accretive to Crombie's adjusted funds from operations immediately following closing, and further leverages Crombie's existing relationship with Sobeys and Empire. Finally, Crombie believes the Acquisition provides future development potential in some of the strongest urban retail markets in Canada.

The Board of Crombie appointed a special committee of independent elected trustees consisting of Brian Johnson (Chair), John Eby, David Graham, Michael Knowlton, John Latimer and Elisabeth Stroback (the "**Special Committee**") for the purposes of, among other things, considering the Acquisition, supervising the process to be carried out by Crombie and its professional advisors in connection with the Acquisition, determining whether the Acquisition is in the best interests of Crombie and, as the Special Committee may determine to be necessary or advisable, report and make recommendations to the Board with respect to the Acquisition.

The Special Committee was also responsible for supervising the preparation of an independent valuation (the "**Formal Valuation**") and retained Cushman & Wakefield Ltd. to prepare the Formal Valuation of the Acquisition Properties. The Special Committee also retained Brookfield Financial Corp., to act as an independent financial advisor to the Special Committee to prepare and deliver to the Special Committee its opinion that the consideration payable by Crombie pursuant to the Acquisition is fair, from a financial point of view, to Crombie's Unitholders other than Empire and its associates and affiliates.

Empire indirectly owns all of the outstanding voting securities of Sobeys, and indirectly owns 38,430,221 Class B LP Units and Special Voting Units and 909,090 Units, together representing a 42.7% economic and voting interest in Crombie. Consequently, under applicable securities laws and the rules of the Toronto Stock Exchange, the Acquisition and the Private Placement require the approval of not less than a majority of votes cast by all of the Unitholders present in person or represented by proxy at the meeting who are not Empire or certain related parties, associates or affiliates of Empire. The Acquisition is subject to certain other conditions described in the accompanying information circular, including approval under the *Competition Act* (Canada).

In order to facilitate closing of the Acquisition in light of certain environmental indemnities to be provided by Sobeys, we are requesting approval of an amendment to Crombie's amended and restated declaration of trust (the "**Declaration of Trust**") to permit Crombie to complete the Acquisition in the event that all other conditions to closing are satisfied before all environmental site assessments are complete. Such amendment requires the approval of two-thirds of the votes cast by all of the Unitholders present in person or represented by proxy at the meeting, including votes attached to the Special Voting Units.

The accompanying information circular provides a detailed description of the Acquisition, the Private Placement and the proposed amendment to the Declaration of Trust as well as information regarding Crombie and the Acquisition Properties. Please give this material your careful consideration.

On behalf of Crombie's Board, management and employees, we would like to thank you for your consideration of this important transaction and for your continued support of our firm. We look forward to seeing you at the Meeting.

Sincerely,

(signed) "*John Eby*"

John Eby
Lead Trustee

(signed) "*Frank C. Sobey*"

Frank C. Sobey
Chair

NOTICE OF SPECIAL MEETING OF UNITHOLDERS
August 15, 2013

NOTICE IS HEREBY GIVEN that a special meeting (the "**Meeting**") of the Unitholders of Crombie Real Estate Investment Trust ("**Crombie**") will be held at Empire Studio 7 Cinemas, 612 East River Road, New Glasgow, Nova Scotia, on September 19, 2013, at 11:00 o'clock in the morning (Atlantic Daylight Saving Time) for the following purposes (each as more particularly described in the accompanying Management Information Circular dated August 15, 2013 (the "**Circular**"):

- To consider and, if deemed advisable, to pass, with or without alteration or modification, a resolution (the "**Acquisition and Private Placement Resolution**"), the full text of which is set forth in Appendix "A" of the Circular, approving the acquisition of 68 real estate properties from Sobeys West Inc. for an aggregate purchase price of $990 million (the "**Acquisition**") and the private placement of 11,811,024 Class B limited partnership units of Crombie's subsidiary, Crombie Limited Partnership and the associated special voting units of Crombie to ECL Developments Limited;

- To consider and, if deemed advisable, to pass, with or without alteration or modification, a resolution (the "**Amendment Resolution**"), the full text of which is set forth in Appendix "A" of the Circular, approving an amendment to Crombie's Declaration of Trust to exempt the Acquisition from Section 6.2(n) of the Declaration of Trust; 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 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 15 day of August, 2013.

BY ORDER OF THE BOARD OF TRUSTEES

(signed) "*Glenn Hynes*"

Glenn Hynes
Chief Financial Officer and Secretary

MANAGEMENT INFORMATION CIRCULAR

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All information in this Management Information Circular is current as of August 15, 2013, unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

This Circular contains forward-looking statements which reflect management's expectations regarding objectives, plans, goals, strategies, future growth, results of operations, performance and business prospects and opportunities of Crombie. Forward-looking statements are typically identified by words or phrases such as "anticipates", "expects", "believes", "estimates", "intends", and other similar expressions, and include statements regarding: the impact of the Acquisition (as defined herein) on Crombie's property portfolio, including without limitation the effects on net operating income ("**NOI**"), gross leasable area ("**GLA**"), annual minimum rent and weighted average lease term; the accretive effects of the Acquisition; the expected pricing of the Bridge Facilities (as defined herein) and Crombie's intentions with respect to obtaining replacement financing for the Bridge Facilities; and the expecting timing for closing the Offering (as defined herein), the Private Placement (as defined herein) and the Acquisition. These statements are based on management's assumptions and beliefs in light of the information currently available to them. These forward-looking statements are subject to inherent uncertainties, risks and other factors that could cause actual results to differ materially from such statements. A number of factors, including the risk that the Canada Safeway Acquisition does not close as expected and the availability of required Unitholder and regulatory approvals, are discussed under "Risk Factors" in this Circular and in the information incorporated by reference herein, including those discussed in the Risk Management section of Crombie's fiscal 2012 management's discussion and analysis, and in the "Risks" section of Crombie's annual information form in respect of the year ended December 31, 2012. Reference is also made to the disclosure concerning forward-looking statements in the information incorporated by reference herein.

When relying on forward-looking statements to make decisions, Crombie cautions readers not to place undue reliance on these statements, as a number of important factors could cause actual results to differ materially from any estimates or intentions expressed in such forward-looking statements. Crombie does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of Crombie, except as required by Canadian securities laws.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Circular from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Crombie at 115 King Street, Stellarton, Nova Scotia, B0K 1S0 (Telephone (902) 755-8100), and are also available electronically at *www.sedar.com*.

The following documents, filed with the securities commissions or similar regulatory authorities in Canada, are specifically incorporated by reference in, and form an integral part of, this Circular:

1. the annual information form of Crombie dated March 28, 2013 for the year ended December 31, 2012;
2. the audited consolidated financial statements of Crombie as at December 31, 2012, December 31, 2011 and January 1, 2011, and for the years ended December 31, 2012 and 2011, together with the notes thereto and the auditor's report thereon;
3. management's discussion and analysis of the consolidated financial condition and results of operations of Crombie for the year ended December 31, 2012;
4. the management information circular of Crombie dated March 22, 2013 prepared in connection with Crombie's annual meeting of Unitholders held on May 9, 2013;

5. the unaudited interim consolidated financial statements of Crombie as at June 30, 2013 and 2012 for the three and six months ended June 30, 2013 and 2012, together with the notes thereto;
6. management's discussion and analysis of the consolidated financial condition and results of operations of Crombie for the three and six months ended June 30, 2013; and
7. a material change report dated July 29, 2013 relating to the Acquisition and the Offering.

Any documents of the type referred to above and any interim financial statements, management's discussions and analysis, business acquisition reports or material change reports (other than confidential material change reports) filed by Crombie with the securities commissions or similar regulatory authorities in each of the provinces of Canada subsequent to the date of this Circular and prior to the Meeting that specifically states that it is intended to be incorporated by reference into this Circular shall be deemed to be incorporated by reference into this Circular.

Any statement in this Circular contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Circular.

NON-IFRS FINANCIAL MEASURES

Crombie issues guidance on and reports on certain measures that do not have a standardized meaning under International Financial Reporting Standards ("**IFRS**") as prescribed by the International Accounting Standards Board, including "property net operating income ("**NOI**")", "adjusted funds from operations ("**AFFO**")" and "debt to gross book value", that it uses to evaluate its performance. Management includes these measures because it believes certain investors use these measures as a means of assessing relative financial performance. Non-IFRS measures do not have a standardized meaning and may differ from those used by other issuers. Additional information is presented in the sections dealing with these financial measures in management's discussion and analysis of the consolidated financial condition and results of operations of Crombie incorporated by reference herein.

PURPOSE OF THE MEETING

This special meeting (the "**Meeting**") of the holders (collectively "**Unitholders**") of Units of Crombie and special voting units ("**Special Voting Units**") of Crombie is being held to consider, and if deemed advisable, to adopt a resolution (the "**Acquisition and Private Placement Resolution**") to approve the Acquisition and the Private Placement. The Unitholders are also being asked to adopt a resolution (the "**Amendment Resolution**") to approve an amendment to Crombie's Declaration of Trust to permit Crombie to complete the Acquisition (as defined below) in the event that all other conditions to closing are satisfied before all environmental site assessments are complete.

Crombie Limited Partnership ("**Crombie LP**") has entered into an agreement on July 24, 2013 (the "**Acquisition Agreement**") for the acquisition (the "**Acquisition**") of a portfolio of properties consisting of 49 freestanding stores and 19 retail plazas, each currently anchored by a Canada Safeway store (the "**Acquisition Properties**") from Sobeys West Inc. ("**Sobeys West**"), a wholly-owned subsidiary of Sobeys Inc. ("**Sobeys**") for an aggregate purchase price of $990 million, subject to certain customary adjustments. The Acquisition Properties are among the assets to be acquired by Sobeys West from Canada Safeway Limited and its subsidiaries pursuant to an asset purchase agreement dated June 12, 2013 (the "**Canada Safeway Acquisition**"). The Acquisition is expected to close concurrently with the Canada Safeway Acquisition, and is conditional upon closing of the Canada Safeway Acquisition. The Acquisition is subject to certain other conditions described in the accompanying information circular, including approval under the *Competition Act* (Canada) (the "**Competition Act**").

In order to partially finance the Acquisition, Crombie has sold, on a bought-deal basis, $225,044,000 of subscription receipts (the "**Subscription Receipts**") at a price of $12.70 per Subscription Receipt and $75,000,000 of convertible extendible unsecured subordinated debentures (the "**Debentures**") to a syndicate of underwriters co-led by CIBC World Markets Inc., TD Securities Inc. and Scotia Capital Inc. (the "**Offering**"). On the closing of the Acquisition, each Subscription Receipt will convert into one trust unit of Crombie (the "**Units**"). The Debentures have an initial maturity date of March 12, 2014, which will be extended to March 31, 2021 upon the closing of the Acquisition (the "**Acquisition Closing**"). The Debentures have a coupon of 5.25% per annum and will pay interest semi-annually in arrears on September 30 and March 31 in each year commencing on September 30, 2013.

In addition to the issuance of the Subscription Receipts and Debentures, ECL Developments Limited ("**ECL**"), a wholly owned subsidiary of Empire, has entered into an agreement to purchase 11,811,024 Class B limited partnership units (the "**Class B LP Units**") of Crombie Limited Partnership ("**Crombie LP**"), and the accompanying Special Voting Units (as defined herein) of Crombie, on the Acquisition Closing at the same $12.70 per Class B LP Unit offering price as the Subscription Receipts, for aggregate proceeds of $150,000,005 (the "**Private Placement**"). The Class B LP Units and Special Voting Units to be issued in the Private Placement are equivalent to approximately 22.0% of the Units issued and outstanding as of the date of this Circular on an undiluted basis prior to the Private Placement, without giving effect to any exchanges or conversions of outstanding Class B LP Units, Subscription Receipts or convertible debentures of Crombie. The Private Placement is being entered into in satisfaction of ECL's existing pre-emptive right to maintain its interest in Crombie on a fully-diluted basis. Each Class B LP Unit is exchangeable for one Unit.

Empire indirectly owns all of the outstanding voting securities of Sobeys, and indirectly owns 38,430,221 Class B LP Units and Special Voting Units and 909,090 Units, together representing a 42.7% economic and voting interest in Crombie, or 40.8% if all outstanding convertible debentures of Crombie were to be converted to Units. As a result, Empire, Sobeys and ECL are "related parties" of Crombie within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), and both the Acquisition and the Private Placement are subject to the valuation and minority approval requirements of Subsections 5.4 and 5.6 of MI 61-101. In addition,

because the Private Placement involves the issuance to an insider of Crombie of voting securities in excess of 10% of those outstanding, it is a condition of the approval of the Private Placement by the Toronto Stock Exchange (the "**TSX**") that disinterested Unitholders of Crombie approve the Private Placement. Consequently, under applicable securities laws and the rules of the TSX, the Acquisition and the Private Placement require the approval of not less than a majority of votes cast by all of the Unitholders present in person or represented by proxy at the meeting who are not Empire or certain related parties of Empire, or associates and affiliates of Empire.

In addition, pursuant to TSX rules, the Private Placement is required to be closed within 135 days after the date of the announcement of the Private Placement, or on or before December 11, 2013. However, the Private Placement is conditional on the Acquisition Closing, which under the Acquisition Agreement must occur on or before December 12, 2013, which deadline may be extended to March 12, 2014 if the deadline for the closing of the Canada Safeway Acquisition is extended to March 12, 2014. Consequently, the closing of the Private Placement may occur more than 135 days after the announcement of the Private Placement, at which time the $12.70 per unit purchase price for the Class B LP Units may represent a discount to the then applicable market price of the Units that is more than the 15% discount that applicable rules of the TSX would permit for a private placement of Units. Approval of the Acquisition and Private Placement Resolution shall include approval of the deadline for the closing of the Private Placement being extended to December 12, 2013 or March 12, 2014, as applicable, in order to match the date of the Acquisition Closing. The TSX has conditionally approved extending the 135 day deadline for completing the Private Placement as described, subject to receipt of approval of the Private Placement by a majority of votes cast by Unitholders other than ECL and its affiliates and associates.

In connection with the Acquisition, Sobeys and Sobeys West have agreed to provide an unlimited joint and several indemnity for any issues related to the presence of hazardous materials on the applicable Acquisition Properties identified in the course of Crombie's environmental due diligence with respect to the Acquisition Properties for which any additional work is required or recommended by the Independent Engineers (as defined below), including matters identified up to 90 days after the Acquisition Closing. See "Business of the Meeting – The Acquisition – Omnibus Environmental Indemnity Agreement". Under Crombie's amended and restated declaration of trust (the "**Declaration of Trust**"), for any property that Crombie proposes to acquire, Crombie is required to obtain Phase I environmental site assessments and conduct such additional environmental site assessments as may be recommended in the Phase I environmental site assessments, and it shall be a condition to such acquisitions that the Trustees be satisfied with all such environmental site assessments. Because the Sobeys indemnity substantially eliminates the potential exposure of Crombie to costs and liabilities related to environmental matters affecting the Acquisition Properties, the Unitholders are being asked to approve the Amendment Resolution in order to permit Crombie to complete the Acquisition in the event that all other conditions to closing are satisfied before all environmental site assessments are complete. Such amendment requires the approval of two-thirds of the votes cast by all of the Unitholders present in person or represented by proxy at the meeting, including votes attached to the Special Voting Units.

INFORMATION CONCERNING THE MEETING

Date, Time and Place of Meeting

The Meeting will be held at Empire Studio 7 Cinemas, 612 East River Road, New Glasgow, Nova Scotia, on September 19, 2013, at 11:00 o'clock in the morning (Atlantic Daylight Saving Time). Crombie is sending proxy-related materials to registered holders and beneficial owners of Units using the notice-and-access method. Under this method, Crombie provides notice that it has posted electronic versions of proxy-related materials on a website for investor review, with paper copies available upon request.

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 Unitholders 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 September 18, 2013. 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 Graham or John Latimer has been appointed to vote on behalf of another Unitholder, he will vote in FAVOUR of the Acquisition and Private Placement Resolution and the Amendment Resolution.**

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 proxy-related materials including 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.

Crombie does not intend to pay for your broker or intermediary to forward to Objecting Beneficial Owners the proxy-related materials and voting instruction form. Accordingly, Objecting Beneficial Owners will not receive these materials unless the Objecting Beneficial Owner's broker or intermediary assumes the cost of delivery.

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 August 9, 2013 as the record date for the purpose of determining which Unitholders are entitled to receive the Notice of Meeting.

On August 9, 2013, Crombie had 53,653,003 outstanding Units, each carrying the right to one vote per Unit at the Meeting, provided that the votes attached to 909,090 Units held by ECL will be excluded. See "Business of the Meeting – Vote Required". 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 "Voting of Units Represented by Proxies" and "Non-Registered Unitholders" for information regarding the voting of Units at the Meeting.

Special Voting Units

On August 9, 2013, Crombie had 38,430,221 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 LP Units of 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 by ECL, and consequently, the votes associated with the Special Voting Units will not be counted in determining whether the Acquisition and Private Placement Resolution has been approved.

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 38,430,221 Class B LP Units and Special Voting Units and 909,090 Units of Crombie, representing a 42.7% economic and voting interest in Crombie.

To the knowledge of Crombie, after reasonable inquiry, the following table indicates, as at August 9, 2013, except as otherwise indicated, the number of Units of Crombie beneficially owned, directly or indirectly, or over which control or direction is exercised, by each trustee and officer of Crombie and their respective associates and each associate or affiliate or person or company acting jointly or in concert with such persons:

Name	Relationship With Crombie	No. of Units	% of Outstanding Units	No. of Deferred Units	% of Outstanding Deferred Units	$ of Series D Debentures	% of Outstanding Series D Debentures
PAUL V. BEESLEY	Trustee	12,500	0.02%			$50,000	0.08%
DONALD E. CLOW	Trustee, President and	147,154	0.27%				

	Chief Executive Officer						
JOHN EBY	Trustee and Lead Trustee	13,000	0.02%	933	11.26%	$100,000	0.17%
DAVID G. GRAHAM	Trustee	12,000	0.02%	933	11.26%		
BRIAN A. JOHNSON	Trustee	29,800	0.06%	933	11.26%	$50,000	0.08%
MICHAEL KNOWLTON	Trustee	13,595	0.03%	933	11.26%		
E. JOHN LATIMER	Trustee	18,000	0.03%	1,568	18.92%		
DAVID A. LESLIE	Trustee	11,700	0.02%	933	11.26%		
FRANK C. SOBEY	Trustee and Chairman of the Board	20,000	0.04%			$400,000	0.67%
KENT SOBEY	Trustee	17,100	0.03%	1,120	13.52%		
PAUL D. SOBEY	Trustee	20,000	0.04%				
ELISABETH STROBACK	Trustee	11,500	0.02%	933	11.26%	$25,000	0.04%
GLENN HYNES	Chief Financial Officer and Secretary	78,358	0.15%				
PATRICK G. MARTIN	Regional Vice President Atlantic	37,272	0.07%				
SCOTT R. MACLEAN	Senior Vice President Operations Atlantic	27,415	0.05%				
GARY FINKELSTEIN	Regional Vice President Central and West	33,958	0.06%				
TOTAL		**503,352**	**0.93%**	**8,286**	**100.00%**	**$625,000**	**1.04%**

To the knowledge of Crombie, after reasonable inquiry, the following Trustees have the following interests in Empire and may be considered to have an interest in the matters to be considered at the Meeting:

Name	**Empire Securities Held**
PAUL V. BEESLEY Executive Vice President and Chief Financial Officer of Empire	38,337 Non-Voting Class A Shares 108,602 Options (Non-Voting Class A Shares) 7,415 Performance Share Units
DAVID A. LESLIE Director of Empire	750 Non-Voting Class A Shares 1 Class B Share 9,248 Performance Share Units
FRANK C. SOBEY	452,534 Non-Voting Class A Shares[(1)]

Director and Vice President, Real Estate of Empire	2,906,930 Class B Shares[2]
PAUL D. SOBEY Director and President and Chief Executive Officer of Empire	204,065 Non-Voting Class A Shares[1] 993,166 Class B Shares[3]

[1] In addition to their shareholdings, as at May 4, 2013, Frank C Sobey owns 25,481 options and Paul D. Sobey owns 261,766 options, all of which were issued under Empire's long term incentive plan.

[2] Includes 2,904,332 Class B Shares held by Dunvegan Holdings Limited over which Frank C. Sobey has control and direction pursuant to an agreement among the shareholders of Dunvegan Holdings Limited.

[3] Paul D. Sobey exercises control and direction over 993,166 Class B Shares held by DFS Investment Ltd. pursuant to an agreement among the shareholders of DFS Investment Ltd.

BUSINESS OF THE MEETING

The Meeting will be constituted as a special meeting of Unitholders. At the Meeting, Unitholders will be asked to consider and vote on the Acquisition and the Private Placement. To be effective, the Acquisition and Private Placement Resolution must be approved by more than 50% of the votes cast by the Unitholders, voting together, in person or by proxy at the Meeting excluding any votes associated with securities held by Empire or any related parties, associates or affiliates of Empire. A copy of the Acquisition and Private Placement Resolution is set out in Appendix "A" to this Circular. See "Business of the Meeting — Vote Required".

The Acquisition

Crombie LP entered into the Acquisition Agreement and will indirectly acquire beneficial ownership of a the Acquisition Properties, and certain related assets, including shares of Snowcat Property Holdings Limited (the "**Nominee**"), a bare trustee of Sobeys West, holding registered title to each of the Acquisition Properties, for an aggregate purchase price of $990 million, subject to adjustment. The Acquisition is subject to certain other conditions precedent, including Competition Act approval and the approval of the Unitholders at this meeting. For a description of the Acquisition Properties and the impact of the Acquisition on Crombie's property portfolio, see "Description of the Acquisition Properties" and "Crombie After the Acquisition" below.

The Acquisition Agreement

The following is a summary of the material provisions of the Acquisition Agreement. This summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the Acquisition Agreement, a copy of which has been filed on SEDAR and is available under Crombie's profile on SEDAR at *www.sedar.com*.

Timing

The closing of the Acquisition will take place on the later of September 30, 2013 or the closing of the Canada Safeway Acquisition. The Canada Safeway Acquisition is scheduled to occur no later than December 12, 2013, provided that in certain circumstances Sobeys may extend the closing date for the Canada Safeway Acquisition to no later than March 12, 2014, subject to certain conditions as provided for in the Canada Safeway Agreement. If the closing of the Canada Safeway Acquisition does not occur by March 12, 2014, the Acquisition Agreement will terminate, unless Crombie LP agrees to extend the closing date of the Acquisition.

Leasing

Upon the closing of the Acquisition, Sobeys West or an affiliate, as tenant, and Sobeys, as indemnifier, will enter into leases (the "**Sobeys Leases**") whereby the tenant will lease each Acquisition Property on an "as is where is" basis without representation or warranty from Crombie LP. See "Sobeys Leases".

Redevelopment

The Acquisition Agreement identifies 17 of the Acquisition Properties as having potential for redevelopment, and provides for such redevelopment to be undertaken on a 50/50 joint venture basis between Crombie LP and Sobeys West.

Land Transfer Tax

It is anticipated that land or property transfer tax will not be payable on the acquisition of the beneficial ownership of the Acquisition Properties by Crombie LP; however, if any land or property transfer tax becomes payable as a result of the Acquisition, it will be borne by Crombie LP.

Assumed Obligations

Pursuant to the Sobeys Leases, Sobeys West will retain, or if the tenant is an affiliate of Sobeys West the tenant will assume, the obligations under: (i) the contracts and other documents binding on Sobeys West with respect to the ownership or operation of the Acquisition Properties, (ii) the leases or other rights or licences binding upon Sobeys West with respect to the Acquisition Properties, (iii) the existing third party warranties and guarantees relating to the Acquisition Properties, and (iv) certain permitted encumbrances.

Conditions

The transactions contemplated by the Acquisition Agreement will be conditional upon the satisfaction of certain customary conditions, as well as upon: (i) the closing of the Canada Safeway Acquisition, (ii) the accuracy of the representations and warranties on the closing of the Acquisition, (iii) the receipt of all required approvals under the Competition Act, (iv) Crombie LP, or its nominee, and Sobeys West having entered into the Sobeys Leases, and (v) performance of the terms, covenants and conditions of the Acquisition Agreement to be complied with or performed prior to the closing of the Acquisition. Other conditions solely in favour of Crombie LP are: (i) the receipt of all required Unitholder approvals, (ii) Sobeys West and Sobeys having executed and delivered an environmental indemnity with respect to each of the Acquisition Properties to the extent that environmental issues are identified in the course of Crombie LP's due diligence investigation of the Acquisition Properties (the "**Omnibus Environmental Indemnity Agreement**"), (iii) the receipt of all other consents, approvals and assumptions required under the Acquisition Agreement, under any of the permitted encumbrances or under any other agreement affecting the Acquisition Properties and the other purchased assets, and (iv) receipt by Crombie LP of good and marketable freehold and leasehold title to the Acquisition Properties and the shares of the Nominee, free and clear of all encumbrances other than specified permitted encumbrances. Failure to satisfy any of these conditions on or before the closing date, unless otherwise waived, would allow the party having the benefit of the condition to terminate the Acquisition Agreement.

Representations and Warranties

The Acquisition Agreement contains representations and warranties relating to each of Sobeys West, Sobeys, Crombie GP, Crombie LP and Crombie as are customary in arm's length transactions of this nature, including representations and warranties as to: (i) organization and status, (ii) power and due authorization, (iii) non-contravention of constating and organizational documents, laws or material agreements, (iv) residency status and (v) no approval or consent requirements, other than as disclosed.

The Acquisition Agreement also contains representations and warranties given by Sobeys West and Sobeys, with respect to (i) no commission to be paid to any broker with respect to the sale of the Acquisition Properties, (ii) no commission of an act of bankruptcy, (iii) the status of the agreement governing the Canada Safeway Acquisition, (iv) there being no litigation against or affecting the Nominee, Sobeys West, Sobeys, the Canada Safeway Acquisition and/or the Acquisition Properties that would adversely affect the Acquisition Agreement or any transaction or agreement contemplated thereby, (v) the Nominee holding at closing valid legal title to the Acquisition Properties free of all encumbrances and there being no other agreements to sell the Acquisition Properties, (vi) each of the buildings and improvements relating to the Acquisition Properties being in good operating condition, in all material respects, normal wear and tear excepted, (vii) all existing environmental and building reports in its possession or control having been delivered, (viii) the Acquisition Properties are part of the Canada Safeway Acquisition and (ix) there being no consents required for the assignment of ground leases other than the consent of the landlord pursuant to the Banff Ground Lease (as defined in the Acquisition Agreement), each ground lease being in good standing and creating a good and valid leasehold estate in the properties therein described and there existing no material event of default with respect to each of the ground leases. The Acquisition Agreement also contains certain customary representations regarding the existence and status of the Nominee. Certain limited representations and warranties relating to organization, status, power and due authorization will survive indefinitely. All other representations and warranties will survive for 18 months after the closing date.

As is and Where is Basis

The Acquisition Agreement provides that except as expressly set forth in the Acquisition Agreement, the Omnibus Environmental Indemnity Agreement, the Sobeys Leases or any other document delivered in connection with the Acquisition, the Acquisition Properties are being purchased on an "as is where is" basis in reliance on Crombie LP's own due diligence.

Removal and Substitution of Acquisition Properties

The Canada Safeway Acquisition is subject to pre-merger notification under the Competition Act. The Acquisition Agreement provides that in the event that Sobeys is prohibited from acquiring any of the Acquisition Properties from Canada Safeway, or acquires any of the Acquisition Properties subject to a requirement to sell such Acquisition to a party other than an affiliate of Crombie, such Acquisition Property (an "**Excluded Property**") will be removed from the Acquisition and the purchase price for the Acquisition Properties will be reduced by the amount of the purchase price allocated to the Excluded Property. In addition, if Crombie LP's environmental due diligence review determines that any Acquisition Property has an environmental issue in respect of which the estimated remediation costs exceed $500,000 and/or with respect to which Crombie is unable to complete its environmental due diligence (each, an "**Impacted Property**"), Crombie LP or Sobeys West may elect to exclude the Impacted Property from the Acquisition (a "**Declined Impacted Property**"), and the purchase price for the Acquisition Properties will be reduced by the amount of the purchase price allocated to the Declined Impacted Property. If any Acquisition Property is removed from the Acquisition as an Excluded Property or a Declined Impacted Property, Sobeys West shall promptly offer to Crombie LP a substitute property or properties comparable (other than with respect to environmental issues) to the Excluded Property or Declined Impacted Property (a "**Substitute Property**"). If Crombie LP decides in its sole and unfettered discretion that it is interested in accepting a Substitute Property, the parties agree to promptly negotiate, acting reasonably and in good faith, the inclusion of the Substitute Property in the Acquisition, subject to Crombie LP's acceptance of terms for such inclusion. The parties may agree to delay the closing of the transfer of the Substitute Property for up to 12 months after the Acquisition Closing Date.

Notwithstanding anything to the contrary, in the event that the aggregate purchase price for the Acquisition Properties is reduced below $900 million due to the removal of Excluded Properties and

Declined Impacted Properties, and Crombie LP and Sobeys West have not reached agreement on sufficient Substitute Properties to increase the aggregate purchase price above $900 million by a date that is ten days prior to the closing date for the Acquisition, the parties shall, acting reasonably and in good faith, attempt to reach agreement on a number of Declined Impacted Properties to return to the Acquisition in order to increase the aggregate purchase price above $900 million. In the event that Crombie LP and Sobeys West do not reach agreement on the re-inclusion of sufficient Declined Impacted Properties, Sobeys West shall, acting reasonably and in good faith, select Declined Impacted Properties for which all environmental due diligence is complete to be included in the Acquisition, provided that Sobeys West shall be responsible at its sole cost to perform within 12 months after the closing all management, monitoring and remediation work required under applicable law or by Crombie LP's environmental consultants, to the satisfaction of Crombie LP, acting reasonably. The indemnity under the Omnibus Environmental Indemnity Agreement will also apply to the previously Declined Impacted Properties.

Indemnities

The Acquisition Agreement contains customary indemnity provisions between Sobeys West and Sobeys, on one hand, and Crombie LP, on the other hand, whereby each agrees to indemnify the other and their respective partners, unitholders, shareholders, directors, officers, employees and agents for any breaches or non-performance of the terms of the Acquisition Agreement and any breaches of representations or warranties. Sobeys West and Sobeys have also agreed to indemnify Crombie LP for any encumbrances affecting the Acquired Properties or other purchased assets, other than permitted encumbrances, litigation or other proceedings that affect the Acquisition Properties, notices of expropriation in respect of the Acquisition Properties, unpaid taxes relating to the Acquisition Properties, violations or proposed revocations of material permits relating to any of the Acquisition Properties, and any breach of the terms of any permitted encumbrance. Sobeys West and Sobeys have also agreed to indemnify Crombie LP for certain environmental liabilities pursuant to the Omnibus Environmental Indemnity Agreement, as described below.

Limits on Indemnification

Under the Acquisition Agreement, the indemnifying party is not liable for losses unless the aggregate of all losses suffered by the indemnified party exceeds a one-time deductible of $500,000 (the "**Deductible**"), in which case the indemnifying party will be liable only for the excess over the Deductible. In addition, no claim may be made by the indemnified party unless the aggregate losses exceed such Deductible and the aggregate of any claim by the indemnified party exceeds the amount of $50,000, which amount is not a deductible from the amount the indemnified party may be entitled to receive. The maximum liability of Sobeys West and Sobeys, on one hand, and Crombie LP on the other hand, is limited to 100% of the aggregate purchase price actually received by Sobeys West. These limitations do not apply to the Omnibus Environmental Indemnity Agreement.

Omnibus Environmental Indemnity Agreement

As a condition to the closing of the Acquisition, Sobeys and Sobeys West will enter into an Omnibus Environmental Indemnity Agreement with Crombie LP, Nominee and Crombie providing for an unlimited indemnity by Sobeys and Sobeys West for any issues related to the presence of hazardous materials on the applicable Acquisition Properties identified in the course of Crombie's environmental due diligence with respect to the Acquisition Properties for which any additional work is required or recommended by an independent professional consulting engineering firm (the "**Independent Engineers**") retained by Crombie, including matters identified up to 90 days after the Acquisition Closing. Crombie has retained Independent Engineers with extensive experience in environmental services to conduct Phase I environmental assessments with respect to each of the Acquisition Properties

and, where applicable, Phase II environmental assessments or other investigations or assessments necessary to identify any non-compliance with applicable environmental legal requirements. To the extent that such investigations and assessments are not complete prior to the closing of the Acquisition, Crombie LP shall cause the Independent Engineers to complete such investigations and assessments within 90 days following the Acquisition Closing.

For any Acquisition Properties in respect of which such investigations or assessments identify the existence of hazardous materials in excess of amounts permitted under applicable environmental laws, a threat to the health or safety of any employees and occupants of and/or invitees to the Acquisition Property or any other non-compliance with the requirements of applicable environmental laws or the generic criteria applicable from time to time in the jurisdiction where the Acquisition Property is located, in each case having regard to the property's current use (each, an "**Identified Issue**"), Sobeys shall retain the Independent Engineers to undertake such remediation and monitoring steps as may be contained in a work plan approved by the Independent Engineers and Crombie LP within 36 months following the closing of the Acquisition, except with respect to on-going monitoring that is required to extend beyond such period, and provided that if the Acquisition Property was a Declined Impacted Property under the Acquisition Agreement, such remediation and monitoring shall be completed within 12 months. Under the terms of the Omnibus Environmental Indemnity Agreement, Sobeys will indemnify Crombie LP, the Nominee and Crombie for any claims or costs imposed by, under or pursuant to applicable environmental laws which arise as a result of or in connection with any Identified Issue, the work done or required to be done in connection therewith or any breach of the Omnibus Environmental Indemnity Agreement by Sobeys or Sobeys West, including costs of remediation and monitoring work. The indemnity shall cease to apply with respect to any direct claims by Crombie LP, the Nominee or Crombie relating to any Acquisition Property for which the Independent Engineers complete an environmental assessment showing no further Identified Issues; however, the indemnity will remain in effect with respect to third party claims. The indemnification obligation is not limited in amount. For any Acquisition Property for which the cost of complying with the remediation and monitoring obligation is estimated to exceed $500,000 and in respect of which all environmental investigations and assessments were not completed prior to the closing of the Acquisition, Sobeys may offer to repurchase such Acquisition Property at the purchase price allocated to such Acquisition Property under the Acquisition Agreement and make available a Substitute Property. Crombie cannot assign the benefit of the Omnibus Environmental Indemnity Agreement to a purchaser of any of the Acquisition Properties, but may assign the benefit of the agreement to a lender.

The form of Omnibus Environmental Indemnity Agreement is attached to the Acquisition Agreement as Schedule D.

Sobeys Leases

Crombie LP, through the Nominee, will enter into separate lease agreements with respect to each of the Acquisition Properties, whereby Crombie LP or a subsidiary thereof will be the landlord and Sobeys West or an affiliate thereof will be the tenant of the entire Acquisition Property. Sobeys will be a party to the Sobeys Leases as an indemnifier. Any third party tenants occupying any portion of any Acquisition Properties will become a subtenant of the tenant, and the tenant will have the benefit of any subtenant rents. Each of the Sobeys Leases will be a fully net lease to the landlord, such that the tenant shall be responsible for all property taxes, insurance, maintenance and structural repairs (other than certain damage in excess of $100,000 as a result of a peril the tenant is not required to insure, which shall be paid for equally by Crombie LP and the tenant) during the term of the lease, and will permit the premises to be used as a retail food store or any other lawful retail use, subject to customary limitations. In the case of Acquisition Properties that are subject to ground leases, the tenant will be responsible for all costs related to the ground lease. The Sobeys Leases will have an initial term of three years and thereafter alternating between successive periods of two years and three years until an outside date of between 15 years and 20

years after the date of the Sobeys Lease (the "**Outside Dates**"), which Outside Date may be extended at the tenant's option by up to ten consecutive further periods of five years each, subject, if applicable, to Crombie LP securing a corresponding extension on the corresponding ground lease. Prior to the initial Outside Dates, the term of each Sobeys Lease will automatically be extended to the next period unless one party delivers a lapse notice prior to the expiry of the then current period that is accepted by the other party. If the lapse notice is not accepted by the other party the term of the lease will be automatically extended. As a result, each Sobeys Lease is not terminable by the tenant unilaterally prior to the applicable Outside Date. The average effective term of the Sobeys Leases, without giving effect to any extension of the Outside Dates, is 19.4 years. The aggregate annual minimum rents under all the Sobeys Leases will increase annually by 1.5% per year by year six with such increments starting in the second lease year on approximately 20% of the Acquisition Properties with an additional 20% of the Acquisition Properties increasing in years three through five, respectively. Rent is payable without deduction or set off. The form of Sobeys' Lease is attached to the Acquisition Agreement as Schedule E.

Benefits of the Acquisition

Management believes that the Acquisition will solidify Crombie's position as a national real estate landlord, improve the geographic diversification of Crombie's real estate portfolio, materially expand the size of Crombie's property portfolio and increase Crombie's operating and free cash flow.

The Acquisition significantly strengthens Crombie's position in Western Canada, providing a portfolio in highly sought-after locations. The transaction comprises approximately 3 million square feet of gross leasable area in Canada's fastest growing region with a significantly higher portion of NOI derived from Canada's top 36 markets than Crombie's existing portfolio. The Acquisition is consistent with Crombie's strategy of acquiring grocery or drug-store anchored retail centres, is expected to be accretive to Crombie's AFFO immediately following closing, and further leverages Crombie's existing relationship with Sobeys and Empire. Finally, Crombie believes the Acquisition provides future development potential in some of the strongest urban retail markets in Canada.

Background to the Acquisition

The Acquisition is the result of arm's length negotiations conducted by representatives of Crombie and Sobeys and their respective legal and financial advisors. The following is a brief summary of the material events leading up to the announcement of the Acquisition.

Crombie was formed in January 2006 as part of the reorganization of Empire pursuant to which a portfolio of 44 commercial properties (the "**Initial Properties**") of Empire was transferred to a separately created real estate investment trust. Crombie completed its initial public offering in March 2006, the proceeds of which were used to acquire the Initial Properties. Since its creation and initial public offering, Crombie has continued to grow and acquire additional properties from Empire and its subsidiaries and from various third party vendors.

Crombie's external growth strategy focuses primarily on acquisitions of income-producing, grocery-anchored retail properties. Crombie pursues two primary sources of acquisitions which are third party acquisitions and acquisitions from the relationship with Empire and Sobeys. The relationship with Empire and Sobeys includes currently owned and future development properties, as well as opportunities through the right of first refusal that one of Empire's subsidiaries has negotiated in certain of their third party leases.

Crombie continues to work closely with Empire and Sobeys to identify opportunities that further Crombie's external growth strategy. The relationship with Empire is governed by an agreement described under the heading "Material Contracts" in Crombie's annual information form for the year ended December 31, 2012, and Sobeys has confirmed that certain properties now held by Sobeys that it acquired

from Empire continue to be governed by that agreement. In addition, Crombie has obtained a right of first offer agreement (the "**ROFO Agreement**") from Sobeys to acquire both existing and newly developed income producing investment properties from Sobeys.

On May 9, 2013, representatives of Empire and Sobeys contacted Crombie's Chief Executive Officer, Donald Clow, and Chief Financial Officer, Glenn Hynes, and John Eby, Lead Trustee of Crombie on a confidential basis about the possible sale to Crombie of a portfolio of grocery-anchored retail properties that Empire and Sobeys would acquire as part of a possible acquisition of Canada Safeway's assets. On May 14, 2013, representatives of Crombie contacted representatives of Scotia Capital Inc. to begin discussions regarding potential financing for the Acquisition.

On May 17, 2013, Empire and Sobeys presented Crombie's senior management with preliminary details of the portfolio of commercial properties Empire and Sobeys proposed to sell to Crombie. Following this meeting, Mr. Clow and Mr. Hynes contacted Mr. Eby to discuss the status of the proposal. On May 27, 2013, Mr. Clow and Mr. Hynes contacted Brian Johnson, an independent trustee of Crombie, to discuss the proposal and next steps for Crombie's consideration of the proposal. From early May to early June 2013, preliminary discussions between Crombie management and Empire focused on the properties which could be made available for sale to Crombie in the transaction, the possible structure of the transaction, including environmental indemnities, and the nature of the leases that Crombie would require from Sobeys.

On June 11, 2013, a meeting of the Board was convened, at which senior management of Crombie provided the Board with an overview of the preliminary discussions between senior management of Crombie and representatives of Empire and Sobeys. At this meeting, representatives of Empire and Sobeys and senior management of Crombie provided separate presentations to the Board on the Acquisition.

As the Acquisition constitutes a "related party transaction" under MI 61-101, the Board established a special committee of independent Trustees (the "**Special Committee**") at the June 11, 2013 meeting for the purposes of considering and evaluating the Acquisition and approved the mandate for the Special Committee. The Board appointed Brian Johnson, David Graham, Elisabeth Stroback, John Eby, John Latimer and Michael Knowlton, being all of the independent elected members of the Board, to be members of the Special Committee, with Mr. Johnson as chair of the committee. The mandate of the Special Committee included: (i) examining, reviewing and evaluating the Acquisition with the assistance of management and legal and other advisors to Crombie and such other advisors as the Special Committee may determine to be necessary or advisable; (ii) consulting and entering into such discussions with Empire and its advisors and other representatives and such other persons as the Special Committee may determine to be necessary or advisable; (iii) considering and, as the Special Committee may determine to be necessary or desirable, determining whether the Acquisition is in the best interests of Crombie and should be pursued by Crombie and, as the Special Committee may determine to be necessary or advisable, reporting and making recommendations to the Board with respect to the Acquisition; (iv) supervising the negotiation of the Acquisition (including the consideration to be paid thereunder and the terms of any proposed issuance of debt or equity by Crombie); (v) supervising the preparation of any other documentation as the Special Committee may determine to be necessary or advisable; and (vi) doing any other such things as the Special Committee may determine to be necessary or advisable to allow the Special Committee to properly perform its responsibilities and to assist the Board in complying with its duties and obligations under the Declaration of Trust and applicable securities laws.

Later in the day on June 11, 2013, the Special Committee conducted its initial meeting at which Goodmans LLP ("**Goodmans**") was appointed as independent legal counsel to the Special Committee. At this meeting, Goodmans provided an overview of the Special Committee's duties and responsibilities and the role of legal counsel to the Special Committee, reviewed with the committee the terms of its mandate

and assisted the committee members in confirming their independence. Goodmans also explained that the Acquisition would constitute a "related party transaction" for the purposes of MI 61-101 and that therefore the responsibilities of the Special Committee included selecting and retaining a qualified and independent valuator and supervising the preparation of a formal valuation in respect of the Acquisition Properties. Goodmans also reviewed the anticipated process and timetable for the Acquisition with the committee and the various steps, public disclosure and approvals required including Unitholder approval at a special meeting, and provided an overview of a number of real estate matters, including title matters, arrangements proposed for the properties with development opportunities, environmental assessment and engineering reports, appraisals, the proposed form of lease agreement with Sobeys, third party leases and long and short-term financing requirements. Management also provided an overview of the Acquisition, including a detailed background of the Acquisition Properties, available financing options in connection with the Acquisition and management's expectations in terms of timing of the Acquisition.

The Special Committee, together with its legal counsel, met again on June 12, 2013, to review and discuss certain details of the Acquisition, including obtaining a formal valuation of the Acquisition Properties and a fairness opinion in respect of the consideration to be paid by Crombie in connection with the Acquisition. Following review and discussion, the Special Committee instructed management to continue to pursue the Acquisition, approved the engagement of Cushman & Wakefield Ltd. ("**Cushman**") as independent valuator in respect of the Acquisition to prepare and deliver a formal valuation of the Acquisition Properties required under MI 61-101 (the "**Formal Valuation**") and determined that a fairness opinion would be obtained in respect of the Acquisition. The Special Committee also instructed certain members of the Special Committee to contact and interview prospective financial advisors to prepare and deliver the fairness opinion.

On June 12, 2013, Empire and Sobeys announced the Canada Safeway Acquisition.

On June 13, 2013, representatives of Crombie contacted representatives of CIBC World Markets Inc. to discuss potential financing for the Acquisition. Discussions with CIBC World Markets Inc., Scotia Capital Inc. and Crombie's lenders regarding potential financing for the Acquisition continued from mid-June 2013 until late July 2013.

From mid June 2013 to late July 2013, management of Crombie and members of the Special Committee were in ongoing communication regarding the status of the Acquisition and outstanding issues. During this period, Crombie and Sobeys, together with their respective legal counsel, negotiated the documentation for the Acquisition. Crombie also continued with its due diligence of the Acquisition Properties and the Acquisition in general, and commenced preparation of documentation required for the related financings with assistance from its advisors.

During the week of June 17, 2013, certain members of the Special Committee met with prospective financial advisors regarding the preparation and delivery of a fairness opinion. At a meeting on June 20, 2013, the Special Committee met with its legal counsel and management. At this meeting, the committee considered the results of the interviews with financial advisors and approved the appointment of Brookfield Financial Corp. ("**Brookfield**") as independent financial advisor to prepare and deliver a formal opinion (the "**Fairness Opinion**") as to the fairness of the consideration to be paid by Crombie pursuant to the Acquisition, from a financial point of view. Management also provided the Special Committee with an update on a number of matters, including the key issues outstanding in the negotiations with Sobeys, the equity offering related to the Acquisition, the completion of the environmental assessments on the Acquisition Properties and the possibility of development rights in favour of Crombie with respect to certain Acquisition Properties.

In retaining Cushman and Brookfield, the Special Committee, based in part on representations made to it by Cushman and Brookfield, concluded that such parties were independent and qualified to provide the

Formal Valuation and the Fairness Opinion, respectively. Cushman and Crombie entered into an engagement letter dated June 26, 2013 to reflect the formal terms of engagement of Cushman to prepare and deliver the Formal Valuation. Brookfield and Crombie entered into an engagement letter dated July 12, 2013 to reflect the formal terms of engagement of Brookfield to prepare and deliver the Fairness Opinion.

On June 25, 2013, the Special Committee, together with its legal counsel, met to receive a transaction update from management as to the status of the Acquisition, key issues under negotiation, the proposed financings, the Fairness Opinion, and to discuss parameters for the Acquisition acceptable to the Special Committee, including with respect to purchase price, environmental assessments, the bridge financing and the offering of securities to fund the purchase price.

On June 27, 2013, the Special Committee, together with its legal counsel and management, met with Cushman to receive an update on the status of the Formal Valuation and the appraisal for the Acquisition Properties and to review a draft of the appraisal circulated in advance of the meeting. At this meeting, the Special Committee and management also discussed the status of the due diligence being conducted in connection with the Acquisition, the key issues being negotiated and the related financings to be completed in connection with the Acquisition.

On July 4, 2013, the Special Committee, together with its legal counsel, met with Brookfield to receive an update on the Fairness Opinion. Brookfield provided the Special Committee with an overview of the timing for delivery of their preliminary view and the formal Fairness Opinion.

On July 9, 2013, the Special Committee, together with its legal counsel, met to receive a transaction update from management as to the status of the Acquisition negotiations, due diligence, form of lease with Sobeys, the related financings, hedging and outstanding issues, and to discuss parameters for the outstanding issues that would be acceptable to the Special Committee. The Special Committee, management and counsel also discussed the timing and expected disclosure for the prospectus and circular to be issued by Crombie in connection with the Acquisition.

On July 12, 2013, Brookfield presented its preliminary views regarding the fairness of the consideration to be paid by Crombie pursuant to the Acquisition from a financial point of view to the Unitholders (other than Empire or any of its associates or affiliates). At the conclusion of the meeting, the Special Committee instructed management to continue to pursue the Acquisition.

On July 23, 2013, following the resolution of all outstanding issues concerning the Acquisition Agreement and receipt of the Formal Valuation, the appraisal for the Acquisition Properties and the Fairness Opinion, the Special Committee resolved that, based on a variety of factors as further discussed below under "— Recommendation of the Special Committee", the Acquisition is on commercially reasonable terms and is in the best interests of Crombie and its Unitholders, and unanimously resolved to recommend to the Board that it approve the Acquisition and recommend to Unitholders that they approve the Acquisition. On that same date, the Board met to receive the recommendation of the Special Committee and based on the recommendation of the Special Committee and the factors as further discussed under "— Recommendation of the Board" (with each of Paul Beesley, David Leslie, Frank Sobey, Kent Sobey and Paul Sobey declaring their interest and abstaining from voting) unanimously resolved that, subject to final approval of the Offering, the Private Placement and the Bridge Facilities (as defined under "– Source of Funds"), the Acquisition is on commercially reasonable terms, the consideration payable by Crombie pursuant to the Acquisition is fair, from a financial point of view to Unitholders (other than Empire and its associates and affiliates) and the Acquisition is in the best interests of Crombie, and has unanimously resolved to recommend to Unitholders that they vote in favour of the Acquisition at a special meeting of Unitholders.

The Board appointed a committee consisting of Brian Johnson, Michael Knowlton, Donald Clow and Paul Beesley (the "**Offering Committee**") to review and approve all matters related to the Offering (subject to certain limitations with respect to size and pricing) and the Bridge Facilities, and a committee consisting of Brian Johnson, Michael Knowlton and Donald Clow, being the members of the Offering Committee who are independent and disinterested within the meaning of MI 61-101 with respect to the Private Placement (the "**Private Placement Committee**"), to review and approve all matters related to the Private Placement.

On July 24, 2013, CIBC World Markets Inc., TD Securities Inc. and Scotia Capital Inc., on behalf of a syndicate of underwriters, presented Crombie with an offer to acquire the Subscription Receipts and Debentures on terms that fell within the authority of the Offering Committee and Crombie accepted such offer and agreed to undertake the Offering. The Offering Committee and the Private Placement Committee also approved the terms of the Private Placement, which had been determined by the pricing of the Offering. The Offering Committee also received and approved final commitment papers for the Bridge Facilities. As a consequence of the entering into commitments for the Offering, the Private Placement and the Bridge Facilities, the condition to the approval of the Acquisition was satisfied and on July 24, 2013, Crombie entered into the Acquisition Agreement with Sobeys and Sobeys West to acquire the Acquisition Properties and both Empire and Sobeys and Crombie issued press releases announcing the Acquisition and, in the case of Crombie, the related financings.

Recommendation of the Special Committee

The Special Committee has unanimously resolved that the Acquisition is on commercially reasonable terms and is in the best interests of Crombie and its Unitholders, and has unanimously recommended to the Board that the Board approve the Acquisition and recommend that Unitholders vote in favour of the resolution approving the Acquisition at the Meeting. In arriving at its conclusions and recommendations, the Special Committee reviewed and considered all aspects of the Acquisition, including the financial, legal and tax implications of the Acquisition and the benefits to Crombie and its Unitholders. The conclusions and recommendations of the Special Committee are based upon the following factors, among others:

- the Acquisition is consistent with the long-term strategy of Crombie, as disclosed in Crombie's public disclosure documents;
- the Acquisition significantly expands Crombie's asset base and property portfolio;
- the Acquisition improves the quality of Crombie's property portfolio;
- the Acquisition should be accretive to Crombie's AFFO on an annualized basis;
- the Acquisition Properties complement and strengthen Crombie's existing asset portfolio as 55% of the acquired *pro forma* NOI is located in four of eight top Canadian markets and 80% is located in Canada's top 36 markets;
- the Acquisition Properties are well-located and geographically focused in the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba and will increase the geographic diversity of Crombie's portfolio;
- the Acquisition is expected to strengthen the predictability and stability of Crombie's cash flow, which will in turn strengthen the predictability and stability of distributions to Unitholders;
- the Acquisition is expected to lower Crombie's long-term weighted average cost of capital;

- the Acquisition is expected to provide Crombie with significant urban development opportunities;

- equity financing related to the Acquisition will substantially increase Crombie's public float and thereby enhance liquidity for Unitholders;

- the Acquisition and related financings may result in improved flexibility of capital sources for Crombie;

- the Acquisition will improve the strategic relationship between Crombie, Empire and Sobeys, which will be to the benefit of Crombie;

- Brookfield concluded in its Fairness Opinion that, based upon and subject to the assumptions, limitations and other considerations set forth therein, as of July 23, 2013, the consideration payable by Crombie pursuant to the Acquisition is fair, from a financial point of view, to the Unitholders, other than Empire and its associates and affiliates (see "Business of the Meeting — Fairness Opinion");

- Cushman concluded that, subject to the lease agreements with Sobeys being in place, the current market value of the Acquisition Properties as a portfolio as of July 1, 2013 is estimated at $969.3 million (see "Business of the Meeting — Formal Valuation");

- the Special Committee was aware that Sobeys had obtained an appraisal of the Acquisition Properties from an independent appraiser that indicated an aggregate current value of $1.04 billion as of March 30, 2013 (the "**Sobeys Appraisal**");

- the purchase price of approximately $990 million to be paid by Crombie for the Acquisition Properties approximates the average of the market values determined by Cushman and the appraiser in the Sobeys Appraisal;

- the Acquisition may achieve a lower average interest rate than Crombie's average interest rate on existing mortgage debt;

- to the extent Phase I environmental site assessments on the Acquisition Properties recommend that further environmental site assessments be conducted, such environmental site assessments will be completed prior to closing of the Acquisition, or, if such further environmental site assessments cannot be completed prior to the expected Acquisition Closing, the Unitholders will be asked to approve a waiver of compliance with Crombie's Declaration of Trust provisions relating to environmental site assessments, and the Acquisition is conditional on receipt of all required Unitholder approvals;

- the form of lease will be a "fully net lease" and Sobeys will separately indemnify and save harmless Crombie from any material environmental issues disclosed by the environmental assessments described above pursuant to the Omnibus Environmental Indemnity Agreement; and

- the requirement under MI 61-101 that Crombie shall not carry out the Acquisition unless Crombie has obtained approval for the Acquisition under Part 8 of MI 61-101 from Unitholders other than Empire and related parties of Empire present in person or represented by proxy at the Meeting.

The foregoing discussion of the information and factors reviewed by the Special Committee is not, and is not intended to be, exhaustive. In view of the wide variety of factors considered by the Special Committee, the Special Committee did not find it practicable to, and therefore did not, quantify or otherwise assign relative weight to specific factors in making its determination. The conclusions and

recommendations of the Special Committee were made after consideration of all of the above-noted factors in light of the collective knowledge of the members thereof of the operations, financial condition and prospects of Crombie and was also based upon the advice of its advisors.

Recommendation of the Board

The Board (with each of Paul Beesley, David Leslie, Frank Sobey, Kent Sobey and Paul Sobey declaring their interest and abstaining from voting), based upon their investigations, including their consideration of the Fairness Opinion and the recommendation of the Special Committee and the factors referred to above, unanimously resolved that the Acquisition is on commercially reasonable terms, the consideration payable by Crombie pursuant to the Acquisition is fair, from a financial point of view to Unitholders (other than Empire and its associates and affiliates) and the Acquisition is in the best interests of Crombie, and has unanimously resolved to recommend to Unitholders that they vote in favour of the Acquisition at a Special Meeting.

In making its determination and recommendation, the Board has relied upon legal, financial, tax and other advice and information received during the course of its deliberations. The following is a summary of the factors, among others, that the Board considered in making its determination and recommendation on the Acquisition:

- the benefits of the Acquisition described under "Business of the Meeting — Benefits of the Acquisition" and "Business of the Meeting — Recommendations of the Special Committee";

- the Fairness Opinion, which is reproduced in full as Appendix "B" to this Circular, to the effect that the Purchase Price is fair, from a financial point of view, to Crombie;

- the terms and conditions of the Acquisition Agreement; and

- the terms and conditions of the Offering, the Private Placement and the Bridge Facilities.

The foregoing discussion of the information and factors considered and given weight by the Board is not intended to be exhaustive. In addition, in reaching the determination to approve the Acquisition Agreement and recommend approval of the Acquisition and Private Placement Resolution, the Board did not find it practical to, nor did it, assign any relative or specific weight to any specific foregoing factor, and individual Trustees may have given differing weights to different factors. The conclusions and recommendations of the Board were made after consideration of all of the above-noted factors in light of the collective knowledge of the members thereof of the operations, financial condition and prospects of Crombie and was also based upon the advice of its advisors.

Unitholders should consider the Acquisition carefully and come to their own conclusion as to whether or not to vote in favour of the Acquisition and Private Placement Resolution.

Fairness Opinion

Selection of Brookfield

The Special Committee has retained Brookfield to act as an independent financial advisor to the Special Committee in evaluating the Acquisition. The Special Committee determined based in part on certain representations made to it by Brookfield that Brookfield was independent and qualified to prepare a formal fairness opinion that will speak to the fairness, from a financial point of view, to the Unitholders, other than Empire and its associates and affiliates, of the consideration payable by Crombie pursuant to

the Acquisition. Under the terms of an engagement letter between Crombie and Brookfield, Crombie will pay Brookfield a fee for its services, which fee is not contingent upon the successful completion of the Acquisition or the content of the Fairness Opinion.

Credentials of Brookfield

Brookfield is a leading investment dealer that provides strategic and corporate advisory, debt and equity arranging, M&A advisory, valuation and investment brokerage services with a focus on real estate, infrastructure and energy sectors. The Fairness Opinion is the opinion of Brookfield and the form and content hereof have been reviewed and approved for release by a group of managing partners of Brookfield, each of whom is experienced in merger, acquisition, divestiture, valuation and fairness opinion matters.

The Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Investment Industry Regulatory Organization of Canada ("IIROC"), but IIROC has not been involved in the preparation or review of the Opinion.

Relationships with Interested Parties

Neither Brookfield nor any of its associated entities or affiliated entities is an issuer insider, associated entity or affiliated entity (as those terms are defined in the MI 61-101) of Crombie, Empire, Sobeys or any of their respective associated entities or affiliated entities (collectively the "**Interested Parties**"). Brookfield is not acting as an advisor to Crombie, Empire, Sobeys or any other Interested Party in connection with any matter, other than acting as financial advisor to the Special Committee.

Brookfield has not participated in any financing involving Crombie, Empire, Sobeys or any other Interested Party during the 24 month period preceding the date Brookfield was first contacted in respect of the Fairness Opinion, other than participating as an underwriter with a syndicate of other investment dealers, in three public financings for Crombie during the 24 month period preceding the date Brookfield was first contacted in respect of the Fairness Opinion as disclosed in final prospectuses of Crombie dated March 21, 2012, June 25, 2012 and December 7, 2012. However, Brookfield has not acted as a lead or co-lead underwriter in any underwriting involving Crombie, Empire, Sobeys or any other Interested Party.

Brookfield has not been engaged to provide any financial advisory services involving Crombie, Empire, Sobeys or any other Interested Party during the 24-month period preceding the date Brookfield was first contacted in respect of the Fairness Opinion, other than providing the Fairness Opinion.

Brookfield does not have a material financial interest in the completion of the Acquisition and the fees paid to Brookfield in connection with its engagement do not give Brookfield any financial incentive in respect of the conclusions reached in the Fairness Opinion or the outcome of the Acquisition.

There are no understandings, agreements or commitments between Brookfield and Crombie, Empire, Sobeys or any other Interested Party with respect to any future financial advisory or investment banking business. Brookfield may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for Crombie, Empire, Sobeys or any other Interested Party.

Fairness Opinion

Brookfield provided the Special Committee with the Fairness Opinion which indicates that, on the basis of the particular assumptions and considerations summarized therein, in the opinion of Brookfield, as of July 23, 2013, the consideration payable by Crombie pursuant to the Acquisition is fair, from a financial point of view, to the Unitholders, other than Empire and its associates and affiliates. The Fairness

Opinion is subject to the assumptions and limitations contained therein and should be read in its entirety. See "Appendix "B" — Fairness Opinion".

The full text of the Fairness Opinion describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Brookfield. The Fairness Opinion is attached as Appendix "B" and is incorporated into this Circular by reference. The Fairness Opinion is directed only to the fairness, from a financial point of view, of the consideration to be paid by Crombie under the Acquisition. The Fairness Opinion does not address the relative merits of the Acquisition as compared to other business strategies or transactions that might be available to Crombie or the underlying business decision of Crombie to effect the Acquisition. The Fairness Opinion does not constitute a recommendation by Brookfield to any Unitholder as to how such Unitholder should vote or act with respect to any matters relating to the Acquisition.

The summary of the Fairness Opinion set forth in this Circular is qualified in its entirety by reference to the full text of the Fairness Opinion.

Formal Valuation

As the Acquisition constitutes a "related party transaction" under MI 61-101, Crombie is required to obtain a formal valuation of the Acquisition Properties by an independent qualified valuator.

Selection of Cushman

On June 12, 2013, the Special Committee approved the engagement of Cushman to prepare the formal valuation of the Acquisition Properties. In retaining Cushman, the Special Committee, based in part on representations made to it by Cushman, concluded that Cushman was independent and qualified to provide the Formal Valuation and should be retained for the purposes of, among other things, preparing and delivering to the Special Committee the formal valuation of the Acquisition Properties required under MI 61-101. Cushman and Crombie entered into an engagement letter dated June 26, 2013 to reflect the formal terms of engagement of Cushman to prepare the Formal Valuation of the Acquisition Properties. Pursuant to the terms of such engagement letter, Crombie agreed to pay a fixed fee to the Valuator as compensation for its services and out-of-pocket expenses incurred by the Valuator.

Credentials of Cushman

Cushman has been actively involved in the appraisal of institutional and corporate-related properties for over 50 years and is internationally recognized as an industry leader in valuation. It is one of the largest commercial real estate appraisal firms in the world, with over 475 valuation professionals in 80 offices globally. The Canadian operations of Cushman and its predecessor Royal LePage Advisors has been actively involved in valuation and advisory assignments for approximately 40 years. Cushman has offices in the six major Canadian markets and is responsible for doing many major valuation assignments across Canada.

Independence of Cushman

Neither Cushman, nor any of its associated or affiliated entities (as such term is defined for purposes of MI 61-101) is an insider, associate or affiliate (as those terms are defined in the Securities Act (Ontario)) of the Interested Parties.

Cushman is not acting as an advisor to Crombie, Empire, Sobeys or any other Interested Party in connection with the Acquisition or the Acquisition Properties, other than acting as advisor to the Special Committee including the preparation and delivery of the Formal Valuation.

During the 24 months before Cushman was first contacted by the Special Committee for the purpose of the Formal Valuation, neither Cushman nor any of its affiliated entities had a material financial interest in a transaction involving an Interested Party, other than with respect to the provision of professional services from time to time on a fee-for-services basis, on customary terms for customary fees. In addition, from time to time Cushman has provided valuation services on the above-noted basis to Crombie in connection with Crombie's acquisition of new properties, as required by Crombie's declaration of trust. Such engagements are completed on customary terms for customary fees.

Cushman does not have a material financial interest in the completion of the Acquisition and the fees paid to Cushman are not contingent upon the conclusions reached in the Formal Valuation or the outcome of the Acquisition. There are no understandings, agreements or commitments between Cushman and Crombie, Empire, Sobeys or any other Interested Party with respect to any future advisory business. Cushman may, in the future, in the ordinary course of its business, perform valuation services for Crombie, Empire, Sobeys or any other Interested Party.

Cushman confirmed that it is of the view that it is "independent" (as that term is defined in MI 61-101) of all Interested Parties for the purposes of preparing and delivering the Formal Valuation.

Summary of the Formal Valuation

Cushman was not given any limiting instructions. The Formal Valuation was prepared in conformity with the Canadian Uniform Standards of Professional Appraisal Practice as adopted by the Appraisal Institute of Canada and Cushman confirmed that the Formal Valuation had been prepared in accordance with the formal valuation requirements of MI 61-101 and the companion policy thereto. The Appraisal Institute of Canada has defined market value as "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus". According to the Appraisal Institute of Canada, implicit in the definition of market value is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (i) buyer and seller are typically motivated; (ii) both parties are well informed or well advised, and acting in what they consider their best interests; (iii) a reasonable time is allowed for exposure of each individual property in the open market; (iv) payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and (v) the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

In the Formal Valuation, Cushman estimated the aggregate market value of the Acquisition Properties as a portfolio as at July 1, 2013 to be $969.3 million, without including a portfolio premium. The estimated aggregate market value of the 29 Acquisition Properties located in British Columbia was approximately $371.7 million, the estimated aggregate market value of the 27 Acquisition Properties located in Alberta was approximately $442.3 million, the estimated aggregate market value of the three Acquisition Properties located in Saskatchewan was approximately $39.6 million and the estimated aggregate market value of the nine Acquisition Properties located in Manitoba was approximately $115.7 million. The estimated market value of the Acquisition Properties was determined by Cushman by using an income valuation approach (which utilized both the direct capitalization method and the discounted cash flow approach). The income approach adopts the rationale that there is a relationship between the income earned by the property and its market value. With the income approach, the value estimate is based on the present or discounted worth of the future earnings that can be expected from the property. These valuation methods are methods traditionally used by investors when acquiring properties of this nature. Cushman gave consideration to the characteristics of each asset such as its location, accessibility, site area, zoning and neighbouring population. Cushman visited almost all of the Acquisition Properties to assess location and physical characteristics and estimated the highest and best use for each property. Valuation

parameters were used, having regard to national and provincial economic overview, retail trends and the overall Canadian grocery industry. In appraising the Acquisition Properties, Cushman assumed that title to the Acquisition Properties is good and marketable.

The full text of the Formal Valuation describes the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Cushman. The foregoing is a summary of the Formal Valuation and Unitholders are hereby cautioned that such summary may distort the findings of the Formal Valuation and are advised to read the Formal Valuation in its entirety. The Formal Valuation is available under Crombie's SEDAR profile on the SEDAR website at www.sedar.com. In addition, the full text of the Formal Valuation may be viewed at Crombie's offices located at 115 King Street, Stellarton, Nova Scotia B0K 1S0, and a copy of the Formal Valuation will be sent to any Unitholder upon request subject to a nominal charge to cover printing and mailing costs.

The Formal Valuation was one of many factors considered by the Special Committee in its evaluation of the Acquisition and should not be viewed as determinative of the views of the Special Committee, the Board or management with respect to the Acquisition or the purchase price provided for in the Acquisition.

Source of Funds

Crombie intends to fund the purchase price for the Acquisition through a combination of the net proceeds of the Offering and the Private Placement and drawing under the Bridge Facilities. If any of these sources of funds, including the Private Placement, are not available, Crombie may not have sufficient financial resources to complete the Acquisition.

Public Offering

Crombie intends to partially fund the purchase price for the Acquisition Properties by offering pursuant to a short form prospectus 17,720,000 Subscription Receipts at a price of $12.70 per Subscription Receipt, and $75,000,000 aggregate principal amount of Debentures. The total net proceeds received by Crombie from the Offering were approximately $285.8 million, after deducting the underwriters' fee in respect of the Subscription Receipts and Debentures issued and sold by Crombie and the estimated expenses of the Offering. The net proceeds from the sale of the Subscription Receipts and Debentures will be entirely used to finance a portion of the Purchase Price. Crombie has entered into an underwriting agreement with certain underwriters pursuant to which the underwriters have agreed to purchase the Subscription Receipts and Debentures, subject to customary conditions. The Offering is expected to close on August 14, 2013.

Subscription Receipts

The proceeds from the sale of the Subscription Receipts, net of half of the Underwriters' fee payable with respect to the Subscription Receipts (the "**Escrowed Funds**"), will be held by CIBC Mellon Trust Company, as subscription receipt agent (the "**Subscription Receipt Agent**"), and invested in short-term obligations of, or guaranteed by, the Government of Canada (and other approved investments) pending the earlier of the completion of the Acquisition or the occurrence of a Termination Event (as defined herein). Upon satisfaction of the conditions to the Acquisition, other than payment of the Purchase Price (the "**Escrow Release Condition**"), the Escrowed Funds, net of the balance of the Underwriters' fee payable with respect to the Subscription Receipts and an amount in respect of a Subscription Receipt adjustment payment reflecting cash distributions made by Crombie to its Unitholders for which the record dates occur while the Subscription Receipts are outstanding, will be released to Crombie and one Unit will be issued to each Subscription Receipt Holder for each Subscription Receipt held. Upon the release

thereof, Crombie will utilize the Escrowed Funds to pay a portion of the purchase price for the Acquisition.

If the closing of the Acquisition occurs on or before 5:00 p.m. (Toronto time) on March 12, 2014 (the "**Deadline**") and the holders of Subscription Receipts ("**Subscription Receipt Holders**") become entitled to receive Units, such holders will also be entitled to receive, without duplication, an amount, if any, representing the Subscription Receipt adjustment payment, less applicable withholding taxes, if any, for each Subscription Receipt so held, provided that to the extent that the Subscription Receipt adjustment payment includes amounts in respect of cash distributions on the Units for which record dates have occurred and have not yet been paid, such amounts shall not be payable to the Subscription Receipt Holders until the date that such related cash distributions are paid to Unitholders, unless Crombie elects to pay such amounts earlier.

If (i) the closing of the Acquisition does not take place on or before the Deadline, (ii) Crombie delivers to the Underwriters and the Subscription Receipt Agent a notice executed by Crombie that the Acquisition Agreement has been terminated or that Crombie will not be proceeding with the Acquisition, or (iii) Crombie formally announces to the public by way of a press release that it does not intend to proceed with the Acquisition (in any case, a "**Termination Event**"), the Subscription Receipt Holders shall be entitled to receive an amount equal to the full Subscription Price and their pro rata entitlements to the interest earned on the Escrowed Funds. Upon such payment, the Subscription Receipts will become void and of no value or effect.

Debentures

The Debentures bear interest at an annual rate of 5.25%, payable semi-annually on March 31 and September 30 in each year commencing September 30, 2013 and have an initial maturity date on the date on which a Termination Event occurs (the "**Initial Maturity Date**"). If the Acquisition Closing Date takes place prior to a Termination Event, the maturity date will be automatically extended from the Initial Maturity Date to March 31, 2021 (the "**Final Maturity Date**"). If the Acquisition Closing Date does not take place prior to a Termination Event, the Debentures will mature on the Initial Maturity Date.

Each Debenture will be convertible into freely tradeable Units at the option of the holder of a Debenture (the "**Debentureholder**") at any time prior to the close of business on the earlier of (i) the Initial Maturity Date or the Final Maturity Date, as applicable, and (ii) if called for redemption, on the business day immediately preceding the date specified by Crombie for redemption of the Debentures, at a conversion price of $17.15 per Unit (the "**Conversion Price**"), subject to adjustment in certain events. Debentureholders converting their Debentures will receive accrued and unpaid interest on such Debentures for the period from the last interest payment date on their Debentures (or the date of issue of their Debentures if no interest has yet been paid by Crombie) to and including the last record date for distributions to Unitholders declared by Crombie prior to such conversion. Notwithstanding the foregoing, no Debenture may be converted during the five business days preceding March 31 and September 30 in each year, as the registers of the Debenture Trustee (as defined herein) will be closed during such periods.

The Debentures are not redeemable prior to August 14, 2016, except upon the satisfaction of certain conditions after a change of control. On or after August 14, 2016 and prior to or on August 14, 2018, the Debentures may be redeemed by Crombie, in whole or in part, on not more than 60 days' and not less than 30 days' prior notice, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, provided that the volume-weighted average trading price of the Units on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date on which notice of redemption is given exceeds 125% of the Conversion Price. After August 14, 2018, and prior to the Final

Maturity Date, the Debentures may be redeemed by Crombie, in whole or in part, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest.

Crombie may, at its option and in accordance with the Indenture, subject to applicable regulatory approval, elect to satisfy its obligation to repay all or any portion of the principal amount of the Debentures that are to be redeemed or that are to mature, or elect, from time to time, to satisfy its obligation to pay interest on the Debentures by issuing and delivering freely-tradable Units to the holder of the Debentures.

Private Placement

In addition to the issuance of the Subscription Receipts and Debentures, ECL, a wholly owned subsidiary of Empire, has agreed to purchase 11,811,024 Class B LP Units of Crombie LP and the accompanying Special Voting Units of Crombie, on the Acquisition Closing at the same $12.70 per Class B LP Unit offering price as the Subscription Receipts, for aggregate proceeds of $150,000,005. The Private Placement is being entered into in satisfaction of ECL's existing pre-emptive right to maintain its interest in Crombie on a fully-diluted basis. Each Class B LP Unit is exchangeable for one Unit.

Bridge Financing

Crombie intends to use the approximately $434.2 million net proceeds from the Offering and the Private Placement to fund a portion of the purchase price for the Acquisition. Crombie LP has obtained a commitment from a Canadian chartered bank (the "**Bridge Lender**") to provide Crombie with three fully-underwritten non-revolving credit facilities of up to $600 million in aggregate to be used in whole or in part to finance part of the purchase price for the Acquisition Properties (the "**Bridge Facilities**"). The Bridge Lender intends to syndicate the Bridge Facilities to one or more financial institutions and institutional lenders prior to the Acquisition Closing Date.

The Bridge Facilities consist of three senior secured non-revolving term credit facilities in the maximum principal amounts of $200 million, $200 million and $200 million, each available as a single drawdown, and maturing on the first, second and third anniversaries, respectively, of the closing of the Acquisition. The initial draw under the Bridge Facilities shall not exceed the lesser of (i) 60% of the average of the appraisals of the Acquisition Properties obtained by Crombie and by Sobeys, and (ii) 60% of the purchase price for the Acquisition Properties as set forth in the Acquisition Agreement. The Bridge Facilities are subject to mandatory prepayments in the event that any Acquisition Property is sold, is included in a mortgage or other permanent financing or undergoes an insurable event, in each case in an amount equal to the greater of the proceeds realized or the specified lending value attributed to the applicable property. The Bridge Facilities may be drawn in Canadian dollars as either a prime rate loan or bankers acceptance, or in U.S. dollars as either a BRCAN loan or a LIBOR loan. BRCAN is the base rate of interest publicly announced or posted from time to time by the Bridge Lender as being its reference rate then in effect for determining interest rates on demand commercial loans granted in Canada in U.S. dollars. LIBOR is the London Interbank Offered Rate. The facilities will bear interest at the applicable reference rate plus an applicable margin ranging from 0.75% to 2.25% depending on the nature of loan drawn and Crombie's compliance with respect to certain financial ratios. The Bridge Facilities will be secured by guarantees from certain of Crombie's subsidiaries, by a first priority charge and/or mortgage in respect of each Acquisition Property, by a first priority assignment of rents and leases in respect of each Acquisition Property, assignment of material contracts in respect of the Acquisition, including the Acquisition Agreement, the Omnibus Environmental Indemnity Agreement and any other relevant material contract executed by Sobeys or certain of its subsidiaries, and by designation of the Bridge Lender as first loss payee and as an additional insured with respect to all insurance policies applicable to the Acquisition Properties.

The Bridge Facilities are subject to completion of definitive documentation which shall contain customary representations and warranties and restrictive covenants, including compliance with certain financial ratios and restrictions on further borrowing, certain acquisitions and dispositions, restrictions on granting liens and restrictions on certain distributions. Crombie's ability to make draws under the Bridge Facilities will be subject to satisfaction of conditions including completion of equity or convertible debenture financing of at least 40% of the purchase price for the Acquisition Properties as set forth in the Acquisition Agreement, *pro forma* compliance with the financial covenants, and certain other customary conditions.

In addition, the Bridge Facilities are subject to certain "market flex" provisions which if exercised could adversely affect the structure, pricing and other terms and conditions of the Bridge Facilities. Pursuant to the "market flex" provisions, the Bridge Lender shall be entitled to (i) increase the pricing (including interest rate margins) and modify any other terms and provisions of the Bridge Facilities, and (ii) make any structural changes to the Bridge Facilities, in each case if the Bridge Lender determines that such modifications are reasonably necessary to complete the syndication of the Bridge Facilities such that the loans and commitments of Bridge Lender under the Bridge Facilities do not exceed its target hold. Notwithstanding the foregoing, the Bridge Lender shall not be permitted to: (a) decrease the aggregate principal amount or alter the maturity dates of the Bridge Facilities available to Crombie on the Acquisition Closing, or (b) increase the interest rate margins by more than a mutually agreed limit.

Crombie is currently analyzing its options for long term financings of the Acquisition Properties. Crombie will apply the total net proceeds from the long term financings intended to be obtained on the Acquisition Properties to repay the Bridge Facilities.

Background to the Private Placement

Pursuant to the exchange agreement dated March 23, 2006 (the "**Exchange Agreement**") between Crombie, Crombie Subsidiary Trust, a trust established under the laws of the Province of Ontario, the sole unitholder of which is Crombie ("**CS Trust**"), Crombie LP, Crombie General Partner Limited, a company incorporated under the laws of Nova Scotia and which is a wholly-owned subsidiary of CS Trust ("**Crombie GP**"), and ECL Properties Limited ("**ECL Properties**"), ECL Properties was granted certain rights in respect of Crombie, which include a pre-emptive right, for so long as ECL Properties and its affiliates continue to hold at least 10% of the Units (including Units issuable upon the exchange of the Class B LP Units of Crombie LP), to purchase Units in Crombie to maintain its pro rata ownership interest in Crombie. ECL Properties holds its interest in Crombie through its wholly-owned direct subsidiary ECL, a company existing under the laws of Nova Scotia, and has assigned its pre-emptive right to ECL.

As of the date hereof, ECL holds 42.7% of the economic and voting interest in Crombie through its ownership of 38,430,221 Class B LP Units and Special Voting Units and 909,090 Units. Each Class B LP Unit entitles the holder to cash distributions from Crombie LP equal to the distributions paid to holders of Units by Crombie. Each Class B LP Unit is accompanied by one Special Voting Unit of Crombie which provides the Class B LP Unit holder with the same voting rights in Crombie as one Unit provides to a Unitholder. Each Class B LP Unit is exchangeable into one Unit (subject to customary anti-dilution adjustments).

In connection with the Offering and the possible exchange or conversion of the Subscription Receipts and Debentures for Units, Crombie was notified that in satisfaction of the pre-emptive rights of ECL under the Exchange Agreement to acquire Subscription Receipts and Debentures, ECL would prefer to subscribe for a number of Class B LP Units and Special Voting Units not to exceed the maximum number of Units issuable upon exchange of Subscription Receipts to which ECL would be entitled under the pre-emptive right, to be consistent with the majority of its prior investments in Crombie.

As a result of ECL's economic and voting interest in Crombie, the Private Placement constitutes a "related party transaction" under MI 61-101. MI 61-101 provides a number of circumstances in which a transaction between an issuer and a related party may be subject to valuation and minority approval requirements. Crombie has received exemptive relief from the requirements of MI 61-101 that, subject to certain conditions, exempts Crombie from the valuation requirement in respect of the Class B LP Units to be issued in the Private Placement. This exemptive relief was granted on the basis that the Class B LP Units and the associated Special Voting Units are the economic and voting equivalents of the Units.

The Board appointed a committee consisting of Brian Johnson, Michael Knowlton and Donald Clow, each of whom is independent with respect to the Private Placement within the meaning of MI 61-101, to review and approve the terms of the Private Placement. This committee approved the terms of the Private Placement based on (i) the Class B LP Units and Special Voting Units issuable under the Concurrent Private Placement are the economic equivalent of the Units issuable upon exchange of Subscription Receipts that ECL would be entitled to receive under its pre-emptive right in respect of the Offering, (ii) the form of investment by ECL is consistent with the majority of its prior investments in Crombie and (iii) the pricing of the Class B LP Units was based on the pricing of the Subscription Receipts, which was determined by negotiation between Crombie and the underwriters.

Consequently, concurrently with the exchange of the Subscription Receipts for Units, pursuant to the Private Placement, ECL has subscribed for, and Crombie LP and Crombie will issue to ECL, 11,811,024 Class B LP Units and the associated Special Voting Units, at a price of $12.70 per Class B LP Unit, equal to the price per Subscription Receipt under the Offering. The Class B LP Units and Special Voting Units to be issued in the Private Placement are equivalent to approximately 22.0% of the Units issued and outstanding as of the date of this Circular on an undiluted basis prior to the Private Placement, without giving effect to any exchanges or conversions of outstanding Class B LP Units, Subscription Receipts or convertible debentures of Crombie. The Private Placement will be completed by way of an exemption from the prospectus requirements under the applicable securities laws.

After giving effect to the Private Placement, the Offering and the exchange of the Subscription Receipts for Units, ECL will hold a 42.1% economic and voting interest in Crombie through its ownership of 50,241,245 Class B LP Units and Special Voting Units and 909,090 Units. Should all outstanding convertible debentures of Crombie be converted into Units in accordance with their terms, then ECL's economic and voting interest in Crombie could be decreased to approximately 39.3%. If a Termination Event occurs and the Subscription Receipts are not converted into Units, then the Private Placement will not occur.

Neither Crombie nor, to the knowledge of Crombie after reasonable inquiry, ECL, has knowledge of any material information concerning Crombie or its securities that has not been generally disclosed.

Amendment to the Declaration of Trust

Section 6.2(n) of Crombie's Declaration of Trust provides as follows:

> "[Crombie] shall obtain a Phase I environmental site assessment of each real property to be acquired by it and, if the Phase I environmental site assessment report recommends that a further environmental site assessment be conducted, the Trust shall have conducted such further environmental site assessments, in each case by an independent and experienced environmental consultant; as a condition to any acquisition such assessments shall be satisfactory to the Trustees."

In connection with the Acquisition, Sobeys and Sobeys West have agreed to provide an unlimited indemnity to Crombie for any issues related to the presence of hazardous materials on the applicable Acquisition Properties identified in the course of Crombie's environmental due diligence with respect to

the Acquisition Properties for which any additional work is required or recommended by the Independent Engineers, including matters identified up to 90 days after the Acquisition Closing. See "Business of the Meeting – The Acquisition – Omnibus Environmental Indemnity Agreement".

Each of the Acquisition Properties has been the subject of a Phase I environmental site assessment by the Independent Engineers (each, a "**Phase I Assessment**"). Based on the Phase I Assessments, the Independent Engineers have recommended a Phase II environmental site assessment involving intrusive soil, air and/or groundwater sampling and analysis at 14 of the Acquisition Properties and have recommended sub-slab vapour monitoring or a combination of sub-slab vapour monitoring and ground water monitoring at 25 additional properties. See "Description of the Acquisition Properties – Assessment of the Acquisition Properties – Environmental Site Assessments".

Based on the advice of the Independent Engineers and Crombie's expectations with respect to the timing of the Acquisition Closing, Crombie expects that these recommended assessments will be completed prior to the Acquisition Closing. However, in the event that these assessments take longer than expected to complete, or matters are discovered requiring further assessment, or if the other conditions to the Acquisition Closing are completed sooner than currently expected, Crombie may be otherwise ready to close the Acquisition before the requirements of Section 6.2(n) of the Declaration of Trust are satisfied.

Any matters identified in the recommended site assessments prior to or within 90 days after the Acquisition Closing as requiring remediation or additional work, including ongoing annual groundwater or other monitoring, further on-site delineation, preparation of risk assessments and/or obtaining verification information from either tenants or adjoining owners or government officials to determine if further investigation or remediation is necessary, will be subject to the Omnibus Environmental Indemnity Agreement. As a result, the Trustees have determined that the risks ordinarily intended to be addressed by the requirements set forth in Section 6.2(n) of the Declaration of Trust have been substantially eliminated, and there is no benefit to delaying the Acquisition Closing in order to complete any outstanding environmental site assessments.

Therefore, the Unitholders are being asked to approve the Amendment Resolution. If the Unitholders approve the Amendment Resolution, the Trustees will retain discretion to effect the amendment at such time as the Trustees determine, or not to proceed with the amendment, without further notice to or approval of the Unitholders.

Vote Required

Unitholders will be asked to consider and vote upon the Acquisition and Private Placement Resolution and the Amendment Resolution.

Acquisition and Private Placement Resolution

To be effective, the Acquisition and Private Placement Resolution must be approved by more than 50% of the votes cast by the Unitholders, voting together, either in person or by proxy, at the Meeting who are not Empire or related parties of Empire whose votes are required to be excluded under MI 61-101.

The issuance of the Class B LP Units pursuant to the Private Placement is subject to TSX approval because the Class B LP Units are exchangeable for Units, and have attached Special Voting Units. The TSX has conditionally approved the issuance of 11,811,024 Class B LP Units to be issued to ECL pursuant to the Private Placement, and any future issuance of Units upon exchange of those Class B LP Units, representing approximately 22.0% of the Units issued and outstanding as of the date of this Circular on an undiluted basis prior to the Private Placement, without giving effect to any exchanges or conversions of outstanding Class B LP Units, Subscription Receipts or convertible debentures of Crombie.

Because the Private Placement involves the issuance to an insider of voting securities in excess of 10% of those outstanding, and because the closing of the Private Placement may occur more than 135 days after the announcement of the Private Placement, at which time the $12.70 per unit purchase price for the Class B LP Units may represent a discount to the then applicable market price of the Units that is more than the 15% discount that applicable rules of the TSX would permit for a private placement of Units, it is a condition of the TSX approval that disinterested Unitholders of Crombie approve the Private Placement, including the issuance of Class B LP Units. Approval of the Acquisition and Private Placement Resolution shall include approval of the deadline for the closing of the Private Placement being extended to December 12, 2013 or March 12, 2014, as applicable, in order to match the date of the Acquisition Closing. The TSX has conditionally approved extending the 135 day deadline for completing the Private Placement as described, subject to receipt of approval of the Private Placement as described in this Circular. The approval must be by at least 50% of the votes cast at a meeting of Unitholders excluding the votes attached to the voting securities held, directly or indirectly, by ECL and its associates and affiliates within the meaning of the *Securities Act* (Ontario).

The votes attached to the 38,430,221 Special Voting Units and 909,090 Units held indirectly by Empire through ECL, representing 42.7% of the issued and outstanding Units and Special Voting Units combined, will be excluded from the vote on the Acquisition and Private Placement Resolution. In addition, the number of additional Units which will be excluded from the vote on the Acquisition and Private Placement Resolution for the purposes of TSX approval and MI 61-101 is estimated to be 203,200, representing approximately 0.38% of the outstanding Units.

The following table indicates the number and percentage of Units owned or controlled by holders other than ECL whose votes will be excluded from the vote on the Acquisition and Private Placement Resolution:

Name and Position	Units Beneficially Owned	Approximate Percentage of Units Outstanding
Paul V. Beesley Executive VP, CFO and Secretary of Empire	12,500	0.02%
Robert P. Dexter, Director of Empire	50,000	0.09%
Paul Jewer Executive VP, CFO and Secretary of Sobeys	1,000	-
David Leslie, Trustee of Crombie and Director of Empire	11,700	0.02%
Stewart Mahoney, VP, Treasury & Investor Relations of Empire	8,000	0.01%
David F. Sobey, Director of Empire	80,000	0.15%
Frank C. Sobey, Trustee, Chairman of Crombie and Director of Empire	20,000	0.04%
Paul D. Sobey, Trustee of Crombie, Director, President, and CEO of Empire	20,000	0.04%
TOTAL:	**203,200**	**0.38%**

The Trustees and senior officers of Crombie who are independent of Empire, and who collectively own, directly or indirectly, or exercise control or direction over, approximately 0.8% of the outstanding Units, have indicated that they intend to vote in favour of the Acquisition and Private Placement Resolution.

The Board of Trustees unanimously recommends that the Unitholders vote "FOR" the Acquisition and Private Placement Resolution as set out in this Management Information Circular. Unless such authority is withheld, the person named in the accompanying proxy will vote "FOR" the Acquisition and Private Placement Resolution.

Amendment Resolution

The Amendment Resolution requires the approval of two-thirds of the votes cast by all of the Unitholders present in person or represented by proxy at the meeting, including votes attached to the Special Voting Units. ECL, which holds 42.7% of the issued and outstanding Units and Special Voting Units, has indicated that it intends to vote in favour of the Amendment Resolution. In addition, the Trustees and senior officers of Crombie, who collectively own, directly or indirectly, or exercise control or direction over, approximately 0.5% of the outstanding Units and Special Voting Units combined, have indicated that they intend to vote in favour of the Amendment Resolution.

The Board of Trustees unanimously recommends that the Unitholders vote "FOR" the Amendment Resolution as set out in this Management Information Circular. Unless such authority is withheld, the person named in the accompanying proxy will vote "FOR" the Amendment Resolution.

DESCRIPTION OF THE ACQUISITION PROPERTIES

The Acquisition Properties represent an aggregate of approximately 3 million square feet of gross leasable area ("**GLA**") and consist of 49 freestanding stores and 19 retail plazas, each anchored by a Canada Safeway store. As detailed in the table below, all of the Acquisition Properties are located in Western Canada, with a high concentration of the assets located in highly sought-after urban locations. The two Acquisition Properties identified with an asterisk (*) in the table below are subject to ground leases and Crombie LP will acquire the leasehold interests in such ground leases.

Location	Property Type	Address	GLA (Sq. Ft.)
British Columbia			
Castlegar	Single Tenant	1721 Columbia Avenue	25,000
Chilliwack	Single Tenant	45850 Yale Road	50,000
Coquitlam	Single Tenant	1033 Austin Road	20,000
Cranbrook	Single Tenant	1200 Baker Street	47,000
Kamloops	Single Tenant	750 Fortune Drive	45,000
Kamloops	Single Tenant	945 Columbia Street W	47,000
Kelowna	Single Tenant	697 Bernard Avenue	24,000
Langley	Single Tenant	20871 Fraser Highway	53,000
Langley	Single Tenant	27566 Fraser Highway	43,000
Mission	Multi Tenant	32520 Lougheed Highway	55,000
New Westminster	Single Tenant	800 McBride Boulevard	43,000
Penticton	Multi Tenant	1303 Main Street	63,000
Port Coquitlam	Single Tenant	2850 Shaughnessy Street	49,000
Prince Rupert	Multi Tenant	200 2 Avenue W	46,000
Quesnel	Single Tenant	445 Reid Street	25,000
Richmond	Single Tenant	6140 Blundell Road	28,000
Smithers	Single Tenant	3664 Yellowhead Highway	43,000

Location	Property Type	Address	GLA (Sq. Ft.)
Surrey	Single Tenant	8860 152 Street	52,000
Surrey	Multi Tenant	7450 120 Street	52,000
Trail	Multi Tenant	1599 Second Avenue	25,000
Vancouver	Multi Tenant	2733 West Broadway	55,000
Vancouver	Multi Tenant	3410 Kingsway	48,000
Vancouver	Multi Tenant	1641 & 1653 Davie Street	40,000
Vancouver	Single Tenant	990 King Edward Avenue W	28,000
Vancouver	Single Tenant	1170 27 Street E	37,000
Vancouver*	Single Tenant	1175 Mount Seymour Road	36,000
Vancouver	Single Tenant	1780 East Broadway	42,000
Vernon	Single Tenant	3417 30 Avenue	31,000
Vernon	Single Tenant	4300 32 Street	48,000
Total British			**1,200,000**
Alberta			
Banff*	Single Tenant	318 Marten Street	19,000
Brooks	Multi Tenant	550 Cassils Road W. & 645 – 4 Street	54,000
Calgary	Single Tenant	813 11 Avenue SW	38,000
Calgary	Single Tenant	524 Elbow Drive SW	24,000
Calgary	Single Tenant	410 10 Street NW	36,000
Calgary	Single Tenant	55 Castleridge Boulevard NE	53,000
Calgary	Multi Tenant	99 Crowfoot Crescent NW	71,000
Calgary	Single Tenant	3550 32 Avenue NE	65,000
Calgary	Single Tenant	850 Saddletowne Circle NE	51,000
Calgary	Multi Tenant	2425 34 Avenue SW	46,000
Calgary	Single Tenant	5048 16 Avenue NW	42,000
Calgary	Multi Tenant	5607 4 Street NW	49,000
Calgary	Multi Tenant	4915 130 Avenue SE	54,000
Chestermere	Single Tenant	135 Chestermere Station Way	43,000
Edmonton	Single Tenant	400 & 500 Manning Crossing NW	49,000
Edmonton	Single Tenant	12950 137 Avenue NW	55,000
Edmonton	Multi Tenant	8204 – 109 Street NW	34,000
Edmonton	Single Tenant	2534 Guardian Road NW	49,000
Fort McMurray	Single Tenant	9601 Franklin Avenue & 160 J.W.	40,000
Grande Prairie	Multi Tenant	9925 114 Avenue	62,000
Grande Prairie	Multi Tenant	8100-8300 100 Street	66,000
Lethbridge	Single Tenant	1760 – 23 Street	44,000
Lethbridge	Multi Tenant	2440, 2605 & 2750 Fairway Plaza Road	64,000
Okotoks	Single Tenant	410 & 610 Big Rock Lane	42,000
Red Deer	Single Tenant	4407 50 Avenue	56,000
Stony Plain	Single Tenant	4202 South Park Drive	44,000
Taber	Single Tenant	4926 46 Avenue	42,000
Total Alberta			**1,292,000**
Saskatchewan			
Moose Jaw	Single Tenant	200 1 Avenue NW	39,000
Prince Albert	Single Tenant	2895 2 Avenue W	56,000
Saskatoon	Single Tenant	1860 McOrmond Drive	50,000
Total Saskatchewan			**145,000**
Manitoba			
Neepawa	Single Tenant	498 Mountain Avenue	18,000
Selkirk	Single Tenant	318 Manitoba Avenue	45,000
Winnipeg	Multi Tenant	1305-1321 Pembina Highway	39,000

Location	Property Type	Address	GLA (Sq. Ft.)
Winnipeg	Single Tenant	285 Marion Street	38,000
Winnipeg	Single Tenant	2155 Pembina Highway	42,000
Winnipeg	Single Tenant	3381 & 3393 Portage Avenue	55,000
Winnipeg	Single Tenant	920 Jefferson Avenue	55,000
Winnipeg	Single Tenant	654 Kildare Avenue	43,000
Winnipeg	Multi Tenant	469-499 River Avenue	59,000
Total Manitoba			**394,000**
Total Acquisition			**3,031,000**

* Ground Lease

Assessment of the Acquisition Properties

Environmental Site Assessments

Each of the Acquisition Properties has been the subject of a Phase I Assessment. These Phase I Assessments were conducted in general accordance with the current Canadian Standards Association's standard for Phase I environmental site assessments by the Independent Engineers. The purpose of the Phase I Assessments was to assess whether evidence of potential or actual environmental contamination exists at the Acquisition Properties. Intrusive sampling and analysis were not part of the Phase I Assessments.

Based on the Phase I Assessments, the Independent Engineers have recommended a Phase II environmental site assessment involving intrusive soil, air and/or groundwater sampling and analysis at 14 of the Acquisition Properties and have recommended sub slab vapour monitoring or a combination of sub slab vapour monitoring and ground water monitoring at 25 additional properties. The purpose of the Phase II environmental site assessments will be to assess the risks relating to potential soil and groundwater issues identified in the Phase I Assessments. Any matters identified in the Phase II environmental site assessments prior to or within 90 days after the Acquisition Closing as requiring remediation or additional work, including ongoing annual groundwater or other monitoring, further on-site delineation, preparation of risk assessments and/or obtaining verification information from either tenants or adjoining owners or government officials to determine if further investigation or remediation is necessary, will be subject to the Omnibus Environmental Indemnity Agreement.

Property Condition Assessments

Prior to the closing of the Acquisition, Crombie will obtain property condition assessment reports ("**PCA Reports**") for each of the Acquisition Properties from the Independent Engineers for the purpose of assessing and documenting the existing condition of each building and major building operating components and systems forming part of the Acquisition Properties, and to identify and quantify major defects in materials or systems which might significantly affect the value of any of the Acquisition Properties or continued operation thereof over the next five years. Each of the PCA Reports will assess both work required to be completed immediately and work recommended to be performed during the subsequent five years in order to maintain appropriate building conditions. All work required to repair, maintain and keep each building and its major operating components and systems in good order will be the responsibility of the tenant for the duration of the Sobeys Leases.

CROMBIE AFTER THE ACQUISITION

The *pro forma* property portfolio of Crombie will consist of 244 commercial properties with 17.5 million square feet of GLA and a weighted average effective lease term of 12.2 years as of June 30, 2013 after

giving effect to the Acquisition. The following tables summarize the *pro forma* property portfolio as of June 30, 2013 after giving effect to those transactions.

Pro Forma Geographic Distribution

The Acquisition significantly strengthens Crombie's presence in Western Canada, solidifying Crombie's position as one of Canada's major national retail landlords, and substantially improving Crombie's geographic diversification. Approximately 80% of the NOI of the acquired portfolio will be derived from Acquisition Properties located in large urban and growing Canadian markets while approximately 61% of the NOI will be derived from Acquisition Properties in Vancouver, Edmonton, Calgary and Winnipeg. The following table summarizes the *pro forma* distribution of the GLA and annual minimum rent of the properties by province:

Province	Number of Properties	GLA (Sq. Ft.)	Percentage of GLA	Percentage of Annual Minimum Rent
British Columbia	29	1,200,000	6.8%	8.7%
Alberta	41	2,072,000	11.8%	17.2%
Saskatchewan	7	414,000	2.4%	2.4%
Manitoba	10	433,000	2.5%	3.1%
Ontario	50	2,900,000	16.5%	17.7%
Quebec	21	1,193,000	6.8%	6.9%
New Brunswick	23	1,845,000	10.5%	7.7%
Prince Edward Island	2	268,000	1.5%	1.2%
Nova Scotia	47	5,544,000	31.7%	24.4%
Newfoundland and Labrador	14	1,655,000	9.5%	10.7%
Total	**244**	**17,524,000**	**100.0%**	**100.0%**

Lease Maturities

The following table summarizes the lease maturities on a *pro forma* basis after giving effect to the Acquisition:

Year	Number of Leases	Renewal Area (sq. ft.)	Percentage of Total GLA	Average Rent per sq. ft. at Expiry
Remainder of 2013	158	507,000	2.9%	$ 12.05
2014	197	721,000	4.1%	$ 15.76
2015	173	736,000	4.2%	$ 14.99
2016	184	889,000	5.1%	$ 14.56
2017	181	904,000	5.2%	$ 17.76
Thereafter	708	12,572,000	71.7%	$ 16.21
Total	**1,601**	**16,329,000**	**93.2%**	**$ 16.00**

Top Ten Tenants

Crombie will also increase its exposure to Sobeys, Crombie's largest current tenant. Sobeys will represent 49.6% of Crombie's *pro forma* annual minimum rent, increasing from 34.4% as at June 30, 2013. The following table summarizes the *pro forma* top ten tenants of Crombie:

Tenant	Percentage of Annual Minimum Rent	Average Remaining Lease Term
Sobeys [1]	49.6%	16.0 years
Shoppers Drug Mart	5.1%	12.4 years
Empire Theatres Limited	1.5%	11.1 years
Province of Nova Scotia	1.3%	4.7 years
CIBC	1.2%	16.8 years
GoodLife Fitness	1.2%	11.5 years
Lawtons/Sobeys Pharmacy	1.1%	13.1 years
Best Buy Canada Ltd.	1.0%	8.1 years
Bank of Nova Scotia	0.9%	3.7 years
Mark's Work Wearhouse Ltd.	0.8%	4.0 years
Total	**63.8%**	

(1) Excludes Lawtons

Bank Credit Facilities and Investment Property Debt

The following table summarizes the *pro forma* principal payment of debt obligations:

(In thousands of CAD dollars)	Maturing Debt						
12 Months Ending	**Fixed Rate**	**Floating Rate**	**Total**	**Percentage of Total**	**Payments of Principal**	**Total Required Payments**	**Percentage of Total**
June 30, 2014	$ 87,762	$ 188,000	$ 275,762	18.3%	$ 36,322	$ 312,084	17.0%
June 30, 2015	45,887	303,146	349,033	23.1%	35,315	384,348	21.0%
June 30, 2016	56,596	188,000	244,596	16.2%	34,901	279,497	15.2%
June 30, 2017	47,489	-	47,489	3.1%	29,748	77,237	4.2%
June 30, 2018	61,176	-	61,176	4.1%	28,691	89,867	4.9%
Thereafter	531,665	-	531,665	35.2%	159,915	691,580	37.7%
Total [1]	**$ 830,575**	**$ 679,146**	**$ 1,509,721**	**100.0%**	**324,892**	**$ 1,834,613**	**100.0%**

(1) Excludes fair value debt adjustment of $7,728 and deferred financing costs of $12,737.

Debt to Gross Book Value

On a *pro forma* basis, Crombie's debt to gross book value on a fair value basis will increase from 49.6% to 53.3% and on a cost basis from 53.4% to 56.3% as at June 30, 2013, after giving effect to the Acquisition and the financing of the Acquisition.

Pro Forma Consolidated Capitalization

There have not been any material changes in the consolidated capitalization or indebtedness of Crombie since June 30, 2013, the date of Crombie's most recently filed financial statements.

The following table sets forth the *pro forma* capitalization of Crombie as at June 30, 2013, as adjusted to give effect to transactions that have closed since June 30, 2013, the Acquisition, the Offering, the Private Placement and the anticipated drawdown on the Bridge Facilities on closing of the Acquisition.

	As at June 30, 2013 before giving effect to transactions since June 30, 2013, this Offering and the Concurrent Private Placement	As at June 30, 2013 after giving effect to transactions since June 30, 2013	As at June 30, 2013 after giving effect to transactions since June 30, 2013, the Acquisition, this Offering and the Concurrent Private Placement
	(unaudited) (expressed in 000's)	(unaudited) (expressed in 000's)	(unaudited) (expressed in 000's)
Indebtedness			
Mortgages	$ 1,163,195	$ 1,166,729	$ 1,166,729
Convertible Debentures	120,916	120,750	195,750
Revolving Credit Facility	115,146	111,612	111,612
Term Credit Facility	-	-	563,915
Deferred Financing Charges	(11,930)	(11,962)	(18,375)
Total Indebtedness excluding Unitholders	1,387,327	1,387,129	2,019,631
Unitholders[(1)]	467,846	468,016	681,658
Special Voting Units and Class B LP Unitholders[(1)]	306,710	306,710	455,110
TOTAL CAPITALIZATION	$ 2,161,883	$2,161,855	$3,156,399

Notes: (1) For financial statement purposes, the Units and Class B LP Units are classified as liabilities under IFRS.

RISK FACTORS

Unitholders should carefully consider the risk factors set out below regarding the risks of the Acquisition and consider all other information contained herein and in Crombie's other public filings before determining how to vote on the matters before the Meeting. For a description of risk factors in respect of the business of Crombie and the industry in which it operates, which will continue to apply to Crombie after the Acquisition, please refer to the headings "Risk Factors" as contained in Crombie's annual information form for the year ended December 31, 2012.

Risks Relating to the Acquisition

Closing of the Acquisition

The closing of the Offering will occur before the closing of the Acquisition. The closing of the Acquisition is subject to the satisfaction of certain closing conditions including closing of the Canada Safeway Acquisition, regulatory approval under the Competition Act and Unitholder approval. There is no certainty, nor can Crombie provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. A substantial delay in obtaining regulatory approvals or the imposition of unfavourable terms or conditions in the approvals could have a material adverse effect on Crombie's ability to complete the Acquisition and on Crombie's business, financial condition or results of operations. See "The Acquisition". Crombie intends to consummate the Acquisition concurrently with the closing of the Canadian Safeway Acquisition as soon as practicable after obtaining the required regulatory and Unitholder approvals and satisfying the required closing conditions. If closing of the Acquisition does not take place as contemplated, Crombie could suffer adverse consequences, including the loss of investor confidence.

Potential Undisclosed Liabilities Associated with the Acquisition

Crombie is continuing to conduct its due diligence review of the Acquisition Properties. There may be liabilities, including under applicable environmental laws, that Crombie fails to discover or is unable to quantify in the due diligence review prior to the closing of the Acquisition and Crombie may not be indemnified for some or all of these liabilities under the Acquisition Agreement or the Omnibus

Environmental Indemnity Agreement. The subsequent discovery or quantification of any material liabilities could have a material adverse effect on Crombie's business, financial condition or future prospects, which may include diminution in the value of the affected properties or the inability to finance or dispose of the affected properties on acceptable terms.

No Financing Condition in Acquisition Agreement

There exists no condition for financing under the Acquisition Agreement which Crombie can rely on to terminate the Acquisition Agreement. Crombie has obtained a commitment from a Canadian chartered bank to provide the Bridge Facilities which, together with the net proceeds of the Offering and the Private Placement, provides enough funds to pay the expected purchase price for the Acquisition and related transaction expenses. If the Bridge Facilities or the Private Placement do not close, then Crombie may not have enough funds under its Revolving Credit Facility and cash on hand to complete the Acquisition, which could have a material adverse effect on Crombie.

Financing Terms

The commitment of the lenders to enter into the Bridge Facilities is subject to certain standard conditions. In addition, the terms of the Bridge Facilities are subject to "market flex" provisions in certain circumstances which if exercised could significantly adversely affect the structure, pricing and other terms and conditions of the Bridge Facilities, other than to decrease the aggregate principal amount or alter maturity dates of the Bridge Facilities available to Crombie or to increase the interest rate margins by more than a mutually agreed limit. As such, there is no assurance that the Bridge Facilities will be on terms that are exactly the same as disclosed in this information circular. Obtaining the Bridge Facilities on terms less favourable to Crombie could adversely impact Crombie's financial condition and decrease the amount of cash available in the future. Additionally, the Bridge Facilities are subject to certain restrictive conditions that limit the discretion of management with respect to certain business matters, including financial covenants that require Crombie to meet certain financial ratios, financial condition tests and other restrictive covenants. A failure to comply with the obligations in the Bridge Facilities could result in a default which, if not cured or waived, could result in a termination of the Bridge Facilities.

Possible Failure to Acquire all Acquisition Properties

The Acquisition involves risks that could materially and adversely affect Crombie's business plan, including the failure to acquire all 68 properties under the Acquisition Agreement. Certain mechanisms under the Acquisition Agreement allow for the removal of properties based on certain environmental findings or requirements of Competition Act approvals, and the possible inclusion of comparable replacement properties subject to a condition that there will be included properties having an aggregate agreed purchase price of at least $900 million. As a result, Crombie may not acquire all of the Acquisition Properties described in this information circular, and may acquire certain other properties not described in this information circular. Therefore, the *pro forma* information contained in this information circular may not reflect the actual properties acquired pursuant to the Acquisition. The acquisition of any properties not described in this information circular would be subject to Crombie's normal due diligence procedures, including receipt of property appraisals, environmental condition assessments and property condition reports. In certain circumstances, Crombie may be required to purchase properties previously excluded for environmental concerns, subject to a commitment from Sobeys to ensure that all required environmental work related to identified issues is completed within 12 months. See "The Acquisition – Acquisition Agreement" and "The Acquisition – Omnibus Environmental Indemnity Agreement'.

Increased Exposure to Largest Tenant

After giving effect to the Acquisition, 49.6% of Crombie's annual minimum rent will be generated from Sobeys, up from 34.4% as at June 30, 2013. Therefore, Crombie is dependent on the sustainable

operation by Sobeys in the locations leased from Crombie. It is expected that Sobeys' leverage will increase in connection with the Canada Safeway Acquisition, which could have an adverse effect on Sobeys' financial condition and, consequently, increase Crombie's credit risk.

Use of Property Valuations

Caution should be exercised in the evaluation and use of the Formal Valuation on the Acquisition Properties prepared by Cushman. A valuation is an estimate of market value. It is not a precise measure of value but is based on a subjective comparison of related activity taking place in the real estate market. The Formal Valuation is based on various assumptions of future expectations, and while Cushman's internal forecasts for the applicable properties are considered to be reasonable as at July 1, 2013, some of the assumptions may not materialize or may differ materially from actual experience in the future.

TRADING HISTORY

The Units are listed and posted for trading on the TSX under the symbol "CRR.UN". The following table sets forth information relating to the trading of the Units on the TSX for the months indicated.

Month	High	Low	Volume
February 2013	$14.84	$14.28	984,850
March 2013	$14.88	$14.51	1,280,159
April 2013	$15.63	$14.64	2,011,195
May 2013	$16.04	$15.05	1,401,490
June 2013	$15.32	$12.76	2,878,554
July 2013	$13.73	$13.00	3,878,690
August 2013 (1 – 13)	$13.54	$13.23	2,244,364

The following table sets forth information relating to distribution of the Units in the last five years.

Date	Securities	Aggregate Proceeds	Securities Issued	Price per Unit
To August 1, 2013	Conversion of Series B debentures to Units	$2.9 million	266,626	$11.00
March 27, 2013	Units-EUPP	$633,680	43,522	$14.56
2012	Conversion of Series B debentures to Units	$33.8 million	3,072,708	$11.00
2012	Conversion of 7% debentures to Units	$26.3 million	2,021,373	$13.00
December 14, 2012	Units	$35.5 million	2,408,000	$14.75
December 14, 2012	Class B LP Units	$24.5 million	1,659,661	$14.75
March 29, 2012	Units	$67.1 million	4,630,000	$14.50
March 29, 2012	Class B LP Units	$53.0 million	3,655,200	$14.50
March 28, 2012	Units-EUPP	$409,125	28,893	$14.16
2011	Conversion of Series B	$25.8 million	2,343,981	$11.00

	debentures to Units			
October 20, 2011	Units	$45.1 million	3,510,000	$12.85
October 20, 2011	Class B LP Units	$30.0 million	2,334,630	$12.85
March 31, 2011	Units-EUPP	$280,563	21,417	$13.10
2010	Conversion of Series B debentures to Units	$6.7 million	612,448	$11.00
2010	Conversion of 7% debentures to Units	$14,989	1,153	$13.00
September 16, 2010	Units-EUPP	$374,970	33,390	$11.23
August 4, 2010	Units	$29.5 million	2,670,000	$11.05
August 4, 2010	Class B LP Units	$20.5 million	1,855,000	$11.05
March 11, 2010	Units-EUPP	$189,756	17,157	$11.06
September 30, 2009	Units-EUPP	$36,027	4,003	$9.01
June 25, 2009	Units	$36.9 million	4,725,000	$7.80
June 25, 2009	Class B LP Units	$30.0 million	3,846,154	$7.80
April 3, 2009	Units-EUPP	$305,158	43,408	$7.03

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.

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 Chief Financial Officer 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 Hynes*"

Glenn Hynes
Chief Financial Officer and Secretary

August 15, 2013

CONSENT

TO: The Trustees of Crombie Real Estate Investment Trust

We refer to the formal valuation dated July 23, 2013, with an effective date of July 1, 2013, which we prepared for the Special Committee of the Board of Trustees of Crombie Real Estate Investment Trust in connection with the acquisition by Crombie Real Estate Investment Trust, through its subsidiary, Crombie Limited Partnership, of certain properties of Sobeys West Inc. We consent to the filing of the formal valuation with the securities regulatory authority and the inclusion of a summary of the formal valuation in the Information Circular of Crombie Real Estate Investment Trust dated August 15, 2013. In providing our consent, we do not intend that any person other than the Special Committee of the Board of Trustees of Crombie Real Estate Investment Trust shall be entitled to rely upon our formal valuation.

Toronto, Ontario
August 15, 2013

(signed) Cushman & Wakefield Ltd.

APPENDIX "A"
RESOLUTIONS

ACQUISITION AND PRIVATE PLACEMENT RESOLUTION:

BE IT RESOLVED AS A RESOLUTION OF THE UNITHOLDERS THAT:

The Acquisition, as described in the Management Information Circular dated August 15, 2013, of Crombie Real Estate Investment Trust ("**Crombie**"), and the Private Placement of 11,811,024 Class B LP Units and the associated Special Voting Units, at a price of $12.70 per Class B LP Unit, to ECL Developments Limited, an insider of Crombie, including the closing date of the Private Placement being concurrent with the closing of the Acquisition, for which Unitholder approval of the Private Placement is required under the rules of the Toronto Stock Exchange, all as described in Crombie's Management Information Circular dated August 15, 2013, be approved.

AMENDMENT RESOLUTION:

BE IT RESOLVED AS A RESOLUTION OF THE UNITHOLDERS THAT:

1. The amended and restated declaration of trust dated as of November 5, 2009 (the "**Declaration of Trust**") of Crombie Real Estate Investment Trust ("**Crombie**") be amended to add the following section to Article 6 of the Declaration of Trust:

   "**Section 6.7 Safeway Properties Acquisition**

   Notwithstanding anything to the contrary in the Declaration of Trust, the provisions of Section 6.2(n) above and any related provisions in the Declaration of Trust shall not apply to the acquisition by Crombie Limited Partnership of certain properties from Sobey's West Inc. pursuant to an acquisition agreement dated July 24, 2013, as amended from time to time, which agreement is described in the management information circular of Crombie dated August **15**, 2013."

2. The trustees of Crombie (the "**Trustees**") are hereby authorized to execute and deliver a supplemental indenture to the Declaration of Trust to give effect to the foregoing resolution and to approve, execute or deliver such further documents, agreements, certificates and instruments and take any and all such further actions in connection with the foregoing resolution, as the Trustees consider necessary or desirable.

3. Notwithstanding that this special resolution has been approved by the unitholders of Crombie (the "**Unitholders**"), the Trustees are hereby authorized, in their discretion and without the further notice to or approval of the Unitholders, to determine not to proceed with the amendments to the Declaration of Trust described in this special resolution and revoke this special resolution before it is acted upon.

APPENDIX "B"
FAIRNESS OPINION

July 23, 2013

The Special Committee of the Board of Trustees of
Crombie Real Estate Investment Trust
115 King Street
Stellarton, Nova Scotia
B0K 1S0

To the Special Committee:

Brookfield Financial Corp. ("BFC") understands that Crombie Real Estate Investment Trust ("Crombie") is considering the acquisition (the "Transaction") of a portfolio of 68 grocery-anchored retail properties located in Alberta, British Columbia, Manitoba and Saskatchewan (the "Properties") offered by Sobeys Inc. ("Sobeys") to Crombie for $990 million in cash (the "Consideration") in connection with Empire Company Limited's ("Empire") and Sobeys' agreement dated June 12, 2013 to purchase Canada Safeway's assets for $5.8 billion. The terms and conditions upon which Sobeys offers to sell the Properties are as contemplated by a draft acquisition agreement (the "Agreement") dated July 23, 2013 between Crombie, Crombie Limited Partnership, Crombie General Partner Limited, Sobeys and Sobeys West Inc. and certain others.

BFC understands that the Board of Trustees of Crombie has formed a special committee (the "Special Committee") to, among other things, review the Transaction and to make recommendations to the Board of Trustees with respect to the Transaction.

BFC further understands that the terms of the Transaction and related matters will be more fully described in a management information circular (the "Circular") that will be mailed to the unitholders of Crombie in connection with the Transaction.

Capitalized terms shall have the meaning ascribed to them in the Agreement unless noted otherwise.

Engagement of Brookfield Financial Corp.

BFC was initially contacted by the Chairman of the Special Committee regarding a potential advisory assignment on June 12, 2013 and was formally engaged by the Special Committee pursuant to an engagement agreement (the "Engagement Agreement") dated July 12, 2013 to prepare and deliver an opinion (the "Opinion") as to whether the Consideration payable pursuant to the Transaction is fair, from a financial point of view, to holders of units of Crombie, other than Empire Group Limited and its respective associates and affiliates (the "Minority Unitholders").

BFC was not engaged or requested to prepare nor has it prepared a valuation pursuant to Multilateral Instrument 61-101 of the Ontario Securities Commission and the Québec Autorité des marchés financiers ("MI 61-101") and, accordingly, the Opinion should not be construed as such. BFC has been advised that the Special Committee has engaged Cushman & Wakefield Ltd. ("Cushman") to prepare a formal valuation of the Properties (the "Valuation") as required under MI 61-101.

The terms of the Engagement Agreement provide that BFC is to be paid a fee for its services under the Engagement Agreement on delivery of the Opinion. The fee to be paid to BFC under the Engagement Agreement was agreed between the Special Committee and BFC and is not contingent, in whole or in

part, upon the conclusion reached by BFC in the Opinion or on the completion of the Transaction. In the Engagement Agreement, Crombie has agreed to indemnify BFC in respect of certain liabilities that might arise out of its engagement and to reimburse BFC for its reasonable out-of-pocket expenses. BFC consents to the inclusion of the Opinion in its entirety and a summary thereof in the Circular and to the filing thereof by Crombie with the securities commissions or similar regulatory authorities in each province and territory of Canada.

Credentials of Brookfield Financial Corp.

BFC is a leading investment dealer that provides strategic and corporate advisory, debt and equity arranging, M&A advisory, valuation and investment brokerage services with a focus on real estate, infrastructure and energy sectors. The Opinion is the opinion of BFC and the form and content hereof have been reviewed and approved for release by a group of managing partners of BFC, each of whom is experienced in merger, acquisition, divestiture, valuation and fairness opinion matters.

Relationship with Interested Parties

Neither BFC nor any of its associated entities or affiliated entities is an issuer insider, associated entity or affiliated entity (as those terms are defined in the MI 61-101) of Crombie, Empire, Sobeys or any of their respective associated entities or affiliated entities (collectively the "Interested Parties"). BFC is not acting as an advisor to Crombie, Empire, Sobeys or any other Interested Party in connection with any matter, other than acting as financial advisor to the Special Committee hereunder.

Except as disclosed in this paragraph, BFC has not participated in any financing involving Crombie, Empire, Sobeys or any other Interested Party during the 24-month period preceding the date BFC was first contacted in respect of the Opinion. BFC has participated as an underwriter with a syndicate of other investment dealers, in three public financings for Crombie during the 24-month period preceding the date BFC was first contacted in respect of the Opinion as disclosed in final prospectuses of Crombie dated March 21, 2012, June 25, 2012 and December 7, 2012. However, BFC has not acted as a lead or co-lead underwriter in any underwriting involving Crombie, Empire, Sobeys or any other Interested Party.

BFC has not been engaged to provide any financial advisory services involving Crombie, Empire, Sobeys or any other Interested Party during the 24-month period preceding the date BFC was first contacted in respect of the Opinion, other than providing the Opinion.

BFC does not have a material financial interest in the completion of the Transaction and the fees paid to BFC in connection with its engagement do not give BFC any financial incentive in respect of the conclusions reached in the Opinion or the outcome of the Transaction.

There are no understandings, agreements or commitments between BFC and Crombie, Empire, Sobeys or any other Interested Party with respect to any future financial advisory or investment banking business. BFC may in the future, in the ordinary course of its business, perform financial advisory or investment banking services for Crombie, Empire, Sobeys or any other Interested Party.

Scope of Review

In connection with the preparation of the Opinion, BFC has reviewed or carried out and, where deemed appropriate, relied upon, among other things, the following:

- Third party appraisal from Altus Group Limited dated March 19, 2013 with an effective valuation date as of March 30, 2013 (the "Altus Appraisal") and a summary appraisal and formal valuation from Cushman dated July 23, 2013 with an effective valuation date as of July 1, 2013 (the "Cushman Appraisal" and together with the Altus Appraisal, the "Appraisals");

- Draft form of lease agreement dated July 23, 2013;

- Draft form of omnibus environmental indemnity dated July 23, 2013 provided by Sobeys;
- Property specific information including cash flow forecasts;
- Draft Agreement dated July 23, 2013;
- Right of First Offer Agreement dated August 3, 2011;
- Confirmatory due diligence session with Crombie senior management and the Special Committee held on July 23, 2013;
- Management representation letter dated as of the date hereof;
- Discussions with the legal counsel to each of the Special Committee and Crombie;
- Discussions with Cushman, third party appraiser and independent valuator retained by the Special Committee;
- Publicly available information relating to the Properties and Canada Safeway's business;
- Public data with respect to recent business combinations and asset sales considered by BFC to be relevant to the Transaction; and
- Such other corporate, industry and financial market information, investigations and analyses as BFC considered necessary or appropriate in the circumstances.

BFC has not, to the best of its knowledge, been denied access by Crombie to any information requested by BFC.

Prior Valuations

Crombie has represented to BFC that, among other things, it has no knowledge of any prior valuations or appraisals relating to the Properties made in the preceding 24 months and in the possession or control of Crombie other than the Appraisals provided to BFC. While BFC did not rely on the Appraisals in determining the Opinion, BFC did review and consider the Appraisals (among other things) in completing its assessment of the reasonableness of the assumptions used and relied upon by BFC.

Assumptions and Limitations

The Opinion is subject to the assumptions, explanations and limitations set forth below.

BFC has not been asked to prepare and has not prepared a formal valuation or appraisal of any of the Properties and the Opinion should not be construed as such.

The Opinion has been prepared for the use and benefit of the Board of Trustees of Crombie and the Special Committee for the specific purpose identified above and is not to be used in any other context without the express written consent of BFC. The Opinion has been prepared as of the date hereof and BFC has not undertaken to update it to any other date. Should information relevant to the Opinion conclusion become available to BFC subsequent to the date of the Opinion, BFC reserves the right, but will be under no obligation, to revise the Opinion. Senior officers of Crombie have represented to BFC that the information provided to BFC is true and correct in all material respects and that there have been no changes in facts material to the conclusion set forth herein.

BFC was provided with written information, oral information and data in electronic form by others (including management of Crombie). BFC has relied upon the completeness, accuracy and fair

presentation of all of the financial and other information obtained by it from public sources, and from Crombie and its advisors, for purposes of the Opinion. BFC assumes no responsibility for the information furnished to BFC. The Opinion is conditional upon the completeness and accuracy of such information. Subject to the exercise of professional judgment and except as expressly described herein, BFC has not attempted to verify the completeness, accuracy or fair presentation of any of the information relied upon in the Opinion.

With respect to the budgets, forecasts, projections or estimates provided to BFC and used in its analyses, BFC notes that projecting future results is inherently subject to uncertainty. BFC has assumed, however, that such budgets, forecasts, projections and estimates were prepared using the assumptions identified therein and on bases reflecting the best currently available estimates and judgments of management of Crombie as to the matters covered thereby and which, in the opinion of Crombie, are (or were at the time of preparation and continue to be) reasonable in the circumstances. BFC expresses no independent view as to the reasonableness of such budgets, forecasts, projections and estimates or the assumptions on which they are based.

Two senior officers of Crombie have each represented to BFC in a management representation letter dated as of the date hereof, among other things, that: (i) the information, data and other material (financial and otherwise) (collectively, the "Information") provided (whether orally or in writing) by or on behalf of Crombie or any of its agents or representatives to BFC for the purpose of preparing the Opinion was, at the date the Information was provided to BFC by or on behalf of Crombie, complete, true and correct in all material respects, and did not contain any untrue statement of a material fact in respect of Crombie or Crombie's proposed Transaction or omit to state a material fact in respect of Crombie or the Transaction necessary to make the Information not misleading in light of the circumstances under which the Information was provided; and (ii) to the best of their knowledge, since the dates on which the Information was provided to BFC by or on behalf of Crombie, there has been no material change, financial or otherwise in respect of Crombie on a consolidated basis or the Transaction and no change of any material fact in respect of Crombie or the Transaction has occurred which is of a nature as to render the Information untrue or misleading in any material respect.

In preparing the Opinion, BFC has made several assumptions, including that all final or executed versions of documents will conform in all material respects to the drafts provided to BFC, all conditions precedent to be satisfied to complete the Transaction can be satisfied, that all approvals, authorizations, consents, permissions, exemptions or orders of relevant regulatory authorities required in respect of or in connection with the Transaction will be obtained, without adverse condition or qualification, that all steps or procedures being followed to implement the Transaction are valid and effective, that all required documents will be distributed to the unitholders of Crombie in accordance with applicable laws, and that the disclosure in such documents will be accurate in all material respects and will comply, in all material respects, with the requirements of all applicable laws. In its analyses in connection with the preparation of the Opinion, BFC made numerous assumptions with respect to industry performance, general business and economic conditions, and other matters, many of which are beyond the control of BFC or Crombie.

The Opinion is not, and should not be construed to be, a recommendation to a holder of trust units or special voting units of Crombie as to how to vote such units or to others to take any course of action. The Opinion has been prepared for the use and benefit of the Special Committee and the Board of Trustees of Crombie solely for the purposes stated herein, BFC may not have considered issues relevant to third parties and BFC shall have no responsibility whatsoever to any third party. Any use a third party makes of the Opinion is entirely at the third party's own risk.

The Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Investment Industry Regulatory Organization of Canada ("IIROC"), but IIROC has not been involved in the preparation or review of the Opinion.

Approach to Fairness

In considering whether the Consideration payable pursuant to the Transaction is fair, from a financial point of view, to the Minority Unitholders, BFC used and relied upon the following methodologies to assess each of the Properties:

- Discounted cash flow ("DCF") approach; and
- Direct capitalization rate ("Direct Cap Rate") approach.

The DCF approach reflects the growth prospects, including redevelopment potential, and risks inherent in each property by taking into account the amount, timing and relative certainty of projected unlevered free cash flows expected to be generated by each property on a going concern basis. Appropriate discount rates and terminal value capitalization rates were selected based on precedent private market transactions and BFC's knowledge of current real estate pricing parameters. For the Direct Cap Rate approach, appropriate capitalization rates were selected and applied to the normalized and prospective (one year forward) net operating income ("NOI") for each property based on precedent private market transactions and BFC's knowledge of current real estate pricing parameters.

The following is a summary of the BFC's selected weighted average and range of (i) discount rates and terminal value capitalization rates that were applied to the free cash flows projections for each of the Properties and (ii) Direct Cap Rates that were applied to the NOI for each of the Properties:

	DCF Approach		Direct Cap Rate Approach
	Discount Rate	Terminal Cap Rate	Cap Rate
Mean	7.02%	6.27%	5.99%
Low	6.90%	6.15%	5.87%
High	7.15%	6.40%	6.12%

BFC also reviewed and considered the Appraisals, selected precedent transactions and comparable trading for Canadian real estate investment trusts and real estate corporations in assessing the reasonableness of the assumptions used and relied upon by BFC.

Conclusion

Based upon and subject to the foregoing, BFC is of the opinion that, as of the date hereof, the Consideration payable by Crombie pursuant to the Transaction is fair, from a financial point of view, to the Minority Unitholders.

Yours very truly,

Brookfield Financial Corp.