



INTERRENT REAL ESTATE INVESTMENT TRUST
NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS
to be held on Friday, June 14, 2013

– and –

MANAGEMENT INFORMATION CIRCULAR

April 24, 2013

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INTERRENT REAL ESTATE INVESTMENT TRUST
NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the "**Meeting**") of unitholders (the "**Unitholders**") of InterRent Real Estate Investment Trust (the "**REIT**" or "**InterRent**") will be held at the offices of Gowling Lafleur Henderson LLP, 160 Elgin Street, Suite 2600, Ottawa, Ontario K1P 1C3, on Friday, June 14, 2013 at 11:00 a.m. (Ottawa time), for the following purposes:

- a) To receive and consider the consolidated financial statements of the REIT for the year ended December 31, 2012 and the report of the auditors thereon;
- b) To elect the trustees of the REIT (the "**Trustees**"), and to direct the Trustees to elect the trustees of InterRent Trust and the directors of InterRent Holdings General Partner Limited;
- c) To appoint Collins Barrow Toronto LLP as auditors of the REIT and to authorize the Trustees to fix their remuneration;
- d) To consider, and if thought advisable, to pass a resolution reducing the number of units available for issuance under the REIT's Deferred Unit Plan and approving and authorizing all unallocated units under such plan as required by the TSX every three years, all as more particularly described in the management information circular;
- e) To consider, and if thought advisable, to pass a resolution replenishing the units issued upon exercise of previously granted options and approving an amendment to increase the number of units available for issuance under the REIT's Unit Option Plan, all as more particularly described in the management information circular;
- f) To consider, and if thought advisable, to pass a resolution replenishing the units that have been fully paid for under the REIT's Long Term Incentive Plan and related instalment receipt agreements and approving an amendment to increase the number of units available for issuance under the Long Term Incentive Plan, all as more particularly described in the management information circular; and
- f) To transact such other business as may properly come before the Meeting or any adjournments thereof.

This year, as described in the notice-and-access notification mailed to Unitholders, the REIT has decided to deliver the Meeting materials to Unitholders by posting the Meeting materials on its website (www.interrentreit.com/MIC). The use of this alternative means of delivery is more environmentally friendly as it will help reduce the use of paper and it will also reduce the REIT's printing and mailing costs. The Meeting materials will be available on the REIT's website as of May 15, 2013, and will remain on the website for one full year thereafter. The Meeting materials will also be available on SEDAR at www.sedar.com as of May 15, 2013.

All Unitholders will receive a notice-and-access notification which will contain information on how to obtain electronic and paper copies of the Meeting materials in advance of the Meeting.

Unitholders who wish to receive paper copies of the Meeting materials may request copies from the REIT by calling toll-free in North America at 1.855.659.2926. Meeting materials will be sent to such Unitholders at no cost to them within three business days of their request, if such requests are made before the Meeting.

Unitholders who are unable to attend the Meeting are requested to complete, date, sign, and return the enclosed form of proxy or voting instruction form, as applicable, so that as large a representation as possible may be had at the Meeting.

The Trustees have by resolution fixed the close of business on April 30, 2013 as the record date for the determination of Unitholders entitled to receive notice of and vote at the Meeting or any adjournments thereof.

The Trustees have by resolution fixed the close of business on Wednesday, June 12, 2013, or the second business day (excluding Saturdays, Sundays and holidays) preceding any adjournments or postponements of the Meeting as the time before which proxies to be used or acted upon at the Meeting or any adjournment or postponement thereof shall be deposited with the REIT's transfer agent, Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1.

DATED at Ottawa, Ontario this 24th day of April, 2013.

By Order of the Board of Trustees

"Mike McGahan"

Mike McGahan
Chief Executive Officer



InterRent Real Estate Investment Trust

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular (the "Circular") is furnished in connection with the solicitation of proxies by the trustees (the "Trustees" and, individually, a "Trustee") of InterRent Real Estate Investment Trust (the "REIT" or "InterRent") for use at the annual and special meeting (the "Meeting") of unitholders (the "Unitholders") of the REIT to be held at the offices of Gowling Lafleur Henderson LLP, 160 Elgin Street, Suite 2600, Ottawa, Ontario K1P 1C3, on Friday, June 14, 2013 at 11:00 a.m. (Ottawa time), and at any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Annual and Special Meeting (the "Notice of Meeting"). The solicitation will be primarily by mail but may also be solicited by telephone, electronic means of communication or in writing by Trustees, officers or designated agents of the REIT. The cost of solicitation will be borne by the REIT. The information contained herein is given as of April 24, 2013, unless otherwise indicated.

RECORD DATE

The Trustees have fixed April 30, 2013, as the record date for the purpose of determining Unitholders entitled to receive the Notice of Meeting and to vote at the Meeting. Each Unitholder is entitled to receive one vote for each trust unit in the capital of the REIT (a "Unit") held and each Class B Unit (as hereinafter defined) held and shown as registered in such holder's name on the list of Unitholders prepared as of the close of business on the record date. In accordance with Section 13.8 of InterRent's amended and restated Declaration of Trust, the Trustees may, by resolution, determine that a person that held Units subsequent to the record date may be entitled to vote at the Meeting or any adjournment or postponement thereof.

PROXY INSTRUCTIONS

Unitholders who are unable to attend the Meeting and vote in person may still vote by appointing a proxyholder.

The persons specified in the enclosed form of proxy are Trustees/officers of the REIT. **A Unitholder desiring to appoint some other person, who need not be a Unitholder, to represent the Unitholder at the Meeting may do so by striking out the names of the persons designated therein and by inserting in the blank space provided for that purpose the name of the desired person, or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the registered office of the REIT's transfer agent, Equity Financial Trust Company, 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1, not later than the close of business on Wednesday, June 12, 2013, or the second business day (excluding Saturdays, Sundays and holidays) preceding any adjournments or postponements of the Meeting.**

Only registered Unitholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Units are beneficially owned by a person (a "Non-Registered Holder") and are registered either (i) in the name of an intermediary (an "Intermediary") (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans) that the Non-Registered Holder deals with in respect of the Units, or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. A Non-Registered Holder will receive from their intermediary a voting instruction form which must be completed and signed by the Non-Registered Holder and returned in accordance with the directions of the intermediary. The purpose of this procedure is to permit the Non-Registered Holder to direct the voting of the Units beneficially owned by such person.

Should a Non-Registered Holder wish to attend and vote at the Meeting in person, the Non-Registered Holder should write his, her or its name in the space provided for that purpose on the voting instruction form and return it in accordance with the directions of the Intermediary. The Intermediary will send the Non-Registered Holder a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of Units beneficially owned by the Non-Registered Holder and which names the Non-Registered Holder as proxyholder. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder should deposit this form of proxy with the REIT's transfer agent, Equity Financial Trust Company, in accordance with the aforementioned instructions.

Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those regarding when and where the voting instruction form or form of proxy is to be delivered.

NOTICE-AND-ACCESS

In November 2012, the Canadian Securities Administrators announced the adoption of regulatory amendments to securities laws governing the delivery of proxy-related materials by public companies. As a result, public companies are now permitted to advise their unitholders of the availability of all proxy-related materials on an easily-accessible website, rather than mailing physical copies of the materials.

The REIT has decided to deliver the Meeting materials to Unitholders by posting the Meeting materials on its website (www.interrentreit.com/MIC). The Meeting materials will be available on REIT's website as of May 15, 2013, and will remain on the website for one full year thereafter. The Meeting materials will also be available on SEDAR at www.sedar.com.

Unitholder who wish to receive paper copies of the Meeting materials may request copies from InterRent by calling toll-free in North America at 1.855.659.2926. Meeting materials will be sent to such Unitholders at no cost to them within three business days of their request, if such requests are made before the Meeting.

All Unitholders will receive a notice-and-access notification which will contain information on how to obtain electronic and paper copies of the Meeting materials in advance of the Meeting.

VOTING OF PROXIES

A proxy will be voted for, against or withheld from voting, as applicable, with respect to the Units represented thereby in accordance with the instructions of the Unitholder as indicated on the proxy and, if the Unitholder specifies a choice with respect to any matter to be acted upon, the Units will be voted accordingly, including on any ballot that may be called for at the Meeting or any adjournment thereof. **In the absence of any specific instructions with respect to a particular matter, the Units represented by such proxies will be voted at the Meeting or at any adjournment or postponement thereof in accordance with the best judgment of the person or persons voting such proxies, including any ballot that may be called for at the Meeting or any adjournment or postponement thereof.**

A proxy, when properly signed, confers discretionary authority upon the representatives designated therein with respect to amendments to or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the REIT does not know of any such amendments, variations or other matters. However, if any such amendments, variations or other matters, which are not now known to management of the REIT should properly come before the Meeting, the Units represented by the proxies solicited hereby will be voted thereon in accordance with the best judgment of the person or persons voting such proxies.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No (a) Trustee or executive officer of the REIT who has held such position at any time since January 1, 2012; (b) proposed nominee for election as a trustee of the REIT; or (c) associate or affiliate of a person in (a) or (b) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than with respect to their participation in the REIT's deferred unit plan (the "**Deferred Unit Plan**"), unit option plan (the "**Unit Option Plan**") and long-term incentive plan (the "**Long Term Incentive Plan**").

REVOCATION OF PROXIES

A registered holder of Units who has given a proxy may revoke the proxy (a) by completing and signing a proxy bearing a later date and depositing it as aforesaid, or (b) by depositing an instrument in writing executed by such registered holder or by his, her or its attorney authorized in writing (i) at the registered office of the REIT at any time up to the close of business on Wednesday, June 12, 2013, or on the second business day preceding any adjournment or postponement of the Meeting, or (ii) with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof, or (c) in any other manner permitted by law.

A Non-Registered Holder who wishes to revoke a voting instruction form or a waiver of the right to receive meeting materials should contact his, her or its Intermediary for instructions.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As of April 24, 2013, the REIT had 56,733,590 Units issued and outstanding, which includes 590,000 Units subject to Instalment Receipt Agreements under the Long Term Incentive Plan. The Units subject to the Instalment Receipt Agreement are prohibited from voting. As of April 24, 2013, the REIT also had 186,250 Class B Units of InterRent Holdings Limited Partnership issued and outstanding. Each Class B Unit is exchangeable, on a one-for-one basis, for Units in the REIT. The Class B Units of InterRent Holdings Limited Partnership each carry a special voting unit of the REIT which effectively provides the holders of Class B Units with one vote per Class B Unit. Therefore, as of April 24, 2013, there are 56,329,840 Units eligible for voting at the Meeting.

Unitholders are entitled to one vote in respect of each matter to be voted upon at the Meeting for each Unit (excluding Units subject to Instalment Receipt Agreements under the Long Term Incentive Plan) or Class B Unit (collectively, the "Voting Units") registered in their name as at the close of business on April 30, 2013 (the "Record Date"), except to the extent that any Unitholder transfers any of his Units prior to the Meeting. In such case, a transferee of those Units shall be entitled to one vote at the Meeting if he or she produces properly endorsed certificates for such Units or otherwise establishes that he or she owns the Units and has demanded not later than seven days before the Meeting that his or her name be included in the list of Unitholders eligible at the Meeting.

To the knowledge of the Trustees, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of InterRent carrying more than 10% of the voting rights other than those listed below:

Name	No. of Securities Beneficially Owned	% of Voting Units
Sentry Investments Inc. ("SII")	6,902,000 Units ⁽¹⁾	12.3%

Notes:

(1) Information provided by SII as of April 19, 2013.

The quorum at the Meeting or any adjournment or postponement thereof shall consist of at least two individuals present in person either holding personally or representing as proxies not less than 10% of the aggregate number of votes attached to the total number of outstanding Units.

MATTERS TO BE ACTED UPON AT THE MEETING

PRESENTATION OF FINANCIAL STATEMENTS

The audited, consolidated financial statements of the REIT for the year ended December 31, 2012 and the report of the auditors shall be placed before the Unitholders at the Meeting. No vote will be taken on the financial statements. The financial statements and additional information concerning the REIT are available at www.sedar.com.

ELECTION OF TRUSTEES

Election of the Trustees of InterRent Real Estate Investment Trust

The board of trustees (the “**Board**”) currently consists of six Trustees and the Board has been set at six Trustees. All of the six current Trustees are standing for re-election, namely Messrs. Paul Amirault, Paul Bouzanis, Ronald Leslie, Jacie Levinson, Mike McGahan and Victor Stone. Management does not contemplate that any of the nominees will be unable to serve as a Trustee, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority will be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each Trustee elected will hold office until the close of the first annual meeting of Unitholders of the REIT following his election or until his successor is duly elected or appointed by virtue of his office becoming earlier vacated in accordance with the amended and restated declaration of trust of the REIT dated as of December 29, 2010 (the “**Declaration of Trust**”).

The Board has adopted a majority voting policy stipulating that if the votes in favour of the election of a nominee at the Meeting represent less than a majority of the Units voted and withheld, the nominee will be expected to submit to the Board his resignation following the Meeting, to take effect upon acceptance by the Board.

In such circumstances, the Nominations and Governance Committee would consider such Trustee’s offer to resign and would make a recommendation to the Board whether or not to accept such offer to resign. Among other things, the Nominations and Governance Committee would consider the results of the Unitholder vote, applicable regulatory requirements in respect of the constitution of the Board and certain of its committees, the particular Trustee’s attendance at Board and committee meetings, their contribution to Board and committee discussions and their performance assessment. In addition, it will consider what, if any, expressed reasons for a withheld vote have been given, the merits of such reasons and the ability to rectify concerns. Within 90 days of the Meeting, the Board will make a final decision concerning the acceptance of such Trustee’s resignation and may reject the resignation if in the Trustees’ discretion it is appropriate to do so and is in the best interests of the REIT. The decision will be announced by way of a news release. Any Trustee who tenders his resignation will not participate in the deliberations of the Board or any of its committees pertaining to the resignation.

The process applies only in circumstances involving an “uncontested” election of Trustees – where the number of Trustee nominees does not exceed the number of Trustees to be elected and where no proxy materials are circulated in support of one or more nominees who are not part of the slate supported by the Board for election at the Meeting.

The persons named in the form of proxy intend to vote for the election of the six nominees whose names are set forth below, unless the Unitholder who has given the proxy has directed that the Units represented by the proxy be withheld from voting in respect of the election of Trustees of the REIT. Management of the REIT does not contemplate that any of the six nominees listed below will be unable to serve as a Trustee of the REIT for the ensuing year. However, if that should occur for any reason prior to the Meeting, the persons named in the form of proxy intend to vote for the election of the remaining nominees and may vote for the election of a substitute nominee in their discretion. Trustees will hold office for a term expiring at the conclusion of the next annual meeting of Unitholders of the REIT or until their successors are elected or appointed and will be eligible for re-election. A Trustee appointed by the Trustees between the meetings of Unitholders or to fill a vacancy will be appointed for a term expiring at the conclusion of the next annual meeting or until his or her successor is elected or appointed and will be eligible for election or re-election.

Election of the Trustees of InterRent Trust

The Declaration of Trust provides that Unitholders shall direct the Trustees to vote the units of the InterRent Trust, a trust established under the laws of Ontario pursuant to the declaration of trust of InterRent Trust dated October 10, 2006, held by the REIT, in favour of the election of the nominees chosen by a vote of Unitholders, as trustees of InterRent Trust. **Unless authority to do so is withheld, the persons named in the accompanying form of proxy intend to direct the Trustees to vote the units of InterRent Trust so as to elect the nominees whose names are set forth below.** The size of the Board of InterRent Trust has been set at six trustees. Each nominee appointed as a trustee of InterRent Trust will hold office for a term expiring at the close of the next annual meeting of unitholders of InterRent Trust or until his successor is elected or appointed. The Trustees do not contemplate that any of the nominees will be unable to serve as trustees of InterRent Trust, but should the circumstances arise for any reason prior to the Meeting, the person named in the enclosed form of proxy reserves the right to direct the Trustees to vote for another nominee or nominees at their discretion (unless authority to do is withheld). The following persons are nominated for election as trustees of InterRent Trust:

Paul Amirault
Paul Bouzanis
Ronald Leslie
Jacie Levinson
Mike McGahan
Victor Stone

Election of the Directors of InterRent Holdings General Partner Limited

The Declaration of Trust provides that Unitholders shall direct the Trustees to cause the shares of InterRent Holdings General Partner Limited (the "**General Partner**") to be voted in favour of the election of the nominees chosen by a vote of Unitholders, as directors of the General Partner. The General Partner is the sole general partner of InterRent Holdings Limited Partnership, the entity that indirectly owns properties of the REIT. **Unless authority to do so is withheld, the persons named in the accompanying form of proxy intend to direct the Trustees to vote the shares of the General Partner so as to elect the nominees whose names are set forth below.** The nominees include Paul Bouzanis and Mike McGahan, both of whom are currently Trustees, and Curt Millar, the current Chief Financial Officer of the REIT. Each director of the General Partner will hold office for a term expiring at the close of the next annual meeting of shareholders of the General Partner or until their successor is elected or appointed. The Trustees do not contemplate that any of the nominees will be unable to serve as directors of the General Partner, but should the circumstances arise for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to direct the Trustees to vote for other nominees at their discretion (unless authority to do so is withheld). The following persons are nominated for election as directors of the General Partner:

Paul Bouzanis
Mike McGahan
Curt Millar

Nominees

The following table lists certain information concerning the persons proposed to be nominated for election as Trustees of the REIT. The information contained in the table with respect to Units beneficially owned, directly or indirectly, or over which control or direction is exercised by the nominees, is in each instance based upon information furnished by the nominee concerned and is as at April 24, 2013. **Unless authority to do so is withheld, the persons named in the accompanying form of proxy intend to vote for the election of nominees set forth below.** The REIT is required to have an Audit Committee. The REIT also has a Nominations and Governance Committee, a Compensation Committee and a Capital Resources Committee.

<u>Name and Municipality of Residence</u>	<u>Position with the REIT</u>	<u>Principal Occupation</u>	<u>Trustee Since</u>	<u>Number of Units Owned or Controlled</u>	<u>Percentage of Voting Units Owned or Controlled</u>
Paul Amirault ⁽¹⁾⁽²⁾ Ottawa, Ontario	Trustee	Partner at Norton Rose Canada LLP	May, 2010	3,333	<1%
Paul Bouzanis ⁽²⁾⁽³⁾⁽⁴⁾ Ottawa, Ontario	Trustee	President of PBC Development and Construction Management Group Inc.	September, 2009	196,512	<1%
Ronald Leslie ⁽¹⁾ Ottawa, Ontario	Trustee	Partner at Leslie and Macleod Chartered Accountants	May, 2011	-	-
Jacie Levinson ⁽¹⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Ottawa, Ontario	Trustee	Retired	September, 2009	264,057	<1%
Mike McGahan Ottawa, Ontario	Trustee	Chief Executive Officer of the REIT, President and Chief Executive Officer of CLV Group Inc.	September, 2009	2,591,176 ⁽⁶⁾	4.6%
Victor Stone ⁽²⁾⁽³⁾ Toronto, Ontario	Trustee	Senior Manager and Team Leader, Real Estate Lending at a Canadian chartered bank	December, 2006	39,882	<1%

- (1) Current member of the Audit Committee
- (2) Current member of the Nominations and Governance Committee
- (3) Current member of the Compensation Committee
- (4) Current member of the Capital Resources Committee
- (5) Chairman of the Board
- (6) Mr. McGahan also holds Instalment Receipts in respect of 475,000 Units, not included in this amount, that are being purchased under the Long Term Incentive Plan

Additional biographical information regarding the nominees of the REIT:

Paul Amirault is a partner of Norton Rose Canada LLP. Paul practices corporate and securities law, with an emphasis on equity financings and mergers and acquisitions. He represents start-ups and established businesses, as well as underwriters and investors. Paul works with venture capital and private equity funds. In addition to experience in prospectus offerings, private placements and friendly takeovers, he has been involved in hostile bids, proxy battles and contested shareholder meetings. Paul advises clients on a broad range of corporate and securities matters, including corporate governance, regulatory compliance and stock exchange rules.

Paul Bouzanis is the President of PBC Development and Construction Management Group Inc. (“**PBC**”). Established in 1956, PBC is a family owned business and Mr. Bouzanis became President in 1985. PBC provides development and construction management services to public, private and institutional clients as the prime consultant, managing major new developments and redevelopments. Mr. Bouzanis also currently serves on the board of the General Partner of the Valleyview Lands Limited Partnership. Mr. Bouzanis is an Associate Member of the Project Management Institute and Associate Member of the Ontario Association of Certified Engineering Technicians and Technologists.

Ronald Leslie is a Chartered Accountant and is the Office Managing Partner at Leslie and Macleod Chartered Accountants. Mr. Leslie has over 20 years of experience as a public accountant and currently sits on the board of C-COM Satellite Systems Inc. (which is listed on the TSX Venture Exchange). Mr. Leslie is a graduate of Carleton University and holds a Bachelor of Commerce degree.

Jacie Levinson has been involved with real estate sales, construction and renovations of multi-residential properties since 1960. From 1969 to retirement, Mr. Levinson grew his own firm to manage in excess of 5,000 residential units in addition to developing two downtown Ottawa suite hotels, three malls and industrial condominiums. Mr. Levinson has extensive background in the real estate industry in various capacities including sales as a senior broker, construction, appraisal, insurance and property management. Mr. Levinson was a director on the board of the Commercial Services Division of the Ottawa Real Estate Board and the Bank Street BIA in the City of Ottawa. He is also the past President of the Ottawa Jewish Community Foundation.

Mike McGahan is the Chief Executive Officer and a Trustee of the REIT. In addition, Mr. McGahan is president and chief executive officer of CLV Group Inc. (“**CLV**”), the property manager for the REIT. CLV is a company that focuses on providing “Complete Real Estate Solutions”, including property management, real estate brokerage, mortgage brokerage, residential rentals, commercial leasing and construction. Mr. McGahan has over 25 years experience in the real estate business focusing on the multi-residential apartment and commercial properties sectors and has successfully bought, sold, financed and managed over 200 properties valued in excess of \$1 billion. Mr. McGahan, through CLV, has developed a reputation as one of the top property managers having managed a portfolio of over 8,000 residential units and 500,000 sq. ft. of commercial properties for institutions including Toronto Dominion Bank, Bank of Hong Kong, Bank of Nova Scotia, Canada Mortgage and Housing Corporation and Canada Lands as well as private investors. Mr. McGahan has a wealth of experience in finding properties that have untapped potential and creating value through repositioning, renovations and improved efficiencies using pro-active management. Mr. McGahan has been a licensed real estate agent and mortgage broker for over 20 years and is a graduate of the University of Ottawa.

Victor Stone has been a Senior Manager and Team Leader, Real Estate Lending at a Canadian chartered bank since September 2003. Prior to joining the bank, Mr. Stone was Assistant Vice-President Commercial Lending of DUCA Financial Services from February 2002 to September 2003. From 1980 to 2002, he was involved in multi-residential and commercial real estate financing across Canada with a number of major financial institutions, including ING Investment Management, GE Capital Real Estate, Montreal Trust and Morguard Investments Limited and was a director of InterRent International Properties Inc. Mr. Stone is a graduate of the University of Western Ontario.

Corporate Cease Trade Orders

None of the Trustees is, or has been within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that (i) while such person was acting in that capacity was the subject of a cease trade or similar order that denied the company access to any statutory exemptions under Canadian securities legislation, in each case for a period of more than 30 consecutive days (each, an “**Order**”) or (ii) was subject to an Order that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

Except as disclosed below, none of the Trustees is, or has been within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Paul Amirault, in his role as legal counsel, became the director of an inactive and insolvent private company in 2010 as a nominee of a major shareholder for the purposes of making and supervising a proposal to creditors in connection with the corporate reorganization of such private company.

Personal Bankruptcies

None of the Trustees has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Penalties and Sanctions

None of the Trustees has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

APPOINTMENT OF AUDITORS

At the Meeting, it is proposed to re-appoint Collins Barrow Toronto LLP (formerly DMCT, LLP), Chartered Accountants, as auditors of InterRent to hold office until the next annual meeting of Unitholders at remuneration to be fixed by the Trustees of InterRent. DMCT, LLP, the predecessor to Collins Barrow Toronto LLP, were first appointed as auditors of InterRent International Properties Inc. (a predecessor of the REIT), effective August 24, 2004. **Unless authority to do so is withheld, the persons named in the accompanying form of proxy intend to vote to approve the appointment of Collins Barrow Toronto, LLP as InterRent’s auditors and to authorize the Trustees to fix the auditors’ remuneration.**

For the year ended December 31, 2012, fees for audit and audit related services provided by Collins Barrow Toronto, LLP for InterRent were approximately \$128,831. In addition, Collins Barrow Toronto LLP was paid approximately \$65,390 for tax, consulting and other non-audit related services between January 1, 2012 and December 31, 2012.

EQUITY INCENTIVE PROGRAM OVERVIEW

The REIT has established three components to its equity incentive program: the Unit Option Plan, the Long Term Incentive Plan and the Deferred Unit Plan. The terms of these plans complement each other and provide the Board with the flexibility to appropriately compensate, motivate and reward the REIT’s management and employees. The granting of awards under the plans ensures that the interests of the Trustees, management and employees are properly aligned with the interests of Unitholders over the short-term, mid-term and long-term. The Board views the plans as integrated elements of the REIT’s overall compensation philosophy described below in the Compensation Discussion and Analysis. In this regard, the Board intends for Unitholders to review the plans together as a whole.

The Deferred Unit Plan was last approved by Unitholders on June 28, 2010 and under current Toronto Stock Exchange (“**TSX**”) rules, it is required to be approved by Unitholders every three years. At the June 22, 2011 Annual and Special Meeting of Unitholders, the Board indicated that it was their intent going forward to align the timing of any proposed amendments to the equity incentive program on the same three-year schedule as the Deferred Unit Plan. Based on the Board’s ongoing assessment of the effectiveness of the overall equity incentive program, the below recommendations are being presented to Unitholders for consideration and approval.

When amendments to the equity incentive program were last proposed in the Management Information Circular dated May 9, 2011 and approved at the June 22, 2011 unitholders’ meeting, the net result of such amendments was that the equity incentive program as a whole then represented approximately 12.6% of the issued and outstanding units of the REIT. If the proposed amendments described below are all approved, the net effect of the changes would result in approximately 11.3% of the issued and outstanding Units of the REIT (including Class B Units and Units subject to Instalment Receipt Agreements under the Long Term Incentive Plan) being eligible for issuance under the REIT’s equity incentive program as of April 24, 2013.

AMENDMENT TO THE DEFERRED UNIT PLAN AND APPROVAL OF UNALLOCATED UNITS

Pursuant to the rules of the TSX, unallocated options, rights or other entitlements under a TSX listed issuer’s security based compensation arrangement that does not have a fixed maximum number of securities issuable (which includes the REIT’s Deferred Unit Plan), must be approved by a majority of the issuer’s directors and by the issuer’s securityholders every three years.

Under the Deferred Unit Plan, the REIT is permitted to issue up to an aggregate of 7.5% of the issued and outstanding Units (which for purposes of the Deferred Unit Plan, includes Class B Units and Units subject to Instalment Receipt Agreements under the Long Term Incentive Plan) from time to time on the redemption of deferred units (the “**Deferred Units**”), which currently represents approximately 4,268,988 Units as at April 24, 2013. The REIT currently has Deferred Units issued and outstanding pursuant to the Deferred Unit Plan redeemable for an aggregate of 1,397,295 Units, which represents approximately 2.5% of the REIT’s issued and outstanding Units as at April 24, 2013. There remains 2,871,693 Deferred Units under the plan, which represents 5.0% of the REIT’s issued and outstanding Units as at April 24, 2013, that have not been granted.

On April 24, 2013, the Trustees, subject to approval of the TSX and the Unitholders as required under the rules of the TSX, resolved to decrease the maximum number of Units that may be issued under the Deferred Unit Plan to 6.0% of the issued and outstanding Units. This decrease would reduce the maximum number of Units issuable under the Deferred Unit Plan to approximately 3,415,190 as at April 24, 2013. This change would result in approximately 2,017,895 Units, or 3.5% of the issued and outstanding Units, being available for issuance under the Deferred Unit Plan.

This change, in conjunction with the proposed changes to the Unit Option Plan and the Long Term Incentive Plan will allow the REIT to continue aligning the interests of the Trustees, management and employees with those of Unitholders over the short-term, mid-term and long-term. A description of the Deferred Unit Plan is found under “*Executive Compensation – Long-Term Incentives – Deferred Unit Plan*”.

If approval is obtained at the Meeting, the REIT will not be required to seek further approval of the grant of unallocated Deferred Units under the Deferred Unit Plan until the REIT’s 2016 annual Unitholders’ meeting (provided that such meeting is held on or prior to June 14, 2016). If approval is not obtained at the Meeting, Deferred Units which have not been allocated as of June 14, 2013 and Deferred Units which are outstanding as of June 14, 2013 and are subsequently cancelled, terminated or redeemed will not be available for a new grant of Deferred Units. Previously allocated Deferred Units will continue to be unaffected by the approval or disapproval of the resolution.

At the Meeting, the REIT’s Unitholders will be asked to consider, and if deemed advisable, to approve, with or without variation, a resolution (the “**Deferred Unit Plan Resolution**”) substantially in the form set out below:

“BE IT RESOLVED THAT:

1. all unallocated trust units issuable pursuant to InterRent’s Deferred Unit Plan, from time to time, are hereby approved and authorized up to and including June 14, 2016;
2. the maximum number of units that may be issued under the Deferred Unit Plan be reduced to 6.0% of the issued and outstanding Units; and

3. any trustee or officer of InterRent is hereby authorized, for and on behalf of InterRent, to execute, and, if appropriate, deliver all documents and instruments and to do all other things as in the opinion of such trustee or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of such action.”

To be effective, the Deferred Unit Plan Resolution must be passed by a majority of the votes cast by Unitholders present in person or represented by proxy at the Meeting.

The Board unanimously recommends that the Unitholders vote “FOR” the Deferred Unit Plan Resolution. Unless such authority is withheld, the person named in the accompanying proxy will vote “FOR” the approval of the Deferred Unit Plan Resolution.

REPLENISHMENT OF AND AMENDMENT TO THE UNIT OPTION PLAN

Pursuant to the Unit Option Plan, the aggregate number of Units reserved for issuance upon the exercise of all options granted under the Unit Option Plan, subject to adjustment, shall not exceed 1,000,000 Units which represents approximately 1.8% of the REIT’s issued and outstanding Units¹ as at April 24, 2013. The REIT has options issued and outstanding pursuant to the Unit Option Plan exercisable for an aggregate of 751,500 Units, which represents approximately 1.3% of the REIT’s issued and outstanding Units as at April 24, 2013. On April 24, 2013, the Trustees, with the conditional approval of the TSX and subject to approval of the Unitholders as required under the rules of the TSX, resolved to replenish and make available for future grants under the Unit Option Plan, the 78,500 Units that were attached to cancelled options or have been issued upon the exercise of previously granted options and to increase the maximum number of Units issuable and that may be issued under the Unit Option Plan by 1,000,000 Units so that the maximum number of Units that may be issued under the Unit Option Plan is 2,000,000 (including Units issuable upon the exercise of all options currently outstanding under the Unit Option Plan), representing 3.5% of the total number of outstanding Units of the REIT. All of these replenished and additional Units, if approved, will be available for issuance to trustees, directors, employees, consultants or management company employees on the exercise of stock options. If the proposed replenishment and increase is approved, 1,248,500 Units, or 2.2% of the total number of outstanding Units of the REIT will be available for future option grants.

The addition of Units will allow the REIT to continue to be able to grant options to Eligible Individuals (as defined below), in accordance with the REIT’s long-term incentive program. A description of the Unit Option Plan is found under “*Executive Compensation – Long-Term Incentives – Unit Option Plan*”.

At the Meeting, Unitholders will be asked to consider and, if deemed advisable, to pass the following resolution (the “**Unit Option Plan Addition Resolution**”):

“BE IT RESOLVED THAT:

1. the replenishment of 78,500 Units attached to cancelled options or issued on exercise of previously granted options be approved and the number of Units of InterRent Real Estate Investment Trust issuable and that may be issued under the Unit Option Plan be increased by an additional 1,000,000 Units, so that the maximum number of Units currently issuable and that may be issued under the Unit Option Plan, as at the date of this Circular, be 2,000,000 (including Units issuable upon the exercise of all options currently outstanding under the Unit Option Plan); and
2. any trustee or officer of InterRent is hereby authorized, for and on behalf of InterRent, to execute, and, if appropriate, deliver all documents and instruments and to do all other things as in the opinion of such trustee or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of such action.”

¹ The maximum number of Units available for issuance under the Unit Option Plan expressed as a percentage of the REIT’s issued and outstanding Units is based on a calculation that includes as issued and outstanding Units the 186,250 issued Class B Units and the 590,000 Units subject to Instalment Receipt Agreements under the Long Term Incentive Plan. If these Units are excluded from the calculation, all of the percentages expressed in this section remain the same.

To be effective, the Unit Option Plan Addition Resolution must be passed by a majority of the votes cast by Unitholders present in person or represented by proxy at the Meeting.

The Board unanimously recommends that the Unitholders vote “FOR” the Unit Option Plan Addition Resolution as set out in this Circular. Unless such authority is withheld, the person named in the accompanying proxy will vote “FOR” the approval of the Unit Option Plan Addition Resolution.

REPLENISHMENT OF AND AMENDMENT TO THE LONG TERM INCENTIVE PLAN

Pursuant to the Long Term Incentive Plan, the aggregate number of Units reserved for issuance under the Long Term Incentive Plan, subject to adjustment, shall not exceed 650,000 Units, which represents approximately 1.1% of the REIT's issued and outstanding Units² as at April 24, 2013. An aggregate of 590,000 Units are currently issued and are subject to Instalment Receipt Agreements (as defined below) under the Long Term Incentive Plan, which represents approximately 1.0% of the REIT's issued and outstanding Units as at April 24, 2013. On April 24, 2013, the Trustees, subject to approval of the TSX and the Unitholders as required under the rules of the TSX, resolved to replenish and make available for future grants under the Long Term Incentive Plan, the 10,000 Units that have been issued and fully paid for under the Long Term Incentive Plan and to increase the maximum number of Units that may be issued under the Long Term Incentive Plan by 350,000 Units so that the maximum number of Units that may be issued under the Long Term Incentive Plan is 1,000,000 (including the 590,000 Units currently issued and subject to Instalment Receipt Agreements under the Long Term Incentive Plan), representing 1.8% of the total number of outstanding Units of the REIT. All of these replenished and additional Units, if approved, will be available for issuance to trustees, officers or employees of the REIT, or any affiliate of the REIT. If the proposed replenishment and increase is approved, 410,000, or 0.7% of the total number of outstanding Units of the REIT will be available for future issuance under the Long Term Incentive Plan.

The addition of Units will allow the REIT to continue to be able to grant Instalment Receipts to LTIP Participants (as defined below), in accordance with the REIT's long-term incentive program. A description of the Long Term Incentive Plan is found under “*Executive Compensation – Long-Term Incentives – Long Term Incentive Plan*”.

At the Meeting, Unitholders will be asked to consider and, if deemed advisable, to pass the following resolution (the “**LTIP Addition Resolution**”):

“BE IT RESOLVED THAT:

1. the replenishment of 10,000 Units issued and fully paid for under the Long Term Incentive Plan be approved and the number of Units issuable and that may be issued under the Long Term Incentive Plan be increased by an additional 350,000 Units, so that the maximum number of Units currently issuable and that may be issued under the Long Term Incentive Plan, as at the date of this Circular, be 1,000,000 (including the Units currently issued and subject to Instalment Receipt Agreements under the Long Term Incentive Plan); and
2. any trustee or officer of InterRent is hereby authorized, for and on behalf of InterRent, to execute, and, if appropriate, deliver all documents and instruments and to do all other things as in the opinion of such trustee or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of such action.”

To be effective, the LTIP Addition Resolution must be passed by a majority of the votes cast by Unitholders present in person or represented by proxy at the Meeting.

The Board unanimously recommends that the Unitholders vote “FOR” the LTIP Addition Resolution as set out in this Circular. Unless such authority is withheld, the person named in the accompanying proxy will vote “FOR” the approval of the LTIP Addition Resolution.

² The maximum number of Units available for issuance under the Long Term Incentive Plan expressed as a percentage of the REIT's issued and outstanding Units is based on a calculation that includes as issued and outstanding Units the 186,250 issued Class B Units and the 590,000 Units subject to Instalment Receipt Agreements under the Long Term Incentive Plan. If these Units are excluded from the calculation, all of the percentages expressed in this section remain the same.

COMPENSATION OF EXECUTIVE OFFICERS

The following table sets forth the compensation paid during or payable in respect of the financial years set out to the Chief Executive Officer, the Chief Financial Officer, and all of the other most highly compensated executive officers of the REIT during 2012 who meet the applicable disclosure threshold (collectively, the “Named Executive Officers”).

Name and Principal Position	Year	Salary \$	Summary Compensation Table				Pension Value \$	All Other Compensation \$(³)	Total Compensation \$
			Unit- Based Awards \$(¹)	Option- Based Awards \$(²)	Non-Equity Incentive Plan				
					Annual Incentive Plans	Long-term Incentive Plans			
Mike McGahan ⁽⁴⁾ Chief Executive Officer	2012	\$175,000	\$550,000	—	—	—	\$8,904	\$733,904	
	2011	\$145,833	\$350,000	\$135,331	—	—	\$8,904	\$640,068	
	2010	\$125,000	\$153,780	—	—	—	\$8,904	\$287,684	
Curt Millar ⁽⁵⁾ Chief Financial Officer	2012	\$175,000	\$100,000	—	—	—	\$12,000	\$287,000	
	2011	\$150,000	\$60,000	\$50,749	—	—	\$12,000	\$272,749	
	2010	\$100,000	\$25,000	—	—	—	\$6,000	\$131,000	
Brian Awrey ⁽⁶⁾ VP Finance	2012	\$140,000	\$55,000	—	—	—	—	\$195,000	
	2011	\$125,000	\$31,250	\$33,833	—	—	—	\$190,083	
	2010	\$78,125	\$20,000	—	—	—	—	\$98,125	

Notes:

- (1) Reflects the annual bonus granted to each Named Executive Officer, each of whom elected to receive such amount in Deferred Units. Pursuant to the REIT’s Deferred Unit Plan, the REIT matches each Deferred Unit granted thereunder. Accordingly, each Named Executive Officer will receive an extra Unit for each Deferred Unit elected. (See “Long Term Incentives – Deferred Units”)
- (2) The fair value of the options is established on the date the options are granted using the Black-Scholes option pricing model.
- (3) The payments represent lease or other payments paid by the REIT on behalf of the Named Executive Officer for vehicles used by such Named Executive Officer.
- (4) Mr. McGahan receives no fees for acting as a trustee.
- (5) Mr. Millar became Chief Financial Officer on May 6, 2010. Accordingly, 2010 compensation is for the period May 6, 2010 – December 31, 2010.
- (6) Mr. Awrey became VP Finance on May 17, 2010. Accordingly, 2010 compensation is for the period May 17, 2010 – December 31, 2010.

Incentive Plan Awards

Outstanding Unit-Based Awards and Option-Based Awards

The following table sets forth information concerning option-based awards and unit-based awards granted by the REIT to each of the Named Executive Officers outstanding as at December 31, 2012.

Name	Option Based Awards				Unit-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised in- the-Money Options (\$) ⁽¹⁾	Number of Units that have not Vested	Market or Payout Value of Unit- based Awards that have not Vested (\$) ⁽¹⁾
Mike McGahan	200,000	\$2.13	22-Jun-21	\$1,046,000	477,642	\$2,498,068
Curt Millar	75,000	\$2.13	22-Jun-21	\$392,250	66,503	\$347,811
Brian Awrey	50,000	\$2.13	22-Jun-21	\$261,500	44,183	\$231,077

Notes:

- (1) Based on a December 31, 2012 closing price on the TSX of \$5.23 per Unit.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information concerning the value on vesting of all awards and the bonus payment during the year ended December 31, 2012 for each of the Named Executive Officers.

<u>Name</u>	<u>Option-Based Awards – Value Vested During the Year (\$)</u>	<u>Unit-Based Awards – Value Vested During the Year (\$)</u>	<u>Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)</u>
Mike McGahan	—	—	—
Curt Millar	—	—	—
Brian Awrey	—	—	—

Indebtedness of Named Executive Officers under Securities Purchase Programs

The following table sets forth information concerning the indebtedness of Named Executive Officers under Securities Purchase Programs. For the REIT, this is in relation to the Long-Term Incentive Plan units that were offered by the REIT and subscribed to by the Named Executive Officers prior to December 31, 2012.

<u>Name and Principal Position</u>	<u>Involvement of Company or Subsidiary</u>	<u>Largest Amount Outstanding During 2012 (\$)</u>	<u>Amount Outstanding as at December 31, 2012(\$)⁽¹⁾</u>	<u>Financially Assisted Securities Purchases during 2012 (#)</u>	<u>Security for Indebtedness</u>	<u>Amount Forgiven During 2012 (\$)</u>
Mike McGahan	Lender	\$1,615,222	\$1,603,682	350,000	Pledge of Unit Certificates	—
Curt Millar	Lender	\$163,951	\$161,795	25,000	Pledge of Unit Certificates	—
Brian Awrey	Lender	\$119,804	\$119,081	25,000	Pledge of Unit Certificates	—

Notes:

(1) Under the terms of the Long Term Incentive Plan, the purchase price for Units offered to the Named Executive Officers for subscription and purchase are payable in instalments, with an initial instalment of 5% paid when the Units are issued. The balance is due over a term not exceeding ten years. Participants are required to pay interest at a ten-year fixed rate based on the Trust's fixed borrowing rate for long-term mortgage financing (5.0% for Units issued in 2010, 3.57% for Units issued in March 2012 and 3.35% for Units issued in June and September 2012) and are required to apply cash distributions received on these units toward the payment of interest and the remaining instalment.

Composition of the Compensation Committee

The REIT's Compensation Committee (formerly, the Human Resources Committee) was comprised of the following individuals: Victor Stone (Chair), Paul Bouzanis and Jacie Levinson at December 31, 2012. None of the current members is or was during fiscal 2012, an employee of the REIT or any of its subsidiaries. No current member of the Compensation Committee is, or during fiscal 2012 was, indebted to the REIT or any of its subsidiaries, or to any other entity where such debt is supported by a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the REIT or its subsidiaries. No member of the Compensation Committee has, or had during fiscal 2012, any material interest in any transaction that has materially affected or would materially affect the REIT or any of its subsidiaries.

COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Committee is responsible for the REIT's compensation policies and practices. The Compensation Committee has the responsibility to review and make recommendations to the Trustees concerning the compensation of the Trustees and the Named Executive Officers, including the Chief Executive Officer, within the constraints of the agreement described under "Employment Contracts and Termination and Change of Control Benefits". The Committee also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under any of the REIT's compensation plans. The Compensation Committee also reviews and approves the hiring of executive officers.

Executive Compensation

Under applicable securities legislation, the REIT is required to disclose certain financial and other information relating to the compensation of its Chief Executive Officer, Chief Financial Officer and the REIT's other Named Executive Officers. A summary of salary and other annual compensation earned by the Named Executive Officers for the most recently completed financial year, the year ended December 31, 2011, and, the year ended December 31, 2010 is set out in the "Summary Compensation Table". There are no other executive officers, or individuals acting in similar capacity of the REIT that would otherwise qualify for inclusion in the discussions below.

Principles of Executive Compensation

The REIT believes in linking an individual's compensation to his or her performance and contribution as well as to the performance of the REIT as a whole. The primary components of the REIT's executive compensation are base salary and annual bonus. The Compensation Committee believes that the approach of a competitive fixed salary and incentives successfully links compensation to the interests of the Unitholders. The following principles form the basis of the REIT's executive compensation program:

1. align interest of executives and Unitholders;
2. attract and motivate executives who are instrumental to the success of the REIT and the enhancement of Unitholder value;
3. pay for performance;
4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced the REIT's long term value; and
5. connect, if possible, the REIT's employees into principles 1 through 4.

The Compensation Committee reviews on an annual basis the public information on other publicly traded REITs' and real estate operating companies' CEO compensation packages. It is recognized that comparisons are difficult due to the complexity, structure and size of the different entities. In the end, a significant judgement call is required and the quality of the particular candidate is important.

From this analysis, the Compensation Committee and the Board were unanimous in endorsing the use of the Deferred Unit Plan established for the REIT in order to creatively achieve the five principles noted above.

The Compensation Committee is satisfied that the employment agreement entered into as of October 1, 2009 with Mike McGahan as CEO, as subsequently amended (the "**McGahan Agreement**") is beneficial to the REIT in its compensation programs and amounts. The McGahan Agreement includes a payout of triple the annual compensation in the event of a change of control. The Compensation Committee has endorsed the program for the CEO's bonus being determined based upon a 20% component for each of the following:

1. sustainable profitability (including funds from operations/residential unit growth);
2. improving operating efficiencies (including improvements in operating margins);
3. disciplined and sustainable growth (including residential unit count, rent growth, improving occupancy);
4. conservative capitalization (including declining debt/gross book value); and
5. overall return versus peer group.

The entire amount of the bonus can be taken in Deferred Units that vest over time as detailed below. This system is expected to align the CEO with the long term objective of increasing Unitholder value.

Base Salary

The base salary level for the Named Executive Officers is established based on comparison to other Canadian real estate investments trusts and the relative size of the REIT. The Named Executive Officers have employment contracts which specify their respective base salary. The Compensation Committee assesses the base salary level of the CEO and will make recommendations for increases to the Board. The base salaries paid to Named Executive Officers which reflect any increases recommended by the CEO and approved by the Board are set out in the Summary Compensation Table.

Annual Bonus

The Compensation Committee is responsible to assess and make recommendations to the Board annually for any bonuses to Named Executive Officers. Bonuses for 2012 were determined based on the objectives established in 2012 as follows:

Mike McGahan Chief Executive Officer	Objective	Maximum	Awarded
	Sustainable Profitability	\$110,000	\$110,000
	Operating Efficiency Improvements	\$110,000	\$110,000
	Disciplined and Sustainable Growth	\$110,000	\$110,000
	Conservative Capitalization	\$110,000	\$110,000
	Unit Price Appreciation	\$110,000	\$110,000
The CEO received \$550,000 as an Annual Cash Bonus for 2012, 100% of which was elected to be taken in the form of Deferred Units which were then matched by the REIT.			
Curt Millar Chief Financial Officer	Objective	Maximum	Awarded
	Sustainable Profitability	\$20,000	\$20,000
	Operating Efficiency Improvements	\$20,000	\$20,000
	Disciplined and Sustainable Growth	\$20,000	\$20,000
	Conservative Capitalization	\$20,000	\$20,000
	Unit Price Appreciation	\$20,000	\$20,000
The CFO received \$100,000 as an Annual Cash Bonus for 2012, 100% of which was elected to be taken in the form of Deferred Units which were then matched by the REIT.			
Brian Awrey VP Finance	Objective	Maximum	Awarded
	Sustainable Profitability	\$11,000	\$11,000
	Operating Efficiency Improvements	\$11,000	\$11,000
	Disciplined and Sustainable Growth	\$11,000	\$11,000
	Conservative Capitalization	\$11,000	\$11,000
	Unit Price Appreciation	\$11,000	\$11,000
The VP Finance received \$55,000 as an Annual Cash Bonus for 2012, 100% of which was elected to be taken in the form of Deferred Units which were then matched by the REIT.			

Role of the Compensation Committee

The Compensation Committee's primary role is to assist the Board in fulfilling its oversight responsibilities by (i) reviewing the amount and form of compensation for Trustees, (ii) recommending salary, bonus and other benefits, direct or indirect, including any change of control packages for the Chairman and Chief Executive Officer, and reviewing management recommendations on the foregoing for other members of the senior management team, and (iii) overseeing the REIT's security based compensation plans.

The Compensation Committee's duties include (i) consideration of the succession planning process for senior executives including the Chief Executive Officer, (ii) review of the Chief Executive Officer's compensation package, (iii) annual review of the goals and objectives for the Chief Executive Officer and recommended compensation package changes for the Chief Executive Officer year over year, and (iv) the administration of the REIT's security based compensation plans.

InterRent's Compensation Philosophy

All employees of the REIT receive compensation based on comparable market rates for their respective positions. Additional consideration is given to internal pay equity and performance.

Base Salary

Base salaries are established taking into account individual performance and experience, level of responsibility and competitive pay practices. To achieve this goal, the base salaries are reviewed annually and adjusted appropriately to reflect individual performance and market changes.

Short Term Incentives

All permanent full time executives and management of the REIT have the opportunity to earn an annual performance bonus. Such bonuses are a function of meeting specific goals based on individual performance and the REIT's performance relating to revenue, profitability, and growth. The CEO's targets are established by the Compensation Committee and Board and the CEO is responsible for cascading these targets to executives, management and staff.

Long Term Incentives

Unit Option Plan

The REIT's Unit Option Plan provides that the REIT may grant options to purchase Units to any trustee, director, employee, consultant or Management Company Employees (as defined in the Unit Option Plan) of the REIT or a related entity of the REIT (each an "**Eligible Individual**"), or a corporation controlled by, and whose issued and outstanding voting shares are owned by any Eligible Individual. Based on the recommendation of the Compensation Committee, the Board considers and, if thought appropriate, approves the issuance of options in accordance with the REIT's Unit Option Plan. Such option grants are dependent upon individual performance and competitive conditions. The REIT's Unit Option Plan requires that the option exercise price be equal to the volume weighted average trading price of the Units for the five trading days immediately prior to the date the option was granted. The Board shall, in its discretion determine the time during which options shall vest and the method of vesting. All options granted shall expire no later than ten years after the date of the grant.

The aggregate number of Units reserved for issuance upon the exercise of all Options granted under the Unit Option Plan, subject to adjustment, shall not exceed 1,000,000 Units which represents approximately 1.8% of the REIT's issued and outstanding Units³ as at April 24, 2013. During the financial year ended December 31, 2012, there were 140,000 options granted. As at April 24, 2013, the REIT had options issued and outstanding pursuant to the Unit Option Plan exercisable for an aggregate of 751,000 Units, which represents approximately 1.3% of the REIT's issued and outstanding Units as at April 24, 2013. The REIT may issue an additional 170,000 options under the Unit

³ The maximum number of Units available for issuance under the Unit Option Plan expressed as a percentage of the REIT's issued and outstanding Units is based on a calculation that includes as issued and outstanding Units the 186,250 issued Class B Units and the 590,000 Units subject to Instalment Receipt Agreements under the Long Term Incentive Plan. If these Units are excluded from the calculation, all of the percentages expressed in this section remain the same.

Option Plan as of the date hereof. Unitholders are being asked to approve an amendment to the Unit Option Plan to replenish and increase the total number of Units required for issuance upon the exercise of Options granted under the Unit Option Plan to 2,000,000 Units, all as more fully described under the heading “*Amendment to Unit Option Plan*”.

No options shall be granted to any reporting insider of the REIT if such grant could result, together with any other incentive compensation arrangement of the REIT, at any time in the issuance to any one individual and such individual's associates, within a one-year period, of a number of Units (together with any other incentive compensation arrangements) that exceeds 10% of the issued and outstanding Units. The REIT shall obtain disinterested Unitholder approval of options if:

- (a) a unit option plan, together with all of the REIT's previously established or proposed unit option grants or other compensation arrangements, could result at any time in:
 - (i) the number of Units reserved for issuance under unit options granted to “Insiders” (as such term is defined therein) exceeding 10% of the outstanding Units;
 - (ii) the issuance to Insiders, within a one year period, of a number of Units exceeding 10% of the outstanding Units; or
- (b) the REIT is decreasing the exercise price of stock options previously granted to Insiders.

Subject to any express resolution passed by the Board with respect to an option, an option and all rights to purchase Units pursuant thereto shall expire and terminate within 30 days after the optionee who holds such option ceases to be an “eligible person” (as such term is defined in the Unit Option Plan). Options are non-transferable but may be assigned to a corporation controlled by an optionee.

If an optionee dies before the expiry of an option, the optionee's legal representative(s) may, subject to the terms of the option and the Unit Option Plan, (A) exercise the option (to the extent the optionee was entitled to do so at the date of the optionee's death) any time up to and including, but not after, one year following the earlier of the date of death, and prior to close of business on the expiration date of the option, and (B) with the prior written consent of the Board, exercise at any time up to and including, but not after, one year following the earlier of the date of death or prior to the close of business on the expiration date of the option, whichever is earlier, any part of the option which was not exercisable at the time of the optionee's death to purchase all or any of the Units subject to the option as the Board may designate but not exceeding the number of such Units the optionee would have been entitled to purchase had the optionee survived. If an optionee has been terminated “for cause”, or does not exercise his or her options within the prescribed period, the number of options not exercised will be added to the number of options remaining available to be granted under the Unit Option Plan.

The Board may, at any time, suspend or terminate the Unit Option Plan. The Board may, subject to receipt of requisite Unitholder and regulatory approval, make the following amendments to the Unit Option Plan:

- (a) any amendment to the number of securities issuable under the Unit Option Plan, including an increase in the maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage;
- (b) the addition of any form of financial assistance;
- (c) any addition of a cashless exercise feature, payable in cash or securities which does not provide for a full deduction in the number of underlying securities from the Unit Option Plan;
- (d) the addition of any provision in the Unit Option Plan which results in participants receiving securities while no cash consideration is received by the REIT;
- (e) any extension of the term of options granted to insiders of the REIT;
- (f) any reduction in the option price of options held by insiders of the REIT; and

- (g) any other amendments that may lead to significant or unreasonable dilution in the REIT's outstanding securities or may provide additional benefits to participants, especially to insiders of the REIT, at the expense of the REIT and its existing unitholders.

The Board may, subject to receipt of requisite regulatory approval, where required, in its sole discretion make all other amendments to the Unit Option Plan that are not of the type contemplated above, including, without limitation:

- (a) amendments of a housekeeping nature;
- (b) the addition of or a change to vesting provisions of a security or the Unit Option Plan;
- (c) a change to the termination provisions of a security or the Unit Option Plan which does not entail an extension beyond the original expiry date; and
- (d) the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Unit Option Plan reserve.

Long Term Incentive Plan

The REIT has a Long Term Incentive Plan, which is available to Trustees, officers and employees of the REIT and directors, trustees, officers or employees of designated affiliates, where in each case such persons are actively engaged in activities related to the REIT ("**LTIP Participants**").

Under the Long Term Incentive Plan, LTIP Participants may subscribe for treasury Units ("**Plan Units**") for a purchase price equal to the "Market Price" for Units, which purchase price will be payable in cash instalments. The first instalment will be an amount equal to not less than 5% of the Market Price for the Units on the date of issue and will be payable by LTIP Participants on the date such Plan Units are issued. The "Market Price" for Units will be equal to the volume weighted average trading price of Units on the TSX for the five trading days immediately preceding their issue. Prior to the payment in full of all instalments (together with interest thereon) relating to Plan Units, beneficial ownership of the Plan Units will be represented by instalment receipts issued by the REIT (the "**Instalment Receipts**") to LTIP Participants. LTIP Participants will be required to pay all instalment and interest payments over a period of not more than ten years and have the option to prepay any remaining instalments at their discretion. Instalment and interest payments may be accelerated in certain circumstances, such as on the death or disability of an LTIP Participant or on termination of their employment with the REIT. In addition, LTIP Participants may elect, with prior Board consent, to have some or all of any Instalment Receipts issued to a personal holding company, family trust, or eligible limited partnership of such LTIP Participant. Pursuant to an instalment receipt agreement entered into between the REIT and LTIP Participants (the "**Instalment Receipt Agreement**"), legal title to the Plan Units will be registered in the name of a custodian (the "**Custodian**") and held as security for the payment obligations of the LTIP Participants until all instalments and interest have been paid.

LTIP Participants will be required to pay interest to the REIT on the outstanding balance of the remaining instalments at a ten-year fixed annual rate not less than a prescribed rate under the *Income Tax Act* (Canada) applicable at the time the Plan Units are issued.

Under the Long Term Incentive Plan, LTIP Participants will be the beneficial owners of the Plan Units from the date of issue, subject to their obligation to make the remaining instalment and interest payments. Holders of Instalment Receipts will have substantially the same rights and privileges, and will be subject to the same limitations, as registered holders of Units, except for certain rights and privileges, which are limited under the Instalment Receipt Agreement to protect the value of the REIT's security interest in the Plan Units. LTIP Participants will be required to apply any distributions received by them in respect of the Plan Units to make payments of interest and the remaining instalments. Upon due payment of all instalments and interest, the Plan Units will be released to the LTIP Participants and the LTIP Participants will become the registered holders of the Plan Units. Until all instalment and interest payments have been made, LTIP Participants will not be allowed (i) to vote their Plan Units, or (ii) to transfer or dispose of their Plan Units or the associated Instalment Receipts, other than to an RRSP or RRIF or other entity or person approved by the REIT.

The Long Term Incentive Plan is administered by the Board and the maximum number of Units issuable is 650,000 Units (representing approximately 1.1% of the number of issued and outstanding Units of the Trust⁴ as at April 24, 2013). As of the date of this Circular, 600,000 Units have been issued, 590,000 of which are currently subject to Instalment Receipt Agreements under the Long Term Incentive Plan (representing approximately 1.0% of the issued and outstanding Units), leaving 50,000 Units available for future grants (representing approximately 0.1% of the issued outstanding Units), based on the number of Units issued and outstanding as of April 24, 2013. Unitholders are being asked to approve an amendment to the Long Term Incentive Plan to replenish and increase the total number of Units issuable under the Long Term Incentive Plan to 1,000,000 Units, all as more fully described above under the heading “*Amendment to Long Term Incentive Plan*”.

The aggregate number of Units reserved for issuance to “Insiders” (as such term is defined in the *Securities Act* (Ontario)) pursuant to the Long Term Incentive Plan and pursuant to all other incentive compensation arrangements of the REIT shall not exceed 10% of the total number of Units then outstanding. The aggregate number of Units issued to Insiders pursuant to the Long Term Incentive Plan and pursuant to all other incentive compensation arrangements of the REIT, within a one-year period, shall not exceed 10% of the total number of Units then outstanding. The Long Term Incentive Plan will be administered by the Board, or the Compensation Committee, which will have the power to amend, modify, suspend or terminate the Long Term Incentive Plan, subject to regulatory approval and in circumstances described in Section 3.7 of the Long Term Incentive Plan, to Unitholder approval, including a reduction of the price of Units under the Long Term Incentive Plan (other than as specifically set out therein), materially increasing benefits of participants or affecting participant eligibility.

Subject to the Long Term Incentive Plan and the Instalment Receipt Agreement, the Board has discretion to determine and set the vesting provisions applicable to Plan Units and Instalment Receipts. If a Plan Unit is subject to such vesting provisions as determined by the Board, Plan Units held by the Custodian for the benefit of holders of Instalment Receipts will vest, together with any distributions, in accordance with and at such times as set forth in the vesting provisions applicable to such Plan Units. On the relevant vesting dates, the Custodian will distribute the relevant number of vested Plan Units and distributions to the LTIP Participant. Subject to the Long Term Incentive Plan, Instalment Receipt Agreement and vesting provisions, if an LTIP Participant’s employment is terminated for cause or by voluntary resignation or retirement before the date all instalments in respect of the LTIP Participant’s Plan Units have been paid, then no unvested portion of any such Plan Units held by the Custodian for the benefit of the Participant will vest.

In the event of disability or death of an LTIP Participant before all instalments in respect of the LTIP Participant’s Plan Units have been paid, subject to the discretion of the Board, the payment of all remaining instalments with respect to such Plan Units will be accelerated to become due and payable on the earlier of (i) the second anniversary of such death or disability, and (ii) the date such payments are otherwise payable under the Instalment Receipt Agreement. If the LTIP Participant fails to make such payments within such period of time, the Custodian, subject to the discretion of the Board, will deal with the applicable Plan Units in accordance with terms of the Instalment Receipt Agreement. In the event a LTIP Participant’s employment is terminated for cause before all instalments in respect of the LTIP Participant’s Plan Units have been paid, subject to the discretion of the Board, the payment of all remaining instalments owing with respect such Plan Units will be accelerated to become due and payable on the earlier of (i) 30 calendar days following such termination, and (ii) the date such payments are otherwise payable under the Instalment Receipt Agreement. If the LTIP Participant fails to make such payments within such period of time, the Custodian, subject to the discretion of the Board, will deal with the applicable Plan Units in accordance with terms of the Instalment Receipt Agreement. In the event an LTIP Participant’s employment is terminated by voluntary resignation or retirement before all instalments in respect of the LTIP Participant’s Plan Units have been paid, subject to the discretion of the Board, the payment of all remaining instalments owing with respect to such Plan Units will be accelerated to become due and payable on the earlier of (i) 90 calendar days following such termination, and (ii) the date such payments are otherwise payable under the Instalment Receipt Agreement. If the LTIP Participant fails to make such payments within such period of time, the Custodian, subject to the discretion of the Board, shall deal with the applicable Plan Units in accordance with terms of the Instalment Receipt Agreement. If an LTIP Participant’s employment is terminated other than for cause, as a result of death or disability, or by voluntary resignation or retirement of the LTIP Participant before all instalments in respect of the LTIP Participant’s Plan Units have been paid, subject to the discretion of the Board, the payment of all remaining instalments owing with respect to such Plan Units shall be accelerated to become due and payable on the earlier of (i) 180 calendar days following such

⁴ The maximum number of Units available for issuance under the Long Term Incentive Plan expressed as a percentage of the REIT’s issued and outstanding Units is based on a calculation that includes as issued and outstanding Units the 186,250 issued Class B Units and the 590,000 Units subject to Instalment Receipt Agreements under the Long Term Incentive Plan. If these Units are excluded from the calculation, all of the percentages expressed in this section remain the same.

termination, and (ii) the date such payments are otherwise payable under the Instalment Receipt Agreement. If the LTIP Participant fails to make such payments within such period of time, the Custodian, subject to the discretion of the Board, shall deal with the applicable Plan Units in accordance with terms of the Instalment Receipt Agreement. With certain exceptions, if an LTIP Participant holds Plan Units through a personal holding company, family trust or an eligible limited partnership which ceases to qualify as such, any remaining instalment payments owing with respect to Plan Units issued to such LTIP Participant shall be accelerated to become due and payable on the earlier of (i) 90 calendar days after such failure to qualify, and (ii) the date such payments are otherwise payable under the Instalment Receipt Agreement. If the LTIP Participant fails to make such payments within such period of time, the Custodian, subject to the discretion of the Board, shall deal with the applicable Plan Units in accordance with terms of the Instalment Receipt Agreement.

The Board may, at its sole discretion, amend (including, without limitation, make amendments of a housekeeping nature), suspend or terminate the Long Term Incentive Plan, or any portion of it at any time in accordance with applicable legislation, and subject to any required regulatory approval, without Unitholder approval. Notwithstanding the foregoing, amendments to the number of Units issuable under the Long Term Incentive Plan, amendments to the determination of the "Market Price" of Plan Units, a reduction of the price of Plan Units issued under the Long Term Incentive Plan, amendments to the eligibility of participation to the Long Term Incentive Plan, or amendments that materially increase the benefits of LTIP Participants under the Long Term Incentive Plan, shall be subject to Unitholder approval.

Instalment Receipts and associated Plan Units are not transferable in any way except to an RRSP or RRIF of the LTIP Participant, an entity controlled by the REIT or otherwise approved by the REIT, or otherwise in accordance with the Long Term Incentive Plan and the Instalment Receipt Agreement. Transfers in violation of the Long Term Incentive Plan will not be valid.

Deferred Unit Plan

The REIT has a Deferred Unit Plan available to certain eligible Trustees, officers and employees of the REIT who elect to participate ("**DUP Participants**").

Each DUP Participant shall:

- (a) in respect of a Trustee, be paid between sixty (60%) and one hundred percent (100%) of the annual cash retainer paid by the REIT to that Trustee in a calendar year for service on the Board, together with committee fees, attendance fees, additional fees and retainers to committee chairs (a "**Board Retainer**"); or
- (b) in respect of an officer or employee, be paid up to 100% of the annual bonus paid by the REIT to that officer or employee in a calendar year (an "**Annual Bonus**"),

(the "**Elected Amount**") in the form of deferred Units ("**Deferred Units**") in lieu of cash, provided that the REIT shall match the Elected Amount for each DUP Participant such that the number of Deferred Units issued to each Participant shall be equal in value to two (2) times the Elected Amount. In addition, each eligible DUP Participant (officers and other senior employees) shall be paid 100% of their retention bonus ("**Retention Bonus**") and/or long term incentive bonus ("**Long Term Incentive Bonus**") in the form of Deferred Units.

DUP Participants (other than a trustee) that elect to participate are paid 100% of any Retention Bonus, if awarded, in Deferred Units. A Retention Bonus is set by the Board (or Compensation Committee) and is paid on a semi-annual basis (on or about June 30 and December 31) if the REIT meets certain pre-determined performance targets set by the Board or the Committee. In addition, DUP Participants that elect to participate are paid 100% of any Long-Term Incentive Bonus, if awarded, in Deferred Units. Long-Term Incentive Bonuses are paid provided that the REIT meets certain pre-determined performance targets set by the Board for the previous fiscal year. The Long-Term Incentive Bonus, if paid, is paid annually forthwith after the REIT publicly releases its year-end results for the previous fiscal year.

The number of Deferred Units (including fractional Deferred Units) granted at any particular time pursuant to the Deferred Unit Plan is calculated by: dividing (i) two times the dollar amount of the Elected Amount, as applicable, allocated to the DUP Participant for a Board Retainer or Annual Bonus; (ii) by the Market Value of a Unit on the Award Date. "**Market Value**" at any date in respect of the Deferred Units means the volume weighted average price of all Units traded on the TSX for the ten trading days immediately preceding such date (or, if such Units are not listed and posted for trading on the TSX, on such stock exchange on which such Units are listed and posted for trading as

may be selected for such purpose by the Trustees). In the event that such Units are not listed and posted for trading on any stock exchange, the Market Value shall be the fair market value of such Units as determined by the Board in its sole discretion. Deferred Units are not assignable except in the case of death or otherwise by succession.

The Board may, at its sole discretion, amend (including, without limitation, make amendments of a housekeeping nature), suspend or terminate the Deferred Unit Plan, or any portion of it at any time in accordance with applicable legislation, and subject to any required regulatory approval, without Unitholder approval. Notwithstanding the foregoing, the number of Units authorized for issuance under the Deferred Unit Plan may only be amended with Unitholder approval or as may be required by regulatory authorities. In addition, amendments: (i) leading to an increase in the matching amount by the REIT of the Elected Amount under the Deferred Unit Plan (other than as provided therein); (ii) affecting the eligibility of participation to the Deferred Unit Plan; or (iii) materially increasing the benefits of participants under the Deferred Unit Plan, shall also be subject to Unitholder approval.

The Deferred Unit Plan is a rolling and reloading plan. Deferred Units that are redeemed for Units are automatically available for re-grant under the Deferred Unit Plan.

The Deferred Unit Plan is administered by the Compensation Committee, reporting to the Board. The aggregate number of Units reserved for issuance under the Deferred Unit Plan, subject to adjustment, shall not exceed 7.5% of the issued and outstanding Units (which for purposes of the Deferred Unit Plan, includes Class B Units and Units subject to Instalment Receipt Agreements under the Long Term Incentive Plan), being 4,268,988 Units as of April 24, 2013. As of the date of this Circular, the REIT has 1,397,295 Deferred Units outstanding under the Deferred Unit Plan, representing approximately 2.5% of the issued and outstanding Units. As of the date of the Circular, there are 2,871,693 Units available for future grants (representing approximately 5.0% of the issued and outstanding Units), based on the number of Units issued and outstanding on the date hereof. Unitholders are being asked to approve an amendment to the Deferred Unit Plan to decrease the total number of Units issuable under the Deferred Unit Plan to 6.0% of the issued and outstanding Units, all as more fully described above under the heading "*Amendment to Deferred Unit Plan*".

Irrespective of the foregoing, at no time shall the number of Units: (i) reserved for issuance to insiders of the REIT pursuant to outstanding Deferred Units (together with the number of Units reserved for issuance to such persons pursuant to any other incentive compensation arrangements) exceed 10% of the then outstanding Units as calculated immediately prior to the issuance in question; and (ii) issued to insiders of the REIT, within any one year period, pursuant to outstanding Deferred Units (together with the number of Units issued to such persons pursuant to other incentive compensation arrangements) exceed 10% of the then outstanding Units.

Deferred Units generally vest in accordance with the following schedule:

- (a) 50% of the Deferred Units on the third anniversary of the grant;
- (b) 25% of the Deferred Units on the fourth anniversary of the grant;
- (c) 25% of the Deferred Units on the fifth anniversary of the grant;

provided however, that in the event of any "change of control" of InterRent (as such term is defined in the Deferred Unit Plan), any unvested Deferred Units shall vest upon the earlier of: (i) the next applicable vesting date determined in accordance with the above provisions; and (ii) the date which is immediately prior to the date upon which the change of control is completed.

Notwithstanding the foregoing, Deferred Units credited to a DUP Participant vest immediately and are redeemable following an event, including termination other than for cause, retirement or death, unless the DUP Participant has been terminated for cause or resigns. If a DUP Participant is terminated for cause or resigns, any Deferred Units representing (i) an Elected Amount, and (ii) 50% of any Retention Bonus shall be deemed to have vested. Any Deferred Units representing a match of the Elected Amount or a Long-Term Incentive Bonus or the other 50% of the Retention Bonus which have not vested at the time of termination for cause or voluntary resignation shall be forfeited by the DUP Participant.

If a DUP Participant retires from the REIT, any Deferred Units representing (i) an Elected Amount, and (ii) 50% of any Retention Bonus credited to the DUP Participant's Deferred Unit Account shall be deemed vested and, if the participant is 75 years or over and has been with the REIT for

- (a) less than five years, then any Deferred Units granted to such DUP Participant granted under the Deferred Unit Plan which represent, (i) a match by the REIT of an Elected Amount, (ii) a Long Term Incentive Bonus and/or (iii) the other 50% of a Retention Bonus, in each case in accordance with the Deferred Unit Plan, and which have not yet vested, shall be immediately forfeited by the DUP Participant;
- (b) between five and ten years, then (i) 50% of any Deferred Units granted to such DUP Participant which represent a match by the REIT of an Elected Amount and/or a Long Term Incentive Bonus, and (ii) 75% of any Deferred Units granted to such DUP Participant, which represent a Retention Bonus (and which have not vested at such time), shall immediately vest, be non-forfeitable, and be redeemed as soon as practically possible. In such a case, the remaining (i) 50% of any Deferred Units granted to a DUP Participant representing a match by the REIT of an Elected Amount and/or a Long Term Incentive Bonus, and/or (ii) 25% of any Deferred Units granted to such DUP Participant which represent a Retention Bonus and which have not vested at such time, shall be immediately forfeited by the DUP Participant; or
- (c) ten years or greater, then any Deferred Units granted to such DUP Participant which represent a match by the REIT of an Elected Amount, or a Long Term Incentive Bonus or Retention Bonus, and which have not vested at such time, shall immediately vest, be non-forfeitable and such Deferred Units shall be redeemed as soon as practically possible.

Compensation of Chief Executive Officer

The base salary of the REIT's Chief Executive Officer, Mike McGahan, is targeted at a level consistent with base salaries paid to chief executive officers in the Canadian real estate trust market. In addition, Mr. McGahan is entitled to participate in the REIT's short term bonus plan, Unit Option Plan, Deferred Unit Plan and Long Term Incentive Plan as part of his compensation. Description of his compensation plan is set out under "*Principles of Executive Compensation*".

Mike McGahan is a member of the Board. Mr. McGahan is required to abstain himself from deliberations of the Board with respect to matters related to his compensation and also abstain from voting on these matters.

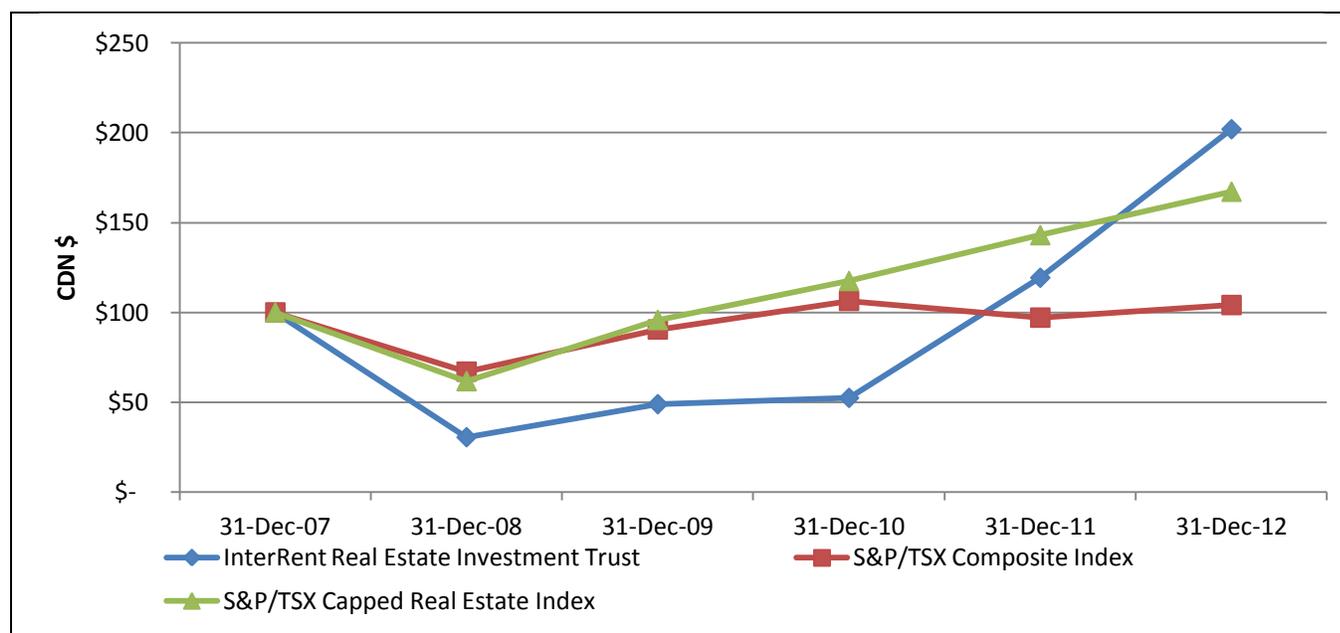
Submitted on behalf of the Compensation Committee:

Victor Stone (Chair)
Paul Bouzanis
Jacie Levinson

Performance Graph

The following graph illustrates changes over the period from December 31, 2007 to December 31, 2012 in cumulative total shareholder return assuming that \$100 was invested on December 31, 2007 (with any distributions re-invested) in Units of the REIT, the S&P/TSX Composite Index and the S&P/TSX Capped Real Estate Index.

Total Return on a CDN\$100 Investment



	31-Dec-07	31-Dec-08	31-Dec-09	31-Dec-10	31-Dec-11	31-Dec-12
InterRent Real Estate Investment Trust	\$ 100	\$ 31	\$ 49	\$ 52	\$ 119	\$ 202
S&P/TSX Composite Index	\$ 100	\$ 67	\$ 91	\$ 106	\$ 97	\$ 104
S&P/TSX Capped Real Estate Index	\$ 100	\$ 62	\$ 96	\$ 118	\$ 143	\$ 167

Note: Assumes distributions are reinvested on the ex-dividend date and all amounts rounded to the nearest dollar.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth, as of December 31, 2012, information concerning securities authorized for issuance under equity compensation plans.

<u>Plan Category</u>	<u>Number of Securities to be issued upon exercise of outstanding options, warrants and rights</u>	<u>Weighted average exercise price of outstanding options, warrants and rights \$</u>	<u>Number of securities remaining available for future issuance under equity compensation plans</u>
Equity compensation plans previously approved by security holders			
Unit Option Plan ⁽¹⁾	759,150	\$ 2.84	170,000
Deferred Unit Plan ⁽²⁾⁽³⁾	1,141,306	\$ 2.61	2,187,964
Long-Term Incentive Plan ⁽⁴⁾	590,000	\$ 3.42	50,000
Equity compensation plans not previously approved by security holders			
Total	2,490,456	N/A	2,407,964

Notes:

- (1) The material features of the Unit Option Plan are described above under the heading “*Compensation Discussion & Analysis – Long Term Incentive – Unit Option Plan*”.
- (2) The material features of the Deferred Unit Plan are described above under the heading “*Compensation Discussion & Analysis – Long Term Incentive – Deferred Unit Plan*”.
- (3) The outstanding Deferred Units are subject to vesting terms. As at December 31, 2012, if these vesting terms are met a maximum of 1,141,306 Units may be issued from treasury upon the redemption of all outstanding Deferred Units and 2,173,996 Units were available for issuance as at that date under the Deferred Unit Plan. As of the date of this Circular, 1,397,295 deferred units have been granted and are outstanding and 2,857,724 Units are currently available for issuance under the Deferred Unit Plan.
- (4) The material features of the Long-Term Incentive Plan are described above under the heading “*Compensation Discussion & Analysis – Long-Term Incentive – Long-Term Incentive Plan*”.

TERMINATION OF EMPLOYMENT, CHANGES IN RESPONSIBILITY AND EMPLOYMENT CONTRACTS

The REIT entered into an employment agreement as of October 1, 2009 with Mike McGahan for an indefinite term, which employment agreement was amended on December 9, 2011 and February 29, 2012 (hereinafter together the “**McGahan Agreement**”).

In the event of the death, retirement or disability of Mr. McGahan, the McGahan Agreement provides for the lump sum payment of an amount equal to not less than two times the annual salary and two times the average annual bonus paid to Mr. McGahan in the previous two years.

In the event that Mr. McGahan’s employment is terminated for any other reason or not for just cause or in the event Mr. McGahan resigns for “Good Reason”, or there is a control change in the REIT, as such terms are defined therein, Mr. McGahan is entitled to a payment that, in the aggregate, equals: (i) three times the annual salary; and (ii) three times the maximum potential bonus for the year. In addition, the REIT is required to purchase from Mr. McGahan, at fair market value, all Units, rights, options or warrants to acquire Units of the REIT owned by Mr. McGahan (all of which shall be deemed to have vested) and pay him the difference between the exercise price and the fair market value of all rights, options or warrants to acquire Units subject to issuance pursuant to any options or warrants held by Mr. McGahan.

The REIT entered into an employment agreement (the “**Millar Agreement**”) with Curt Millar dated May 6, 2010. In the event that Mr. Millar’s employment is terminated not for just cause or in the event Mr. Millar resigns for “Good Reason”, as such terms are defined therein, Mr. Millar is entitled to a payment that is based on his length of service to the REIT and, in the aggregate, equals: (i) between one and two times the annual salary; and (ii) between one and two times the maximum potential bonus for the year. In the event that Mr. Millar’s employment is terminated due to a change in control of the REIT, Mr. Millar is entitled to a payment equal to two times the annual salary and two times the maximum potential bonus for the year. In addition, the REIT would be required to purchase from Mr. Millar, at fair

market value, all Units, rights, options or warrants to acquire Units of the REIT owned by Mr. Millar (all of which shall be deemed to have vested) and pay him the difference between the exercise price and the fair market value of all rights, options or warrants to acquire Units subject to issuance pursuant to any options or warrants held by Mr. Millar.

The REIT entered into an employment agreement (the “**Awrey Agreement**”) with Brian Awrey dated May 17, 2010. In the event that Mr. Awrey’s employment is terminated not for just cause or in the event Mr. Awrey resigns for “Good Reason”, or there is a control change in the REIT, as such terms are defined therein, Mr. Awrey is entitled to a payment that is based on his length of service to the REIT and, in the aggregate, equals: (i) the annual salary; and (ii) the maximum potential bonus for the year. In addition, the REIT would be required to purchase from Mr. Awrey, at fair market value, all Units, rights, options or warrants to acquire Units of the REIT owned by Mr. Awrey (all of which shall be deemed to have vested) and pay him the difference between the exercise price and the fair market value of all rights, options or warrants to acquire Units subject to issuance pursuant to any options or warrants held by Mr. Awrey.

TRUSTEES COMPENSATION

<u>Name</u> ⁽¹⁾	<u>Fees Earned</u>	<u>Unit-based Awards</u>	<u>Option-based Awards</u>	<u>Non-equity Incentive Plan Compensation</u>	<u>All Other Compensation</u>	<u>Total</u>
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Paul Amirault	—	\$40,000	—	—	—	\$40,000
Paul Bouzanis	—	\$57,800	—	—	\$39,600 ⁽²⁾	\$97,400
Ronald Leslie	—	\$42,400	—	—	—	\$42,400
Jacie Levinson	—	\$61,600	—	—	—	\$61,600
Victor Stone	—	\$39,800	—	—	—	\$39,800

Notes:

(1) For compensation for Mike McGahan, see “*Summary Compensation Table*”.

(2) In his capacity as Chair of the Capital Resources Committee, Mr. Bouzanis is paid additional meeting fees, which he has elected to receive as deferred units, based on a reasonable estimate of the time spent on committee business and ad hoc meetings.

Each of the Trustees who are not members of management will receive from the Trust an annual retainer of \$18,000 per year, plus a fee of \$1,000 per board meeting and \$600 per committee meeting. In addition, the Chairmen receive the following respective amounts for chairing various committees: the Board \$25,000, Audit Committee \$10,000, Nominations and Governance Committee \$5,000, Compensation Committee \$5,000 and Capital Resources Committee \$20,000. The Trustees have elected to receive all of their fees related to 2012 in Deferred Units. The number of Units that each Trustee is entitled to receive on redemption of the Deferred Units shall be based on the 10-day weighted average trading price prior to the issuance of the Deferred Units. Trustees will also be reimbursed for reasonable travel and other expenses properly incurred by them in attending meetings of the Trustees or any committee meeting. Trustees are also eligible to participate in the Unit Option Plan and the Long Term Incentive Plan.

Trustees are required to accumulate \$150,000 in Units (including Deferred Units) by the third anniversary of their election as a Board member.

Outstanding Unit-Based Awards and Option-Based Awards

The following table sets forth information concerning option-based awards and unit-based awards granted by the REIT to each of the Trustees (other than Trustees that are Named Executive Officers) outstanding as at December 31, 2012.

<u>Name</u> ⁽¹⁾	<u>Option Based Awards</u>				<u>Unit-Based Awards</u>	
	<u>Number of Securities Underlying Unexercised Options (#)</u>	<u>Option Exercise Price (\$)</u>	<u>Option Expiry Date</u>	<u>Value of Unexercised in-the-Money Options⁽²⁾ (\$)</u>	<u>Number of Units that have not Vested (#)</u>	<u>Market or Payout Value of Unit-based Awards that have not Vested (\$)⁽²⁾</u>
PAUL AMIRAULT	25,000	\$2.13	June 22, 2021	\$130,750	78,497	\$410,539
PAUL BOUZANIS	25,000	\$2.13	June 22, 2021	\$130,750	168,481	\$881,156
RONALD LESLIE	25,000	\$2.13	June 22, 2021	\$130,750	40,873	\$213,766
JACIE LEVINSON	25,000	\$2.13	June 22, 2021	\$130,750	125,010	\$653,802
VICTOR STONE	—	—	—	—	103,041	\$538,904

Notes:

(1) For outstanding unit-based awards and option-based awards for Mike McGahan see “*Outstanding Unit-Based Awards and Option-Based Awards*” under “*Compensation of Executive Officers*” above.

(2) Based on a December 31, 2012 closing price on the TSX of \$5.23 per Unit.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information concerning the value on vesting on all awards and the bonus payment during the year ended December 31, 2012 for each of the Trustees (other than Trustees that are Named Executive Officers).

<u>Name</u> ⁽¹⁾	<u>Option-Based Awards – Value Vested During the Year (\$)</u>	<u>Unit-Based Awards - Value Vested During the Year (\$)⁽²⁾</u>	<u>Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$)</u>
PAUL AMIRAULT	—	—	—
PAUL BOUZANIS	—	\$25,773	—
RONALD LESLIE	—	—	—
JACIE LEVINSON	—	\$23,739	—
VICTOR STONE	—	\$25,773	—

Notes:

(1) For incentive plan awards for Mike McGahan see “*Incentive Plan Awards – Value Vested During the Year*” under “*Compensation of Executive Officers*” above.

(2) Based on a December 31, 2012 closing price on the TSX of \$5.23 per Unit.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as described below, since January 1, 2012, no informed person of the REIT, nominee for election as a Trustee, or any associate or affiliate of an informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction, which has materially affected or will materially affect the REIT or any of its subsidiaries:

During the year ended December 31, 2012, the REIT incurred approximately \$5,377,000 (2011 - \$3,684,000) in property and project management services, shared legal services and brokerage services from a company controlled by an officer of the Trust. Of the services received, approximately \$2,690,000 (2011 - \$1,093,000) has been

capitalized to the income producing properties and the remaining amounts are included in operating and administrative costs.

PROPERTY MANAGEMENT AGREEMENT

The property management of InterRent is provided by CLV pursuant to the property management agreement dated September 30, 2009 between the REIT, certain subsidiaries and CLV. For details regarding the Property Management Agreement, see “*Management Contracts*” in the Annual Information Form, which is incorporated by reference in this Information Circular. A copy of the Property Management Agreement is also filed on SEDAR at www.sedar.com.

AUDIT COMMITTEE INFORMATION

National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”) requires that certain information regarding the audit committee of an issuer be included in the issuer’s annual information form (“**AIF**”). Readers are referred to “*Committees of the Board of Trustees*” in the REIT’s most recent AIF, dated February 21, 2013, filed on SEDAR at www.sedar.com.

REPORT ON TRUST GOVERNANCE

The REIT believes that adopting and maintaining appropriate governance practices is fundamental to a well-run trust, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (the “**Governance Guidelines**”) of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance guidelines. The following disclosure is required by the Governance Guidelines and describes the REIT’s approach to governance and outlines the various procedures, policies and practices that the REIT and the Board have implemented to address the foregoing requirements.

Board of Trustees

Of the REIT’s nominees to the Board, five of six (or 83%) are considered to be independent. The independent nominees for election as Trustees are Mr. Paul Amirault, Mr. Paul Bouzanis, Mr. Ronald Leslie, Mr. Jacie Levinson (Chairman) and Mr. Victor Stone.

Mr. Mike McGahan is not considered to be independent under applicable securities laws because he is also an officer of the REIT.

The independent Trustees of the REIT regularly hold meetings without members of management present. During the year ended December 31, 2012, three such meetings were held.

The following table sets out the attendance record for each current Trustee for Board of Trustee and committee meetings while such individuals were Trustees in 2012:

Trustee Meetings

Name of Trustee	Trustee Meetings	Committee Meetings
Paul Amirault	8 of 9	5 of 5
Paul Bouzanis	9 of 9	3 of 3
Ronald Leslie	9 of 9	4 of 4
Jacie Levinson	6 of 9	6 of 6
Mike McGahan	9 of 9	2 of 2
Victor Stone	9 of 9	3 of 3

The current Chairman of the Board, Mr. Jacie Levinson, is an independent trustee. The Chairman, who is appointed by the board, is responsible for the effective functioning of the Board. His primary responsibility is to facilitate the operations and deliberations of the Board and to satisfy the Board’s responsibilities under his mandate. The Chairman of the Board is required to establish procedures to govern the Board’s work and ensure the Board’s discharge of its duties, including:

- collaborating with the Chief Executive Officer and other members of management, where appropriate, to develop the agenda for Board meetings;
- providing appropriate information from management to enable the Board and committees to fulfill their duties; ensuring that items requiring Board/committee approval are appropriately tabled;
- ensuring the proper flow of information to the Board and reviewing adequacy and timing of documentary materials in support of management's proposals;
- ensuring that external advisors retained or to be retained by the Board are appropriately qualified and independent; and
- ensuring that the Board has access to members of senior management as may be required by the Board.

The Chairman of the Board is also mandated to chair every Board meeting and encourage free and open discussion at meetings; chair every meeting of Unitholders and respond to such questions as are put to the Chairman of the Board at any such meeting; receive notices and materials for all committee meetings and attend all such meetings whenever possible; together with the Nominations and Governance Committee, identify guidelines for the selection of, and evaluation of the conduct of, the Trustees; act as liaison between the Board and management; and carry out other duties as requested by the Board as a whole, depending on need and circumstances.

Board Mandate

Attached as Appendix A is the REIT's Board of Trustee Charter.

Orientation and Continuing Education

While the REIT currently has no formal orientation and education program for new Board members, sufficient information (such as copies of the Declaration of Trust, Board and Committee mandates, recent financial statements, prospectus, proxy solicitation materials, and various other operating, property and budget reports) is provided to any new Board member to ensure that new Trustees are familiarized with the REIT's business and the procedures of the Board. In addition, new Trustees will be encouraged to visit and meet with management on a regular basis. The REIT also encourages continuing education of its Trustees and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the REIT.

Position Descriptions

Position descriptions have not been developed for the Chair of the Board or any committee. The Board delineates the roles and responsibilities of the Chairs with reference to the Charter of the Board and the Charter for each particular committee.

A position description for the Chief Executive Officer has not yet been developed; however, the Chief Executive Officer is responsible for executing upon those functions that have been delegated by the Board to management and for meeting the REIT's annual performance targets that are approved by the Board as part of its strategic planning process. Given the REIT's relative size, the role of Chief Executive Officer can vary greatly from day to day and year to year. Moreover, the Chief Executive Officer often takes on other supporting work on an "as needed" basis. As the REIT continues to grow, the responsibilities of the Chief Executive Officer may change dramatically. While in companies and trusts of greater size, the role of the Chief Executive Officer may not vary so much from year to year or from quarter to quarter, this has not been the case with InterRent. The Board assists in the delineation of the role and responsibilities of the Chief Executive Officer through its regular meetings and may consider implementing a position description for the Chief Executive Officer as part of its ongoing corporate governance review. The employment contract with the Chief Executive Officer sets out specific areas for the Board and the Compensation Committee to monitor the Chief Executive Officer's performance. The Chairman and/or the Chief Executive Officer report to the Board. Reports are required at each meeting and at least one interim report to members of the Board from the Chief Executive Officer between each meeting.

Ethical Business Conduct

The Board has adopted a formal code of ethics for Trustees, a copy of which may be obtained on SEDAR at www.sedar.com. Recently, the Board has provided the mandate to ensure that everyone working for the REIT

understands and signs the code of ethics. This has been accomplished for all Board members, all executives and a large percentage of employees and it has become a necessary document to be discussed and signed by all new employees. In addition, the Board has assumed responsibility for monitoring the REIT's compliance with strategic planning matters, implementing a process for assessing the effectiveness of committees of Trustees and individual Trustees.

The Board has also adopted a policy of permitting individual Trustees under appropriate circumstances to engage legal, financial or other expert advisors at the REIT's expense.

The current CEO's employment contract contains provisions requiring the CEO to bring to the attention of the Board any opportunities that may generate issues involving the CEO's fiduciary duties as well as potential conflicts of interests. In particular, the employment contract contains provisions requiring the CEO to notify the appropriate committee in writing of any potential multi-unit opportunity. Finally, the employment contract recognizes the CEO's other function as the CEO of another corporation and provides for a reasonable allocation of time to that other position but not to exceed 1/3 of his time.

Nomination of Trustees

The Board has established the Nominations and Governance Committee which has assumed responsibility for the appointment and assessment of Trustees. The Nominations and Governance Committee is comprised of Messrs. Paul Amirault (Chair), Paul Bouzaris and Victor Stone, each of whom are considered independent.

The Board believes that this is an appropriate composition given the size of the REIT and its current stage of development. While there are no formal criteria for Board membership, the REIT attempts to attract and retain Trustees with business knowledge and a particular knowledge of the Ontario real estate industry or other areas (such as finance, securities and corporate law) which provide knowledge to assist in guiding the officers of the REIT. As such, nominations would normally be the result of recruitment efforts and discussions amongst the Nominations and Governance Committee, prior to the consideration of the Board as a whole.

The Nominations and Governance Committee's primary role is to assist the Board in fulfilling its oversight responsibilities by, among other things, (i) assessing the effectiveness of the Board as a whole as well as the contribution of individual trustees, (ii) assessing and improving the REIT's governance practices, (ii) overseeing the recruitment and selection of new nominees for appointment to the Board, and (iii) orienting new trustees.

The Nominations and Governance Committee's duties include (i) reviewing the size and composition of the Board, (ii) evaluating the competencies and skill of each trustee and of the Board as a whole, (iii) reviewing the REIT's governance practices at least annually and recommending to the Board any changes to such practice that it considers appropriate, and (iv) reviewing the Board's committee structure on an annual basis and recommending to the Board any changes it considers necessary or desirable.

Compensation Committee

The Compensation Committee of the Board will review on an annual basis the adequacy and form of compensation of the senior executives and Trustees to ensure that such compensation reflects the responsibilities, time commitment and risks involved in being an effective executive officer or Trustee, as applicable.

Currently, Trustees are eligible to receive set remuneration and participate in the Unit Option Plan, the Deferred Unit Plan and the Long Term Incentive Plan (see descriptions under "*Compensation of Executive Officers*").

Capital Resources Committee

The Capital Resources Committee's primary role is to assist the Board in fulfilling its oversight responsibilities related to: (i) the acquisition, disposition, major renovation or maintenance of properties and buildings owned by the REIT; (ii) capital expenditures; (iii) development of strategies, policies and practices for the management and use of the REIT's capital resources; and (iv) undertake any other duties the Board may delegate to the Capital Resources Committee.

The Nominations and Governance Committee, the Compensation Committee and the Capital Resources Committee ensure operation as independent committees of the Board by maintaining a majority of independent trustees.

Assessments

The Board is committed to regular assessments of the effectiveness of the Board, the committees of the Board and the individual Trustees. The Nominations and Governance Committee is charged with annually reviewing and making recommendations to the Board regarding evaluations of the Board, the committees of the Board and the individual Trustees. The process for such evaluations may include the following:

- (a) individual discussions between each Trustee and an independent consultant and/or the Chair of the Nominations and Governance Committee;
- (b) with regard to individual Trustee assessments, peer and/or self evaluations; and
- (c) individual discussions with those members of senior management who regularly interact with the Board.

The Nominations and Governance Committee is responsible for overseeing the implementation of the evaluation process, reviewing the evaluation results, developing recommendations based on the results and reporting to the Board on the results and any recommendations. The Board will then consider the results and recommendations to determine what, if any, action should be taken.

Directorships

The following Trustees are directors or trustees of other reporting issuers:

<u>Trustee</u>	<u>Company</u>
Mr. Ronald Leslie	C-COM Satellite Systems Inc.

ADDITIONAL INFORMATION

Additional information relating to InterRent can be found on SEDAR at www.sedar.com. Further financial information is provided by the REIT's financial statements for the year ended December 31, 2012 and related management's discussion and analysis of results, both of which have been filed on SEDAR. Security holders may also contact the Chief Financial Officer of the REIT by phone at (613) 569-5699 or by e-mail at cmillar@interrentreit.com to request copies of these documents.

The REIT will provide to any person or company, upon receipt of a request to the Chief Financial Officer of the REIT, and without charge in the case of a securityholder, a copy of: (i) this Circular together with one copy of any document, or the pertinent pages of any document, incorporated by reference in this Circular; and (ii) the REIT's most recently filed annual financial statements, together with the accompanying report of the auditor.

GENERAL

The Trustees of InterRent have approved the contents and the sending of this Circular.

DATED at Ottawa, Ontario, on April 24, 2013

"Mike McGahan"

Mike McGahan
Chief Executive Officer

APPENDIX A
INTERRENT REAL ESTATE INVESTMENT TRUST
(the “REIT”)
CHARTER OF THE BOARD OF TRUSTEES
(the “Charter”)

I. GENERAL

1. Mandate and Purpose

The Board of Trustees (the “**Board**”/”**Board of Trustees**”) of the Trust has, subject to all of the provisions of the declaration of trust of the Trust, as amended from time to time (the “**Declaration of Trust**”), the responsibility to:

- oversee the conduct of the business of the Trust;
- oversee the activities of management who are responsible for the day-to-day conduct of the business of the Trust;
- enhance and preserve long-term unitholder value;
- ensure that the Trust meets its obligations on an ongoing basis and operates in a reliable manner; and
- perform the additional duties set out in this Charter.

In performing its functions, the Board should also consider the legitimate interests of the Trust’s other stakeholders such as its employees, customers, suppliers, tenants and the communities in which it carries on business. In broad terms, the Board is responsible for the stewardship of the Trust and will be actively involved in strategic planning, financial reporting, risk management and mitigation, senior management appointments, communication planning and internal control integrity.

2. Authority

Subject to the Declaration of Trust, the Board may operate by reserving certain powers to itself, and by delegating certain powers, duties and responsibilities to the management of the Trust or to various committees of the Trust (the “**Committees**”) constituted by the Board, as it deems fit.

II. PROCEDURAL MATTERS

1. Composition and Qualification

The Board of Trustees shall be constituted at all times of a majority of independent trustees in accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. A trustee is considered to be “independent” if he or she has no direct or indirect material relationship which could, in the view of the Board of Trustees, reasonably interfere with the exercise of a trustee’s independent judgment. Notwithstanding the foregoing, a trustee shall be considered to have a material relationship with the Trust (and therefore shall not be considered to be an “independent” trustee) if he or she falls in one of the categories listed in Schedule “A” attached hereto. Subject to the Declaration of Trust, the trustees shall be elected at each annual meeting of the unitholders and hold office for a term expiring at the close of the next annual meeting of unitholders following such election.

2. Structure and Operations

(a) Chair

Each year, the Board will appoint one of its members to act as the chairperson of the Board (the “**Chair**”). The Chair should also be independent or alternatively the Board will appoint an independent lead trustee. The Chair may be removed at any time at the discretion of the Board. If the Chair is absent from any meeting, the Board will select one of the other members of the Board to preside at that meeting.

(b) **Meetings**

The Chair will be responsible for developing and setting the agenda of the Board meetings, and in consultation with the management, determining the schedule and frequency of such Board meetings. Meetings of the Board will be conducted in accordance with the Declaration of Trust.

(c) **Notice**

Notice of the time and place of every meeting will be given, in writing, verbally or by means of telephonic or other electronic communication to each trustee, the chief executive officer (“**CEO**”) of the Trust and the chief financial officer (“**CFO**”) of the Trust, at least 48 hours prior to the time fixed for such meeting. The notice period may be waived by a quorum of the Board.

(d) **Attendees**

The Board may invite such officers and employees of the Trust and advisors as it sees fit from time to time to attend meetings of the Board and assist in the discussion and deliberation of matters being considered by the Board, and to provide information as necessary.

(e) **Quorum**

Quorum for the transaction of business at any meeting of the Board shall be a majority of the number of trustees then holding office, provided that a majority of the trustees comprising the quorum must be resident Canadians and independent trustees. No business may be transacted by the Board except at a meeting of its members at which a quorum of the Board is present in person, or by means of a telephonic, electronic or other communications facility that permits all participants participating in the meeting to communicate with each other simultaneously and instantaneously.

(f) **Secretary**

The Board will appoint a Secretary to the Board who need not be a trustee or officer of the Trust.

(g) **Records**

Minutes of meetings of the Board will be recorded and maintained by the Secretary to the Board and will be subsequently presented to the Board for review and approval.

(h) **Liaison**

The CEO will act as management liaison with the Board.

III. RESPONSIBILITIES AND DUTIES

1. Specific Duties

Subject only to the express limitations contained in the Declaration of Trust, and in addition to any powers and authorities conferred by the Declaration of Trust or which the trustees may have by virtue of any present or future statute or rule or law, the Board shall have and may exercise the following powers and authorities (with all defined terms having the meaning prescribed by the Declaration of Trust):

- To retain, invest and reinvest the capital or other funds of the Trust in real property of any kind, and to possess and exercise all the rights, powers and privileges appertaining to the ownership of the property of the Trust and to increase the capital of the Trust at any time by the issuance of additional units for such consideration as they deem appropriate;
- For such consideration as they deem proper, to invest in, purchase or otherwise acquire for cash or through the issuance of units or through the issuance of notes, debentures, bonds or other obligations or securities

of the Trust and hold for investment the entire or any participating interest in mortgages. In connection with any such investment, purchase or acquisition, the Board shall have the power to acquire a share of rents, lease payments or other gross income from or a share of the profits from or a share in the equity or ownership of real property;

- To sell, rent, lease, hire, exchange, release, partition, assign, mortgage, pledge, hypothecate, grant security interests in, encumber, negotiate, convey, transfer or otherwise dispose of any or all of the property of the Trust by deeds, trust deeds, assignments, bills of sale, transfers, leases, mortgages, financing statements, security agreements and other instruments for any of such purposes executed and delivered for and on behalf of the Trust or trustees by one or more of the trustees or by a duly authorized officer, employee, agent or any nominee of the Trust;
- To enter into leases, contracts, obligations and other agreements for a term extending beyond the term of office of the trustees and beyond the possible termination of the Trust or for a lesser term;
- To borrow money from or incur indebtedness to any person; to guarantee, indemnify or act as surety with respect to payment or performance of obligations of third parties; to enter into other obligations on behalf of the Trust; and to assign, convey, transfer, mortgage, subordinate, pledge, grant security interests in, or encumber, the property of the Trust to secure any of the foregoing;
- To lend money, whether secured or unsecured;
- To incur and pay out of the property of the Trust any charges or expenses and disburse any funds of the Trust, which charges, expenses or disbursements are, in the opinion of the Board, necessary or incidental to or desirable for the carrying out of any of the purposes of the Trust or conducting the affairs of the Trust including, without limitation, taxes or other governmental levies, charges and assessments of whatever kind or nature, imposed upon or against the Board in connection with the Trust or the property of the Trust or upon or against the property of the Trust or any part thereof and for any of the purposes herein;
- To deposit funds of the Trust in banks, trust companies and other depositories, whether or not such deposits will earn interest, the same to be subject to withdrawal on such terms and in such manner and by such person or persons (including any one or more trustees, officers, agents or representatives) as the Board may determine;
- To possess and exercise all the rights, powers and privileges appertaining to the ownership of all or any mortgages or securities, issued or created by, or interest in, any person, forming part of the assets of the Trust, to the same extent that an individual might and, without limiting the generality of the foregoing, to vote or give any consent, request or notice, or waive any notice, either in person or by proxy or power of attorney, with or without power of substitution, to one or more persons, which proxies and powers of attorney may be for meetings or action generally or for any particular meeting or action and may include the exercise of discretionary power;
- To elect, appoint, engage or employ officers of the Trust (including a chairman, a president, a chief executive, one or more vice-presidents and a secretary and other officers as the Board may determine), who may be removed or discharged at the discretion of the Board, such officers to have such powers and duties, and to serve such terms as may be prescribed by the Board; to engage or employ any persons as agents, representatives, employees or independent contractors (including, without limitation, real estate advisors, investment advisors, registrars, underwriters, accountants, lawyers, real estate agents, property managers, appraisers, brokers, architects, engineers, construction managers, general contractors or otherwise) in one or more capacities, and to pay compensation from the Trust for services in as many capacities as such persons may be so engaged or employed; and, except as prohibited by law, to delegate any of the powers and duties of the Board to any one or more trustees, agents, representatives, officers, employees, independent contractors or other persons;
- To the extent feasible, satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Trust, and more generally ensuring that the Trust behaves in an ethical manner and complies with all applicable laws, regulations, auditing and accounting principles;
- To collect, sue for and receive sums of money coming due to the Trust, and to engage in, intervene in, prosecute, join, defend, compromise, abandon or adjust, by arbitration or otherwise, any actions, suits, proceedings, disputes, claims, demands or other litigation relating to the Trust, the assets of the Trust or the Trust's affairs, to enter into agreements therefor whether or not any suit is commenced or claim accrued or

asserted and, in advance of any controversy, to enter into agreements regarding the arbitration or settlement thereof;

- To renew, modify, release, compromise, extend, consolidate or cancel, in whole or in part, any obligation to or of the Trust;
- To purchase and pay for, out of the assets of the Trust, insurance contracts and policies insuring the assets of the Trust against any and all risks and insuring the Trust and/or any or all of the trustees, or officers of the Trust against any and all claims and liabilities of any nature asserted by any person arising by reason of any action alleged to have been taken or omitted by the Trust or by the trustees, or the officers or otherwise;
- To cause title to any of the assets of the Trust to be drawn up in the name of the trustees, and/or, to the extent permitted by applicable law, in the name of the Trust or one or more of the trustees or any other person, on such terms, in such manner with such powers in such person as the Board may determine and with or without disclosure that the Trust or trustees are interested therein, provided however, should title to any of the assets of the Trust be held by and/or in the name of any person or persons other than the Trust or trustees as aforesaid, the Board shall require such person or persons to execute a declaration of trust acknowledging that title to such assets is held in trust for the benefit of the Trust;
- To determine conclusively the allocation to capital, income or other appropriate accounts of all receipts, expenses, disbursements and property of the Trust;
- To prepare, sign and file or cause to be prepared, signed and filed any prospectus, information circular, offering memorandum or similar document, and any amendment thereto, relating to or resulting from an offering of the units or other securities issued or held by the Trust and to pay the cost thereof and related thereto and any fees related thereto out of the property of the Trust whether or not such offering is or was of direct benefit to the Trust or those persons (if any) who were unitholders immediately prior to such offering;
- To make or cause to be made application for the listing on any stock exchange of any units or other securities of the Trust, and to do all things which in the opinion of the Board may be necessary or desirable to effect or maintain such listing or listings;
- To determine conclusively the value of any or all of the property of the Trust from time to time, and in determining such value, to consider such information and advice as the Board, in their sole judgement, may deem material and reliable;
- To do all such acts and things and to exercise such powers which are delegated to the Board by any person who co-owns real property with the Trust; and
- To do all such other acts and things as are incidental to the foregoing and to exercise all powers which are necessary or useful to carry on the affairs of the Trust, to promote any of the purposes for which the Trust is formed and to carry out the provisions of the Declaration of Trust.

2. Independence, Orientation and Evaluation

The Board shall have the responsibility to:

- implement appropriate structures and procedures to permit the Board to function independently of management;
- implement a system which enables an individual trustee to engage an outside advisor at expense of the Trust in appropriate circumstances;
- provide an orientation and education program for newly appointed members of the Board, to allow them to fully understand (i) the role of the Board and its Committees, (ii) the contribution individual trustees are required to make (including, in particular, the commitment of time and resources that the Trust expects from its trustees), and (iii) the nature and operation of the Trust's business;
- implement a process for assessing the effectiveness of the Board as a whole, the Committees, and the contribution of individual trustees; and
- examine the size of the Board and the impact of the number of trustees upon the effectiveness of the Board.

3. Strategy Determination

The Board shall:

- adapt and annually review a strategic planning process and approve the strategic plan of the Trust, which takes into account, among other things, the opportunities and risks of the business; and
- annually review operating and financial performance results relative to established strategy, budgets and objectives.

4. Managing Risk

The Board has the responsibility to understand the principal risks of the business in which the Trust is engaged, to achieve a proper balance between risks incurred and the potential return to unitholders, and to confirm that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Trust.

5. Appointment, Training and Monitoring of Senior Management

The Board shall:

- appoint the CEO and senior officers, develop clear written position descriptions for the CEO (which includes delineating management responsibilities) and for such senior officers, approve (upon recommendations from the compensation committee of the Trust) their compensation, and monitor the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing unitholder value;
- ensure that a process is established that adequately provides for succession planning including the appointment, training and monitoring of senior management;
- establish limits of authority delegated to management; and
- provide continuing education opportunities for all trustees, so that individuals may maintain or enhance their skills and abilities as trustees, be prepared to address ongoing and emergency issues that may be considered by the Board, and ensure their knowledge and understanding of the Trust's business remains current.

6. Reporting and Communication

The Board has the responsibility to:

- verify that the Trust has in place policies and programs to enable the Trust to communicate effectively with its unitholders, other stakeholders and the public generally;
- verify that the financial performance of the Trust is adequately reported to unitholders, other security holders and regulators on a timely and regular basis;
- verify that the financial results are reported fairly and in accordance with generally accepted accounting standards;
- verify the timely reporting of any other developments that have a significant and material impact on the value of the Trust;
- implement a process for providing opportunities to unitholders to have access to independent trustees and receive feedback from unitholders;
- adopt a corporate disclosure policy for the Trust to ensure that the Trust communicates effectively with its unitholders, other stakeholders and the public, and responds to their inquiries; and
- report annually to unitholders on its stewardship of the affairs of the Trust for the preceding year.

7. Monitoring and Acting

The Board has the responsibility to:

- review and approve the Trust's financial statements and oversee the Trust's compliance with applicable audit, accounting and reporting requirements;
- verify that the Trust operates at all times within applicable laws and regulations to the highest ethical and moral standards;
- approve and monitor compliance with significant policies and procedures by which the Trust is operated;
- monitor the Trust's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- take such action as it determines appropriate when performance falls short of its goals and objectives or when other special circumstances warrant; and
- verify that the Trust has implemented adequate internal control and information systems which ensure the effective discharge of its responsibilities, and the integrity of such internal control and information systems.

IV. COMMITTEES

- There shall be four Committees: the capital resources committee, the audit committee, the compensation committee and the nominations and governance committee. The Board may establish any other committee as it may deem appropriate from time to time.
- The Board shall establish a written mandate for each of the Committees.

V. BUSINESS CONDUCT AND ETHICS

The Board has the responsibility to:

- Adopt a written code of business conduct and ethics (the "**Code**") applicable to trustees, officers and employees of the Trust which constitutes written standards that are reasonably designed to promote integrity and deter wrongdoing.
- Monitor compliance with the Code and ensure that any waivers from the Code for the trustees or senior officers are granted by the Board (or a Committee) only.
- Enhance unitholders' value in a manner that is consistent with good corporate citizenship, including fair treatment of the Trust's employees, customers, suppliers and tenants.

VI. OTHER ACTIVITIES

- The Board shall prepare and distribute the schedule of Board meetings for each upcoming year.
- The Board may perform any other activities consistent with this Charter, the Declaration of the Trust and all amendments thereto and any other governing laws as the Board determines necessary or appropriate.

Schedule "A"

Subject to the exemptions available under National Instrument 52-110 Audit Committees, the following individuals are considered to have a material relationship with the Trust:

- (a) an individual who is, or has been within the last three years, an employee or executive officer of the Trust;
- (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the Trust;
- (c) an individual who:
 - (i) is a partner of a firm that is the Trust's internal or external auditor;
 - (ii) is an employee of that firm; or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the Trust's audit within that time;
- (a) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the Trust's internal or external auditor;
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice; or
 - (iii) as within the last three years a partner or employee of that firm and personally worked on the Trust's audit within that time;
- (b) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Trust's current executive officers serve or served at the same time on the entity's compensation committee; and
- (c) an individual who received, or whose immediate family member who is employed as an executive officer of the Trust received, more than \$75,000 in direct compensation from the Trust during any 12-month period within the last three years, other than as remuneration for acting in his or her capacity as a member of the Board or any Committee, or the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service to the Trust if the compensation is not contingent in any way on continued service.