



**NORTHWEST INTERNATIONAL HEALTHCARE PROPERTIES
REAL ESTATE INVESTMENT TRUST**

ANNUAL INFORMATION FORM

March 10, 2015

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GLOSSARY OF TERMS

In this Annual Information Form, the following terms will have the meanings set forth below, unless otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders:

“**6.50% Debentures**” has the meaning ascribed thereto under “General Development of the Business – Public Offering of the 6.50% Convertible Debentures”;

“**7.25% Debentures**” has the meaning ascribed thereto under “General Development of the Business – Public Offering of the 7.25% Convertible Debentures”;

“**7.50% Debentures**” has the meaning ascribed thereto under “General Development of the Business – Public Offering of the 7.50% Convertible Debentures”;

“**AFFO**” has the meaning ascribed thereto under “Non-IFRS Measures”;

“**Amended DUP**” has the meaning ascribed thereto under “General Development of Business – Management Internalization”;

“**Audit Committee**” has the meaning ascribed thereto under “Management of the REIT – Audit Committee Information”;

“**Board**” or “**Board of Trustees**” means the board of Trustees of the REIT;

“**Brazil Securitization**” has the meaning ascribed thereto under “Assets of the REIT – Brazil – Sabará Children’s Hospital”;

“**BTG**” has the meaning ascribed thereto under “General Development of the Business - Acquisition of the HMB Property”;

“**CBCA**” means the *Canada Business Corporations Act*; as amended;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**CEO**” means Chief Executive Officer;

“**CFA**” means “controlled foreign affiliate”, as defined in the Tax Act;

“**Class A LP Units**” means class A limited partnership units of NWI LP;

“**Class B LP Units**” means class B limited partnership units of NWI LP;

“**Closing Market Price**” has the meaning ascribed thereto under “Declaration of Trust – Redemption Right”;

“**CRA**” means Canada Revenue Agency;

“**Debentures**” means the 6.50% Debentures, 7.25% Debentures and the 7.50% Debentures;

“**Declaration of Trust**” means the amended and restated declaration of trust of the REIT dated as of November 16, 2012 as amended January 3, 2014, February 3, 2014 and January 7, 2015;

“**Definitive Agreement**” has the meaning ascribed thereto under “General Development of the Business – Reconfiguration of the REIT to Focus on International Assets”;

“**Demand Distribution**” has the meaning ascribed thereto under “Exchange Agreement”;

“**Demand Registration Right**” has the meaning ascribed thereto under “Exchange Agreement”;

“**Distribution Date**” means any date on which the Trustees have determined that a distribution will be made by the REIT to Unitholders;

“**DRIP**” means the REIT’s distribution reinvestment plan;

“**Early Redemption Date**” has the meaning ascribed thereto under “Assets of the REIT – Brazil – Sabará Children’s Hospital”;

“**Exchange Agreement**” means the amended and restated exchange agreement dated January 28, 2015 among the REIT, NWI LP and NWVP;

“**Exchange Right**” has the meaning ascribed thereto under “Exchange Agreement”;

“**FAPI**” means “foreign accrual property income” as defined in the Tax Act;

“**FCC Credit Facility**” has the meaning ascribed thereto under “General Development of the Business – Acquisition of the Rede D’Or Hospital Portfolio and New Credit Facility”;

“**FFO**” has the meaning ascribed thereto under “Non-IFRS Measures”;

“**GAAP**” means Canadian generally accepted accounting principles determined with reference to The Handbook of The Chartered Professional Accountants of Canada, as amended from time to time;

“**GBV**” means the acquisition cost of the assets of the REIT plus: (i) the cumulative impact of fair value adjustments; (ii) acquisition related costs in respect of completed investment property acquisitions that were expensed in the period incurred; (iii) accumulated amortization on property, plant and equipment, and other assets; and (iv) deferred loan costs;

“**GLA**” means gross leasable area measured in square feet;

“**Global Unit Certificate**” has the meaning ascribed thereto under “Declaration of Trust – Book-Based System”;

“**GP Units**” means class E general partnership units of NWI LP;

“**GT Canada**” means GT Canada Medical Properties Inc.;

“**HMB Property**” means Hospital e Maternidade Brasil;

“**IFRS**” means International Financial Reporting Standards;

“**indebtedness**” means (without duplication) on a consolidated basis;

- (a) any obligation of the REIT for borrowed money (excluding any premium in respect of indebtedness assumed by the REIT for which the REIT has the benefit of an interest rate subsidy, but only to the extent an amount receivable has been excluded in the calculation of GBV with respect to such interest rate subsidy);
- (b) any obligation of the REIT incurred in connection with the acquisition of property, assets or business other than the amount of future income tax liability arising out of indirect acquisitions;
- (c) any obligation of the REIT issued or assumed as the deferred purchase price of property;

- (d) any capital lease obligation of the REIT; and
- (e) any obligation of the type referred to in clauses (A) through (D) of another person, the payment of which the REIT has guaranteed or for which the REIT is responsible for or liable,

provided that (i) for the purposes of (a) through (d), an obligation will constitute indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of the REIT in accordance with IFRS; (ii) obligations referred to in clauses (a) through (c) exclude trade accounts payable, distributions payable to Unitholders and accrued liabilities arising in the ordinary course of business; (iii) exchangeable units issued by subsidiaries of the REIT will not constitute indebtedness notwithstanding the classification of such securities as debt under IFRS; (iv) any liabilities associated with the REIT's obligations under the Put/Call Agreement will not constitute indebtedness notwithstanding the classification of such obligations as debt under IFRS, (v) any liabilities associated with revenue securitization arrangements will not constitute indebtedness notwithstanding the classification of such obligations as debt under IFRS, and (vi) any unsecured liabilities of the REIT will not constitute indebtedness notwithstanding the classification of such obligations as debt under IFRS;

"Indenture" means the trust indenture between the REIT and Computershare Trust Company of Canada dated March 25, 2013, as supplemented by a first supplemental trust indenture dated August 29, 2013 and the second supplemental trust indenture dated September 23, 2014, which together create and set forth the terms and conditions of the Debentures;

"Independent Trustee" has the meaning ascribed thereto under "Trustees and Management of the REIT – Trustees";

"Initial International Acquisition" has the meaning ascribed thereto under "General Development of the Business – Reconfiguration of the REIT to Focus on International MOB Assets";

"Initial International Assets" has the meaning ascribed thereto under "General Development of the Business – Reconfiguration of the REIT to Focus on International MOB Assets";

"Internalization Agreement" has the meaning ascribed thereto under "General Development of the Business – Management Internalization";

"Internalization Transaction" has the meaning ascribed thereto under "General Development of the Business – Management Internalization";

"Issued Securities" has the meaning ascribed thereto under "Exchange Agreement";

"LP Units" means, collectively, the Class A LP Units and the Class B LP Units;

"Market Price" has the meaning ascribed thereto under "Declaration of Trust – Redemption Right";

"MD&A" has the meaning ascribed thereto under "Non-IFRS Measures";

"MOB" means Medical Office Building;

"NHP LP" means NHP Holdings Limited Partnership, a subsidiary of NWHP REIT;

"NOI" has the meaning ascribed thereto under "Additional-IFRS Measures";

"Non-Resident" means either a "non-resident" of Canada within the meaning of the Tax Act or a partnership that is not a "Canadian partnership" within the meaning of the Tax Act;

"NW Trust" means NorthWest Operating Trust, a subsidiary of the REIT;

“**NWHP REIT**” means NorthWest Healthcare Properties Real Estate Investment Trust;

“**NWHP REIT Margin Facilities**” has the meaning ascribed thereto under “Assets of the REIT – Canada – NWHP REIT – The NWHP REIT Margin Facilities”;

“**NWI LLC**” means NWI Healthcare Properties LLC, a limited liability company formed under the laws of Delaware;

“**NWI II LLC**” means NWI Healthcare Properties II LLC, a limited liability company formed under the laws of Delaware;

“**NWI III LLC**” means NWI Healthcare Properties III LLC, a limited liability company formed under the laws of Delaware;

“**NWI IV LLC**” means NWI Healthcare Properties IV LLC, a limited liability company formed under the laws of Delaware;

“**NWI LP**” means NWI Healthcare Properties LP, the limited partnership formed under the laws of Ontario pursuant to the NWI LP Agreement;

“**NWI LP Agreement**” means the third amended and restated limited partnership agreement of NWI LP dated January 28, 2015, among the REIT, the REIT GP and NWVP;

“**NWVP**” means NorthWest Value Partners Inc., including its subsidiaries where the context requires;

“**NWVP Offer**” has the meaning ascribed thereto under “General Development of the Business”;

“**Piggy-Back Distribution**” has the meaning ascribed thereto under “Exchange Agreement”;

“**Piggy-Back Registration Right**” has the meaning ascribed thereto under “Exchange Agreement”;

“**Put/Call Agreement**” has the meaning ascribed thereto under “General Development of the Business – Investment in NWHP REIT”;

“**Previous DUP**” has the meaning ascribed thereto under “General Development of Business – Management Internalization”;

“**Rede D’Or**” has the meaning ascribed thereto under “General Development of the Business - Acquisition of the HMB Property”;

“**Rede D’Or Hospital Portfolio**” has the meaning ascribed thereto under “General Development of the Business - Acquisition of the Rede D’Or Hospital Portfolio and New Credit Facility”;

“**Redemption Date**” has the meaning ascribed thereto under “Declaration of Trust – Redemption Right”;

“**Redemption Notes**” means unsecured subordinated promissory notes of the REIT having a maturity date to be determined at the time of issuance by the Trustees, in accordance with the Declaration of Trust, bearing interest from the date of issue at a market rate of interest determined at the time of issuance by the Trustees, payable for each month during the term on the 15th day of each subsequent month with all principal being due on maturity, such promissory notes to provide that the REIT shall at any time be allowed to prepay all or any part of the outstanding principal without notice or bonus;

“**Redemption Price**” has the meaning ascribed thereto under “Declaration of Trust – Redemption Right”;

“**Redemption Right**” has the meaning ascribed thereto under “Declaration of Trust – Redemption Right”;

“**REIT**” means NorthWest International Healthcare Properties Real Estate Investment Trust, including its predecessors and subsidiaries where the context requires;

“**REIT GP**” means NWI Healthcare Properties GP Inc., general partner of NWI LP;

“**REIT Exception**” means the exception to the SIFT Rules available to a publicly traded or listed trust which satisfies certain conditions relating to the nature of its revenue and investments, and qualifies as a “real estate investment trust”, as amended, as defined in the Tax Act for the year;

“**Sabará**” means a 104,915 square foot private facility in São Paulo, Brazil, as described in further detail under “Assets of the REIT”;

“**Sabará Instalment Note**” has the meaning ascribed thereto under “Assets of the REIT – Brazil – Sabará Children’s Hospital”;

“**Sabará Lease**” has the meaning ascribed thereto under “Assets of the REIT – Brazil – Sabará Children’s Hospital”;

“**Sabará Tenant**” has the meaning ascribed thereto under “Assets of the REIT – Brazil – Sabará Children’s Hospital”;

“**SEDAR**” means System for Electronic Documents Analysis and Retrieval;

“**SIFT**” means a SIFT trust or a SIFT partnership as defined in the SIFT Rules;

“**SIFT Rules**” means the amendments to the Tax Act proclaimed in force on June 22, 2007, as amended, that implement the changes announced as part of the Tax Fairness Plan proposed by the Minister of Finance (Canada) on October 31, 2006 which modify the tax treatment of SIFTs and the tax treatment of their unitholders;

“**Special Voting Unit**” means a special voting unit of the REIT;

“**subsidiary**” has the meaning ascribed thereto in Ontario Securities Commission Rule 45-501 – Ontario Prospectus and Registration Exemptions;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended;

“**Trustees**” means the trustees from time to time of the REIT;

“**TSXV**” means the TSX Venture Exchange;

“**Unitholder**” means a holder of Units and any reference to a Unitholder in the context of such Unitholder’s right to vote at a meeting of Unitholders also includes a holder of Special Voting Units;

“**Units**” means trust units of the REIT;

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended;

“**Vital Margin Facilities**” has the meaning ascribed thereto under “Assets of the REIT – New Zealand – Vital Trust – The Vital Margin Facilities”;

“**Vital Trust**” means Vital Healthcare Property Trust; and

“**Vital Units**” has the meaning ascribed thereto under “Assets of the REIT – New Zealand – Vital Trust”.

CERTAIN REFERENCES AND FORWARD-LOOKING STATEMENTS

The information in this Annual Information Form is stated as of March 10, 2015, unless otherwise indicated.

For an explanation of the capitalized terms and expressions, please refer to “Glossary of Terms”. Unless otherwise indicated or the context otherwise requires, the “REIT” refers to NorthWest International Healthcare Properties Real Estate Investment Trust and its direct and indirect subsidiaries, including its predecessors. Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to “\$” are to Canadian dollars.

This Annual Information Form contains forward-looking statements which reflect management’s expectations regarding objectives, plans, goals, strategies, future growth, results of operations, performance and business prospects and opportunities of the REIT. The words “plans”, “expects”, “does not expect”, “scheduled”, “estimates”, “intends”, “anticipates”, “does not anticipate”, “projects”, “believes” or variations of such words and phrases or statements to the effect that certain actions, events or results “may”, “will”, “could”, “would”, “might”, “occur”, “be achieved” or “continue” and similar expressions identify forward-looking statements. Some of the specific forward-looking statements in this Annual Information Form include, but are not limited to, statements with respect to the following:

- the intention of the REIT to pay stable and growing distributions;
- the ability of the REIT to execute its growth strategies;
- the expected tax treatment of the REIT’s distributions to holders (“**Unitholders**”) of trust units of the REIT (“**Units**”); and
- the expectations regarding real estate, the healthcare industry and demographic trends.

Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by management of the REIT as of the date of this Annual Information Form, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The REIT’s estimates, beliefs and assumptions, which may prove to be incorrect, include the various assumptions set forth herein, including, but not limited to, the REIT’s future growth potential, results of operations, future prospects and opportunities, the demographic and industry trends remaining unchanged, future levels of indebtedness and the REIT’s ability to continue to source capital at current or more favourable rates, the tax laws as currently in effect remaining unchanged, and the current economic conditions remaining unchanged.

When relying on forward-looking statements to make decisions, the REIT cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under “Risk Factors”. These forward-looking statements are made as of the date of this Annual Information Form and, except as expressly required by applicable law, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

NOTICE REGARDING INFORMATION CONCERNING OTHER PUBLIC ENTITIES

The information concerning NorthWest Healthcare Properties Real Estate Investment Trust (“**NWHP REIT**”) and Vital Healthcare Property Trust (“**Vital Trust**”) contained in this Annual Information Form has been taken from, or is based upon, publicly available documents and records on file with the Canadian Securities Administrators and New Zealand regulatory bodies. Although the REIT has no knowledge that would indicate that any of such information is untrue or incomplete, the REIT was not involved in the preparation of any such publicly available documents and neither the REIT, nor any of its officers or directors, assumes any responsibility for the accuracy or

completeness of such information or the failure by NWHP REIT or Vital Trust to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to the REIT.

MARKET AND INDUSTRY DATA

This Annual Information Form includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information.

Although the third-party sources believe it to be reliable, we have not independently verified any of the data from third-party sources referred to in this Annual Information Form, or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon by such sources.

NON-IFRS MEASURES

The key performance indicators by which management measures the REIT's performance that do not have a standardized meaning prescribed by IFRS are as follows:

- Fund from operations (“**FFO**”);
- Adjusted funds from operations (“**AFFO**”);
- Weighted average lease expiry (“**WALE**”);
- Weighted average interest rate; and
- Occupancy levels;

FFO and AFFO are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. FFO and AFFO are supplemental measures of a real estate investment trust's performance and the REIT believes that FFO and AFFO are relevant measures of its ability to earn and distribute cash returns to Unitholders. The IFRS measurements most directly comparable to FFO and AFFO are net income (loss) and cash flows from operating activities. A reconciliation of FFO and AFFO to net income and cash flows from operating activities is presented in the REIT's MD&A, as filed on SEDAR at www.sedar.com, incorporated by reference herein.

“FFO” is defined as net income (computed in accordance with IFRS), excluding: (i) fair value adjustments on investment properties; (ii) gains (or losses) from sales of investment properties; (iii) amortization of tenant incentives; (iv) fair value adjustments and other effects of redeemable units classified as liabilities; (v) revaluation adjustments of financial liabilities; (vi) acquisition costs expensed as a result of the purchase of a property being accounted for as a business combination; (vii) deferred income tax expense; (viii) convertible debentures issuance costs; and (ix) strategic transaction costs, all after adjustments for equity accounted entities, joint ventures and non-controlling interests calculated to reflect FFO on the same basis as consolidated properties.

“AFFO” is defined as FFO, subject to certain adjustments, including: (i) amortization of fair value mark-to-market adjustments on mortgages acquired; (ii) amortization of deferred financing charges; (iii) amortization of intangible assets; (iv) compensation expense related to deferred unit incentive plans; (v) differences, if any, resulting from recognizing property revenues on a straight line basis as opposed to contractual rental amounts, (vi) asset management fees paid through the issuance of units rather than cash; (vii) amortization and adjustments relating to assets expected to provide an economic benefit to the REIT; (viii) incentive amount expense; (ix) the effect of interest rate subsidies earned by the REIT; and (x) deducting amounts for tenant inducements, leasing costs, and sustaining capital expenditures, as determined by the REIT. Other adjustments may be made to AFFO as determined by the Trustees in their discretion.

FFO and AFFO should not be construed as alternatives to net income (loss) or cash flow from operating activities determined in accordance with IFRS as an indicator of the REIT's performance. The REIT's method of calculating FFO and AFFO may differ from other issuers' methods and accordingly may not be comparable to measures used by other issuers.

“WALE” is a measurement of the average term (expressed in years) remaining in each of the REIT’s leases, weighted by the size of the GLA each lease represents of the total GLA of the REIT’s portfolio. WALE is a common performance measure used in the real estate industry which is useful in measuring the vacancy risk and the stability of future cash flows of the REIT’s properties.

The REIT’s “weighted average interest rate” is determined including secured debt with fixed interest rates and excludes secured debt with floating interest rates. This calculation is a useful measure because it allows management to compare movements in interest rates period over period and to compare the average rate to the current market rates at that point in time.

“Occupancy levels” are presented in different manners depending on its context. It could be presented as a weighted average portfolio occupancy, based on the area weightings, when analyzing the overall operating performance of the REIT’s portfolio, or as a point-in-time reference when analyzing future lease expiries, or as an assessment of the performance of each property period over period. Management considers this a useful measure in assessing the overall performance of its portfolio and is an essential tool to determine which properties require further investigation if performance lags.

ADDITIONAL IFRS MEASURE

Net operating income (“NOI”) is an industry term in widespread use. The REIT includes NOI as an additional IFRS measure in its consolidated statement of income and comprehensive income. NOI as calculated by the REIT may not be comparable to similar titled measures reported by other issuers. The REIT considers NOI a meaningful additional measure of operating performance of its property assets, prior to financing considerations. NOI is defined as income from properties after operating expenses have been deducted, computed in accordance with IFRS, but before deducting interest expense, finance costs, depreciation and amortization expense, general and administrative expenses, income taxes, leasehold improvement and leasing costs, and unrecoverable capital costs.

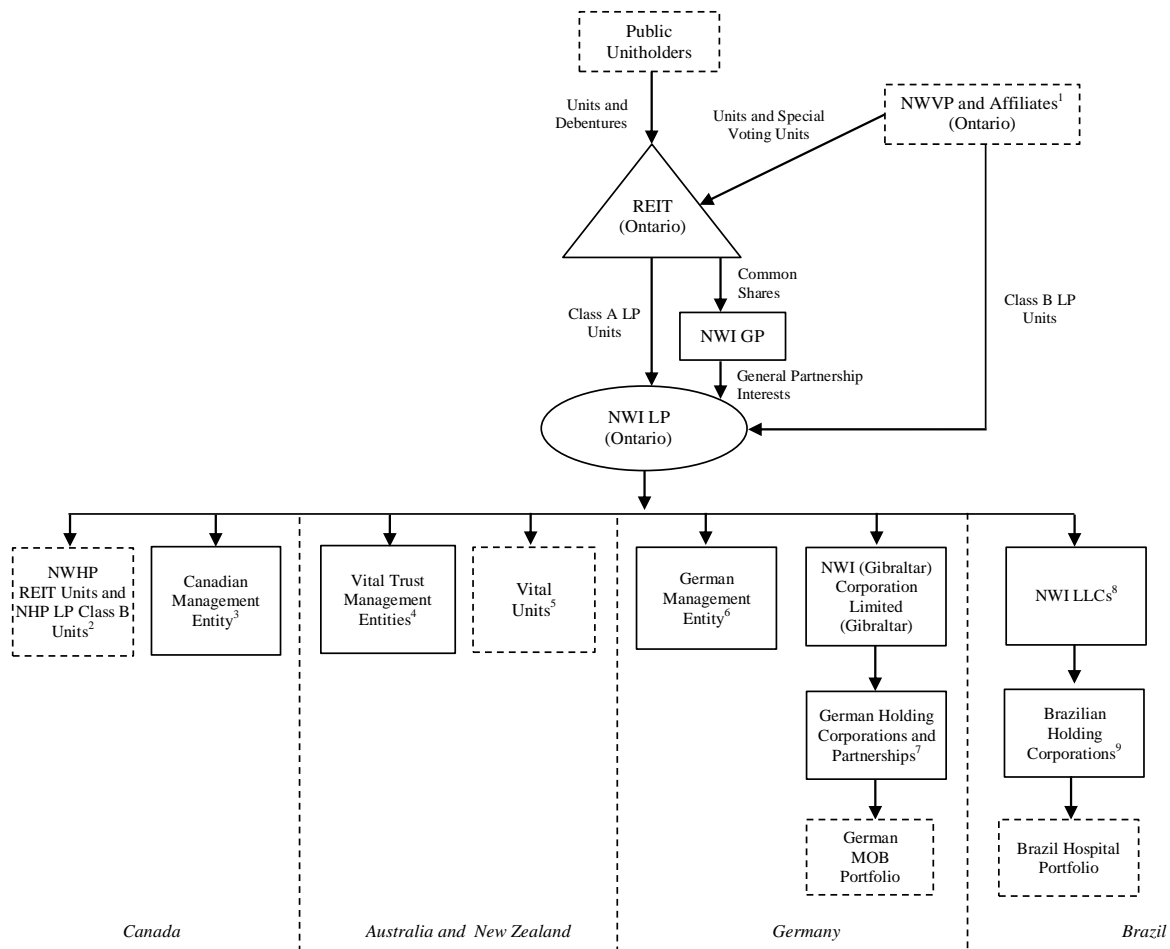
STRUCTURE OF THE REIT

The REIT is an unincorporated, open-ended real estate investment trust form under the laws of the province of Ontario, whose purpose is to invest in healthcare real estate globally. The REIT’s head and registered office is located at 284 King Street East, Toronto, Ontario, M5A 1K4.

The REIT’s objectives are to:

- manage its investments to provide stable, sustainable and growing cash flows through investments in healthcare real estate globally;
- build a diversified, growth-oriented global portfolio of healthcare properties based on an initial portfolio of investments in Australasia, Brazil, Germany and Canada;
- capitalize on internal growth and seek accretive healthcare real estate acquisition opportunities in its target international markets, with a focus primarily on Australasia, Brazil, Germany and Canada;
- grow the value of its assets and maximize the long-term value of its Units through active and efficient management; and
- provide predictable and growing cash distributions per Unit, on a tax-efficient basis.

The chart below illustrates the structure of the REIT and its principal Subsidiaries as at the date hereof (including jurisdiction of establishment/incorporation of the various entities).



Notes:

- NWVP, directly or indirectly, owns: (a) 24,030,771 Units, representing approximately 27.6% of the Units outstanding, and (b) approximately 92,250,303 Class B LP Units, representing all of the Class B LP Units outstanding.
- The REIT indirectly owns (through NW Trust and other subsidiaries) NWHP REIT units and NHP LP Class B units, which represents exposure to an approximate 25% interest in NWHP REIT.
- NWI Asset Management Inc. (Ontario)
- NWI NZ Management Company Limited (New Zealand), which owns 100% of NWI Australia Management Pty Limited (Australia), Vital Healthcare Management Limited (New Zealand) and Australian Properties Limited (New Zealand), which owns 100% of Vital Healthcare Australia Property Pty Limited (Australia).
- The REIT indirectly owns the Vital Units, which represents exposure to an approximate 24% interest of Vital Trust.
- NWI Management GmbH (Germany).
- NWI (Gibraltar) Corporation 1 owns 90% of the common shares of NWI (Gibraltar) Corporation 2, NWI (Gibraltar) Corporation 3 and NWI (Luxembourg) Sarl. NorthWest International Management Company Inc., an affiliate of NWVP whose shares are held by Paul Dalla Lana, owns the remaining 10% of NWI (Gibraltar) Corporation 2, which in turn owns the remaining 10% of NWI (Gibraltar) Corporation 3. NWI (Gibraltar) Corporation 3 owns the remaining 10% of NWI (Luxembourg) Sarl., which in turn owns 100% of NWI Gesundheitsimmobilien GmbH & Co. KG, a German entity. Gesundheitsimmobilien GmbH & Co. KG owns 94.9% of the interests in the underlying properties that comprise the German MOB Portfolio (each held in a German limited partnership (Kommanditgesellschaft) or limited liability company (Gesellschaft mit beschränkter Haftung)), with the remaining 5.1% of the interests held by a third party.
- NWI LLC, NWI II LLC, NWI III LLC and NWI IV LLC (Delaware).
- NWI Healthcare Properties LLC ("NWI LLC") owns 99.99% of the shares of Northwest International Investimentos Imobiliários em Saúde S.A., which in turn owns 99.99% of the shares of Avenida Angélica Investimentos Imobiliários e Participações S.A., the owner of Sabará. A Brazilian citizen owns one share of each Northwest International Investimentos Imobiliários em Saúde S.A. and Avenida Angélica Investimentos Imobiliários e Participações S.A., representing the sole minority holder in each entity. NWI Healthcare Properties II LLC ("NWI II LLC"), NWI Healthcare Properties III LLC ("NWI III LLC"), NWI Healthcare Properties IV LLC ("NWI IV LLC") each owns 33.33% of the shares of Northwest International II Investimentos Imobiliários e Participações S.A., the owner of the HMB Property and Rede D'Or Hospital Portfolio. A Brazilian citizen owns one share of Northwest International II Investimentos Imobiliários em Saúde S.A.

GENERAL DEVELOPMENT OF THE BUSINESS

Formation

GT Canada Medical Properties Inc. (“**GT Canada**”), a former wholly-owned subsidiary of the REIT, was incorporated on March 25, 2008 as “GT Canada Capital Corporation” and formed as a “capital pool corporation” under the policies of the TSXV. On July 17, 2008, GT Canada completed its initial public offering and its common shares were listed and began trading August 6, 2008 on the TSXV under the symbol “MOB.P”. On March 12, 2010, GT Canada completed its qualifying transaction under the policies of the TSXV through the acquisition of a medical office building in Hamilton, Ontario and changed its name to “GT Canada Medical Properties Inc.” On December 24, 2010, GT Canada converted into a real estate investment trust under the name “GT Canada Medical Properties Real Estate Investment Trust” and acquired a portfolio of five medical office buildings. In 2011 and 2012, the REIT acquired seven more Canadian medical office buildings.

NWVP Offer and Disposition of Canadian MOB Portfolio

On April 16, 2012, the REIT announced it had entered into a support agreement with NWVP whereby NWVP offered to acquire all of the Units for \$2.05 per Unit (which price was subsequently reduced to \$1.87 per Unit as a result of a rights offering completed by the REIT) by way of a take-over bid (the “**NWVP Offer**”). On June 11, 2012, after the extension of the initial expiry date of the NWVP Offer, 18,481,046 Units were tendered to the NWVP Offer, representing approximately 91% of the total outstanding Units and approximately 68% of the fully diluted Units. As disclosed in the takeover bid circular mailed in connection with the NWVP Offer, and for purposes of ensuring that the REIT continued to meet the ongoing listing requirements of the TSXV, NWVP sold 1,840,000 Units deposited under the NWVP Offer. After the take-up and payment by NWVP Acquisition L.P. (a wholly-owned subsidiary of NWVP) of the remaining tendered Units, NWVP indirectly owned 16,641,046 Units, representing approximately 82% of the total outstanding Units (approximately 61% of the total outstanding Units on a fully-diluted basis) at that time.

On November 2, 2012, the REIT changed its name to “NorthWest International Healthcare Properties Real Estate Investment Trust”.

In connection with the NWVP Offer, in two separate transactions on November 14, 2012 and November 16, 2012 (together, the “**Disposition**”) all of the REIT’s existing properties were sold to NHP Holdings Limited Partnership (“**NHP LP**”), a subsidiary of NWHP REIT. As net consideration (after the assumption of mortgage indebtedness), the REIT received \$39,200,000 (subject to customary post-closing adjustments), satisfied by cash in the amount of approximately \$9,200,000 and a promissory note in the amount of \$30,000,000 (which note has been repaid).

Reconfiguration of the REIT to Focus on International Assets

On November 16, 2012 (but with an effective date of October 1, 2012), pursuant to a definitive agreement that was entered into on October 23, 2012 (the “**Definitive Agreement**”), the REIT indirectly acquired interests in certain international assets (the “**Initial International Assets**”) of NWVP (the “**Initial International Acquisition**”).

The transactions contemplated by the Definitive Agreement valued the Initial International Assets at \$170.4 million and, after the indirect assumption of estimated debt, implied a net purchase price of \$123.1 million. The net purchase price for the Initial International Acquisition was funded through the issuance of (a) 9,878,165 Units at a deemed price of \$1.87 per Unit (approximately \$18.5 million), and (b) 55,944,444 class B limited partnership units of NWI LP (“**Class B LP Units**”) at a deemed price of \$1.87 per unit (approximately \$104.6 million). The purchase price for the Initial International Assets assumed that (i) the Initial International Assets had associated indebtedness of \$47.3 million, (ii) Sabará and the German MOB Portfolio had working capital of nil, and (iii) the number of Vital Units to be transferred was 58,000,000. The aggregate purchase price was adjusted following closing to account for actual indebtedness associated with the Initial International Assets on closing (approximately \$77.3 million), actual working capital of Sabará and the German MOB Portfolio on closing and the actual number of Vital Units transferred (58,600,003 Vital Units). The purchase price adjustment resulted in a working capital receivable from

NWVP being recognized in the amount of approximately \$27.3 million. As of the date of this AIF, the working capital receivable balance is approximately \$17.0 million.

The terms of the Definitive Agreement and the consideration paid for the Initial International Assets were determined by negotiation between NWVP and the REIT's independent trustees, and subsequently approved by the REIT's minority Unitholders at a meeting held on October 30, 2012. Sabará was initially acquired by an affiliate of NWVP in April 2012 for gross consideration of approximately R\$76.8 million. The Vital Units acquired by the REIT pursuant to the Definitive Agreement were initially acquired by an affiliate of NWVP in incremental purchase transactions between October 19, 2011 and January 13, 2012 for consideration ranging from \$1.14 per unit to \$1.20 per unit. The German property portfolio acquired by the REIT pursuant to the Definitive Agreement was initially acquired by an affiliate of NWVP in November 2011, for gross consideration of approximately €26.6 million.

In connection with the closing of the Initial International Acquisition, the REIT increased its annual distribution from \$0.064 per unit to \$0.16 per unit.

Public Offering of 13.35 Million Trust Units

On December 20, 2012, the REIT completed the issuance of 12,500,000 Units at a price of \$2.00 per Unit for gross proceeds of \$25,000,000, along with the issuance of an additional 850,900 Units for additional gross proceeds of \$1,701,800 pursuant to the exercise of an over-allotment option, which closed on January 14, 2013.

Acquisition of the HMB Property

On December 27, 2012, the REIT indirectly acquired the land and buildings constituting Hospital e Maternidade Brasil (the "**HMB Property**"), located in suburban Sao Paulo, Brazil, from Rede D'Or São Luiz S.A. ("**Rede D'Or**") for approximately \$120.0 million (\$250.0 million Reais). Concurrent with its sale of the HMB Property, Rede D'Or entered into a fully net 25 year leaseback of the HMB Property with an initial annual rent of approximately \$12.3 million (\$25.6 million Reais), plus annual inflation adjustments.

At approximately 342,000 square feet and with 305 beds, the HMB Property houses the largest full-service hospital in Santo Andre, a suburb of Sao Paulo, located approximately 30 kilometres south of the city centre. The HMB Property is operated by Rede D'Or, a privately-owned Brazilian hospital operator with 26 hospitals across Brazil and a dominant presence in Rio de Janeiro under the "D'Or" hospitals brand; São Paulo under the "São Luiz" brand and Brasilia under the "Santa Lucia" brand.

The gross purchase price of approximately \$120.0 million included approximately \$24.0 million (\$50 million Reais) of deferred consideration, which was paid in full in October 2014. The REIT's investment was funded from existing resources and new financing from BTG Pactual Bank ("**BTG**") for \$60.0 million (\$125.0 million Reais) at an effective interest rate of 6.60% for a two year term. The principal balance of the financing was adjusted by IPCA (the consumer price inflation measure used by the Central Bank of Brazil for guiding monetary policy) upon repayment.

Distribution Reinvestment Plan

On January 23, 2013, the REIT implemented a distribution reinvestment plan (the "**DRIP**"). Eligible unitholders (which, by virtue of the Special Voting Units includes holders of Class B LP Units) that elect to participate in the DRIP will have their cash distributions used to purchase Units and will also receive a "bonus distribution" of Units equal in value to 3% of each distribution. The REIT may initially issue up to 10,000,000 Units under the DRIP. The REIT may increase the number of Units available to be issued under the DRIP at any time in its discretion subject to (a) the approval of the REIT's board of Trustees, (b) the approval of any stock exchange upon which the Units trade, and (c) public disclosure of such increase.

Public Offering of the 6.50% Convertible Debentures

On March 25, 2013, the REIT completed the issuance of \$20 million principal amount of convertible unsecured subordinated debentures along with the issuance of an additional \$2.6 million principal amount pursuant to the exercise of an over-allotment option, which closed on April 3, 2013 (the “**6.50% Debentures**”). The 6.50% Debentures have a maturity date of March 31, 2018, a coupon rate of 6.50% per annum and pay interest semi-annually in arrears on March 31 and September 30 in each year. Each \$1,000 principal amount of 6.50% Debenture is convertible into approximately 350.877 Units of the REIT, at any time, at the option of the holder, representing a conversion price of \$2.85 per Unit.

Acquisition of Medicum Muensterfeld

On April 1, 2013, the REIT acquired Medicum Muensterfeld (“**Fulda**”), a newly constructed medical office complex located in Fulda, Germany, approximately 100km northeast of Frankfurt, Germany. At approximately 120,000 square feet, the property has a diversified tenant base focused on healthcare related users and orthopaedic services which benefit from the building's close proximity to the Klinikum Fulda, one of Fulda's leading hospitals. The purchase price of approximately \$19.5 million (€15.0 million) was funded from existing resources, a portion of the net proceeds from the offering of the 6.5% Debentures and new mortgage financing from Deutsche Genossenschafts-Hypothekenbank in the amount of approximately \$11.9 million (€9.0 million) with a five year term, a fixed interest rate of approximately 2.37% per annum and a 40 year amortization period.

Investment in NWHP REIT

On June 21, 2013, the REIT indirectly acquired an approximate 26% (currently 25%) strategic interest in NWHP REIT from NWVP and its affiliates. The interest indirectly acquired by the REIT consists of 4,345,900 trust units of NWHP REIT and 7,551,546 class B limited partnership units of NHP LP, each of which is exchangeable for one trust unit of NWHP REIT and carries NWHP REIT level voting rights. The interest was acquired pursuant to the exercise of a put right held by NWVP under the Put/Call Agreement dated November 16, 2012 between the REIT and NWVP that was entered into at the time of the Initial International Acquisition (the “**Put/Call Agreement**”).

Pursuant to the terms of the Put/Call Agreement, the REIT indirectly acquired the NWHP REIT securities at a price of \$13.22 per unit, for total gross consideration of approximately \$157.3 million including approximately \$73.8 million of third party debt that was indirectly assumed by the REIT. In connection with the completion of the transactions contemplated by the Put/Call Agreement, NWVP repaid \$15.0 million of obligations that had previously been owing to the REIT. As a result, the net consideration payable to NWVP was approximately \$68.5 million, which NWVP elected to receive in the form of Class B LP Units, each of which is exchangeable for one Unit of the REIT and carries REIT level voting rights. Pursuant to the terms of the Put/Call Agreement, the Class B LP Units were valued at a price of \$1.87 per unit, which resulted in the issuance of approximately 36.6 million Class B LP Units to NWVP.

The terms of the Put/Call Agreement were negotiated between NWVP and the independent trustees of the REIT, and approved by the REIT's minority Unitholders at a meeting held on October 30, 2012. NWVP initially acquired the NWHP REIT securities that were sold to the REIT pursuant to the Put/Call Agreement in connection with NWHP REIT's 2010 initial public offering.

Public Offering of the 7.50% Convertible Debentures

On August 29, 2013, the REIT completed the issuance of \$17.5 million principal amount of convertible unsecured subordinated debentures (the “**7.50% Debentures**”). The 7.50% Debentures have a maturity date of September 30, 2018, coupon rate of 7.50% per annum and pay interest semi-annually in arrears on March 31 and September 30 in each year commencing on March 31, 2014. Each \$1,000 principal amount of 7.50% Debenture is convertible into approximately 416.6667 Units of the REIT, at any time, at the option of the holder, representing a conversion price of \$2.40 per Unit.

Changes in the REIT's Senior Management

On November 5, 2013, the REIT announced that Bernard Crotty had been appointed President of the REIT. Also effective November 5, 2013, the REIT announced the appointment of Teresa Neto as Chief Financial Officer of the REIT.

Public Offering of 9.85 Million Trust Units and Increased Distribution

On December 18, 2013, the REIT completed the issuance of 9,000,000 Units at a price of \$2.00 per Unit for gross proceeds of \$18,000,000, along with the issuance of an additional 852,070 Units for additional gross proceeds of \$1,704,140 pursuant to the exercise of an over-allotment option, which closed on January 14, 2014. NWVP subscribed for 1.0 million Units for total proceeds of \$2.0 million pursuant to the equity offering.

In conjunction with the closing of the equity offering and the completion of the acquisition of the Rede D'Or Hospital Portfolio (described below) the REIT increased the amount of the monthly distribution payable to unitholders from \$0.0133 per unit (\$0.16 per unit annualized) to \$0.0183 per unit (\$0.22 per unit annualized). The increased distribution took effect in January 2014.

Acquisition of the Rede D'Or Hospital Portfolio and New Credit Facility

On December 23, 2013, the REIT completed the acquisition of a portfolio of three private hospitals from Rede D'Or (the "**Rede D'Or Hospital Portfolio**") for a gross purchase price of \$206.5 million (\$458.6 million Reais) (including transaction costs of \$5.2 million or \$11.6 million Reais). Concurrent with the closing, Rede D'Or entered into a fully net 25 year leaseback for each of the three properties with an initial annual rent of approximately \$19.0 million (\$42.2 million Reais) in the aggregate, plus annual inflation adjustments.

The Rede D'Or Hospital Portfolio comprises of 572,639 square feet and 446 beds in the aggregate. Two of the hospitals are located in the capital of Brazil, Brasilia (Hospital Santa Luzia and Hospital Coração) and one hospital is located in Duque de Caxias, a suburb of Rio de Janeiro (Hospital Caxias D'Or) and each are regarded as core healthcare infrastructure in their respective markets. The hospitals are operated by Rede D'Or which is the largest independent operator of hospitals in Brazil.

As part of the transaction the REIT has also committed to fund approximately \$9 million (\$20 million Reais) for the expansion of a parking garage at the Hospital Coração at a 9.5% yield.

The gross purchase price included approximately \$32.9 million (\$73 million Reais) of deferred consideration which was due the later of (i) 90 days following the date Rede D'Or satisfies certain title conditions in the purchase and sale agreement, and (ii) April 30, 2014. On October 17, 2014 Rede D'Or and the REIT agreed to extend the payment date of the deferred consideration to the later of December 15, 2015 or 180 days after the completion of certain conditions by the vendor. Effective from the date of the amendment until January 15, 2015 and again from the date the conditions are met until the date of the payment, the balance of the holdback will be adjusted by the variation of the CDI plus 7.34% annually. The REIT's investment was funded in part by a new term loan from BTG for approximately \$121.6 million (\$270.0 million Reais). The BTG loan had a one-year term, was interest-only and bore an interest rate of 7.0% per annum. The principal balance of the BTG debt was adjusted by IPCA (the consumer price inflation measure used by the Central Bank of Brazil for guiding monetary policy) upon repayment.

In connection with the acquisition, the REIT entered into a new \$24.0 million credit facility maturing in January 2017 denominated in Canadian dollars with Firm Capital Corporation ("**FCC Credit Facility**"). In connection with the \$24.0 million credit facility, the REIT granted the lender 3,000,000 non-transferable warrants, each of which entitled the holder to acquire a unit of the REIT at a price of \$2.15 per unit, which warrants were exercised on August 27, 2014. The remainder of the purchase price was funded through the net proceeds from the December 2013 equity offering (noted above) and cash on hand.

New Trustee Appointed

On February 3, 2014, the REIT announced the appointment of Dr. C. David Naylor to the Board of Trustees, increasing the number of trustees to four, two of which are independent (Dr. David Naylor and Mr. Robert Baron).

Sale of Marktredwitz Property

On February 17, 2014 the REIT sold its leasehold interest in a building located in Marktredwitz, Germany for approximately \$6.9M (€4.58M). The property was determined by management as non-core to the REIT's German portfolio and was sold pursuant to a pre-emptive right in favour of the local municipality and owner of the ground lease. The REIT realized net proceeds of approximately \$1.9 million (€1.2 million) after the repayment of the mortgage relating to the property in the amount of approximately \$4.9 million (€3.2 million) and selling costs.

Refinancing of Vital Trust Securities Lending Agreement

On February 28, 2014, the REIT entered into a new margin facility with Macquarie Bank Limited relating to its units in Vital Trust, the proceeds of which were used to settle the REIT's previous Vital Trust global securities lending arrangement. The margin facility bears interest at a rate that fluctuates with the one-month rate for New Zealand dollar bills of exchange (the "BKBM" rate) and requires a minimum loan-to-fair market value of the Vital Trust units pledged of 50%.

Public Offering of 11.2 Million Trust Units

On May 21, 2014, the REIT closed an equity offering of 11,219,513 Trust Units. The Trust Units were issued at a price of \$2.05 per Trust Unit, for gross proceeds of \$23,000,002, which included the exercise of the over-allotment option in full.

Acquisition of the Core German MOB Portfolio

On June 25, 2014, the REIT completed the acquisition of a portfolio of 13 properties in Germany for a gross purchase price of \$54.95 million, including transaction costs of \$3.5 million. The REIT's investment was funded from cash on hand including a portion of the net proceeds from the equity offering completed in May 2014, holdback and earnout obligations and new mortgage financing from a German lending institution of \$31.8 million (net of transaction costs of \$0.9 million) with terms between five and seven years, and a 26 year amortization period. To limit exposure to fluctuations in interest rates on the mortgages obtained for the portfolio, the REIT also entered into interest rate swaps on the full mortgage balance to fix the interest rates between 2.13% and 2.58% over the terms of the loans.

The acquired portfolio comprises approximately 350,000 square feet with properties located in the cities of Berlin (1), Ingolstadt (1) and Leipzig (11) and had a weighted average occupancy rate of 95% and weighted average lease expiry of approximately 4.4 years at the time of purchase. The acquired portfolio has a diversified tenant base of over 100 tenancies consisting of a range of medical practitioners and related services.

Acquisition of Hohenschoenhausen

On August 29, 2014, the REIT completed the acquisition of a medical office complex in Germany known as "Hohenschoenhausen", in the city of Berlin, for a gross purchase price of \$17.5 million including transaction costs of \$1.4 million. The REIT's investment was funded from cash on hand including a portion of the proceeds from the issuance of equity pursuant to the exercise of warrants in August 2014, a holdback obligation and new mortgage financing from a German lending institution.

Public Offering of 7.25% Convertible Debentures

On September 23, 2014, the REIT completed the issuance of \$35 million principal amount of convertible unsecured subordinated debentures, along with the issuance of a further 3.75% principal amount pursuant to the exercise of the

over-allotment option that closed on October 3, 2014 (the “**7.25% Debentures**”). The 7.25% Debentures have a maturity date of October 31, 2019, coupon rate of 7.25% per annum and pay interest semi-annually in arrears on April 30 and October 31 in each year. Each \$1,000 principal amount of 7.25% Debenture is convertible into approximately 384.6154 units of the REIT, at any time, at the option of the holder, representing a conversion price of \$2.60 per unit.

Addition to the REIT’s Senior Management

On October 17, 2014, the REIT announced the appointment of Mr. Vincent Cozzi as Co-President and Chief Investment Officer of the REIT.

Public Offering of 13.95 Million Trust Units

On November 25, 2014, the REIT closed an equity offering of 13,954,000 Trust Units. The Trust Units were issued at a price of \$2.15 per Trust Unit, for gross proceeds of \$30 million.

Refinancing of Brazil Term Loans

In December 2014, the REIT entered into contracts to refinance the existing Brazil term loans for \$172 million (R\$395 million) for one year maturing between December 22, 2015 and January 2nd, 2016. The term loans are interest-only and bear a floating interest rate of CDI plus 0.75%. The REIT entered into swap arrangements that fix the interest rate to 7.3% annually plus an IPCA adjustment to the loan balance at the time the swaps mature, March 31, 2015 and April 1, 2015. The remaining balance of \$16 million (\$36.5 million) was repaid with existing cash and proceeds from the November 2014 equity offering. Further on November 19, 2014, the REIT entered into a term sheet with a Brazilian financial institution for long-term financing for a portion of its Brazilian portfolio consisting of a combination of three of four of the REIT’s Brazilian properties: Hospital e Maternidade Brasil, Hospital do Coração do Brasil, Hospital Santa Luzia, and Hospital Caxias D’Or. The financing is for an amount of up to \$170 million (R\$370 million) with a term of 12 years and is subject to due diligence and regulatory approvals. The REIT expects to complete the long term-financing in early second quarter 2015 and net proceeds will be used to refinance the extended term loans associated with the properties referenced above.

Management Internalization

On January 28, 2015 the REIT closed a transaction with NWVP to internalize the external management of the REIT (the “**Internalization Transaction**”) effective January 1, 2015. Pursuant to an internalization agreement dated January 7, 2014 (the “**Internalization Agreement**”), the REIT internalized the asset management, property management and development functions of the REIT previously carried on by affiliates of NWVP. The REIT also acquired from NWVP all of the rights and obligations relating to the management of Vital Trust.

In consideration, NWVP received the total amount that would be paid under the previous external management arrangements between the REIT and NWVP and fees earned by Vital Healthcare Management Limited, as external manager of Vital Healthcare Property Trust, for the 12 months ending December 31, 2014, adjusted for the full year effect of acquisitions and committed capital. This amount was estimated to be approximately \$6.6 million, and will be adjusted following the issuance of the REIT’s 2014 financial statements in accordance with the terms of the Internalization Agreement. In connection with the Internalization Transaction, the REIT issued deferred units to former employees of NWVP and its affiliates (other than Paul Dalla Lana) valued at approximately \$8.1 million. Accordingly, NWVP issued to the REIT an offsetting non-interest bearing promissory note in the amount of approximately \$1.5 million, due on demand. The Internalization Transaction did not have a cash impact on the REIT.

In connection with the Internalization Transaction, the REIT adopted a second amended and restated deferred unit plan (the “**Amended DUP**”). The Amended DUP provides for the issuance of up to 17,898,368 trust units (approximately 10% of the issued and outstanding voting units of the REIT at that time), which is an increase from the 2,021,909 trust units reserved for issuance under the REIT’s previous deferred unit plan dated January 28, 2014 (the “**Previous DUP**”).

In connection with the Internalization Transaction, the REIT issued up to 3,994,661 deferred units to former employees of NWVP and its affiliates. Of these, 1,711,412 are fully vested and the balance are subject to future vesting conditions. Following the Internalization Transaction, the REIT issued an additional 5,764,494 deferred units to new employees of the REIT as a future equity incentive (all of which are subject to certain vesting conditions) and 75,000 deferred units to the REIT's independent trustees in recognition of their efforts on behalf of the special committee that was formed for considering and negotiating the Internalization Transaction on behalf of the REIT.

In accordance with the policies of the TSX Venture Exchange, the Amended DUP and the issuance of deferred units thereunder that exceed the number of deferred units authorized for issuance under the Previous DUP are to be considered, and if deemed advisable, approved, by disinterested unitholders at the next unitholder meeting of the REIT. If the requisite unitholder approval is not obtained, the Amended DUP will terminate, the REIT will revert to the Previous DUP, and any deferred units granted under the Amended DUP which could not have been granted under the Previous DUP will be terminated.

Merger with NorthWest Healthcare Properties REIT

On March 10, 2015, the REIT announced that it has entered into an agreement with NWHP REIT to combine and form a single healthcare real estate investment trust. The combination will be effected by a plan of arrangement pursuant to which NWHP REIT will acquire all of the assets of the REIT. The unitholders of the REIT will receive 0.208 of a NWHP REIT trust unit for each REIT trust unit held, on a tax-deferred basis.

The combination, which was approved by the REIT's Board of Trustees based on a recommendation by an independent committee of the Board of Trustees of the REIT, after consultation with the independent committee's financial and legal advisors. The transaction will be subject to the approval of at least 66 2/3% of the votes cast at special meetings of NWHP REIT and the REIT's voting unitholders, as well as the approval of a majority of the votes cast at the NWHP REIT special meeting, other than votes held by the REIT. The REIT holds an approximate 25.5% indirect interest in NWHP REIT. NWVP, which currently holds approximately 65% of the REIT's voting units, has entered into a customary voting and support agreement pursuant to which, among other things, it has agreed to vote its REIT voting units in favour of the transaction. The combination is also subject to other customary regulatory approvals for transactions of this nature, including approvals from the TSX-V and TSX, Competition Act (Canada) authorities, the Australia's Foreign Investment Review Board and New Zealand's Overseas Investment Office, as well as other conditions. The analysis of the impact of the transaction, including risks and uncertainties, has not been completed as at the date the AIF. As such disclosures in this AIF have not been updated to reflect the impact of this subsequent event.

INDUSTRY OVERVIEW AND BUSINESS OF THE REIT

The REIT provides an opportunity for investors to gain exposure to healthcare real estate globally. The REIT intends to provide sustainable monthly cash distributions, while allowing investors to diversify their healthcare real estate holdings beyond strictly the Canadian market. The REIT is the only publicly-listed real estate investment trust in Canada dedicated to investing in healthcare real estate globally.

Over the past several years, some of Canada's largest pension funds and institutional investors have increasingly sought out investment opportunities outside of Canada in the real estate sector. These investors have increased the international component of their real estate investments for reasons that include diversification, the opportunity to enhance returns and the possibility of generating long-term, stable cash flows. Three of Canada's major pension funds reported having approximately half of their real estate assets outside of Canada. Other significant markets for Canadian institutional buyers of foreign real estate include the United States, Asia, Australia, and South America. The REIT believes that it is providing a unique opportunity for Canadian retail and institutional investors to diversify their real estate investments, as large Canadian pension funds and other large Canadian institutional investors have done, by investing in an entity that will pursue investment opportunities in international commercial real estate while retaining a significant interest in the Canadian market through its investment in NWHP REIT.

The REIT believes that favourable economic conditions in Canada relative to economic conditions in other countries, including the relatively low cost of capital in Canada, have created a window of opportunity to establish a Canadian investment entity to acquire healthcare real estate assets globally.

In particular, the REIT believes that healthcare real estate represents a uniquely compelling asset class within commercial real estate, serving as a defensive asset class with both scale and growth. The REIT believes that international markets will continue to offer attractive healthcare real estate acquisition opportunities for the REIT in the future. To select international markets in which to expand, the REIT identifies key market characteristics that are consistent with those identified in Canada, specifically:

- Demographics: aging population, increasing life expectancy, and the need for healthcare;
- Economic: selected markets balance economic growth and stability, stabilized and/or increasing GDP per capita, and increasing healthcare spending as a % of GDP; and
- Real estate and healthcare trends: fragmented healthcare real estate markets, healthcare operators focusing on “core business”, demand for new infrastructure, and growing public and private healthcare services.

Target Markets

Within the landscape of international healthcare real estate markets, the REIT has identified the following markets as the REIT’s focus areas, balancing both growth and stability:

- Australasia: an established market with consolidation opportunities, inflation indexed triple net rents, dominant exposure through an investment in Vital Trust;
- Brazil: a high-growth market backed by experienced operators, unique exposure through long-term inflation indexed triple-net sale leaseback structure;
- Germany: a fragmented market with first mover advantage available, NOI growth through active management and scale, similar to NWHP REIT’s experiences growing in Canada; and
- Canada: NOI growth through active management, select acquisitions and development opportunities, dominant exposure through an investment in NWHP REIT.

The following table highlights certain key market data in connection with the REIT’s targeted markets:

	<u>Australasia⁽¹⁾</u>	<u>Brazil</u>	<u>Germany</u>	<u>Canada</u>
Population	28.2 million	198.2 million	81.9 million	35.6 million
GDP Growth⁽²⁾	2.50%	-0.20%	1.60%	2.40%
Inflation⁽²⁾	1.70%	6.41%	0.20%	1.50%
5 Yr Government Bond Yield⁽³⁾	2.33%	12.75%	0.02%	1.34%
Healthcare System	Hybrid public and private healthcare systems	Hybrid public and private healthcare systems	Hybrid public and private healthcare systems	Publicly-funded healthcare system

Sources: *Trading Economics; Bloomberg, investing.com*

Notes:

1. Statistics represent totals/weighted average between Australia and New Zealand. Bond yields refer to Australia.
2. Annualized as at December 31, 2014, except Brazil which is as at September 30, 2014
3. As at December 31, 2014.

Australasia

The Australian healthcare system is designed to provide universal access of health services to all Australians based on a network of private services providers, acute services are provided by public hospitals. Australia's healthcare system is predominately funded by its Federal Government through its Medicare program. Patients are reimbursed up to 100% of the cost of general practice and 85% of diagnostic services while public hospitals are free to patients. Approximately 47% of Australians opt to take additional private health insurance that enables patients to choose physicians, hospital accommodations and avoid the waiting lists in public hospitals. In New Zealand, approximately 30% of the population is insured through private health insurance. (source: Quarterly PHIAC data to 30 September 2014 and HFANZ to 30 September 2014)

Significant consolidation has occurred in the hospital, pathology and radiology diagnostics services and has now moved to more of the outpatient services. There are currently three main competitors (Ramsay Health Care, Healthscope and Health Care) in the "for-profit" private hospital, radiology and pathology sectors with considerable consolidation having occurred over the last 10 years.

The Australasia healthcare real estate market has recently undergone a period of consolidation. Following the acquisition of Essential Healthcare Property Trust by Vital Trust, there remain three major designated healthcare real estate platforms (all of which have external management arrangements in place): Australian Unity Healthcare Property Trust (non-listed), Vital Trust (listed in New Zealand), and Generation Healthcare REIT (listed in Australia).

Brazil

Brazil's healthcare system is a hybrid public/private model. In 2012, annual healthcare spending of approximately U.S.\$209.9 billion represented approximately 9% of Brazil's GDP. At approximately U.S.\$112.5 billion, private healthcare expenditures represented approximately 54% of 2012 healthcare spending and was funded primarily through healthcare plans (40%), out of pocket expenditures (58%) and other non-profit/NGOs (2%). The public healthcare system representing 46% of 2012 healthcare spending is funded at Federal, State and Municipal levels of governments and covers close to 70% of the country's population (Source: World Health Organization Bulletin (2012)).

There is a perceived lack of quality and inefficiency in Brazil's public healthcare system, and as such regional governments have recently launched a medical assistance program, which provides users with credits for private healthcare services. Private healthcare operators are under significant political pressure to reduce the costs of their services and expand their regional footprint to service rural populations.

Brazil's healthcare real estate market is, for the most part, non-existent. NWVP's experiences have shown that many of the significant healthcare operators currently own their real estate and are actively seeking opportunities to redeploy capital and grow their businesses. Management has uncovered significant opportunities in the private healthcare system to provide alternative funding by way of real estate sale and leaseback alternatives of which the REIT has executed two such transactions with operator Rede D'Or since December 2012 (see "General Development of the Business").

Germany

Germany's healthcare industry ranks as Europe's largest. According to the World Health Organization, from 2005 to 2012, health expenditures rose from U.S.\$ 229.0 billion to U.S.\$ 292.4 billion, corresponding to a total growth of 28% and representing 11% of total GDP (2012). Germany has approximately 81.8 million inhabitants, and the country's ageing society is a growth driver for the healthcare industry. Nearly every German citizen benefits from health insurance. According to the World Health Organization, about 89% are covered by one of the public insurance providers, while about 9% choose a private system. In 2012, public healthcare spending represented 76%, while private healthcare spending represented 24% of total healthcare spending, respectively. Private expenditures were made through private insurance plans (40%), out of pocket expenditures (51%) and other (9%). (Source: World Health Organization (2012)). The challenges of an ageing society are met by providers in fields such as generics and

health management; these sectors are also fostered by the health reforms recently passed by the German government.

According to the World Health Organization, Germany's healthcare industry employs 4.4 million highly-trained professionals. In addition, 116,237 health science and medical students, and 78,001 graduates in biology, chemistry and medical engineering work in Germany. The German medical office building ("MOB") segment is similar to the Canadian model.

Canada

The Canadian healthcare system is a publicly funded health care system based on an interlocking set of ten provincial and three territorial health insurance plans known universally as "medicare". The Canadian medicare system is governed federally by a set of national principles through the *Canada Health Act* and provides access to universal, comprehensive coverage for medically necessary hospital and physician services.

A major factor affecting the healthcare industry in Canada is rising costs. The Canadian Institute for Health Information ("CIHI") expects that approximately \$215 billion was spent in 2014 on healthcare in Canada. This is approximately 1.6 times the amount spent only 10 years ago. According to CIHI, total healthcare expenditure per capita in Canada was \$5,911 in 2012. Forecasts for 2013 and 2014 were expected to be \$5,985 and \$6,045, respectively, which equates to a compound annual growth rate in per capita health expenditures of 6.5% since 1975.

Hospital care remains the single largest category of healthcare spending in Canada, although its share of spending has declined since the mid-1970s. In 2014, 29.6% of Canada's healthcare dollars were spent on hospitals, or about \$64 billion. This was approximately 2.1% more than in 2013. Physician services, the third largest spending item, received 15.5% of Canada's healthcare dollars in 2014, or about \$33.3 billion, 4.5% more than in 2013. About one in 10 working Canadians, approximately 1.9 million people, worked in the health and social assistance sector in 2011.

A second major trend impacting the Canadian healthcare system is Canada's aging population and the resulting increase in healthcare costs. According to Statistics Canada, the proportion of seniors (people 65 years old or greater) in the overall population has increased from one in every 20 in 1921, to almost one in every 6 in 2014. It is projected that by 2051, a quarter of all Canadians will be seniors. Canadians aged 65 and older consumed an estimated 45% of provincial and territorial government healthcare spending in 2012 as per CIHI estimates. As more seniors live longer lives, the demand for healthcare services is expected to increase.

MOBs have long played an important role in the provision of healthcare in Canada. Typically, MOBs are the "front line" in primary healthcare where people go to address their non-acute health issues. Increasingly, MOBs are being used as a comprehensive healthcare platform and the services delivered from them are becoming more complex. The demand for medical office space is directly related to the population of a given area, with demand increasing as population either grows rapidly and/or ages significantly beyond 60 years of age. The public healthcare system also significantly controls the demand for medical office space through its control of the direct provision of the majority of acute-care health services (hospitals) and its licensing of the majority of health professionals (doctors/nurses) across the country. Increasingly, public health policy has sought more efficiency in terms of service levels and cost levels, resulting in the transition of non-acute healthcare services out of hospitals and into nearby MOBs owing to space shortages, pressure for cost savings and a desire by the hospitals to restrict their activities to acute care. Lately this has led to a resurgence in the development of healthcare-oriented office buildings.

Competitive Conditions

Global healthcare trends continue to shape the competitive landscape for owners and operators of healthcare real estate across all countries, in the following ways:

- Increasing demand: increased demand underpinned by macro trends (ageing populations, increasing life expectancies, and rising incomes);

- Increasing operator focus: operators increasingly focusing on primary and acute services and investing in their ‘core’ businesses and focus on unlocking value from divestment of real estate assets to grow core business;
- More outpatient services: increasing use of ancillary medical facilities (including MOBs, clinics, etc.) and increasing demand for modern non-core healthcare facilities;
- Increasing healthcare expenditures: healthcare spending/capita is rising in all G20 countries, underpinned by macro trends, and in emerging markets growing from a zero base; and
- Consolidation: globalization, exposure to “BRIC” countries (i.e. Brazil, Russia, India and China), and “pure-play” healthcare are the trends, while scale is a key factor in driving profitability and entering new markets.

Management believes that the REIT will be well-positioned to capitalize on these global healthcare trends and will be a strong competitor across the REIT’s targeted international markets in acquiring high quality healthcare real estate.

Employees

During the period October 1, 2012 to December 31, 2014, the REIT was externally managed and therefore did not have any employees. Following the Internalization Transaction, effective January 1, 2015 and as of the date of this AIF, the REIT has 39 employees located in the following regions: six in Toronto, Canada, two in Sao Paulo, Brazil, nineteen in Berlin, Germany, nine in Auckland, New Zealand and three in Melbourne, Australia. Messrs. Dalla Lana and Crotty, as Chief Executive Officer and Co-President of the REIT, respectively, operate under services agreements.

ASSETS OF THE REIT

The following table highlights certain information about the assets of the REIT as at December 31, 2014:

	Brazil	Germany	Australasia ⁽¹⁾	Canada ⁽²⁾	Total/ Weighted Average ⁽³⁾	Total/Weighted Average at Proportionate Consolidation ⁽⁴⁾
Number of Buildings	5	19	25	73	122	
Number of Tenants	2	332	109	1,460	1,903	
GLA (sq ft.)	1,019,555	689,712	1,629,053	4,503,375	7,841,695	3,247,145
Occupancy	100.0%	95.2%	99.5%	91.9%	94.8%	96.0%
Weighted Average Lease Expiry⁽⁵⁾	22.2	4.6	15.2	4.5	9.0	11.4
REIT Ownership	100%	100%	24%	25%		

Notes:

1. Represents 100% of Vital Trust assets located in New Zealand and Australia.
2. Represents 100% of NWHP REIT assets.
3. Weighted average based on 100% of GLA.
4. Weighted average based on the REIT’s proportionate interest in Vital Trust and NWHP REIT
5. Lease expiry in years.

New Zealand – Vital Trust

Vital Units

Pursuant to the Initial International Acquisition, the REIT indirectly acquired (through NWI LP) 58,600,003 trust units of Vital Trust. As of the date of this AIF, the REIT owned an interest in 81,659,865 units of Vital Trust, which represents an approximate 24% interest in Vital Trust. The REIT increased its interest in Vital Trust through a combination of open-market purchases of Vital Trust units, participation in Vital Trust's distribution reinvestment plan and through its participation in Vital Trust's rights offering completed in August 2013. The REIT may acquire additional units of Vital Trust from time to time, including pursuant to Vital Trust's distribution reinvestment plan (all such units in which the REIT has an interest being referred to herein as the "**Vital Units**"). All of the Vital Units are subject to two margin facilities.

Vital Trust, based in Auckland, is an NSX-listed investment fund that invests in health and medical-related properties in Australia and New Zealand. Vital Trust's real estate portfolio is comprised of 23 medical office buildings and private hospitals located in eastern Australia (approximately 78% of the portfolio and primarily in and around Sydney) and New Zealand (approximately 22% of the portfolio and primarily in Auckland), with an aggregate GLA of approximately 1.6 million square feet. Vital Trust's real estate portfolio currently operates at approximately 99% occupancy with a weighted average lease term of 15.2 years. As a result of the Internalization Transaction, Vital Trust is currently externally managed by entities owned indirectly by the REIT, with such affiliates receiving base asset management and incentive fees in connection therewith. Additionally, Paul Dalla Lana, Chairman and Chief Executive Officer of the REIT and Bernard Crotty, President and Trustee of the REIT, serve on the Board of Trustees of Vital Trust.

The Vital Margin Facilities

Macquarie Margin Facility

In February 2014, the REIT entered into a credit facility with Macquarie Bank Limited ("**Macquarie**") on customary terms and conditions in relation to a portion of the Vital Units ("**Macquarie Margin Facility**"). The obligations of the REIT in respect of the credit facility have been guaranteed by NWI Healthcare Properties LP ("**NWI LP**") pursuant to a Deed of Guarantee and Indemnity entered into by the NWI LP and Macquarie Bank Limited. NWI LP has pledged as collateral its direct interest in 67,547,578 Vital Units and has appointed Bond Street Custodians Limited (a subsidiary of Macquarie) as custodian and bare trustee of the pledged Vital Units pursuant to a Custody Deed. In addition, Macquarie Bank Limited, NWI LP and Bond Street Custodians Limited have entered into a Tripartite Deed in relation to the pledged Vital Units.

In accordance with the Macquarie Margin Facility, the maximum commitment available is NZD\$42,200,000 and the loan amount outstanding cannot exceed 50% of the market value of the pledged Vital Units at any point in time, with the market value being based on the market price of the Vital Units on a daily basis. Accordingly, if on any given day the value of the Vital Units declines such that the outstanding loan amount exceeds 50% of the market value of the pledged Vital Units, NWI LP will be required to repay part of the loan balance so that the loan value ratio of 50% or less is restored, upon the demand of Macquarie. Margin repayments must generally be made within three business days of any demand. As a result of the foregoing, the REIT's and NWI LP's obligations under the Macquarie Margin Facility could have an impact on the REIT's cash available for distribution. See "Risk Factors – Price Risk".

The REIT must pay interest on the Macquarie Margin Facility at a rate that fluctuates with the one-month rate for New Zealand dollar bills of exchange (known as "BKBM" rates) plus 3.25%. The current interest rate is approximately 6.89%.

The Macquarie Margin Facility was extended in October 2014 and matures on December 31, 2015. The balance outstanding under the Macquarie Margin Facility as at the date of this AIF is NZD\$42,105,486.

Vital SLA

Prior to March 21, 2014, NWI LP was a party to a Global Master Securities Lending Agreement (the “**Vital SLA**”) with Macquarie Capital Markets Canada Ltd. Effective March 21, 2014, the Vital SLA was wound up and NWI LP repaid the cash collateral under the agreement of NZD\$42,106,684. The repayment was financed with proceeds received from the Macquarie Margin Facility.

BNZ Margin Facility

In August 2013, NWI LP entered into a committed cash advance facility agreement with Bank of New Zealand (“**BNZ**”) on customary terms and conditions in relation to a portion of the Vital Units (the “**BNZ Margin Facility**”) and together with the Macquarie Margin Facility, the “**Vital Margin Facilities**”). NWI LP has pledged as collateral its direct interest in 14,112,287 Vital Units which are held in a pledged account with First NZ Capital Securities Limited pursuant to a Specific Security Deed.

In accordance with the BNZ Margin Facility, the maximum commitment available is NZD\$15,000,000 and the market value of the pledged Vital Units must be greater than 175% of the outstanding loan amount (or conversely, the loan amount outstanding cannot exceed 57% of the market value of the pledged Vital Units) at any point in time. The market value is based on the five-day volume weighted market price of the Vital Units. Accordingly, if on any given day the value of the Vital Units declines such that the outstanding loan amount exceeds 57% of the market value of the pledged Vital Units, NWI LP will be required to repay part of the loan balance so that the loan value ratio of 57% or less is restored, upon the demand of BNZ. Margin repayments must generally be made within ten business days of any demand. As a result of the foregoing, the REIT’s and NWI LP’s obligations under the BNZ Margin Facility could have an impact on the REIT’s cash available for distribution. See “Risk Factors – Price Risk”.

NWI LP must pay interest on the BNZ Margin Facility at a rate that fluctuates with the either the one, two, three or six-month BKBM rate (with the interest rate period selected at NWI LP’s option) plus a margin of 1.10%. In addition, NWI LP pays a commitment fee of 1.10% on the total commitment available of NZD\$15,000,000.

Pursuant to the terms of the BNZ Margin Facility, NWI LP is required to hedge against the floating interest rate exposure on a minimum of 50% of the amounts outstanding under the facility. As a result, on December 17, 2013, NWI LP entered into an interest rate swap with a notional amount of NZD\$4,700,000 that fixes the BKBM interest rate to 4.03% on NZD\$4,700,000 of amounts outstanding under the BNZ Margin Facility. The interest rate swap matures on March 29, 2016.

Including the impact of the interest rate swap and commitment fee, the current aggregate effective interest rate on the BNZ Margin Facility is approximately 6.80%.

The BNZ Margin Facility matures on August 26, 2018. The balance outstanding under the BNZ Margin Facility as at the date of this AIF is NZD\$9,316,865.

Management of Vital Trust

Pursuant to the Internalization Transaction, the REIT acquired all of the rights and obligations relating to the management of Vital Trust. Through the trust deed relating to Vital Trust, subsidiaries of the REIT manage Vital Trust in consideration for a base management fee of 0.75% of total assets under management, as well as an opportunity to earn certain transaction fees and an annual incentive fee based on positive valuation changes in Vital Trust’s property portfolio. Further, a subsidiary of the REIT holds an Australian financial services license and earns investment and other service fees as manager of Vital Trust’s Australian portfolio under an investment management agreement.

Brazil

Sabará Children's Hospital

Sabará Children's Hospital ("**Sabará**"), located in São Paulo, is a 104,915 square foot private facility widely regarded as the leading children's hospital in Brazil. The facility is leased and operated by a single tenant, Hospital Sabará (the "**Sabará Tenant**"), who uses the property to operate the region's largest private children's hospital. Significantly expanded and redesigned in August 2010, Sabará Children's Hospital is a retrofitted office building located on Angelica Avenue in São Paulo. The new expansion and redesign included structural reinforcement, 3rd basement expansion and construction of a new 6-storey annex connected to the existing 17-storey building. The facility features 72 suites (104 beds), diagnostic centres, operating rooms, and an intensive care unit, along with administrative areas.

The Sabará Tenant leases Sabará pursuant to a non-residential property lease agreement, as amended (the "**Sabará Lease**") which expires on September 30, 2024. The initial annual payment to be made by the Sabará Tenant under the Sabará Lease in 2009 was \$6,584,646 Reais, and such amount is subject to annual IPCA (the consumer price inflation measure used by the Central Bank of Brazil for guiding monetary policy) adjustments. The Sabará Lease is guaranteed by the Sabará Tenant's principal shareholder who has, by way of fiduciary assignment of credit rights in an escrow account, pledged the income stream (dividends and interest) of his respective equity interests in one of Brazil's leading commercial and investment banks as security for the Sabará Tenant's obligations under the Sabará Lease. The Sabará Lease contains a pre-emptive right in favour of the Sabará Tenant if the controlling interest or all of the shares of the REIT subsidiary that owns Sabará are sold during the term of the lease, offering the tenant the right to purchase the shares on the same terms.

At the same time the Sabará Lease was signed, the owner of Sabará securitized a portion of the rents receivable in return for a lump sum payment of \$40,491,000 Reais (the "**Brazil Securitization**"). As a result of the Brazil Securitization, the REIT is only entitled to receive 20.25% of the total rent payment owing during the remainder of the term of the Sabará Lease. The Brazil Securitization in effect serves as an amortizing loan, with the 78.75% of total annual rent not being retained by the REIT serving as a mixed payment of "principal and interest" on the amount of the original advance. The Brazil Securitization bears an interest rate of IPCA + 9.25%.

The Brazil Securitization runs through the term of the Sabará Lease, with all obligations under the Brazil Securitization to be repaid on September 30, 2024. However, under the terms of the Brazil Securitization, the REIT has the ability to exercise an early redemption feature commencing on April 2, 2014 (the "**Early Redemption Date**") to buy-back the Brazil Securitization at the unamortized face value of the Brazil Securitization, adjusted for accrued IPCA + 9.25% to the date of redemption. At this time, the REIT has no plans to exercise the redemption feature on the Brazilian Securitization.

In consideration for the REIT indirectly acquiring Sabará (and the obligations under the Brazil Securitization) from NWVP, an affiliate of NWVP agreed to reduce the effective interest rate associated with the Brazil Securitization from acquisition date until the Early Redemption Date from IPCA + 9.25% to 8%. Such interest rate reduction was effected pursuant to the terms of a promissory instalment note (the "**Sabará Instalment Note**") in the principal amount of \$1,385,555 that is now held by NWI LP. The Sabará Instalment Note is unsecured, non-interest bearing and originally required an affiliate of NWVP to pay \$526,835 of the outstanding balance to NWI LP on April 2, 2013, with the balance payable on April 2, 2014. No payments have been made under the Sabará Instalment Note to date and the full amount remains outstanding as of the date of this AIF. The receipt of the principal portion of the instalment payments under the Sabará Instalment Note by NWI LP will serve to increase the REIT's cash available for distribution, but will be recorded as a reduction of the instalment notes receivable and will therefore not be recorded as revenue.

Hospital e Maternidade Brasil

At approximately 342,000 square feet and with 305 beds, the HMB Property is the largest full-service hospital in Santo Andre, a suburb of Sao Paulo, located approximately 30 km south of the city centre. The HMB Property is operated by Rede D'Or, a privately owned Brazilian hospital operator with 26 hospitals across the country and a

dominant presence in (i) Rio de Janeiro under the “D’Or” hospitals brand; (ii) São Paulo under the “São Luiz” brand; and (iii) Brasília under the “Santa Lucia” brand. Rede D’Or is the largest network of private hospitals in Brazil and is widely regarded as one of the fastest growing, and leading hospital operators in the country.

Concurrent with its sale of the HMB Property, Rede D’Or entered into a fully net 25 year leaseback of the HMB Property with an initial annual rent of approximately \$12.3 million (\$25.6 million Reais), plus annual inflation adjustments. During the first 25 years of the term of the lease, Rede D’Or is responsible for all repair and maintenance of the HMB Property of any nature, the tenant has no right to terminate the lease, and has no right to seek a judicial review of rent as would be available in a typical Brazil lease.

Rede D’Or has the option to renew the lease for three additional terms of 25 years each, at market rent, increased annually by inflation. The terms of the lease during the option periods are revised to reflect a more typical Brazilian lease, including obligations of the landlord in relation to the structure of the property, and the penalty for termination of the lease by the tenant being reduced from full indemnity for loss of the balance of the term to a one year termination, and the right of each party to seek judicial review of the rent.

In the first three years of the term of the leaseback Rede D’Or is entitled to request the landlord to expand the property in the amount of up to \$30.0 million Reais, subject to certain conditions including the approval of the Landlord in its sole discretion, including an increase in base rent to ensure a return of 12% on the new investment.

In connection with its acquisition of the HMB Property, the REIT obtained an interest-only term loan from a Brazilian lending institution which had an original principal of \$57,000,000 (R\$125,000,000) and bore interest at a fixed rate of 6.80% annually, plus an IPCA adjustment to the loan balance at the time of repayment. The term loan related to HMB Property is secured by the future rental income stream of the property and had an original maturity date of January 2, 2015. In December 2014, the term loan was extended for one year to January 4, 2016 with a principal balance of \$54,562,500 (R\$125,000,000). See “General Development of the Business - Refinancing of Brazil Term Loans”.

Rent under the leaseback is paid into a lock box and the lender retains the interest amount each month from the rent payment, together with a reserve of an additional R\$1,250,000, as security.

The lender has the right to call the loan in certain situations (such as on a default, bankruptcy or expropriation) and the borrower has the right to prepay the loan. The lender has the right to call the loan after January 4, 2016.

If the borrower does not pay any payment required, or fails to pay the balance of the purchase price under the purchase agreement with Rede D’Or, Rede D’Or is to buy back the HMB Property for 92.5% of the amount already paid by the borrower under the purchase agreement from which payment the lender retains the amount owed to it and remits the balance to the borrower.

Rede D’Or has a right of first refusal to purchase the HMB Property if the landlord receives an offer it wants to accept.

Hospital Santa Luzia

The Hospital Santa Luzia, located in Brazil’s capital city Brasília, was acquired under The Rede D’Or Hospital Portfolio sale and leaseback transaction completed in December 2013 and comprises of 185,139 square feet and 190 beds. The hospital is operated by Rede D’Or and functions today as a full service private hospital with 24 hour emergency care, eight intensive care units, and supports approximately 170,000 emergency room visits, 9,600 surgeries and 3,000 births per year.

As part of the sale and leaseback transaction, Rede D’Or entered into a 25-year fully net lease in respect of Hospital Santa Luzia with a subsidiary of the REIT with three options to renew for a further 25 years each. Under the terms of the lease, the base rent is adjusted each year by the annual increase in the IPCA. During the first 25 years of the term of the lease, Rede D’Or is responsible for all repair and maintenance of the property of any nature and the tenant has no right to terminate the lease or to seek a judicial review of rent as would be available in a typical Brazil

lease. The terms of the lease during the option periods are revised to reflect a more typical Brazilian lease, including obligations of the landlord in relation to the structure of the property, the penalty for termination of the lease by the tenant being reduced from full indemnity for loss of the balance of the term to a two year termination, and the right of each party to seek judicial review of the rent. Rede D'Or is subject to certain covenants under the lease including an EBITDAR (earnings before interest, taxes, depreciation, amortization and rent costs, as defined) to rent coverage ratio of a minimum of two times calculated on a consolidated basis for all the REIT's hospitals leased by Rede D'Or.

Rede D'Or has a right of first refusal to purchase Hospital Santa Luzia if the landlord receives an offer it wants to accept.

Hospital Coração

Hospital Coração, also located in Brasília, was acquired under the Rede D'Or Hospital Portfolio sale and leaseback transaction completed in December 2013. Hospital Coração was founded in 1986 and is otherwise known as the "Heart Hospital of Brazil" and is also the region's only dedicated heart hospital. Hospital Coração comprises 96,875 square feet and is a specialized, 56 bed cardiovascular hospital, with over 90 cardiovascular physicians supporting approximately 15,000 emergency room visits and 3,500 surgeries per year.

As part of the sale and leaseback transaction, Rede D'Or entered into a 25-year fully net lease in respect of Hospital Coração with a subsidiary of the REIT with three options to renew for a further 25 years each. Under the terms of the lease, the base rent is adjusted each year by the annual increase in the IPCA. During the first 25 years of the term of the lease, Rede D'Or is responsible for all repair and maintenance of the property of any nature and the tenant has no right to terminate the lease or to seek a judicial review of rent as would be available in a typical Brazil lease. The terms of the lease during the option periods are revised to reflect a more typical Brazilian lease, including obligations of the landlord in relation to the structure of the property, the penalty for termination of the lease by the tenant being reduced from full indemnity for loss of the balance of the term to a two year termination, and the right of each party to seek judicial review of the rent. Rede D'Or is subject to certain covenants under the lease including an EBITDAR (earnings before interest, taxes, depreciation, amortization and rent costs, as defined) to rent coverage ratio of a minimum of two times calculated on a consolidated basis for all the REIT's hospitals leased by Rede D'Or.

Pursuant to the terms of the Hospital Coração lease, Rede D'Or undertook to expand the parking garage within the first 5 years of the lease of which the REIT has committed to fund approximately \$9 million (\$20 million Reais) of the expansion at a 9.5% yield.

Rede D'Or has a right of first refusal to purchase Hospital Coração if the landlord receives an offer it wants to accept.

Hospital Caxias D'Or

Hospital Caxias D'Or is located in Duque de Caxias, a suburb of Rio de Janeiro City, approximately 20 kilometres from the central business district and commercial hub, and was acquired under the Rede D'Or Hospital Portfolio sale and leaseback transaction completed in December 2013. Duque de Caxias has a population of approximately one million people and is the third largest city in Rio de Janeiro State. Hospital Caxias D'Or is the third largest private full service hospital in Rio de Janeiro. The hospital comprises 290,625 square feet and houses 190 beds, of which 50 are intensive care beds, and operates eight surgical rooms. Once the hospital is fully operational, Hospital Caxias D'Or is expected to employ approximately 2,200 people and serve more than 300,000 patients.

As part of the sale and leaseback transaction, Rede D'Or entered into a 25-year fully net lease in respect of Hospital Caxias D'Or with a subsidiary of the REIT with three options to renew for a further 25 years each. Under the terms of the lease, the base rent is adjusted each year by the annual increase in the IPCA. During the first 25 years of the term of the lease, Rede D'Or is responsible for all repair and maintenance of the property of any nature and the tenant has no right to terminate the lease or to seek a judicial review of rent as would be available in a typical Brazil lease. The terms of the lease during the option periods are revised to reflect a more typical Brazilian lease, including

obligations of the landlord in relation to the structure of the property, the penalty for termination of the lease by the tenant being reduced from full indemnity for loss of the balance of the term to a two year termination, and the right of each party to seek judicial review of the rent. Rede D'Or is subject to certain covenants under the lease including an EBITDAR (earnings before interest, taxes, depreciation, amortization and rent costs, as defined) to rent coverage ratio of a minimum of two times calculated on a consolidated basis for all the REIT's hospitals leased by Rede D'Or. See "General Development of the Business - Acquisition of the Rede D'Or Hospital Portfolio"

Rede D'Or has a right of first refusal to purchase Hospital Caxias D'Or if the landlord receives an offer it wants to accept.

In connection with its acquisition of Hospital Santa Luzia, Hospital Coração, and Hospital Caxias D'Or, the REIT obtained an interest-only term loan from a Brazilian lending institution which had an original principal of \$124,000,000 (R\$270,000,000) and bore interest at a fixed rate of 7.00% annually, plus an IPCA adjustment to the loan balance at the time of repayment. The term loan is secured by the three hospital properties and had an original maturity date of December 20, 2014. In December 2014, the term loan was extended with a principal balance of \$117,855,000 (R\$270,000,000) for one year to December 21, 2015. The lender retains a reserve of R\$2,700,000 as security. See "General Development of the Business - Refinancing of Brazil Term Loans".

Further in connections with its acquisition of Hospital Santa Luzia, Hospital Coração, and Hospital Caxias D'Or, the REIT entered into a new \$24 million credit facility, maturing on January 1, 2017 which is interest only and bears interest at the greater of the Prime rate plus 4% or 8.20% annually.

Germany

The REIT's assets in Germany consist of 19 MOB's with six properties located in Berlin, one property located in Fulda, one property located in Ingolstadt and 11 properties located in Leipzig (the "**German MOB Portfolio**"). The German MOB Portfolio has an aggregate GLA of 689,712 square feet, and predominately located in established healthcare hubs in and around Berlin's city centre. The portfolio is approximately 95% occupied, primarily by medical tenancies with strong synergies between them, typically doctors (wide range of disciplines), dentists, and pharmacies. The medical office buildings that comprise the German MOB Portfolio include the following:

Adlershof 1

Adlershof 1 is a five storey, purpose built medical office building completed in 2004. The 99.9% occupied building has a gross leasable area (including storage) of 57,603 square feet and offers 34 below grade parking stalls. Constructed of precast concrete, the building is serviced with two elevators and a centrally located staircase. Floor plates are similar for each floor apart from the top level which includes perimeter balcony/terrace areas. A large atrium invites visitors to the ground floor where tenant signage identifying a wide range of medical/dental service providers and a pharmacy is located. Adlershof is a district in the Berlin borough of Treptow-Köpenick, an area commonly known as the "city of science, technology and media".

Adlershof 2

Adlershof 2 is a four storey, purpose built medical office building completed in 2010. The 96.9% occupied building has a gross leasable area (including storage) of 48,539 square feet and offers 66 below grade parking stalls. Constructed of precast concrete, the building is serviced with two elevators and a central staircase. Floor plates are similar for each floor apart from the top level which includes perimeter balcony/terrace areas. A ground floor physiotherapy tenant includes a swimming pool as well as a private elevator and staircase to the second floor demise. A large atrium invites visitors to the ground floor where tenant signage reflecting a wide range of medical/dental service providers can be found.

Berlin Neukölln

Berlin Neukölln is a six storey terraced building with prominent corner location completed in 2000. The fully occupied building has a gross leasable area (including storage) of 36,370 square feet and underground parking for 10

vehicles. The building is clad with polished natural stone accents and the uniform floor plates are connected via a central elevator and staircase. The common areas have been finished in hardwearing materials such as marble and stainless steel. Tenants include a wide range of medical service providers including a ground floor pharmacy. The property is located in Neukölln, one of the 12 boroughs of Berlin in the southeastern part of the city on the busy B179, Karl Marx Strasse, which leads northwest to Kreuzberg.

Königs Wusterhausen 1

Königs Wusterhausen 1 comprises a three storey (with additional attic space), detached, purpose built medical office building completed in 2001. The 90.9% occupied building has a gross leasable area (including storage) of 40,365 square feet. An underground garage park contains 66 stalls. The traditional styled building designed to conform with local planning regulations has a mainly pitched and tile covered roof. Tenants include a range of medical service providers as well as municipal agencies and legal practices. The property is located in Königs Wusterhausen, a town in the Dahme-Spreewald district of the state of Brandenburg. The property is located close to the town centre, by the junction of the main L40 and B179, Berliner Strasse and is approximately 0.45km from the Königs Wusterhausen railway station.

Medicum Muensterfeld

Medicum Muensterfeld is a newly constructed medical office complex located in Fulda, Germany, approximately 100km northeast of Frankfurt, Germany. Comprising 99,515 square feet, Medicum Muensterfeld is 100% occupied with a weighted average lease expiry of 5.4 years. The property has a diversified tenant base focused on healthcare related users and orthopaedic services which benefit from the building's close proximity to the Klinikum Fulda - one of Fulda's leading hospitals.

Polimedica Centre

Polimedica Centre is a three-storey, multi-tenanted, purpose built medical office building completed in 2007 located in a suburb of Berlin adjacent to significant commercial infrastructure. Polimedica Centre is 95.8% occupied and has a gross leasable area of approximately 101,020 square feet.

Hollis Centre

Hollis Centre is a three-storey, multi-tenanted, purpose built medical office building located in Ingolstadt and is adjacent to the local hospital and healthcare campus. Hollis Centre is 100% occupied and has a gross leasable area of approximately 79,029 square feet. Ingolstadt is approximately 80 kilometres north of Munich and is home to the headquarters of German automobile manufacturer Audi.

Leipzig Portfolio

A portfolio of 11 multi-tenanted, low-rise medical office buildings located in Leipzig, a city approximately 150km south of Berlin that houses large automobile manufacturing plants for both BMW and Porsche. The Leipzig portfolio comprises over 100 tenancies including a range of medical practitioners and pharmacies, totals approximately 169,576 square feet of gross leasable area, and is approximately 87.8% occupied.

Hohenschoenhausen

Hohenschoenhausen is a five-storey, multi-tenanted, medical office building located in the City of Berlin. Hohenschoenhausen is 94.6% occupied and has a gross leasable area of approximately 57,695 square feet.

German MOB Portfolio Mortgages

As at December 31, 2014, the outstanding balance of the mortgages related to the German MOB Portfolio (which excludes the Marktredwitz property) was \$76.6 million (€54.6 million), with terms maturing on between November 30, 2017 and June 30, 2021 and bearing a weighted average interest rate of 2.35%.

Canada – NWHP REIT

NWHP Units

The REIT indirectly owns 4,345,900 trust units of NWHP REIT and 7,551,546 Class B Units of NHP LP, which together represent an approximate 25% interest in NWHP REIT. The REIT's indirect acquisition of the NWHP REIT securities were effected by a subsidiary of the REIT acquiring holding entities from NWVP. One of the entities acquired by the REIT was NW Trust, which is party to contractual arrangements with NWHP REIT that grant NW Trust certain governance rights with respect to NWHP REIT, including board appointment rights, pre-emptive rights and registration rights.

The NWHP REIT Margin Facilities

Firm Capital Margin Facilities

Pursuant to the Put/Call transaction, the REIT, indirectly through NW Trust, assumed the obligations under two margin facilities with Firm Capital Corporation (the "**Firm Capital Margin Facilities**"). In September 2014, the REIT renewed the Firm Capital Margin Facilities and extended the terms to mature on September 1, 2015. NWI LP has pledged as collateral its direct interest in 1,996,730 NWHP REIT units and 7,551,546 Class B LP Units of NHP LP.

In accordance with the Firm Capital Margin Facilities, and following the repayment of \$4.1 million of the outstanding balance in November 2014, the maximum commitment available is \$60,000,000, available under three separate tranches. The loan amount outstanding cannot exceed a range of 50%-68% of the market value of the pledged NWHP REIT units at any point in time, with the market value being based on the three-day simple average market price of the NWHP REIT units. Accordingly, if on any given day the market value of the NWHP REIT units declines such that the outstanding loan amount exceeds 50%-68% (depending on the tranche) of the market value of the pledged NWHP REIT units, NWI LP will be required to repay part of the loan balance so that the loan value ratio of 50%-68% or less is restored, upon the demand of Firm Capital Corporation. Margin repayments must generally be made within three business days of any demand. As a result of the foregoing, NWI LP's obligations under the Firm Capital Margin Facilities could have an impact on the REIT's cash available for distribution. See "Risk Factors – Price Risk".

NWI LP pays interest on the Firm Capital Margin Facilities at rates ranging from 9.00% to 10.75% with a weighted average interest rate of 9.40%. As part of the acquisition of the interest in NWHP REIT, NWVP had committed by means of a capital contribution, that the effective interest rate payable by the REIT on the assumed Firm Capital Margin Facilities shall not exceed (a) 4.25% from the date of the acquisition to December 31, 2013, and (b) 6.00% for the first three months of 2014, which has been recognized as a receivable from NWVP as at the date of the acquisition. In May 2014, in September 2014, and again in December 2014, NWVP and the REIT agreed to extend and amend the interest rate subsidy, with an effective date of January 1, 2014, such that the effective interest rate payable by the REIT on the Firm Capital Margin Facilities shall not exceed 4.25% up to December 31, 2015.

The Firm Capital Margin Facilities mature on September 1, 2015 and the balance outstanding as at the date of this AIF is \$60,000,000.

RBC Margin Facility

Pursuant to the Put/Call transaction, the REIT, indirectly through NW Trust, assumed the obligations under a revolving credit facility with Royal Bank of Canada ("**RBC**"). On November 8, 2013, the REIT entered into a new revolving credit facility, replacing the previous NW Trust credit facility (the "**RBC Margin Facility**" and together with the Firm Capital Margin Facilities, the "**NWHP REIT Margin Facilities**"). The obligations of the REIT in respect of the RBC Credit Facility have been guaranteed by NWI LP pursuant to a Guarantee and Indemnity agreement entered into by NWI LP and RBC. NWI LP has pledged as collateral its indirect interest in 2,348,161 NWHP REIT units and has appointed RBC Dominion Securities Inc. as custodian of the pledged NWHP REIT units.

In accordance with the RBC Margin Facility, the maximum commitment available is \$15,000,000 and the loan amount outstanding cannot exceed 40% of the market value of the pledged NWHP REIT units at any point in time. The market value is based on the closing price of the NWHP REIT units on the immediately preceding day. Accordingly, if on any given day the value of the NWHP REIT units decline such that the outstanding loan amount exceeds 40% of the market value of the pledged NWHP REIT units, the REIT will be required to repay part of the loan balance so that the loan value ratio of 40% or less is restored, upon the demand of RBC. Margin repayments must generally be made within one business day of any demand. As a result of the foregoing, the REIT's and NWI LP's obligations under the RBC Margin Facility could have an impact on the REIT's cash available for distribution. See "Risk Factors – Price Risk".

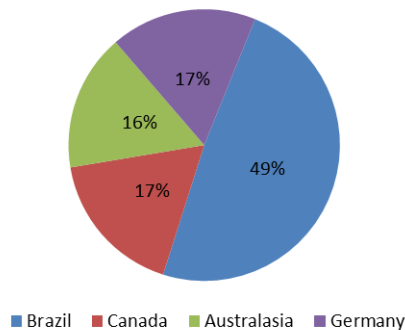
The REIT must pay interest on the RBC Margin Facility at either (a) the prime rate plus 1.25% per annum, or (b) the Banker Acceptance rate plus 2.25% per annum. The current interest rate on the RBC Margin Facility is 4.10%. In addition, the REIT pays a commitment fee of 0.5625% on the unused portion of the facility.

The RBC Margin Facility was extended on September 2014 and matures on November 1, 2015 but may be extended for a further one year period at the discretion of RBC, and has an outstanding balance as at the date of this AIF of \$7,927,392.

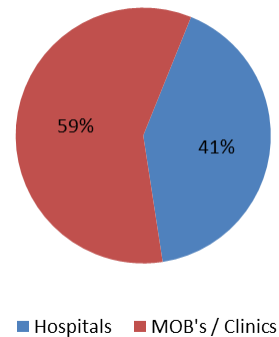
Diversification of International Assets

The REIT's assets are diversified geographically as follows:

Geographic Profile by Investment Value



Asset Mix by Gross Leasable Area ^{(1) (2)}



As of December 31, 2014.

Notes:

1. The REIT has an exposure to an approximate 24% interest in Vital Trust.
2. The REIT has an exposure to an approximate 25% interest in NWHP REIT.

As a result of the asset diversification, the REIT generates the majority of its cash flows outside of Canada. The geographic composition of the REIT's cash flows is expected to be substantially the same as the geographic distribution of its AFFO. For the year ended December 31, 2014, approximately 95% of the REIT's AFFO was conducted in currencies other than Canadian dollars as follows: Brazilian Reais 61%, New Zealand Dollars 20%, Euro 14% and Canadian Dollars 5% (includes corporate related AFFO).

RISK FACTORS

There are certain risks inherent in an investment in securities of the REIT and in the activities of the REIT, including the following, which current and prospective Unitholders should carefully consider.

Risks Relating to Real Property Ownership

Real Property Ownership and Tenant Risks

All real property investments are subject to elements of risk. By specializing in a particular type of real estate, the REIT is exposed to adverse effects on that segment of the real estate market and does not benefit from a diversification of its portfolio by property type. The value of real property and any improvements thereto depends on the credit and financial stability of tenants, and upon the vacancy rates of the properties. Cash flows will be adversely affected if a significant number of tenants are unable to meet their obligations under their leases or if a significant amount of available space in the properties in which the REIT has an interest becomes vacant and is not able to be leased on economically favourable lease terms, if at all. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to the REIT than the existing lease. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting the REIT's investment may be incurred. Furthermore, at any time, a tenant of any of the properties in which the REIT has an interest may seek the protection of bankruptcy, insolvency or similar laws that could result in the disclaimer and termination of such tenant's lease, any of which events could have an adverse effect on the REIT's financial condition and results of operations and decrease the amount of cash available for distribution to Unitholders. Certain of the REIT's tenants, such as laboratories, may require licences to operate their business. To the extent these businesses are unable to obtain licences or maintain existing licences, the REIT's operations may be adversely impacted. The ability to rent unleased space in the properties in which the REIT will have an interest will be affected by many factors, including general economic conditions, local real estate markets, changing demographics, supply and demand for leased premises, competition from other available premises and various other factors, many of which are beyond the REIT's control.

Fixed Costs

The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on the REIT's financial condition and results of operation and decrease the amount of cash available for distribution to Unitholders. Certain significant expenditures, including property taxes, ground rent, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether a property is producing any income. If the REIT is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale. Costs may also be incurred in making improvements or repairs to property required by a new tenant and income may be lost as a result of any prolonged delay in attracting suitable tenants to the vacant space. The timing and amount of capital expenditures by the REIT will indirectly affect the amount of cash available for distribution to Unitholders. Distributions may be reduced, or even eliminated, at times when the REIT deems it necessary to make significant capital or other expenditures.

Liquidity

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may limit the REIT's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the REIT were to be required to liquidate its real property investments, the proceeds to the REIT might be significantly less than the aggregate carrying value of its properties which could have an adverse effect on the REIT's financial condition and results of operation and decrease the amount of cash available for distribution to Unitholders.

Competition

The real estate business is competitive. Numerous other developers, managers and owners of office properties will compete with the REIT in seeking tenants. Some of the properties located in the same markets as the REIT's properties are newer, better located, less levered or have stronger tenant profiles than the REIT's properties. Some property owners with properties located in the same markets as the REIT's properties may be better capitalized and may be stronger financially and hence better able to withstand an economic downturn. The existence of developers, managers and owners in such markets and competition for the REIT's tenants could have a negative effect on the REIT's ability to lease space in its properties in such markets and on the rents charged or concessions granted, which could have an adverse effect on the REIT's financial condition and results of operation and decrease the amount of cash available for distribution to Unitholders. Competition for acquisitions of real property can be intense and some competitors may have the ability or inclination to acquire properties at a higher price or on terms less favourable than those that the REIT may be prepared to accept. An increase in the availability of investment funds, an increase in interest in real property investments or a decrease in interest rates may tend to increase competition for real property investments, thereby increasing purchase prices and reducing the yield on them.

Current Economic Environment

Continued concerns about the uncertainty over whether the global economy will be adversely affected by inflation, deflation or stagflation, and the systemic impact of increased unemployment, volatile energy costs, geopolitical issues, the availability and cost of credit, and the mortgage market in certain regions have contributed to increased market volatility and weakened business and consumer confidence. Although the healthcare real estate industry is an asset class that is not typically impacted by recessions or economic slowdowns, this difficult operating environment could adversely affect the REIT's ability to generate revenues, thereby reducing its operating income and earnings. It could also have an adverse impact on the ability of the REIT to maintain occupancy rates in the REIT's properties, which could harm the REIT's financial condition. If these economic conditions worsen, the REIT's tenants and operators may be unable to meet their rental payments and other obligations due to the REIT, which could have a material adverse effect on the REIT.

Environmental Matters

Environmental legislation and regulations have become increasingly important in recent years.

As an owner of interests in real property in Brazil, Germany, Australia, New Zealand and Canada, the REIT is subject to various federal, state and municipal laws relating to environmental matters in each jurisdiction. Such environmental laws impose actual and contingent liabilities on us to undertake remedial action on contaminated sites and in contaminated buildings.

Laws and regulations, as may be amended over time, may also impose liability for the release of certain materials into the air or water from a property, including asbestos, and such release could form the basis for liability to third persons for personal injury or other damages. In addition, if the REIT's officers infringe or have infringed environmental protection laws, the REIT could be exposed to civil or criminal damages. The REIT may be required to provide for additional reserves to sufficiently allocate toward the REIT's potential obligations to remove and dispose of any hazardous and toxic substances. Any such event could have a material and adverse effect on the REIT's cash flows, financial condition and results of operations and the REIT's ability to make distributions on the Units.

The REIT is not aware of any material non-compliance with environmental laws at any of its properties, and is not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of its properties. The REIT strives to set policies and procedures to assess, manage and monitor environmental conditions at its properties to manage exposure to liability.

The REIT intends to make the necessary capital and operating expenditures to comply with environmental laws and address any material environmental issues and such costs relating to environmental matters may have a material adverse effect on the REIT's properties, financial condition or results of operation and decrease the amount of cash

available for distribution. However, environmental laws can change and the REIT may become subject to even more stringent environmental laws in the future, with increased enforcement of laws by the government. Compliance with more stringent environmental laws, which may be more rigorously enforced, the identification of currently unknown environmental issues or an increase in the costs required to address a currently known condition may have an adverse effect on the REIT's financial condition and results of operation and decrease the amount of cash available for distribution to Unitholders.

Risks Relating to the Business of the REIT

Growth Strategy

The REIT's strategy involves expansion through acquisitions and co-development projects. These activities require the REIT and NWVP to identify acquisition or development candidates or investment opportunities that meet its criteria and are compatible with its growth strategy. The REIT may not be successful in identifying commercial real estate properties that meet its acquisition or development criteria or in completing acquisitions, co-developments, or investments on satisfactory terms. Failure to identify or complete acquisitions or co-developments will slow the REIT's growth. The REIT could also face significant competition for acquisitions and development opportunities. Some of the REIT's competitors have greater financial resources than the REIT and, accordingly, have a greater ability to borrow funds to acquire and develop properties. These competitors may also be willing and/or able to accept more risk than the REIT can prudently manage, including risks with respect to the geographic concentration of investments and the payment of higher prices. This competition for investments may reduce the number of suitable investment opportunities available to the REIT and may increase acquisition costs in certain areas where the REIT's facilities are located or in areas targeted for growth and, as a result, may adversely affect the REIT's operating results. Even if the REIT were successful in identifying suitable acquisitions or co-development projects, newly acquired properties may be subject to subsequently discovered material defects or other undisclosed issues, causing the acquired properties to fail to perform as expected and management of the REIT may underestimate the costs associated with the integration of the acquired properties. In addition, any expansions the REIT undertakes in the future are subject to a number of risks, including, but not limited to, construction delays or cost overruns that may increase project costs, financing risks, the failure to meet anticipated occupancy or rent levels, failure to receive required zoning, land use and other governmental permits and authorizations and changes in applicable zoning and land use laws. If any of these problems occur, expansion costs for a project will increase, and there may be significant costs incurred for projects that are not completed. In deciding whether to acquire or expand a particular property, the REIT will make certain assumptions regarding the expected future performance of that property. If the REIT's acquisition or expansion of properties fail to perform as expected or if the costs thereof exceed projected costs, the REIT's rental revenues could be lower, and its operating expenses higher, than expected. The REIT may invest in co-developments which carry a certain risk that projected financial returns may not be achieved and that cost overruns or start-up losses may trigger requirements for further equity injections. The REIT expects to manage this risk through detailed evaluation of each development separately and ensuring certain criteria have been met, including a supply and demand analysis. Certain acquisition and development opportunities may not be consistent with the detailed rules underlying the REIT Exception. Accordingly, the REIT may be restricted in participating in some acquisition and development opportunities because of its desire to qualify for the REIT Exception. See "Risks Relating to the Structure of the REIT – REIT Exception".

Access to Capital

The real estate industry is highly capital intensive. The REIT will require access to capital to maintain its properties, as well as to fund its growth strategy and significant capital expenditures from time to time. There can be no assurances that the REIT will have access to sufficient capital or access to capital on terms favourable to the REIT for future property acquisitions, financing or refinancing of properties, funding operating expenses or other purposes. Failure by the REIT to access required capital could adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

General Insured and Uninsured Risks

The activities carried on by the REIT entail an inherent risk of liability. The REIT expects that from time to time it may be subject to lawsuits as a result of the nature of its activities. The REIT carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance with customary policy specifications, limits and deductibles. The REIT will have insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements, and will continue to carry such insurance if it is economical to do so. There can be no assurance, however, that claims in excess of the insurance coverage or claims not covered by the insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms. A successful claim against the REIT not covered by, or in excess of, the REIT's insurance could have a material adverse effect on the REIT's activities, operating results and financial condition. Claims against the REIT, regardless of their merit or eventual outcome, also may have a material adverse effect on their ability to attract tenants or expand their businesses, and will require management to devote time to matters unrelated to the activities of the REIT.

Financing and Interest Rate Risks

The REIT has incurred (and intends to continue to incur) indebtedness in connection with the acquisition or expansion of properties and securities. The REIT may incur unsecured debt or mortgage debt secured by some or all of its real estate properties or assets. The REIT's debt may harm its financial position and operating results by:

- requiring the REIT to use a substantial portion of its cash flow from operations to pay principal and interest, which will reduce the amount of cash available for other purposes;
- limiting the REIT's ability to borrow more money for operating or capital needs or to finance acquisitions in the future; and
- making the REIT more vulnerable to economic and industry downturns and reducing its flexibility in responding to changing business and economic conditions.

In addition to the risks discussed above and those normally associated with debt financing, including the risk that the REIT's cash flow will be insufficient to meet required payments of principal and interest, the REIT will also be subject to the risk that it may not be able to refinance existing indebtedness on its properties or unsecured debt and that the terms of any refinancing it could obtain may not be as favourable as the terms of its existing indebtedness. If the REIT is not successful in refinancing debt when it becomes due, it may be forced to dispose of properties or securities on disadvantageous terms, which might adversely affect its ability to service other debt and to meet its other obligations. The REIT intends to finance future acquisitions in part with debt borrowings, which could bear interest at fixed or variable rates. The interest expense on any variable rate indebtedness will increase when interest rates increase. Further, when fixed-rate loans are refinanced, if market interest rates have increased since the time the loan was first initiated, interest expense will increase. Interest rates are currently low relative to historical levels and may increase significantly in the future. To the extent that the REIT utilizes variable rate debt, such debt will result in fluctuations in the REIT's cost of borrowing as interest rates change. To the extent that interest rates rise, the REIT's financial condition and results of operations could be adversely affected and decrease the amount of cash available for distribution. An increase in interest expense could adversely affect the REIT's results of operations.

Investment Concentration

As a result of the REIT's investments consisting solely of interests in commercial real estate with a particular concentration on healthcare, it will be subject to risks inherent in investments in a single industry. Demand for commercial healthcare real estate could be adversely affected by weakness in the national, regional and local economies, changes in supply of, or demand for, similar or competing properties in a particular market. To the extent that any of these conditions occur, they are likely to affect market rents for space, which could cause a decrease in the REIT's rental revenue from its properties. Any such decrease could impair the REIT's ability to satisfy any debt service obligations and generate stable positive cash flow from its operations.

Joint Venture Investments

Although the REIT does not presently have any joint venture investments, it may in the future co-invest with third parties through joint ventures. In any such joint venture, the REIT may not be in a position to exercise sole decision-making authority regarding the properties owned through joint ventures. Investments in joint ventures may, under certain circumstances, involve risks not present when a third party is not involved, including the possibility that joint venture partners might become bankrupt or fail to fund their share of required capital contributions. Joint venture partners may have business interests or goals that are inconsistent with the REIT's business interests or goals and may be in a position to take actions contrary to the REIT's policies or objectives. Such investments also have the potential risk of impasse on strategic decisions, such as a sale, because neither the REIT nor the joint venture partner would have full control over the joint venture. Any disputes that may arise between the REIT and its joint venture partners could result in litigation or arbitration that could increase the REIT's expenses and distract its officers and/or Trustees from focusing their time and effort on the REIT's business. In addition, the REIT might in certain circumstances be liable for the actions of its joint venture partners.

Risks Related to the Healthcare Industry

The healthcare industry is heavily regulated by various federal, provincial/regional and local regulatory bodies. As a result, the REIT's tenants will generally be subject to significant laws and regulations regarding licensing and reimbursement programs. Changes in these laws and regulations, including the imposition of caps on healthcare spending and claw-backs to doctor billings in certain regions, could negatively affect the ability of the REIT's tenants to make lease payments.

MOBs may be highly customized and may not be easily adaptable to alternative uses. The improvements necessary to conform a building to healthcare use may be costly and tenant specific. A new or replacement tenant may require different features in a property, depending on the tenant's particular operations. If the REIT or its tenants terminate the leases for these properties, the REIT may not be able to locate suitable replacement tenants to lease the properties for their specialized uses. Consequently, the REIT may be required to spend substantial amounts to adapt the properties to other uses. Any loss of revenues and/or additional capital expenditures occurring as a result may adversely affect the financial position of the REIT.

Reliance on Key Personnel

The management and governance of the REIT depends on the services of certain key personnel including the Chief Executive Officer, Co-President, Chief Financial Officer, Co-President and Chief Investment Officer and the Trustees. The loss of the services of any key personnel could have an adverse effect on the REIT and adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution. The REIT does not have key man insurance on any of its key employees.

Risks Related to the Internalization Transaction

As a result of the Internalization Transaction, the REIT assumed responsibility for all of the costs associated with the asset management, property management and development functions of the REIT, along with all of the rights and obligations relating to the management of Vital Trust.

The success of the Internalization Transaction will depend in large part on the ability of management of the REIT to integrate former NWVP personnel into the REIT. Going forward, the REIT will depend on the diligence, experience and skill of former NWVP personnel that joined the REIT and future success of the REIT will depend on the continued service of these individuals. The REIT may be unable to retain former employees of NWVP to the same extent that NWVP has been able to do so in the past. Such individuals may depart because of issues relating to the uncertainty or difficulty associated with the integration, including potential differences in corporate cultures and management philosophies. Further, the REIT cannot predict the impact that any employee departures will have on its ability to achieve its objectives. The departure of a significant number of such individuals for any reason following the Internalization Transaction, or the failure to appoint qualified or effective successors in the event of such departures, could have a material adverse effect on the REIT's ability to achieve its objectives and the market

price or value of the REIT's securities.

In addition, the overall integration of the operations, procedures, systems and technologies of NWVP will present risks and challenges to the REIT, including possible unanticipated operational problems, expenses and liabilities, as well as potential disruption of the REIT's ongoing business, higher than expected integration costs and an overall post-closing integration process that takes longer than originally expected. The management internalization will require the dedication of substantial management effort, time and resources, and any delays in the process could divert management's focus, as well as financial and other resources, from other strategic opportunities of the REIT.

The management internalization involves risks, including the failure of the internalization process to realize the benefits the REIT expects. If the management internalization fails to realize the benefits that the REIT expects, it could materially and adversely affect the REIT's business plan and could have a material adverse effect on the REIT and its financial results and the market price or value of the REIT's securities.

Location of Properties in Foreign Countries

A substantial portion of the REIT's assets are located in foreign countries, specifically Brazil, Germany and Australasia and, as a result, are impacted by economic and other factors specifically affecting the real estate markets in those countries. These factors may differ from those affecting the real estate markets in other regions, including those in Canada. Although the REIT's international assets are dispersed across several foreign countries, a number of the REIT's international assets could nevertheless experience any of the same conditions at the same time due to global correlations. If real estate conditions in these countries decline relative to real estate conditions in other regions, the REIT's cash flows, operating results and financial condition may be more adversely affected than those of companies in Canada or that have different, or more, geographically diversified portfolios of properties.

Competition in Foreign Real Estate Markets

The real estate markets in Brazil, Germany, and Australasia are highly competitive and fragmented and the REIT and its equity investees compete for real property acquisitions with individuals, corporations, institutions and other entities which are seeking or may seek real property investments similar to those the REIT desires. An increase in the availability of investment funds or an increase in interest in real property investments may increase competition for real property investments, thereby increasing purchase prices and reducing the yield on them. Numerous other developers, managers and owners of properties will compete with the REIT in seeking tenants. Some of the properties owned by the REIT's competitors are better located, better quality or less leveraged than the REIT's properties. Some of the REIT's competitors are better capitalized and stronger financially and hence better able to withstand an economic downturn. The existence of competition for tenants could have an adverse effect on the REIT's ability to lease space in its properties and on the rents charged or concessions granted, and could materially and adversely affect the REIT's cash flows, operating results and financial condition and the REIT's ability to make distributions on the Units.

Exchange Rate Risks

Approximately 82% of the REIT's investments and operations are conducted in currencies other than Canadian dollars; however, the REIT pays distributions to Unitholders and interest on certain of its indebtedness in Canadian dollars. As a result, fluctuations in such foreign currencies against the Canadian dollar could have a material adverse effect on the REIT's financial results, which is denominated and reported in Canadian dollars, and on the REIT's ability to pay cash distributions to Unitholders.

The REIT monitors its foreign exchange exposure and its hedging strategy on an ongoing basis. The REIT intends to maintain a hedging policy to mitigate the impact of foreign currency fluctuations and to provide more certainty regarding the payment of distributions to Unitholders if the Canadian dollar increases in value compared to foreign currencies. The REIT's hedging policy includes natural currency hedges as well as selectively implementing specific foreign currency hedging transactions, if economically viable. However, to the extent that the REIT fails to adequately manage these risks, including if any such hedging arrangements do not effectively or completely hedge

changes in foreign currency rates, the REIT's financial results, and the REIT's ability to pay distributions to Unitholders, may be negatively impacted.

Hedging transactions involve the risk that counterparties, which are generally financial institutions, may be unable to satisfy their obligations. If any counterparties default on their obligations under the hedging contracts or seek bankruptcy protection, it could have an adverse effect on the REIT's ability to fund planned activities and could result in a larger percentage of future revenue being subject to currency changes. The REIT's obligations under hedging arrangements may be secured by all or a portion of the REIT's assets or cash, the value of which generally must cover the fair value of the transactions outstanding under the facility by some multiple. If the REIT is unable to provide adequate security to support currency hedging arrangements, the REIT will remain exposed to foreign currency fluctuations.

Risks Relating to Operating in an Emerging Market

The Brazil region is considered by many to be an "emerging market" and therefore subject to potential risks. Risks associated with operating in emerging markets may include:

- political factors, including political instability and arbitrary or sudden changes to laws;
- legal and regulatory frameworks, which may increase the likelihood that laws will not be enforced and judgments will not be upheld;
- the movement and conversion of currency out of the foreign jurisdiction, which could hinder the payment of distributions to Canadian investors;
- inflation;
- corruption, bribery, civil unrest and economic uncertainty, which may negatively impact and disrupt business operations;
- factors that may affect title to its assets;
- potential expropriation or nationalization of assets; and
- access to assets.

The REIT believes its risks of operating in the Brazil market are minimized as a result of the following:

- The REIT's business activities in Brazil are limited to the ownership of five well established, reputable and institutional quality hospitals in the urban centres of Sao Paulo, Brasilia and Rio de Janeiro.
- Each of the REIT's Brazilian hospitals are leased to investment grade single tenants.
- Each of the Brazil leases are "net leases", which in effect transfers the operating risk of the property to the tenant. As a result, the REIT's business in Brazil is not operationally intensive.
- The REIT is represented on local corporate and real estate legal matters by two of Brazil's leading law firms. On non-legal matters, the REIT only engages with leading, global service providers that perform at the highest governance levels, and all banking is conducted through leading global banks.
- The REIT's Brazilian leases have terms that mitigate any title risk on its assets whereby should expropriation of the assets occur, the lessee remains liable for all payments under the lease. The REIT believes there is a limited risk of the REIT's Brazilian assets being subject to government expropriation and nationalization.

Further, the REIT considers the Brazilian healthcare industry to be economically and politically stable, and free of many of the risks associated with other industries and emerging market jurisdictions. According to Anahp (associação nacional de hospitais privados), Brazil is the third largest global private healthcare market, behind the United States and China. Due to positive macroeconomic indicators, including the size of Brazil's economy with a population nearing 200 million, relatively low unemployment, rising wages, increasing consumer consumption and a growing middle class, management believes that the outlook for the Brazilian healthcare market is optimistic.

Owning and operating investment properties in Brazil poses unique risks. For example, the REIT considers Brazilian inflation to be a key risk, but believes it has mitigated this risk by structuring the payments due under the Brazilian leases indexed to inflation, annually over the term of the leases. The REIT also believes that it is subject to risks involving currency fluctuations, which it attempts to mitigate through obtaining Brazilian domiciled debt on the assets. Further, Portuguese is the primary language in which business is conducted in Brazil, however the majority of the REIT's service providers (legal, audit and tax) are fluent in English. The REIT's local Brazilian consultants are fluent in Portuguese and English. Language risk is mitigated through requiring all material documentation to be translated into English. Further, all correspondence with management and the Board of Trustees in Canada is provided in both English and Portuguese.

The REIT's trustees retain effective control over the REIT's Brazilian operations through the REIT's corporate structure. The REIT's Brazilian assets are all owned by Brazilian domiciled entities, which in turn are all indirectly wholly-owned by NWI LP, the REIT's operating limited partnership. The REIT's Brazilian subsidiaries are all corporate entities under Brazilian law, meaning they must conduct business at the highest governance levels and adhere to applicable regulatory requirements that include annual filings, disclosures and preparation of audited financial statements.

Because the REIT's Brazilian subsidiaries are wholly-owned, the REIT controls the operations of these entities. Among other things:

- The REIT can remove or replace any of the directors or officers of its Brazilian subsidiaries at any time pursuant to director or shareholder resolutions, as applicable.
- The REIT maintains complete control over the books and records of its Brazilian subsidiaries.
- The REIT can transfer funds from its Brazilian subsidiaries to Canada at any time, subject to compliance with applicable withholding tax laws and regulatory requirements of the central bank of Brazil.

The REIT also maintains stringent controls over cash and banking that mitigate risk on its Brazil operations. All payments follow normal accounts payable process, which includes adequate segregation of duties from approvals to payment and all wires and cheques are fully traceable.

The REIT's officers and trustees believe that the REIT's Brazilian operational structure represents a proper discharge of their stewardship responsibilities. Management updates the REIT's trustees on a regular basis on the regulatory, business and operating environment of the REIT's business in Brazil.

The REIT's CEO has extensive experience conducting business in Brazil as he has been operating in Brazil since 2011. During that time, the REIT's CEO has developed a deep familiarity with Brazil's real estate industry, regulatory environment, operating environment, financial markets, and culture and business practices. He has developed key relationships with the REIT's tenants and local advisors. The REIT's management team also relies on the expertise of reputable third party advisors with respect to legal, regulatory, tax and other matters in Brazil.

The REIT has adopted several formal procedures to address risks faced by the REIT, including certain risks related to Brazil. For example, the REIT has adopted a Code of Business Conduct and Ethics policy which requires all personnel to comply with applicable laws and explicitly prohibits improper payments to domestic and foreign officials. The REIT also requires all significant contracts to be translated into English by a reputable legal translator prior to execution. Lastly, as a matter of practice, all material Brazilian-based transactions are approved by the REIT's Trustees, with input from the REIT's management team and Brazilian personnel as appropriate.

Price Risk

The REIT is subject to fluctuations in the market price of its own securities as well as the market price of the Vital Units and the units of NWHP REIT. Price risk is the risk that changes in market prices for the REIT's securities may impact the REIT's ability to access capital, and that changes in the market prices of the units underlying the REIT's equity investments may impact the value of its investments. The market price for the REIT's Units, the REIT's convertible debentures, and the units of NWHP REIT and Vital Trust, may be volatile and subject to wide fluctuations in response to numerous factors, many of which may be beyond the REIT's control including general market sentiment. The market price of the REIT's securities and investments may decline even if the REIT's operating results, underlying asset values, or prospects have not changed. A decrease in the REIT's Unit price impacts the cost of raising new capital. A decline in the market price of the units of NWHP REIT and Vital Trust may impact the value of the REIT's investments which may result in impairment losses.

Price risk also impacts the REIT's margin facilities. A decline in the market price of the units of Vital Trust or NWHP REIT may result in loan to value ratios that exceed the minimum requirements of the Vital Margin Facilities and the NWHP REIT Margin Facilities, respectively, thus resulting in cash payments being made to reduce the loan amounts outstanding. These cash payments could adversely impact the REIT's liquidity position and its ability to make distributions on the Units.

Vendor Indemnities and Prior Commercial Operations

When acquiring assets, the REIT endeavours to obtain certain representations and warranties with respect to the assets being acquired. Such representations and warranties, to the extent obtained, are subject to limitations, and generally represent unsecured contractual rights. As a result, there can be no assurance that the REIT will be fully protected by such representations and warranties against all adverse circumstances that may arise or in the event of a breach of such representations and warranties or that the vendors of the assets will be in a position to indemnify the REIT for any such breach. The REIT may not be able to successfully enforce claims it may have against vendors of its assets. The REIT may also be subject to undisclosed liability to third parties as a result of the prior history of its assets and such liability may be material, which could negatively impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

Significant Dependency on Single Leases in Brazil

The leases for Sabará, and the four Rede D'Or properties (HMB Property, Hospital Santa Luzia, Hospital Coração and Hospital Caxias D'Or) are each with a single tenant, the operators of the facilities. Upon the expiry of the leases, there can be no assurance that they will be renewed or that the tenants will be replaced. If the tenants do not renew their leases, the REIT's cash flows, operating results, financial condition and its ability to make distributions on the Units could be materially and adversely affected. The Sabará Lease also contains a pre-emptive right in favour of the Sabará Tenant if the controlling interest or all of the shares of the REIT subsidiary that owns Sabará are sold during the term of the lease, offering the tenant the right to purchase the shares on the same terms.

Information Regarding Other Public Entities

This Annual Information Form and the REIT's other securities filings contain information about NWHP REIT and Vital Trust that has been taken from, or is based upon, publicly available documents and records on file with the Canadian Securities Administrators and other regulatory bodies. The REIT was not involved in the preparation of any such publicly available documents and neither the REIT, nor any of its officers or directors, assumes any responsibility for the accuracy or completeness of such information or the failure by NWHP REIT or Vital Trust to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to the REIT.

Significant Ownership by NWVP

NWVP currently indirectly owns approximately 65% of the issued and outstanding Units (assuming the exchange of its Class B LP Units). Pursuant to the Exchange Agreement, each Class B LP Unit is attached to a Special Voting

Unit of the REIT, providing for voting rights in the REIT. For so long as NWVP maintains a 5% interest in the REIT, NWVP will have the ability to exercise certain influence with respect to the affairs of the REIT and significantly affect the outcome of Unitholder votes (including with respect to the appointment of Trustees), and may have the ability to prevent certain fundamental transactions. NWVP also has certain pre-emptive rights to participate in future financings and other issuances of securities of the REIT or NWI LP in order to allow NWVP to restore its percentage ownership interest to what it was immediately following the closing of the Initial International Asset Acquisition in November 2012. As a result, NWVP will have the ability to influence many matters affecting the REIT which could lead to potential conflicts of interest. See “Risk Factors – Potential Conflicts of Interest”. Accordingly, the Units may be less liquid and worth less than they would if NWVP did not have the ability to influence or determine matters affecting the REIT. Additionally, NWVP’s significant effective interest may discourage transactions involving a change of control of the REIT, including transactions in which an investor as a holder of the Units might otherwise receive a premium for its Units over the then-current market price. Pursuant to the Exchange Agreement, each Class B LP Unit will be exchangeable at the option of the holder for one Unit of the REIT (subject to customary anti-dilution adjustments). If NWVP exchanges Class B LP Units for Units and sells Units in the public market, the market price of the Units could fall. The perception among the public that these sales will occur could also produce such effect.

Potential Conflicts of Interest

The REIT will be subject to various potential conflicts of interest because of the fact that its officers and Trustees are engaged in a wide range of business activities, including real estate property management, acquisition, development and ownership. In particular, Mr. Dalla Lana will face conflicts of interest because he is sole shareholder of NWVP, the chairman and trustee of NWHP REIT and director of Vital Healthcare Management Limited, the manager of Vital Trust. Mr. Bernard Crotty will face conflicts of interest because he is a trustee of NWHP REIT and also a director of Vital Healthcare Management Limited.

In addition, the REIT may also become involved in other transactions which conflict with the interests of its Trustees and the officers who may from time to time deal with persons, firms, institutions or corporations with which the REIT may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the REIT. In addition, from time to time, these persons may be competing with the REIT for available investment opportunities. The Declaration of Trust contains conflict of interest provisions requiring the Trustees to disclose their interests in certain contracts and transactions and to refrain from voting on those matters.

Limitations on Enforcement of Certain Civil Judgments by Canadian Investors

Many of the REIT’s subsidiaries are organized in foreign jurisdictions and are governed by foreign law. The majority of the REIT’s assets are currently located outside of Canada. As a result, it may be difficult or impossible for investors to effect service within Canada upon the REIT’s subsidiaries or their respective directors and officers who are not residents of Canada or to realize against them in Canada upon judgments of courts of Canada predicated upon the civil liability provisions of applicable Canadian provincial securities laws.

Risks Relating to the Units

Return on Investment is Not Guaranteed

The Units are equity securities of the REIT and are not traditional fixed income securities. A fundamental characteristic that distinguishes the Units from traditional fixed income securities is that the REIT does not have a fixed obligation to make payments to holders of Units and does not promise to return the initial purchase price of a Unit on a certain date in the future. The REIT has the ability to reduce or suspend distributions if circumstances warrant. The ability of the REIT to make cash distributions, and the actual amount distributed, will be entirely dependent on the operations and assets of the REIT and its subsidiaries, and will be subject to various factors including financial performance, obligations under applicable debt agreements, fluctuations in working capital, foreign exchange rates and capital expenditure requirements. There can be no assurance regarding the amount of income to be generated by the REIT’s properties. The market value of the Units will deteriorate if the REIT is

unable to meet its distribution targets in the future, and that deterioration may be significant. In addition, unlike interest payments or an interest-bearing debt security, the REIT's cash distributions are composed of different types of payments (portions of which may be fully or partially taxable or may constitute non-taxable returns of capital). The composition for tax purposes of those distributions may change over time, thus affecting the after-tax returns to holders of Units. Therefore, the rate of return over a defined period for a holder of Units may not be comparable to the rate of return on a fixed income security that provides a "return on capital" over the same period. The REIT may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items.

Structural Subordination of Units

In the event of bankruptcy, liquidation or reorganization of the REIT's subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to the REIT or holders of Units. The Units are effectively subordinated to the debt and other obligations of the REIT's subsidiaries. The REIT's subsidiaries generate all of the REIT's cash available for distribution and hold substantially all of the REIT's assets.

Potential Volatility of Unit Prices

The market price for Units may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the REIT's control, including the following: (i) actual or anticipated fluctuations in the REIT's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the REIT; (iv) addition or departure of the REIT's executive officers and other key personnel; (v) release or expiration of lock-up or other transfer restrictions on outstanding Units; (vi) sales or perceived sales of additional Units; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the REIT or its competitors; (viii) news reports relating to trends, concerns, competitive developments, regulatory changes and other related issues in the REIT's industry or target markets, and (ix) limited trading in the Units.

Financial markets have, in recent years, experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of issuers and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such issuers. Accordingly, the market price of the REIT's securities may decline even if the REIT's operating results, underlying asset values, or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the REIT's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in limited or no investment in the REIT's securities by those institutions, which could adversely affect the trading price of the REIT's securities. There can be no assurance that an active trading market will exist or that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil exist for a protracted period of time, the REIT's operations could be adversely impacted and the trading price of the REIT's securities may be adversely affected.

Nature of Investment

A holder of a Unit of the REIT does not hold a share of a body corporate. As holders of Units of the REIT, the Unitholders will not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. The rights of Unitholders are based primarily on the Declaration of Trust. There is no statute governing the affairs of the REIT equivalent to the CBCA which sets out the rights and entitlements of shareholders of corporations in various circumstances. As well, the REIT may not be a recognized entity under certain existing insolvency legislation such as the *Bankruptcy and Insolvency Act* (Canada) and the *Companies Creditors' Arrangement Act* (Canada) and thus the treatment of Unitholders upon an insolvency is uncertain.

Structural Subordination of Units

In the event of bankruptcy, liquidation or reorganization of the REIT's subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to the REIT or holders of Units. The Units are effectively subordinated to the debt and other obligations of the REIT's subsidiaries. The REIT's subsidiaries generate all of the REIT's cash available for distribution and hold substantially all of the REIT's assets

Availability of Cash Flow

The REIT has historically paid cash distributions which exceed cash from operating activities and distribution income earned from its strategic investments in Vital Trust and NWHP REIT. Distributions paid historically to unitholders have therefore been an economic return of capital. If management is not able to increase operating cash flows over time, the REIT may be required to use additional debt capacity to finance its distributions, which would represent a further economic return of capital, or to reduce distributions. The REIT's distribution policy is based on the REIT's AFFO. AFFO has exceeded actual cash flows from operations available to the REIT from time to time because of the recognition of certain items in AFFO that provided an economic benefit to the REIT and the timing of cash receipts relating to those items, such as the interest rate subsidies realized on certain loans or interest income earned on related party receivables, as well as other items such as tenant allowances, leasing costs and capital expenditures in excess of stipulated reserves identified by the REIT in its calculation of AFFO. The REIT may be required to use part of its debt capacity, issue new equity or to reduce distributions in order to accommodate such items in the future. The REIT anticipates temporarily funding such items, if necessary, through new financing.

Sustainability and Growth of Distributions

The REIT has stated that one of its objectives is to provide predictable and growing cash distributions per unit. The REIT has historically paid distributions in excess of the total of cash flows from operating activities and distributions earned from its strategic investments in Vital Trust and NWHP REIT, representing an economic return of capital to investors. The REIT may not achieve the objective of growing cash distributions or be able to sustain distributions at current levels without realizing increases in cash flow from operations or receiving increased distributions from Vital Trust and NWHP REIT. Such cash flow growth is dependent on the REIT's ability to execute on its business plan to drive accretive growth over time, as well as the ability of Vital Trust and NWHP REIT to grow future distributions, both of which cannot be assured.

Dilution

The number of Units the REIT is authorized to issue is unlimited. The REIT may, in its sole discretion, issue additional Units or securities convertible or exchangeable into Units from time to time subject to the rules of any applicable stock exchange on which the Units are then listed. The REIT intends to complete acquisitions in the future that will be financed in part by issuance of additional Units which will result in issuances of significant numbers of Units at market price. Additionally, the REIT will issue securities under the Deferred Unit Plan or additional units can be issued upon the conversion of the REIT's Debentures. The issuance of any additional Units may have a dilutive effect on the interests of holders of Units.

Restrictions on Redemptions

The entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the following limitations: (i) the total amount payable by the REIT in respect of such Units and all other Units tendered for redemption in the same calendar month must not exceed \$50,000 (provided that such limitation may be waived at the discretion of the Trustees); (ii) at the time such Units are tendered for redemption, the outstanding Units must be listed for trading on a stock exchange or traded or quoted on another market which the Trustees consider, in their sole discretion, provides fair market value prices for the Units; (iii) the trading of Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the redemption date for more than five trading days during the 10 day trading period

commencing immediately after the redemption date; and (iv) the redemption of the Units must not result in the delisting of the Units on the principal stock exchange on which the Units are listed.

Unitholder Liability

The Declaration of Trust provides that no holders of Units will be subject to any liability whatsoever to any person in connection with a holding of Units. In addition, legislation has been enacted in the Province of Ontario and certain other provinces that is intended to provide holders of Units in those provinces with limited liability. However, there remains a risk, which is considered by the REIT to be remote in the circumstances, that a holder of Units could be held personally liable for the obligations of the REIT to the extent that claims are not satisfied out of the assets of the REIT. The affairs of the REIT are conducted in a manner to seek to minimize such risk wherever possible.

Risks Relating to the Structure of the REIT

Ownership Restriction

Under current law, a trust may lose its status under the Tax Act as a mutual fund trust if it can reasonably be considered that the trust was established or is maintained primarily for the benefit of Non-Residents, except in limited circumstances. The Declaration of Trust permits the trustees to further amend the Declaration of Trust to limit the ownership of a particular holder (together with persons with which it does not deal at arm's length) to 20%, if desirable for foreign tax purposes. The Trustees have various powers that can be used for the purpose of monitoring and controlling the applicable ownership limitations. The ownership limitation may negatively affect the REIT's ability to raise financing for future acquisitions or operations. In addition, the ownership limitation could negatively impact the liquidity of the Units and the market price at which Units can be sold.

Taxation of Mutual Fund Trusts

There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting mutual fund trusts will not be changed in a manner that adversely affects Unitholders. Should the REIT cease to qualify as a mutual fund trust under the Tax Act, there could be material and adverse tax consequences to the REIT and Unitholders.

REIT Exception

The REIT Exception is comprised of a number of technical tests and the determination as to whether the REIT qualifies for the REIT Exception in any particular taxation year can only be made with certainty at the end of that taxation year. The REIT expects to qualify for the REIT Exception in 2015 and subsequent taxation years. However, no assurances can be given that subsequent investments or activities undertaken by the REIT, or fluctuations in asset values, will not result in the REIT becoming a SIFT or failing to qualify for the REIT Exception in 2015 or any subsequent taxation year. In addition, the REIT owns a minority interest in certain of its foreign subsidiaries and NWHP REIT. No assurances can be given that the REIT's subsidiaries will satisfy the tests contained in the REIT Exception. In these circumstances, the REIT may not satisfy the REIT Exception. NWI LP will not be subject to the SIFT Rules provided it is an "excluded subsidiary entity", which among other things, requires that only specified persons own units of NWI LP. No assurances can be given that NWI LP will be exempt from the SIFT Rules, which could have a material adverse effect on the REIT and Unitholders. The likely effect of the SIFT Rules on the market for Units, and on the REIT's ability to finance future acquisitions through the issue of Units or other securities, is unclear. If the SIFT Rules apply to the REIT, they may adversely affect the marketability of the Units, the amount of cash available for distributions and the after-tax return to investors.

FAPI

FAPI earned by CFAs of NWI LP must be included in computing the income of NWI LP for the fiscal year of NWI LP in which the taxation year of such CFA ends, subject to a deduction for grossed-up "foreign accrual tax" as computed in accordance with the Tax Act, and less certain amounts that are otherwise included in income. The

deduction for grossed-up “foreign accrual tax” may not fully offset the FAPI realized by NWI LP, thereby increasing the allocation of income by NWI LP to the REIT and, therefore, the allocation of income by the REIT to Unitholders. Recent amendments to tax legislation address certain foreign tax credit generator transactions (the “**Foreign Tax Credit Generator Rules**”). The Foreign Tax Credit Generator Rules may limit the REIT’s ability to deduct grossed-up “foreign accrual tax”. In addition, as FAPI generally must be computed in accordance with Part I of the Tax Act (in Canadian currency) as though the CFA were a resident of Canada (subject to the detailed rules contained in the Tax Act), income or transactions may be taxed differently under foreign tax rules as compared to the FAPI rules and, accordingly, may result in additional income being allocated to Unitholders, including as a result of fluctuations in foreign exchange rates.

Change of Tax Law

There can be no assurance that Canadian or foreign income tax laws, the judicial interpretation thereof, the terms of any income tax treaty applicable to the REIT or its affiliates or the administrative and assessing practices and policies of the CRA, the Department of Finance (Canada) and any foreign tax authority or tax policy agency will not be changed in a manner that adversely affects the REIT, its affiliates or Unitholders. Any such change could increase the amount of tax payable by the REIT or its affiliates or could otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to Unitholders in respect of such distributions.

Non-Residents of Canada

The Tax Act may impose additional withholding or other taxes on distributions made by the REIT to Unitholders who are Non-Residents. These taxes and any reduction thereof under a tax treaty between Canada and another country may change from time to time. The tax consequences under the Tax Act to Non-Residents may be more adverse than the consequences to other Unitholders. Non-Resident Unitholders should consult their own tax advisors.

Foreign Tax Credits and Deductions

Foreign taxes paid by NWI LP will be allocated pursuant to its limited partnership agreement. Each Unitholder’s share of the “business-income tax” and “non-business-income tax” paid in a foreign country for a year will be creditable against its Canadian federal income tax liability to the extent permitted by the detailed rules contained in the Tax Act. Although the foreign tax credit provisions are designed to avoid double taxation, the maximum credit is limited. Because of this, and because of timing differences in recognition of expenses and income and other factors, double taxation may arise.

Under the Foreign Tax Credit Generator Rules, the foreign “business income tax” or “non-business-income tax”, each as defined in the Tax Act, for any taxation year may be limited in certain circumstances. No assurances can be given that the Foreign Tax Credit Generator Rules will not apply to any Unitholder. If the Foreign Tax Credit Generator Rules apply, a Unitholder’s foreign tax credits will be limited.

No assurances can be given that the REIT or its subsidiaries will be entitled to a foreign tax credit or deduction in Canada in respect of foreign taxes paid by its subsidiaries.

General Taxation

Although the REIT and its subsidiaries have been structured with the objective of maximizing after-tax distributions, taxes (including corporate, withholding, land transfer, and other taxes) in the various jurisdictions in which the REIT invests will reduce the amount of cash available for distribution to the REIT by its subsidiaries and, therefore, reduce the amount of cash available for distribution by the REIT to Unitholders. No assurance can be given as to the future level of taxation suffered by the REIT or its subsidiaries. In addition, certain tax positions adopted by the REIT and its subsidiaries may be challenged by the CRA or a foreign taxing authority. This could materially increase taxes payable by the REIT and its subsidiaries, and thereby adversely affect the REIT’s financial position and cash available for distribution to Unitholders.

Accrued Gains

The REIT has indirectly acquired certain assets on a fully or partially tax-deferred basis, as determined by the transferor (including pursuant to the implementation of the Put/Call Agreement). Accordingly, the adjusted cost base to NWI LP of such assets was less than fair market value, such that NWI LP may realize the deferred gain on a future disposition of those assets.

Risks Related to the Debentures

Ability to Satisfy Payments of Interest and Principal on the Debentures

There is no guarantee that the REIT will have sufficient cash available to make interest and principal payments on the Debentures on a timely basis or at all. The likelihood that purchasers will receive the payments owing to them in connection with the Debentures will be dependent upon the financial health and creditworthiness of the REIT and the ability of the REIT to earn revenues.

Market for the Debentures

There can be no assurance that a secondary market for trading in the Debentures will develop or that any secondary market which does develop will continue. Also, there can be no assurance that any such secondary market will be active. To the extent that an active trading market for the Debentures does not develop, the liquidity and the trading prices for the Debentures may be adversely affected.

Absence of Covenant Protection

The Indenture does not restrict the REIT or any of its subsidiaries from incurring additional indebtedness for borrowed money or otherwise from mortgaging, pledging or charging their real or personal property or properties to secure any indebtedness or other financing. The Indenture does not contain any provisions specifically intended to protect holders of the Debentures in the event of a future leveraged transaction involving the REIT or any of its subsidiaries.

Redemption Prior to Maturity

The Debentures may be redeemed at the REIT's option, subject to certain conditions prior to the respective maturity date of each Debenture in whole or in part, at a redemption price equal to the principal amount thereof, together with any accrued and unpaid interest. Holders of Debentures should assume that this redemption option will be exercised if the REIT is able to refinance at a lower interest rate or it is otherwise in the interest of the REIT to redeem the Debentures.

Conversion Following Certain Transactions

In the event of certain transactions, pursuant to the terms of the Indenture, each Debenture will become convertible into securities, cash or property receivable by a Unitholder in such transactions. This change could substantially reduce or eliminate any potential future value of the conversion privilege associated with the Debentures.

Subordination of Debentures

The Debentures are unsecured obligations of the REIT and are subordinate in right of payment to all of the REIT's existing and future senior indebtedness. The Debentures will also be effectively subordinate to claims of the creditors of the REIT's subsidiaries relating to all indebtedness, liabilities and obligations of the REIT or its subsidiaries for the payment of which the REIT is responsible or liable, whether absolutely or contingently. This subordination may significantly reduce the possibilities for purchasers of obtaining payment of the amounts owed under the Debentures. In the event of the insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up of the REIT, the assets of the REIT would be made available to satisfy the obligations of the creditors of such Senior Indebtedness, whether those obligations are secured or unsecured, before being available to pay the REIT's

obligations to holders of Debentures. Accordingly, all or a substantial portion of the REIT's assets could be unavailable to satisfy the claims of the Debentures.

Credit Rating

The REIT does not have a credit rating and has no current plans to apply for a credit rating.

Dilution Upon Redemption of Debentures

The REIT may determine to redeem any outstanding Debentures for Units or to repay outstanding principal amounts thereunder at maturity of the Debentures by issuing additional Units. The issuance of additional Units may have a dilutive effect on the REIT's Unitholders and an adverse impact on the price of Units.

Limitation in the REIT's Ability to Finance Purchase of Debentures

The REIT is required to make an offer to holders of the Debentures to purchase all or a portion of their Debentures for cash in the event of a Change of Control (as defined in the Indenture). The REIT cannot assure holders of Debentures that, if required, it would have sufficient cash or other financial resources at that time or would be able to arrange financing to pay the purchase price of the Debentures in cash. The REIT's ability to purchase the Debentures in such an event may be limited by law, by the Indenture, by the terms of other present or future agreements relating to the REIT's credit facilities and other indebtedness and agreements that the REIT may enter into in the future which may replace, supplement or amend the REIT's future debt. The REIT's future credit agreements or other agreements may contain provisions that could prohibit the purchase by the REIT of the Debentures without the consent of the lenders or other parties thereunder. If the REIT's obligation to offer to purchase the Debentures arises at a time when the REIT is prohibited from purchasing or redeeming the Debentures, the REIT could seek the consent of lenders to purchase the Debentures or could attempt to refinance the borrowings that contain this prohibition. If the REIT does not obtain consent or refinance these borrowings, the REIT could remain prohibited from purchasing the Debentures under its offer.

The REIT's failure to purchase the Debentures would constitute an event of default under the Indenture, which might constitute a default under the terms of the REIT's other indebtedness at that time.

Market Price of the Debentures

The market price of the Debentures is based on a number of factors, including: (a) the prevailing interest rates being paid by borrowers similar to the REIT; (b) the overall condition of the financial and credit markets; (c) prevailing interest rates and interest rate volatility; (d) the markets for similar securities; (e) the financial condition, results of operation and prospects of the REIT; (f) the publication of earnings estimates or other research reports and speculation in the press or investment community; (g) the market price and volatility of the Units; (h) changes in the industry and competition affecting the REIT; and (i) general market and economic conditions.

The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the market price of the Debentures.

Volatility of Market Price of Units and Debentures

The market price of the Units and Debentures may be volatile. The volatility may affect the ability of holders of Debentures to sell the Debentures at a favourable price. Additionally, volatility in the market price of Units may result in greater volatility in the market price of the Debentures than would be expected for nonconvertible debt securities. Market price fluctuations in the Units and Debentures may be due to the REIT's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the REIT or its competitors, along with a variety of additional factors. Fluctuations in trading prices may be unrelated or disproportionate to changes in

operating performance. These broad market fluctuations may adversely affect the market prices of the Debentures and the Units.

Restriction on Ownership of Debentures

Pursuant to the terms of the Declaration of Trust, the REIT must not be established or maintained primarily for the benefit of non-residents of Canada for purposes of the Tax Act. As a result, the Indenture contains provisions limiting the ownership of Debentures by non-residents. These restrictions may limit or remove the rights of certain holders of Debentures, including non-residents. As a result, these restrictions may limit the demand for Debentures and thereby adversely affect the liquidity and market value of the Debentures.

DISTRIBUTIONS

Distribution Policy

The REIT has adopted a distribution policy, as permitted under the Declaration of Trust, pursuant to which it makes pro rata monthly cash distributions to Unitholders and, through NWI LP, to holders of Class B LP Units. Pursuant to the Declaration of Trust, the Trustees have full discretion respecting the timing and amounts of distributions including the adoption, amendment or revocation of any distribution policy.

Unitholders of record as at the close of business on the last business day of the month preceding a date on which the Trustees have determined that a distribution will be made by the REIT to Unitholders (the “**Distribution Date**”) will have an entitlement on and after that day to receive distributions in respect of that month on such Distribution Date. Distributions may be adjusted for amounts paid in prior periods if the actual cash available for distribution for the prior periods is greater than or less than the estimates for the prior periods. Under the Declaration of Trust and pursuant to the distribution policy of the REIT, where the REIT’s cash is not sufficient to make payment of the full amount of a distribution, such payment will, to the extent necessary, be distributed in the form of additional Units. See “Declaration of Trust - Issuance of Units” and “Certain Canadian Federal Income Tax Considerations”.

Previous Distributions

Distributions declared on the Units totalled \$13,196,480, \$6,879,451 and \$1,814,616 for the years ended December 31, 2014, December 31, 2013 and December 31, 2012, respectively (distribution amounts pertain to the period October 1, 2012 forward, representing the date the REIT reconfigured to focus on international assets).

Distributions declared on the Class B LP units totalled \$20,034,666, \$11,701,074 and \$1,435,362 for the years ended December 31, 2014, December 31, 2013 and December 31, 2012, respectively (distribution amounts pertain to the period October 1, 2012 forward, representing the date the REIT reconfigured to focus on international assets).

Distributions declared on the Class D GP units (which units were eliminated as part of the Internalization Transaction) totalled \$183,901, \$nil and \$nil for the years ended December 31, 2014, December 31, 2013 and December 31, 2012, respectively (distribution amounts pertain to the period October 1, 2012 forward, representing the date the REIT reconfigured to focus on international assets).

Distribution Reinvestment Plan

Eligible unitholders (which, by virtue of the Special Voting Units include holders of Class B LP Units) that elect to participate in the DRIP will have their cash distributions used to purchase Units and will also receive a “bonus distribution” of Units equal in value to 3% of each distribution. The REIT may initially issue up to 10,000,000 Units under the DRIP. The REIT may increase the number of Units available to be issued under the DRIP at any time in its discretion subject to (a) the approval of the REIT’s board of Trustees, (b) the approval of any stock exchange upon which the Units trade, and (c) public disclosure of such increase.

DESCRIPTION OF CAPITAL STRUCTURE

Units and Special Voting Units

An unlimited number of Units and special voting units of the REIT (“**Special Voting Units**”) are authorized for issuance pursuant to the Declaration of Trust.

The following is a summary of the material attributes and characteristics of the Units. For additional information respecting the Units, including restrictions on non-resident Unitholders, the redemption right attached to the Units, provision for the repurchase of Units by the REIT from time to time, and meetings of Unitholders, see the Declaration of Trust (available at www.sedar.com) and the section entitled “Declaration of Trust”.

Units

As at the date of the Annual Information Form, there are 87,003,075 Units outstanding. No Unit has any preference or priority over another. Each Unit represents a Unitholder’s proportionate undivided beneficial ownership interest in the REIT and confers the right to one vote at any meeting of Unitholders and to participate *pro rata* in any distributions by the REIT, whether of net income, net realized capital gains or other amounts and, in the event of termination or winding-up of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities. Units are fully paid and non-assessable when issued and are transferable. The Units are redeemable at the holder’s option, as described below under “Redemption Right” and have no other conversion, retraction, redemption or pre-emptive rights. Fractional Units may be issued as a result of an act of the Trustees, but fractional Units will not entitle the holders thereof to vote, except to the extent that such fractional Units may represent in the aggregate one or more whole Units.

Special Voting Units

As at the date of this Annual Information Form, there are 92,250,303 Special Voting Units outstanding. Special Voting Units have no economic entitlement in the REIT but entitle the holder to one vote per Special Voting Unit at any meeting of the Unitholders of the REIT. Special Voting Units may only be issued in connection with or in relation to Class B LP Units for the purpose of providing voting rights with respect to the REIT to the holders of such securities. Special Voting Units are issued in conjunction with the Class B LP Units to which they relate, and are evidenced only by the certificates representing such Class B LP Units. Special Voting Units are not transferable separately from the Class B LP Units to which they are attached (other than to affiliates) and will be automatically transferred upon the transfer of such Class B LP Units. Each Special Voting Unit entitles the holder thereof to that number of votes at any meeting of Unitholders that is equal to the number of Units that may be obtained upon the exchange of the Class B LP Unit to which such Special Voting Unit is attached. Upon the exchange or surrender of a Class B LP Unit for a Unit, the Special Voting Unit attached to such Class B LP Unit will automatically be redeemed and cancelled for no consideration without any further action of the Trustees, and the former holder of such Special Voting Unit will cease to have any rights with respect thereto.

Debentures

6.50% Debentures

As at the date of this Annual Information Form, there were \$22,600,000 aggregate principal amount of the 6.50% Debentures outstanding. The 6.50% Debentures are due on March 31, 2018 (the “**6.50% Debenture Maturity Date**”) and bear interest at an annual rate of 6.50% payable in semi-annual payments in arrears on the last day in September and March in each year (or the immediately following business day if any interest payment date would not otherwise be a business day). On the 6.50% Debenture Maturity Date, the 6.50% Debentures may, at the option of the REIT, be repaid in cash or Units.

Each 6.50% Debenture is convertible into Units at the option of the holder at any time prior to the close of business on the earliest of (i) five business days before the 6.50% Debenture Maturity Date; or (ii) if called for redemption, the business day immediately preceding the date specified by the REIT for redemption of the 6.50% Debentures, at a

conversion price of \$2.85 per Unit (the “**6.50% Debenture Conversion Price**”), being a conversion rate of approximately 350.877 Units for each \$1,000 principal amount of 6.50% Debentures, subject to adjustment in certain events in accordance with the Indenture. Holders converting their 6.50% Debentures will receive accrued and unpaid interest thereon for the period from the last interest payment date to and including: (a) if the REIT is making monthly distributions to Unitholders, the last record date prior to the date of conversion for determining the Unitholders entitled to receive a monthly distribution on the Units; and (b) if the REIT is not making monthly distributions to its Unitholders, the date of conversion. Notwithstanding the foregoing, no 6.50% Debenture may be converted during the five business days preceding an interest payment date or the Maturity Date.

The 6.50% Debentures may not be redeemed by the REIT prior to March 31, 2016, except in the event of the satisfaction of certain conditions after a Change of Control (as defined in the Indenture) has occurred. On and after March 31, 2016 and prior to March 31, 2017, the 6.50% Debentures may be redeemed by the REIT, in whole or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest to, but excluding, the date fixed for redemption on not more than 60 days’ and not less than 30 days’ prior written notice, provided that the Current Market Price (as defined in the Indenture) on the date on which notice of redemption is given is not less than 125% of the 6.50% Conversion Price. On or after March 31, 2017 and prior to the 6.50% Debenture Maturity Date, the 6.50% Debentures may be redeemed in whole or in part from time to time at the option of the REIT at a price equal to the principal amount thereof plus accrued and unpaid interest to, but excluding, the date fixed for redemption on not more than 60 days’ and not less than 30 days’ prior written notice.

Subject to any required regulatory approvals and provided that no Event of Default (as defined in the Indenture) has occurred and is continuing, the REIT may, at its option, elect to satisfy its obligation to pay, in whole or in part, the principal amount of the 6.50% Debentures that are to be redeemed or that have matured, on not more than 60 days’ and not less than 40 days’ prior notice, by issuing that number of freely-tradeable Units obtained by dividing the principal amount of the 6.50% Debentures that are to be redeemed or that have matured, as the case may be, by 95% of the Current Market Price on the date fixed for redemption or the 6.50% Debenture Maturity Date, as applicable. In addition, subject to any required regulatory approvals and provided that no Event of Default has occurred and is continuing, freely-tradeable Units may be issued to the Debenture Trustee (as defined in the Indenture) and sold, with the proceeds used to satisfy the obligation to pay interest on the 6.50% Debentures.

Within 30 days following the occurrence of a Change of Control, the REIT will be required to make an offer to purchase all of the 6.50% Debentures then outstanding for a price equal to 101% of the principal amount thereof plus accrued and unpaid interest thereon to, but excluding, the date of purchase. Holders of 6.50% Debentures may accept this offer in whole or in part.

For a more fulsome description of the 6.50% Debentures and the Indenture, please see the section titled “Description of Debentures” in the final prospectus relating to the issuance of the 6.50% Debentures dated March 18, 2013.

7.50% Debentures

As at the date of this Annual Information Form, there were \$17,500,000 aggregate principal amount of the 7.50% Debentures outstanding. The 7.50% Debentures are due on March 31, 2018 (the “**7.50% Debenture Maturity Date**”) and bear interest at an annual rate of 7.50% payable in semi-annual payments in arrears on the last day in September and March in each year (or the immediately following business day if any interest payment date would not otherwise be a business day). On the 7.50% Debenture Maturity Date, the 7.50% Debentures may, at the option of the REIT, be repaid in cash or Units.

Each 7.50% Debenture is convertible into Units at the option of the holder at any time prior to the close of business on the earliest of (i) five business days before the 7.50% Debenture Maturity Date; or (ii) if called for redemption, the business day immediately preceding the date specified by the REIT for redemption of the 7.50% Debentures, at a conversion price of \$2.40 per Unit (the “**7.50% Debenture Conversion Price**”), being a conversion rate of approximately 416.6667 Units for each \$1,000 principal amount of 7.50% Debentures, subject to adjustment in certain events in accordance with the Indenture. Holders converting their 7.50% Debentures will receive accrued and unpaid interest thereon for the period from the last interest payment date to and including: (a) if the REIT is making monthly distributions to Unitholders, the last record date prior to the date of conversion for determining the

Unitholders entitled to receive a monthly distribution on the Units; and (b) if the REIT is not making monthly distributions to its Unitholders, the date of conversion. Notwithstanding the foregoing, no 7.50% Debenture may be converted during the five business days preceding an interest payment date or the Maturity Date.

The 7.50% Debentures may not be redeemed by the REIT prior to September 30, 2016, except in the event of the satisfaction of certain conditions after a Change of Control has occurred. On and after September 30, 2016 and prior to September 30, 2017, the 7.50% Debentures may be redeemed by the REIT, in whole or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest to, but excluding, the date fixed for redemption on not more than 60 days' and not less than 30 days' prior written notice, provided that the Current Market Price on the date on which notice of redemption is given is not less than 125% of the 7.50% Conversion Price. On or after September 30, 2017 and prior to the 7.50% Debenture Maturity Date, the 7.50% Debentures may be redeemed in whole or in part from time to time at the option of the REIT at a price equal to the principal amount thereof plus accrued and unpaid interest to, but excluding, the date fixed for redemption on not more than 60 days' and not less than 30 days' prior written notice.

Subject to any required regulatory approvals and provided that no Event of Default has occurred and is continuing, the REIT may, at its option, elect to satisfy its obligation to pay, in whole or in part, the principal amount of the 7.50% Debentures that are to be redeemed or that have matured, on not more than 60 days' and not less than 40 days' prior notice, by issuing that number of freely-tradeable Units obtained by dividing the principal amount of the 7.50% Debentures that are to be redeemed or that have matured, as the case may be, by 95% of the Current Market Price on the date fixed for redemption or the 7.50% Debenture Maturity Date, as applicable. In addition, subject to any required regulatory approvals and provided that no Event of Default has occurred and is continuing, freely-tradeable Units may be issued to the Debenture Trustee and sold, with the proceeds used to satisfy the obligation to pay interest on the 7.50% Debentures.

Within 30 days following the occurrence of a Change of Control, the REIT will be required to make an offer to purchase all of the 7.50% Debentures then outstanding for a price equal to 101% of the principal amount thereof plus accrued and unpaid interest thereon to, but excluding, the date of purchase. Holders of 7.50% Debentures may accept this offer in whole or in part.

For a more fulsome description of the 7.50% Debentures and the Indenture, please see the section titled "Description of Debentures" in the final prospectus relating to the issuance of the 7.50% Debentures dated August 23, 2013.

7.25% Debentures

As at the date of this Annual Information Form, there were \$38,750,000 aggregate principal amount of the 7.25% Debentures outstanding. The 7.25% Debentures are due on October 31, 2019 (the "**7.25% Debenture Maturity Date**") and bear interest at an annual rate of 7.25% payable in semi-annual payments in arrears on the last day in October and April in each year (or the immediately following business day if any interest payment date would not otherwise be a business day). On the 7.25% Debenture Maturity Date, the 7.25% Debentures may, at the option of the REIT, be repaid in cash or Units.

Each 7.25% Debenture is convertible into Units at the option of the holder at any time prior to the close of business on the earliest of (i) five business days before the 7.25% Debenture Maturity Date; or (ii) if called for redemption, the business day immediately preceding the date specified by the REIT for redemption of the 7.25% Debentures, at a conversion price of \$2.60 per Unit (the "**7.25% Debenture Conversion Price**"), being a conversion rate of approximately 384.6154 Units for each \$1,000 principal amount of 7.25% Debentures, subject to adjustment in certain events in accordance with the Indenture. Holders converting their 7.25% Debentures will receive accrued and unpaid interest thereon for the period from the last interest payment date to and including: (a) if the REIT is making monthly distributions to Unitholders, the last record date prior to the date of conversion for determining the Unitholders entitled to receive a monthly distribution on the Units; and (b) if the REIT is not making monthly distributions to its Unitholders, the date of conversion. Notwithstanding the foregoing, no 7.25% Debenture may be converted during the five business days preceding an interest payment date or the Maturity Date.

The 7.25% Debentures may not be redeemed by the REIT prior to October 31, 2017, except in the event of the satisfaction of certain conditions after a Change of Control has occurred. On and after October 31, 2017 and prior to October 31, 2018, the 7.25% Debentures may be redeemed by the REIT, in whole or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest to, but excluding, the date fixed for redemption on not more than 60 days' and not less than 30 days' prior written notice, provided that the Current Market Price on the date on which notice of redemption is given is not less than 125% of the 7.25% Conversion Price. On or after October 31, 2018 and prior to the 7.25% Debenture Maturity Date, the 7.25% Debentures may be redeemed in whole or in part from time to time at the option of the REIT at a price equal to the principal amount thereof plus accrued and unpaid interest to, but excluding, the date fixed for redemption on not more than 60 days' and not less than 30 days' prior written notice.

Subject to any required regulatory approvals and provided that no Event of Default has occurred and is continuing, the REIT may, at its option, elect to satisfy its obligation to pay, in whole or in part, the principal amount of the 7.25% Debentures that are to be redeemed or that have matured, on not more than 60 days' and not less than 40 days' prior notice, by issuing that number of freely-tradeable Units obtained by dividing the principal amount of the 7.25% Debentures that are to be redeemed or that have matured, as the case may be, by 95% of the Current Market Price on the date fixed for redemption or the 7.25% Debenture Maturity Date, as applicable. In addition, subject to any required regulatory approvals and provided that no Event of Default has occurred and is continuing, freely-tradeable Units may be issued to the Debenture Trustee and sold, with the proceeds used to satisfy the obligation to pay interest on the 7.25% Debentures.

Within 30 days following the occurrence of a Change of Control, the REIT will be required to make an offer to purchase all of the 7.25% Debentures then outstanding for a price equal to 101% of the principal amount thereof plus accrued and unpaid interest thereon to, but excluding, the date of purchase. Holders of 7.25% Debentures may accept this offer in whole or in part.

For a more fulsome description of the 7.25% Debentures and the Indenture, please see the section titled "Description of Debentures" in the final prospectus relating to the issuance of the 7.25% Debentures dated September 16, 2014.

DECLARATION OF TRUST

General

The REIT is an unincorporated open-ended real estate investment trust established pursuant to the Declaration of Trust under, and governed by, the laws of the Province of Ontario. Although the REIT currently qualifies as a "mutual fund trust" as defined in the Tax Act, the REIT is not be a "mutual fund" as defined by applicable securities legislation.

The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of such Act or any other legislation. The Units are not shares in the REIT and Unitholders do not have statutory rights of shareholders of a corporation incorporated under either the *Business Corporations Act* (Ontario) or the *Canada Business Corporations Act* ("**CBCA**") including, for example, the right to bring "oppression" or "derivative" actions. Furthermore, the REIT is not a trust company and accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Board Appointment Rights

The Declaration of Trust provides that, so long as NWVP has a direct or indirect interest of at least 5%, 25% or 50% of the REIT's units on a fully diluted basis, and the size of the Board of Trustees is set at five trustees, NWVP will have the right to appoint one, two and three trustees, respectively, to the Board of Trustees. The number of trustees that NWVP is entitled to appoint will be proportionately adjusted (rounding the number of appointees upwards) to account for any increase or decrease in the number of Trustees.

For so long as NWVP has appointees on the Board of Trustees, at least one NWVP appointee shall be appointed to any committee of Trustees established hereunder unless a NWVP appointee is not permitted to sit on such committee under applicable securities laws.

Investment Guidelines

The Declaration of Trust provides certain guidelines on investments that may be made directly or indirectly by the REIT. The assets of the REIT may be invested only in accordance with the following restrictions:

- (a) the REIT may only invest, directly or indirectly, in interests (including fee ownership and leasehold interests) in income-producing real estate and assets ancillary thereto necessary for the operation of such real estate and such other activities as are consistent with the other investment guidelines of the REIT;
- (b) notwithstanding anything else contained in the Declaration of Trust, the REIT shall not make or hold any investment, take any action or omit to take any action or permit a subsidiary to make or hold any investment or take any action or omit to take any action that would result in:
 - (i) the REIT not qualifying as a “mutual fund trust” or “unit trust” both within the meaning of the Tax Act; or
 - (ii) Units not qualifying as qualified investments for Exempt Plans;
- (c) the REIT may make its investments and conduct its activities, directly or indirectly, through an investment in one or more persons on such terms as the Trustees may from time to time determine, including by way of joint ventures, partnerships (general or limited) and limited liability companies;
- (d) the REIT shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
- (e) the REIT shall not invest in raw land for development, except for the development of new properties which may become capital property of the REIT, provided that the aggregate value of the investments of the REIT in raw land, excluding raw land under development which may be capital property, after giving effect to the proposed investment, will not exceed 10% of GBV; and
- (f) the REIT may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any debt incurred or assumed in connection with such investment) up to 25% of the GBV of the REIT in investments which do not comply with the investment guidelines set forth in Declaration of trust, so long as the investment does not contravene subparagraph (b) above.

For the purpose of the foregoing restrictions, the assets, liabilities and transactions of a corporation or other entity wholly or partially-owned by the REIT will be deemed to be those of the REIT on a proportionate consolidation basis. In addition, any references in the foregoing to investment in real property will be deemed to include an investment in a joint venture arrangement that invests in real property.

Operating Policies

The Declaration of Trust provides that operations and affairs of the REIT are to be conducted in accordance with the following policies:

- (a)
 - (i) any written instrument creating an obligation which is or includes the granting by the REIT of a mortgage; and
 - (ii) to the extent the Trustees determine to be practicable and consistent with their fiduciary duties to act in the best interest of the Unitholders, any written instrument which is, in the judgment of the Trustees, a material obligation,

shall contain a provision, or be subject to an acknowledgement to the effect, that the obligation being created is not personally binding upon, and that resort must not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise, the private property of any of the Trustees, Unitholders, annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the REIT, but that only property of the REIT or a specific portion thereof is bound; the REIT, however, is not required, but must use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the REIT upon the acquisition of real property;

- (b) subsidiaries of the REIT may engage in construction or development of real property provided such real property meets the REIT's investment guidelines and operating policies;
- (c) title to each real property shall be held by and registered in the name of the REIT, NWI LP, the Trustees or a corporation or other entity majority-owned, directly or indirectly, by the REIT or NWI LP or jointly-owned, directly or indirectly, by the REIT or NWI LP, with joint venturers;
- (d) the REIT shall not incur or assume any Indebtedness if, after giving effect to the incurrence or assumption of such Indebtedness, the total Indebtedness of the REIT would be more than 65% of GBV;
- (e) the REIT shall not directly or indirectly guarantee any Indebtedness or liabilities of any kind of a third party, except Indebtedness or liabilities assumed or incurred by an entity in which the REIT holds an interest, directly or indirectly, or by an entity jointly owned by the REIT with joint venturers and operated solely for the purpose of holding a particular property or properties, where such Indebtedness, if granted by the REIT directly, would cause the REIT to contravene its investment guidelines or operating policies. The REIT is not required but shall use its reasonable best efforts to comply with this requirement (i) in respect of obligations assumed by the REIT pursuant to the acquisition of real property or (ii) if doing so is necessary or desirable in order to further the initiatives of the REIT permitted under the Declaration of Trust; and
- (f) the REIT shall directly or indirectly obtain and maintain at all times property insurance coverage in respect of potential liabilities of the REIT and the accidental loss of value of the assets of the REIT from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practice of owners of comparable properties.

For the purpose of the foregoing investment guidelines and operating policies, the assets, liabilities and transactions of a corporation or other entity wholly or partially-owned by the REIT will be deemed to be those of the REIT on a proportionate consolidation basis. In addition, any references in the foregoing investment guidelines and operating policies to investment in real property will be deemed to include an investment in a joint venture arrangement that invests in real property.

Amendments to Investment Guidelines and Operating Policies

Pursuant to the Declaration of Trust, all of the investment guidelines set out under the heading "Investment Guidelines" and the operating policies contained in paragraphs (a), (d), (e) and (f), set out under the heading "Operating Policies" may be amended only with the approval of two-thirds of the votes cast by Unitholders of the REIT at a meeting of Unitholders called for such purpose. The remaining operating policies may be amended with the approval of a majority of the votes cast by Unitholders at a meeting called for such purpose.

Units and Special Voting Units

An unlimited number of Units and Special Voting Units are authorized for issuance pursuant to the Declaration of Trust. As at the date of this AIF there were 87,003,785 Units outstanding and 92,250,303 Special Voting Units outstanding.

Units

No Unit has any preference or priority over another. Each Unit represents a Unitholder's proportionate undivided beneficial ownership interest in the REIT and confers the right to one vote at any meeting of Unitholders and to participate *pro rata* in any distributions by the REIT, whether of net income, net realized capital gains or other amounts and, in the event of termination or winding-up of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities. Units are fully paid and non-assessable when issued and are transferable. The Units are redeemable at the holder's option, as described below under "Redemption Right" and have no other conversion, retraction, redemption or pre-emptive rights. Fractional Units may be issued as a result of an act of the Trustees, but fractional Units will not entitle the holders thereof to vote, except to the extent that such fractional Units may represent in the aggregate one or more whole Units.

Special Voting Units

Special Voting Units have no economic entitlement in the REIT but entitle the holder to one vote per Special Voting Unit at any meeting of the Unitholders of the REIT. Special Voting Units may only be issued in connection with or in relation to Class B LP Units for the purpose of providing voting rights with respect to the REIT to the holders of such securities. Special Voting Units are issued in conjunction with the Class B LP Units to which they relate, and are evidenced only by the certificates representing such Class B LP Units. Special Voting Units are not transferable separately from the Class B LP Units to which they are attached (other than to affiliates) and will be automatically transferred upon the transfer of such Class B LP Units. Each Special Voting Unit entitles the holder thereof to that number of votes at any meeting of Unitholders that is equal to the number of Units that may be obtained upon the exchange of the Class B LP Unit to which such Special Voting Unit is attached. Upon the exchange or surrender of a Class B LP Unit for a Unit, the Special Voting Unit attached to such Class B LP Unit will automatically be redeemed and cancelled for no consideration without any further action of the Trustees, and the former holder of such Special Voting Unit will cease to have any rights with respect thereto.

Meetings of Unitholders

The Declaration of Trust provides that meetings of Unitholders will be required to be called and held in various circumstances, including: (i) for the election or removal of Trustees; (ii) the appointment or removal of the auditors of the REIT; (iii) the approval of amendments to the Declaration of Trust (except as described below under "Amendments to Declaration of Trust"); (iv) the sale or transfer of the assets of the REIT as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the REIT approved by the Trustees); (v) the termination of the REIT; and (vi) for the transaction of any other business as the Trustees may determine or as may be properly brought before the meeting. Meetings of Unitholders will be called and held annually, for the election of the Trustees and the appointment of the auditors of the REIT. All meetings of Unitholders must be held in Canada.

A meeting of Unitholders may be convened at any time and for any purpose by the Trustees and must be convened, except in certain circumstances, if requisitioned in writing by the holders of not less than 10% of the Units and Special Voting Units permitted to vote then outstanding. A requisition must state in reasonable detail the business proposed to be transacted at the meeting. Unitholders have the right to obtain a list of Unitholders to the same extent and upon the same conditions as those which apply to shareholders of a corporation governed by the CBCA.

Unitholders may attend and vote at all meetings of Unitholders either in person or by proxy. Two persons present in person or represented by proxy, and such persons holding or representing by proxy not less in aggregate than 5% of the total number of outstanding Units and Special Voting Units, will constitute a quorum for the transaction of business at all such meetings. Any meeting at which a quorum is not present within one-half hour after the time fixed for the holding of such meeting, if convened upon the request of the Unitholders, will be terminated, but in any other case, the meeting will stand adjourned to a day not less than 14 days later and to a place and time as chosen by the chair of the meeting, and if at such adjourned meeting a quorum is not present, the Unitholders present either in person or by proxy will be deemed to constitute a quorum.

Holders of Special Voting Units will have an equal right to be notified of, attend and participate in meetings of Unitholders. Pursuant to the Declaration of Trust, a resolution in writing executed by Unitholders holding a proportion of the outstanding Units equal to the proportion required to vote in favour thereof at a meeting of Unitholders to approve that resolution is valid as if it had been passed at a meeting of Unitholders.

Redemption Right

Units are redeemable at any time on demand by the holders thereof upon delivery to the REIT of a duly completed and properly executed notice requesting redemption in a form reasonably acceptable to the Trustees, together with written instructions as to the number of Units to be redeemed. A Unitholder not otherwise holding a fully registered Unit certificate who wishes to exercise the redemption right will be required to obtain a redemption notice form from the Unitholder's investment dealer who will be required to deliver the completed redemption notice form to the REIT and to CDS. Upon receipt of the redemption notice by the REIT, all rights to and under the Units tendered for redemption shall be surrendered and the holder thereof will be entitled to receive a price per Unit (the "**Redemption Price**") equal to the lesser of:

- (i) 90% of the "Market Price" of a Unit calculated as of the date on which the Units were surrendered for redemption (the "**Redemption Date**"); and
- (ii) 100% of the "Closing Market Price", as described in this section, on the Redemption Date.

For purposes of this calculation, the "**Market Price**" of a Unit as at a specified date will be:

- (i) an amount equal to the weighted average trading price of a Unit on the principal exchange or market on which the Units are listed or quoted for trading during the period of 10 consecutive trading days ending on such date;
- (ii) an amount equal to the weighted average of the Closing Market Prices of a Unit on the principal exchange or market on which the Units are listed or quoted for trading during the period of 10 consecutive trading days ending on such date, if the applicable exchange or market does not provide information necessary to compute a weighted average trading price; or
- (iii) if there was trading on the applicable exchange or market for fewer than five of the 10 trading days, an amount equal to the simple average of the following prices established for each of the 10 consecutive trading days ending on such date: the simple average of the last bid and last asking price of the Units for each day on which there was no trading; the closing price of the Units for each day that there was trading if the exchange or market provides a closing price; and the simple average of the highest and lowest prices of the Units for each day that there was trading, if the market provides only the highest and lowest prices of Units traded on a particular day.

The "**Closing Market Price**" of a Unit for the purpose of the foregoing calculations, as at any date will be:

- (i) an amount equal to the weighted average trading price of a Unit on the principal exchange or market on which the Units are listed or quoted for trading on the specified date and the principal exchange or market provides information necessary to compute a weighted average trading price of the Units on the specified date;
- (ii) an amount equal to the closing price of a Unit on the principal market or exchange if there was a trade on the specified date and the principal exchange or market provides only a closing price of the Units on the specified date;
- (iii) an amount equal to the simple average of the highest and lowest prices of the Units on the principal market or exchange, if there was trading on the specified date and the principal exchange or market provides only the highest and lowest trading prices of the Units on the specified date; or

- (iv) the simple average of the last bid and last asking prices of the Units on the principal market or exchange, if there was no trading on the specified date.

If Units are not listed or quoted for trading in a public market, the Redemption Price will be the fair market value of the Units, which will be determined by the Trustees in their sole discretion.

The aggregate Redemption Price payable by the REIT in respect of any Units surrendered for redemption during any calendar month will be paid by cheque, drawn on a Canadian chartered bank or trust company in Canadian dollars within 30 days after the end of the calendar month in which the Units were tendered for redemption, provided that the entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the limitations that: (i) the total amount payable by the REIT in respect of such Units and all other Units tendered for redemption in the same calendar month must not exceed \$50,000 (provided that such limitation may be waived at the discretion of the Trustees); (ii) on the date such Units are tendered for redemption, the outstanding Units must be listed for trading on the TSX or traded or quoted on any other stock exchange or market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Units; (iii) the normal trading of Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, in any market where the Units are quoted for trading) on the Redemption Date or for more than five trading days during the 10-day trading period commencing immediately before the Redemption Date; and (iv) the redemption of the Units must not result in the delisting of the Units on the principal stock exchange on which the Units are listed.

Cash payable on redemptions will be paid *pro rata* to all Unitholders tendering Units for redemption in any month. To the extent a Unitholder is not entitled to receive cash upon the redemption of Units as a result of any of the foregoing limitations, then the balance of the Redemption Price for such Units will, subject to any applicable regulatory approvals, be paid and satisfied by way of a distribution *in specie* to such Unitholder of Redemption Notes. In the event of distributions of Redemption Notes, each Redemption Note so distributed to the redeeming holder of Units shall be in the principal amount of \$100 or such other amount as may be determined by the Trustees. No fractional Redemption Notes shall be distributed and where the number of Redemption Notes to be received upon redemption by a holder of Units would otherwise include a fraction, that number shall be rounded down to the next lowest whole number. The Trustees may deduct or withhold from all payments or other distributions payable to any Unitholder pursuant to the Declaration of Trust all amounts required by law to be so withheld. Where the REIT makes a distribution *in specie* on the redemption of Units of a Unitholder, the REIT currently intends to allocate to that Unitholder any capital gain or income realized by the REIT on or in connection with such distribution. See “Certain Canadian Federal Income Tax Considerations”.

Purchases of Units by the REIT

The REIT may from time to time purchase Units in accordance with applicable securities legislation and the rules prescribed under applicable stock exchange and regulatory policies. Any such purchase will constitute an “issuer bid” under Canadian provincial securities legislation and must be conducted in accordance with the applicable requirements thereof.

Take-Over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid or issuer bid is made for Units within the meaning of the *Securities Act* (Ontario) and not less than 90% of the Units (other than Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Units held by Unitholders who do not accept the offer either, at the election of each Unitholder, on the terms offered by the offeror or at the fair value of such Unitholder’s Units determined in accordance with the procedures set out in the Declaration of Trust.

The Declaration of Trust and the Exchange Agreement will provide that if a non-exempt take-over bid from a person acting at arm’s length to holders of the LP Units (or any associate or affiliate thereof) is made for the Units and such take-over bid is not structured such that holders of LP Units can exchange into Units conditional on take-up, then, provided that not less than 25% of the Units (other than Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken-up and paid for pursuant to the non-exempt bid, from

and after the date of first take-up of Units under the said take-over bid in excess of the foregoing threshold the LP Units held by persons other than the REIT will be exchangeable at an exchange ratio equal to 110% of the exchange ratio previously in effect, such that, based on the current one-to-one exchange ratio, on exchange the holder of LP Units will receive 1.1 Units for each Unit that the holder would otherwise have received. Notwithstanding any adjustment on completion of an exclusionary offer as described above, the distribution rights attaching to the LP Units will also not be adjusted until the exchange right is actually exercised.

Issuance of Units

The REIT may issue new Units from time to time, in such manner, for such consideration and to such person or persons as the Trustees shall determine. Unitholders will not have any pre-emptive rights whereby additional Units proposed to be issued would be first offered to existing Unitholders. If the Trustees determine that the REIT does not have cash in an amount sufficient to make payment of the full amount of any distribution, the payment may include the issuance of additional Units having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustees to be available for the payment of such distribution.

The REIT may also issue new Units (i) as consideration for the acquisition of new properties or assets by it, at a price or for the consideration determined by the Trustees or (ii) pursuant to any incentive or option plan established by the REIT from time to time.

The Declaration of Trust also provides that immediately after any *pro rata* distribution of Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated so that each Unitholder will hold, after the consolidation, the same number of Units as the Unitholder held before the non-cash distribution. In this case, each certificate representing a number of Units prior to the non-cash distribution is deemed to represent the same number of Units after the non-cash distribution and the consolidation. Where amounts distributed represent income, Non-Resident holders will be subject to withholding tax and the consolidation will not result in such Non-Resident Unitholders holding the same number of Units. Such Non-Resident Unitholders will be required to surrender the certificates (if any) representing their original Units in exchange for a certificate representing post-consolidation Units.

Book-Based System

At the option of the Trustees, one or more Global Unit Certificates (each a “**Global Unit Certificate**”) may be issued in the name of and deposited by the Transfer Agent with, or on behalf of, CDS as custodian of such Global Unit Certificate and registered by the Transfer Agent in the name of CDS or its nominee. No beneficial holder of Units represented in part by a Global Unit Certificate will be entitled to a certificate or other instrument from the Trust or CDS evidencing that beneficial holder’s ownership thereof except in the circumstances where CDS resigns or is removed from its responsibilities as depository and the REIT is unable or does not wish to locate a qualified successor. Beneficial interests in a Global Unit Certificate will be represented only through the book-entry system of CDS. Transfers of Units between participants of CDS shall occur in accordance with CDS’s rules and procedures.

Units issued in the form of a Global Unit Certificate will be issued in fully registered form to holders or their nominees, other than CDS or its nominee, only if: (i) the REIT is required to do so by applicable law; (ii) the depository system of CDS ceases to exist; (iii) the REIT determines that CDS is no longer willing or able or qualified to discharge properly its responsibility as depository and the REIT is unable to locate a qualified successor; or (iv) the REIT at its option elects to terminate the book-entry system in respect of such Units through CDS.

Transfer and Exchange of Units

Transfers of beneficial ownership of Units represented by Global Unit Certificates will be effected through records maintained by CDS or its nominees (with respect to interests of participants) and on the records of participants (with respect to interests of persons other than participants). Unless the REIT elects, in its sole discretion, to prepare and deliver definitive certificates representing the Units, beneficial owners who are not participants in the book-entry

system administered by CDS, but who desire to purchase, sell or otherwise transfer ownership of or other interest in global unit certificates, may do so only through participants in the book-entry system administered by CDS.

The ability of a beneficial owner of an interest in a Unit represented by a Global Unit Certificate to pledge the Unit or otherwise take action with respect to such owner's interest in the Unit represented by a Global Unit Certificate (other than through a participant) may be limited due to the lack of a physical certificate.

Registered holders of definitive certificates representing Units may transfer such Units upon payment of taxes or other charges incidental thereto, if any, by executing and delivering a form of transfer together with the Unit certificates to the registrar for the Units at its principal office in the City of Toronto, Ontario or such other city or cities as may from time to time be designated by the REIT, whereupon new Unit certificates will be issued in authorized denominations in the same aggregate principal amount as the Unit certificates so transferred, registered in the name of the transferees.

Limitation on Non-Resident Ownership

In order for the REIT to maintain its status as a "mutual fund trust" under the Tax Act, the REIT must not be established or maintained primarily for the benefit of Non-Residents. Accordingly, at no time may Non-Residents be the beneficial owners of more than 49% of the Units and the Trustees will inform the Transfer Agent and registrar of this restriction. The Trustees may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the Trustees become aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 49% of the Units then outstanding are, or may be, Non-Residents or that such a situation is imminent, the Trustees may make a public announcement thereof and will not accept a subscription for Units from or issue Units to a person unless the person provides a declaration that the person is not a Non-Resident. If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Units are held by Non-Residents, the Trustees may send a notice to Non-Resident holders of Units, chosen in inverse order to the order of acquisition or registration or in such manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may, on behalf of such Unitholders sell such Units and, in the interim, must suspend the voting and distribution rights attached to such Units. Upon such sale the affected holders will cease to be holders of Units and their rights will be limited to receiving the net proceeds of sale, subject to the right to receive payment of any distribution declared by the Trustees which is unpaid and owing to such Unitholders. The Trustees will have no liability for the amount received provided that they act in good faith. Pursuant to the NWI LP Agreement, a holder of the Class B LP Units will agree not to take any action that would result in the Class B LP Units being held by a Non-Resident. See "NWI LP".

Information and Reports

The REIT will furnish to Unitholders such financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by the Declaration of Trust and by applicable law. Prior to each meeting of Unitholders, the Trustees will provide the Unitholders (along with notice of such meeting) information as required by applicable tax and securities laws.

Amendments to Declaration of Trust

The Declaration of Trust may be amended or altered from time to time. Certain amendments require approval by at least two-thirds of the votes cast at a meeting of Unitholders called for such purpose. Other amendments to the Declaration of Trust require approval by a majority of the votes cast at a meeting of Unitholders called for such purpose.

Except as described below, the following amendments, among others, require the approval of two-thirds of the votes cast by all Unitholders at a meeting:

- (a) an exchange, reclassification or cancellation of all or part of the Units or Special Voting Units;

- (b) the addition, change or removal of the rights, privileges, restrictions or conditions attached to the Units or Special Voting Units;
- (c) any constraint of the issue, transfer or ownership of the Units or the change or removal of such constraint, except as described herein;
- (d) the sale or transfer of the assets of the REIT as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the REIT approved by the Trustees);
- (e) the termination of the REIT;
- (f) the combination, amalgamation or arrangement of any of the REIT or its subsidiaries with any other entity; and
- (g) except as described herein, the amendment of the Investment Guidelines and Operating Policies of the REIT. See “Declaration of Trust - Amendments to Investment Guidelines and Operating Policies”.

Notwithstanding the foregoing, the Trustees may, without the approval of the Unitholders, make certain amendments to the Declaration of Trust, including amendments:

- (a) aimed at ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over: (i) the Trustees or the REIT; (ii) the status of the REIT as a “mutual fund trust” under the Tax Act; or (iii) the distribution of Units;
- (b) which, in the opinion of the Trustees, provide additional protection for the Unitholders;
- (c) to remove any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Unitholders;
- (d) which, in the opinion of the Trustees, are necessary or desirable to remove conflicts or inconsistencies between the disclosure in this Annual Information Form and the Declaration of Trust;
- (e) of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest omissions or errors, which amendments, in the opinion of the Trustees, are necessary or desirable and not prejudicial to the Unitholders;
- (f) which, in the opinion of the Trustees, are necessary or desirable as a result of changes in taxation or other laws, or accounting standards (including the implementation of IFRS) from time to time which may affect the Trust or its beneficiaries or to ensure that the Units qualify as equity for the purposes of IFRS;
- (g) which, in the opinion of the Trustees, are necessary or desirable to enable the REIT to implement a Unit option or purchase plan or issue Units for which the purchase price is payable in instalments;
- (h) which, in the opinion of the Trustees, are necessary or desirable (i) to create and issue one or more new classes of preferred equity securities of the REIT (each of which may be comprised of unlimited series) that rank in priority to the Units (in payment of distributions and in connection with any termination or winding up of the REIT), and/or (ii) to remove the redemption right attaching to the Units and convert the REIT into a closed-end limited purpose trust;
- (i) which, in the opinion of the Trustees, are necessary or desirable for the REIT to qualify for a particular status under, or as a result of changes in, taxation or other laws, or the interpretation of

such laws, including to qualify for the definition of “real estate investment trust” in the Tax Act or to otherwise prevent the REIT or any of its subsidiaries from becoming subject to tax under the SIFT Rules;

- (j) to create one or more additional classes of units solely to provide voting rights to holders of shares, units or other securities that are exchangeable for Units entitling the holder thereof to a number of votes not exceeding the number of Units into which the exchangeable shares, units or other securities are exchangeable or convertible but that do not otherwise entitle the holder thereof to any rights with respect to the REIT’s property or income other than a return of capital;
- (k) to restrict ownership of the Units to less than 20 percent of the outstanding Units if, in the opinion of the Trustees, such limitation is desirable for foreign tax purposes;
- (l) to structure the fee arrangements in the Asset Management Agreement as an equity interest in a general partner of NWI LP; and
- (m) for any purpose (except one in respect of which a Unitholder vote is specifically otherwise required) which, in the opinion of the Trustees, is not prejudicial to Unitholders and is necessary or desirable.

Provided NWVP holds at least a 5% voting interest in the REIT, (a) no amendment shall be made that limits or alters the approval or appointment rights of NWVP without the express written consent of NWVP, and (b) NWVP’s approval shall be required for any change to the number of Trustees.

NWI LP

General

NWI LP is a limited partnership formed under the laws of the Province of Ontario and governed by the NWI LP Agreement. The general partner of NWI LP is NWI Healthcare Properties GP Inc. (the “**REIT GP**”), a company incorporated under the laws of the Province of Ontario, a wholly-owned subsidiary of the REIT.

Partnership Units

NWI LP has outstanding the following partnership units: (a) class A limited partnership units (“**Class A LP Units**”), all of which are held by the REIT; (b) Class B LP Units, all of which are held by NWVP and its affiliates, and (c) general partnership units (“**GP Units**”), all of which are held by the REIT GP.

The Class B LP Units are, in all material respects, economically equivalent to the Units on a per unit basis. Under the Exchange Agreement, the Class B LP Units are exchangeable on a one-for-one basis for Units at any time at the option of their holder, unless the exchange would jeopardize the REIT’s status as a “mutual fund trust” under the Tax Act. In addition, NWI LP is entitled to require the redemption of the Class B LP Units in certain specified circumstances.

Pursuant to the NWI LP Agreement, taxable income of NWI LP is allocated as follows: (a) first, to the holders of GP Units in an amount equal to 0.01% of income for tax purposes; (b) the balance of NWI LP’s income for tax purposes remaining for a given fiscal year that is not allocated to the holders of GP Units is allocated to the holders of the LP Units in an amount calculated by multiplying the remaining income for tax purposes to be allocated to such partners by a fraction, the numerator of which is the sum of the distributions received or receivable by that partner in such fiscal year, and the denominator of which is the aggregate amount of distributions received or receivable by all limited partners during such fiscal year. See “NWI LP– Partnership Distribution Policy and Priority”.

Except as required by law and in certain specified circumstances in which the rights of a holder of Class B LP Units, as the case may be, are affected, holders of Class B LP Units are not entitled to vote at any meeting of the partners of NWI LP.

Holders of Class A LP Units will be entitled to notice of, and to attend and vote at, all meetings of holders of Class A LP Units. No Class A LP Units will be issued to or held by Non-Residents.

Holders of GP Units have the right to one vote for each general partner unit held in respect of all matters to be decided by the general partner of NWI LP.

Operation

The business and affairs of NWI LP are managed and controlled by the REIT GP which is bound by the investment guidelines and operating policies applicable to the REIT. The limited partners of NWI LP will not be entitled to take part in the management or control of the business or affairs of NWI LP.

Partnership Distribution Policy and Priority

Pursuant to the NWI LP Agreement, taxable income of NWI LP is allocated as follows: (a) first, to the holders of GP Units in an amount equal to 0.01% of income for tax purposes; and (b) the balance of NWI LP's income for tax purposes remaining for a given fiscal year that is not allocated to the holders of GP Units is allocated to the holders of the LP Units in an amount calculated by multiplying the remaining income for tax purposes to be allocated to such partners by a fraction, the numerator of which is the sum of the distributions received or receivable by that partner in such fiscal year, and the denominator of which is the aggregate amount of distributions received or receivable by all limited partners during such fiscal year.

EXCHANGE AGREEMENT

Exchange Rights

The Exchange Agreement provides NWVP with the right to require the REIT to exchange each Class B LP Unit for one Unit (the "**Exchange Right**"), subject to customary anti-dilution adjustments and the adjustments described under "Declaration of Trust". Collectively, the exchange rights granted by the REIT are referred to as the "exchange rights".

The exchange procedure may be initiated at any time by the holder of a Class B LP Unit so long as all of the following conditions have been met:

- the exchange would not cause the REIT to breach the restrictions respecting Non-Resident ownership contained in the REIT's Declaration of Trust as described under "Declaration of Trust" or otherwise cause it to cease to be a "mutual fund trust" for purposes of the Tax Act or create a substantial risk of such cessation;
- the REIT is legally entitled to issue the Units in connection with the exercise of the exchange rights; and
- the person receiving the Units upon the exercise of the exchange rights complies with all applicable securities laws.

Pre-Emptive Rights

In the event that the REIT, NWI LP or one of their subsidiaries decides to issue equity securities of the REIT or NWI LP or securities convertible into or exchangeable for equity securities of the REIT or NWI LP or an option or other right to acquire any such securities other than to an affiliate thereof ("**Issued Securities**"), the Exchange Agreement will provide NWVP (or any of its affiliates), for so long as it continues to hold at least 5% of the Units, with pre-emptive rights to purchase Units, Class B LP Units or Issued Securities to restore NWVP's percentage

ownership interest to what it was immediately following the closing of the Acquisition. The pre-emptive right will not apply to the issuance of Issued Securities in the following circumstances: (i) to participants in a distribution reinvestment plan of the REIT or similar plan of NWI LP, including any “bonus” distribution, (ii) in respect of the exercise of options, warrants, rights or other securities issued under the REIT’s or NWI LP’s security-based compensation arrangements, (iii) the issuance of Units in lieu of cash distributions, (iv) the issuance is full or partial consideration for the purchase of real property by the REIT from NWVP (or any of its affiliates), (v) the exercise by a holder of a conversion, exchange or other similar privilege pursuant to the terms of a security in respect of which NWVP (or any of its affiliates) did not exercise, failed to exercise, or waived, its pre-emptive right or in respect of which the pre-emptive right did not apply. NWVP (or any of its affiliates) will be entitled to participate in the issuance of Issued Securities at the most favourable price and on the most favourable terms as such Issued Securities are to be offered, excluding fees and other transaction expenses paid by the REIT or NWI LP. NWVP has provided an acknowledgement and waiver to the REIT that confirms it is waiving its pre-emptive rights to purchase securities in connection with the Offering.

Registration Rights

The Exchange Agreement provides NWVP (or any of its affiliates) with the right (the “**Piggy-Back Registration Right**”), among others, to require the REIT to include Units held by NWVP (or any of its affiliates), including Units issuable upon exchange of Class B LP Units, in any future offering undertaken by the REIT by way of prospectus that it may file with applicable Canadian securities regulatory authorities (a “**Piggy-Back Distribution**”). The REIT will be required to use reasonable commercial efforts to cause to be included in the Piggy-Back Distribution all of the Units NWVP requests to be sold, provided that if the Piggy-Back Distribution involves an underwriting and the lead underwriter determines that the total number of Units to be included in such Piggy-Back Distribution should be limited for certain prescribed reasons, the Units to be included in the Piggy-Back Distribution will be first allocated to the REIT.

In addition, the Exchange Agreement provides NWVP (or any of its affiliates) with the right (the “**Demand Registration Right**”) to require the REIT to use reasonable commercial efforts to file one or more prospectuses with the applicable Canadian securities regulatory authorities, qualifying Units held by NWVP, including Units issuable upon the exchange of Class B LP Units, for distribution (a “**Demand Distribution**”). The REIT must take such steps as may be reasonably necessary to assist it in making a Demand Distribution, provided that, among other things, each request for a Demand Distribution must relate to the lesser of (a) 5 million securities, and (b) such number of Units that would reasonably be expected to result in gross proceeds of at least \$10 million and if the Demand Distribution involves an underwriting and the lead underwriter determines that the total number of Units to be included in such Demand Distribution should be limited for certain prescribed reasons, the Units to be included in the Demand Distribution will be first allocated to NWVP (or any of its affiliates).

Each of the Piggy-Back Registration Right and Demand Registration Right are exercisable at any time prior to the tenth anniversary of the closing of the Acquisition, provided that NWVP (or any of its affiliates) owns at least a 5% voting interest in the REIT at the time of exercise. The Piggy-Back Registration Right and Demand Registration Right will be subject to various conditions and limitations, and the REIT will be entitled to defer any Demand Distribution in certain circumstances for a period not exceeding 120 days. The REIT’s expenses in respect of a Piggy-Back Distribution will be borne by the REIT, provided that any underwriting fee on the sale of Units by NWVP and the costs of NWVP’s counsel will be borne by NWVP (or any of its affiliates). The REIT’s expenses in respect of a Demand Distribution will be borne by the REIT and NWVP (or any of its affiliates) on a proportionate basis according to the number of Units distributed by each. Pursuant to the Exchange Agreement, the REIT will indemnify NWVP (or any of its affiliates, as applicable) for any misrepresentation in a prospectus under which NWVP’s Units are distributed (other than in respect of any information provided by NWVP or any of its affiliates, in respect of NWVP, for inclusion in the prospectus) and NWVP (or any of its affiliates) will indemnify the REIT for any information provided by NWVP, in respect of NWVP, for inclusion in the prospectus.

Tag/Drag Rights

The Exchange Agreement provides that, so long as NWVP or any of its affiliates, holds at least a 5% voting interest in the REIT and so requests, the REIT will cause a purchaser (other than the REIT or an affiliate of the REIT) of

securities of NWI LP owned by the REIT (or any permitted assignee) to purchase a pro rata portion of the securities of NWI LP held by NWVP (or any of its affiliates), on the same terms and subject to the same conditions as are applicable to the purchase of securities of NWI LP by the purchaser.

The Exchange Agreement also provides that, if NWVP or any of its affiliates holds less than a 5% voting interest in the REIT, the REIT is entitled, in connection with the direct or indirect sale of all of its securities of the Partnership, to require NWVP or any of its affiliates to sell its securities in NWI LP on the same conditions as are applicable to the REIT's direct or indirect sale of all other interests in NWI LP, and upon the REIT making such request and completing such sale, neither NWVP nor any of its affiliates will have any further interest in NWI LP.

MARKET FOR SECURITIES

Trading Price and Volume

The Units are listed for trading on the TSXV under the symbol "MOB.UN". The following table shows the monthly range of high and low prices per Unit and total monthly volumes traded on the TSXV for the most recently completed financial year.

Month	High (\$)	Low (\$)	Volume
January 2014	2.47	2.00	1,494,742
February 2014	2.28	2.12	954,618
March 2014	2.19	2.13	1,016,980
April 2014	2.19	2.11	793,812
May 2014	2.11	1.90	3,209,800
June 2014	2.04	1.92	2,317,449
July 2014	2.24	2.02	3,525,258
August 2014	2.40	2.08	3,509,160
September 2014	2.27	2.10	1,594,439
October 2014	2.27	2.07	1,702,419
November 2014	2.24	2.02	2,367,233
December 2014	2.13	1.88	2,067,753

The 6.50% Debentures are listed for trading on the TSXV under the symbol "MOB.DB". The following table shows the monthly range of high and low prices of the 6.50% Debentures and total monthly volumes traded on the TSXV for the most recently completed financial year.

Month	High (\$)	Low (\$)	Volume
January 2014	97.50	88.00	250,000
February 2014	95.00	93.50	67,000
March 2014	96.00	90.00	68,000
April 2014	99.00	94.00	235,000
May 2014	95.00	90.01	337,000
June 2014	95.00	90.51	80,000
July 2014	97.00	93.00	90,000
August 2014	99.00	94.50	365,000
September 2014	97.49	94.51	500,000
October 2014	98.99	94.57	691,000

Month	High (\$)	Low (\$)	Volume
November 2014	99.00	97.01	317,000
December 2014	97.25	90.01	358,000

The 7.50% Debentures are listed for trading on the TSXV under the symbol “MOB.DBA”. The following table shows the monthly range of high and low prices of the 7.50% Debentures and total monthly volumes traded on the TSXV for the most recently completed financial year.

Month	High (\$)	Low (\$)	Volume
January 2014	100.00	88.01	689,000
February 2014	99.85	98.80	411,000
March 2014	100.78	99.00	261,000
April 2014	101.00	100.25	458,000
May 2014	100.50	99.00	866,000
June 2014	99.50	95.00	131,000
July 2014	101.25	95.00	347,000
August 2014	102.00	95.00	283,000
September 2014	102.00	99.00	794,800
October 2014	106.99	99.87	405,000
November 2014	100.75	100.20	92,000
December 2014	100.75	99.87	265,000

The 7.25% Debentures are listed for trading on the TSXV under the symbol “MOB.DBB”. The following table shows the monthly range of high and low prices of the 7.25% Debentures and total monthly volumes traded on the TSXV for the most recently completed financial year.

Month	High (\$)	Low (\$)	Volume
September 24 - 30, 2014	97.50	96.06	2,772,000
October 2014	99.39	97.00	2,358,000
November 2014	98.50	95.06	1,010,000
December 2014	97.99	80.01	967,000

TRUSTEES AND MANAGEMENT OF THE REIT

Board of Trustees

The Declaration of Trust provides that, subject to certain conditions, the Trustees will have absolute and exclusive power, control and authority over the REIT’s assets and operations, as if the Trustees were the sole and absolute legal and beneficial owners of the REIT’s assets. The governance practices, investment guidelines and operating policies of the REIT will be overseen by a Board of Trustees consisting of a minimum of three and a maximum of 20 Trustees, a majority of whom will be Canadian residents. During such time as NWVP and its affiliates own 50% or more of the voting interests of the REIT, at least 50% of the Trustees must qualify as “independent” within the meaning of National Instrument 58 201 – Corporate Governance Guidelines (“58-201”). If NWVP and its affiliates own less than 50% of the voting interests, a majority of the Trustees must qualify as “independent” within the

meaning of 58-201. Notwithstanding the foregoing, if at any time at least 50% or a majority (as applicable) of the Trustees are not independent because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any Trustee who was an independent Trustee, this requirement shall not be applicable for a period of 90 days thereafter, during which time the remaining Trustees shall appoint a sufficient number of Trustees who qualify as “independent” to comply with this requirement.

The board of Trustees of the REIT (the “**Board**” or the “**Board of Trustees**”) is currently comprised of four Trustees. Pursuant to National Policy 58-201, an independent Trustee (an “**Independent Trustee**”) is one who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a Trustee’s independent judgment. The REIT has determined that two of its four Trustees (Robert Baron and David Naylor) are independent under these standards. All of the trusteeships and directorships of the Trustees with other public entities are disclosed in the biographical information for each Trustee set out below.

The standard of care and duties of the Trustees provided in the Declaration of Trust are similar to those imposed on directors of a corporation governed by the CBCA. Accordingly, each Trustee is required to exercise the powers and discharge the duties of his or her office honestly, in good faith and in the best interests of the REIT and the Unitholders and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that each Trustee is entitled to indemnification from the REIT in respect of the exercise of the Trustee’s powers and the discharge of the Trustee’s duties, provided that the Trustee acted honestly and in good faith with a view to the best interests of the REIT and the Unitholders or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where the Trustee had reasonable grounds for believing that his or her conduct was lawful.

Trustees are elected at each annual meeting of Unitholders to hold office for a term expiring at the close of the next annual meeting. The nominees for election of the Trustees are determined by the Compensation and Corporate Governance Committee in accordance with the provisions of the Declaration of Trust and are included in the proxy-related materials to be sent to Unitholders prior to each annual meeting of Unitholders.

The Unitholders or the Trustees will be entitled to change the number of Trustees comprising the Board. A quorum of the Trustees, being the majority of the Trustees then holding office (provided a majority of the Trustees comprising such quorum are residents of Canada), will be permitted to fill a vacancy in the Trustees, except a vacancy resulting from an increase in the number of Trustees or from a failure of the Unitholders to elect the required number of Trustees. In the absence of a quorum of Trustees, or if the vacancy has arisen from an increase in the number of Trustees other than in accordance with the provision regarding the appointment of trustees in the Declaration of Trust or from a failure of the Unitholders to elect the required number of Trustees, the Trustees will promptly call a special meeting of the Unitholders to fill the vacancy. If the Trustees fail to call that meeting or if there is no Trustee then in office, any Unitholder will be entitled to call such meeting. Except as otherwise provided in the Declaration of Trust, the Trustees may, between annual meetings of Unitholders, appoint one or more additional Trustees to serve until the next annual meeting of Unitholders, provided that the number of additional Trustees so appointed will not at any time exceed one-third of the number of Trustees who held such office at the conclusion of the immediately preceding annual meeting of Unitholders. Any Trustee may resign upon 30 days’ written notice to the REIT, unless such resignation would cause the number of remaining Trustees to be less than a quorum, and may be removed by an ordinary resolution passed by a majority of the votes cast at a meeting of Unitholders.

The following table sets forth the name, municipality of residence, positions held with the REIT and principal occupation of the Trustees of the REIT. Each of the Trustees, other than Dr. Naylor, has been a Trustee since May 31, 2012. Dr. Naylor has been a Trustee since February 3, 2014.

<u>Name and Municipality of Residence</u>	<u>Position with the REIT</u>	<u>Principal Occupation</u>
ROBERT BARON ⁽¹⁾⁽³⁾ Toronto, Ontario	Trustee	Principal of BCGI Baron Consulting Group Inc.
BERNARD CROTTY ⁽¹⁾⁽⁴⁾ Oakville, Ontario	Trustee and President	Co-President of the REIT
PAUL DALLA LANA ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ Toronto, Ontario	Trustee and CEO	President and Founder of NorthWest Value Partners Inc.
DR. C. DAVID NAYLOR ⁽³⁾ Toronto, Ontario	Trustee	President Emeritus and Professor of Medicine, University of Toronto.

Notes:

1. Member of the Compensation and Corporate Governance Committee. The Compensation and Corporate Governance Committee is chaired by Bernard Crotty.
2. Chair of the Board.
3. Member of the Audit Committee. The Audit Committee is chaired by Robert Baron.
4. Member of the Investment Committee. The Investment Committee is chaired by Paul Dalla Lana.

Additional biographical information regarding the Trustees of the REIT for the past five years is set out below:

Robert Baron, Toronto, Ontario, Canada. Mr. Baron is the founder and President of Toronto-based BCGI Baron Consulting Group and New York-based American Real Estate Executive Search. Both firms act on behalf of private and institutional real estate investors and lenders throughout North America. Prior to forming BCGI in 1995 Mr. Baron was employed in Investment Banking at CIBC Wood Gundy Inc. from 1991 to 1995 and in Investment Sales at CB Commercial Real Estate from 1987 to 1991. Mr. Baron also serves as a trustee of NorthWest Healthcare Properties REIT. Mr. Baron has a B.A. in Economics from the University of Western Ontario and an MBA from the University of Toronto.

Bernard Crotty, Oakville, Ontario, Canada. Mr. Crotty is the Co-President and a Trustee of the REIT and a Director of Vital Healthcare Property Trust. Prior to November 3, 2013, Mr. Crotty's principal occupation was as principal of Silver and White Management Inc., a private investment firm. From September 2001 to February 2008, Mr. Crotty acted as Chairman and/or Chief Executive Officer of Certicom Corp, a provider of cryptographic software and services that was acquired by Research in Motion Ltd. From January 2004 to February 2007, Mr. Crotty acted as Chairman and/or Chief Executive Officer of Comnetix Inc., a provider of biometric identification and authorization solutions that was acquired by L-1 Identity Solutions Inc. In addition Mr. Crotty has served on a variety of public company boards and was counsel to the law firm Gibson, Dunn & Crutcher LLP in Los Angeles from April 1998 to March 2000. Prior to April 1998, Mr. Crotty was a partner at the law firm McCarthy Tétrault, LLP in Toronto and London, England. Mr. Crotty received his B.A. from the University of Alberta, LL.B. from the University of Toronto, LL.M from the London School of Economics and his M.B.A. from Duke University. He is also a graduate of the Toronto ICD-Rotman Directors Education Program.

Paul Dalla Lana, Toronto, Ontario, Canada. Mr. Dalla Lana is the founder, Chairman, and Chief Executive Officer of the REIT. Mr. Dalla Lana has over 20 years of experience in real estate acquisition, development, and finance. Mr. Dalla Lana is the Founder and President of NWVP, the Founder and Chairman of NorthWest Healthcare Properties REIT and a Director of Vital Healthcare Property Trust. He is an advisory board member of the Dalla Lana School of Public Health and is on the President's Advisory Council at The University of Toronto. Mr. Dalla Lana received his B.A. and M.B.A. from the University of British Columbia.

Dr. C. David Naylor, Toronto, Ontario, Canada. Dr. Naylor is president emeritus and professor of medicine at the University of Toronto ("U of T"). Dr. Naylor previously served as president (2005-13) and dean of medicine (1999-2005) at U of T. Co-author of over 300 scholarly publications, Dr. Naylor was also founding CEO of the Institute for Clinical Evaluative Sciences (1991-99) and founding director of clinical epidemiology at Sunnybrook Health Sciences Centre (1990-96). Dr. Naylor has extensive hospital and academic governance experience, and his counsel on healthcare strategy and policy has been sought by governments, associations and companies across Canada and abroad over the course of more than 25 years.

Dr. Naylor is currently a director of Barrick Gold Corporation. Dr. Naylor is an Officer of the Order of Canada, a Fellow of the Royal Society of Canada and the Canadian Academy of Health Sciences, and a Foreign Associate of the U.S. Institute of Medicine.

Conflicts of Interest

The Declaration of Trust contains “conflict of interest” provisions to protect Unitholders without creating undue limitations on the REIT. As the Trustees are engaged in a wide range of real estate and other activities, the Declaration of Trust contains provisions, similar to those contained in the CBCA, that require each Trustee to disclose to the REIT, at the first meeting of Trustees at which a proposed contract or transaction is considered, any interest in a material contract or transaction or proposed material contract or transaction with the REIT (including a contract or transaction involving the making or disposition of any investment in real property or a joint venture agreement) or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with the REIT. If a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the Trustees, a Trustee will be required to disclose in writing to the REIT, or request to have entered into the minutes of meetings of Trustees, the nature and extent of his or her interest forthwith after the Trustee becomes aware of the contract or transaction or proposed contract or transaction. In any case, a Trustee who has made disclosure to the foregoing effect will not be entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction relates to his or her remuneration or an indemnity under the provisions of the Declaration of Trust or liability insurance. All decisions of the Board of Trustees will require the approval of a majority of the Trustees present in person or by phone at a meeting of the Board.

Senior Management

The responsibilities of the senior management of the REIT include: (i) providing the Board of Trustees with information and advice relating to the operation of the REIT’s properties, acquisitions and financings; (ii) establishing, at least on an annual basis, investment and operating plans for the ensuing period; (iii) conducting and supervising the due diligence required in connection with proposed acquisitions, and completing any acquisitions or dispositions; (iv) maintaining the books and financial records of the REIT; (v) determining and preparing designations, elections and determinations to be made in connection with the income and capital gains of the REIT for tax and accounting purposes; (vi) preparing reports and other information required to be sent to Unitholders and other disclosure documents; and (vii) administering or supervising the administration, on behalf of the Board of Trustees, of the payment of distributions by the REIT.

The primary functions of the CEO are to lead the management of the REIT’s business and affairs and to lead the implementation of the resolutions and the policies of the Board. The Board will develop a written position description and mandate for the CEO which will set out the CEO’s key responsibilities, including duties relating to strategic planning, operational direction, Board interaction, succession reporting and communication with Unitholders.

The following table sets forth the name, municipality of residence and positions held with the REIT of each executive officer of the REIT:

<u>Name and Municipality of Residence</u>	<u>Office with the REIT</u>
PAUL DALLA LANA	Chief Executive Officer
Toronto, Ontario	
BERNARD CROTTY	Co-President
Toronto, Ontario	
VINCENT COZZI	Co-President and Chief
Chicago, Illinois	Investment Officer
TERESA NETO	Chief Financial Officer
Etobicoke, Ontario	

Additional information regarding the senior management of the REIT, including a description of each individual's principal occupation within the past five years is provided as follows:

Paul Dalla Lana – Mr. Dalla Lana is the founder, Chairman, and Chief Executive Officer of the REIT. Mr. Dalla Lana has over 20 years of experience in real estate acquisition, development, and finance. Mr. Dalla Lana is the Founder and President of NWVP, the Founder and Chairman of NorthWest Healthcare Properties REIT and a Director of Vital Healthcare Property Trust. He is an advisory board member of the Dalla Lana School of Public Health and is on the President's Advisory Council at The University of Toronto. Mr. Dalla Lana received his B.A. and M.B.A. from the University of British Columbia.

Bernard Crotty - Mr. Crotty is the Co-President and a Trustee of the REIT and a Director of Vital Healthcare Property Trust. Prior to November 3, 2013 Mr. Crotty's principal occupation was as principal of Silver and White Management Inc., a private investment firm. From September 2001 to February 2008, Mr. Crotty acted as Chairman and/or Chief Executive Officer of Certicom Corp, a provider of cryptographic software and services that was acquired by Research in Motion Ltd. From January 2004 to February 2007, Mr. Crotty acted as Chairman and/or Chief Executive Officer of Comnetix Inc., a provider of biometric identification and authorization solutions that was acquired by L-1 Identity Solutions Inc. In addition Mr. Crotty has served on a variety of public company boards and was counsel to the law firm Gibson, Dunn & Crutcher LLP in Los Angeles from April 1998 to March 2000. Prior to April 1998, Mr. Crotty was a partner at the law firm McCarthy Tétrault, LLP in Toronto and London, England. Mr. Crotty received his B.A. from the University of Alberta, LL.B. from the University of Toronto, LL.M from the London School of Economics and his M.B.A. from Duke University. He is also a graduate of the Toronto ICD-Rotman Directors Education Program.

Teresa Neto – Ms. Neto is the Chief Financial Officer of the REIT. Ms. Neto was the Chief Financial Officer of KEYreit, a TSX-listed high growth real estate investment trust that owned over 227 small-box commercial properties in nine provinces across Canada, from the period September 2011 to May 2013 when KEYreit was acquired by Plazacorp Retail Properties Inc. Prior to that, Ms. Neto was the Chief Financial Officer of Retrocom REIT, a TSX-listed high growth real estate investment trust that owns community-based commercial properties in primary and secondary markets across Canada, from June 2010 to August 2011. From 2006 to 2010, Ms. Neto was Vice President, Financial Reporting for the Real Property Association of Canada ("REALpac"), Canada's senior national industry association for owners and managers of investment real estate. Prior to REALpac, Ms. Neto spent nine years in the telecommunications industry from 1997 to 2005 where she held various senior Finance and Accounting positions, including Director, Treasury at MTS Allstream Inc. Prior to that, she worked in the consumer packaged goods and communications industries. Ms. Neto commenced her career at Touche Ross & Co. (a predecessor company of Deloitte). Ms. Neto received her designation as a Chartered Professional Accountant (CA) from CPA Ontario in 1988 and also holds a Bachelor of Arts degree from Laurentian University.

Vincent Cozzi - Mr. Cozzi is the Co-President and Chief Investment Officer of the REIT. Mr. Cozzi was previously at Ventas, the leading US-based healthcare REIT, from 2005 until 2014, where he was Senior Vice President, Acquisitions as well as Executive Vice President and Chief Investment Officer of its Lillibridge Healthcare Services subsidiary. He was Vice President-Finance and Treasurer of Trizec Properties Inc., one of the North America's largest owners of premier office buildings, where he held positions in finance, corporate strategy and asset management from 1998 to 2005. Mr. Cozzi is active in the Urban Land Institute, the National Investment Center for the Seniors Housing & Care Industry (NIC), and BOMA. He also serves on the Board of Advisors to the James A. Graaskamp Center for Real Estate at the University of Wisconsin. Mr. Cozzi received a B.A. from the University of Wisconsin and an M.B.A. from the University of Chicago Booth School of Business.

Ownership of Securities by Trustees and Officers

The Trustees and officers of the REIT, as a group, beneficially own or exercise control or direction over 25,043,940 Units and 92,250,303 Class B Units, representing approximately 65.4% of the voting interest in the REIT.

Audit Committee Information

Pursuant to applicable laws, the REIT is required to have an audit committee comprised of not less than three Trustees, a majority of whom are not officers, control persons or employees of the REIT or an affiliate of the REIT. National Instrument 52-110 Audit Committees (“**NI 52-110**”) requires the REIT to disclose annually in its annual information form certain information concerning the constitution of its audit committee and its relationship with its independent auditor.

The audit committee of the REIT (the “**Audit Committee**”) is responsible for the REIT’s financial reporting process and the quality of its financial reporting. In addition to its other duties, the Audit Committee reviews all financial statements, annual and interim, intended for circulation among Unitholders and reports upon these to the Board. In addition, the Board may refer to the Audit Committee other matters and questions relating to the financial position of the REIT. In performing its duties, the Audit Committee will maintain effective working relationships with the Board, management and the external auditors and monitors independence of those auditors.

Audit Committee Charter

The text of the Audit Committee’s charter is attached as Schedule “A”.

Composition of the Audit Committee

The Audit Committee consists of Robert Baron, Paul Dalla Lana and David Naylor. Messrs. Baron and Naylor are considered “independent” and “financially literate” (each as defined in NI 52-110).

Relevant Education and Experience

For a discussion of the relevant education and experience of Messrs. Baron, Naylor and Dalla Lana, see the biographies set out above under “Trustees and Management of the REIT”.

Audit Committee Oversight

At no time since the commencement of the REIT’s most recently completed financial year has the Audit Committee made a recommendation to nominate or compensate an external auditor not adopted by the Board of Trustees.

Reliance on Certain Exemptions

At no time since the commencement of the REIT’s most recently completed financial year has the REIT relied on the exemption in Sections 2.4 (*De Minimis Non-audit Services*), 3.2 (*Initial Public Offerings*), 3.3(2) (*Controlled Companies*), 3.4 (*Events Outside Control of Members*), 3.5 (*Death, Disability or Resignation of Audit Committee Member*), 3.6 (*Temporary Exemption for Limited and Exceptional Circumstances*), 3.8 (*Acquisition of Financial Literacy*) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 thereof.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the REIT’s external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the REIT. The Audit Committee is authorized to approve any non-audit services or additional work which the Chairman of the Audit Committee deems as necessary and the Chairman of the Audit Committee will notify the other members of the Audit Committee of such non-audit or additional work.

External Audit Service Fees

The fees billed by the REIT’s external auditors for the years-ended December 31, 2014 and 2013 for audit and non-audit related services provided to the REIT or its subsidiaries are summarized as follows:

Year	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All other Fees ⁽⁴⁾
2014.....	\$544,108	\$220,000	\$169,265	-
2013.....	\$905,506	\$147,133	\$108,166	-

Notes:

- (1) 2014 audit fees represent estimated fees for the 2014 year end audit of the consolidated financial statements of the REIT.
- (2) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.
- (3) Fees charged for tax compliance, tax advice and tax planning services.
- (4) All other fees include (but are not limited to) those incurred with respect to issuance of convertible debentures and equity offerings, and were regrouped to audit fees.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the Trustees, executive officers or promoters of the REIT is, as at the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any person or company (including the REIT) that was subject to one of the following orders, that was in effect for a period of more than 30 consecutive days:

- (a) a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was issued while the director or executive officer was acting in the capacity as director or executive officer; or
- (b) a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as disclosed below, none of the Trustees, executive officers or promoters of the REIT, or shareholders holding a sufficient number of Units of the REIT to affect materially its control:

- (a) is, as at the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, a director or executive officer of any company (including the REIT) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Annual Information Form, 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 Trustee, executive officer or shareholder; or
- (c) has had imposed any penalties or sanctions by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a security regulatory authority or has had imposed any penalties or sanctions by a court or a regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Neither the REIT nor any of its Subsidiaries are involved in any outstanding, threatened or pending litigation that would have a material effect on the REIT and its Subsidiaries.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There are no other material interests, direct or indirect, of the Trustees or officers of the REIT, any Unitholder that beneficially owns more than 10% of the Units of the REIT or any associate or affiliate of any of the foregoing persons in any transaction within the last three years or any proposed transaction that has materially affected or would materially affect the REIT or any of its Subsidiaries, except for the following and as described elsewhere in this Annual Information Form:

- (a) from November 2012 until December 31, 2014, affiliates of NWVP served as the REIT's asset manager, property manager and developer and received fees from the REIT pursuant to such arrangements. An affiliate of the REIT also served as a general partner of NWI LP and was entitled to amounts under the NWI LP Agreement. During this period, NWVP and its affiliates received the following under these arrangements: asset management and property management fees of \$329,166 in 2012; \$2,141,376 in 2013; and \$4,309,895 in 2014, as well as an incentive fee relating to the fiscal year ending December 31, 2013 of \$4,103,617. These arrangements were terminated pursuant to the Internalization Agreement. See "General Development of the Business – Management Internalization".
- (b) In connection with the completion of the Internalization Transaction, the REIT entered into a shared services agreement with NWVP and NWHP REIT pursuant to which it receives informational technology services.
- (c) In connection with the completion of the Internalization Transaction, the REIT entered into a lease with NWVP with respect to its head office space.
- (d) NWVP was the vendor under the Put/Call Agreement and has entered into arrangements with the REIT relating to the debt assumed in connection with that transaction. See "General Development of the Business – Investment in NWHP REIT" and "Assets of the REIT – Canada – NWHP REIT – The NWHP REIT Margin Facilities".
- (e) NWVP was the vendor of the Initial International Assets. See "General Development of the Business – Reconfiguration of the REIT to Focus on International Assets".
- (f) An affiliate of NWVP is party to the Sabara Installment Note. See "Assets of the REIT – Brazil – Sabara Children's Hospital".

NWVP, directly or indirectly, currently owns: (a) 24,030,771 Units, representing approximately 27.6% of the Units outstanding, and (b) 92,250,303 Class B LP Units, representing all of the Class B LP Units outstanding. Assuming the exchange of its Class B LP Units, NWVP owns approximately 65% of the issued and outstanding Units. Paul Dalla Lana, Chairman and Chief Executive Officer of the REIT, is the sole shareholder and director of NWVP.

AUDITORS, TRANSFER AGENT AND REGISTRAR

KPMG LLP are the auditors of the REIT and have confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations. The transfer agent and registrar for the Units is Computershare Investor Services Inc. at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

The following are the only material agreements, other than contracts entered into in the ordinary course of business, entered into during the past two years or proposed to be entered into by the REIT:

- (a) the Declaration of Trust described under “Declaration of Trust”;
- (b) the NWI LP Agreement described under “NWI LP”;
- (c) the Exchange Agreement described under “Exchange Agreement”;
- (d) the Sabará Instalment Note described under “Assets of the REIT – Brazil – Sabará Children’s Hospital”;
- (e) the Indenture governing the 6.50% Debentures, the 7.50% Debentures, and the 7.25% Debentures described under “Description of Capital – Debentures”;
- (f) the Internalization Agreement described under “General Development of the Business – Management Internalization”; and
- (g) the Definitive Agreement described under “General Development of the Business – Reconfiguration of the REIT to Focus on International Assets”.

INTERESTS OF EXPERTS

The REIT’s auditors, KPMG LLP, have prepared an independent auditors’ report in respect of the REIT’s financial statements with accompanying notes as at and for the period ended December 31, 2014. KPMG LLP has advised that they are independent with respect to the REIT within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

ADDITIONAL INFORMATION

Additional information relating to the REIT may be found on SEDAR at www.sedar.com.

Additional information, including Trustees’ and officers’ remuneration and indebtedness, principal holders of Units of the REIT and securities authorized for issuance under equity compensation plans, as applicable, is contained in the REIT’s information circular that was prepared in connection with the REIT’s most recent annual general meeting of Unitholders, which took place on September 30, 2014.

Additional financial information is provided in the REIT’s audited consolidated financial statements and MD&A for the years ended December 31, 2014 and 2013. Copies of such documents can be found on SEDAR at www.sedar.com.

SCHEDULE “A”

**NORTHWEST INTERNATIONAL HEALTHCARE PROPERTIES
REAL ESTATE INVESTMENT TRUST**

CHARTER OF THE AUDIT COMMITTEE

(the “Charter”)

1. General

A. Purpose

The Audit Committee (the “**Committee**”) is a committee of the Board of Trustees (the “**Board**”) of Northwest International Healthcare Properties Real Estate Investment Trust (the “**REIT**”). The members of the Committee and the chair of the Committee (the “**Chair**”) are appointed by the Board on an annual basis (or until their successors are duly appointed) for the purpose of overseeing the REIT’s financial controls and reporting and monitoring whether the REIT complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

2. Composition

The Committee should be comprised of a minimum of three trustees and a maximum of five trustees.

- 1) The Committee must be constituted as required under National Instrument 52-110 – Audit Committees, as it may be amended or replaced from time to time (“**NI 52-110**”).
- 2) All members of the Committee must (except to the extent permitted by NI 52-110) be independent (as defined by NI 52-110), and free from any relationship that, in the view of the Board, could be reasonably expected to interfere with the exercise of his or her independent judgment as a member of the Committee.
- 3) No members of the Committee shall receive, other than for service on the Board or the Committee or other committees of the Board, any consulting, advisory, or other compensatory fee from the REIT or any of its related parties or subsidiaries.
- 4) All members of the Committee must (except to the extent permitted by NI 52-110) be financially literate (which is defined 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 REIT’s financial statements).
- 5) Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee on ceasing to be a trustee. The Board may fill vacancies on the Committee by election from among the Board. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all powers of the Committee so long as a quorum remains.

3. Limitations on Committee’s Duties

In contributing to the Committee’s discharge of its duties under this Charter, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which any member of the Board may be otherwise subject.

Members of the Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, (iii) representations made by management of the REIT (“Management”) as to the non-audit services provided to the REIT by the external auditor, (iv) financial statements of the REIT represented to them by a member of Management or in a written report of the external auditors to present fairly the financial position of the REIT in accordance with applicable generally accepted accounting principles, and (v) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

4. Meetings

The Committee should meet not less than four times annually. The Committee should meet within 45 days following the end of the first three financial quarters of the REIT if the REIT is listed on the Toronto Stock Exchange (“TSX”), otherwise within 60 days, and shall meet within 90 days following the end of the fiscal year of the REIT if the REIT is listed on the TSX, otherwise 120 days. A quorum for the transaction of business at any meeting of the Committee shall be a majority of the members of the Committee or such greater number as the Committee shall by resolution determine. The Committee shall keep minutes of each meeting of the Committee. A copy of the minutes shall be provided to each member of the Committee.

Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon two days’ prior notice to each of the other Committee members. The members of the Committee may waive the requirement for notice. In addition, each of the Chief Executive Officer and the Chief Financial Officer, and the external auditor shall be entitled to request that the Chair call a meeting.

The Committee may ask members of Management and employees of the REIT (including, for greater certainty, its affiliates and subsidiaries) or others (including the external auditor) to attend meetings and provide such information as the Committee requests. Members of the Committee shall have full access to information of the REIT (including, for greater certainty, its affiliates, subsidiaries and their respective operations) and shall be permitted to discuss such information and any other matters relating to the results of operations and financial position of the REIT with Management, employees, the external auditor and others as they consider appropriate.

The Committee or its Chair should meet at least once per year with Management and the external auditor in separate sessions to discuss any matters that the Committee or either of these groups desires to discuss privately. In addition, the Committee or its Chair should meet with the REIT’s Management quarterly in connection with the REIT’s interim financial statements.

The Committee shall determine any desired agenda items.

5. Committee Activities

As part of its function in assisting the Board in fulfilling its oversight responsibilities (and without limiting the generality of the Committee’s role), the Committee will have the power and authority to:

A. Financial Disclosure

- 1) Review, approve and recommend for Board approval the REIT’s interim financial statements, including any certification, report, opinion or review rendered by the external auditor and the related Management’s Discussion & Analysis and press release.
- 2) Review, approve and recommend for Board approval the REIT’s annual financial statements, including any certification, report, opinion or review rendered by the external auditor, the annual information form, and the related Management’s Discussion & Analysis and press release.
- 3) Review and approve any other press releases that contain financial information and such other financial information of the REIT provided to the public or any governmental body as the Committee requires.

- 4) Satisfy itself that procedures have been put in place by Management for the review of the REIT's public disclosure of financial information extracted or derived from the REIT's financial statements and the related Management's Discussion & Analysis.
- 5) Review any litigation, claim or other contingency and any regulatory or accounting initiatives that could have a material effect upon the financial position or operating results of the REIT and the appropriateness of the disclosure thereof in the documents reviewed by the Committee.
- 6) Receive periodically Management reports assessing the adequacy and effectiveness of the REIT's disclosure controls and procedures.

B. Internal Control

- 1) Review Management's process to identify and manage the significant risks associated with the activities of the REIT.
- 2) Review the internal control systems for monitoring compliance with laws and regulations.
- 3) Have the authority to communicate directly with the internal auditor, if applicable.
- 4) Receive periodical Management reports assessing the REIT's internal control systems.
- 5) Assess the overall internal control and risk management frameworks through discussions with Management and the external auditors and assess whether recommendations made by the external auditors have been implemented by Management.

C. Relationship with the External Auditor

- 1) Recommend to the Board the selection of the external auditor and the fees and other compensation to be paid to the external auditor.
- 2) Have the authority to communicate directly with the external auditor and arrange for the external auditor to be available to the Committee and the Board as needed.
- 3) Advise the external auditor that it is required to report to the Committee, and not to Management.
- 4) Monitor the relationship between Management and the external auditor, including reviewing any Management letters or other reports of the external auditor, discussing any material differences of opinion between Management and the external auditor and resolving disagreements between the external auditor and Management.
- 5) If considered appropriate, establish separate systems of reporting to the Committee by each of management and the external auditor.
- 6) Review and discuss on an annual basis with the external auditor all significant relationships they have with the REIT and Management that might interfere with the independence of the external auditor.
- 7) Pre-approve all non-audit services (or delegate such pre-approval, as the Committee may determine and as permitted by applicable securities laws) to be provided by the external auditor.
- 8) Review the performance of the external auditor and recommend any discharge of the external auditor when the Committee determines that circumstances warrant.
- 9) Periodically consult with the external auditor out of the presence of Management about (a) any significant risks or exposures facing the REIT, (b) internal controls and other steps that Management has taken to

control such risks, and (c) the fullness and accuracy of the financial statements of the REIT, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.

- 10) Review and approve any proposed hiring of current or former partners or employees of the current (and any former) external auditor of the REIT.

D. Audit Process

- 1) Review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Committee may authorize the external auditor to perform supplemental reviews, audits or other work as deemed desirable.
- 2) Following completion of the annual audit and quarterly reviews, review separately with each of Management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.
- 3) Review any significant disagreements among Management and the external auditor in connection with the preparation of the financial statements.
- 4) Where there are significant unsettled issues between Management and the external auditor that do not affect the audited financial statements, the Committee shall seek to ensure that there is an agreed course of action leading to the resolution of such matters.
- 5) Review with the external auditor and Management significant findings and the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.
- 6) Review management's system for ensuring that the financial statements, Management's Discussion & Analysis and other financial information disseminated to regulatory authorities and the public satisfy applicable requirements.

E. Financial Reporting Processes

- 1) Review the integrity of the REIT's financial reporting processes, both internal and external, in consultation with the external auditor.
- 2) Periodically consider the need for an internal audit function, if not present.
- 3) Review all material balance sheet issues, material contingent obligations and material related party transactions.
- 4) Review with Management and the external auditor the REIT's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with Management, the ramification of their use and the external auditor's preferred treatment and any other material communications with Management with respect thereto. Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

F. General

- 1) Inform the Board of matters that may significantly impact on the financial condition or affairs of the business.

- 2) Respond to requests by the Board with respect to the functions and activities that the Board requests the Committee to perform.
- 3) Periodically review this Charter and, if the Committee deems appropriate, recommend to the Board changes to this Charter.
- 4) Review the public disclosure regarding the Committee required from time to time by NI 52-110.
- 5) The Committee may at its discretion retain independent counsel, accountants and other professionals to assist it in the conduct of its activities and to set and pay (as an expense of the REIT) the compensation for any such advisors.
- 6) Review in advance, and approve, the hiring and appointment of the REIT's senior financial executives.
- 7) Perform any other activities as the Committee or the Board deems necessary or appropriate.

6. Complaint Procedures

- 1) Anyone may submit a complaint regarding conduct by the REIT or its management, consultants or agents (including its external auditor) reasonably believed to involve questionable accounting, internal accounting controls, auditing or other matters. The Chair of the Committee will have the power and authority to oversee treatment of such complaints.
- 2) Complaints are to be directed to the attention of the Chair of the Committee.
- 3) The Committee should endeavour to keep the identity of the complainant confidential.
- 4) The Chair of the Committee will have the power and authority to lead the review and investigation of a complaint. The Committee should retain a record of all complaints received. Corrective action may be taken when and as warranted.