

Dundee Real Estate Investment Trust

Notice of annual and special meeting of unitholders

TO BE HELD ON MAY 3, 2012

and management information circular

NOTICE OF ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting of the unitholders of Dundee Real Estate Investment Trust will be held:

Date: Thursday, May 3, 2012
Time: 4:00 p.m. (Toronto time)
Location: Sovereign Ballroom
The King Edward Hotel
37 King Street East
Toronto, ON M5C 1E9

for the following purposes:

1. to receive the audited consolidated financial statements of Dundee REIT for the financial year ended December 31, 2011, together with the report of the auditor thereon;
2. to elect the trustees of Dundee REIT for the ensuing year;
3. to appoint the auditor of Dundee REIT and its subsidiaries for the ensuing year and to authorize the trustees of Dundee REIT to fix the remuneration of such auditor;
4. to consider and vote on a resolution to amend Dundee REIT's deferred unit incentive plan to increase the number of deferred units that may be granted under the plan by a further 750,000 units;
5. to consider and vote on a special resolution, substantially in the form attached as Appendix A to this Circular, authorizing an amendment to the Declaration of Trust to authorize the Trustees to, among other things, create and issue one or more new classes of preferred equity securities of Dundee REIT, issuable in series, that rank in priority to REIT Units; and
6. to transact such other business as may properly be brought before the Meeting.

The specific details of the matters to be put before the Meeting are set forth in the accompanying Circular.

If you are a registered holder of units of Dundee REIT, whether or not you plan to attend the Meeting in person, you are requested to complete, sign, date and return to Computershare Trust Company of Canada, the transfer agent and registrar of Dundee REIT, the enclosed form of proxy. All instruments appointing proxies to be used at the Meeting must be deposited with Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 not later than 4:00 p.m. (Toronto time) on May 1, 2012, being the second last Business Day preceding the date of the Meeting, or with the Chair of the Meeting prior to the commencement of the Meeting on the date of the Meeting, and any instruments appointing proxies to be used at any adjournment or postponement of the Meeting must be so deposited at least 48 hours (excluding Saturdays and holidays) prior to the time set for such adjournment or postponement of the Meeting or with the Chair of the adjourned or postponed Meeting prior to the commencement of the Meeting on the date of the Meeting.

If you are a non-registered holder of units of Dundee REIT (for example, if you hold your units in an account with a broker, dealer or other intermediary), whether or not you plan to attend the Meeting in person you should follow the voting procedures described in the voting instruction form or other document accompanying the Circular or call your broker, dealer or other intermediary for information on how you can vote your units.

The Board of Trustees of Dundee REIT has fixed March 26, 2012, as the Record Date for the determination of unitholders of Dundee REIT entitled to receive notice of and vote at the Meeting. Any unitholder that has acquired REIT Units after the Record Date will not be entitled to receive notice of or vote those REIT Units at the Meeting.

DATED at Toronto, Ontario this 5th day of April, 2012.

By Order of the Board of Trustees

By: 

MICHAEL J. COOPER
Vice Chairman and Chief Executive Officer

**DUNDEE REAL ESTATE INVESTMENT TRUST
MANAGEMENT INFORMATION CIRCULAR**

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DEFINED TERMS

Unless otherwise defined or unless the context otherwise requires, capitalized terms used in the Meeting Materials have the meanings given to them in the Glossary of Terms at the end of this Circular.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included in the Meeting Materials constitute “forward-looking statements”. All statements, other than statements of historical fact, included in the Meeting Materials that address future activities, events, developments or financial performance, are forward-looking statements. These forward-looking statements can be identified by the use of forward-looking words such as “may”, “should”, “will”, “could”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “future”, “continue” or “pro-forma” or the negative thereof or similar variations. Unitholders are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of uncertainties, assumptions and other factors, many of which are outside the control of Dundee REIT. Such uncertainties, assumptions and other factors could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements include, among other things, general economic conditions; local real estate conditions, including the development of properties in close proximity to Dundee REIT’s properties; timely leasing of vacant space and re-leasing of occupied space upon expiration; dependence on tenants’ financial

condition; the uncertainties of acquisition activity; the ability to effectively integrate acquisitions; interest rates; availability of equity and debt financing; changes in government regulations or in tax laws; that the specified investment flow-through trust ("SIFT") rules and the normal growth guidelines are not applicable to Dundee REIT; and other risks and factors described from time to time in the documents filed by Dundee REIT with the securities regulators. Although the forward-looking statements contained in this Circular are based upon what Dundee REIT believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain assumptions made in preparing forward-looking information and Dundee REIT's objectives include the assumptions that: there will be no material changes in government regulations or in tax laws; the Canadian economy will remain stable; interest rates will remain stable; conditions in the real estate market, including competition for acquisitions, will be consistent with the current climate; and capital markets will continue to provide Dundee REIT with ready access to equity and/or debt. Such forward-looking statements should, therefore, be construed in light of such factors. All forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth above. Forward-looking statements contained in the Meeting Materials speak only as of April 5, 2012 and Dundee REIT is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

INFORMATION CONTAINED IN THE CIRCULAR

Unless otherwise specified, all information in this Circular is current as of April 5, 2012.

No person has been authorized to give information or to make any representations in connection with the matters to be considered at the Meeting other than those contained in the Meeting Materials and, if given or made, any such information or representations should not be relied upon in making a decision as to how to vote on the matters described in the Circular or be considered to have been authorized by Dundee REIT or the board of trustees of Dundee REIT.

Unitholders should not construe the contents of the Meeting Materials as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial and other matters in connection therewith as these apply to their particular circumstances.

DISCLAIMER

The statements made in the Meeting Materials are the responsibility of the Trustees of Dundee REIT in their capacity as trustees and not in their personal capacity and in no event shall the Trustees be personally liable for any statements contained therein nor shall resort be had to, or redress, recourse or satisfaction result from, the private and/or personal property of the Trustees.

ADDITIONAL COPIES OF MEETING MATERIALS

Additional copies of the Meeting Materials may be obtained without charge on request from the Secretary of Dundee REIT at 30 Adelaide Street East, Suite 1600, Toronto, Ontario M5C 3H1 (telephone: 416-365-3535 or email: info@dundeereit.com).

THE ANNUAL AND SPECIAL MEETING

Management of Dundee REIT is using this Circular to solicit proxies from unitholders for use at the Meeting to be held on May 3, 2012.

Date, Time and Place

The Meeting will be held on Thursday, May 3, 2012, at 4:00 p.m. (Toronto time) at The King Edward Hotel, Sovereign Ballroom, 37 King Street East, Toronto, Ontario.

Purpose of the Meeting

The purpose of the Meeting is for unitholders:

- (a) to receive the audited consolidated financial statements of Dundee REIT for the financial year ended December 31, 2011, together with the report of the auditor thereon;
- (b) to elect the trustees of Dundee REIT for the ensuing year;
- (c) to appoint the auditor of Dundee REIT and its subsidiaries for the ensuing year and to authorize the trustees of Dundee REIT to fix the remuneration of such auditor;
- (d) to consider and vote on a resolution to amend Dundee REIT's deferred unit incentive plan to increase the number of deferred units that may be granted under the plan by a further 750,000 units;
- (e) to consider and vote on a special resolution, substantially in the form attached as Appendix A to this Circular, authorizing an amendment to the Declaration of Trust to authorize the Trustees to, among other things, create and issue one or more new classes of preferred equity securities of Dundee REIT, issuable in series, that rank in priority to REIT Units; and
- (f) to transact such other business as may properly be brought before the Meeting.

Record Date

The Trustees have fixed March 26, 2012, as the Record Date for the determination of unitholders of Dundee REIT entitled to receive notice of and vote at the Meeting. Unitholders of record at the close of business on that date will be entitled to vote at the Meeting. Accordingly, any unitholder that has acquired REIT Units after the Record Date will not be entitled to receive notice of or vote those REIT Units at the Meeting.

Voting Units

The Declaration of Trust authorizes the issuance of an unlimited number of two classes of units: REIT units and Special Trust Units. REIT units are issuable in two series: REIT A Units and REIT B Units. As at March 15, 2012, there were 79,166,054 REIT A Units and 16,316 REIT B Units outstanding.

Special Trust Units may be issued only to holders of LP B Units, and allow persons holding those limited partnership units to vote on matters relating to Dundee REIT. As at March 15, 2012, there were 3,511,837 Special Trust Units outstanding.

Each REIT A Unit, REIT B Unit and Special Trust Unit entitles the holder of record to one vote per unit on each matter to be acted upon at the Meeting. If you were a unitholder at the close of business on March 26, 2012, you are entitled to vote at the Meeting.

Voting REIT Units Outstanding as at March 15, 2012:

REIT A Units	79,166,054
REIT B Units	16,316
Special Trust Units	3,511,837
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Total Voting REIT Units Outstanding	82,694,207

Principal Holders of Voting Securities

To the knowledge of Dundee REIT and executive officers of Dundee REIT, the only persons or companies that beneficially own, or control or direct, directly or indirectly, voting securities of Dundee REIT carrying 10% or more of the voting rights attached to any class of outstanding voting securities of Dundee REIT as at March 15, 2012 are:

Table 1 – Principal Unitholders as at March 15, 2012

Name and Municipality of Residence	Number and Class of REIT Units	Percentage of Outstanding Class
Dundee Corporation, directly and indirectly through its subsidiaries, including Dundee Realty Corporation Toronto, Ontario	3,511,837 Special Trust Units	100% (representing approximately 4.2% of the outstanding voting securities of Dundee REIT)
	1,787,642 REIT A Units	2.3% (representing approximately 2.2 % of the outstanding voting securities of Dundee REIT)
GE Real Estate	16,316 REIT B Units	100% (representing approximately 0.02% of the outstanding voting securities of Dundee REIT)

Management understands that the Units registered in the name of CDS & Co. are beneficially owned through various dealers and other intermediaries on behalf of their clients and other parties. The names of the beneficial owners of such Units are not known to Dundee REIT. Except as set out above, Dundee REIT and executive officers of Dundee REIT have no knowledge of any person or company that beneficially owns, or controls or directs, directly or indirectly, 10% or more of the outstanding REIT Units.

Quorum and Votes Required

Under the Declaration of Trust, the quorum necessary for any meeting of unitholders is two individuals present being unitholders or representing unitholders by proxy who hold in the aggregate not less than 10% of the votes attached to all outstanding REIT Units (on a fully diluted basis).

How to Vote Your REIT Units

For Registered Holders

If you are a registered holder of REIT Units (that is, you have REIT Units registered in your name), you may vote in person at the Meeting or you may appoint another person to represent you as proxyholder and vote your REIT Units at the Meeting. Whether or not you plan to attend the Meeting in person, you are requested to vote your REIT Units. If you wish to vote by proxy, you should complete and return the enclosed form of proxy.

You may appoint a person to represent you as proxyholder, and provide your voting instructions to that person, in one of the following ways:

- (a) *By Mail.* You may vote by completing, signing (by you, or by your attorney authorized in writing, or if you are a corporation, by a duly authorized officer or attorney) and dating (with the date on which it is executed) the form of proxy accompanying this Circular and returning it in the envelope that is also provided to the Transfer Agent by mail at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1.
- (b) *By Facsimile.* You may vote by completing, signing (by you, or by your attorney authorized in writing, or if you are a corporation, by a duly authorized officer or attorney) and dating (with the date on which it is executed) the form of proxy accompanying this Circular and returning it to the Transfer Agent by facsimile at (416) 263-9524 or 1-866-249-7775.
- (c) *By Telephone.* You may vote by dialling the toll-free number set out in the form of proxy accompanying this Circular using a touch-tone telephone within North America. You will be asked to

provide your control number, which is located at the bottom of the form of proxy accompanying this Circular, in order to verify your identity.

- (d) *By Internet.* You may vote by logging on to the following website: www.investorvote.com. Once you have accessed this website, you will be asked to provide your control number, which is located at the bottom of the form of proxy accompanying this Circular, in order to verify your identity.

To be valid, your proxy must be received by the Transfer Agent prior to 4:00 p.m. (Toronto time) on May 1, 2012, being the second last Business Day preceding the date of the Meeting. The Chairman of the Meeting may waive, in his discretion, the time limit for the deposit of proxies by unitholders if he deems it advisable to do so.

The individuals named in the form of proxy are representatives of Dundee REIT. **You have the right to appoint someone else to represent you at the Meeting, but only if you provide that instruction on the form of proxy and deposit your proxy by mail or facsimile (as making such an appointment is not available by telephone or internet). If you wish to appoint someone else to represent you at the Meeting, you must strike out the names of the persons named in the proxy and insert that other person's name in the blank space in the form of proxy. The person you appoint to represent you at the Meeting need not be a unitholder.**

For Non-Registered Holders

If your REIT Units are registered in the name of a depository (such as CDS) or an intermediary (such as a bank, trust company, securities dealer or broker, or trustee or administrator of a self-administered RRSP, RRIF, RESP, TFSA or similar plan), you are a non-registered holder.

If you are a non-registered holder, you should follow the instructions in the request for voting instructions or form of proxy that you received from your intermediary. You should also follow the instructions for voting by mail, facsimile, telephone or internet that you received from your intermediary and contact your intermediary promptly if you need assistance.

Only registered owners of REIT Units, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. If you are a non-registered owner, you are entitled to direct how the REIT Units beneficially owned by you are to be voted or you may follow the procedure below to allow you to attend and vote at the Meeting.

Since Dundee REIT generally does not have access to the names of its non-registered owners, if you wish to attend the Meeting and vote in person (or have another person attend and vote on your behalf), you should insert your own name (or the other person's name) in the blank space provided in the request for voting instructions or form of proxy to appoint yourself (or the other person) as proxyholder and then follow your intermediary's instructions for returning the request for voting instructions or form of proxy. You (or the other person) must register with the Transfer Agent when you arrive at the Meeting.

Voting of Proxies

If voting instructions are given on your form of proxy or request for voting instructions, then your proxyholder must vote your REIT Units in accordance with those instructions. If no voting instructions are given, then your proxyholder may vote your REIT Units as he or she sees fit. **If you appoint the proxyholders named on the attached form of proxy, who are representatives of Dundee REIT, and do not specify how they should vote your REIT Units, then your REIT Units will be voted "FOR" each of the matters referred to in the form of proxy.**

The representatives designated in the enclosed form of proxy have discretionary authority with respect to amendments to or variations of matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting. As of the date of this Circular, Dundee REIT is not aware of any amendments or variations to these matters or any other matter to be presented at the Meeting. If any other matter should properly be presented at the Meeting, your proxyholder will have the discretion to vote your REIT Units in accordance with his or her best judgment.

Proxies returned by intermediaries as "non-votes" on behalf of REIT Units held in street name, because the beneficial unitholder has not provided voting instructions or the intermediary does not have the discretion to vote such REIT Units, will be treated as present for purposes of determining a quorum but will not be counted as having been voted in respect of any such matter. As a result, such proxies will have no effect on the outcome of the vote.

If You Change Your Mind

If you are a registered unitholder and have submitted a proxy and later wish to revoke it, you can do so by:

- (a) completing and signing a form of proxy bearing a later date and depositing it with the Transfer Agent as described above;
- (b) depositing a document that is signed by you (or by someone you have properly authorized to act on your behalf) (i) at the registered office of Dundee REIT at any time up to 4:00 p.m. (Toronto time) on the second last Business Day preceding the date of the Meeting at which the proxy is to be used, or (ii) with the Chair of the Meeting on the day of the Meeting before the Meeting starts; or
- (c) following any other procedure that is permitted by law.

Only registered unitholders have the right to revoke a proxy. Non-registered unitholders who wish to change their vote must make appropriate arrangements with their respective dealers or other intermediaries.

Solicitation of Proxies

It is expected that the solicitation will be made primarily by mail, but proxies and voting instructions may also be solicited personally by representatives of Dundee REIT. The solicitation of proxies and voting instructions by this Circular is being made by or on behalf of the management of Dundee REIT. The total cost of the solicitation of proxies in connection with the matters described in this Circular will be borne by Dundee REIT.

ANNUAL AND SPECIAL MEETING BUSINESS

Financial Statements

The audited consolidated financial statements of Dundee REIT for the financial year ended December 31, 2011, are included in the annual report of Dundee REIT, which has been mailed to unitholders together with this Circular.

Election of Trustees

Pursuant to the Declaration of Trust, Dundee REIT may have between five and 12 Trustees at any given time, and a majority of Trustees must be resident Canadians. Dundee REIT currently has 10 Trustees. Dundee Corporation, a unitholder of Dundee REIT, is entitled to nominate up to one less than a majority of the Trustees of Dundee REIT, provided that Dundee Corporation and its affiliates maintain an ownership interest in Dundee REIT at a certain level. Dundee Corporation has nominated the following individuals for election as Trustees: Joanne Ferstman, Ned Goodman and David J. Goodman. All of the nominees for election as Trustees are to be voted on by unitholders.

The persons named in the form of proxy which accompanies this Circular intend to vote for the election of the 10 nominees whose names are set forth in Table 2 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 Dundee REIT. Management of Dundee REIT does not contemplate that any of the 10 nominees listed below will be unable to serve as a Trustee of Dundee 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 which accompanies this Circular 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 Dundee REIT or until their successors are elected or appointed and will be eligible for re-election. A Trustee appointed by the Trustees between 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.

Table 2 below sets forth the names of the 10 nominees to be elected by unitholders, their position with Dundee REIT, their principal occupation or employment, the date upon which they became a Trustee of Dundee REIT, the approximate number of units beneficially owned by them, directly or indirectly, or over which control or direction is exercised by them and information regarding the number of meetings attended in 2011. All of the individuals set forth in the following Table 2 are residents of Ontario, Canada, other than Mr. Bierbaum, who is a resident of Germany.

Table 2 – Nominees to be Elected by Unitholders

Name and Position	Principal Occupation	Date Became Trustee	REIT Units Owned or Controlled⁽¹⁾	Deferred Units Owned or Controlled⁽²⁾	Board Meetings Attended	Committee Meetings Attended
Detlef Bierbaum Vice Chairman and Trustee	Member of the Supervisory Board, Sal Oppenheim KAG, a fund management company	June 30, 2003	4,702	24,371	7 of 7	5 of 5
Donald K. Charter ⁽³⁾ Trustee	President and Chief Executive Officer, Corsa Coal Ltd., a mining company	June 30, 2003	27,760	13,206	6 of 7	n/a
Michael J. Cooper ⁽⁴⁾ Vice Chairman and Trustee	Chief Executive Officer of Dundee Realty Corporation, a real estate company, and Vice Chairman and Chief Executive Officer of Dundee REIT, a real estate investment trust	June 30, 2003	1,012,065 ⁽⁵⁾	113,784	7 of 7	n/a
Peter A. Crossgrove ⁽⁶⁾ Trustee	Executive Chairman, Excellon Resources, a mineral resource company	May 9, 2003	32,536	24,894	7 of 7	7 of 7
Joanne Ferstman ⁽⁷⁾	President and Chief Executive Officer, Dundee Capital Markets Inc., an investment firm	March 26, 2007	5,527	14,849	5 of 7	n/a
Robert G. Goodall Trustee	President, Canadian Mortgage Capital Corporation, a mortgage brokerage company	June 30, 2003	13,108	19,501	7 of 7	5 of 5
David J. Goodman ⁽⁸⁾ Trustee ⁽⁴⁾	President and Chief Executive Officer, DundeeWealth Inc., a wealth management company	June 30, 2003	1,698	17,105	5 of 7	n/a
Ned Goodman ⁽⁹⁾ Chairman and Trustee	President and Chief Executive Officer, Dundee Corporation, an independent asset management company focused in the areas of real estate and infrastructure, energy, resources and agriculture and President, Chief Executive Officer, and Chief Investment Strategist, Ned Goodman Investment Counsel Limited, a portfolio manager	June 30, 2003	5,346,942 ⁽¹⁰⁾	68,444	6 of 7	n/a
Duncan Jackman ⁽¹¹⁾ Trustee	Chairman, President and Chief Executive Officer, E-L Financial Corporation Limited, an insurance holding company	September 11, 2003	3,353	18,114	6 of 7	6 of 6
Robert Tweedy ⁽¹²⁾ Trustee	Chairman, Useppa Holdings Limited, a diversified management company	September 11, 2003	25,200	16,543	6 of 7	2 of 2

- (1) The respective nominee has furnished the information as to the number of REIT Units beneficially owned or over which control or direction is exercised as at March 15, 2012.
- (2) The information is provided as at March 15, 2012.
- (3) Mr. Charter is also a director of Adriana Resources Inc., Corsa Coal Ltd., IAMGOLD Corporation, and Lundin Mining Corporation, each of which is a reporting issuer in Canada.
- (4) Mr. Cooper is also a director of Dundee Corporation, Dundee International REIT, and United Corporations Ltd., each of which is a reporting issuer in Canada. Mr. Cooper holds a 30% equity interest in Dundee Realty Corporation, a subsidiary of Dundee Corporation. Dundee Realty Corporation holds 357,203 Special Trust Units (and the same number of corresponding LP B Units) as well as 715,990 REIT A Units.
- (5) Includes 690,594 REIT A Units beneficially owned directly or indirectly, by Mr. Cooper, as well as 214,472 REIT A Units and 106,999 Special Trust Units beneficially owned or over which control or direction is exercised by Dundee Realty Corporation, being approximately 30% of the aggregate number of Special Trust Units and REIT A Units beneficially owned or over which control or direction is exercised by Dundee Realty Corporation.
- (6) Mr. Crossgrove is also a director of Barrick Gold Corporation, Excellon Resources Inc., Lake Shore Gold Corp., Pelangio Exploration Inc. and QLT Inc., each of which is a reporting issuer in Canada.
- (7) Ms Ferstman is also a director of Groupe Aeroplan Inc., each of which is a reporting issuer in Canada.
- (8) Mr. David Goodman is also a director of Dundee Corporation, each of which is a reporting issuer in Canada.
- (9) Mr. Ned Goodman is also a director of Corona Gold Corporation, Dundee Corporation, Dundee Precious Metals Inc., Dundee Energy Limited, Dundee International REIT, Eurogas International Inc., 360 VOX Corporation and Ryan Gold Corp., each of which is a reporting issuer in Canada. He is also a director of a number of corporations which are the general partners of certain investment funds that are or were reporting issuers in Canada, including investment funds managed by affiliates of Dundee Corporation.
- (10) Includes 3,511,837 Special Trust Units and 1,787,642 REIT A Units beneficially owned or over which control or direction is exercised by Dundee Corporation, an associate of Ned Goodman. See "The Annual and Special Meeting – Voting Units" and "The Annual and Special Meeting – Principal Holders of Voting Securities".
- (11) Mr. Jackman is also a director of E-L Financial Corporation Limited, Algoma Central Corporation, Dundee International REIT, Economic Investment Trust Limited, First National Financial Corporation, Labrador Iron Ore Royalty Corporation and United Corporations Limited, each of which is a reporting issuer in Canada.
- (12) Mr. Tweedy is also a director of Aurcana Corporation, a reporting issuer in Canada. Mr Tweedy was, within 10 years before the date of the Circular, a director of CPI Plastics Group Limited, which within a year of his ceasing to act in this capacity, had a receiver appointed to hold its assets. In addition, Mr. Tweedy was, within 10 years before the date of the Circular, a director and executive officer of Sklar Peppler Furniture Corporation, which within a year of his ceasing to act in those capacities filed for and obtained protection under the *Companies' Creditors Arrangement Act* (Canada).

Appointment of Auditor

The auditor of Dundee REIT and Dundee REIT's subsidiaries is PricewaterhouseCoopers LLP, chartered accountants. PricewaterhouseCoopers LLP was initially appointed as the auditor of Dundee REIT on June 23, 2003. Unitholders are being asked to approve the appointment of PricewaterhouseCoopers LLP as the auditor of Dundee REIT and Dundee REIT's subsidiaries for the ensuing year and to authorize the Trustees of Dundee REIT to fix the remuneration of the auditor. Dundee REIT's subsidiaries (excluding subsidiaries of Dundee Properties LP) are Partnership A, Partnership B, GP A Co., GP B Co. and Dundee Properties LP.

Amendments to the Deferred Unit Incentive Plan to Increase Number of Deferred Units

Dundee REIT has a deferred unit incentive plan (the "Deferred Unit Incentive Plan"), the purpose of which is to enhance the ability of Dundee REIT to attract and retain high quality trustees, officers, senior management, employees and consultants, and to promote a greater alignment of interests between such individuals and the unitholders of Dundee REIT. For a description of the plan, see "Executive Compensation – Deferred Unit Incentive Plan". (Terms defined in that Part are used here.)

Unitholders are being asked to consider and vote on a resolution to amend the Deferred Unit Incentive Plan to increase the number of Deferred Trust Units and Income Deferred Trust Units that may be granted under the plan by a further 750,000 units.

The maximum number of Deferred Trust Units and Income Deferred Trust Units that may be granted under the Deferred Unit Incentive Plan is currently 1,000,000. As of March 30, 2012, a total of 904,167 Deferred Trust

Units and Income Deferred Trust Units had been granted (or credited, in the case of Income Deferred Trust Units) under the Deferred Unit Incentive Plan. This represents approximately 1.1% of Dundee REIT's outstanding REIT A Units and 1.0% of the outstanding REIT Units. As of the same date, a total of 419,322 REIT A Units had been issued on the vesting of Deferred Trust Units and Income Deferred Trust Units pursuant to the plan. This represents approximately 0.5% of Dundee REIT's outstanding REIT A Units and 0.5% of the outstanding REIT Units. If the proposed 750,000 increase in the maximum number of deferred units that may be granted under the plan is approved by unitholders, the number of REIT A Units that would be issuable under the plan is 845,833 (being the 750,000 of additional deferred units, plus the REIT A Units that have not yet been issued under the current plan).

At the Meeting, unitholders will be asked to pass the following resolution, with or without variation, relating to the proposed amendment to the Deferred Unit Incentive Plan:

"RESOLVED THAT:

1. The Dundee Real Estate Investment Trust ("Dundee REIT") Deferred Unit Incentive Plan for Trustees, Senior Management and Consultants (the "Plan") be amended to provide that the number of Deferred Trust Units and Income Deferred Trust Units that may be granted under the Plan be increased by an additional 750,000 Deferred Trust Units and Income Deferred Trust Units.

2. Any trustee or officer of Dundee REIT be and he or she is hereby authorized to execute and deliver and file all such documents, and to do all such other things on behalf of Dundee REIT as may, in his or her opinion, be necessary or desirable to give full effect to the foregoing resolution."

In order to be passed, this resolution requires approval by more than 50% of the votes cast by the unitholders, either present in person or represented by proxy, at the Meeting. The persons named in the enclosed form of proxy intend to vote for the approval of this resolution.

The Board of Trustees recommends that unitholders vote FOR this resolution.

Amendment to Declaration of Trust Relating to Preferred Equity Securities

Unitholders are being asked to consider and vote on a special resolution, substantially in the form attached as Appendix A to this Circular, authorizing an amendment to the Declaration of Trust to authorize the Trustees to, among other things, create and issue one or more new classes of preferred equity securities of Dundee REIT, issuable in series ("Preferred Units"), that rank in priority to REIT Units.

Currently, Dundee REIT has only one class of participating units, designated as "REIT Units". The REIT Units are effectively the "common equity" of Dundee REIT. There are currently two series of REIT Units outstanding, being the REIT A Units and the REIT B Units. Each REIT A Unit and REIT B Unit represents an undivided beneficial interest in Dundee REIT and in distributions made by Dundee REIT, whether of net income, net realized capital gains or other amounts and, in the event of Dundee REIT's termination or winding up, in its net assets remaining after the satisfaction of all of its liabilities. No REIT A Unit or REIT B Unit has preference or priority over any other.

Each REIT A Unit and REIT B Unit entitles the holder thereof to one vote for each whole REIT A Unit or REIT B Unit, as the case may be, held at all meetings of unitholders of Dundee REIT. Each REIT B Unit is convertible at any time at the option of the holder into one fully-paid and non-assessable REIT A Unit.

Preferred Units would have terms that provide for the payment of distributions to holders of Preferred Units in priority to the payment of distributions on REIT A Units and REIT B Units and, in the event of Dundee REIT's termination or winding up, a payment in priority to the distribution of the net assets of Dundee REIT remaining after the satisfaction of all of its liabilities. In this regard, Preferred Units would be similar to preferred shares issued by other companies.

Dundee REIT's ability to maintain and increase unitholder value and distributions is dependent in part on its ability to effectively access financing options that allow it to pursue value enhancing opportunities and acquisitions. Equity securities having a preferred return are a type of investment that may be attractive to investors during periods where market conditions are characterized by declines in common equity prices, since such preferred securities provide a specific yield and have a different risk profile by virtue of their priority over the common equity of the issuer. This is illustrated by the numerous issuances of preferred shares by issuers such as Canadian banks, financial services firms and power and utilities companies.

Based on management's consultations with certain market participants and financial advisors, the Trustees have determined that it could be in the best interests of Dundee REIT to have the ability to offer investors a security with a preference over the REIT A Units and REIT B Units as a means of seeking alternate sources of equity financing in the future. In addition, having one or more classes of Preferred Units may potentially provide Dundee REIT with an opportunity to reduce its cost of capital.

At this time, Dundee REIT has not determined to offer any Preferred Units. Rather, Unitholders are being asked to vote on a special resolution authorizing an amendment to the Declaration of Trust to authorize the Trustees to, among other things, create and issue one or more new classes of Preferred Units that rank in priority to REIT Units. This will allow Dundee REIT to create and issue Preferred Units in the future from time to time without the need for the further approval of unitholders of Dundee REIT.

In determining whether to create and issue any particular class or series of Preferred Units and make amendments to the Declaration of Trust for this purpose, the Trustees will consider the terms and conditions of any such class or series (as recommended by any investment dealers involved in any such issuance) and the impact that such class or series and amendments to the Declaration of Trust will have on Dundee REIT and its unitholders. The proposed amendment to the Declaration of Trust also provides the Trustees with the ability to make amendments to the Declaration of Trust, if necessary or desirable, to remove the redemption right attaching to the REIT Units and to convert Dundee REIT into a closed-end limited purpose trust, in each case at least 10 days following the issuance of a news release announcing such amendment(s).

Dundee REIT may determine that it is advisable to obtain an advance tax ruling from the Canada Revenue Agency in connection with any amendments to the Declaration of Trust made to facilitate the creation and issuance of Preferred Units and otherwise made in connection with Preferred Units in order to confirm the tax consequences of the amendments (and those associated with any Preferred Units) to Dundee REIT or its unitholders.

At the Meeting, unitholders will be asked to pass the special resolution, substantially in the form attached as Appendix A to this Circular, with or without variation, relating to the proposed amendment to the Declaration of Trust.

In order to be passed, this special resolution requires approval by 66 2/3% or more of the votes cast by the unitholders, either present in person or represented by proxy, at the Meeting. The persons named in the enclosed form of proxy intend to vote for the approval of this special resolution.

The Board of Trustees recommends that unitholders vote FOR this special resolution.

GOVERNANCE

Trustees' and Officers' Liability Insurance

Dundee REIT carries trustees' and officers' liability insurance with a total annual aggregate policy limit of \$30,000,000 (comprised of a \$10,000,000 Primary Policy and two \$10,000,000 Excess Policies). Under this insurance coverage, Dundee REIT is reimbursed for payments made under indemnity provisions on behalf of Trustees and officers contained in the Declaration of Trust, and pursuant to individual indemnity agreements between Dundee REIT and each officer and Trustee (the "**Indemnities**") subject to a deductible payable by Dundee REIT of \$250,000 for securities claims and \$150,000 for all other claims. The Declaration of Trust and the Indemnities provide for the indemnification in certain circumstances of Trustees and officers from and against liability and costs in respect of any action or suit against them in respect of the execution of their duties of office.

Governance Practices

The Trust is committed to maintaining high standards of governance. The Trust's governance practices are disclosed below in accordance with NI 58-101.

Board of Trustees

Trustee Independence

The Board has determined that six of the 10 individuals standing for election or appointment as Trustees at the Meeting are independent within the meaning of NI 58-101. The following individuals are not independent: Mr.

Cooper, who is Vice Chairman and Chief Executive Officer of Dundee REIT and Chief Executive Officer of Dundee Realty Corporation, the asset manager of Dundee REIT; Ms. Joanne Ferstman, who was within the past three years an executive officer of a subsidiary of Dundee Corporation; Mr. David Goodman, who is an executive officer of a subsidiary of Dundee Corporation; and Mr. Ned Goodman, who is Chairman of the Board and an executive officer of Dundee Corporation and certain of its subsidiaries.

The Governance and Environmental Committee of the Board participates in the determination of Trustee independence and makes recommendations to the Board. The determinations are based on information concerning the personal, business and other relationships and dealings between the Trustees and Dundee REIT, its affiliates and auditors.

The Board has a preference for an independent, non-executive Chair of the Board, but is prepared to consider exceptions when that would be in the best interests of Dundee REIT. The current Chair of the Board is not an independent Trustee. However, in order to provide leadership for independent Trustees, an independent Trustee will, as required from time to time, chair meetings of independent Trustees and assume other responsibilities. Although the independent Trustees do not hold regularly scheduled meetings, a meeting of independent Trustees may be called whenever an issue arises which requires consideration by independent Trustees.

Board Mandate

The Board is responsible for the stewardship of the activities and affairs of Dundee REIT. The Board seeks to discharge this responsibility by reviewing, discussing and approving Dundee REIT's strategic planning and organizational structure and supervising Management to ensure that the strategic planning and organizational structure enhance and preserve the business of Dundee REIT and the underlying value of Dundee REIT. The text of the Board's mandate is attached as Appendix B to this Circular.

Position Descriptions

The Board has adopted position descriptions for each of the Chair of the Board and the Chief Executive Officer of Dundee REIT.

The primary responsibility of the Chair of the Board is to provide leadership to the Board and to enhance Board effectiveness. The position description for the Chair sets out the responsibilities and duties of the Chair, including: overseeing the Board's discharge of its duties; taking steps to foster the Board's understanding of its responsibilities and boundaries with Management; overseeing the responsibilities delegated to all Board committees; assisting in reviewing and monitoring the long term business plan, strategies and policies of Dundee REIT's operating subsidiary and the achievement of its objectives; establishing procedures to govern the effective and efficient conduct of the Board's work; scheduling meetings of the Board and working with committee chairs to co-ordinate the schedule of meetings for committees; organizing and presenting agendas for Board meetings based on input from Trustees and Management; overseeing the distribution of information to the Board in a manageable form and sufficiently in advance of meetings; presiding over Board meetings and conducting meetings in an efficient, effective and focussed manner; and chairing meetings of Dundee REIT's unitholders.

The primary responsibility of the Chief Executive Officer is to lead Dundee REIT by providing a strategic direction that includes the development and implementation of plans, policies, strategies and budgets for the growth and profitable operation of Dundee REIT. The position description for the Chief Executive Officer sets out specific responsibilities, including: seeing that the day-to-day activities and affairs of Dundee REIT are appropriately managed; recommending to the Board and, following their approval by the Board, consistently striving to achieve Dundee REIT's financial and other goals and objectives; overseeing Dundee REIT's achievement and maintenance of a satisfactory competitive position within the real estate industry; overseeing and taking steps to enhance where necessary reliable internal control systems; fulfilling all responsibilities as assigned by the Board, in the manner expected by the Board; taking steps to build an effective Management team below the level of the Chief Executive Officer and overseeing Dundee REIT's active plan for Management's development and succession; fostering a culture that promotes ethical practices and encourages individual integrity; maintaining a positive and ethical work climate that is conducive to attracting, retaining and motivating a diverse group of top-quality employees at all levels; and serving as the chief spokesperson for Dundee REIT.

Orientation and Continuing Education

New Trustees are given the opportunity to individually meet with executive officers of Dundee REIT to improve their understanding of Dundee REIT's operations. Tours of certain properties may also be arranged for interested Trustees. New Trustees are provided with a package of materials containing, among other things, a copy of the Declaration of Trust, reference materials describing Dundee REIT's organizational structure, the structure of the Board and its committees and a copy of the Board's mandate. New Trustees are briefed on matters such as Dundee REIT's reporting structure, strategic plans, significant financial, accounting and risk issues, management and the external auditors. Prior to agreeing to join the Board, new Trustees are given a clear indication of the workload and time commitment required.

On an ongoing basis, Trustees are given presentations on various aspects of Dundee REIT's activities and functions during regularly scheduled Board meetings. In addition, all Trustees regularly receive information on Dundee Properties LP's operations, a financial overview and other pertinent information. All Trustees have open access to Dundee REIT's senior management. Reading materials on topics relevant to the real estate industry, as well as governance and compliance matters, are included from time to time in the materials provided to Trustees for meetings. Trustees identify their continuing education needs through a variety of means, including discussions with management and at Board and committee meetings. Suggested reading materials are also identified by the Chair of the Board and committee chairs.

Ethical Business Conduct

Dundee REIT has adopted a code of conduct that serves as a statement of the values and principles that guide trustees, officers and employees of Dundee REIT and its subsidiaries and related entities in their day-to-day business activities. The code of conduct sets out procedures for monitoring compliance with the code, describes the measures designed to ensure that the trustees exercise independent judgment in considering transactions and agreements in respect of which a trustee, officer or employee has a material interest, and describes other steps taken to encourage and promote a culture of ethical business conduct. For instance, if, at any Board meeting, a trustee or officer has a material interest in a matter being considered, such trustee or officer will not be present for discussions relating to the matter and will not participate in any vote on the matter. A copy of the code of conduct of Dundee REIT is available on the SEDAR website at www.sedar.com, and on Dundee REIT's website at www.dundeereit.com.

Dundee REIT has also adopted a whistleblower policy which allows officers and employees to bring forward, on a confidential and anonymous (if desired) basis, concerns or complaints regarding unethical or fraudulent business practices or any activity that could give rise to a financial concern.

The Board believes that providing a forum for employees and officers to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct within Dundee REIT.

Asset Management

Dundee Realty Corporation acts as Dundee REIT's asset manager pursuant to the Asset Management Agreement. The Asset Management Agreement provides for a broad range of asset management advisory services for the following fees:

1. Base annual management fee calculated and payable on a monthly basis, equal to 0.25% of the gross asset value of properties, which Dundee Realty Corporation and Dundee REIT agreed in the Asset Management Agreement was approximately \$1.5 billion as at August 24, 2007, and the purchase price of properties acquired subsequent to that date, adjusted for any properties sold.
2. Incentive fee equal to 15% of Dundee REIT's adjusted funds from operations per unit in excess of \$2.65 per unit.
3. Capital expenditures fee equal to 5% of all hard construction costs incurred on each capital project with costs in excess of \$1.0 million excluding work done on behalf of tenants or any maintenance capital expenditures.

4. Acquisition fee equal to (i) 1.0% of the purchase price of a property, on the first \$100.0 million of properties in each fiscal year; (ii) 0.75% of the purchase price of a property on the next \$100.0 million of properties acquired in each fiscal year, and (iii) 0.50% of the purchase price on properties in excess of \$200.0 million in each fiscal year.
5. Financing fee equal to 0.25% of the debt and equity of all financing transactions completed on our behalf to a maximum of actual expenses incurred by Dundee Realty Corporation in supplying services relating to financing transactions.

The Asset Management Agreement does not obligate Dundee Realty Corporation to provide the services of any particular person to Dundee REIT, including the services of Dundee REIT's current senior management team. However, Dundee REIT has no reason to believe the services of its current senior management team will not continue to be provided by Dundee Realty Corporation.

Board Committees

The Board has four committees: the Audit Committee, the Compensation Committee, the Governance and Environmental Committee and the Investment Committee.

The corporate governance guidelines in NP 58-201 recommend that an issuer's nominating committee and compensation committee be composed entirely of "independent" trustees within the meaning of NI 58-101. Similarly, the Declaration of Trust also requires that committees of the trustees, other than the Investment Committee, be composed of a majority of "Independent Trustees". As defined in the Declaration of Trust, an "Independent Trustee" is any trustee who is not or has not been within the last four years an employee of Dundee Corporation or any affiliate of Dundee Corporation or who is not directly employed by Dundee REIT or any of its affiliates.

The members of the Audit Committee are currently: Messrs. Bierbaum, Crossgrove, Goodall and Jackman, with Mr. Crossgrove being the Chair. Each of these trustees is "independent" within the meaning of MI 52-110 and is an "Independent Trustee" for the purposes of the Declaration of Trust.

The members of the Compensation Committee are: Messrs. Crossgrove and Goodall, with Mr. Goodall being the Chair. Messrs. Crossgrove and Goodall are "independent" within the meaning of NI 58-101 and Independent Trustees for the purposes of the Declaration of Trust.

The members of the Governance and Environmental Committee are: Messrs. Bierbaum, Crossgrove, Jackman and Tweedy, with Mr. Crossgrove being the Chair. Each of these trustees is "independent" within the meaning of NI 58-101 and is an "Independent Trustee" for the purposes of the Declaration of Trust.

The members of the Investment Committee are: Messrs. Bierbaum, Cooper and Ned Goodman, with Mr. Cooper being the Chair.

Audit Committee

The Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to financial reporting, including: (i) the integrity of Dundee REIT's financial statements and financial reporting process, including the audit process and Dundee REIT's internal accounting controls and procedures; (ii) compliance with related legal and regulatory requirements; (iii) the qualifications and independence of the external auditors; (iv) the work of Dundee REIT's external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for Dundee REIT; and (v) the performance of Dundee REIT's management and external auditors in these areas.

Each member of the Audit Committee is "financially literate" within the meaning of MI 52-110.

Additional information relating to the Audit Committee and a copy of the Audit Committee's charter is set out in the latest annual information form of Dundee REIT.

Compensation Committee

The Compensation Committee is responsible for reviewing and making recommendations to the Board with respect to the compensation of Trustees and the officers of Dundee REIT not employed by Dundee REIT's external asset manager (of which there currently are none).

Dundee REIT's senior management team consists of individuals employed by Dundee Realty Corporation. The compensation of such individuals is determined by Dundee Realty Corporation. The Compensation Committee reviews and recommends to the Board the terms upon which Trustees, the Chair of the Board and the committee chairs are compensated (including the level and nature of such compensation) to ensure that such compensation adequately reflects the responsibilities they are assuming.

The committee reviews and makes recommendations to the Board with respect to compensation policies and processes on an as-needed basis and assists in administering or making recommendations in respect of any incentive compensation and equity compensation plans of Dundee REIT or changes to such plans. In particular, the committee administers Dundee REIT's Deferred Unit Incentive Plan, which is described under "Executive Compensation – Deferred Unit Incentive Plan". The committee makes recommendations as to whom should receive grants of deferred units (including Trustees, officers and consultants of Dundee REIT, some of whom may be employed by the asset manager of Dundee REIT), the terms of such grants, the overall level of outstanding deferred units and changes to the plan.

The committee will periodically review with the Chair of the Board and the Chief Executive Officer the succession plans relating to the position of the Chief Executive Officer of Dundee REIT (including in respect of an unexpected incapacitation of the Chief Executive Office) and other senior positions and makes recommendations to the Board with respect to the selection of individuals to occupy these positions.

Governance and Environmental Committee

The Governance and Environmental Committee performs a number of functions: it assists the Board in developing Dundee REIT's approach to governance, including overseeing and assessing the functioning of Dundee REIT, the Board and the committees of the Board; it identifies qualified candidates for Trustees (other than those Trustees considered to be nominees of Dundee Corporation) and recommends those candidates to the Board for election at the next annual meeting of unitholders; and it reviews the environmental state of any real property owned by Dundee Properties LP and establishes formal policies and procedures to review and monitor environmental exposure of Dundee REIT and its subsidiaries.

In identifying and recommending suitable Trustee candidates the committee: (i) reviews from time to time the size of the Board, with a view to facilitating effective decision making; (ii) develops and reviews, periodically, standards to be applied in making determinations as to the presence or absence of material relationships between a Trustee and Dundee REIT; (iii) considers what competencies and skills the Board, as a whole, should possess and reviews annually the competencies, skills and personal qualities required of a trustee in order to add value to Dundee REIT, in light of: (A) the opportunities and risks facing Dundee REIT and Dundee REIT's proposed strategy; (B) the need to ensure that a majority of the Board is comprised of independent Trustees; and (C) Dundee REIT's governance guidelines and Board policies with respect to trustee tenure, retirement and succession and the number of boards on which a Trustee may sit; (iv) reviews periodically the competencies, skills and personal qualities of each existing Trustee, and the contributions made by the trustee to the effective operation of the Board as a group; and (v) reviews any significant change in the primary occupation of the trustee.

The committee is also responsible for, among other things: establishing, approving and periodically reviewing Dundee REIT's code of conduct, granting any waivers from the application of the code and overseeing Management's monitoring of compliance with the code; overseeing the Board and Trustee evaluation process; monitoring and assessing the relationship between the Board and Management; defining the limits of Management's responsibilities; and making such recommendations as it may deem necessary with a view to ensuring that the Board is able to function independently of Management.

Investment Committee

The Investment Committee assists the Board in discharging the Board's oversight responsibilities relating to acquisitions and dispositions of investments, proposed transactions and financing arrangements.

Each member of the committee must have a minimum of three years of substantial experience in the real estate industry which may include, without limitation, having been a board member or senior officer of a real estate company.

The committee must approve or reject any financing (including the assumption or granting of any mortgage relating to such financing) proposed to be obtained by Dundee Properties LP where the dollar amount or value of the financing (net of assumed or pre-arranged debt which is non-recourse to Dundee Properties LP) is greater than \$35 million, other than a renewal of any existing mortgage by any of Dundee REIT's subsidiary entities.

Assessment of Trustees

The Governance and Environmental Committee evaluates, as considered necessary from time to time, the performance of: the Chair of the Board; the chair of each committee; the performance and contribution of individual Trustees, having regard to the Board's mandate; the position description for the Chair of the Board and the Chief Executive Officer; the charter for each committee of the Board; the results of annual surveys of Dundee REIT, if any; attendance at Board and committee meetings; and the overall contribution, competencies and skills each individual Trustee is expected to bring to the Board.

The committee assesses, as considered necessary from time to time, the effectiveness of the Board as a whole and each committee of the Board, having regard for the mandate of the Board and the charter of each Board committee, and makes recommendations to the Board. The Governance and Environmental Committee may conduct annual surveys of trustees with respect to their views on the effectiveness of the Board, the Chair of the Board, each committee of the Board and its chair and the contribution of individual Trustees.

EXECUTIVE COMPENSATION

Overview

Dundee REIT's senior management team consists of individuals employed by Dundee Realty Corporation. Dundee Realty Corporation provides asset management advisory services to Dundee REIT pursuant to the Asset Management Agreement, for which Dundee REIT pays certain fees. See "Governance – Board of Trustees – Asset Management".

Dundee REIT has no employment agreements with members of senior management and Dundee REIT does not pay any cash compensation to any individuals serving as officers of Dundee REIT, directly or indirectly. Rather, those individuals are compensated by Dundee Realty Corporation. A portion of the compensation paid to certain employees of Dundee Realty Corporation is attributable to time spent on the activities of Dundee REIT.

The officers of Dundee REIT named in the "Summary Compensation Table" below are employees of Dundee Realty Corporation. These officers are referred to herein as the "**named executive officers**".

The board of directors of Dundee Realty Corporation has sole responsibility for determining the compensation of the named executive officers, other than the granting of Deferred Trust Units under Dundee REIT's Deferred Unit Incentive Plan, which is the responsibility of the Compensation Committee of the Board of Trustees. As a private company, Dundee Realty Corporation is not required to disclose the basis for determining the compensation of its employees.

Compensation Discussion and Analysis

As Dundee REIT's senior management team is employed by Dundee Realty Corporation, Dundee REIT is only obligated to pay a fixed amount to Dundee Realty Corporation pursuant to the Asset Management Agreement. Any variability in cash compensation paid by Dundee Realty Corporation to the named executive officers will not impact Dundee REIT's financial obligations.

The following discussion is intended to describe the portion of the compensation of the named executive officers that is attributable to time spent on the activities of Dundee REIT, and supplements the more detailed information concerning executive compensation that appears in the tables and the accompanying narrative that follow.

Principal Elements of Compensation

The compensation of the named executive officers includes three major elements: (1) base salary, (2) an annual cash bonus, and (3) long-term equity incentives, consisting of Deferred Trust Units granted under Dundee REIT's Deferred Unit Incentive Plan. As a private company, Dundee Realty Corporation's process for determining executive compensation is relatively straightforward, involving board discussion with input from senior management of the company. There is no specific formula for determining the amount of each element, nor is there a formal approach applied by Dundee Realty Corporation for determining how one element of compensation fits into the overall compensation objectives in respect of the activities of Dundee REIT. Objectives and performance measures may vary from year to year as determined to be appropriate by Dundee Realty Corporation.

The named executive officers do not benefit from medium term incentives or pension plan participation. Perquisites and personal benefits are not a significant element of compensation of the named executive officers.

These three principal elements of compensation are described below.

Base salaries. Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries are determined on an individual basis, taking into consideration the past, current and potential contribution to the success of Dundee REIT, the position and responsibilities of the named executive officers and competitive industry pay practices for other real estate investment trusts and corporations of comparable size. Dundee Realty Corporation does not engage compensation consultants for the purposes of performing benchmarking or apply specific criteria for the selection of comparable real estate businesses. In the past, other comparable real estate businesses that have been considered for benchmarking purposes include RioCan REIT, CREIT, Calloway REIT, Canadian Apartments REIT, Chartwell REIT and First Capital Realty Inc. Increases in base salary are at the sole discretion of Dundee Realty Corporation.

Annual cash bonuses. Annual cash bonuses are discretionary and are not awarded pursuant to a formal incentive plan. Annual cash bonuses are awarded based on qualitative and quantitative performance standards, and reward performance of Dundee REIT or the named executive officer individually. The determination of the performance of Dundee REIT may vary from year to year depending on economic conditions and conditions in the real estate industry, and may be based on measures such as unit price performance, the meeting of financial targets against budget (such as adjusted funds from operations), the meeting of acquisition objectives and balance sheet performance. Adjusted funds from operations or "AFFO" is not defined by International Financial Reporting Standards ("IFRS"), does not have a standard meaning and may not be comparable with other industries or income trusts. Nevertheless, AFFO is a key performance measure used by real estate operating companies and is described in Dundee REIT's management's discussion and analysis filed pursuant to applicable Canadian securities laws.

Individual performance factors vary, and may include completion of specific projects or transactions and the execution of day to day management responsibilities.

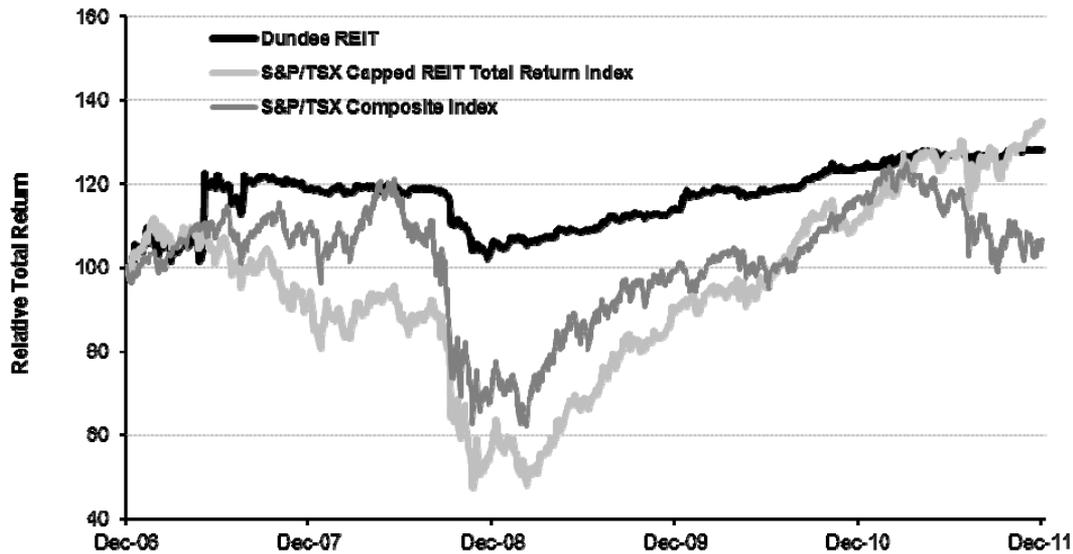
Deferred Trust Units. Grants of Deferred Trust Units under Dundee REIT's Deferred Unit Incentive Plan align the interests of the named executive officers more closely with the interests of Dundee REIT's unitholders, because they are tied to Dundee REIT's financial and unit trading performance and vest or accrue over a number of years. The Board of Trustees, acting on the recommendation of the Compensation Committee of Dundee REIT, may designate individuals eligible to receive grants of Deferred Trust Units. In determining grants of Deferred Trust Units, an individual's performance and contributions to Dundee REIT's success, relative position, tenure and past grants are taken into consideration.

Dundee REIT does not have a unit option plan.

Performance Graph

The following graph shows Dundee REIT's cumulative total unitholder return on the Units over the five most recently completed financial years, compared to the cumulative total return of the S&P/TSX Composite Index and the S&P/TSX Capped REIT Index, assuming an investment of \$100 on the first day of the five-year period.

The trend shown in the graph is one factor taken into consideration with respect to compensation of the named executive officers in respect of their work for Dundee REIT. The variable component of compensation received by the named executive officers consists of a pre-determined number of Deferred Trust Units and as such is directly related to unit price performance.



Summary compensation table

Name and principal position	Year	Salary ⁽¹⁾	Unit-based awards ⁽²⁾⁽³⁾	Non-equity incentive plan compensation (Bonus) ⁽⁴⁾	All other compensation ⁽⁵⁾	Total compensation
Michael J. Cooper Vice Chairman and Chief Executive Officer	2011	\$ 550,000	\$ 568,800	0	n/a	\$ 1,118,800
	2010	\$ 550,000	\$ 449,280	0	n/a	\$ 999,280
	2009	\$ 500,000	\$ 242,820	0	n/a	\$ 742,820
Mario Barrafato Senior Vice President and Chief Financial Officer	2011	\$ 265,000	\$ 284,400	\$ 300,000	n/a	\$ 849,400
	2010	\$ 255,000	\$ 174,720	0	n/a	\$ 429,720
	2009	\$ 210,000	\$ 94,430	0	n/a	\$ 304,430

- (1) Represents the portion of salary paid by Dundee Realty Corporation attributable to time spent on the activities of Dundee REIT.
- (2) Deferred Trust Units granted vest over a five-year period with one fifth of the Deferred Trust Units vesting each year. Amounts are determined based on the grant date fair value of Deferred Trust Units multiplied by the number of Deferred Trust Units granted in the year as follows: Mr. Cooper – 2011: \$31.60 x 18,000, 2010: \$24.96 x 18,000, 2009: \$13.49 x 18,000; and, Mr. Barrafato - 2011: \$31.60 x 9,000, 2010: \$24.96 x 7,000, 2009: \$13.49 x 7,000. For more information on the Deferred Unit Incentive Plan, see “—Deferred Unit Incentive Plan”.
- (3) If the grant date fair value of Deferred Trust Units was determined as at March 15, 2012, the amounts would be as follows: Mr. Cooper – 2011: \$665,460, 2010: \$665,460, 2009: \$665,460; and Mr. Barrafato – 2011: \$332,730, 2010: \$258,790, 2009: \$258,790.
- (4) Represents the portion of bonus paid by Dundee Realty Corporation attributable to time spent on the activities of Dundee REIT.
- (5) Perquisites and personal benefits for each of the named executive officers did not exceed the lesser of \$50,000 and 10% of the individual’s salary for the year.

Incentive plan awards – value vested or earned during 2011

Deferred Trust Units granted to the named executive officers and their related Income Deferred Trust Units vest on a five year vesting schedule, pursuant to which one-fifth of the Deferred Trust Units granted to such individuals and their related Income Deferred Trust Units will vest on each anniversary of the grant date for a period of five years.

Name	Unit-based awards — Value vested during the year ^{(1) (2)}
Michael J. Cooper	\$ 420,997
Mario Barrafato	\$ 163,721

- (1) Based on the market value per REIT A Unit as at the vesting date.
- (2) Includes Deferred Units that vested but were deferred indefinitely at the election of the named executive officer. Income Deferred Trust Units continue to be credited to holders of such Deferred Units. See “—Deferred Unit Incentive Plan”.

2011 Outstanding unit-based awards at fiscal year end

Name	Unit-based Awards		
	Aggregate holdings of units ⁽¹⁾	Unvested units as at December 31, 2011 ⁽²⁾	
		(#)	(#)
Michael J. Cooper	92,794	59,913	\$ 1,957,357
Mario Barrafato	36,846	25,404	\$ 829,948

- (1) Includes Deferred Trust Units and Income Deferred Trust Units that have not vested, as well as those that would have vested, but were deferred at the election of the named executive officer. Such units vest on a five year vesting schedule, with no adjustment for performance goals or other conditions. See “—Deferred Unit Incentive Plan”.
- (2) Based on the market value as at December 31, 2011, of \$32.67 per REIT A Unit.

Deferred Unit Incentive Plan

Eligible Individuals may participate in the Deferred Unit Incentive Plan. “**Eligible Individuals**” under the Deferred Unit Incentive Plan consist of (i) the trustees and officers of Dundee REIT, (ii) employees of Dundee REIT or any of its affiliates, and (iii) employees of certain service providers who spend a significant amount of time and attention on the affairs and business of one or more of Dundee REIT and its affiliates. The Deferred Unit Incentive Plan provides for the grant to Eligible Individuals of Deferred Trust Units and Income Deferred Trust Units. Income Deferred Trust Units are credited to holders of Deferred Trust Units and Income Deferred Trust Units based on distributions paid by Dundee REIT on REIT Units.

Currently, up to a maximum of one million Deferred Trust Units and Income Deferred Trust Units are issuable under the Deferred Unit Incentive Plan, representing approximately 1.2% of Dundee REIT’s outstanding REIT A Units and approximately 1.1% of the outstanding REIT Units. As of March 30, 2012, a total of 904,167 Deferred Trust Units and Income Deferred Trust Units had been granted (or credited, in the case of Income Deferred Trust Units) under the Deferred Unit Incentive Plan. This represents approximately 1.1% of Dundee REIT’s outstanding REIT A units and approximately 1.0% of the outstanding REIT Units. As of the same date, a total of 419,322 REIT A Units had been issued on the investing of Deferred Trust Units and Income Deferred Trust Units pursuant to the plan. This represents approximately 0.5% of Dundee REIT’s outstanding REIT A Units and approximately 0.5% of the outstanding REIT Units. The aggregate of the Units: (i) issued to insiders of Dundee REIT, within any one year period; and (ii) issuable to insiders of Dundee REIT, at any time, under the plan, when combined with all of Dundee REIT’s security based compensation arrangements, shall not exceed 10% of Dundee REIT’s total issued and outstanding REIT Units.

Under the Deferred Unit Incentive Plan, Deferred Trust Units may be granted from time to time to Eligible Individuals at the discretion of the trustees. The number of Income Deferred Trust Units credited to a holder of

Deferred Trust Units and/or Income Deferred Trust Units will be calculated by multiplying the aggregate number of Deferred Trust Units and Income Deferred Trust Units held on the relevant distribution record date by the amount of distributions paid by Dundee REIT on each REIT A Unit, and dividing the result by the market value of the REIT A Units on the distribution payment date. Market value for this purpose is the weighted average closing price of the REIT A Units on the Toronto Stock Exchange for the five trading days immediately preceding the relevant distribution payment date.

Deferred Trust Units will vest on either a five year or a three year vesting schedule. Deferred Trust Units granted to an Eligible Individual who is an officer or trustee of Dundee REIT (a **"Five Year Grantee"**), will vest on a five year vesting schedule, pursuant to which one-fifth of the Deferred Trust Units granted to such individual will vest on each anniversary of the grant date for a period of five years. Deferred Trust Units granted to any other Eligible Individual will vest on a three year vesting schedule, pursuant to which one-third of the Deferred Trust Units granted to such individual will vest on each anniversary of the grant date for a period of three years. Income Deferred Trust Units credited to participants in the Deferred Unit Incentive Plan (**"Plan Participants"**) vest on the same five or three year schedule as their corresponding Deferred Trust Units and are issued on the same date as the Deferred Trust Units or Income Deferred Trust Units in respect of which they were credited.

Upon the vesting of Deferred Trust Units and Income Deferred Trust Units, Dundee REIT will issue REIT A Units to Plan Participants on the basis of one Unit for each Deferred Trust Unit and Income Deferred Trust Unit that has vested. REIT A Units are issued by Dundee REIT at no cost to Plan Participants. Five Year Grantees have the ability to elect to defer the issuance of REIT A Units to them on the vesting of their Deferred Trust Units and Income Deferred Trust Units in respect of any vesting date. The issuance of REIT A Units to Five Year Grantees may be deferred indefinitely, unless the Five Year Grantee's employment or term of office is terminated, in which case REIT A Units will be issued on the relevant date of termination of employment or term of office.

Any unvested Deferred Trust Units or Income Deferred Trust Units held by an Eligible Individual will be forfeited if the employment or term of office of the individual is terminated for any reason, whether voluntarily or involuntarily. However, pursuant to the Deferred Unit Incentive Plan, the trustees may, in their discretion if the circumstances warrant, accelerate the vesting of such units held by an individual whose employment or term of office is terminated. In these circumstances, any unvested Deferred Trust Units or Income Deferred Trust Units will vest effective upon the termination date of the individual, or on such later date or dates determined by the Compensation Committee of the trustees of Dundee REIT in its discretion.

Deferred Trust Units and Income Deferred Trust Units are non-transferable, except to a Plan Participant's estate, and the rights of Plan Participants under the Deferred Unit Incentive Plan are not assignable, except as required by law.

The Compensation Committee of the trustees of Dundee REIT may review and confirm the terms of the Deferred Unit Incentive Plan from time to time and may, subject to the TSX rules, amend or suspend the Deferred Unit Incentive Plan in whole or in part as well as terminate the Deferred Unit Incentive Plan without prior notice as it deems appropriate. However, subject to the terms of the Deferred Unit Incentive Plan, no amendment may adversely affect the Deferred Trust Units or Income Deferred Trust Units previously granted under the Deferred Unit Incentive Plan without the consent of the affected Plan Participant.

The following table provides information regarding Dundee REIT's Deferred Unit Incentive Plan, being the only equity compensation plan of Dundee REIT. Information is provided as of December 31, 2011.

Equity Compensation Plan Information

Plan Category	Number of Units to be issued upon vesting of Deferred Units	Weighted-average price of unvested Deferred Units	Number of Deferred Units available for future grant under the Deferred Unit Incentive Plan ⁽¹⁾
Equity compensation plans approved by unitholders	484,846	N/A	134,737

(1) 1,000,000 Deferred Units were authorized under the plan

Trustee compensation table

Name	Board retainer ^{(1) (2)}		Meeting fee ⁽¹⁾	Unit-based awards (Value of Deferred Trust Units granted) ⁽³⁾	All other compensation	Total
	In cash	In units	(\$)	(\$)	(\$)	(\$)
Detlef Bierbaum	-	\$ 35,000	\$ 25,500	\$ 79,000	-	\$ 139,500
Donald K. Charter	-	\$ 35,000	\$ 9,000	\$ 63,200	-	\$ 107,200
Michael J. Cooper	-	-	-	-	-	-
Peter A. Crossgrove	-	\$ 50,000	\$ 28,500	\$ 94,800	-	\$ 173,300
Joanne Ferstman	-	\$ 35,000	\$ 7,500	\$ 63,200	-	\$ 105,700
Robert G. Goodall	-	\$ 40,000	\$ 25,500	\$ 79,000	-	\$ 144,500
David J. Goodman	-	\$ 35,000	\$ 7,500	\$ 63,200	-	\$ 105,700
Ned Goodman	-	\$ 120,000	-	\$ 126,400	-	\$ 246,400
Duncan Jackman	-	\$ 35,000	\$ 25,500	\$ 94,800	-	\$ 155,300
K. Kellie Leitch ⁽⁴⁾	-	\$ 35,000	\$ 6,000	\$ 110,600	-	\$ 151,600
Robert Tweedy	\$ 35,000	-	\$ 12,000	\$ 63,200	-	\$ 110,200

- (1) The compensation of Trustees, other than Trustees who are also officers of Dundee REIT, is \$35,000 per year plus a meeting fee of \$1,500 per day for each meeting of the Board of Trustees or a committee thereof attended in person or via telephone conference. The Trustees are also reimbursed for their out-of-pocket expenses incurred in acting as Trustees. The Chairman of the Board of Trustees, if not an employee of Dundee REIT or one of its subsidiaries, receives an annual fee of \$120,000, but does not receive any other fees for board or committee meetings attended. The chair of the audit committee receives an additional annual fee of \$20,000. The chair of each other committee (other than the chair of the Investment Committee when it is a committee of the board as a whole), if not an employee of Dundee REIT or one of its subsidiaries, receives an additional annual fee of \$5,000. In addition, members of the audit committee receive an additional annual fee of \$10,000. In addition, Trustees are entitled to receive remuneration for services rendered to Dundee REIT in any other capacity, except in respect of their service as directors of any of Dundee REIT's subsidiaries. Trustees who are employees of and who receive salary from Dundee REIT are not entitled to receive any remuneration for their services in acting as Trustees, but are entitled to reimbursement of their out-of-pocket expenses incurred in acting as Trustees.
- (2) Trustees may elect to be paid the board retainer in cash or in an equivalent value of Deferred Trust Units granted under the Deferred Unit Incentive Plan.
- (3) Deferred Trust Units granted vest over a five-year period with one fifth of the Deferred Trust Units vesting each year. Amounts are determined based on the grant date fair value of Deferred Trust Units multiplied by the number of Deferred Trust Units granted in the year.
- (4) Ms. Leitch was elected as a member of the Parliament of Canada on May 2, 2011. Due to her role in Parliament, Ms. Leitch resigned from the Board of Trustees effective September 22, 2011 and therefore only attended four meetings in 2011.

Incentive plan awards – value vested or earned during 2011

Deferred Trust Units granted to the Trustees and their related Income Deferred Trust Units vest on a five year vesting schedule, pursuant to which one-fifth of the Deferred Trust Units granted to such individuals and their related Income Deferred Trust Units will vest on each anniversary of the grant date for a period of five years.

Name	Unit-based awards — Value vested during the year ^{(1) (2)} (\$)
Detlef Bierbaum	\$ 41,385
Donald K. Charter	\$ 41,385
Peter A. Crossgrove	\$ 60,450
Joanne Ferstman	\$ 41,385
Robert G. Goodall	\$ 28,253
David J. Goodman	\$ 41,385
Ned Goodman	\$ 163,232
Duncan Jackman	\$ 41,385
Robert Tweedy	\$ 24,901

(1) Based on the market value per REIT A Unit as at the vesting date.

(2) Includes Deferred Units that vested but were deferred indefinitely at the election of the named executive officer. Income Deferred Trust Units continue to be credited to holders of such Deferred Units. See “—Deferred Unit Incentive Plan”.

2011 Outstanding unit-based awards at fiscal year end

Name	Unit-based awards		
	Aggregate holdings of units ⁽¹⁾	Unvested units as at December 31, 2011 ⁽²⁾	
	(#)	(#)	(\$)
Detlef Bierbaum	20,650	8,579	\$ 280,275
Donald K. Charter	10,099	7,787	\$ 254,401
Peter A. Crossgrove	20,673	12,078	\$ 394,588
Joanne Ferstman	11,724	8,053	\$ 263,091
Robert G. Goodall	15,833	7,043	\$ 230,094
David J. Goodman	13,956	8,053	\$ 263,091
Ned Goodman	62,774	27,939	\$ 912,767
Duncan Jackman	14,460	7,940	\$ 259,399
Robert Tweedy	13,400	4,725	\$ 154,365

(1) Includes Deferred Units that have not vested, as well as those that would have vested, but were deferred at the election of the Trustee. Such units vest on a five year vesting schedule, with no adjustment for performance goals or other conditions. See “—Deferred Unit Incentive Plan”.

(2) Based on the market value as at December 31, 2011, of \$32.67 per REIT A Unit.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as described below or otherwise disclosed in this Circular, Dundee REIT and Management are not aware of any material interest, direct or indirect, of any Trustee, executive officer of Dundee REIT, trustee, director or executive officer of any subsidiary of Dundee REIT, any person or company who beneficially owns, directly or indirectly, voting securities of Dundee REIT or who exercises control or direction over voting securities of Dundee REIT or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of Dundee REIT, any trustee, director or executive officer of any such person or company, or any associate or affiliate of any of the foregoing, in any transaction since the commencement of Dundee REIT's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Dundee REIT or its subsidiaries. See also "The Annual and Special Meeting — Principal Holders of Voting Securities".

On March 28, 2012, Dundee REIT completed a public offering of 6,555,000 REIT A Units, at a price of \$35.35 per unit, including REIT A Units issued pursuant to the exercise of the over-allotment option granted to the underwriters. The offering included 364,800 Units purchased by Dundee Corporation pursuant to the exercise of its pre-emptive right under Dundee REIT's Declaration of Trust. The underwriters of this offering received total fees of \$8,752,943.

On December 20, 2011, Dundee REIT completed a public offering of 4,393,000 REIT A Units, at a price of \$32.75 per unit, including REIT A Units issued pursuant to the exercise of the over-allotment option granted to the underwriters. The underwriters of this offering received total fees of \$5,754,830.

On August 15, 2011, Dundee REIT completed a public offering of 5,037,000 REIT A Units, at a price of \$32.40 per unit. The offering included 407,000 Units purchased by Dundee Corporation pursuant to the exercise of its pre-emptive right under Dundee REIT's Declaration of Trust. The underwriters of this offering received total fees of \$6,000,480.

On June 14, 2011, Dundee REIT completed a public offering of 4,660,000 REIT A Units at a price of \$33.30 per unit. The offering included 356,000 REIT A Units purchased by Dundee Corporation pursuant to the exercise of its pre-emptive right under Dundee REIT's Declaration of Trust. On June 29, 2011, Dundee REIT issued an additional 699,000 REIT A Units, pursuant to the exercise of the over-allotment option granted to the underwriters. The underwriters of this offering received total fees of \$6,663,996.

On February 4, 2011, Dundee REIT completed a public offering of 4,749,500 REIT A Units, at a price of \$30.30 per unit, including REIT A Units issued pursuant to the exercise of the over-allotment option granted to the underwriters. The underwriters of this offering received total fees of \$5,756,394.

Dundee Securities Ltd., an indirect subsidiary of Dundee Corporation, was a member of the underwriting syndicates for these public offerings. Mr. Ned Goodman, one of the Trustees, is an officer of Dundee Corporation. Two other Trustees, being Ms. Joanne Ferstman and Mr. David Goodman, are officers of a subsidiary of Dundee Corporation.

MANAGEMENT CONTRACTS

Dundee Realty Corporation has entered into the Asset Management Agreement with Dundee REIT and certain of its subsidiaries. Pursuant to the Asset Management Agreement, Dundee Realty Corporation performs asset management services on behalf of Dundee REIT. The head office of Dundee Realty Corporation is located at 30 Adelaide Street East, Suite 1600, Toronto, Ontario, M5C 3H1. Dundee Realty Corporation is an associate of Mr. Cooper and an indirect subsidiary of Dundee Corporation. The directors of Dundee Realty Corporation are Mr. Cooper and Mr. Ned Goodman and the executive officers of Dundee Realty Corporation are Mario Barrafato, Michael Cooper, P. Jane Gavan, Jason Lester, Tang Liu, Doug Quesnel and Bruce Traversy. See also "Governance – Board of Trustees – Asset Management". For more information, the Asset Management Agreement is described in the most recent Annual Information Form of Dundee REIT and a copy is available on SEDAR at www.sedar.com.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of Dundee REIT are PricewaterhouseCoopers LLP, located in Toronto, Ontario. The transfer agent and registrar of Dundee REIT is Computershare Trust Company of Canada at its principal office in Toronto, Ontario.

OTHER BUSINESS

Management does not currently know of any matters to be brought before the Meeting other than those set forth in the Notice of Meeting accompanying this Circular.

ADDITIONAL INFORMATION

Additional information relating to Dundee REIT is available on SEDAR at www.sedar.com. Unitholders may request copies of Dundee REIT's financial statements and Management's discussion and analysis by sending a request in writing to:

Dundee Real Estate Investment Trust
c/o Chief Financial Officer
30 Adelaide Street East, Suite 1600
Toronto, Ontario
M5C 3H1

Financial information is provided in Dundee REIT's comparative financial statements and Management's discussion and analysis for its most recently completed financial year.

APPROVAL

The Trustees of Dundee REIT have approved the contents of this Circular and the sending thereof to the unitholders of Dundee REIT.

DATED at Toronto, Ontario, the 5th day of April, 2012.

By Order of the Board of Trustees

By: 

MICHAEL J. COOPER
Vice Chairman and Chief Executive Officer

GLOSSARY OF TERMS

The following is a glossary of terms used frequently throughout the Meeting Materials.

"Affiliate" or *"affiliate"* has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus and Registration Exemptions*.

"Asset Management Agreement" means the asset management agreement dated as of December 31, 2007, as it may be amended or amended and restated from time to time.

"associate" has the meaning ascribed thereto in the Securities Act.

"Board of Trustees" or *"Board"* means the board of trustees of Dundee REIT.

"CDS" means CDS Clearing and Depository Services Inc.

"Circular" means this management information circular dated April 5, 2012.

"Declaration of Trust" means the amended and restated declaration of trust of Dundee REIT dated as of March 31, 2011, as amended or amended and restated from time to time.

"Deferred Income Plan" means any trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan or a deferred profit sharing plan, each as defined in the Tax Act.

"Deferred Trust Units" means deferred trust units under the Deferred Unit Incentive Plan.

"Deferred Unit Incentive Plan" means the deferred unit incentive plan of Dundee REIT.

"Deferred Units" means Deferred Trust Units and Income Deferred Trust Units.

"Dundee Properties LP" means Dundee Properties Limited Partnership, a limited partnership formed under the laws of the Province of Ontario.

"Dundee REIT" means Dundee Real Estate Investment Trust, an unincorporated, open-ended limited purpose trust established under the laws of the Province of Ontario.

"GE Real Estate" means General Electric Capital Canada or its affiliates or divisions of its affiliates, as the context requires.

"GP A Co." means Dundee Properties OTA (GP) Inc., a corporation governed by the laws of the Province of Ontario.

"GP B Co." means Dundee Properties OTB (GP) Inc., a corporation governed by the laws of the Province of Ontario.

"Income Deferred Trust Units" means income deferred trust units under the Deferred Unit Incentive Plan.

"LP Class A Units" means the LP Class A limited partnership units of Dundee Properties LP.

"LP Class B Units, Series 1" or *"LP B Units"* means the LP Class B, Series 1 limited partnership units of Dundee Properties LP.

"LP Class B Units, Series 2" means the LP Class B, Series 2 limited partnership units of Dundee Properties LP.

"Management" means the Trustees, officers of Dundee REIT not employed by Dundee REIT's external asset manager (of which there currently are none) and such other employees of and consultants to Dundee REIT and members of management as may be identified as such by the Board.

"Meeting" means the annual and special meeting of unitholders to be held on Thursday, May 3, 2012 at 4:00 p.m. (Toronto time), and any postponements or adjournments thereof.

"Meeting Materials" means the Notice of Meeting, the Circular and the form of proxy.

"MI 52-110" means Multilateral Instrument 52-110 – *Audit Committees*.

"NI 58-101" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

"NP 58-201" means National Policy 58-201 – *Corporate Governance Guidelines*.

"Notice of Meeting" means the notice of meeting accompanying the Circular.

"Partnership A" means Dundee Properties OTA Limited Partnership, a limited partnership formed under the laws of the Province of Ontario.

"Partnership B" means Dundee Properties OTB Limited Partnership, a limited partnership formed under the laws of the Province of Ontario.

"person" includes any individual, firm, partnership, limited partnership, limited liability partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, trust, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status.

"Record Date" means March 26, 2012, the date for the determination of unitholders of Dundee REIT entitled to receive notice of and vote at the Meeting.

"REIT Units" means, collectively, the Units, REIT units, Series B and the Special Trust Units, but *"REIT units"*, when units is used in lower case type, means, collectively, the Units and REIT B Units.

"REIT A Units" means REIT Units, Series A of Dundee REIT, each representing an undivided beneficial interest in any distributions from Dundee REIT.

"REIT B Units" means REIT Units, Series B of Dundee REIT, each representing an undivided beneficial interest in any distributions from Dundee REIT.

"Securities Act" means the *Securities Act* (Ontario), as now in effect and as it may be amended from time to time.

"Securities Laws" mean the Securities Act and all other applicable Canadian securities Laws and the rules and published policies of the TSX.

"Securities Regulatory Authorities" means collectively, the provincial and territorial securities regulatory authorities in the provinces and territories of Canada in which Dundee REIT is a reporting issuer (or the equivalent), and the TSX.

"Special Trust Units" means the Special Trust Units of Dundee REIT issued to the holders of LP Class B Units, Series 1 providing rights to vote (and only a nominal economic interest) as a unitholder of Dundee REIT, all of which are currently indirectly held by Dundee REIT Corporation.

"subsidiary" has the meaning ascribed thereto in the National Instrument 45-106 — *Prospectus and Registration Exemptions*.

"Tax Act" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supplement), as amended.

"Transfer Agent" means Computershare Trust Company of Canada, and its successors and assigns.

"Trustee" means a trustee of Dundee REIT.

"TSX" means the Toronto Stock Exchange.

"Unitholders" means holders of Units, but *"unitholders"*, when used in lower case type, refers to all holders of REIT Units.

"Units" means REIT A Units.

"U.S." or *"United States"* means United States of America.

APPENDIX A

SPECIAL RESOLUTION OF UNITHOLDERS

RESOLVED AS A SPECIAL RESOLUTION THAT:

- 1) The amended and restated declaration of trust dated March 31, 2011 (the "Declaration of Trust") of Dundee Real Estate Investment Trust (the "Trust") be amended to add the following clause to Section 11.1(a) of the Declaration of Trust as a new clause (viii):

to create and issue one or more new classes of preferred equity securities of the Trust (each of which may be comprised of unlimited series) that rank in priority to REIT Units (in payment of distributions and in connection with any termination or winding-up of the Trust), and, if necessary or desirable for such purpose, to remove the redemption right attaching to the Units and to convert the Trust into a closed-end limited purpose trust, in each case at least 10 days following the issuance of a news release announcing such amendment(s).
- 2) The trustees of the Trust (the "Trustees") are hereby authorized to approve, execute or deliver such further documents, agreements, certificates and instruments and take any and all such further action in connection with the foregoing resolution, as the Trustees consider necessary or desirable.
- 3) Any one Trustee or officer of the Trust is authorized and directed, for and on behalf of the Trust, to negotiate, finalize, execute or deliver all documents, agreements, certificates and instruments and take any and all such further action as such Trustee or officer, in his or her sole discretion, deems necessary or desirable in order to give effect to the intent of the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement, certificate or other instrument or the taking of any such further action.
- 4) Notwithstanding that this special resolution has been passed by the unitholders of the Trust, the Trustees are hereby authorized, in their discretion and without the further notice to or approval of the unitholders of the Trust, to determine not to proceed with the amendments to the Declaration of Trust described in this special resolution and revoke this special resolution before it is acted upon.

APPENDIX B

MANDATE FOR THE BOARD OF DIRECTORS

Pursuant to the amended and restated Declaration of Trust of the Trust dated March 31, 2011, the Trust may have a board of trustees (the “**Board**”) consisting of between five and 12 trustees at any given time, although a majority of the trustees must be resident Canadians. Dundee Corporation is entitled to nominate up to one less than a majority of the trustees, provided that Dundee Corporation maintains a beneficial ownership interest in the Trust above a certain level. Although trustees may be nominated by Dundee Corporation or elected by the holders of REIT Units, Series A of the Trust, REIT Units, Series B of the Trust and Special Trust Units (collectively, the “**Unitholders**”), to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Trust must be paramount at all times.

DUTIES OF TRUSTEES

The Board is responsible for the stewardship of the activities and affairs of the Trust. The Board seeks to discharge such responsibility by reviewing, discussing and approving the Trust’s strategic planning and organizational structure and supervising management to oversee that the strategic planning and organizational structure enhance and preserve the business of the Trust and the underlying value of the Trust.

The Board discharges its responsibility for overseeing the management of the Trust’s activities and affairs by delegating to the Trust’s senior officers the responsibility for day-to-day activities of the Trust. The Board discharges its responsibilities both directly and through its committees, the Audit Committee, the Governance and Environmental Committee, the Investment Committee and the Compensation Committee. In addition to these regular committees, the Board may appoint *ad hoc* committees periodically to address certain issues of a more short-term nature.

The Board’s primary roles are overseeing performance and providing quality, depth and continuity of management to meet the Trust’s strategic objectives.

Other principal duties include, but are not limited to the following categories:

Appointment of Management

- 1) The Board is responsible for approving the appointment of the chief executive officer and all other senior management.
- 2) The Board from time to time delegates to senior management the authority to enter into certain types of transactions, including financial transactions, subject to specified limits. Investments and other expenditures above the specified limits, and material transactions outside the ordinary course of business are reviewed by and are subject to the prior approval of the Board.
- 3) The Board oversees that succession planning programs are in place, including programs to train and develop management.

Board Organization

- 4) The Board will respond to recommendations received from the Governance and Environmental Committee and the Compensation Committee, but retains responsibility for managing its own affairs by giving its approval for its composition and size, the selection of the chair of the Board, candidates nominated for election to the Board, committee and committee chair appointments, committee charters and director compensation.
- 5) The Board may establish committees of the Board, where required or prudent, and define their mandate. The Board may delegate to Board committees matters it is responsible for, including the approval of compensation of the Board and management, the conduct of performance evaluations and oversight of internal controls systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

Strategic Planning

- 6) The Board has oversight responsibility to participate directly, and through its committees, in developing, reviewing, questioning and approving the mission of the Trust and its objectives and goals.
- 7) The Board is responsible for participating in the development of, and reviewing and approving, the business, financial and strategic plans by which it is proposed that the Trust may reach those goals.
- 8) The Board is responsible for supervising the activities, managing the investments and affairs and approving major decisions of the Trust.
- 9) The Board will consider alternate strategies in response to possible change of control transactions or take-over bids with a view to maximizing value for Unitholders.
- 10) The Board is responsible for reviewing the debt strategy of the Trust.

Monitoring of Financial Performance and Other Financial Reporting Matters

- 11) The Board is responsible for enhancing congruence between Unitholder expectations, Trust plans and management performance.
- 12) The Board is responsible for adopting processes for monitoring the Trust's progress toward its strategic and other goals, and to revise and alter its direction to management in light of changing circumstances affecting the Trust.
- 13) The Board is responsible for approving the audited financial statements, interim financial statements and the notes and management's discussion and analysis accompanying such financial statements.
- 14) The Board is responsible for reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Declaration of Trust and other governing documents, including the payment of distributions, purchase and redemptions of securities, acquisitions and dispositions.

Risk Management

- 15) The Board is responsible for overseeing the identification of the principal risks of the Trust's business and the implementation of appropriate systems to effectively monitor and manage such risks with a view to the long-term viability of the Trust and achieving a proper balance between the risks incurred and the potential return to the Trust's Unitholders.

Policies and Procedures

- 16) The Board is responsible for:
- 17) approving and assessing compliance with all significant policies and procedures by which the Trust is operated; and
- 18) approving policies and procedures designed to ensure that the Trust operates at all times within applicable laws and regulations and in accordance with ethical and moral standards.
- 19) The Board shall enforce its policy respecting confidential treatment of the Trust's proprietary information and the confidentiality of Board deliberations.

Communications and Reporting

- 20) The Board has approved and will revise from time to time as circumstances warrant a disclosure policy to address communications with Unitholders, employees, financial analysts, governments and regulatory authorities, the media and the Canadian and international communities.

The Board is responsible for:

overseeing the accurate reporting of the financial performance of the Trust to Unitholders, other securityholders and regulators on a timely and regular basis; overseeing that the financial results are reported fairly and in accordance with International Financial Reporting Standards and related legal disclosure requirements; taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on

the Trust; ensuring effective and adequate communication with Unitholders, other stakeholders and the public, including reporting annually to Unitholders on its stewardship for the preceding year; overseeing the Trust's implementation of systems which accommodate feedback from Unitholders; ensuring the integrity and adequacy of internal controls and management information systems; maintaining records and providing reports to Unitholders; and determining the amount and timing of distributions to Unitholders.

