

**PLAZACORP RETAIL PROPERTIES LTD.  
DIVIDEND REINVESTMENT PLAN**

**INTRODUCTION**

This dividend reinvestment plan (the “Plan”) is being offered to registered holders (the “Participants”) of the Common Shares (the “Eligible Shares”) of Plazacorp Retail Properties Ltd. (the “Company”). The Plan is administered by CIBC Mellon Trust Company (the “Agent”)

**Purpose**

The Plan enables Participants to invest the cash dividends on Eligible Shares in additional Shares of the Company. All such additional shares are purchased directly from the Company by the Agent, which acts as agent for the Participants under the Plan. The Plan enables the Company to issue additional equity capital to existing shareholders of the Company.

**Defined Terms**

Where used herein, the following terms shall have the following meanings, respectively:

“Average Market Price” means the price that is equal to the weighted average of the closing price for a board lot of Shares of the Company on the Exchange on which the Company’s shares are listed for trading for the twenty days immediately preceding the dividend date.

“Authorization Form” means the authorization form attached hereto.

“Dividend Date” means the date that dividends are paid as determined and announced by the Board of Directors. Dividend payment dates will occur quarterly and are expected to occur on or about February 15, May 15, and August 15 and November 15.

“Dividend Record Date” means the record date fixed by the Board of Directors and precedes the Dividend Date.

“Plan” means the dividend reinvestment plan.

“Shareholder” means a registered holder of a Share of the Company

**Advantages**

Under the Plan, a Participant may purchase additional Shares of the Company with cash dividends paid on the Eligible Shares which are registered in the name of the Participant or held in a Participant’s account maintained pursuant to the Plan. The Participant will

also be entitled to receive bonus Shares of the Company equal to 3% of the dividend amount reinvested pursuant to the Plan. The price of the Shares purchased with such cash dividends and the price of the Bonus Shares will be the Average Market Price. No commissions, service charges or brokerage fees are payable by the Participants in connection with the Plan. Full Investment of Participants' funds is possible under the Plan because the Reinvestment Plan permits fractions of Shares as well as whole Shares to be purchased and held for Participants. Also, dividends in respect of whole Shares and fractions of Shares purchased under the Plan will be held by the Agent for the Participant's accounts and automatically invested under the Plan in additional shares of the Company.

### **Administration**

The Company promptly pays over to the Agent on behalf of the Participants in the Plan all cash dividends paid on their Eligible Shares. The Agent uses such funds to purchase additional shares for the Participants directly from the Company. Additional Shares purchased under the Plan are registered in the name of the Agent, as agent of the Participants in the Plan.

Accounts under the Plan are maintained in the names in which Eligible Shares were registered at the time the Participants entered the Plan.

## **PARTICIPATION**

### **Participation in the Reinvestment Plan**

Any Canadian resident holder of record of Eligible Shares may enrol in the Plan at any time by completing an Authorization Form and returning it to the Agent. Once a Participant has enrolled in the Plan, participation continues automatically unless terminated in accordance with the terms of the Plan or unless participation becomes unlawful under the laws governing the Company.

Beneficial owners of Shares whose Shares are not registered in their own names may participate in the Plans by either having their Shares transferred into their own names or, if the Shares are held in a specific segregated registered account such as a numbered account with an investment dealer or other nominee, directing that investment dealer or nominee to enrol such account in the Plan with respect to such Shares.

If any Shares of the Company are held by a non-resident of Canada, such Shareholder is not eligible to participate in the Plan. Upon ceasing to be a resident of Canada, a Participant shall forthwith notify the Agent and terminate participation in the Plan.

An Authorization Form may be obtained from the Agent at any time upon written request addressed to the Agent. The Authorization Form directs the Company to forward to the Agent and the Agent to invest in additional Shares of the Company, all of the Participant's cash dividends on Eligible Shares. The Agent will apply such funds

received under the Plan to the purchase of additional Shares. When enrolling in the Plan, if a completed Authorization Form is received by the Agent ten business days before a Dividend Record Date, the immediately following cash dividend will be invested under the Plan.

Dividends paid on Shares held by the Agent for account of a Participant under the Plan will be automatically reinvested in additional shares on each Dividend Date.

No interest will be paid to Participants on any funds held for investment under the Plan.

### **Transfer of Participation Rights**

The right to participate in the Plan may not be transferred by a Participant without the approval of the securities regulatory authorities.

### **Termination of Participation**

Participation in the Plan may be terminated by a Participant at any time by giving written notice to the Agent. All Participants will be sent annually a notice of his or her right to withdraw from the Plan.

The Company reserves the right to terminate the right of a Participant to continue in the Plan where such Participant has failed to comply with the terms of the Plan or in the reasonable opinion of the Company, abused the Plan to the detriment of the Company or its Shareholders.

When participation in the Plan is terminated, the Participant will receive a certificate for the whole Shares held for such Participant's account and a cash payment for any fractional Shares. Any fractional shares will be paid in cash calculated on the basis of the closing price of the Company's Shares traded on the TSX Venture Exchange on the business day immediately preceding the effective date of termination.

Upon termination, a Participant may request in writing that the Agent arrange for sale by the a registered stockbroker on behalf of the Participant of the Shares held by the Agent provided that these constitute less than a board lot. The Shares may be sold on a commingled basis with other Shares of the Company by the Agent on behalf of other Participants. Upon receipt of such written request, the Agent will arrange for the sale of such odd-lot holdings. Net proceeds of such sale will be forwarded by the Agent by a cheque to the Participant. Any brokerage fees or commissions payable on such sale will be pro-rated among all the selling Participants.

Participation in the Plan will be terminated automatically upon receipt by the Agent of a written notice of the death of a Participant. Thereafter, all dividends paid in respect of the deceased's Eligible Shares will be paid in cash. In the case of termination of participation due to death, a certificate for whole Shares and a cheque for payment in lieu of fractional Shares, if any, will be issued by the Company in the name of the deceased

Participant, as appropriate, and the Company will send such certificates and a cash payment for any fractional Shares to the representative of the deceased Participant.

Participation in the Plan will also terminate upon transfer or disposition of all of a Participant's Eligible Shares.

### **Amendment, Suspension or Termination of the Reinvestment Plan**

The Company reserves the right to amend, suspend or terminate the Plan at any time, provided that any amendment of the Plan is subject to prior approval of any exchange upon which the Shares are listed and posted for trading but such action shall have no retroactive effect that would prejudice the interest of the Participants except as otherwise required by law. All Participants will be sent written notice of any such amendment, suspension or termination.

In the event of termination of the Plan by the Company, certificates for whole Shares held by Participant's accounts under the Plan and cash payments for any fractional Shares will be remitted with due dispatch by the Company to the Participants. In the event of suspension of the Plan by the Company, no investment will be made by the Agent on the Dividend Date immediately following the effective date of such suspension. Any Share dividend subject to the Plan and paid after the effective date of any such suspension will be terminated by the Company to the Participants in cash only.

### **Rules and Regulations**

The Company in conjunction with the Agent may from time to time adopt rules and regulations to facilitate the administration of the Plan. The Company also reserves the right to regulate and interpret the Plan as it deems necessary or desirable to ensure the efficient and equitable operation of the Plan.

### **Rights Offering**

In the event the Company makes available to holders of the Eligible Shares, Rights to subscribe for additional Shares or other securities, rights certificates will be issued by the Company to each Participant in respect of the whole Share held for a Participant's account under the Plan on the record date for such rights issue. Subject to applicable law and provided there is a trading market for the rights, rights based on fractional Shares held for a Participant's account will be sold together with rights based on fractional Shares held for other Participants on a commingled basis by the Agent and the net proceeds will be remitted to the Participant.

## **Share Splits, Share Consolidations and Share Dividends**

If Shares of the Company are distributed pursuant to a Stock Split or Stock Dividend on Eligible Shares, such Shares received by the Agent or its nominee for Participants under the Plan will be retained by the Agent or its nominee and credited proportionately to the accounts of the Participants in the Plan.

If the Shares of the Company are consolidated then the number of shares purchased under the Plan, up to the date of Consolidation, will also be consolidated using the same consolidation ratio.

## **Shares**

The holders of the Shares of the Company are entitled to receive the annual quarterly and other dividends paid by the Company. A holder of Shares is entitled to one vote for each whole Share at all meetings of Shareholders. In the event of liquidation, dissolution or winding-up of the Company, after payment of all outstanding debts of the Company the remaining assets of the Company will be distributed pro-rata to the holders of the Shares.

## **Shareholder Voting**

Whole Shares held for a Participant's account under the Plan on the record date for a vote of Shareholders will be voted in the same manner as such Participant's Eligible Shares are voted.

## **PRICE OF SHARES AND COSTS**

### **Price of Additional Shares**

On each Dividend Date the Agent will pay to the Company all dividend funds held by it as of such date on behalf of Participants for investment in the Plan at the Average Market Price for the Shares. The Company will advise the Agent of the Average Market Price for such additional Shares.

Each Participant's account will be credited with that number of Shares purchased for the Participant (including fractions computed to three decimal places) which is equal to the amount to be invested for the Participant divided by the Average Market Price.

### **Costs**

There are no commissions, service charges or brokerage fees payable in connection with the issue of Shares under the Plan. All Administrative costs of the Plan are borne by the Company.

## **RECORDING AND CERTIFICATES**

### **Reports to Participants**

An account will be maintained by the Agent or its nominee for each Participant in the following Plan. A statement will be mailed to each Participant as soon as possible following each Dividend Date. These statements will be the Participant's continuing record of purchases made and Shares issued should be retained for income tax purposes. In addition, each Participant will be sent annually the appropriate information for tax reporting purposes.

### **Certificates for Shares**

Shares purchased under the Plan will be held by the Agent or its nominee for Participants in the Plan. Certificates for such Shares will not be issued to Participants unless specifically requested.

A Participant may, upon written request to the Agent, receive a Share certificate issued in the Participant's name for any number of whole Shares held for the Participant's account under the Plan even though the Participant is not terminating participation in the Plan. Normally, a certificate will be sent to a Participant within three weeks of receipt by the Agent of a Participant's request. Any remaining whole Shares and fractional Shares will continue to be held for the Participant's account under the Plan. No certificate requests will be processed between a record date for a Dividend Date and the related Dividend Date. Any such requests will be processed immediately following the related Dividend Date.

Shares held by the Agent for a Participant may not be pledged, sold or otherwise disposed of by the Participant while so held. A Participant who wishes to effect any such transaction must request that the certificates for such Shares be issued in the Participant's name.

## **RESPONSIBILITIES OF THE COMPANY AND THE AGENT**

The Company and the Agent shall not be liable for any act or any omission to act in connection with the operation of the Plan including, without limitation any claims for liability:

- a) arising out of failure to terminate a Participant's account upon such Participant's death prior to receipt of notice in writing of such death; and
- b) the prices at which Shares are purchased or sold for the Participant's account and the times such purchases or sales are made.

Participants should recognize that none of the Company, or the Agent can assure a profit or protection against a loss on the Shares purchased or sold under the Plan.

## **INCOME TAX CONSIDERATIONS**

The following is a general summary of the principal Canadian federal income tax considerations generally applicable to Participants in the Plan who are resident in Canada, deal at arm's length with the Company and hold their Shares as Capital Property. This summary is based on the current provisions of the Income Tax Act (Canada) (the "Act") and the current administrative practices of Canada Customs and Revenue Agency. This summary is of a general nature only and is not intended to be, nor should it be construed to be, advice to any particular Participant. Participants are urged to consult their tax advisors as to their particular tax position.

### **Tax on Dividends**

Participant's in the Plan will recognize the same tax consequences with respect to the amount applied to purchase newly issued Shares under the Plan as they would if such amount had been paid or payable in the form of a cash dividend.

The rights acquired under the terms of the Plan to acquire from the Company, Shares at the current Average Market Price and the exercise thereof should not give rise to a taxable benefit under the Act. However, the exercise of rights under the terms of the Plan will give rise to a benefit from the Company to a Shareholder and the amount of the benefits is equal to the difference between the fair market value of the Shares on the date of the purchase of the Shares and the Average Market Price of the Shares. Such benefit would be included in computing the Shareholders' income for the year. The receipt of certificates representing whole Shares by a Participant will, in itself, not give rise to a taxable benefit.

### **Cost Amount**

The cost for purposes of the Act, of the Shares acquired under the plan should be the amount of the dividend (namely the Average Market Price times the number of Shares acquired) under the Plan plus the amount of the benefit, if any, included in income as described above. For purposes of computing adjusted cost base of the Shares, the Participant will be required to average the cost of the newly acquired Shares with the cost of any other Shares owned by the Participant.

### **Disposition of Fractional Shares**

Cash received in lieu of a fractional share upon termination of participation in the Plan will be considered proceeds of disposition for such fractional Share. Accordingly, the Participant will be required to recognize any resulting taxable capital gain or allowable capital loss in respect of such fractional Shares at the time such cash is received.

## NOTICES

All notices required to be given under the Plan shall be mailed to a Participant at the address shown on the records of the Plan or at a more recent address as furnished by the Participant

Notices to the Company shall be sent to

Plazacorp Retail Properties Ltd. – Dividend Reinvestment Plan  
C/o CIBC Mellon Trust Company  
PO Box 700  
Station B  
Montreal, QC  
H3B 3K3

Telephone: 416-643-5500 or 1-800-387-0825 (Toll free in North America)

Fax 514-985-8842

Email: [inquiries@canstockta.com](mailto:inquiries@canstockta.com)

Website: [www.canstockta.com](http://www.canstockta.com)

The effective date of the Plan is November 16, 2002