

SLATE RETAIL REIT
Notice to Security Holders – March 2, 2016

Who can participate in the Rights Offering?

Slate Retail REIT (the “**REIT**”) is distributing rights (“**Rights**”) to subscribe for Class U Units (“**Units**”) to eligible holders of its outstanding Units, Class A Units and Class I Units (collectively, “**Unitholders**”) and to eligible holders of outstanding class B limited partnership units of U.S. Grocery-Anchored Retail (1B) Limited Partnership (“**GAR B Units**”), class B limited partnership units of Slate Retail One L.P. (“**LP1 Units**”) and exchangeable class B limited partnership units of Slate Retail Two L.P. (“**LP2 Units**”) and, collectively, with the GAR B Units and LP1 Units, the “**Exchangeable Securities**” and the holders of Exchangeable Securities being “**Exchangeable Securityholders**”).

If you are a Unitholder or Exchangeable Securityholder of record as at 5:00 p.m. (Toronto time) on March 10, 2016, you can participate in the offering of Rights (the “**Rights Offering**”), provided that you are eligible to receive Rights (as discussed in more detail below).

Who is eligible to receive Rights?

The Rights will be offered in all of the provinces and territories of Canada (collectively, the “**Qualified Jurisdictions**”). If you are a Unitholder or Exchangeable Securityholder and are resident in one of the Qualified Jurisdictions (and, if you are a holder of LP1 Units or LP2 Units, you meet the additional requirements described below) you will be eligible to receive Rights. As a condition to a purchase of any Units under the Rights Offering, each holder that exercises Rights (except as described below) will be deemed to have represented and warranted that it is resident in a Qualified Jurisdiction, and this representation and warranty will be relied upon by the REIT and Equity Financial Trust Company (the “**Subscription Agent**”).

Rights will only be offered to holders of LP1 Units or LP2 Units who have satisfied the REIT in its sole discretion that they are “accredited investors” (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions*) and are eligible to participate in the Rights Offering. Any holders of LP1 Units or LP2 Units who are not able to satisfy the REIT as to these matters will not be eligible to participate in the Rights Offering.

The Rights and the Units that the Rights can be used to subscribe for will not be qualified under the securities laws of any jurisdiction other than the Qualified Jurisdictions (each, a “**Non-Qualified Jurisdiction**”). If you are a Unitholder or Exchangeable Securityholder and are resident in a Non-Qualified Jurisdiction, you will not be eligible to receive any Rights or participate in the Rights Offering except where you are able to satisfy the REIT in its sole discretion that your participation in the Rights Offering is lawful and in compliance with all securities and other laws in the Non-Qualified Jurisdiction where you reside and is not prejudicial to the REIT or its securityholders.

How many Rights is the REIT offering?

The REIT is offering a total of 31,852,607 Rights. If all Rights are exercised, holders of Rights (“**Rightholders**”) will be entitled to subscribe for a total of 3,539,175 Units.

How many Rights will you receive?

If you are an eligible holder of Units, you will receive one Right for each of your Units.

If you are an eligible holder of Class A Units, you will receive 1.0078 Rights for each Class A Unit you hold (rounded down to the nearest whole number of Rights).

If you are an eligible holder of Class I Units, you will receive 1.0554 Rights for each Class I Unit you hold (rounded down to the nearest whole number of Rights).

If you are an eligible holder of Exchangeable Securities, you will receive one Right for each Exchangeable Security you hold.

No fractional Rights will be issued.

What do nine Rights entitle you to receive?

Every nine Rights held will entitle an eligible holder to subscribe for one Unit at a subscription price of C\$13.71 per Unit (U.S.\$10.21 per Unit). The smallest increment that Rights may be exercised in is nine.

Rightholders that fully exercise their Rights will also have an additional subscription privilege. This means that if any other Rightholders do not fully exercise their Rights under their basic subscription privilege, any Units not initially subscribed for will be offered to Rightholders who have fully exercised their Rights and wish to make additional subscriptions.

If you fully subscribe for all the Units your Rights entitle you to under your basic subscription privilege and you wish to participate in the additional subscription privilege, you will be limited to your *pro rata* share of the total amount of Units available for additional subscription. Subscriptions above this limit will not be accepted and any excess subscription payments will be returned to you.

How will you receive your Rights?

If you are an eligible Unitholder or Exchangeable Securityholder and you hold your Units or Exchangeable Securities through a securities broker, dealer, bank, trust company, custodian or other intermediary (each, a “**Participant**”), you will not receive a Rights Certificate. Instead, Rights will be represented under the book-based system administered by CDS Clearing and Depository Services Inc. (“**CDS**”). We expect you will receive a confirmation of the number of Rights issued to you by your Participant. CDS will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights. You will be able to participate in the Rights Offering only through your Participant and you will need to contact your Participant to determine how you will be able to participate in the Rights Offering.

If you are an eligible Unitholder or Exchangeable Securityholder and you are the registered holder of your Units or Exchangeable Securities, you will receive a Rights certificate (“**Rights Certificate**”) in the mail. Holders of LP1 Units and LP2 Units who satisfy the REIT that they are eligible to participate in the Rights Offering will be issued Rights at such time and on such date as the REIT determines is appropriate, in its sole discretion.

If you are a Unitholder or Exchangeable Securityholder and are resident in a Non-Qualified Jurisdiction, you will not receive any Rights and will not be able to participate in the Rights Offering unless you are able to provide evidence satisfactory to the REIT that your participation in the Rights Offering is lawful and in compliance with all securities and other laws in the Non-Qualified Jurisdiction where you reside. If you are resident in a Non-Qualified Jurisdiction, you must arrange for your participation by contacting the Subscription Agent, if you are a registered holder, or your Participant, if you hold Rights through your Participant.

When and how can you exercise your Rights?

You can exercise your Rights at any time up to 5:00 p.m. (Toronto time) on April 19, 2016 (the “**Expiry Time**”).

If you hold your Rights through a Participant, you must arrange exercises, sales or transfers of Rights through your Participant.

If you are an eligible Unitholder or Exchangeable Securityholder and you are the registered holder of your Units or Exchangeable Securities, you can exercise or transfer your Rights by completing the appropriate form on your Rights Certificate and delivering it to the Subscription Agent in accordance with the instructions on your Rights Certificate and as contained in the REIT’s Rights Offering circular before the Expiry Time.

Rights issued to holders of LP1 Units and LP2 Units will be subject to restrictions on transfer and resale, as described in the REIT’s Rights Offering Circular.

This document contains key information you should know about the REIT. You can find more details in the REIT’s Rights Offering circular. To obtain a copy, visit the REIT’s profile on the SEDAR website, visit the REIT’s website at www.slateam.com/reits/retail, or contact Conor McBroom, Vice President, Investor Relations at +1 (416) 619-4284 or conor@slateam.com. You should read the Rights Offering circular, along with the REIT’s continuous disclosure record, to make an informed decision.

SLATE RETAIL REIT

Per: (signed) “Greg Stevenson”
Greg Stevenson
Chief Executive Officer