

SUN RESIDENTIAL REAL ESTATE INVESTMENT TRUST
INSIDER TRADING POLICY

1. Objective of the Policy

Trading in securities, or recommending or encouraging other to trade, while in possession of material non-public information, or informing others of such material non-public information, may be a violation of securities and criminal laws in Canada and in other jurisdictions governing the trading of Sun's securities. The purpose of this Insider Trading Policy is to provide guidelines and restrictions applicable to trading in Securities of Sun, recommending or encouraging others to trade, and communication of Material Non-Public Information (as defined in Section 6(i)).

2. Application of the Policy

This policy applies to all Insiders, trustees and officers of Sun and its subsidiaries (collectively, "Sun"), as well as to all employees, agents, contractors and consultants of Sun or receive or who have access to Material Non-Public Information (collectively, "**Covered Persons**"), and any person who receives Material Non-Public Information from any such Covered Person in respect of trading in Securities of Sun (including units, convertible securities, options, and restricted share units).

3. Communication of the Policy

Copies of this Policy are made available to Covered Persons, either directly and by this policy being posted to Sun's website.

4. Administrative Responsibility

The Chief Financial Officer will act as the compliance officer for this Policy and shall be responsible for its day to day administration, as well as monitoring and enforcing compliance with this Policy. The compliance officer may designate one or more individuals to assist in the administration of this Policy.

5. Prohibited Activities

(i) Material Non-Public Information

Material Non-Public Information of Sun is Material Information (as defined in Schedule B), which has not been "Generally Disclosed". In order to be considered "Generally Disclosed" information must be accurately published and widely disseminated to the public by way of a news release, together with the passage of a reasonable amount of time for the public to react to the information. A reasonable amount of time will generally be considered to have passed at the close of business on the second day on which the TSX Venture Exchange is open for trading, after the Material Non-Public Information has been disclosed.

Any person who has knowledge of Material Non-Public Information with respect to Sun must treat such Material Information as confidential until the Material Information has been Generally Disclosed. This applies to all Covered Persons as well as others who may be considered to be in a "Special Relationship" with Sun, as discussed below. Refer to Sun's Disclosure Policy for further information on the treatment of confidential information.

Regardless of whether disclosure may be made in the necessary course of business (as described below), Material Non-Public Information shall not be disclosed to anyone in any circumstances if the person considering making the disclosure knows, or ought reasonably to know, that the person to whom the Material Non-Public Information is proposed to be disclosed would or would be likely to engage in any Insider Trading or Tipping.

(ii) Trading of Sun Securities

Insider Trading, for the purpose of this Policy, refers to the purchase or sale of Securities by a person who is in a "Special Relationship" with Sun with knowledge of Material Non-Public Information. This includes Securities that a person owns as well as those over which they have direct or indirect control or direction, which may include securities owned by others (such as family members) where the person directs or influences their investment decisions. Insider Trading is illegal and strictly prohibited by this Policy. For greater certainty, examples of prohibited transactions by such a person would include, but are not limited to:

- (i) Buying or selling Securities of Sun (which includes securities whose market price varies materially with the market price of the Securities of Sun as well as all related derivatives);
- (ii) Buying Securities acquired through the exercise of options; and
- (iii) Buying or selling Securities of another company in which Sun proposes to invest and/or do business or where the individual, in the course of employment with Sun, becomes aware of Material Non-Public Information concerning the other company.

(iii) Tipping and Recommending

Sun, as a reporting issuer, and/or any person or company who is in a Special Relationship with Sun may not inform, other than in the necessary course of business, and then only having taken applicable precautions, another person or company of Material Non-Public Information. This activity, known as tipping is prohibited because it places Material Non-Public Information in the hands of a few persons who may stand to benefit from an informational advantage whereas applicable laws require dissemination of Material Information on an equal basis to the broader investing public. Persons in a Special Relationship with Sun who have Material Non-Public Information may also not, other than in the necessary course of business, recommend to or encourage others to purchase or sell Securities of Sun (such “recommending” is included in all references to “Tipping” in this Policy).

Material Non-Public Information may not be disclosed to anyone except in the “necessary course of business”. If Material Non-Public Information is to be lawfully disclosed in the necessary course of business, the person to whom it is disclosed should be informed that it is to be kept confidential, that by receiving the information they will be subject to trading restrictions and, in appropriate circumstances, be asked to execute a confidentiality agreement.

The question of whether a particular disclose is being made in the necessary course of business is a mixed question of law and fact that must be determined on a case-by-case basis. However, the necessary course of business exception would generally only cover communications with:

- (i) Vendors, supplies, or strategic partners on issuers such as research and development, sales and marketing, and supply contracts;
- (ii) Employees, officers, and board members (who need to know that information in the course of carrying out their duties or functions to Sun);
- (iii) Lenders, bankers, legal counsel, auditors, underwriters, and financial and other professional advisors to Sun;
- (iv) Parties to negotiations;
- (v) Government agencies and non-governmental regulators; and
- (vi) Credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency’s ratings generally are or will be publicly available).

However, as noted above, the foregoing exceptions to Tipping will not apply where the person is proposing to make the disclosure knows, or ought reasonably to know, that the disclosure to the relevant party would or would be likely to result in such party engaging in prohibited trading activity, such as:

- (i) Applying for, acquiring, or disposing of, Securities, or entering into an agreement for, to acquire or dispose of, Securities; or
- (ii) Procuring another person to apply for, acquire, or dispose of, Securities, or enter into an agreement to apply for, acquire or dispose of, Securities,

in breach of the relevant Insider Trading prohibitions.

For greater certainty, disclosure to analysts, institutional investors, other market professionals and members of the press and other members of the media is a form of “Tipping” and will not be considered to be in the necessary course of business.

When in doubt, all persons to whom this Policy applies should consult with the compliance officer to determine whether disclosure in a particular circumstance is in the necessary course of business and whether there is a reasonable risk that another person to whom disclosure is proposed to be made may engage in Insider Trading.

(iv) Anti-Hedging

Covered Persons are not permitted to enter into any transaction that has the effect of offsetting the economic value of any direct or indirect interest of such persons in Securities of Sun. This includes the purchase of financial instruments such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in the market value of equity Securities granted to such Insiders as compensation or otherwise held directly or indirectly by such Insiders.

(v) Short-Swing Trades

Sun recommends that, other than in the course of exercising an option, Insiders do not buy and sell its Securities within the same six-month period.

(vi) Short Sales Call and Put Options and Buying Securities on Margin

Covered Persons are not permitted to sell “short” or sell a “call option” on any of Sun’s Securities or purchase a “put option” where they do not own the underlying Security or, in the case of a short sale, an option currently exercisable therefor. Covered Persons are not permitted to buy Sun’s Securities on margin.

(vii) Insider Reporting

Under Canadian securities legislation, subject to certain exceptions, Insiders that are deemed to be “Reporting Insiders” of Sun are required to file an initial insider trading report within ten (10) days after becoming a Reporting Insider electronically through the System for Electronic Disclosure by Insiders (“SEDI”) at www.sedi.ca.

Reporting Insiders are further required, subject to certain exceptions, to file an insider report within five days of a change in: (i) the beneficial ownership of, control or direction over, whether direct or indirect, Securities of Sun, or (ii) a change in an interest in, or a right associated with, a Related Financial Instrument involving a Security of Sun.

Reporting Insiders must also file an insider report within five days if the Reporting Insider enters into, materially amends, or terminates an agreement, arrangement or understanding that (i) has the effect of altering, directly or indirectly, the Reporting Insider’s economic exposure to Sun, or (ii) involves, directly or indirectly, a Security of Sun or a Related Financial Instrument involving a Security of Sun.

It is the responsibility of each such person to set up and maintain their SEDI profile and to make the necessary filings. However, Sun may assist its Reporting Insiders in making such filings, provided such persons provide the necessary information to the Compliance Officer in a timely manner. If you are not certain whether you are a Reporting Insider or whether you may be eligible to be exempted from these requirements, you should contact the Compliance Officer.

6. Blackout Periods

(a) No-Trade and Blackout Periods for Officers, Trustees and Employees

The period beginning at the end of each fiscal quarter and ending two Trading Days (as defined in Section 6(i)) following the date of public disclosure of the financial results for the quarter (or fiscal year) (a “**No-Trade Period**”) is particularly sensitive, as officers, trustees and certain employees may possess or be perceived to possess Material Non-Public Information about the expected financial results for the quarter or fiscal year. Accordingly, to ensure compliance with this Policy and applicable securities laws, all Covered Persons shall refrain from any trading activities involving Securities of Sun during No Trade Periods.

From time to time, Sun may also institute additional trading restricted periods for trustees, officers, selected employees and selected consultants, contractors and others because of the actual or potential existence of Material Non-Public Information (a “**Blackout Period**”). In the event a Blackout Period or No-Trade Period is initiated, the Compliance Officer shall disseminate a notice to suspend trading in Sun’s Securities instructing those who are covered not to engage in any trading of Sun’s Securities until further notice, without disclosing the facts giving rise to or the imposition of such suspension of trading.

Even outside of Blackout Periods or No-Trade Periods, any person possessing Material Non-Public Information about Sun should not engage in any transactions related to Sun's Securities until two Trading Days after such information has been publicly disclosed. All Covered Persons are expected to use their judgment in interpreting this Policy, and to err on the side of caution at all times. If in doubt, such person should contact the Compliance Officer.

(b) Pre-Clearance of Trades

Before initiating any trade in Sun's Securities, all Covered Persons must contact and get approval from the Compliance Officer. Each proposed transaction will be evaluated to determine if it raises Insider Trading concerns or other concerns under securities laws and/or stock exchange rules. Clearance of a transaction is valid only for a 48-hour period. If the transaction order is not placed within that 48-hour period, clearance of the proposed transaction must be re-requested. If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance.

7. Potential Criminal and Civil Liability and/or Disciplinary Action

(a) Liability for Insider Trading in Canada

Under applicable Canadian securities laws, Insiders guilty of trading on Material Non-Public Information of Sun may be subject to:

- (i) penalties of up to the greater of \$5 million and triple any profit earned or loss avoided; and
- (ii) imprisonment.

Additionally, such conduct may subject to Trust or other Insiders to civil liability.

(b) Liability for Tipping in Canada

Insiders may also be liable for improper transactions by any person commonly referred to as a tippee, to whom they have disclosed Material Non-Public Information about Sun or to whom they have made recommendations or expressed opinions on the basis of such information. The various Canadian securities regulators have imposed large penalties even when the disclosing person did not profit from the trading.

(c) Possible Disciplinary Actions

Violations of this Policy may result in disciplinary action by Sun, which may include restrictions on future participation in equity incentive plans and termination of employment. Sun may also inform relevant regulators and law enforcement authorities.

8. Applicability of Policy to Insider Information Regarding Other Companies

This Policy and the guidelines described herein also apply to Material Non-Public Information relating to other companies, including joint venture partners, customers, vendors and suppliers of Sun (each, a "**Business Partner**"). For the purposes of this Policy, information about Business Partners should be treated in the same way as information related directly to Sun.

9. Annual Certification

All trustees and officers of Sun, together with other Covered Persons as may be specified by the Compliance Officer, shall provide annual certification of compliance with this Policy in the form attached to Sun's Code of Conduct.

10. General

The Board may delegate the review of this Insider Trading Policy to any committee of the Board, which committee will be responsible for the review and evaluation of this Policy from time to time, and will make recommendations to the Board with respect to any proposed amendments and make such amendments as determined to be necessary or desirable.

The Board, or any committee thereof to which responsibility for this Insider Trading Policy has been delegated, may, from time to time, permit departures from the terms of this Insider Trading Policy, either prospectively or retrospectively, subject to applicable law and stock exchange rules. The terms of this Insider Trading Policy are not intended in and of themselves to give rise to civil liability on the part of Sun, its trustees, officers or Associates,

to any third party, including to any unitholder, security holder, customer, supplier, competitor, other Associate or regulator, but may give rise to liability to Sun.

Dated: December 1, 2019

Approved by: Board of Trustees

Schedule A

Definitions

“**employee**” means a person employed by Sun whether full-time, part-time, or by contract or secondment.

“**Insider**” under the *Securities Act* (Ontario) includes:

- (a) directors or officers of Sun and of any person or company that is itself an insider or subsidiary of Sun;
- (b) a person or company that has
 - (i) beneficial ownership of, or control or direction over, directly or indirectly, Securities of Sun carrying more than 10 per cent of the voting rights attached to all Sun’s outstanding voting Securities, excluding, for the purpose of the calculation of the percentage held, any Securities held by the person or company as underwriter in the course of a distribution, or
 - (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly, Securities of Sun carrying more than 10 per cent of the voting rights attached to all Sun's outstanding voting Securities, excluding, for the purpose of the calculation of the percentage held, any Securities held by the person or company as underwriter in the course of a distribution; and
 - (iii) Sun itself, if it has purchased, redeemed or otherwise acquired a Security of its own issue, for so long as it continues to hold that Security.

“**Officer**” means:

- (a) a chair or vice-chair of the board of directors, an executive chairman, a chief executive officer, a chief operating officer, a chief financial officer, a president, a vice-president, a secretary, an assistant secretary, a treasurer and an assistant treasurer,
- (b) every individual who is designated as an officer under Sun’s declaration of trust or similar authority of Sun, and
- (c) every individual who performs functions similar to those normally performed by an individual referred to above.

“**Person or Company in a Special Relationship**” with an issuer means:

- (a) a person or company that is an Insider, affiliate or associate of,
 - (i) the issuer,
 - (ii) a person or company that is considering or evaluating whether to, or proposing to, make a take-over bid, as defined in Part XX of the *Securities Act* (Ontario), for the Securities of the issuer, or
 - (iii) a person or company that is considering or evaluating whether to, or proposing to become a party to a reorganization, amalgamation, merger or arrangement or similar business combination with the issuer or to acquire a substantial portion of its property,
- (b) a person or company that is engaging in, is considering or evaluating whether to engage in, or proposes to engage in any business or professional activity with or on behalf of the issuer or with or on behalf of a person or company described in subclause (a) (ii) or (iii);
- (c) a person who is a director, Officer or employee of
 - (i) the issuer, a subsidiary of the issuer or a person that controls, directly or indirectly, the issuer, or
 - (ii) a person or company described in subclause (a) (ii) or (iii) or clause (b),
- (d) a person or company that learned of the material fact or material change with respect to the issuer while the person or company was a person or company described in clause (a), (b) or (c), or

- (e) a person or company that learns of a material fact or material change with respect to the issuer from any other person or company described in this subsection, including a person or company described in this clause, and knows or ought reasonably to have known that the other person or company is a person or company in such a relationship.

“**Related Financial Instrument**” means an agreement, arrangement or understanding to which an Insider of Sun is a party, the effect of which is to alter, directly or indirectly, the Insider's,

- (a) economic interest in a Security of Sun, or
- (b) economic exposure to Sun.

“**Reporting Insider**” means an Insider of Sun if the Insider is,

- (a) The chief executive officer, chief financial officer or chief operating officer of Sun, of a significant unitholder of Sun or of a major subsidiary of Sun;
- (b) A director of Sun, of a significant unitholder of Sun or of a major subsidiary (as such terms are defined by applicable law) of Sun;
- (c) A person or company responsible for a principal business unit, division or function of Sun;
- (d) A significant unitholder of Sun;
- (e) A significant unitholder based on post-conversion beneficial ownership of Sun's Securities and the chief executive officer, chief financial officer, chief operating officer and every director of the significant unitholder based on post-conversion beneficial ownership;
- (f) A management company that provides significant management or administrative services to Sun or a major subsidiary of Sun, every director of the management company, every chief executive officer, chief financial officer and chief operating officer of the management company, and every significant unitholder of the management company;
- (g) An individual performing functions similar to the functions performed by any of the Insiders described in paragraphs (a) to (f);
- (h) Sun itself, if it has purchased, redeemed or otherwise acquired a Security of its own issue, for so long as it continues to hold that Security; or
- (i) Any other Insider that,
 - (i) in the ordinary course receives or has access to information as to material facts or material changes concerning Sun before the material facts or material changes are generally disclosed; and
 - (ii) directly or indirectly, exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of Sun.

A “**Security**” is defined in section 1(1) of the *Securities Act* (Ontario) and includes, among other things, all units, convertible or exchangeable Securities such as warrants or convertible debentures, options, restricted share units as well as a put, call, option or other right or obligation to purchase or sell Securities of Sun, or any Security, the market price of which varies materially with the market price of the Securities of Sun.

“**Significant Unitholder**” means a person or company that has beneficial ownership of, or control or direction over, whether direct or indirect, or a combination of beneficial ownership of, and control or direction over, whether direct or indirect, Securities of an issuer carrying more than 10% of the voting rights attached to all the issuer's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any Securities held by the person or company as underwriter in the course of a distribution.

A company is considered to be a “**Subsidiary**” of another company if it is controlled by (1) that other, (2) that other and one or more companies, each of which is controlled by that other, or (3) two or more companies, each of which is controlled by that other; or it is a subsidiary of a company that is that other's subsidiary. In general, a company will control another company when the first company owns more than 50% of the outstanding voting Securities of that other company.

“Trading” in Securities refers to all investment activities over which a person covered by this Policy has control or direction, whether for their personal account or in a fiduciary capacity, as in the case of a partnership, trusteeship, or executorship. For the purposes of this Policy, trading includes any purchase or sale of a Security as well as the provision of investment advice.

Schedule B

Examples of Information That May be Material

“**Material information**” consists of both “**material facts**” and “**material changes**”. A “**material fact**” means a fact that would reasonably be expected to have a significant effect on the market price or value of the securities of Sun. A “**material change**” means a change in the business, operations or capital of Sun that would reasonably be expected to have a significant effect on the market price or value of any of the securities of Sun and includes a decision to implement such a change if such a decision is made by the board of trustees or by senior management of Sun who believe that confirmation of the decision by the board of trustees is probable.

It is not possible to define all categories of material information. However, information should be regarded as material if there is a reasonable likelihood that it would be considered important to an investor in making an investment decision regarding the purchase or sale of Sun's Securities.

Examples of such information may, depending on the circumstances, include:

- (a) financial results;
- (b) projections of future earnings or losses;
- (c) development of new products and developments affecting Sun's properties, products or market;
- (d) news of a material merger, joint venture or acquisition;
- (e) news of an acquisition or disposal of significant assets or a subsidiary;
- (f) impending bankruptcy or financial liquidity problems;
- (g) significant work stoppages or other events affecting production;
- (h) significant pricing changes or agreements that may affect pricing;
- (i) major labour disputes or disputes with major contractors or suppliers;
- (j) proposed changes in capital structure including unit splits and unit distributions;
- (k) proposed or pending material financings;
- (l) material increases or decreases in the amount outstanding of Securities or indebtedness;
- (m) material changes in the business of Sun;
- (n) changes in Sun's auditors;
- (o) defaults in material obligations;
- (p) results of the submission of matters to vote of security holders;
- (q) material transactions with trustees, officers or principal security holders;
- (r) significant litigation exposure due to actual or threatened litigation;
- (s) a transaction for which the consideration payable or receivable is a significant proportion of the written down value of Sun's consolidated assets;
- (t) a recommendation or declaration of a distribution by Sun;
- (u) a recommendation or decision that a distribution will not be declared by Sun;
- (v) a material change in accounting policy adopted by Sun; and
- (w) changes in senior management.

Either positive or negative information may be material.