

H&R REAL ESTATE INVESTMENT TRUST

Trading Policy

OBJECTIVE AND SCOPE

The objectives of this trading policy are to describe the trading restrictions and reporting requirements imposed by law on the trustees, officers and employees of H&R Real Estate Investment Trust (the "REIT") and those other persons in a special relationship with the REIT, and to outline the REIT's trading guidelines.

The reporting requirements set out in this trading policy extend to all "Reporting Insiders" of the REIT (being (i) the REIT's trustees, Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Chief Operating Officer ("COO") and any person or company responsible for a principal business unit, division or function of the REIT, (ii) the directors, CEO, CFO and COO of the REIT's major subsidiaries, if applicable, (iii) anyone who beneficially owns or exercises control or direction whether direct or indirect, over more than 10% of voting rights attached to all of the REIT's outstanding securities (a "Significant Unitholder") and its directors, CEO, CFO and COO, (iv) a management company that provides significant management or administrative services to the REIT or a major subsidiary of the REIT and its directors, CEO, CFO, COO and Significant Unitholder, and (v) any other insider (as defined below) that (A) in the ordinary course receives or has access to information or to material information concerning the REIT before the material information is generally disclosed, and (B) directly or indirectly exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the REIT.).

The trading restrictions and trading guidelines set out in this trading policy extend to any person in a "special relationship" with the REIT. A person in a special relationship with the REIT includes any "insider" (being the REIT's trustees and senior officers, the directors and senior officers of the REIT's subsidiaries, and a Significant Unitholder and its directors and senior officers), anyone engaged in a business or professional activity with or for the REIT, any employee of the REIT and anyone (a "tippee") who learns of material information concerning the REIT from someone that the tippee knows or should know is a person in a special relationship with the REIT.

TRADING RESTRICTIONS

No one in a special relationship with the REIT may purchase or sell securities of the REIT with knowledge of material information concerning the REIT that has not been generally disclosed.

Material information is any information relating to the business and affairs of the REIT that results in, or would reasonably be expected to result in, a significant change in the market price or value of the REIT's securities. Examples of such information would include:

- any transaction that may affect control of the REIT
- major reorganization, amalgamation or merger

- take-over bid, issuer bid or insider bid
- private placement or public offering of securities
- changes in the REIT's distribution payments or policies
- unexpected changes in the financial results for any period
- significant shifts in operating or financial circumstances, such as cash-flow reduction, major write-offs, changes in earnings or earning projections, or changes in value or composition of assets
- unusual gains or losses in the operations of the business
- borrowing of a significant amount of funds
- mortgaging or encumbering of significant assets
- significant changes in management or the trustees
- significant new contracts or loss of business
- major acquisitions or dispositions of assets or properties

This list is not intended to be exhaustive.

In addition, no one in such a special relationship may inform (or "tip") another person or company, other than in the necessary course of business, of material information concerning the REIT before such information has been generally disclosed.

The necessary course of business exception would generally cover communications with (a) employees, officers and trustees, (b) lenders, legal counsel, auditors, underwriters and financial and other professional advisors to the REIT, (c) parties to negotiations, (d) industry associations, (e) governmental agencies and non-governmental regulators, and (f) parties to a private placement; but it would not generally cover communications with analysts, institutional investors or other market professionals.

REPORTING REQUIREMENTS

Anyone who becomes a Reporting Insider of the REIT and holds securities of the REIT or has an interest in, or right or obligation associated with a "related financial instrument" (being an agreement, arrangement or understanding to which a Reporting Insider of the REIT is a party, the effect of which is to alter, directly or indirectly, the Reporting Insider's (a) economic interest in a security of the REIT, or (b) economic exposure to the REIT) involving a security of the REIT must: (i) register as a user on the computerized System for Electronic Disclosure by Insiders ("SEDI") and file an insider profile containing the information required under Form 55-102F1 of National Instrument 55-102; and (ii) within ten days of becoming an insider, file an initial insider trading report containing the information required under Form 55-102F2 of National Instrument 55-102. Where someone becomes a Reporting Insider of the REIT by virtue of being a director or a CEO, CFO or COO of a Significant Unitholder or being a management company of the REIT, the initial insider trading report must reflect holdings for the previous six month period.

If a Reporting Insider of the REIT acquires, disposes of, or otherwise makes a change in his or her ownership, control or direction of securities of the REIT (including by way of equity monetization transactions) or interest in, or right or obligation associated with, a related financial instrument involving a security of the REIT, such person must file an insider trading report on

SEDI within five days of the transaction. In the case of an acquisition or sale of securities, the deadline for filing is within five days of the trade date, not the settlement or closing date.

A Reporting Insider of the REIT must report trades in securities of the REIT or interest in, or right or obligation associated with, a related financial instrument involving a security of the REIT he or she holds directly or indirectly (e.g., through a holding or investment company) and securities of the REIT over which such person exercises control or direction, either by virtue of family relationships (e.g., young children) or trust or voting or other agreement.

Duplication of reports is not required so long as all direct and indirect holdings are disclosed. As an example, should an insider hold securities of the REIT personally and through a holding company, one filing will suffice to disclose both holdings.

If any trustee, director or officer of the REIT or any of its subsidiaries that is a Reporting Insider of the REIT acquires REIT securities (including related financial instruments) under the REIT's distribution reinvestment plan, and such trustee, director or senior officer is not a Significant Unitholder, such trustee, director or officer can delay reporting changes in securities acquired under such plan until March 31 of the calendar year following the year in which the acquisition took place. The foregoing would not apply to (a) securities acquired under the plan which have been sold or transferred, in which case he or she is required to report the acquisition and sale or transfer within five days of the sale or transfer; and (b) securities acquired under the REIT's unit purchase plan.

The obligation to file the report rests with the Reporting Insider and not the REIT. As a convenience, the REIT has arranged for its counsel, Blake, Cassels & Graydon LLP ("Blakes"), to prepare and file reports on a Reporting Insider's behalf and Blakes will do so if it is immediately provided with the details of a transaction. A Reporting Insider who wishes to utilize the services of Blakes should contact Will Fung at (416) 863-2356.

If a Reporting Insider of the REIT elects to submit his or her own profile and file an insider report directly, he or she is requested to provide a copy of each filing to Will Fung of Blakes for the REIT's files.

PENALTIES

Violation of the insider trading rules (e.g., trading at a time when a person in a special relationship has undisclosed, material information about the REIT) can lead to significant monetary penalties and even imprisonment. Such person could also be rendered liable to compensate a person who suffers a loss as a result of the trade or other transaction and may be accountable to the REIT for profits made.

Failure to file an insider trading report can similarly result in monetary penalties and/or imprisonment.

TRADING GUIDELINES

The REIT views as important the establishment of clear trading guidelines (the "Guidelines") for the protection of all trustees, officers and employees of the REIT, all other persons in a special

relationship with the REIT and the REIT itself. Whether information would be considered to be material or what the market's reaction to certain information would be is not always clear-cut. Because of this uncertainty, it is possible that someone might be found, with the benefit of hindsight, to have improperly traded on inside information. It may also be difficult for someone to prove that he or she was unaware of the existence of specific material information if he or she is often in a position to have access to inside information.

It is also important to recognize the frequency with which the REIT is involved in acquisitions and other significant transactions.

The following trading guidelines are designed to ensure that the REIT, its trustees, officers and employees and those other persons in a special relationship with the REIT are seen at all times to be acting in a way that is clearly intended to comply with the trading restrictions imposed by law and to minimize the risk that someone in a special relationship with the REIT or the REIT will be embarrassed by a regulatory challenge or other attack.

- (a) **Blackout Periods.** A blackout period will be in effect from and including the fifteenth day of the month following the end of each fiscal quarter until 24 hours following the release of the REIT's quarterly and year-end financial results. During this period, a trustee, officer or employee of the REIT or any other person in a special relationship with the REIT may not trade in any of the REIT's securities.
- (b) **Exemption from Blackout Period.** Individuals subject to a blackout period who wish to trade securities of the REIT may apply to the CFO or the REIT's Executive Vice President, Finance for an exemption that permits them to trade securities of the REIT during the blackout period. Any such request should describe the nature of and reasons for the proposed trade. The CFO or the REIT's Executive Vice President, Finance will consider such requests and inform the requisitioning individual whether or not the proposed trade may be made. The requisitioning individual may not make any such trade until he or she has received specific written approval from the CFO or the REIT's Executive Vice President, Finance.
- (c) **Pre-Clear Trades.** As the REIT is periodically engaged in transactions which are significant to it and because there may be difficulty in identifying when or if certain information becomes material, each Reporting Insider should advise the CFO of the REIT of any intention to trade or effect a transaction in securities of the REIT. There may be occasions when such person will be advised that he or she cannot trade until further notice.
- (d) **Post Press Release.** Should the REIT issue a press release disclosing material information, Reporting Insiders or any other person in a special relationship with the REIT is prohibited from trading in any of the REIT's securities for a period of 24 hours following the time of the release.
- (e) **No Short-Term Transactions.** The REIT expects those who are subject to this trading policy to avoid transactions aimed at short-term profits. Accordingly, no such person may sell short, purchase put options or sell call options on any of the REIT's securities.

- (f) **No Standing Orders.** In order to avoid inadvertent conflict with these Guidelines, the REIT strongly encourages those who are subject to this trading policy to not place standing selling or purchase orders with a broker.
- (g) **Communications and Quiet Period.** Any communications with the media, investors or analysts must be directed to the President and CEO or the CFO of the REIT. This is particularly important during the "quiet period", which commences on the first day of the month following the end of a fiscal quarter and ends with the issuance of a news release disclosing the financial results. During this period, the REIT exercises particular caution with respect to public statements regarding its financial results and business prospects.

The foregoing Guidelines are in addition to the trading restrictions previously set out above which all trustees, officers and employees of the REIT and those other persons in a special relationship with the REIT must adhere to.

This trading policy has been reviewed and approved by the board of trustees of the REIT and may be reviewed and updated periodically. Any material amendments to this trading policy shall be subject to approval by the board of trustees of the REIT. Given the REIT's concern over its reputation in the marketplace and the need to ensure that all of its investors are on equal footing with respect to material information, it is important that all trustees, officers and employees of the REIT and other persons who is in a special relationship with the REIT follow the Guidelines. If there is any doubt as to whether a particular trade or transaction would violate these Guidelines, he or she should refrain from trading or other transaction or seek clarification on the Guidelines from the CFO of the REIT.

Approved by the board of trustees of the REIT, as amended on November 13, 2014.