

Primaris



Retail Real Estate
Investment Trust

**NOTICE OF
ANNUAL GENERAL MEETING OF UNITHOLDERS
MAY 19, 2010
AND
MANAGEMENT INFORMATION CIRCULAR**

Dated April 26, 2010

MANAGEMENT INFORMATION CIRCULAR

TABLE OF CONTENTS

NOTICE OF ANNUAL GENERAL MEETING OF UNITHOLDERS	1
VOTING INFORMATION	2
Who is soliciting my proxy?	2
Am I entitled to attend the Meeting?.....	2
Am I entitled to vote, and what am I voting on?.....	2
How do I vote?	2
How can I vote in person at the Meeting?.....	2
How will my Units be voted?.....	3
What if I change my mind and want to revoke my voting instructions?	3
Who counts the votes?.....	3
How are proxies solicited?	3
What if I have a question regarding the voting procedures or the Meeting?	3
BUSINESS TO BE TRANSACTED AT THE MEETING	4
Financial Statements	4
Election of Trustees – Nominees for Appointment.....	4
Appointment of Auditors	8
Audit Fees.....	8
CORPORATE GOVERNANCE DISCLOSURE	8
Term of Election for Trustees	8
Majority Voting Policy	8
Number of Trustees.....	9
Trustee Independence	9
Cease Trade Orders, Bankruptcies, Penalties or Sanctions	10
Financial Literacy	10
Board and Committee Meetings Held in 2009	10
Board and Committee Attendance	11
Committees of the Board.....	12
2009 Workplans and Accomplishments for Committees	13
Audit Committee	13
Governance and Nominating Committee.....	14
Compensation Committee	15
Distributions Committee.....	15
Meetings of Independent Trustees	16
Board Mandate	16
Annual Assessment of Board and Trustees & Peer Review.....	17
Compensation of Members of the Board of Trustees.....	17
Comparator Set for Trustee Compensation	17
Summary Compensation Table.....	18
Minimum Unitholding Requirement	18
2009 Actual Trustee Compensation.....	19
Process for Nomination of Trustees.....	19
Orientation for New Trustees	20
Continuing Education for Trustees	20

Officers of Primaris 21

Ethical Business Conduct..... 21

Independent Judgment of Trustees – Transactions and Agreements 22

Interests of Management and Others in Material Transactions..... 22

Communications Policy 22

Relationship of the Board of Trustees and Management..... 22

STATEMENT OF EXECUTIVE COMPENSATION 23

 Background 23

 Compensation Discussion and Analysis..... 24

 Employment Agreements & Individual Compensation Tables..... 24

 Mr. John Morrison, Chief Executive Officer (August, 2009 – current)..... 24

 Mr. Louis Forbes, Chief Financial Officer 28

 Other NEOs 31

 Summary Compensation Table..... 35

 Base Salary 36

 Short Term (Annual) Incentive Plan (STIP) – Cash Bonuses..... 36

 Long Term Incentive Plan – Equity Incentive Plan (LTIP) 36

 Perquisites and Personal Benefits 36

 Pension Plan 37

 Performance Goals 38

 Retirement Policy 39

 Minimum Unitholding Policy – Management 39

 Performance Graph 41

 Outstanding Unit Based Awards and Option Based Awards at Dec 31, 2009 42

 Equity Incentive Plan 42

 Eligible Participants 43

 Units Subject to the Equity Incentive Plan 43

 Amendments to the Equity Incentive Plan 43

 Compensation Consultant & Benchmarking Practices 44

 Compensation Committee 45

 Members and Experience 45

 Meetings and Workplan 45

MANAGEMENT CONTRACTS 46

INDEBTEDNESS OF TRUSTEES, OFFICERS & EMPLOYEES 46

TRUSTEES AND OFFICERS LIABILITY INSURANCE 46

ACCESS TO INFORMATION 47

APPROVAL..... 47

April 26, 2010

Dear Unitholder,

We invite you to attend Primaris' Annual General Meeting of Unitholders to be held at the Design Exchange; 234 Bay Street, Toronto, Ontario on Wednesday, May 19, 2010 at 10:00 am (Eastern Daylight Time).

At the meeting, you will hear about Primaris' 2009 performance and our plans for the coming year. You will also be able to meet and ask questions of the Board and Management.

This Management Information Circular describes the business to be conducted at the meeting. It also describes Primaris' governance practices which continue to be enhanced in this first year of internalized management. A new compensation philosophy strengthens the alignment of Management interests with those of the Unitholder. Performance measures are being put in place that incent, reward and retain our best employees and bring about the continued stable growth that is so important to generating returns for our Unitholders. These complement other best practices that we have adopted.

Our Compensation Committee will attend the Annual General Meeting for the purpose of being available to answer questions about our executive compensation practices.

Your vote matters. You may exercise your vote by completing the enclosed proxy voting form or by attending the meeting.

I encourage you to attend the meeting to hear about our annual results and learn more about our plans for Primaris.



Roland A. Cardy
Chair of the Board



John R. Morrison
President and Chief Executive Officer

NOTICE OF ANNUAL GENERAL MEETING OF UNITHOLDERS

The Annual General Meeting (the "**Meeting**") of Primaris Retail Real Estate Investment Trust will be held

on **Wednesday, May 19, 2010**
at **10:00 a.m. (Eastern Daylight Time)**
at the **Design Exchange, Trading Floor**
234 Bay Street
Toronto, Ontario

for the following purposes:

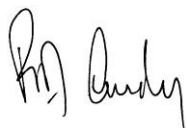
1. **TO ELECT** members of the Board of Trustees of Primaris;
2. **TO RECEIVE** the financial statements of Primaris and the auditors' report thereon, for the years ended December 31, 2009 and 2008;
3. **TO APPOINT** auditors and to authorize the Trustees of Primaris to fix their remuneration; and
4. **TO TRANSACT** such other business as may properly come before the meeting or any adjournment thereof.

Unitholders of record at the close of business on April 14, 2010, will be entitled to vote at the Meeting.

This Notice of Meeting and Management Information Circular, which contains details of the matters to be dealt with at the Meeting is accompanied by a form of proxy or voting information form. If you told us last year that you would like to receive the 2009 Annual Report then you will have already received this material in recent weeks. The Annual Report may also be accessed at www.sedar.com or www.primarisreit.com.

Unitholders who are unable to attend the Meeting in person are asked to complete, sign and return the accompanying voting information form at any time up to 5:00 pm on the second business day (Eastern Daylight Time in Toronto) prior to the Meeting. The form should be sent to:

Attention: Proxy Department, Postlinc
c/o CIBC Mellon Trust Company
1170 Birchmount Road
Scarborough, ON, M1P 5E3



Roland A. Cardy
Chair of the Board
Toronto, Ontario, Canada
April 26, 2010

Primaris Retail Real Estate Investment Trust ("Primaris") is an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario and created pursuant to a declaration of trust dated as of March 28, 2003, as amended and restated (the "Declaration of Trust"). As at March 31, 2010, 62,632,731 units ("Units") were outstanding, all of which are registered in the name of Canadian Depository for Securities (CDS). Of those Units, 1,895,756 Units are held by affiliates of Primaris and are ineligible to be voted. Primaris is aware of only one Unitholder that holds more than 10% of the issued and outstanding Units. Based on a report made on SEDAR on April 8, 2010, Ing Clarion owns 6,305,630 Units which represents 10.1% of the issued and outstanding Units.

VOTING INFORMATION

Who is soliciting my proxy?

Your proxy is being solicited by Management of Primaris.

Am I entitled to attend the Meeting?

Yes, if you are a Unitholder as of April 14, 2010, which is the record date for the Meeting, you are entitled to receive notice of, attend and be heard at the Meeting.

Am I entitled to vote, and what am I voting on?

If you were a Unitholder as of the close of business on April 14, 2010, you are entitled one vote per Unit you hold on the resolutions relating to:

1. electing Trustees of Primaris for the next year; and
2. appointing the auditors for the next year and fixing their remuneration.

Whether or not you attend the Meeting, you can appoint someone else to vote for you as your proxy holder. The persons named in the enclosed form of proxy or voting instruction form are Trustees of Primaris. However, you can choose another person to be your proxy holder, including someone who is not a Unitholder of Primaris. You may do so by deleting the names printed on the proxy or voting instruction form and inserting another person's name in the blank space provided, or by completing another proper form of proxy or voting information form.

If you acquire Units after April 14, 2010, you are not entitled to vote those Units.

How do I vote?

Your Units are held by CDS through a nominee which is usually a trust company, securities broker or other financial institution. Your nominee is required to seek your instructions as to how to vote your Units. For that reason, you have received this Management Information Circular from your nominee, together with a voting instruction form. Alternatively, you may have received a form of proxy which performs the same function. Each nominee has their own signing and return instructions which you should follow carefully to ensure your Units will be voted. If you are a Unitholder who has voted and you want to change your mind to vote in person, see the answers below titled "How can I vote in person at the Meeting?" and "What if I change my mind and want to revoke my voting instructions?".

How can I vote in person at the Meeting?

If you wish to vote in person at the Meeting, insert your own name in the space provided on the proxy or voting instruction form sent to you by your nominee. By doing so, you are instructing your nominee to appoint you as proxy holder. Follow the signing and return instructions provided by your nominee. Do not otherwise complete the form, as you will be voting at the Meeting.

How will my Units be voted?

On the voting instruction form, you can indicate how you want your proxy holder to vote your Units, or you can let your proxy holder decide for you. If you have specified on the voting instruction form how you want your Units to be voted (by marking FOR, AGAINST or WITHHOLD, as appropriate) then your proxy holder must vote accordingly.

If you have not specified on the form of proxy or voting instruction form how you want your Units to be voted, then your proxy holder can vote your Units as he or she sees fit.

Unless contrary instructions are provided, Units represented by proxies received by Management will be voted:

1. FOR the election of Trustees of Primaris of the proposed nominees whose names are set out on the following pages,
2. FOR the appointment of KPMG LLP as auditors.

What if I change my mind and want to revoke my voting instructions?

Your nominee can revoke your voting instructions at any time before they are acted upon. You should follow the instructions given to you by your nominee which may include a date by which you need to notify the nominee of your desire to revoke your voting instructions.

Who counts the votes?

Votes are counted by CIBC Mellon, the transfer agent of Primaris. Primaris also proposes to appoint CIBC Mellon as scrutineer to count votes of any Unitholder voting in person.

How are proxies solicited?

Primaris' Management requests that you sign and return the form of proxy or voting instruction form and follow the instructions of your nominee in this regard to ensure your votes are exercised at the Meeting. The solicitation of proxies will be primarily by mail. However, the Trustees, Officers and Management of Primaris may also solicit proxies by telephone, in writing or in person. Primaris may also use the services of outside firms to solicit proxies. The cost of proxy solicitation, if any, will be paid by Primaris.

What if I have a question regarding the voting procedures or the Meeting?

If you have any questions regarding the Meeting, please contact CIBC Mellon

by phone: 1-800-387-0825 (toll-free in Canada only)

or (416) 643-5500

by e-mail: inquiries@cibcmellon.com

by mail: CIBC Mellon Trust Company

P.O. Box 7010, Adelaide Street Postal Station

Toronto, Ontario M5C 2W9

Except as noted otherwise, the information contained in this Management Information Circular is given as of March 31, 2010 and all dollar amounts used in this document are in Canadian dollars.

Unitholders who cannot attend the Meeting in person will be able to access the speech of the Chief Executive Officer of Primaris after the Meeting at: www.primarisreit.com.

BUSINESS TO BE TRANSACTED AT THE MEETING

Financial Statements

The audited consolidated financial statements of Primaris for the years ended December 31, 2009 and 2008 and the report of the auditors on those statements will be placed before the Meeting. These audited consolidated financial statements, as well as Management's Discussion and Analysis, form part of the Annual Report of Primaris. Copies of the Annual Report may be accessed at www.sedar.com or www.primarisreit.com or may be obtained from the Secretary of Primaris upon request and will be available at the Meeting.

Election of Trustees – Nominees for Appointment


The present term of office of each Trustee of Primaris will expire upon the election of Trustees at the Meeting. It is proposed that each of the persons whose name appears below be elected as a Trustee of Primaris to serve until the close of the next annual meeting of Unitholders or until his or her successor is elected.


For each Trustee, the following information includes the Trustees' jurisdiction of residence; their age; all positions and offices held by them with Primaris; their attendance at meetings; their principal occupations or employment during the past five years; their status as an independent Trustee; other public board memberships; and the number of Primaris securities owned by each of them. The nominees for election as Trustees of Primaris are currently Trustees and have all been previously elected with the exception of Mr. Morrison who was appointed Chief Executive Officer in August 2009 and Mr. Hollister who was appointed on September 8, 2009.

The nominees are as follows:

 <p>Roland Cardy Age 58 Toronto, ON Canada Trustee since: 2003 Independent</p>	Since March 2003, Mr. Cardy has served as Managing Partner and a director of Gorbay Company Limited, a Toronto-based private company that owns and operates multi-family properties. From 2000 to March 2003, Mr. Cardy was a Senior Managing Director at Raymond James Ltd. Prior to that, Mr. Cardy held a number of positions at The Toronto-Dominion Bank including Vice-Chair, Investment Banking from 1996 to 2000. Mr. Cardy also served on the Executive Committee and the Board of Directors of TD Securities Inc. from 1996 to 2000. Mr. Cardy has a Bachelor of Arts (Economics and History) and Master of Business Administration from York University. He also has completed the requirements of the Institute of Corporate Directors program.					
	Board/Committee Membership:		2009 Attendance:		Public Board Membership During Last Five Years:	
	Board of Trustees, Chair		8/8	100%	Public Storage Canadian Properties	
	Audit Committee		3/4	75%		
	Management Resources Committee		3/3	100%		
	Governance & Nominating Committee		3/3 ⁽¹⁾	100%		
	Compensation Committee		1/1	100%		
Securities Held:						
Year	Units ⁽²⁾	Restricted Units	Debentures	Holdings of Units ⁽³⁾ & Debentures	Minimum Unit Ownership Requirement	Met
2010	13,800	1,868	0	\$252,398	\$150,000 worth of Units ⁽⁴⁾	<input checked="" type="checkbox"/>
2009	12,800	0	0	\$205,568	3,000 Units ⁽⁵⁾	<input checked="" type="checkbox"/>

- (1) The Board reorganized Committee membership in November 2009 resulting in actual attendance reporting for the duration of the Trustee's time on that Committee which differs from the total number of meetings. See complete table located on page 11 of the Circular.
- (2) These Units include holdings over which the Trustee has control or direction (spouse). Mr. Cardy also has control or direction over an additional 2,000 Units on behalf of another party.
- (3) Units owned prior to Jan 1, 2010 are valued at the Dec 31, 2009 five day VWAP of \$16.06. Units acquired between Jan 1, 2010 and March 31, 2010 are valued at cost.
- (4) Requirement effective January 1, 2010.
- (5) Requirement up to December 31, 2009.

 <p>Kerry D. Adams Age: 57 Aurora, ON Canada Trustee since: 2007 Independent</p>	<p>Ms. Adams has been President of K. Adams & Associates Limited providing wealth management services for trusts and private corporations since 1991. Ms. Adams was a Commissioner and Director of the Ontario Securities Commission from 1996 through 2003. From 1988 to 1991 Ms. Adams was President of Widcor Limited and Widcor Financial. Between 1987 and 1988, Ms. Adams was project leader on the Bank of Nova Scotia's acquisition of McLeod, Young, Weir and prior to that was Partner with KPMG Peat Marwick. Ms. Adams is a member of the Bank of Nova Scotia's Master Trust and Pension Investment and Administration Committee and a Director and Chair of the Audit Committee of Walmart Canada Bank. A Fellow of the Institute of Chartered Accountants (Ontario), Ms. Adams also holds a Bachelor of Arts (Honours Economics) from Queens University.</p>					
	Board/Committee Membership:		2009 Attendance:		Public Board Membership During Last Five Years:	
	Board of Trustees	8/8	100%	Indigo Books and Music Inc.	2006 – Dec 2009	
	Audit Committee	4/4	100%			
	Governance & Nominating Committee	5/5	100%			
	Distributions Committee, Chair	2/2 ⁽¹⁾	100%			
	Compensation Committee	1/1	100%			
Securities Held:						
Year	Units	Restricted Units	Debentures	Holdings of Units ⁽³⁾ & Debentures	Minimum Unit Ownership Requirement	Met
2010	7,500	1,868	0	\$151,695	\$150,000 worth of Units ⁽⁴⁾	<input checked="" type="checkbox"/>
2009	6,000	0	0	\$96,360	3,000 Units ⁽⁵⁾	<input checked="" type="checkbox"/>

 <p>William Biggar Age: 57 Toronto, ON Canada Trustee since: 2003 Independent</p>	<p>Mr. Biggar has been President and CEO of North American Palladium since 2008. Prior to that, Mr. Biggar was Managing Director of Richardson Capital Limited from 2004 to 2007, President and Chief Executive Officer of MI Developments Inc. from 2003 to 2004 and Executive Vice-President of Magna International Inc. from 2001 to 2003. From 1999-2001, Mr. Biggar was Executive Vice-President and Chief Financial Officer of Cambridge Shopping Centres Limited. Mr. Biggar has extensive experience in real estate acquisitions, development financing and management. Mr. Biggar became a Chartered Accountant while working at what is now PricewaterhouseCoopers and also holds Bachelor of Commerce and Master of Business Administration degrees from the University of Toronto.</p>					
	Board/Committee Membership:		2009 Attendance:		Public Board Membership During Last Five Years:	
	Board of Trustees	8/8	100%	North American Palladium Ltd.	2008 – present	
	Audit Committee, Chair	4/4	100%	Silver Bear Resources Inc.	2007 – present	
	Governance & Nominating Committee	5/5	100%	Manitou Capital Corporation	2003 – 2008	
	Management Resources Committee	3/3	100%	ATS Automation Tooling Systems Inc.	2005 – 2007	
	Distributions Committee	1/1 ⁽¹⁾	100%			
Compensation Committee	1/1	100%				
Securities Held:						
Year	Units ⁽²⁾	Restricted Units	Debentures	Holdings of Units ⁽³⁾ & Debentures	Minimum Unit Ownership Requirement	Met
2010	16,000	1,868	0	\$286,960	\$150,000 worth of Units ⁽⁴⁾	<input checked="" type="checkbox"/>
2009	16,000	0	0	\$256,960	3,000 Units ⁽⁵⁾	<input checked="" type="checkbox"/>

- (1) The Board reorganized Committee membership in November 2009 resulting in actual attendance reporting for the duration of the Trustee's time on that Committee which differs from the total number of meetings. See complete table located on page 11 of the Circular.
- (2) These Units include holdings over which the Trustee has control or direction (spouse).
- (3) Units owned prior to Jan 1, 2010 are valued at the Dec 31, 2009 five day VWAP of \$16.06. Units acquired between Jan 1, 2010 and March 31, 2010 are valued at cost.
- (4) Requirement effective January 1, 2010.
- (5) Requirement up to December 31, 2009.



Ian Collier
 Age: 63
 Toronto, ON Canada
 Trustee since: 2003
 Independent

Mr. Collier is CEO and Partner of Perseis Partners Inc. Prior to that, in 2004 and 2005, Mr. Collier was President and CEO of Borealis Private Equity and President and CEO of OMERS Capital Partners. Between 2001 and 2004, Mr. Collier served as CEO of Borealis Capital Corporation. Mr. Collier was a Director of Borealis Real Estate Management Inc. between May 2002 and February 2004 and a director of Oxford Properties Group Inc. between 2001 and 2004. Mr. Collier holds a Bachelor of Arts (Economics) from Wilfrid Laurier University.

Board/Committee Membership:	2009 Attendance:	Public Board Membership During Last Five Years:
Board of Trustees	8/8 100%	None
Governance & Nominating Committee	4/4 ⁽¹⁾ 100%	
Management Resources Committee	3/3 100%	
Distributions Committee	3/3 100%	

Securities Held:

Year	Units	Restricted Units	Debentures	Holdings of Units ⁽²⁾ & Debentures	Minimum Unit Ownership Requirement	
					Requirement	Met
2010	7,758	1,868	0	\$155,414	\$150,000 worth of Units ⁽³⁾	<input checked="" type="checkbox"/>
2009	6,758	0	0	\$108,533	3,000 Units ⁽⁴⁾	<input checked="" type="checkbox"/>



Kenneth Field
 Age: 66
 Toronto, ON Canada
 Trustee since: 2005
 Independent


Mr. Field is a retired Investment Banker. Between 1996 and 2000, Mr. Field was Senior Vice President, Head of Real Estate Investment Banking with Midland Walwyn Inc. / Merrill Lynch Canada Inc. Mr. Field has over 35 years of experience in major real estate sales and financings across Canada. He has been a member of the Canadian Institute of Chartered Accountants since 1968, is a former member of the Board of Governors of the Toronto Stock Exchange and a former Chair of the Board of Governors of the Toronto Futures Exchange.


Board/Committee Membership:	2009 Attendance:	Public Board Membership During Last Five Years:
Board of Trustees	8/8 100%	None
Audit Committee	4/4 100%	
Governance & Nominating Committee, Chair	5/5 100%	
Distributions Committee	2/2 ⁽¹⁾ 100%	
Compensation Committee	1/1 100%	

Securities Held:

Year	Units	Restricted Units	Debentures	Holdings of Units ⁽²⁾ & Debentures	Minimum Unit Ownership Requirement	
					Requirement	Met
2010	6,000	1,868	0	\$126,360	\$150,000 worth of Units ⁽³⁾	N/A ⁽⁵⁾
2009	6,000	0	0	\$96,360	3,000 Units ⁽⁴⁾	<input checked="" type="checkbox"/>

- (1) The Board reorganized Committee membership in November 2009 resulting in actual attendance reporting for the duration of the Trustee's time on that Committee which differs from the total number of meetings. See complete table located on page 11 of the Circular.
- (2) Units owned prior to Jan 1, 2010 are valued at the Dec 31, 2009 five day VWAP of \$16.06. Units acquired between Jan 1, 2010 and March 31, 2010 are valued at cost.
- (3) Requirement effective January 1, 2010.
- (4) Requirement up to December 31, 2009.
- (5) The Trustee must have acquired the minimum unitholdings by the later of December 31, 2012 (which is 3 years from the implementation of the policy change for minimum Trustee unitholdings), or 3 years from the date of appointment as Trustee.

 <p>Brent Hollister Age: 62 Toronto, ON Canada Trustee since: 2009 Independent</p>	<p>Mr. Hollister has been actively involved in the Canadian retail industry for over 35 years. He stepped down from his role as Chief Executive Officer of Sears Canada Inc. in 2006. Mr. Hollister is a director for Holiday Group Holdings Inc., a private equity company and is on the advisory committee of the Boys & Girls Club Foundation of Canada. A retail graduate of Ryerson University, Mr. Hollister has completed the Institute of Corporate Directors (ICD) director education program.</p>						
	Board/Committee Membership:		2009 Attendance:		Public Board Membership During Last Five Years:		
	Board of Trustees	4/4	100%	None			
	Distributions Committee	1/1 ⁽¹⁾	100%				
Compensation Committee	1/1	100%					
Securities Held:							
Year	Units	Restricted Units	Debentures	Holdings of Units ⁽³⁾ & Debentures	Minimum Unit Ownership Requirement		Met
2010	7,500	1,868	0	\$150,450	\$150,000 worth of Units ⁽⁴⁾		<input checked="" type="checkbox"/>
2009	7,500	0	0	\$120,450	3,000 Units ⁽⁵⁾		<input checked="" type="checkbox"/>

 <p>John Morrison Age: 53 Mississauga, ON Canada Trustee Nominee Non-independent</p>	<p>Mr. Morrison has almost 30 years experience in the commercial real estate industry, primarily in the shopping centre asset class. Prior to his appointment as CEO of Primaris, Mr. Morrison was President, Real Estate Management at Oxford Properties Group, where he was responsible for the performance of Oxford's \$10 billion domestic portfolio of office, industrial, multi-family residential and shopping centre properties. Mr. Morrison was also responsible for the operations of Primaris' shopping centres under management by Oxford. Mr. Morrison is on the Board of Trustees for the International Council of Shopping Centres.</p>							
	Board/Committee Membership:		2009 Attendance:		Public Board Membership During Last Five Years:			
	N/A		N/A		None			
Securities Held:								
Year	Units ⁽²⁾	Restricted Units	Debentures	Options	Holdings of Units ⁽³⁾ & Debentures	Minimum Unit Ownership Requirement		Met
2010	45,999	19,660	0	360,142	\$1,103,730	\$150,000 worth of Units ⁽⁴⁾		<input checked="" type="checkbox"/>
2009	17,006	0	0	0	\$273,116	3,000 Units ⁽⁵⁾		<input checked="" type="checkbox"/>

Mr. Latimer stepped down from the Board on June 10, 2009. Mr. John R. Morrison assumed the position of President and Chief Executive Officer of Primaris and its subsidiaries on August 1, 2009. On September 8, 2009, Brent Hollister was appointed Trustee by resolution of the Board of Trustees. Both Mr. Hollister and Mr. Morrison are seeking election by Unitholders for the first time at the May 19, 2010 Annual General Meeting.

- (1) The Board reorganized Committee membership in November 2009 resulting in actual attendance reporting for the duration of the Trustee's time on that Committee which differs from the total number of meetings. See complete table located on page 11 of the Circular.
- (2) These Units include holdings over which the Trustee has control or direction (spouse).
- (3) Units owned prior to Jan 1, 2010 are valued at the Dec 31, 2009 five day VWAP of \$16.06. Units acquired between Jan 1, 2010 and March 31, 2010 are valued at cost.
- (4) Requirement effective January 1, 2010.
- (5) Requirement up to December 31, 2009.

Appointment of Auditors

Upon the recommendation of the Audit Committee of the Board of Trustees of Primaris, the Board of Trustees of Primaris recommends that KPMG LLP, Chartered Accountants, be reappointed as Primaris' auditors to hold office until the close of the next annual meeting and that the Trustees be authorized to fix their remuneration.

This reappointment of KPMG LLP as auditors must be approved by a simple majority of votes cast by Unitholders at the Meeting.

Audit Fees

The following chart summarizes the fees of KPMG LLP for services during 2009 and 2008 for audit fees and non-audit related services:

Type of Work	2009	2008	Difference	Reason
Audit Fees ⁽¹⁾	\$ 921,577	\$ 827,470	\$94,107	The increase in fees is related to the one-time conversion of IT systems associated with the internalization of management
Audit Related fees: Assurance and related services	277,807	53,209	224,598	The total audit related fees include \$178,160 for services related to the issuance of a prospectus, \$87,260 for IFRS work and \$12,387 for review of other documents.
Tax services	341,397	360,672	(19,275)	
All other fees	-	18,655	(18,655)	
Total fees	\$ 1,540,780	\$ 1,260,006	\$280,775	

(1) Audit fees include the aggregate professional fees paid to the external auditors for the audit of the annual consolidated financial statements, the review of quarterly financial statements and the audit of property common areas costs.

Representatives of KPMG LLP will be present at the Meeting and will be given the opportunity to make a statement if they so wish and will respond to appropriate questions.

CORPORATE GOVERNANCE DISCLOSURE

Primaris' Board of Trustees and members of its Management consider good corporate governance to be central to the effective and efficient operation of Primaris. Primaris' corporate governance practices comply with the Ontario Securities Commission (OSC) rules and policies and are designed to protect the interests of Unitholders. The governance, investment guidelines and operating policies of Primaris are overseen by the Board of Trustees.

Term of Election for Trustees

The Trustees are individually elected by resolution that is passed by a majority of the votes cast at a meeting of the Unitholders. Trustees elected at an annual meeting are elected for terms expiring at the next annual meeting or until their successors are elected or appointed, and are eligible for re-election.

Majority Voting Policy

The Board has a Majority Voting Policy under which each Trustee should be elected by the vote of a majority of the Units represented in person or by proxy at any meeting for the election of

Trustees. Accordingly, if any nominee for Trustee receives, from the Units voted at the meeting in person or by proxy, a greater number of Units withheld than Units voted in favour of his or her election, the Trustee must promptly tender his or her offer to resign to the Chairman of the Board, to take effect on acceptance by the Board.

The Governance and Nominating Committee will expeditiously consider the Trustee's offer to resign and make a recommendation to the Board whether to accept it. Within 90 days of the Unitholders' meeting, the Board will make a final decision and announce it by way of press release.

This policy does not apply to a contested election of trustees, that is, where the number of nominees exceeds the number of trustees to be elected.

Any Trustee who offers his or her resignation will not participate in the deliberations of the Governance and Nominating Committee or the Board with respect to whether to accept each resignation.

In the event any Trustee fails to offer his or her resignation in accordance with this policy, the Board will not re-nominate the Trustee. Subject to the provisions of Primaris' Declaration of Trust, the Board is not limited in any action it may take if a Trustee's resignation is accepted, including appointing a new Trustee to fill the vacancy.

At the 2009 Annual General Meeting of Unitholders, each Trustee individually received in excess of 99% of Unitholders' votes.

Number of Trustees

Pursuant to the Declaration of Trust, there are to be no fewer than three and no more than twelve Trustees, with a majority being independent Trustees. The Trustees have determined that seven Trustees are appropriate at this time.

Trustee Independence

The Trustees have determined that six of the seven Trustees standing for election, including the Chair of the Board of Trustees of Primaris, are independent Trustees in accordance with the Declaration of Trust and the Canadian Securities Administrators' rules, having no direct or indirect material relationship with Primaris.

Independent Trustee Nominees:

Roland Cardy, Chair

Kerry Adams

William Biggar

Ian Collier

Kenneth Field

Brent Hollister

Non Independent Trustee Nominee:

John R. Morrison

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as set out below, to the best of the knowledge of Management no person or company who is a proposed Trustee of Primaris:

- (a) is, as at the date of this Management Information Circular or has been, within the 10 years before the date of this Management Information Circular, a director or chief executive officer or chief financial officer of any company, that:
 - (i) while that person was acting in that capacity was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation (each, an "order", for a period of more than 30 consecutive days;
 - (ii) was subject to an order that was issued after that person ceased to act in that capacity and which resulted from an event that occurred while the person was acting in that capacity; or
 - (iii) while that person was acting in that capacity or in the capacity as another executive officer, within a year of that person ceasing to act in any such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or Trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or Trustee appointed to hold the assets of the director, officer or Unitholder.

Mr. Biggar was a director of Mosaic Group Limited from October 1995 to May 2002. Mosaic Group Limited filed for protection from its creditors under the Companies' Creditor Arrangement Act in December 2002. Mr. Biggar was also a director of Cabletel Ltd. from June 2001 to November 2003. Cabletel Ltd. filed a proposal under the Bankruptcy and Insolvency Act (Canada) in June 2004.

Financial Literacy

All Trustees meet the standard for financial literacy defined by the Ontario Securities Commission as the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.

Board and Committee Meetings Held in 2009

	# of meetings	<i>In camera sessions</i>
Board	8	8
Audit Committee	4	4
Governance and Nominating Committee	5	5
Management Resource Committee	3	3
Compensation Committee	1	1
Distributions Committee	3	2
Total number of meetings held	24	23

Board and Committee Attendance ⁽¹⁾

	Roland Cardy	Kerry Adams	William Biggar	Ian Collier	Kenneth Field	⁽²⁾ Brent Hollister
Board	100% (8 of 8)	100% (8 of 8)	100% (8 of 8)	100% (8 of 8)	100% (8 of 8)	100% (4 of 4)
Audit Committee	75% (3 of 4)	100% (4 of 4)	100% (4 of 4)	n/a	100% (4 of 4)	n/a
Governance and Nominating Committee	100% (3 of 3)	100% (5 of 5)	100% (5 of 5)	100% (4 of 4)	100% (5 of 5)	n/a
Management Resources Committee	100% (3 of 3)	n/a	100% (3 of 3)	100% (3 of 3)	n/a	n/a
Compensation Committee	100% (1 of 1)	100% (1 of 1)	100% (1 of 1)	n/a	100% (1 of 1)	100% (1 of 1)
Distributions Committee	100% (2 of 2)	100% (2 of 2)	100% (1 of 1)	100% (3 of 3)	100% (2 of 2)	100% (1 of 1)

(1) The Trustees were paid for participation in meetings other than Board, Audit Committee, Governance and Nominating Committee, Management Resources Committee, Distributions Committee and Compensation Committee which were, for the most part, related to transition matters. These meetings are not reflected in the Board attendance.

(2) Mr. Hollister's term as Trustee began on September 8, 2009.

Board and Committee Attendance (year over year)

Roland Cardy	Board	Audit Committee	Gov and Nom Committee	Compensation Committee	Distributions Committee
2009	100%	75%	100%	100%	N/A
2008	100%	100%	100%	N/A	N/A
2007	100%	100%	100%	N/A	N/A

Kerry Adams	Board	Audit Committee	Gov and Nom Committee	Compensation Committee	Distributions Committee
2009	100%	100%	100%	100%	100%
2008	100%	100%	100%	N/A	100%
2007	100%	100%	N/A	N/A	100%

William Biggar	Board	Audit Committee	Gov and Nom Committee	Compensation Committee	Distributions Committee
2009	100%	100%	100%	N/A	100%
2008	88%	100%	57%	N/A	N/A
2007	92%	100%	100%	N/A	N/A

Ian Collier	Board	Audit Committee	Gov and Nom Committee	Compensation Committee	Distributions Committee
2009	100%	N/A	100%	N/A	100%
2008	100%	N/A	100%	N/A	100%
2007	100%	N/A	100%	N/A	100%

Kenneth Field	Board	Audit Committee	Gov and Nom Committee	Compensation Committee	Distributions Committee
2009	100%	100%	100%	100%	100%
2008	94%	100%	100%	N/A	100%
2007	92%	100%	92%	N/A	100%

Brent Hollister	Board	Audit Committee	Gov and Nom Committee	Compensation Committee	Distributions Committee
2009	100%	N/A	N/A	100%	100%
2008	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A

Committees of the Board

To assist the Board in fulfilling its responsibilities, four committees of the Board have been established:

Audit Committee:	William Biggar – Chair Roland Cardy Kenneth Field Kerry Adams
Governance & Nominating Committee:	Kerry Adams – Chair Kenneth Field William Biggar Ian Collier
Compensation Committee:	Kenneth Field – Chair Brent Hollister Roland Cardy Kerry Adams
Distributions Committee:	Ian Collier – Chair Brent Hollister William Biggar

The Committee members noted above were appointed in November 2009. The restructuring of the Committees took place following the appointment of Mr. Hollister in the fall of 2009.

The Compensation Committee replaces the former Management Resources Committee.

All Committees are comprised of independent Trustees and the chair of each committee is independent.

At the end of each Audit Committee meeting, the members meet with the auditors in the absence of Management.

The Distributions Committee approves distributions of Primaris (other than the final distribution for each calendar year which must be approved by the Board of Trustees of Primaris).

Written mandates are in place for each committee and are available on SEDAR and Primaris website. These mandates are reviewed and updated annually by the Board. Included in each mandate is a written description for the duties of the Chairman of the Committee.

All committees prepare a workplan and report annually to the Board on results.

2009 Workplans and Accomplishments for Committees

Audit Committee

The Audit Committee met four times in 2009 and held *in camera* sessions with the external auditor at the end of each of those meetings.

<u>Attendance</u>	<u>Meetings</u>
William Biggar, Chair	4 out of 4 meetings
Roland Cardy	3 out of 4 meetings
Kenneth Field	4 out of 4 meetings
Kerry Adams	4 out of 4 meetings

No changes were made to the compensation of the Audit Committee in 2009.

Responsibilities fulfilled:

Financial Reporting & Disclosure

- Reviewed and approved
 - ◊ quarterly un-audited and annual audited financial statements, MD & A and associated press releases
 - ◊ Annual Report and the Annual Information Form
 - ◊ 2009 Audit plan
 - ◊ CEO and CFO 2009 quarterly and 2008 annual certification process including disclosure controls and procedures and internal control over financial reporting
 - ◊ quarterly budget vs actual

External Auditors

- Reviewed the external auditors fees and recommended approval by the Board
- Reviewed and assessed the auditor's independence
- Reviewed and approved requirements and budgets for non-audit related work
- Reviewed the performance of the external auditor
- Selected and recommended the external auditors, for appointment by Unitholders annually

Corporate Agreements

- Reviewed the Declaration of Trust
- Reviewed and amended the Audit Committee mandate

Internal Controls

- Monitored Primaris' system of internal controls
- Reviewed the effectiveness of the design and operation of internal controls over financial reporting
- Reviewed related party transactions
- Reviewed and approved insurance programs

Governance

- Reviewed the effectiveness of the Committee and Chair

Transition to Internalized Management Structure

- Reviewed the transition plan budget
- Monitored the implementation of the new information technology platform and the ERP system and conversion of data
- Reviewed the testing plans and results for new internal controls in effect as a result of internalization

Education

- Reviewed
 - ◊ amendments to the Income Tax Act re: SIFT legislation

- ◇ International Financial Reporting Standards developments
- ◇ NI 52-109 developments

The Chair of the Audit Committee reported to the Board of Trustees on all of the above-noted matters in a timely way.

Governance and Nominating Committee

In 2009, the Governance and Nominating Committee met five times.

<u>Attendance</u>	<u>Meetings</u>
Kenneth Field, Chair	5 of 5 meetings
Roland Cardy	2 of 2 meetings
William Biggar	5 of 5 meetings
Kerry Adams	5 of 5 meetings
Ian Collier	3 of 3 meetings

The Governance and Nominating Committee was reorganized in early November and Mr. Cardy was replaced by Mr. Collier.

Responsibilities fulfilled:

Corporate Governance Matters

- Reviewed and approved key corporate policies
- Reviewed corporate governance disclosure
- Reviewed and updated the orientation program for Trustees

Composition & Performance of the Board and its Committees

- Conducted confidential Trustee self-evaluation and peer review surveys
- Reported on 2008 Board effectiveness based on feedback from anonymous surveys completed by Trustees
- Reviewed Trustee independence
- Reviewed Trustee succession and the skills and competencies required in Trustees
- Reviewed the size of the Board and recommended approval of the size by the Board
- Reviewed and approved Board, Board Chair and Committee mandates
- Reviewed Trustee compensation and engaged a consultant to provide a benchmarking report
- Recommended approval of a Trustee equity incentive award by the Board of Trustees
- Conducted a search for a new Trustee
- Reviewed orientation for the new Trustee

CEO Succession

- Reviewed the performance of key personnel
- Engaged a consultant to develop benchmarks for CEO compensation
- Established criteria for the recruitment of new CEO
- Hired the CEO

Transition to Internalized Management Structure

- Engaged a recruitment consultant for the CEO and interviewed candidates
- Negotiated a compensation package for the CEO
- Reviewed and approved new corporate policies

Conflicts of Interest and Conduct review

- Reviewed related party agreements
- Reviewed compliance with the Code of Conduct for Trustees and officers

Governance

- Reviewed the effectiveness of the Committee and Chair

Continuing Education

- Committee members participated in workshops related to “say on pay”, executive compensation disclosure and best practices in corporate governance
- The Committee received educational updates on emerging governance trends from Management and external advisors

The Chair of the Governance and Nominating Committee reported to the Board of Trustees on all of the above-noted matters in a timely way.

Compensation Committee

In 2009, the Compensation Committee was established in November and met once.

<u>Attendance</u>	<u>Meetings</u>
Kenneth Field, Chair	1 of 1 meetings
Kerry Adams	1 of 1 meetings
Roland Cardy	1 of 1 meetings
Brent Hollister	1 of 1 meetings

Responsibilities fulfilled:

CEO Compensation

- Reviewed annual goals and objectives of the CEO
- Reviewed and recommended approval of CEO compensation

NEO Compensation

- Base salary review for other NEOs

Compensation Principles, Policies and Plans

- Reviewed and approved the compensation philosophy
- Reviewed the salary review guideline for next year
- Reviewed underlying assumptions for equity awards
- Reviewed and approved its mandate

Continuing Education

- Committee members participated in workshops related to “say on pay” and executive compensation disclosure.
- The Committee received educational updates on executive compensation trends and related disclosure requirements from Management and external advisors

The Chair of the Compensation Committee reported to the Board of Trustees on all of the above-noted matters in a timely way.

Distributions Committee

The Distributions Committee met three times in person.

<u>Attendance</u>	<u>Meetings</u>
Ian Collier, Chair	3 out of 3 meetings
Kerry Adams	2 out of 2 meetings
Kenneth Field	2 out of 2 meetings
Michael Latimer	1 out of 1 meeting
Brent Hollister	1 out of 1 meetings
William Biggar	1 out of 1 meetings

The Distributions Committee was reorganized in early November 2009 and Messrs. Biggar and Hollister replaced Ms. Adams and Mr. Field.

Responsibilities fulfilled:

- Reviewed and approved monthly distributions and press releases announcing distributions.
- Reviewed Primaris' distributions policy and payout ratio.
- Reviewed current and historical distributions for all Canadian REITs.
- Reviewed the mandate for the Committee.

The Chair of the Distributions Committee reported to the Board of Trustees on all of the above-noted matters in a timely way.

Meetings of Independent Trustees

The Trustees hold meetings at which non-independent Trustees and members of Management are not in attendance. The independent members of the Board typically meet *in camera* at the end of Board and Committee meetings.

Board Mandate

The Board is responsible for the general stewardship of Primaris. It is elected by Unitholders to supervise management of Primaris' business with the goal of enhancing Primaris' long-term Unitholder value. The Board has adopted a mandate which reflects Primaris' commitment to high standards of corporate governance. The mandate also assists the Board in supervising the management of Primaris.

The chair of the Board of Trustees also has a mandate. These mandates contribute to establishing appropriate limits on Management's authority. The Board's mandate is available at www.sedar.com or at www.primarisreit.com under "Corporate Governance".

The Board oversees the management of Primaris. Management is responsible for general day-to-day management of Primaris and for making recommendations to the Board with respect to long-term strategic, financial, organizational and related objectives.

The roles and responsibilities of the Board are intended to primarily focus on the formulation of long term strategic, financial and organizational goals for Primaris and on the monitoring of management performance. The Board oversees a management-driven strategic planning process and approves Primaris' strategic plan. The strategic plan takes into account, among other things: the opportunities and risks of the business; assessing the principal risks of Primaris' business and ensuring appropriate systems are in place to manage such risks; selecting, monitoring and evaluating the Chief Executive Officer and other members of senior management of Primaris; overseeing succession planning at the senior management level; overseeing the communications policies of Primaris and monitoring the effectiveness of Primaris' internal control and management information systems to safeguard Primaris' assets.

The Board reviews and approves Primaris' financial objectives, short and long-term business plans for Primaris' business and monitors financial and operating performance. The Board also approves significant capital allocations and expenditures, reviews and approves all material transactions, all matters that would be expected to have a major impact on Unitholders or creditors and Primaris' strategic plan. The Board oversees ethical behaviour and compliance with laws and regulations.

The complete text of the mandate of the Board of Trustees of Primaris is available at www.sedar.com and www.primarisreit.com.

Annual Assessment of Board and Trustees & Peer Review

Annually, the Governance and Nominating Committee approaches the evaluation of the members of the Board through three anonymous questionnaires administered confidentially:

1. Self evaluation
2. Peer evaluation
3. Evaluation by Management

The questionnaires provide for quantitative ratings and subjective comment in key areas and consider Board members' effectiveness in terms of business operations, strategy, Unitholder value, risk management, use of time, board structure, size and process. A summary report on the questionnaires is compiled by external legal counsel and presented to the Chair of the Governance and Nominating Committee. All Board members are subsequently provided with copies of the report. The Board meets to discuss the report, consider its findings and act on its recommendations.

Each year, the Board Chair meets with each Trustee individually to engage in open dialogue on any issues which either wish to raise and uses the same meeting to discuss any specific issues that may have come up in the questionnaire process.

In all these ways, each Trustee receives feedback on their individual contribution to Board effectiveness.

Compensation of Members of the Board of Trustees

Compensation of the Trustees is reviewed annually by the Governance and Nominating Committee. The Committee then makes a recommendation on changes to compensation, if any, to the Board. In reviewing compensation, the Committee considers the growth and complexity of Primaris' business operations and fees paid to Trustees at other Canadian REITs.

There were no changes to 2009 Trustee Compensation. In December 2009, the Trustees decided to increase the annual retainer to \$60,000 effective January 1, 2010. In making this decision, the Trustees considered advice from Hugessen Consulting Inc. and a report on peer comparators provided by Management.

Comparator Set for Trustee Compensation

Hugessen Consulting Inc. was retained in 2009 to advise on market trends in Trustee compensation. They were asked to analyze market comparators, provide benchmark data and advise on specific issues related to equity compensation. The comparator group included the following seven non-residential Canadian REITs that were chosen based on the size of their market capitalization: Artis, Boardwalk, Calloway, Canadian, Cominar, Dundee and RioCan. Total compensation and forms of equity compensation were provided for each.

Hugessen Consulting Inc. was paid \$80,138 by Primaris in 2009 for consulting and advisory services that included advice on CEO and CFO compensation.

The Trustees also considered a detailed comparator set of data prepared by Management which was based on data from 2009 Management Information Circulars (2008 data). Peer comparators were selected based on market capitalization and status as a real estate investment trust. Components of compensation included ranges for annual retainers, meeting fees, chair fees as well as equity compensation. The comparator group included Boardwalk REIT, H & R Real Estate Investment Trust, Calloway REIT, Canadian REIT, CAP REIT and Chartwell Seniors REIT.

In addition to these studies, the Board consulted external legal counsel and considered other factors before deciding to make three changes to the Trustee compensation structure:

- the annual retainer was increased to \$60,000;
- half of the annual retainer is to be paid in the form of a grant of Restricted Units; and
- the minimum unitholding requirement was increased from 3,000 Units to \$150,000 worth of Units.

The intention of increasing the annual retainer was to bring the retainer into the average range of compensation amongst its peers and to align the interests of Trustees with those of Unitholders by providing an equity component to the compensation. The Trustees considered the matter of options and decided that no options will be awarded to Trustees.

Summary Compensation Table

Trustee Compensation	2008	2009	2010
Annual Retainer	\$ 25,000	\$ 25,000	RUs \$30,000 Cash 30,000
Board Chair Retainer	25,000	50,000	50,000
Audit Chair Retainer	10,000	10,000	10,000
Governance & Nominating Chair Retainer	8,500	8,500	8,500
Compensation Chair Retainer	8,500	8,500	8,500
Distributions Chair Retainer	7,500	7,500	7,500
Meeting Fee, in person	1,500	1,500	1,500
Meeting Fee, by telephone	750	750	>30 mins. 1,500 ≤30 mins. 750

Minimum Unitholding Requirement

Until December 31, 2009, each independent Trustee was expected to own at least 3,000 Units within three years of appointment. Trustees were expected to use at least 50% of their retainer remuneration to purchase Units until such Trustee held at least 3,000 Units. All Trustees met this requirement in 2009.

In late 2009, the Trustees elected to increase the minimum unitholding requirement for Trustees to \$150,000 worth of Units and / or Restricted Units. The Trustees have the later of three years from January 1, 2010 or their date of election as Trustee to acquire these unitholdings.

Trustees are entitled to be reimbursed for reasonable travel and other expenses properly incurred by them in attending meetings of the Trustees or any committee meeting.

2009 Actual Trustee Compensation

Name	Trustee Annual Retainer	Board & AGM Meeting Attendance Compensation ⁽¹⁾	Chair Annual Retainer	Total compensation
Kerry Adams	\$25,000	\$33,000	\$7,658	\$65,658
William Biggar	\$25,000	\$39,000	\$10,000	\$74,000
Roland Cardy	\$25,000	\$42,000	\$50,000	\$117,000
Ian Collier	\$25,000	\$29,250	\$1,068	\$55,318
Kenneth Field	\$25,000	\$42,767	\$8,500	\$76,267
Brent Hollister ⁽²⁾	\$7,825	\$9,750	-	\$17,575
G.T. (Tom) Gunn ⁽³⁾	\$8,784	\$9,000	\$2,987	\$20,771
Total	\$141,610	\$204,767	\$80,213	\$426,590

(1) In addition to compensation for Board, Audit Committee, Governance and Nominating Committee, Management Resources Committee, Distributions Committee and Compensation Committee, the Trustees were compensated for other meetings which were related to the recruitment of the CEO and other transition matters. These meetings are not reflected in the Board attendance.

(2) Pro-rated from date of appointment

(3) Pro-rated to date of resignation from the Board.

Process for Nomination of Trustees

The Governance and Nominating Committee, composed exclusively of independent Trustees, is responsible for succession planning, including the identification and nomination of Trustees.

The Committee began a renewal process in 2009 to nominate candidates to replace Trustees who had resigned from the Board. The Governance and Nominating Committee considered this an opportune time to review Trustee selection criteria to identify the appropriate size and competencies that should be represented on the Board of Trustees. An important consideration was the transition of Primaris from an external management structure to an internal management structure.

Given the vacancies, the new management platform, and the current market conditions, the Board of Trustees developed selection criteria for Trustee nominees which will allow the Board over the next several years to have the flexibility to move quickly if excellent individuals meeting any of the requirements become available and to use these requirements to prioritize and select potential candidates.

In addition to having the basic characteristics of integrity, good judgment, financial knowledge, and sufficient time available, the Governance and Nominating Committee recommended that new nominees have experience in any of such areas as retail operations, real estate management or corporate governance.

Candidates for the position of Trustee are identified through formal and informal search processes and are considered against these established criteria. Interviews are conducted by the Governance and Nominating Committee and a short list of candidates is put before the Board for consideration.

In 2009, the Governance and Nominating Committee retained Korn/Ferry International, an executive search firm to assist in identifying qualified candidates who met the revised selection criteria. Korn/Ferry International performed this search pursuant to its commitment to successfully recruit a Trustee in 2008. The Trustee nominee appointed in 2008 left the Board before his one year anniversary, as a result of which Korn/Ferry International did not charge for the 2009 search as it was for a replacement Trustee.

Prior to recruitment to the Board, new Trustees are given a clear indication of the workload and time commitment required.

The Trustees' matrix below is a combination of the previous and the revised selection criteria and reflects the current strengths of the Board as a whole.

Board of Trustees Skills Matrix

	Kerry Adams	William Biggar	Roland Cardy	Ian Collier	Kenneth Field	Brent Hollister	John Morrison
Financial /Risk Management Experience	√	√	√	√	√	√	√
Real estate experience⁽¹⁾	√	√	√	√	√	√	√
Retail experience⁽²⁾	√	√	√	√	√	√	√
Corporate governance	√	√	√	√	√	√	√
Other Directorships⁽³⁾	√	√	√	√	√	√	√
Senior Executive Experience⁽⁴⁾	√	√	√	√	√	√	√

(1) Includes commercial, office, industrial or multi-residential

(2) Retail executive or director experience

(3) Director/Trustee of a major organization (public, private, non-profit; past or present).

(4) Senior experience in managing human resources and or operations

Orientation for New Trustees

Primaris has an orientation program for new Trustees which addresses the role of the Board, committees and Board members and provides a reference manual of materials, which includes: the Declaration of Trust, material agreements, Board, committee and chair mandates, organizational structure, board structure, and corporate policies and other materials prepared by the Canadian Institute of Chartered Accountants, the Canadian Coalition for Good Governance and professional services firms, among others.

In addition, the Board and members of Management organize presentations by external legal counsel on new legislative and policy developments that affect Boards and Trustees; arrange one-on-one briefings with the Board Chair, and the CEO, CFO and Secretary and set aside time for social interaction with the Trustees and Management.

To orient new Trustees to the nature and operation of REIT business, a tour of some of Primaris properties is arranged. Briefings are held with retail operations management, and new Trustees are provided with the strategic plan, prospectuses, AIFs, operational plans, financial reports and other reports.

The orientation program is reviewed annually by the Governance and Nominating Committee and the Board of Trustees and feedback from newly oriented Board members is incorporated in the program.

Continuing Education for Trustees

The Governance and Nominating Committee is responsible for ongoing education of Trustees. Continuing education contributes to the awareness of Trustees with respect to changes and developments in the following areas: legislative, policy and accounting developments, legal matters, risk, insurance, corporate governance, market performance, competitive analysis, investment opportunities and environmental issues.

The Trustee educational program has five components:

1. Primaris senior management presentations
2. External advisors (solicited information):
 - external legal counsel
 - audit firm
 - investment bankers
 - other advisors
3. Consulting, law and accounting firms (conferences, seminars and information sessions)
4. Accredited programs
 - Professional development (CICA)
 - Director's Education Program
5. Site visits

Education matters involving senior management and external advisors take place at regularly scheduled Board meetings, *in camera* sessions and at the annual off-site strategic planning session.

The Governance and Nominating Committee has approved the enrolment of up to two Trustees per year to participate in a director's education program at an accredited institution.

Trustees are provided opportunities to visit Primaris properties as well as those of competitors.

The continuing education program is reviewed annually by the Governance and Nominating Committee and the Board of Trustees.

Officers of Primaris

Name	Location	Position
John R. Morrison	Mississauga, Ontario, Canada	President & Chief Executive Officer
Louis M. Forbes	Toronto, Ontario, Canada	Executive Vice President & Chief Financial Officer
Devon Jones	Toronto, Ontario, Canada	Vice President & Secretary
Tom Falls	Toronto, Ontario, Canada	Vice President
Lesley Gibson	Toronto, Ontario, Canada	Vice President
Anne Morash (hired Apr 1, 2010)	Toronto, Ontario, Canada	Vice President
Ron Perlmutter	Toronto, Ontario, Canada	Vice President
Patrick Sullivan	Calgary, Alberta, Canada	Vice President
Leslie Buist	Oakville, Ontario, Canada	Vice President

Ethical Business Conduct

It is the policy of Primaris that all activities be conducted with the highest standards of fairness, honesty and integrity and in compliance with all legal and regulatory requirements.

Primaris' Code of Conduct ("the Code") has been endorsed by the Board and applies to the Trustees, Officers and employees of Primaris. All Trustees, Officers and employees of Primaris must sign an annual statement of compliance with the code.

The Code emphasizes protection of Trust assets and resources, protection of confidential information, insider trading rules, conflicts of interest, disclosure, compliance with laws, rules and regulations and fair dealing.

The Board has responsibility for ensuring that the Code and compliance related policies and management systems are effectively implemented. Monitoring compliance with the Code is done through reports, meetings, audits and the statements of compliance. The Code which is reviewed annually by the Governance and Nominating Committee and approved by the Board is available on SEDAR, Primaris website or upon request to the Secretary.

Independent Judgment of Trustees – Transactions and Agreements

The Declaration of Trust for Primaris defines the protocol to be followed in the event that a Trustee or officer of Primaris is a party to a material contract or transaction. If a Trustee or officer is party to a material contract or transaction, she or he must disclose the nature and extent of the interest in writing to the Trustees or request to have it entered into the minutes of the Board meeting and they may not vote on any resolution to approve the contract or transaction. Each year, Trustees complete a disclosure questionnaire and certify their status as independent or non-independent and the details of any related party transactions.

Interests of Management and Others in Material Transactions

No Trustee, officer or employee has had a material interest in any transaction since the commencement of the 2009 financial year or has a material interest in any transaction that has materially affected, or will materially affect, Primaris or any of its subsidiaries.

Primaris' Related Party Policy requires that all related party transactions be identified and reported to the Board of Trustees.

Communications Policy

The Board approves all of Primaris' significant communications, including this Management Information Circular, significant press releases, the Annual Information Form (AIF) and annual and quarterly reports.

Primaris communicates with its stakeholders through press releases, analyst conference calls, investor outreach, at the Annual General Meeting, through the publication of annual and quarterly reports, the AIF and Management Information Circular, through SEDAR and its own website.

The Board is committed to accurate and timely communication of all important information. Unitholders can provide feedback to Primaris by contacting the Executive Vice President and Chief Financial Officer, Louis Forbes, at 416-642-7810, by email at lforbes@primarisreit.com or by attending the Annual General Meeting.

Relationship of the Board of Trustees and Management

The Board of Trustees has in place appropriate structures to ensure that it can function independently of Management, including the appointment of a Chair of the Board of Trustees of Primaris, who is an independent Trustee.

The responsibilities of the Chair of the Board of Trustees of Primaris include overseeing the Board of Trustees of Primaris discharge of its responsibilities. The Chair's role and responsibilities include managing the affairs of the Board of Trustees of Primaris and, together with the Governance and Nominating Committee, monitoring the effectiveness of the Board of Trustees of Primaris, assessing the performance of the Board and its Trustees and the contribution of individual Trustees.

Management's responsibilities are determined by the Board of Trustees of Primaris. The day-to-day role and responsibilities of the Chief Executive Officer of Primaris is determined by the Board of Trustees of Primaris. All major policy decisions relating to the business of Primaris are made by the Board of Trustees of Primaris or a committee thereof.

STATEMENT OF EXECUTIVE COMPENSATION

The Primaris philosophy embraces the principles of attracting, retaining and engaging the best people. As Primaris' strategy continues to focus on growth of assets and paying reliable distributions, components of our philosophy reward pay for performance and align Management's interests with those of our Unitholders. Overall, the approach is designed to lead to sustainable growth and performance over time.

Background

Prior to 2010, Primaris was managed by an external Asset Manager and most of Primaris' Named Executive Officers were employees of the Asset Manager. Some of these individuals who worked for the Asset Manager held other non-Primaris related responsibilities.

This Circular reflects the events of 2009 and much of the information relates to the external management structure and the Asset Manager. This Circular has been expanded to include executive compensation information and practices that are already known for 2010 and beyond.

Primaris did not directly compensate individual employees of the Asset Manager. Instead Primaris motivated the Asset Manager through three mechanisms:

- an incentive fee which aligned the interests of the Asset Manager with Primaris by rewarding performance. See the section entitled "Management Contracts" for details on the incentive fee. The incentive fee was payable in Units only, thereby further aligning the long-term interests of the Asset Manager and Primaris;
- requirement of the Asset Manager to take a minimum of \$500,000 in base fees in Units; and
- fees payable for development work and acquisitions and dispositions. These fees allowed Primaris to incent the Asset Manager to undertake projects that were in the long-term interests of Primaris.

John Morrison was appointed President and Chief Executive Officer on August 1, 2009. Mr. Morrison was previously employed by the Asset Manager and had responsibility for, among other portfolios, Primaris' property operations.

Primaris hired Louis M. Forbes, its first employee, as Senior Vice President and Chief Financial Officer (CFO) effective January 1, 2009. Mr. Forbes was previously employed by the Asset Manager and has been Primaris' CFO since its initial public offering in 2003. Mr. Forbes was promoted to Executive Vice President and Chief Financial Officer in August 2009.

The 2009 Named Executive Officers (NEOs) other than the CEO and CFO are Mr. Perlmutter, Mr. Falls and Ms. Gibson. Each was employed by and paid by the Asset Manager in 2009. Primaris is employing and paying these individuals in 2010.

The Board of Trustees internalized the management structure effective January 1, 2010 for many reasons, including the need to strengthen alignment between the interests of Management and those of Unitholders. Internalization is now in place. One result will be that going forward, there will be direct linkages between Management compensation and the interests of Unitholders.


The development of Primaris' compensation philosophy began in 2008 in anticipation of the internalization of management in 2010. The Board approved a Transition Plan that included the human resources strategy for staffing the new organization. The organizational structure and staffing model was approved in June 2008. An Equity Incentive Plan developed later in 2008 was subsequently approved by Unitholders at the Primaris 2009 Annual and Special Meeting. Letters of offer were extended and accepted by over 400 employees of the Asset and Property Manager in December 2008. Throughout 2009, the Board reviewed and approved key human resources policies, pension and benefits programs, 2010 salary bands and the short term incentive plan.

Compensation Discussion and Analysis

The Compensation Discussion and Analysis describes compensation decisions for fiscal 2009 and 2010.

Employment Agreements & Individual Compensation Tables

Mr. John Morrison, Chief Executive Officer (August, 2009 – current)

 <p>John Morrison President and CEO Age: 53 Service: 7 years</p>		<p>Mr. Morrison has almost 30 years experience in the commercial real estate industry, primarily in the shopping centre asset class. Prior to his appointment as CEO of Primaris, Mr. Morrison was President, Real Estate Management at Oxford Properties Group, where he was responsible for the performance of Oxford's \$10 billion domestic portfolio of office, industrial, multi-family residential and shopping centre properties. Mr. Morrison was also responsible for the operations of Primaris' shopping centres under management by Oxford. Mr. Morrison is on the Board of Trustees for the International Council of Shopping Centres.</p>						
		<p>Fiscal 2009 Highlights:</p> <ul style="list-style-type: none"> Achieved Funds From Operations of \$1.297 per Unit (diluted) Maintained stable monthly distributions of \$0.1016 (\$1.2192 per Unit per annum) Successful transition to internalized management model, systems and new head office Maintained occupancy of 97.2% in all properties Acquired Sunridge Mall and 50% interest in Woodgrove Centre for \$357.7 million Raised \$86.25 million through issuance of 6.30% convertible unsecured subordinated debentures 						
Year	Salary	Unit-Based Awards	Option-Based Awards	Non-Equity Incentive Plan Compensation		Pension Value at Dec 31, 2009	All Other Comp.	Total Comp.
				Annual Incentive Plans	Long-Term Incentive Plans			
2010	\$512,500	\$330,563 ⁽¹⁾	\$330,563 ⁽¹⁾	Not yet known				
2009	\$251,250 ⁽²⁾	\$500,000 ⁽³⁾	\$500,000 ⁽³⁾	\$287,500 ⁽³⁾	0	\$22,603 ⁽⁴⁾	\$26,838 ⁽⁵⁾	\$1,588,191
2008	\$60,000 ⁽⁶⁾	0	0	\$46,080 ⁽⁶⁾	N/A ⁽⁶⁾	\$5,400 ⁽⁶⁾	\$5,454 ⁽⁶⁾	\$116,934 ⁽⁶⁾
Securities Held:								
Units		Restricted Units		Change in Equity since Aug 1, 2009	Exercisable Options at March 31, 2010		Unexercisable Options at March 31, 2010	
Number	Value ⁽⁷⁾	Number	Value ⁽⁸⁾	Number	Number	"In the money" value	Number	Value
45,999	\$773,246	19,660	\$330,563	49,038	207,094	\$0	153,048	0

- On March 9, 2010, Mr. Morrison received an award under the long term incentive plan comprised of 19,660 Restricted Units and 153,048 options at an exercise price of \$16.81.
- Base salary for Mr. Morrison has been prorated at 20% to reflect the amount of time that he spent on Primaris related matters in his role with the Asset Manager between January 1 and July 31, 2009. The amount for this period which was determined by and paid by the Asset Manager is \$37,917. The total base salary also includes \$213,541 paid to him by Primaris in the capacity as full-time CEO for the actual period worked between August 1 – December 31, 2009.
- In lieu of STIP and LTIP forfeited in 2009 with previous employer.
- Pension contribution and SERP (supplemental retirement executive plan). The Asset Manager contributed \$3,403 on a prorated basis to reflect the amount of time (20%) that Mr. Morrison spent on Primaris matters between January 1 and July 31, 2009. Primaris contributed \$19,200 for the period in which Mr. Morrison acted as full time CEO between August 1 and December 31, 2009.
- Car allowance, perquisite allowance, executive benefits of \$2,152 that were determined by and paid by the Asset Manager have been prorated to reflect the amount of time (20%) that Mr. Morrison spent on Primaris matters between January 1, 2009 and July 31, 2009. The balance \$24,686 reflects the perquisites paid for by Primaris and received by Mr. Morrison for the period in which Mr. Morrison acted as full time CEO between August 1 and December 31, 2009.
- 2008 compensation including pension contributions for Mr. Morrison has been prorated at 20% to reflect the amount of time that he spent on Primaris related matters in his role with the Asset Manager.
- Value is based on a 5 day VWAP at Dec. 31, 2009 for all Units acquired prior to Jan. 1, 2010 and at cost or grant value for Units acquired on or after Jan. 1, 2010.
- Value is as at grant date.

Mr. Morrison, CEO

Primaris hired John R. Morrison as its President and CEO, effective August 1, 2009. Mr. Morrison was previously employed in an executive role with the Asset Manager where his responsibilities included oversight of the real estate management of Primaris' business. He has been involved with Primaris since the initial public offering in 2003.

The employment contract with Mr. Morrison commenced on August 1, 2009 and is for an undefined term. While the Board took into consideration Mr. Morrison's expectations as well as external information and advice, all of the decisions with respect to Mr. Morrison's compensation were made by the Board alone. As a basis for negotiations with Mr. Morrison, the Board of Trustees, all of whom are independent, relied upon a CEO compensation analysis that had been conducted by Hugessen Consulting Inc. for Primaris which included market comparators and benchmark data for CEO compensation. See "Compensation Consultant & Benchmarking Practices" for details. The base salary negotiated with Mr. Morrison is between the average and the 75th percentile of the market comparators identified in the Hugessen report. For fiscal 2009, Mr. Morrison received a base salary of \$512,500 (prorated).

Position Description for the CEO

The President and CEO is responsible for developing and implementing the company's vision and strategic plan and building and leading an executive team to deliver superior performance. This includes generating stable and growing cash distributions and enhancing asset and Unit value for investors. Specific responsibilities for the President and CEO include, but are not limited to, the following:

- Develop, for approval by the Board, a strategic plan that will meet Primaris' objectives and satisfy shareholder expectations
- Provide effective leadership to the management team and ensure the business units remain focused and effective in carrying out their responsibilities
- Design a growth plan for Primaris including acquisition opportunities that will permit Primaris to meet its growth targets while maintaining a focus on high quality properties
- Oversee a financial strategy/structure that will fund the growth of the organization and allow it to meet all financial obligations
- Maintain effective relationships with the investor/institutional community
- Provide effective oversight of operations to ensure highly effective and efficient property management services

The Board has approved a clear delegation of expenditure authority which sets out the limits for both budgeted and unbudgeted expenditures by the President and CEO.

"Make whole" payment

The Board of Trustees considered and agreed upon certain "make whole" payments with respect to STIP and LTIP payments that were forfeited upon termination of Mr. Morrison's former employment. Therefore, in August 2009 Mr. Morrison was awarded \$1,287,500 comprised as follows: a cash payment of \$287,500 and equal awards of Options and RUs in February 2010 totalling \$1,000,000 in value. On February 26, 2010 213,216 Options were granted and vested immediately. A subsequent grant of 3,828 Options was made on March 19 to correct an error in the calculation of the number of Options in the February 26 grant. These Options vested immediately. The exercise price for the 213,216 Options is \$17.25; the exercise price for the 3,878 Options is \$17.17. Also on February 26, 2010, 28,993 RUs were granted which vested immediately and were converted to Units.

As a basis for negotiations with Mr. Morrison, the Board of Trustees, all of whom are independent, relied upon a CEO compensation analysis that had been conducted by Hugessen

Consulting Inc. for Primaris which included market comparators and benchmark data for CEO compensation. See "Compensation Consultant & Benchmarking Practices" for details.

STIP

For the year 2009 Mr. Morrison did not receive STIP as a result of the "make whole" payment and grants of Restricted Units and Options referenced above. For 2010, Mr. Morrison will be eligible to receive up to 100% of his base salary as STIP. In determining the STIP, the Compensation Committee will compare actual results to performance goals.

LTIP

Mr. Morrison's 2009 LTIP award was the "make whole" payment and grant of Restricted Units and Options referenced above. Beginning in 2010 Mr. Morrison will have a target of 129% of base salary to be awarded equally by value in the form of Options and Restricted Units.

Award	28,993 Restricted Units	203,216 Options	19,660 Restricted Units	153,048 Options	3,878 Options
Grant Date	Feb 26, 2010	Feb 26, 2010	Mar 9, 2010	Mar 9, 2010	Mar 19, 2010
Term	N/A ⁽¹⁾	7 years (Feb 25, 2016)	3 years, 9 months (Dec 31, 2013)	6 years, 9 months (Dec 31, 2013)	6 years, 11 months (Feb. 25, 2016)
Exercise Price	N/A	\$17.25	N/A	\$16.81	\$17.17
Vesting	Immediate	25% on each one year anniversary for four years	3 years, 9 months	25% on Dec 31 of each of 2010, 2011, 2012 and 2013	25% on Feb 25 of each of 2011, 2012, 2013 and 2014

(1) As these vested and were exercised immediately, no term date was established.

Termination provisions

If Mr. Morrison's employment is terminated by death or for just cause, or if Mr. Morrison resigns for other than "good reason" (a change of duties, a reduction in remuneration, the failure to continue any incentive or compensation plan, any reason that would be considered to be constructive dismissal, or a change of control of Primaris accompanied by any one of the preceding), Primaris is obligated to pay to Mr. Morrison:

- (a) all earned but unpaid salary based on his base salary at that time up to, and including, the termination date,
- (b) a lump sum equal to the STIP that would otherwise have been paid to Mr. Morrison for the year of the termination date prorated to the termination date,
- (c) any outstanding vacation pay, and
- (d) any reimbursement of allowable business expenses incurred up to, and including, the termination date.

If Mr. Morrison is terminated for any other reason that is not due to death, just cause or resignation, or if Mr. Morrison resigns for a "good reason", Primaris will pay to Mr. Morrison the above-noted items plus:

- (e) a lump sum payment of 24 months' compensation and two times the target STIP for the year of the termination (or three years' compensation and three times the target STIP if the termination is as a result of a change of control of Primaris), and
- (f) benefit plan coverage and other benefits as provided for in the employment contract. The benefit plan coverage and other benefits are in effect until the earlier of 24 months following the termination date and the date that Mr. Morrison replaces those benefits. Primaris may, at its discretion, pay out as a lump sum any or all benefits

In addition, any LTIP awards made prior to the termination date will continue to vest and be exercisable in accordance with the terms of the LTIP for a further period of two years. In the event of an involuntary termination as a result of a change of control of Primaris, all LTIP awards will immediately vest and be exercisable.

Summary of Termination Payments for Mr. Morrison

	Termination by just cause or resignation (for other than a "good reason")	Involuntary Termination (termination not-for-cause or resignation for a "good reason")	Involuntary Termination (change of control)
Base salary and vacation pay	Earned but unpaid salary and vacation pay up to termination date	Earned but unpaid salary and vacation pay up to termination date plus two years base salary	Earned but unpaid salary and vacation pay up to termination date plus three years base salary
STIP	STIP for termination year (prorated)	STIP for termination year (prorated) plus two years STIP	STIP for termination year (prorated) plus three years STIP
LTIP	Existing awards expire and terminate and any vested awards will be exercisable for 30 days	Existing awards will continue to vest and be exercisable for a period of two years	Existing awards will vest immediately and be immediately exercisable
Benefits	None	Benefits remain in effect for two years although may be paid out by the Employer	Benefits remain in effect for three years although may be paid out by the Employer
Perquisites	None	Perquisites remain in effect for two years although may be paid out by the Employer	Perquisites remain in effect for three years although may be paid out by the Employer
Pension Contributions Including SERP	None	Pension contributions remain in effect for two years although may be paid out by the Employer	Pension contributions remain in effect for three years although may be paid out by the Employer
Business expenses	Reimbursement of outstanding expenses	Reimbursement of outstanding expenses	Reimbursement of outstanding expenses
Duty to mitigate	None	None	None

Mr. Louis Forbes, Chief Financial Officer



Louis M. Forbes

Executive Vice
President & Chief
Financial Officer

Age: 54

Service: 7 years

Louis Forbes has more than 20 years experience in various aspects of real estate, with a focus on finance. Mr. Forbes previously worked as an equity analyst with Merrill Lynch, where he specialized in real estate equity securities, and at Revenue Properties Canada Limited, where he was chief financial officer.

Louis holds a Bachelor of Science from McMaster University, a Master of Business Administration from Queen's University and holds the Chartered Accountant designation.

Year	Salary	Unit-Based Awards	Option-Based Awards	Non-Equity Incentive Plan Compensation		Pension Value at Dec 31, 2009	All Other Comp.	Total Comp.
				Annual Incentive Plans	Long-Term Incentive Plans			
2010	\$325,000	\$81,250 ⁽¹⁾	\$81,250 ⁽¹⁾	Not yet known				
2009	\$298,333 ⁽²⁾	\$71,251	\$195,955	\$285,000	-	\$26,850 ⁽³⁾	\$64,189 ⁽⁴⁾	\$941,578
2008	\$250,000	0	0	\$200,000	N/A	\$22,500	\$59,962 ⁽⁴⁾	\$532,462
Securities Held:								
Units		Restricted Units		Change in Equity since Jan 1, 2009	Exercisable Options at March 31, 2010		Unexercisable Options at March 31, 2010	
Number	Value ⁽⁵⁾	Number	Value ⁽⁶⁾	Number	Number	"In the money" value	Number	Value
23,000	\$365,261	11,491	\$193,049	14,491	7,897	\$48,171	211,309	\$757,115

- (1) On March 9, 2010, Mr. Forbes received a grant under the long term incentive plan of 4,832 Restricted Units with an exercise price of \$16.81 and 37,618 options at an exercise price of \$16.81.
- (2) Jan-Aug, 2009 at \$285,000 base salary; Sep-Dec, 2009 at \$325,000 base salary
- (3) Includes pension contributions and SERP
- (4) Allowance for automobile, parking, and related costs, fitness and health club costs, as well as participation in an insurance plan not generally available to all employees.
- (5) Value is based on a 5 day VWAP at Dec. 31, 2009 for all Units acquired prior to Jan. 1, 2010 and at cost or grant value for Units acquired on or after Jan. 1, 2010.
- (6) Value is as at grant date.

Mr. Forbes, CFO

Louis Forbes' employment contract with Primaris began on January 1, 2009 and is for an undefined term. This contract was negotiated between the former CEO, Mr. Latimer, Mr. Forbes and members of the Board. As a basis for negotiations with Mr. Forbes, Mr. Latimer relied upon a CFO compensation analysis that had been conducted by Hugessen Consulting Inc. in 2007 and updated in 2008 at the request of the Governance and Nominating Committee which included market comparators and benchmark data for CFO compensation. While Mr. Latimer relied on external information and advice, all of the decisions with respect to Mr. Forbes' compensation were made by Mr. Latimer and members of the Board. Under this contract Mr. Forbes salary was set at \$285,000 for 2009 and \$300,000 commencing January 1, 2010.

On August 13, 2009 Mr. Forbes was promoted to Executive Vice President and Chief Financial Officer of Primaris. At that time his salary was increased to \$325,000 by the President and CEO and Mr. Forbes was awarded 90,000 Options to reflect the additional responsibilities of the position. Such amounts were determined by Mr. Morrison to be appropriate after consultation with the Board of Trustees in approving this increase. Mr. Forbes salary for 2010 is set at \$325,000.

STIP

For each year that Mr. Forbes is employed with Primaris, he is eligible to receive a STIP payment of between 0% and 100% of his base salary as determined by the CEO and approved by the Compensation Committee. For 2009, Mr. Forbes was awarded a STIP payment of \$285,000; this bonus was related to the performance goals set out by the Board related to the transition to internalized management. See the section on Performance Goals for details. The amount of this bonus was determined for both retention and incentive reasons. In determining the amount, the Board considered the range of bonus that Mr. Forbes would have received had he stayed with the Asset Manager and the desire by the Board to maintain CFO continuity through the transition to internalized management.

LTIP

In addition, Mr. Forbes is eligible to participate in the LTIP, with an annual target award of 50% of Mr. Forbes' base salary. The award is determined by the CEO and approved by the Compensation Committee and the Board of Trustees of Primaris, with 50% of such LTIP award comprised of Unit Options and the remaining 50% as RUs. This size and composition of this target award was established after considering the report by Hugessen Consulting Inc. on CFO compensation referenced above. The equity nature of the awards strongly aligns the interests of Mr. Forbes with those of the Unitholder.

On January 1, 2009, Mr. Forbes received an LTIP award of \$142,500 which was comprised of a grant of 6,659 RUs and an award of options to purchase 111,588 Units. This award was equal to the target award and was intended to replace long term incentive compensation that Mr. Forbes may have been eligible to receive had he stayed with the Asset Manager.

Award	6,659 Restricted Units	111,588 Options	90,000 Options	4,832 Restricted Units	37,618 Options
Grant Date	Jan 1, 2009	Jan 1, 2009	Aug 13, 2009	Mar 9, 2010	Mar 9, 2010
Term	4 years (Dec 31, 2013)	7 years (Dec 31, 2015)	7 years (Aug 12, 2016)	3 years, nine months (Dec 31, 2013)	6 years, nine months (Dec 31, 2016)
Exercise Price	N/A	\$10.70	\$14.069	N/A	\$16.81
Vesting	4 years (Dec 31, 2012)	25% each year on the anniversary of the award. Fully vested on Dec 31, 2013	25% each year on the anniversary of the award. Fully vested on August 12, 2013	3 years, nine months (Dec 31, 2013)	25% on Dec 31 in each of 2010, 2011, 2012 and 2013. Fully vested Dec 31, 2013

Termination provisions

If Mr. Forbes is terminated without cause, prior to a change of control of Primaris, he will be paid

- (a) a lump-sum payment equal to two times Mr. Forbes' annual base salary, and
- (b) a lump-sum payment equal to the STIP that would otherwise have been paid to Mr. Forbes had his employment continued for a further two year period after his termination, and

- (c) any LTIP awards granted to Mr. Forbes for any period up to the date of termination will accelerate and be automatically fully vested on such date and be exercisable for 30 days following such date.

In the event that Mr. Forbes' employment is terminated:

- by him for "good reason" (a change of duties, a reduction in remuneration, or any reason that would be considered to be constructive dismissal) or,
- by him upon or within 24 months following a change in control of Primaris, or
- by Primaris without cause upon or following a change in control of Primaris

Primaris will pay to Mr. Forbes:

- (a) a lump-sum payment equal to two times Mr. Forbes' annual base salary, automobile allowance and pension contributions,
- (b) a lump-sum payment equal to the STIP that would otherwise have been paid to Mr. Forbes had his employment continued for a further 24 month period after his termination, and
- (c) any LTIP awards granted to Mr. Forbes for any period up to the date of termination shall accelerate and be automatically fully vested on such date and be exercisable for 30 days following such date.

Mr. Forbes will be under no obligation to mitigate as a condition of receiving any of the above payments.

Mr. Forbes may voluntarily terminate his employment contract other than for "good reason" or due to a change of control of Primaris and in such case, he will be entitled to receive any remuneration and/or benefits provided under his employment contract that are accrued and unpaid up to and including the date of termination and any LTIP awards vested as of such date shall be exercisable for a period of 30 days following such date.

Summary of Termination Payments for Mr. Forbes

	Termination by just cause or resignation (for other than a "good reason")	Involuntary Termination (termination not-for-cause)	Involuntary Termination (resignation for a "good reason" or change of control)
Base salary and vacation pay	All earned but unpaid salary and vacation pay	All earned but unpaid salary and vacation pay plus two times annual base salary.	All earned but unpaid salary and vacation pay plus two times annual base salary
STIP	None	Two years STIP	Two years STIP
LTIP	Existing LTIP awards vested as of this date are exercisable within 30 days. Unvested awards are forfeited.	Existing LTIP awards vest immediately and are exercisable for 30 days following termination.	Existing LTIP awards vest immediately and are exercisable for 30 days following termination.
Benefits	N/A	None	None
Perquisites	N/A	None	Two times automobile allowance
Pension Contributions	N/A	None	Two times Pension Contributions
Business expenses	Reimbursement of outstanding expenses	Reimbursement of outstanding expenses	Reimbursement of outstanding expenses
Duty to mitigate	N/A	None	None

Other NEOs

Each of the NEOs, other than Mr. Morrison and Mr. Forbes, ("Other NEO") has entered into an employment arrangement with Primaris. In addition to being paid the base salary as indicated in the compensation tables below each NEO is eligible to participate in the STIP and LTIP in 2010.

Termination entitlements are as follows:

Resignation: In the event of the resignation of the NEO or an NEO's contract employment terminates at its normal termination date, any unvested portion of the Options and Restricted Units will expire and terminate on the date of resignation or the normal termination date in the case of a contract employee, and any vested portion of such Options and Restricted Units will only remain exercisable for a period ending 30 days following the date of resignation or the normal termination date.

Cause: If an Other NEO is terminated for cause, any entitlement in respect of LTIP whether vested or unvested, will immediately and automatically expire as of the date of such termination, and any Units for which the Trust has not yet delivered Unit certificates will be immediately and automatically forfeited and, in the case of Options, the Trust will refund to the employee the exercise price paid for Units.

Not for Cause: If an Other NEO is terminated other than for cause or change of control they will be entitled to notice of termination and or compensation in lieu of notice in accordance with the common law and provincial employment standards obligations. Any unvested portion of Options and Restricted Units will expire and terminate on the date of termination, and any vested portion of such Options and Restricted Units will only remain exercisable, for a period ending 30 days following the date of termination

Change of Control: In the event there is a change of control of Primaris, and an Other NEO's employment with Primaris is terminated by Primaris without cause within 24 months following the change of control, the NEO will be entitled to a lump sum severance compensation payment equal to two years' base salary, perquisite allowance and pension contributions in effect at the time of the termination, and two years' Primaris STIP bonus. In addition, upon termination due to a change of control of Primaris, all of the NEO's LTIP grants of Unit Options and RUs will vest automatically and be exercisable for 30 days following such date.



Ron Perlmutter

Vice President,
Investments

Age: 53

Service: 7 years

Ron Perlmutter has more than 25 years investment experience in the commercial real estate industry within various asset classes. Prior to joining Primaris, Mr. Perlmutter had been with Oxford Properties Group/Borealis Capital for 15 years. His responsibilities at Oxford and Borealis included Primaris' investment activities since its IPO.

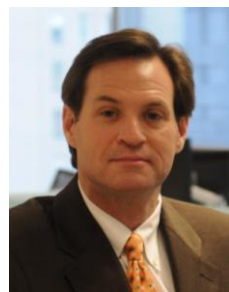
Mr. Perlmutter earned Master of Business Administration and Bachelor of Engineering Science degrees from the University of Western Ontario. He also holds designations as a licensed Real Estate Broker and a Professional Engineer, both in the Province of Ontario.

Year	Salary	Unit-Based Awards	Option-Based Awards	Non-Equity Incentive Plan Compensation		Pension Value at Dec 31, 2009	All Other Comp.	Total Comp.
				Annual Incentive Plans	Long-Term Incentive Plans			
2009	\$181,300 ⁽¹⁾	-	-	\$90,000	N/A ⁽²⁾	\$9,250	\$35,656 ⁽³⁾	\$316,206
2008	\$181,300 ⁽¹⁾	0	0	\$93,100	N/A ⁽²⁾	\$9,250	\$35,655 ⁽³⁾	\$319,305
Securities Held:								
Units		Restricted Units		Change in Equity Since January 1, 2009	Exercisable Options at March 31, 2010		Unexercisable Options at March 31, 2010	
Number	Value ⁽⁴⁾	Number	Value ⁽⁵⁾	Number	Number	"In the money" value	Number	Value
3,250	\$52,195	1,784	\$29,996	1,784	0	0	13,890	0

- (1) All compensation amounts prorated for the amount of time spent on REIT business
- (2) Long Term Incentive Plan bonuses for Mr. Perlmutter was based on performance goals that were determined by the Asset Manager and were unrelated to Primaris business objectives. This data has not been disclosed to Primaris.
- (3) Allowance for automobile, parking, and related costs, fitness and health club costs, as well as participation in an insurance plan not generally available to all employees.
- (4) Value is based on a 5 day VWAP at Dec. 31, 2009 for all Units acquired prior to Jan. 1, 2010 and at cost or grant value for Units acquired on or after Jan. 1, 2010.
- (5) Value is as at grant date.

LTIP

Award	1,784 Restricted Units	13,890 Options
Grant Date	Mar 9, 2010	Mar 9, 2010
Term	3 years, nine months (Dec 31, 2013)	6 years, nine months (Dec 31, 2016)
Exercise Price	N/A	\$16.81
Vesting	3 years, nine months (Dec 31, 2013)	25% on Dec 31 in each of 2010, 2011, 2012 and 2013. Fully vested Dec 31, 2013



Tom Falls
 Vice President, Real Estate Management, East
 Age: 46
 Service: 7 years

Tom Falls has had various roles over his twenty years of industry experience, both in public and private markets in financings, merger and acquisitions, and general management. For the past 12 years Mr. Falls was involved with various asset classes of real estate at Oxford Properties. The focus of the past 6 years was with Oxford's Retail Group which includes management of the Primaris portfolio of assets.

Mr. Falls is responsible for the operations and leasing for the Eastern REIT portfolio. He has a B.A. from the University of Toronto, a B.Comm. from the University of Windsor, and is a Chartered Accountant.

Year	Salary	Unit-Based Awards	Option-Based Awards	Non-Equity Incentive Plan Compensation		Pension Value at Dec 31, 2009	All Other Compensation	Total Compensation
				Annual Incentive Plans	Long-Term Incentive Plans			
2009	\$181,100	0	0	\$55,544	N/A ⁽³⁾	\$9,054	\$22,020 ⁽¹⁾	\$267,718
2008	\$162,990 ⁽²⁾	0	0	\$69,910	N/A ⁽³⁾	\$7,243	\$19,818 ⁽¹⁾	\$259,961

Securities Held:								
Units		Restricted Units		Change in Equity Since Jan 1, 2009	Exercisable Options at March 31, 2010		Unexercisable Options at March 31, 2010	
Number	Value ⁽⁴⁾	Number	Value ⁽⁵⁾	Number	Number	"In the money" value	Number	Value
2,748	\$44,133	1,784	\$29,996	2,051	0	0	13,890	0

- (1) Allowance for automobile, parking, and related costs, fitness and health club costs.
- (2) Total Compensation for Mr. Falls in 2008 was prorated to reflect the amount of compensation attributed to time spent on REIT business.
- (3) Long Term Incentive Plan bonuses for Mr. Falls was based on performance goals that were determined by the Asset Manager and were unrelated to Primaris business objectives. This data has not been disclosed to Primaris.
- (4) Value is based on a 5 day VWAP at Dec. 31, 2009 for all Units acquired prior to Jan. 1, 2010 and at cost or grant value for Units acquired on or after Jan. 1, 2010.
- (5) Value is as at grant date.

LTIP

Award	1,784 Restricted Units	13,890 Options
Grant Date	Mar 9, 2010	Mar 9, 2010
Term	3 years, nine months (Dec 31, 2013)	6 years, nine months (Dec 31, 2016)
Exercise Price	N/A	\$16.81
Vesting	3 years and nine months (Dec 31, 2013)	25% on each of Dec 31 in 2010, 2011, 2012 and 2013. Fully vested Dec 31, 2013



Lesley Gibson

Vice President,
Finance

Age: 39

Service: 7 years

Lesley Gibson is Vice President, Finance for Primaris and has been with Primaris since to its IPO. She oversees corporate finance, accounting and public reporting responsibilities for Primaris.

Before joining Primaris, Ms. Gibson worked at Borealis Capital Corporation as Director, Client Reporting and at KPMG LLP as a Senior Manager in the Real Estate Group. She is an active member of REALpac, sitting on the Financial Best Practices and REIT committees.

Ms. Gibson earned a Bachelor of Arts (Economics) at the University of Western Ontario and holds the Chartered Accountant designation.

Year	Salary	Share-Based Awards	Option-Based Awards	Non-Equity Incentive Plan Compensation		Pension Value at Dec 31, 2009	All Other Compensation	Total Compensation
				Annual Incentive Plans	Long-Term Incentive Plans			
2009	\$170,000	0	0	\$50,000	N/A ⁽²⁾	\$8,500	\$22,467 ⁽¹⁾	\$246,474
2008	\$170,000	0	0	\$62,985	N/A ⁽²⁾	\$8,500	\$22,467 ⁽¹⁾	\$263,952

Securities Held:								
Units		Restricted Units		Change in Equity	Exercisable Options at March 31, 2010		Unexercisable Options at March 31, 2010	
Number	Value ⁽³⁾	Number	Value ⁽⁴⁾	Number	Number	"In the money" value	Number	Value
2,711	\$45,539	1,651	\$27,760	1,907	0	0	12,848	0

- (1) Allowance for automobile, parking, and related costs, fitness and health club costs, as well as participation in an insurance plan not generally available to all employees.
- (2) Long Term Incentive Plan bonuses for Ms. Gibson was based on performance goals that were determined by the Asset Manager and were unrelated to Primaris business objectives. This data has not been disclosed to Primaris.
- (3) Value is based on a 5 day VWAP at Dec. 31, 2009 for all Units acquired prior to Jan. 1, 2010 and at cost or grant value for Units acquired on or after Jan. 1, 2010.
- (4) Value is as at grant date.

LTIP

Award	1,651 Restricted Units	12,848 Options
Grant Date	Mar 9, 2010	Mar 9, 2010
Term	3 years, nine months (Dec 31, 2013)	6 years, nine months (Dec 31, 2016)
Exercise Price	N/A	\$16.81
Vesting	3 years and nine months (Dec 31, 2013)	25% on each of Dec 31 in 2010, 2011, 2012 and 2013. Fully vested Dec 31, 2013

Summary Compensation Table

Title	Year	Salary (\$)	Unit- Based Awards (\$)	Option- Based Awards (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Comp. (\$)	Total Comp. (\$)
					Annual Incentive Plans (\$)	Long-Term Incentive Plans (\$)			
John R. Morrison President & CEO	2010	512,500	330,563 ⁽¹⁾	330,563 ⁽¹⁾	Not yet known				
	2009	251,250 ⁽²⁾	500,000 ⁽³⁾	500,000 ⁽³⁾	287,500	0	22,603 ⁽⁴⁾	26,838 ⁽⁵⁾	1,588,191
	2008	60,000 ⁽⁶⁾	0	0	46,080 ⁽⁶⁾	N/A ⁽⁸⁾	5,400 ⁽⁶⁾	5,454 ⁽⁶⁾	116,934 ⁽⁶⁾
Michael Latimer President & CEO (former)	2009 Jan-Jul	74,667 ⁽⁷⁾	0	0	N/A ⁽⁸⁾	N/A ⁽⁸⁾	4,050 ⁽⁷⁾	8,808 ⁽⁷⁾	87,525
	2008	128,000	0	0	N/A ⁽⁸⁾	N/A ⁽⁸⁾	11,520	19,776 ⁽⁹⁾	159,296
Louis M. Forbes Executive VP & CFO	2010	325,000	81,250 ⁽¹⁾	81,250 ⁽¹⁾	Not yet known				
	2009	298,333	71,251 ⁽¹⁾	195,955 ⁽¹⁾	285,000	-	26,850	64,189	941,578
	2008	250,000	0	0	200,000	N/A ⁽⁸⁾	22,500	59,962 ⁽¹⁰⁾	532,462
Ron Perlmutter VP, Investments	2009	181,300 ⁽⁹⁾	0	0	90,000	N/A ⁽⁸⁾	9,250	35,656 ⁽¹⁰⁾	316,206
	2008	181,300 ⁽⁹⁾	0	0	93,100	N/A ⁽⁸⁾	9,250	35,655 ⁽¹⁰⁾	319,305
Tom Falls VP, Real Estate Management, East	2009	181,100	0	0	55,544	N/A ⁽⁸⁾	9,054	22,020 ⁽¹²⁾	267,718
	2008	162,990 ⁽¹¹⁾	0	0	69,910 ⁽¹¹⁾	N/A ⁽⁸⁾	7,243 ⁽¹¹⁾	19,818 ⁽¹²⁾	259,961 ⁽¹¹⁾
Lesley Gibson VP, Corporate Reporting	2009	170,000	0	0	50,000	N/A ⁽⁸⁾	8,500	22,467 ⁽¹⁰⁾	246,474
	2008	170,000	0	0	62,985	N/A ⁽⁸⁾	8,500	22,467 ⁽¹⁰⁾	263,952

- (1) Value at grant date 2010.
- (2) Base salary for Mr. Morrison has been prorated at 20% to reflect the amount of time that he spent on Primaris related matters in his role with the Asset Manager between January 1 and July 31, 2009. The amount for this period which was determined by and paid by the Asset Manager is \$37,917. The total base salary also includes \$213,541 paid to him by Primaris in the capacity as full-time CEO for the actual period worked between August 1 – December 31, 2009.
- (3) In lieu of STIP and LTIP forfeited in 2009 with previous employer.
- (4) Pension contribution and SERP (supplemental executive retirement plan). The Asset Manager contributed \$3,403 on a prorated basis to reflect the amount of time (20%) that Mr. Morrison spent on Primaris matters between January 1 and July 31, 2009. Primaris contributed \$19,200 for the period in which Mr. Morrison acted as full time CEO between Aug. 1 and Dec. 31, 2009.
- (5) Between January 1, 2009 and July 31, 2009. Mr. Morrison received a prorated amount (20%) of \$2,152 from the Asset Manager. The balance \$24,686 reflects the perquisites paid for by Primaris and received by Mr. Morrison for the period in which Mr. Morrison acted as full time CEO between August 1 and December 31, 2009.
- (6) All 2008 compensation including pension contributions for Mr. Morrison has been prorated at 20% to reflect the amount of time that he spent on Primaris related matters in his role with the Asset Manager.
- (7) Total compensation data for Mr. Latimer has been prorated to reflect the amount of compensation attributed to time spent on Primaris business (20%). Mr. Latimer's compensation was determined and paid by the Asset Manager. The basis for the short and long term incentive payments earned by Mr. Latimer in 2009 and 2008 were unrelated to his work with Primaris. The payments and the rationale for them have not been disclosed to Primaris and are not reported in this Circular. Car allowance, perquisite allowance, executive benefits of \$ 8,808 that were determined by and paid by the Asset Manager have been prorated to reflect the amount of time (20%) that Mr. Latimer spent on Primaris matters.
- (8) Incentive Plan bonuses for this NEO were based on performance goals that were determined by the Asset Manager and were unrelated to Primaris business objectives. This data has not been disclosed to Primaris.
- (9) Total compensation data has been prorated to reflect the amount of compensation attributed to time spent on REIT business. Compensation was paid by the Asset Manager.
- (10) Allowance for automobile, parking, and related costs, fitness and health club costs, as well as participation in an insurance plan not generally available to all employees.
- (11) Total compensation for Mr. Falls in 2008 was prorated to reflect the amount of compensation attributed to time spent on REIT business.
- (12) Allowance for automobile, parking, and related costs, fitness and health club costs.

The NEOs receive base pay, a defined contribution pension plan and perquisites. The NEOs are also eligible to receive discretionary awards through the short term incentive plan (STIP) and long term incentive plan (LTIP). These programs are in accordance with industry practice.

Base Salary

The objective of a base salary is to attract, retain and motivate employees. It is the fundamental component of the compensation system and is the basis on which Primaris most directly competes for employees. Base salaries are reviewed annually.

In 2009 base salaries for employees of the Asset Manager were paid by the Asset Manager and by Primaris to its employees.

Short Term (Annual) Incentive Plan (STIP) – Cash Bonuses

Primaris' 2009 STIP payments were based on performance goals. The 2009 performance goals for the three NEOs other than the CEO and CFO were established in the short term incentive plan for the Asset Manager which was scored on the basis of personal performance and the Asset Manager's corporate performance. No bonus was payable to the NEOs.

In early 2010, the Compensation Committee considered several factors and agreed to grant STIP bonuses to the NEOs other than the CEO and CFO based on the successful outcomes of the personal component of the 2009 business plans. One important factor was the significant effort to ensure a seamless transition to the new management and information technology platforms. The weight of this achievement was offset by the shortfall in operating results. See the "Summary Compensation" Table in this Circular for details of the bonuses.

In 2010, each NEO of Primaris will have specific performance goals under their respective performance plans. These goals are related to personal accomplishments as well as corporate performance. Goals, or benchmarks, at both the personal and corporate level will be established ahead of time. The objective is to introduce a variable component to annual compensation that is intended to align employees' compensation with the interests of Unitholders as well as personal performance.

The 2010 STIP awards will be in the range of 0 – 100% of the base pay for each NEO. Employees that achieve a certain target percentage of objectives will be eligible to receive a corresponding percentage of base pay. It is also possible that an NEO could not meet expectations or exceed expectations and the STIP would reflect those results.

Long Term Incentive Plan – Equity Incentive Plan (LTIP)

The purpose of the Equity Incentive Plan is to attract, retain and motivate key employees. The plan allows for the grants of Restricted Units, Options or Instalments Units to Management and Trustees. Vesting is deferred which encourages retention and promotes long-term thinking for Management. The equity nature of the awards strongly aligns compensation received with Unitholder interests. See the section on Equity Incentive Awards in this Circular for more details.

Grants of Restricted Units and Options in equal proportions were made to Management in 2010.

Perquisites and Personal Benefits

The Board of Trustees determined perquisites and personal benefits for the CEO for 2009 and 2010 through Board discussion and negotiation with the CEO. These include a monthly car allowance, insurance premiums and annual perquisite allowance.

Perquisites and benefits for the CFO in 2009 were consistent with those received from the Asset Manager in his previous employment there. These include a monthly allowance and insurance premiums. See "All Other Compensation" under the "Summary Compensation Table" in this Circular.

The remaining NEO perquisites and benefits for 2010 are consistent with those previously provided by the external Asset Manager. The monthly perquisite allowance is intended to cover automobile, parking, insurance premiums and fitness and health club costs which are typical perquisites.

Pension Plan

During 2009, Primaris created a defined contribution pension plan ("Pension Plan"), a group retirement savings plan, and a supplemental executive retirement plan ("SERP" – see section below). These plans had limited use in 2009 but will be used broadly starting in 2010. No employee of the external manager participated in Primaris' pension plans during 2009.

John Morrison participated in the Asset Manager's defined contribution plan until the end of July 2009 and then in the Primaris Pension Plan and SERP from August to December, 2009. Mr. Forbes participated in the Primaris Pension Plan and SERP throughout 2009. Messrs. Perlmutter, Falls, and Ms. Gibson continued to participate in the Asset Manager's defined contribution plan during 2009. See the "Summary Compensation Table" in this Circular for details. In 2010 Primaris is making contributions to the Pension Plan on behalf of NEOs and to the SERP on behalf of the President & CEO and Executive Vice President & CFO.

Defined Contribution Plan

Primaris requires all employees except temporary and contract employees to participate in the Pension Plan. The assets that employees accumulate under the plan are intended to provide some of their retirement income needs. Participating in the Pension Plan does not guarantee any specific level of retirement income to employees.

Primaris generally contributes 3% of employees' base earnings to the Pension Plan. In addition, employees may contribute up to 2% of their base earnings to the Pension Plan which will be matched by further contributions from Primaris. A small number of employees who have continuous service prior to October 2002 with the former Asset Manager are eligible for contributions by Primaris of up to 7%. Subject to statutory maximums, Primaris contributes 9% of base earnings to the plan on behalf of the CEO and CFO. No additional voluntary contributions may be made by these employees.

Contributions by Primaris to the Pension plan will be vested following completion of one year of continuous membership in the Plan. Contributions are locked in following the completion of one year of continuous membership in the Pension Plan

Normal retirement age is 65. The pension can be deferred up until age 71 or such other age according to applicable legislation.

Early retirement may occur up to ten years preceding the normal retirement date. Employment must cease prior to electing early retirement.

If an employee dies prior to terminating employment or retirement, a death benefit will be paid to the survivor or designated beneficiary.

Group Retirement Savings Plan

All employees of Primaris are eligible to participate in a Group Retirement Savings Plan ("Group Plan") by making contributions to a group savings plan. Primaris does not make contributions to the Group Plan on behalf of employees.

Contributors to the Group Plan choose from a range of investment options offered by the plan provider based on their risk profile.

SERP (Supplemental Executive Retirement Plan)

The President & CEO and Executive Vice President & CFO are entitled to contributions to a supplemental executive retirement plan (these are notional pension plan contributions made once the Canada Revenue Agency annual pension contribution limit is met through the Pension

Plan). When the employee leaves Primaris or retires, the account balance is transferred out in cash to the individual.

The SERP is in place to provide pensions that are relative to the income level for these senior executives as the Canada Revenue Agency caps the amount of contributions that may be made to regular pension plans.

Under the DC, GRSP, and SERP, if employment is terminated the amounts belonging to employees may be transferred to other plans as directed by the employee.

Performance Goals

In 2009, performance goals were defined in the personal business plans of the NEOs.

The performance goals for Michael Latimer as CEO from January until the end of July were established within the short term incentive plan for the Asset Manager, the details of which are not available to Primaris.

John Morrison, President and CEO

The 2009 performance goals for John Morrison, who became CEO in August 2009 were to:

- successfully complete the transition to an internalized management structure;
- maintain the quality of the assets in the portfolio and preserve the “core” of the business;
- generate deal flow and identify several acquisition opportunities; and
- develop an excellent relationship with stakeholders – Board, Management Team, investors.

Mr. Morrison met and exceeded these goals.

Louis Forbes, Executive Vice President and Chief Financial Officer

The 2009 performance goals for Mr. Forbes were based on the successful transition to an internalized management structure for Primaris and related organizational initiatives which included:

- establishment of a head office;
- recruitment of new hires for key positions; and
- implementation of a new Enterprise Resource Planning (ERP) system and successful testing of internal controls for the new organization and systems.

Mr. Forbes met and exceeded these goals.

Mr. Perlmutter, Vice President, Investments

The 2009 performance goals for Mr. Perlmutter were to:

- identify transactions;
- monitor business activity;
- satisfy risk/return criteria;
- pursue new assets;
- maintain network of key business relationships;
- execute dispositions;
- manage departmental general and administrative expenditures to the budget; and
- discretionary component.

Mr. Perlmutter met and exceeded these goals.

Tom Falls, Vice President, Real Estate Management, East

The 2009 performance goals for Mr. Falls were:

- a net operating income target of \$148.9 million;
- occupancy rates of 96.7%;
- credit and collections current to an average of four days by the 10th day of the following month;
- maintain capital expenditures within a \$28.6 million budget;
- people management;
- manage departmental general and administrative expenditures to the budget; and
- discretionary component.

Mr. Falls met and exceeded most of these goals.

Ms. Gibson, Vice President, Finance

The 2009 performance goals for Ms. Gibson were:

- to achieve the following goals:
 - \$1.334 in funds from operations per Unit;
 - 91.4% payout rate;
 - 48% ratio for debt to gross book value;
- Contribute to the relative performance of Primaris Unit value;
- support business operations and reporting, investor relations and financings;
- establish new departments for payroll, treasury and accounts receivable;
- accounting and governance including establishing and testing internal controls;
- implement an International Financial Reporting Standards (IFRS) project;
- people management; and
- discretionary component.

Ms. Gibson met or exceeded most of these goals.

Retirement Policy

Primaris does not have a retirement policy.

Minimum Unitholding Policy – Management

In 2009, Primaris did not have a Minimum Unitholding Policy for Management although Management was encouraged to invest in Primaris. In 2010, Primaris adopted a minimum unitholding policy for participants in the LTIP.

Any employee beneficiary of an equity award under the LTIP plan is expected to hold a minimum amount of equity in Primaris as follows:

Officers**# of times base salary**

Chief Executive Officer or Executive Vice President	2
Senior Vice President	1.5
Vice President	0.75
Below Vice President	0.5

Participants have until the later of March 31, 2013 (which is the date of implementation of the policy), and four years from their hire date to meet expectations under the Minimum Unitholding Policy.

The value of NEO unitholdings are as follows as of March 31, 2010⁽¹⁾:

NEO Name and Principal Position	Minimum Unitholding Policy⁽²⁾ (came into effect in 2010)	Units	Restricted Units	Total⁽³⁾ Units and Restricted Units	Value of Units and RUs⁽⁴⁾
John R. Morrison President & CEO	2 X base salary or \$1,025,000	45,999	19,660	65,659	\$1,130,730
Louis M. Forbes Executive Vice President & CFO	2 times base salary or \$650,000	23,000	11,491	34,491	\$365,261
Ron Perlmutter Vice President, Investments	0.75 X base salary ⁽⁵⁾	3,250	1,784	5,034	\$82,191
Tom Falls Vice President, Real Estate Management, East	0.75 X base salary ⁽⁵⁾	2,748	1,784	4,532	\$74,129
Lesley Gibson Vice President, Finance	0.75 X base salary ⁽⁵⁾	2,711	1,651	4,362	\$71,299

(1) The closing price of Units at March 31, 2010 was \$16.80.

(2) Officers have the later of March 31, 2013 or four years from their date of hire to meet expectations with respect to minimum unitholdings. Unitholdings can include holdings under control or direction of the NEO.

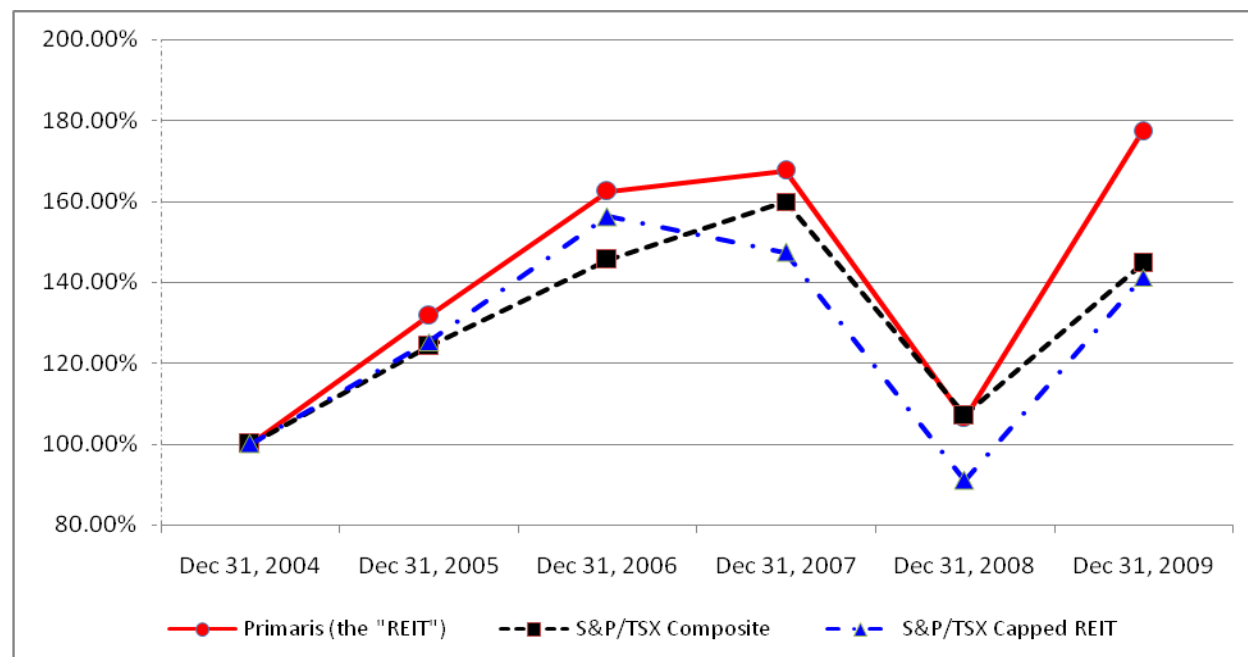
(3) These totals do not include DRIP Units accumulated between January 1 and March 31, 2010 for those NEOs that participate in the program.

(4) Value is based on a 5 day VWAP at Dec. 31, 2009 for all Units acquired prior to Jan. 1, 2010 and at cost or grant date for Units acquired on or after Jan. 1, 2010.

(5) Officers at the level of vice president are expected to hold 0.75 times their base salary. As the NEOs other than the CEO and CFO are determined annually based on their income, the 2010 NEOs will not be determined until Q1 2011. The 2009 NEOs are shown here to illustrate the effect of the Minimum Unitholding Policy for Management. The dollar value of the unitholding expectation of the three non-CEO and CFO NEOs will be disclosed in the 2011 Management Information Circular.

Performance Graph

The Units of Primaris began trading on the TSX on July 17, 2003. The following chart compares the cumulative total Unitholder return on Primaris' Units to the TSX composite index and to the TSX Capped REIT index, each assuming reinvestment of dividends and distributions. Each assumes a \$100 investment at the opening of trading on December 31, 2004. Primaris has been included in the S&P/TSX Composite Index since December 16, 2005.



Cumulative Unitholder Total Return (%)

	Dec 31, 2004	Dec 31, 2005	Dec 31, 2006	Dec 31, 2007	Dec 31, 2008	Dec 31, 2009
Primaris (the "REIT")	\$100	131.73%	162.44%	167.62%	106.44%	177.29%
S&P/TSX Composite	\$100	124.13%	145.55%	159.86%	107.10%	144.65%
S&P/TSX Capped REIT	\$100	125.25%	156.22%	147.39%	90.97%	141.24%

Source: TSX

REIT Unitholders have achieved superior returns over the five year period shown in the above graph. The graph of Primaris' total Unitholder return indicates similar trends to the other equity indices shown. The data contained in this graph bears little relationship to CEO compensation over the same period as Primaris was externally managed throughout most of this time.

Outstanding Unit Based Awards and Option Based Awards at Dec 31, 2009

	Option – based awards				Unit-based awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option Expiration Date	Value of Unexercised in-the-money options at Dec 31, 2009 (\$) ⁽¹⁾	Number of Units that have not vested	Market or payout value of Unit based awards that have not vested at Dec 31, 2009 ⁽¹⁾ (\$)
CEO	0	N/A	N/A	N/A	0	N/A
CFO	111,588	\$10.70	Dec 31, 2015	607,039	6,659	\$107,476
	90,000	\$14.06	Aug 13, 2016	187,200		

(1) The Unit value at close of business December 31, 2009 was \$16.14.

Defined Contribution Pension Plan Table (Primaris)

Name	Accumulated Value at start of the year ⁽¹⁾ (\$)	Compensatory (\$)	Non-Compensatory (\$)	Accumulated Value at year end (\$)
John R. Morrison	0	29,171 ⁽²⁾	0	29,171
Louis Forbes	0	26,850 ⁽²⁾	0	26,850

(1) Messrs. Perlmutter and Falls and Ms. Gibson were members of the Asset Manager's defined contribution pension plan in 2009. See the Summary Compensation Table for information about the pension values for the NEOs other than the CEO and CFO. Mr. Morrison was also a member of the Asset manager's pension plan until August 1, 2010 when he joined the Primaris Plan.

(2) Compensatory contributions include SERP Contributions. SERP contributions are those in excess of \$22,000. See the section on "Pension Plan" for an explanation, as well as the "Summary Compensation Table"

Equity Incentive Plan

The following table summarizes certain information as of March 31, 2010 regarding compensation plans of Primaris under which equity securities of Primaris are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans at March 31, 2009
Equity compensation plans approved by securityholders	754,936	\$15.68	3,606,796
Equity compensation plans not approved by securityholders	Nil	n/a	Nil
Total	754,936	\$15.68	3,606,796

Equity Incentive Plan awards – value vested or earned during the year

Awards granted under the Equity Incentive Plan may consist of Unit Options, Restricted Units, and instalment Units. Each Award is subject to the terms and conditions set out in the Equity Incentive Plan and to those other terms and conditions specified by the Board of Trustees of Primaris and memorialized in a written award agreement.

Name	Option Based Awards – value Vested during the year (\$)	Unit-based awards – value vested during the year (\$)	Non-Equity Incentive Plan compensation – Value earned during the year (\$)
John R. Morrison	0	0	287,500
Louis Forbes	151,760	0	285,000
Ron Perlmutter	0	0	90,000
Tom Falls	0	0	55,544
Lesley Gibson	0	0	50,000

(1) This amount is prorated to reflect the amount of time spent by the NEO on REIT business while in the employ of the Asset Manager.

Eligible Participants

The Equity Incentive Plan is available to Trustees, Officers and employees of Primaris.

Units Subject to the Equity Incentive Plan

The Equity Incentive Plan authorizes the issuance of up to 7% of Primaris' issued and outstanding Units from time to time pursuant to the terms of the Equity Incentive Plan. Accordingly, as of March 31, 2010, an aggregate of 4,381,732 Units were reserved for issuance pursuant to the Equity Incentive Plan. Of the 7%, up to 1% (or 625,962 Units as of March 31, 2010) will be available for issuance to Trustees of Primaris.

No Instalment Receipts have been granted.

An aggregate of 3,606,796 Units are available for issuance under the Equity Incentive Plan, representing 5.76% of the issued and outstanding Units of Primaris as at March 31, 2010.

To March 31, 2010, Management have been granted 774,936 Options and Restricted Units and Trustees have been granted 11,208 Restricted Units.

The maximum award size for any participant is 5% of Primaris' issued and outstanding Units.

Amendments to the Equity Incentive Plan

At the Annual General Meeting held on June 10, 2009, Unitholders approved the following amendments to the Equity Incentive Plan:

- to clarify that Restricted Units may settle either in Units or an equivalent cash amount; and
- to provide that a Participant may assign or transfer any Options or Restricted Units to which such Participant is entitled to a personal holding company wholly owned by such Participant.

On April 8, 2009, the Board of Trustees resolved to amend the Equity Incentive Plan in order to change the definition of "Fair Market Value" in the Equity Incentive Plan. The Equity Incentive Plan previously defined "Fair Market Value" at any date as the closing price in Canadian dollars on the TSX of the Units one trading day prior to that date, which is a definition that is used in many equity incentive plans. Following a review by the Board, it was determined that it would be beneficial for Primaris to amend the definition of Fair Market Value in the Equity Incentive Plan to mirror the current definition of market price used by the TSX, which defines market price to be the volume weighted average trading price of the Units on the TSX for the five trading days immediately preceding the relevant date. Measuring the market price on a volume weighted average basis over a period of time ensures that matters such as the exercise price of an option or a restricted Unit, which cannot be less than Fair Market Value, will be more reflective of the value of the Units at the relevant time, as their measurement would not be limited to the closing price on a single day.

Unitholder approval was not obtained for these amendments on the basis that such amendments were of a technical, clerical or "housekeeping" nature and clarified certain provisions of the Equity Incentive Plan. The amendment provisions of the Equity Incentive Plan allow for such amendments without Unitholder approval.

Compensation Consultant & Benchmarking Practices

The Compensation Committee mandate provides for its review and pre-approval of all fees and terms of service for consulting service provided to its Compensation Committee. The Committee is ultimately responsible for its own decisions, which may take into consideration more than the information and recommendations provided by its compensation consultants or Management.

The Board of Trustees retained the services of Hugessen Consulting Inc. ("Hugessen") for a period overlapping 2008 and 2009 to provide general information with respect to CEO and CFO compensation. The purpose was to obtain market competitive compensation data from organizations of comparable size and other companies that Primaris competes with for executive talent.

Hugessen's review of pay practices were based on a review of the most recent proxy disclosures available as of June 22, 2009 for a peer group, and where appropriate for additional context, on a similar review conducted in early 2008. See table below for the list of comparator REITs.

2008 Comparator Set for CEO & CFO Compensation

REIT	Total Assets (\$Million)	Market Cap (\$Million)	Total Enterprise Value (\$Million)	Total Revenues (\$Million)	EBITDA (\$Million)
Pay Comparators - Total Assets [Latest Annual] = \$800mm to \$3200mm					
Allied Properties REIT	949	462	984	132	56
Crombie REIT	1,483	410	1,251	188	101
Dundee REIT	1,316	309	1,109	191	88
Artis REIT	1,244	269	1,007	143	78
Canadian REIT	2,196	1,565	2,938	321	159
Primaris Retail REIT	1,609	747	1,645	266	132

Hugessen was also retained to advise on market trends in Trustee compensation. They were asked to analyze market comparators and provide benchmark data and advise on specific

issues related to equity compensation. The comparator group included seven non-residential Canadian REITs. See the section "Comparator Set for Trustee Compensation" for details of the report.

Hugessen Consulting Inc. was paid \$ 80,138 by Primaris in 2009 for all consulting and advisory services.

Compensation Committee

The Compensation Committee is made up of solely independent Trustees and does not include the Chief Executive Officer. The experience of the Committee members is rich and varied.

Members and Experience

The members are:

Kenneth Field, Chair

Kerry Adams

Roland Cardy

Brent Hollister

With respect to his role on this Committee, the Chair, Mr. Field draws upon his experience from his former role as Executive Vice President of McLean McCarthy Inc. (subsequently – Deutsche Morgan Grenfell Canada) where Mr. Field held joint responsibility for all aspects of employee compensation. Also, Mr. Field had compensation experience in his role as a former member of the Board of Governors of the Toronto Stock Exchange and a former Chair of the Board of Governors of the Toronto Futures Exchange.

Ms. Adams' compensation experience is related to her former role on the Board of Directors of Indigo and from years of experience as a buy-side investment professional in which executive pay packages were considered as one aspect of the evaluation of management.

Mr. Cardy's experience with respect to compensation matters is related to his roles as Vice-Chair, Investment Banking, Toronto-Dominion Bank and the Executive Committee and the Board of Directors of TD Securities Inc.

Mr. Hollister's experience related to the Compensation Committee is linked to his former role as Chief Executive Officer of Sears Canada Inc. where he was involved in the design and implementation of total compensation and benefit programs for the multi-channel retailer.

The Committee members will be in attendance at the Annual General Meeting and will be available to respond to appropriate questions about executive compensation.

Meetings and Workplan

The Committee meets *in camera* after every meeting. The Committee was formed in November, 2009 and met once in 2009.

The workplan for the Compensation Committee is as follows:

February

- Work plan and accomplishments for the Committee
- Approve incentive plan awards for the CEO and other senior officers
- Review total compensation
- Review and approve public disclosure documents
- Assess CEO's performance against objectives

November

- Approve Salary Guidelines for the next fiscal year
- Review of any new regulatory requirements related to executive compensation disclosure

December

- Review and approve material compensation and human resources policies
- Mandate review
- Recommend CEO compensation
- Review annual goals and objectives of the CEO
- CEO direct reports – base salary review
- Salary review guidelines for next year
- Review headcount and aggregate employee costs
- Recommend REIT incentive plans

Ongoing

- Recommend appointment of Officers to the Board of Trustees for approval
- Appointments (total compensation and other terms and conditions) and terminations (settlements)
- Pension plans: amendments to current pension plans and amendments to new ones

MANAGEMENT CONTRACTS

Until December 31, 2009, Primaris was managed by an Asset Manager and a Property Manager. The term of both of these contracts expired on December 31, 2009. Primaris is now managed by its own management team. For the details of the expired Asset Management and Property Management Agreements, refer to the Annual Information Form for Primaris dated March 10, 2009 which is available at www.sedar.com.

Primaris incurred \$4,014,000 of asset management fees and \$213,000 in development fees during the period from January 1, 2009 to December 31, 2009, of which \$993,000 was included in accounts payable and other liabilities at December 31, 2009. In addition to the asset management and development fees, the Manager was reimbursed by Primaris for \$119,000 of general and administrative costs.

Primaris incurred \$9,354,000 of property management fees and \$714,000 of leasing fees during the period from January 1, 2009 to December 31, 2009, of which \$1,814,000 was included in accounts payable and other liabilities at December 31, 2009. Primaris reimbursed the Property Manager for certain direct property operating costs.

INDEBTEDNESS OF TRUSTEES, OFFICERS & EMPLOYEES

None of the Trustees, officers or employees of Primaris, or any associate or affiliate of any of the Trustees, officers or employees of Primaris were indebted to Primaris at any time in 2009.

TRUSTEES AND OFFICERS LIABILITY INSURANCE

Primaris carries Trustees' and Officers' liability insurance. Under this insurance coverage, Primaris is reimbursed for payments made under indemnity provisions on behalf of its Trustees and Officers, subject to a deductible for each loss. Individual Trustees and Officers are also reimbursed for losses arising during the performance of their duties for which they are not indemnified by Primaris, subject to a deductible which is paid by Primaris. Excluded from coverage are illegal acts, acts which result in personal profit and certain other acts. The Declaration of Trust provides for the indemnification in certain circumstances, of Trustees and Officers from and against liability and costs in respect of any action or suit against them in respect of the execution of their duties of office. In the year ending December 31, 2009, Primaris paid \$93,879 in insurance premiums for Trustees and Officers for liability coverage with a limit of up to \$20 million in total.

Coverage	Limit	Premium 2008-2009	Premium 2009-2010	change
Primary Directors & Officers	\$15,000,000	\$76,099	\$74,900	(-1.58%)
Excess Directors & Officers	5,000,000	17,780	17,500	(-1.57%)
Total	20,000,000	93,879	92,400	(-1.58%)

ACCESS TO INFORMATION

Current financial information about Primaris is provided in Primaris' audited consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations for the most recently completed financial year. This information and additional information relating to Primaris can be found on the SEDAR website at www.sedar.com and on Primaris' website at www.primarisreit.com.

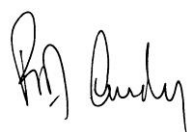
Copies of Primaris' annual audited consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations for the most recently completed financial year may be obtained upon request from the Executive Vice President and Chief Financial Officer of Primaris Retail REIT, Dundee Place, 1 Adelaide Street East, Suite 900, Toronto, ON, M5C 2V9. Copies of the mandates for the Board and committees of the Board may also be obtained upon request from the Executive Vice President and Chief Financial Officer.

APPROVAL

The contents and distribution of this Management Information Circular to each Unitholder entitled to receive notice of the Annual General Meeting and to the Auditors of Primaris have been approved by the Trustees of Primaris.

April 26, 2010

PRIMARIS RETAIL REAL ESTATE INVESTMENT TRUST



Roland A. Cardy

Chair of the Board

Toronto, Ontario, Canada

**NOTICE OF ANNUAL GENERAL MEETING
AND
MANAGEMENT INFORMATION CIRCULAR**

