

CT REAL ESTATE INVESTMENT TRUST GOVERNANCE, COMPENSATION AND NOMINATING COMMITTEE MANDATE

The Board of Trustees (Board) of CT Real Estate Investment Trust (REIT) is responsible for the stewardship of the REIT. That role consists of managing, or supervising the management of, the business and affairs of the REIT, in an active partnership with management. The Board believes that overseeing the REIT's development, maintenance of and approach to corporate governance and the development and maintenance of its talent management and compensation strategy, plans, policies and procedures are essential aspects of this role. The Board has established the Governance, Compensation and Nominating Committee (Committee) to fulfill its responsibilities with respect to corporate governance, talent management and compensation matters.

This mandate (Mandate) sets out the Committee's purpose, composition, member qualifications, member appointment and removal, responsibilities, operations, manner of reporting to the Board, requirement for an evaluation of this Mandate and the Committee, and certain other items. Nothing in this Mandate is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject.

1. Definitions

For the purpose of this Mandate, the following terms have the following meanings:

- (a) "CTC" means Canadian Tire Corporation, Limited;
- (b) "Officers" means officers of the REIT and its subsidiaries;
- (c) "Senior Executives" means employees of the REIT and its subsidiaries at the level of Senior Vice-President;
- (d) "Senior Management" means employees of the REIT and its subsidiaries at the level of Associate Vice-President and above, or their equivalent;
- (e) "Trustees" means trustees of the REIT.

2. Purpose of the Committee

The Committee is responsible for performing the duties set out in section 5 of this Mandate to enable the Board to fulfill its responsibilities with respect to:

- (a) the REIT's corporate governance practices and principles;
- (b) the selection and the nomination of qualified and suitable Trustees;
- (c) the evaluation of the effectiveness of the Board, its Committees and individual Trustees;
- (d) Trustee education and orientation;

- (e) the remuneration for Board and committee service;
- (f) the REIT's talent management practices and programs for Senior Management;
- (g) succession planning for Trustees and Senior Executives;
- (h) the compensation of Trustees;
- (i) the REIT's compensation philosophy and design for Senior Executives;
- (j) the REIT's incentive plan programs for Senior Management;
- (k) the REIT's benefit and savings plans (as may be applicable from time to time); and
- (l) any additional duties set out in this Mandate or otherwise delegated to the Committee by the Board.

3. Composition of the Committee

- (a) The Committee shall be comprised of at least three Trustees, a majority of whom shall be residents of Canada.
- (b) A majority of the members of the Committee shall be independent as defined under the applicable requirements of the securities regulatory authorities as adopted or amended and in force from time to time.
- (c) In addition to possessing the qualities required by the Trustee's position description, members of the Committee shall have or develop an understanding of corporate governance issues and/or compensation principles and practices.
- (d) The Board shall designate one of the Committee members to be the Committee Chairman.

4. Member Appointment, Removal and Vacancy

Committee members shall be appointed annually by the Board and, from time to time, thereafter to fill vacancies on the Committee. A Committee member may be removed or replaced at any time at the discretion of the Board. If a vacancy exists on the Committee, the remaining members may exercise all powers so long as a quorum remains in office.

5. Responsibilities of the Committee

(a) The REIT's Corporate Governance Practices and Principles

The Committee shall be responsible for:

- (i) developing, reviewing and evaluating on a periodic basis the Board's approach to corporate governance and the REIT's corporate governance practices and principles, and reporting and making recommendations thereon, as appropriate, to the Board with a view to maintaining the Board's corporate governance

standards for the REIT;

- (ii) reviewing on a periodic basis the latest regulatory requirements, developments and best practices in corporate governance with a view to continuously improving the Board's corporate governance standards, and updating the Board on corporate governance issues as necessary; and
- (iii) reviewing the disclosure of the REIT's corporate governance practices and principles and the operation thereof required by applicable regulatory authorities or stock exchanges before such disclosure is submitted to the Board for its approval.

(b) Talent Management and Succession Planning

- (i) The Committee shall obtain reasonable assurance that the REIT has in place appropriate talent management practices and programs for attracting, developing and retaining Senior Management, as well as appropriate resources for such programs.
- (ii) The Committee shall review annually, or more frequently as required, management's plans and processes relating to the talent development, assessment and advancement of Senior Management, and report thereon to the Board.
- (iii) The Committee shall review annually, or more frequently as required, the REIT's succession plans, including the identity of emergency replacements for the Chief Executive Officer, the Chief Financial Officer and other Senior Executives for whom emergency replacements are critical to the REIT, and report thereon to the Board.

(c) Appointment, Compensation and Performance Assessment of the Chief Executive Officer

- (i) The Committee shall review and recommend to the Board:
 - (A) the appointment and terms of employment and termination of the Chief Executive Officer;
 - (B) changes to the terms of employment of the Chief Executive Officer, including with respect to base salary;
 - (C) any discretionary bonuses, awards or payments proposed for the Chief Executive Officer;
 - (D) quantitative and qualitative performance objectives, both short and long-term, for the Chief Executive Officer;

- (E) a position description, including any changes thereto on an ongoing basis, for the Chief Executive Officer setting out the Chief Executive Officer's authority and responsibilities,
 - (F) a process for assessing annually the performance of the Chief Executive Officer against, *inter alia*, the agreed objectives; and
 - (G) the succession planning process for the Chief Executive Officer.
- (ii) In consultation with the Chairman of the Board, the Committee shall conduct an annual assessment of the Chief Executive Officer's performance in accordance with the approved process and report thereon to the Board. The Committee shall also recommend to the Board the Chief Executive Officer's individual performance multiplier in connection with his or her short-term incentive plan award.
 - (iii) The Chairman of the Committee, together with the Chairman of the Board, shall approve the participation by the Chief Executive Officer on the board of directors of any external for-profit or not-for-profit corporation.

(d) Appointment, Compensation and Performance Assessment of Senior Executives

- (i) The Committee shall review and recommend to the Board:
 - (A) the appointment of any Senior Executives;
 - (B) the principal terms of employment and termination and any changes thereto, including with respect to base salary;
 - (C) the individual performance multiplier in connection with short-term incentive plan awards;
 - (D) grants pursuant to long-term incentive plans; and
 - (E) any discretionary bonuses, awards or payments proposed by the Chief Executive Officer.
- (ii) The Committee shall review annually the performance objectives of Senior Executives and the Chief Executive Officer's assessment of Senior Executives against their objectives.
- (iii) The Committee shall review, as required, the unit ownership position of Senior Executives relative to the REIT's unit ownership guidelines for executives.
- (iv) The Committee shall review the participation by any Senior Executive on the board of directors of an external for-profit corporation that has been approved by the Chief Executive Officer.

(e) Compensation of Trustees

- (i) With respect to Trustees, the Committee shall review every two years the form and amount of the Trustees' remuneration for Board and committee service, including service as Chairman of the Board or Chairman of a committee of the Board, to ensure that it is both commensurate with the responsibilities and risks assumed and competitive with other companies which are comparable in terms of size and complexity to the REIT's business, and recommend any changes to the Board for approval.
- (ii) The Committee shall review, as required, the unit ownership position of each Trustee relative to the REIT's unit ownership guidelines for Trustees.

(f) Compensation Philosophy and Design

- (i) The Committee shall oversee the REIT's compensation philosophy for Senior Executives and shall annually review and recommend to the Board the general design and make-up of the REIT's compensation plans and programs for Senior Executives, including base salary, variable compensation and perquisites, as well as unit ownership guidelines and employment agreements for Senior Executives. The Committee shall consider the compensation practices of a select group of companies it considers to be reasonably comparable with the REIT in terms of size and complexity. In its review, the Committee shall assess the linkage of executive compensation philosophy and incentive plans to the REIT's financial and non-financial performance and its business strategy.
- (ii) The Committee shall annually review and recommend to the Board the Executive Compensation disclosure, including the Compensation Discussion and Analysis, and the report of the Committee's activities for inclusion in the REIT's management information circular.

(g) Incentive Compensation Plans

The Committee shall be responsible for:

- (i) reviewing and recommending to the Board the design of short-term, long-term and other incentive plans for Senior Management, including the form of award agreements thereunder, and any changes thereto; and
- (ii) subject to approval by the Board of short-term, long-term and other incentive plans for Senior Management, reviewing and approving:
 - (A) grants pursuant to long-term incentive plans;
 - (B) payouts under short-term and long-term incentive plans; and
 - (C) the adjudication of matters impacting short-term or long-term incentive plans.

(h) Benefit and Savings Plans

- (i) The Committee shall review and recommend to the Board material changes to any employee benefit and savings plans, as applicable.

(i) Board Renewal and Trustee Selection

The Committee shall be responsible for:

- (i) annually identifying and recommending to the Board the competencies and skills that the Board considers necessary for the Board, as a whole, and individual trustees to possess;
- (ii) annually identifying and recommending to the Board the appropriate criteria for selecting new trustees;
- (iii) identifying and recommending to the Board qualified individuals as nominees for election to the Board by the holders of Trust Units and Special Voting Units of the REIT at a meeting of unitholders of the REIT, or for appointment by the Board to fill any vacancies on the Board, having regard for:
 - (A) the needs of the REIT, including changes to the REIT's strategies and risks, as well as current and anticipated priorities;
 - (B) the competencies, experience and skills that the Board considers to be necessary for the Board, as a whole, to possess;
 - (C) the appropriate composition and size of the Board;
 - (D) the competencies and skills that the Committee considers each existing Trustee to possess based on, among other things, the Board's Trustee performance assessment process;
 - (E) the competencies, skills and qualities each new nominee will bring to the boardroom; and
 - (F) whether or not each nominee can devote sufficient time and attention to his or her duties as a Board member;

following consultation with such persons as it determines appropriate, including current Trustees, the Chief Executive Officer and CTC (in respect of its right to nominate prospective nominees for election or appointment to the Board in certain circumstances pursuant to the REIT's amended and restated Declaration of Trust dated October 22, 2013, as may be further amended or restated from time to time (Declaration of Trust));

- (iv) evaluating the independence of individual Trustees in accordance with the applicable requirements of the securities regulatory authorities as adopted or amended and in force from time to time, and such other criteria established by the Committee for the purposes of:

- (A) determining those Trustees to be identified as independent or not independent in the REIT's annual continuous disclosure documents;
- (B) gaining and maintaining reasonable assurance that a majority of Trustees, the Chairman of the Board and at least a majority of the members of the Investment Committee and the Committee are independent;
- (C) gaining and maintaining reasonable assurance that all of the members of the Audit Committee are independent; and
- (D) determining whether any relationship which a Trustee has with the REIT could reasonably be expected to interfere with the exercise of such Trustee's independent judgment, and addressing any applicable changes to Board and committee composition as a result thereof;
- (v) reviewing annually, or more frequently as required, the REIT's succession plan for the Trustees, including identifying and maintaining an evergreen list of candidates qualified to become new Trustees;
- (vi) identifying and recommending to the Board the appointment (or removal) of persons appointed to serve as members and Chairmen of the Audit Committee, the Investment Committee and other committees of the Board (if applicable, however not including the Committee), having regard for the appropriate composition, size and required competencies of each such committee. Where a vacancy occurs at any time in the membership of any committee of the Board (save and except for the Committee), the Committee will recommend to the Board a Trustee to fill such vacancy; and
- (vii) recommending to the Board the appointment of the Chairman of the Board, the removal of the Chairman of the Board for any reason the Committee sees fit, and, upon a vacancy in this position, recommending to the Board an individual to replace the Chairman of the Board.

(j) Evaluation of the Board, Committees of the Board and Individual Trustees

The Committee shall be responsible for:

- (i) developing and approving processes for evaluating the Board as a whole, the committees of the Board and individual Trustees, having regard for:
 - (A) in the case of the Board or its committees, their respective mandates, and whether the Board or the committees have the appropriate composition and procedures to allow them to function independently from management; and
 - (B) in the case of individual Trustees, the REIT's position description for its Trustees and the competencies, skills and expertise each individual Trustees is expected to bring to the Board and the committees of the Board on which they serve;

- (ii) conducting every two years, either concurrently or in alternating years, an evaluation of the effectiveness of the Board and the committees of the Board, including the composition and membership of each committee, and reporting on the results of such evaluations to each committee, as applicable, and the Board;
- (iii) conducting every two years a performance evaluation of individual Trustees (including in their capacity as members of committees of the Board), providing feedback to each Trustee on his or her effectiveness based on the results of the performance evaluation processes developed and approved by the Committee and during such other times as may be required, and reporting on the results of such evaluations to the Board;
- (iv) developing and approving a process for assessing the performance of the Chairman of the Board in that role, conducting an annual performance review of the Chairman of the Board and reporting thereon to the Board;
- (v) reviewing, at least every three years, the adequacy of the Board's mandate and the Committee's mandate and, where required, recommending changes to each mandate to the Board for its approval;
- (vi) reviewing, at least every three years, the adequacy of the Audit Committee mandate and the Investment Committee mandate, ensuring that each of the Audit Committee and the Investment Committee reviews its mandate every three years and, where required, recommends its changes to the Committee for review and, if appropriate, recommendation to the Board for its approval;
- (vii) reviewing, at least every three years, the adequacy of the position descriptions for the Chairman of the Board, each committee Chairman and the Trustees and, where required, recommending changes to each position description to the Board for its approval; and
- (viii) carrying out any other evaluation processes adopted by the Board and delegated to the Committee.

(k) Trustee Education and Orientation

The Committee shall ensure that Trustees receive appropriate orientation and education and, in so doing, the Committee shall ensure that:

- (i) each new Trustee participates in a comprehensive orientation process in relation to his or her Board responsibilities, the role of the Board and its committees, and the contributions and commitment of time and attention that the REIT expects each individual Trustee will make;
- (ii) the Chairman of the Board meets with each proposed new Trustee and explains to such proposed new Trustee the culture of the Board, and the commitment of time and energy expected of every Trustee;
- (iii) the committee Chairmen meet with each proposed new Trustee to review the responsibilities and mandates of the committees of the Board for which such

proposed new Trustee will serve; and

- (iv) each Trustee is provided with written orientation materials (which shall be updated by the Secretary of the REIT from time to time as required), including the REIT's Declaration of Trust, continuous disclosure documents as well as board and committee mandates and policies;
- (v) relevant orientation and continuing education is made available to all Trustees to enable the Trustees to maintain or enhance their skills and capabilities as Trustees and to maintain the currency of their knowledge and comprehension of the REIT's business, including the opportunity, at the expense of the REIT to:
 - (A) attend any conference, seminar, course or other educational experience (i) which is intended to expand corporate directors/trustees' knowledge and skills, and (ii) which is approved by the Committee Chairman and, where the expense could be significant, the Chairman of the Board;
 - (B) visit the REIT's properties and such other premises as may be appropriate and reasonable; and
 - (C) meet with Senior Management and other individuals, as appropriate, for the purpose of discussing the nature and operation of the REIT's business and affairs.

(I) Other Key Responsibilities

The Committee shall be responsible for:

- (i) reviewing any proposed major organizational design changes of the REIT or its subsidiaries;
- (ii) monitoring the employee experience and engagement within the REIT through, *inter alia*, reports from the Chief Executive Officer, the Senior Vice-President, Talent, CTC and the results of periodic employee opinion surveys;
- (iii) reviewing every two years the REIT's practices with respect to the reimbursement of Trustee expenses incurred in connection with their duties as a Trustee;
- (iv) preparing for succession, emergency or otherwise, for the Chairman of the Board position;
- (v) reviewing with the Chief Executive Officer any management concerns about its relationship with the Board and reporting to the Board its findings therewith;
- (vi) reviewing and recommending to the Board the REIT's approval process for non-arm's length transactions, agreements and arrangements, including with CTC or its affiliates;
- (vii) reviewing and recommending to the Board all material non-arm's length transactions, agreements and arrangements, including with CTC or its affiliates;

- (viii) reviewing the Declaration of Trust from time to time as appropriate, and recommending any proposed amendments to the Board for its review;
- (ix) reviewing as necessary corporate, legal and regulatory developments and changes and referring such matters to other committees of the Board for their review as appropriate; and
- (x) reviewing and approving annually a report of the Committee's activities for inclusion in the REIT's management information circular.

6. Operating Procedures

- (a) The Committee shall generally meet four times each year and as many additional times as necessary to carry out its duties effectively. Committee meetings shall be held at the call of the Chairman, upon the request of the Chief Executive Officer, or any Committee member by giving the requisite notice in accordance with the Declaration of Trust. A majority of the members of the Committee shall constitute a quorum.
- (b) The powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee. Each Committee member (including the Chairman) is entitled to one vote in Committee proceedings and decisions of the Committee will be made by an affirmative vote of the majority. For greater certainty the Chairman does not have a second or casting vote.
- (c) The Committee Chairman shall develop the agenda for all meetings of the Committee as well as an annual work plan responsive to the Committee's responsibilities as set out in this Mandate and its strategic priorities, all in consultation with Committee members and management, as appropriate.
- (d) Unless the Committee otherwise specifies, the Secretary of the REIT (or his or her designate) shall act as secretary of the meetings of the Committee and minutes shall be kept for each Committee meeting.
- (e) The Committee Chairman shall conduct all meetings of the Committee at which he or she is present. In the absence of the Committee Chairman, the Committee members shall appoint an acting Chairman.
- (f) A portion of each of the Committee's meetings shall be conducted with no members of management present.
- (g) The Committee may invite any officer or employee of the REIT or any other person to attend any Committee meetings to participate in the discussion and review of the matters considered by the Committee.
- (h) A copy of the minutes of each meeting of the Committee shall be made available to each Trustee.

7. Reporting to the Board

The deliberations, decisions and recommendations of the Committee, including with respect to the most significant matters discussed by the Committee, shall be reported to the Board at the Board's next regular meeting.

8. Evaluation and Assessment of this Mandate and the Committee's Compliance with this Mandate

- (a) At least every three years, the Committee shall review and assess the appropriateness of this Mandate taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the REIT has a reporting relationship and, if appropriate, recommend changes to the Mandate to the Board for its approval, except for minor technical amendments to this Mandate, authority for which is delegated to the Secretary of the REIT, who will report any such amendments to the Committee and the Board at their next regular meetings.
- (b) Every two years, the Committee shall conduct a review and evaluation of the Committee's performance including its ability to meet the requirements of this Mandate, in accordance with the evaluation process developed and approved by the Committee, and provide the results of the performance evaluation to the Committee and the Board.
- (c) At every least three years, the Committee shall review and update as necessary the Chairman's position description.

9. Advisors

The Committee may at the expense of the REIT retain and terminate external advisors having particular expertise for the purposes of fulfilling its Mandate and shall be entitled to rely in good faith upon any report provided by any advisor. The Committee shall also have the authority to approve the proposed fees of these external advisors and any other terms of engagement.

Dated: July 31, 2019
Approved by: Board of Trustees