

# Slate Office REIT

## Treasury Offering of Subscription Receipts

March 6, 2017

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*The Subscription Receipts will be offered by way of a prospectus supplement in all of the provinces and territories of Canada. A prospectus supplement containing important information relating to the Subscription Receipts has not yet been filed with the applicable Canadian securities regulatory authorities. A final base shelf prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in all of the provinces and territories of Canada. A copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed is required to be delivered to any investor that received this term sheet and expressed an interest in acquiring the Subscription Receipts. This term sheet does not provide full disclosure of all material facts relating to the Subscription Receipts. Investors should read the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement, for disclosure of those facts, especially risk factors relating to the Subscription Receipts, before making an investment decision.*

### Terms and Conditions

- Issuer:** Slate Office REIT (the “REIT”).
- Offering:** Treasury offering of 14,820,000 subscription receipts (the “Subscription Receipts”).
- Offering Price:** \$8.10 per Subscription Receipt
- Issue Amount:** \$120,042,000
- Over-Allotment Option:** The REIT has granted the Underwriters an option, exercisable, in whole or in part, at any time until and including 30 days following the closing of the Offering, to purchase up to an additional 15% of the Offering at the Offering Price to cover over-allotments, if any.
- Concurrent Private Placement:** Concurrent with the Offering, the REIT will issue to the vendors approximately \$10 million of Units by way of a private placement at the Offering price (the “Private Placement”). The private placement will close simultaneously with the Acquisitions (defined below). Following closing, the vendors will own approximately 2% of the outstanding Units.
- Use of Proceeds:** The net proceeds from the Offering will be used to partially fund the acquisition of three office properties located in the Greater Toronto Area and Fredericton, New Brunswick, fund future acquisitions and for debt reduction and general trust purposes.
- The Acquisitions are expected to close mid-May 2017 (the “Acquisition Closings”).
- Subscription Receipts:** Each Subscription Receipt represents the right to receive, for no additional consideration and without further action, one Unit, together with the Subscription Receipt Adjustment Payment (as defined below), upon the satisfaction of the Escrow Release Condition (as defined below).
- If the Escrow Release Condition is not satisfied, or deemed to be satisfied, on or before 5:00 p.m. (Toronto time) on July 31, 2017, if the Acquisitions are terminated at an earlier time so that the Escrow Release Condition cannot be satisfied or if the REIT has advised the Underwriters or announced to the public that the Escrow Release Condition cannot be satisfied (the date on which any of such events occurs being the “Termination Date”), holders of Subscription Receipts will receive the full purchase price of the Subscription Receipts, together with their pro rata portion of interest or other income earned or deemed to be earned thereon between the closing of the Offering and the Termination Date.
- Subscription Receipt Adjustment** If the Escrow Release Condition is satisfied prior to the Termination Date, holders of Subscription Receipts will be entitled to receive, if applicable, an amount per Subscription Receipt equal to the aggregate amount per Unit of cash distributions

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**Payment:** declared by the REIT for which record dates have occurred during the period from the closing of the Offering to the date immediately preceding the date upon which the Units are issued or deemed to be issued to the holders of the Subscription Receipts, less any applicable withholding tax (the "Subscription Receipt Adjustment Payment").

Holders of the Subscription Receipts will not be entitled to receive a Subscription Receipt Adjustment Payment if the Acquisition Closings do not occur on or prior to the Termination Date.

**Offering Proceeds:** The proceeds from the sale of the Subscription Receipts, less 50% of the underwriting fee, will be held by a trustee, as escrow agent, and invested in short-term obligations of, or guaranteed by, the Government of Canada (and other approved investments) until the earlier of the satisfaction of the Escrow Release Condition and the Termination Date. If the Escrow Release Condition is satisfied prior to the Termination Date, the net proceeds of the Offering will be released from escrow to the REIT for the purposes of completing the Acquisitions.

**Escrow Release Conditions:** The satisfaction or waiver of all conditions precedent to the Acquisitions in accordance with the terms of the material agreements relating to the Acquisitions, without amendment or waiver in a manner that would be materially adverse to the terms and conditions upon which the REIT is effecting the Acquisitions, unless the consent of the lead underwriter is given to such amendment or waiver, other than (i) the payment of the consideration to be paid for the Acquisitions for which the escrowed funds are required, and (ii) such conditions precedent that by their nature are to be satisfied at the time of the Acquisition Closings.

**Cash Distributions:** The REIT pays a monthly distribution of \$0.0625 per Unit. The first distribution which purchasers under the Offering will be eligible to receive pursuant to the Subscription Receipt Adjustment Payment is the distribution expected to be payable on or about April 14, 2017 to unitholders of record on or about March 31, 2017. Following the Acquisition Closings, holders of the Subscription Receipts will be entitled to receive an amount per Subscription Receipt equal to the amount of any distributions as described under the Subscription Receipt Adjustment Payment above.

**Form of Offering:** Bought deal by way of a prospectus supplement to be filed in all provinces and territories of Canada. U.S. sales by private placement via Rule 144A.

**Listing:** An application will be made to list the Subscription Receipts, and the Units represented thereby, on the Toronto Stock Exchange (the "TSX"). The existing units are listed on TSX under the symbol "SOT.UN".

**Eligibility:** Eligible for RRSPs, RRIFs, RESPs, TFSAs, RDSPs and DPSPs.

**Joint Bookrunners:** BMO Capital Markets, CIBC Capital Markets, and TD Securities Inc.

**Commission:** 4.0%

Of the Commission, 50% will be payable by the REIT at the time of the closing of the Offering (from the Offering proceeds) and the balance will be paid from the escrowed proceeds upon satisfaction of the Escrow Release Condition.

**Closing:** March 15, 2017