



May 3, 2019

Dear Shareholder,

We would like to take this time to present you with the following updates for Sage Properties Corp. (“Sage”).

SEPTEMBER 2019 ANNUAL GENERAL MEETING (AGM) AND ELECTION OF DIRECTORS

The board of directors (“the Board”) would like to thank its shareholders for the feedback received at the 2018 AGM on the process of electing directors. You may recall for past AGMs, the Board put forward a slate of six directors and shareholders had the option to vote “for” or “withhold” for the group of six directors. Based on the feedback received for the 2019 election of directors, the Board will make a recommendation for the election of at least six and up to eight board members and shareholders will then have the option to vote “for” or “withhold” for each individual director (rather than voting for as a group). Please note that shareholders will be receiving the official notice of the 2019 AGM accompanied by an information circular, this summer.

DIRECTOR NOMINEES

The Board is responsible for regularly reviewing the governance needs of Sage, including evaluating the current director’s skill sets and determining if any additional skills are required to execute its mandate. As part of this review, the Board is seeking to supplement the existing complement of expertise with a new Director who has a background in one or more of the following areas: utilities, audit committee experience, and legal expertise. The Board is interested in hearing from the shareholder community with nominations of any individuals with proficiency in these areas. To be considered for inclusion in the information circular and proxy statement of Sage to be sent out in connection with the AGM, nominating shareholders must provide written notice to Sage’s Governance Director, Mr. Reginald Zotzman, at info@Sageproperties.ca or to Suite 410 - 505 8th Avenue SW, Calgary, AB, T2P 1G2 setting forth:

- a) the name and contact information of the nominee;
- b) the principal occupation or employment of the nominee for the last five years as well as the nominee’s qualifications to serve as a director of Sage;
- c) the number of Class A Common Shares which are which are owned beneficially or over which the proposed nominee exercises direction or control; and
- d) any other matter the nominating shareholder believes would be of help to the Governance Director in determining the nominee’s qualifications to serve as a director of Sage.

Sage requests that nominating shareholders provide their Notices no later than May 24, 2019, to provide the Governance Director and the Board adequate time to review all nominations and conduct requisite interviews prior to the finalization of the information circular and proxy statement in respect of the Meeting.

Sage will also accept nominations from the floor at the AGM, but strongly encourages nominations in advance so shareholders are able to properly make an informed decision.

DIRECTOR COMPENSATION

In the spring of 2017, the Board hired HR consultant, the Wynford Group (“Wynford”), to provide a market recommendation for the compensation of its directors. At this time the board approved annual retainers of \$50,000/year for the Board Chair and \$20,000/year for each non-employee director. At this time, the Board deferred the decision for a variable compensation component until Sage’s mandate was selected by its shareholders at the special meeting held in May 2017. Subsequent to the selection of Sage’s mandate, the Board commenced work on a variable compensation structure with the goal of aligning the board’s interests with that of its shareholders (to maximize value of Sage). In the spring of 2018, the Board re-engaged Wynford, to work with the Board and shareholder consultation committee to make a market recommendation on the variable compensation of its Board members. After receiving both Wynford’s report and feedback from the shareholder committee, the Board approved the Director Compensation policy on January 10, 2019 (see attached policy). A summary of the compensation is as follows:

- Annual retainer of Board Chair is \$25,000 and non-employee directors is \$10,000;
- Annual retainers of \$5,000 per year for certain board positions (i.e. Vice Chair of the Board, Chair of the Audit Committee, Corporate Governance Directors, Compensation Directors);
- Meeting fees ranging from \$750 to \$1,500 for non-management Directors, and \$1,500 to \$3,000 for Chair of the Board;
- A one-time incentive bonus payable for achievement of Sage’s mandate.

The Board believes that the approved board compensation policy is appropriate given the current market for board compensation and gives Sage the ability to attract and retain qualified board expertise.

If you have any questions or concerns, please do not hesitate to contact me.

Signed “*Sandra Jory*”

Sandra Jory, CPA, CA
Board Chair
Sage Properties Corp.