

EUROPEAN COMMERCIAL REAL ESTATE INVESTMENT TRUST

Distribution Reinvestment Plan

Purpose

The Distribution Reinvestment Plan (the “**Plan**”) provides eligible holders (“ **Holders**”) of (i) trust units (“**Trust Units**”) of European Commercial Real Estate Investment Trust (the “**REIT**”) or (ii) class B limited partnership units (the “**Class B LP Units**”) of ECRE Limited Partnership (“**ECRE LP**”) the opportunity to accumulate additional Trust Units plus additional bonus Trust Units in an amount up to 5% of the distributions reinvested. The Plan provides an efficient and cost-effective way for the REIT to issue additional equity to existing Holders.

The REIT will determine for each Distribution Payment Date (as defined below) the amount of new equity, if any, that will be made available under the Plan on that date. No assurances can be made that new Trust Units will be made available under the Plan on a regular basis, or at all.

The REIT has initially reserved 1,667,000 Trust Units, representing 10% of the issued and outstanding Trust Units and Class B LP Units, to be issued from treasury to Participants under the Plan. The REIT may increase the number of Trust Units available to be issued under the Plan at any time, subject to the approval of the stock exchange upon which the Trust Units trade, applicable public disclosure and securities law requirements and approval of the REIT’s board of trustees.

Definitions

“**Authorization Form**” means the Reinvestment Enrollment Participant – Declaration Form as provided by the Plan Agent.

“**Average Market Price**” means the volume-weighted average of the daily closing prices of the Trust Units on the TSX Venture Exchange for the five trading days immediately preceding the applicable Distribution Payment Date, appropriately adjusted for certain capital changes (including Trust Unit subdivisions, Trust Unit consolidations, certain rights offerings and certain distributions).

“**Business Day**” means any day in which the Plan Agent’s offices are generally open for the transaction of commercial business but does not in any event include a Saturday, Sunday, civic or statutory holiday in the Province of Ontario or a day on which the TSX Venture Exchange does not publicly trade.

“**CDS**” means CDS Clearing and Depository Services Inc. or its nominee or successor, as applicable.

“**CDS Participants**” refers to brokers, investment dealers, financial institutions or other nominees in their capacity as participants in the CDS depository service who hold Trust

Units registered in the name of CDS on behalf of eligible beneficial Holders and who are acting on behalf of such eligible beneficial Holders.

“Distribution” means the cash distribution declared payable by the REIT or ECRE LP for any particular fiscal quarter.

“Distribution Payment Date” means a specified day following the applicable Distribution Record Date on which the REIT or ECRE LP, as applicable, pays a Distribution to Holders.

“Distribution Record Date” means any date as designated by the REIT for determining Holders entitled to receive a Distribution.

“Participants” means registered Holders of at least one Trust Unit or one Class B LP Unit, as applicable, who, on the applicable Distribution Record Date for a Distribution, are enrolled in the Plan.

“Plan Agent” means Computershare Trust Company of Canada, its successors or assigns or such other company as is appointed by the REIT and ECRE LP, from time to time, to act as Plan Agent under the Plan.

Administration

Computershare Trust Company of Canada currently acts as Plan Agent under the Plan. If Computershare Trust Company of Canada ceases to act as Plan Agent for any reason, another company will be designated by the REIT and ECRE LP to act as Plan Agent and Participants will be promptly notified of the change.

The Plan Agent acts for and on behalf of the Participants. On each Distribution Payment Date, the REIT or ECRE LP will pay to the Plan Agent all Distributions in respect of Trust Units or Class B LP Units, respectively, registered in the name of, or held under the Plan for the account of, Participants who have enrolled in the Plan that are to be reinvested in the Plan. The Plan Agent will use such funds to purchase additional Trust Units directly from the REIT. Additional Trust Units purchased under the Plan will be registered in the name of the Plan Agent, as agent for the Participants, and credited to the Participants' accounts. In the case of beneficial Holders, the Plan Agent will credit CDS and CDS will, in turn, credit the CDS Participants who will, in turn, credit their beneficial Holders in accordance with their customary procedures.

Under the Plan, the Plan Agent will purchase, on each Distribution Payment Date, for each Participant's account, that number of Trust Units equal to the amount invested under the Plan for such Participant's account divided by the Average Market Price. In addition, a Participant will receive from the REIT's capital an additional distribution of Trust Units up to 5% of each Distribution that was reinvested by the Participant. Each Participant's account will be credited with that number of Trust Units issued to the Participant, pursuant to the Plan.

All funds received by the Plan Agent under the Plan, including cash Distributions received from the REIT or ECRE LP, will be applied to the purchase of new Trust Units directly from

the REIT. Cash undistributed by the REIT upon the issuance of additional Trust Units under the Plan will be invested in the REIT to be used for future property acquisitions, capital improvements and working capital. **In no event will interest be paid to Participants on any funds held for investment under the Plan.**

Non-Residents of Canada

Participants who are resident in any other jurisdiction outside of Canada may enroll in the Plan only if their participation is permitted by the laws of the jurisdiction in which they reside and provided that the REIT is satisfied, in its sole discretion, that such laws do not subject the Plan or the REIT to additional legal or regulatory requirements. Any such Participant wishing to enroll in the Plan should consult legal counsel where they reside to determine their eligibility to participate. Neither the Plan Agent nor CDS will have any duty to inquire into the residency status of the Participants, nor will the Plan Agent or CDS be required to know the residency status of the Participants, other than as notified by a Participant or CDS Participant.

The REIT and the Plan Agent reserve the right to deny participation in the Plan to, and to not accept an enrolment in the Plan from any person or agent of such person who appears to be, or who the REIT or the Plan Agent has reason to believe is, subject to the laws of any jurisdictions which do not permit participation in the Plan in the manner sought by or on behalf of such person.

The Plan is subject to any withholding obligations that the REIT or ECRE LP may have with respect to taxes or other charges under applicable laws, and any amounts to be reinvested hereunder shall be net of any amounts required to be withheld.

Participation

Registered Holders:

Registered Holders of at least one Trust Unit and/or Class B LP Unit who are non-U.S. residents are eligible for enrolment in the Plan.

A registered Holder may enroll in the Plan by enrolling online through the Plan Agent's self-service web portal at www.investorcentre.com or by downloading an Authorization Form and duly completing and delivering such form to the Plan Agent no later than five Business Days prior to a Distribution Record Date for it to be effective for the applicable Distribution Payment Date. Any Authorization Forms received after this date will only be considered for subsequent Distributions. An Authorization Form may be obtained from the Plan Agent at any time by contacting the Plan Agent directly. By enrolling in the Plan, a Participant is deemed to have directed the REIT to forward to the Plan Agent Distributions in respect of Trust Units held on behalf of the Participant that are to be reinvested under the Plan, and to have directed the Plan Agent to reinvest such Distributions in additional Trust Units in accordance with the Plan.

Beneficial Holders:

Beneficial Holders who hold their Trust Units through a CDS Participant may not directly enroll in the Plan via the Plan Agent, but may participate in the Plan through their CDS Participant. Beneficial Holders may only participate in the Plan if they arrange for their CDS Participant to enroll in the Plan on their behalf.

Beneficial Holders should consult their CDS Participant to determine the procedures for participation in the Plan. The administrative practices of CDS Participants may vary and, accordingly, the various dates by which actions must be taken and the required documentation may not be the same.

CDS Participants, on behalf of beneficial Holders, must notify CDS of a beneficial Holder's intention to participate in the Plan no later than the Distribution Record Date (and by the cut-off time on the Distribution Record Date established by CDS in its sole discretion) in order for the Distribution to which such Distribution Record Date relates to be reinvested under the Plan. CDS must, in turn, notify the Plan Agent by a deadline as determined by the Plan Agent and CDS of such beneficial Holder's participation in the Plan. Otherwise, reinvestment will not occur for such period. **Beneficial Holders who wish to participate in the Plan will need their CDS Participant to elect to participate on their behalf every Distribution period. A failure to elect will result in withdrawal of participation in respect of such Distribution. Some CDS Participants will automatically continue a beneficial Holder's participation in the Plan unless otherwise instructed by the beneficial Holder. A beneficial Holder should confirm its CDS Participant's particular practice.**

Subject to the foregoing, once a Participant has enrolled in the Plan, participation continues automatically until terminated in accordance with "**Termination of Participation**" below.

Subject to applicable securities laws, the REIT reserves the right to determine, from time to time, a minimum number of Trust Units that a Participant must hold in order to qualify for, or continue enrolment in, the Plan and reserves the right to refuse participation to, or cancel participation of, any person who, in the sole opinion of the REIT, is either participating in the Plan primarily with a view to arbitrage trading or participating or attempting to participate in the Plan in more than one capacity or as more than one Participant.

No Purchases of Trust Units in Certain Events

The REIT will determine, on or before each Distribution Record Date, the amount of Trust Units, if any, that will be made available under the Plan on the Distribution Payment Date to which such Distribution Record Date relates.

If, in respect of any Distribution Payment Date, fulfilling all of the Participants' entitlements under the Plan would result in the REIT exceeding the limit on new equity set by the REIT, then purchases of Trust Units on the applicable Distribution Payment Date will not occur and Participants will receive from the REIT Distributions to which they would otherwise be entitled on such date and which are not reinvested as a result of such determination.

No fractional Trust Units will be purchased under the Plan. Where applicable, CDS will credit the Participant via the applicable CDS Participant. In lieu of any fractional Trust Units that would otherwise be issued, the number of Trust Units to be issued to such Participant will be rounded down to the nearest whole number.

Price of New Trust Units

On each Distribution Payment Date, the REIT will, on behalf of the Participants, pay to the Plan Agent all funds that are eligible for investment in new Trust Units on such date. The subscription price of new Trust Units purchased under the Plan will be the Average Market Price. The REIT will advise the Plan Agent of such Average Market Price on the Distribution Payment Date.

Costs

No commission, service charges or brokerage fees are payable by Participants in connection with the purchase of additional Trust Units under the Plan. All administrative costs of the Plan, including the fees and expenses of the Plan Agent, will be paid by the REIT.

Accounts and Reports to Participants

An account will be maintained by the Plan Agent for each Participant that is a registered Holder, and unaudited statements of that account will be mailed to each Participant in respect of each Distribution period on a quarterly basis. Statements and reports, if any, to beneficial Holders with respect to purchases of Trust Units under the Plan will be provided to such beneficial Holders by their CDS Participant. These account statements and reports are a Participant's continuing record of purchases of Trust Units made for such Participant's account under the Plan and should be retained for income tax purposes. The Plan Agent or the CDS Participant, as applicable, will also send annually to each Participant certain tax forms for tax reporting purposes. The calculation and monitoring of each Participant's adjusted cost base in Trust Units for income tax purposes will be the responsibility of each Participant, as certain averaging rules may apply and such calculations may depend on the cost of other Trust Units held by the Participant.

Trust Units held under the Plan

Registered Holders:

Accounts under the Plan are maintained by the Plan Agent in the name in which Trust Units or Class B LP Units are registered at the time of enrolling in the Plan.

Trust Units held by the Plan Agent for the account of a Participant may not be sold, pledged or otherwise disposed of by the Participant while so held. A Participant who wishes to effect any such transaction must request the issuance of a Direct Registration Advice ("**DRS Advice**") for the applicable number of Trust Units to be withdrawn from the Plan in accordance with "**Withdrawal of Plan Units**" below.

Beneficial Holders:

As Trust Units held by beneficial Holders are held in the non-certificated inventory system of CDS, no certificates representing Trust Units issued pursuant to the Plan will be provided to Participants.

Termination of Participation

Registered Holders:

Participants may terminate their participation in the Plan by duly completing the termination portion of the voucher located on the reverse of the Participant's statement of account and sending such completed voucher to the Plan Agent. Alternatively, the registered holder may follow the instructions at the Plan Agent's self-service web portal at www.investorcentre.com. The Plan Agent shall take all reasonable steps to process a termination within three weeks of receipt by the Plan Agent of a notice of termination. On the termination becoming effective, the Plan Agent will send to the Participant a DRS Advice representing all whole Trust Units held for the Participant's account under the Plan.

Participation in the Plan will be terminated upon receipt by the Plan Agent of appropriate evidence of the death of a Participant from such Participant's duly appointed legal representative and written instructions to terminate such Participant's participation in the Plan. Such written instructions must be accompanied by such appropriate documentation as may be reasonably requested by the Plan Agent and the REIT. Proof of the legal representative's authority to act must accompany the evidence of death. The Plan Agent will terminate the account for such deceased and issue a DRS Advice for the whole Trust Units in the name of an estate.

Beneficial Holders:

Beneficial Holders should consult their CDS Participant to determine the procedures for terminating participation in the Plan. The administrative practices of CDS Participants may vary and, accordingly, the various dates by which actions must be taken and required documentation may not be the same.

Withdrawal of Plan Units

Registered Holders:

Participants may withdraw some or all of their Trust Units by completing the withdrawal portion of the voucher located on the reverse of the Participant's statement of account and sending such completed voucher to the Plan Agent. Alternatively, the registered holder may follow the instructions at the Plan Agent's web portal at www.investorcentre.com. The Plan Agent shall take all reasonable steps to process a withdrawal within three weeks of receipt by the Plan Agent of a notice of withdrawal. On the withdrawal becoming effective, the Plan Agent will send to the Participant a DRS Advice representing the number of whole Trust Units withdrawn from the Participant's account under the Plan.

Beneficial Holders:

Beneficial Holders should consult their CDS Participant to determine the procedures for withdrawing Trust Units from the Plan. The administrative practices of CDS Participants may vary and, accordingly, the various dates by which actions must be taken and required documentation may not be the same.

Rights Offering

In the event that the REIT makes available to the Holders rights to subscribe for additional Trust Units or other securities, rights will be issued by the REIT in respect of whole Trust Units held in a Participant's account under the Plan on the record date for such rights issue.

Subdivisions

If Trust Units are distributed pursuant to a subdivision of Trust Units, the additional Trust Units received in respect of Trust Units held under the Plan will be credited to the accounts of Participants.

Unitholder Voting

Whole Trust Units of a Participant enrolled in the Plan on the Distribution Record Date for a vote of Holders will be voted in the same manner and in accordance with the same instructions of the Participant as any other Trust Units.

Responsibilities of the REIT and the Plan Agent

Neither the REIT nor the Plan Agent shall be liable to any Holder for any act or for any omission to act in connection with the operation of the Plan including, without limitation, any claims for liability:

- (a) arising out of the failure to terminate, or of a CDS Participant's failure to terminate, a Participant's participation in the Plan upon such Participant's death;
- (b) with respect to the prices and times at which Trust Units are purchased or sold on behalf of a Participant;
- (c) with respect to decisions by the REIT to raise or not raise equity through the Plan in any given distribution period, or the amount of equity raised, if any; and
- (d) arising out of any actions or responsibilities of CDS or any CDS Participant in relation to the Plan, or otherwise, including, without limitation: (i) any aspect of the records relating to, or payments made on account of, beneficial ownership interests of the Trust Units held by and registered in the name of CDS or any CDS Participant; (ii) any authority, advice, or representation made or given by CDS or any CDS Participant to the Plan Agent or otherwise,

including representations with respect to rules of CDS and any action taken or to be taken by CDS or any CDS Participant; (iii) the allocation of Trust Units by CDS Participants to beneficial Holders; or (iv) the allocation of proceeds of the sale of Trust Units by CDS Participants to beneficial Holders.

Holders should recognize that neither the REIT nor the Plan Agent can assure a profit or protect them against a loss on the Trust Units purchased under the Plan.

Tax Considerations

None of the REIT, the Plan Agent nor CDS assume or accept any responsibility for the income or other tax consequences to a Participant of enrolling in and acquiring beneficial ownership of Trust Units issued pursuant to the Plan. Holders interested in enrolling in the Plan are advised to consult with their own tax advisors as to the consequences of doing so in their particular circumstances.

Amendment, Suspension or Termination of the Plan

The REIT may terminate the Plan in its sole discretion, upon not less than thirty (30) days' written notice to: (i) the Participants directly, or via the CDS Participants through which the beneficial Holder holds their Trust Units and/or Class B LP Units; (ii) the Plan Agent; (iii) CDS; and (iv) the TSX Venture Exchange. The REIT may also amend, modify or suspend the Plan at any time, provided it complies with certain requirements of the Plan Agent, if any, and such action shall have no retroactive effect that would prejudice the interests of Participants. All amendments to the Plan will be subject to the prior approval of the TSX Venture Exchange. The REIT, in conjunction with the Plan Agent, may also from time to time adopt rules and regulations to facilitate the administration of the Plan. The REIT will notify Holders of any amendment, suspension or termination of the Plan in accordance with the Plan and any applicable securities law requirements. If the REIT suspends or terminates the Plan, no investment will be made for the Plan Agent on the Distribution Payment Date immediately following the effective date of such suspension or termination, and any Distributions paid after the effective date of such suspension or termination will be remitted by the REIT to the Participants in cash only, in the usual manner. Upon termination, the registered holder will receive a DRS Advice for the Trust Units.

Interpretation

Any issues of interpretation arising in connection with the Plan or its application shall be conclusively determined by the REIT.

Governing Law

The Plan shall be governed by, and administered and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Notices

All notices or other documents required to be given to Participants under the Plan shall be publicly announced by the REIT and the REIT will notify Participants in accordance with applicable securities law requirements.

Notices to the Plan Agent shall be sent to:

Computershare Trust Company of Canada
100 University Avenue
8th Floor, North Tower
Toronto, Ontario M5J 2Y1

Or by calling the National Customer Contact Centre at:
Telephone: (514) 982-7555
Toll-free: 1-800-564-6253 (in North America)
Or by visiting [www.investorcentre.com\service](http://www.investorcentre.com/service)

Notices to the REIT shall be sent to:
European Commercial Real Estate Investment Trust
199 Bay Street, Suite 5300
Commerce Court West
Toronto, Ontario M5L 1B9

Attention: Chief Executive Officer
E-mail: phillip.burns@ecreit.com

Effective Date of the Plan

The effective date of the Plan is September 14, 2017.