

CT REAL ESTATE INVESTMENT TRUST AUDIT COMMITTEE MANDATE

The Board of Trustees (Board) of CT Real Estate Investment Trust (REIT) has established the Audit Committee (Committee).

This mandate (Mandate) sets out the Committee's purpose, composition, member appointment, removal and vacancy, responsibilities, operating procedures, 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. Purpose of the Committee

The purpose of the Committee is to assist the Board in fulfilling its oversight accountabilities with respect to:

- (a) financial reporting and disclosure including gaining reasonable assurance as to:
 - (i) the integrity of the financial statements of the REIT and the soundness of the REIT's accounting principles and significant judgments;
 - (ii) the compliance by the REIT with legal, regulatory and other requirements relating to its financial statements and disclosures;
 - (iii) the adequacy and effectiveness of the REIT's internal financial and disclosure control systems and procedures and the sufficiency of periodic testing thereof;
 - (iv) the effectiveness of oversight functions including the REIT's internal audit and risk management functions; and
 - (v) the qualifications, independence and performance of the REIT's external auditor.
- (b) the development and implementation of a comprehensive enterprise risk management policy and enterprise risk management program that appropriately identify, assess, monitor and manage the REIT's risks;
- (c) legislative and regulatory compliance, including gaining reasonable assurance that the business and affairs of the REIT are conducted in a manner that limits the exposure of the REIT, its trustees and employees to financial penalties or civil or criminal liability or to issues that may negatively impact the reputation of the REIT; and
- (d) any additional duties set out in this Mandate or otherwise delegated to the Committee by the Board.

2. 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) In addition to possessing the qualities required by the trustee's position description, each Committee member shall be financially literate which requires that he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the REIT's financial statements. Each Committee member shall also meet the criteria for independence and financial literacy provided under the applicable requirements of the securities regulatory authorities as adopted or amended and in force from time to time.
- (c) None of the officers of the REIT may serve as members of the Audit Committee.
- (d) One of the Committee members shall be designated by the REIT's Governance, Compensation and Nominating Committee (GCN Committee) as the Committee Chairman.

3. Member Appointment, Removal and Vacancy

Committee members shall be appointed annually by the Board on the recommendation of the GCN Committee 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.

4. Reliance on Management and Experts

In contributing to the Committee's discharging of its duties under this Mandate, each member of the Committee shall be entitled to rely in good faith upon:

- (i) financial statements of the REIT represented to him or her by an officer of the REIT or in a written report of the external auditors to present fairly the financial position of the REIT in accordance with generally accepted accounting principles (which includes International Financial Reporting Standards) (GAAP); and
- (ii) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

"Good faith reliance" means that the Committee member has considered the relevant issues, questioned the information provided and assumptions used, and assessed whether the analysis provided by management or the expert is reasonable. Generally, good faith reliance does not require that the Committee member question the honesty, competency and integrity of management or the expert unless there is a reason to doubt their honesty, competency and integrity.

5. Approval of Non-Audit Services

The Committee has established the following procedures with respect to non-audit services:

- (a) Management shall bring to the attention of the Committee Chairman all requests for non-audit services to be performed by the external auditors for the REIT and its subsidiaries before such work is commenced. The Committee Chairman is authorized to approve all such requests, but if any such service exceeds or is expected to exceed \$100,000 in fees, or the service is of a sensitive or unusual nature, the Committee Chairman shall consult with the Committee before approving the service. The Committee Chairman has the responsibility to inform the Committee of all pre-approved services at its next meeting.

- (b) The Committee Chairman shall approve all engagements for accounting and tax advice proposed to be provided by an audit firm other than the external auditors before work under such engagements is commenced, provided however, if the services under any such engagements exceed or are expected to exceed \$30,000 in fees, or the engagement is of a sensitive or unusual nature, the Committee Chairman shall consult with the Committee before approving the engagement. The Committee Chairman has the responsibility to inform the Committee of all pre-approved engagements at its next meeting.

6. Responsibilities of the Committee

To fulfill its responsibilities and duties, the Committee shall:

(a) Financial Reporting

- (i) review the REIT's annual and quarterly financial statements with management and the external auditors to gain reasonable assurance that the statements present fairly the REIT's financial position and performance and are in accordance with GAAP and together with Management's Discussion and Analysis (MD&A), the Annual Information Form and CEO/CFO certifications constitute a fair presentation of the REIT's financial condition and report thereon to the Board before such financial statements are approved by the Board;

- (ii) review the external auditors' reports on their review of the annual and quarterly financial statements;

- (iii) review a copy of the representation letter provided to the external auditors from management and any additional representations required by the Committee;

- (iv) review and, if appropriate, recommend to the Board for approval all public disclosure documents containing material audited or unaudited financial information, including the Annual Information Forms, the annual and interim MD&As, annual reports, annual and interim CEO/CFO certifications of results, annual and quarterly earnings news releases, distribution declaration news releases, earnings guidance and associated news releases, material change disclosures of a financial nature and rights offering circulars; in circumstances where events render it impractical for the Board or the Committee to review any such news releases with management prior to issuing or filing such news releases, authority to review and approve such news releases may

be exercised by the Committee Chairman and the Chairman of the Board, acting together;

- (v) review and, if appropriate, recommend to the Board for approval all prospectuses, take-over bid circulars, issuer bid circulars and directors' circulars;
- (vi) satisfy itself that adequate procedures are in place for the review of the REIT's disclosure of financial information extracted or derived from the REIT's financial statements in order to satisfy itself that such information is fairly presented and periodically assess the adequacy of these procedures; and
- (vii) review, as appropriate, with management, the external auditors and the REIT's legal counsel, any legal claim or other contingency, including tax assessments, that could have a material effect upon the financial position or operating results of the REIT and the manner in which these matters have been disclosed in the financial statements.

(b) Accounting Policies

- (i) review with management and the external auditors the appropriateness of the REIT's accounting policies and principles, disclosures, reserves, key estimates and judgments, including changes or variations thereto and obtain reasonable assurance that they are presented fairly in accordance with GAAP, and report thereon to the Board;
- (ii) review major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the accounts of the REIT and its subsidiaries; and
- (iii) review with management and the external auditors the degree of conservatism of the REIT's underlying accounting policies, key estimates and judgments and reserves.

(c) Internal Control over Financial Reporting

- (i) satisfy itself that the REIT has designed and maintains a system of internal control over financial reporting (ICFR) and an appropriate control environment to provide reasonable assurance over the reliability of financial reporting;
- (ii) satisfy itself that the Chief Executive Officer and the Chief Financial Officer have conducted an annual evaluation of the effectiveness of ICFR and disclosed in the annual MD&A their conclusions about the effectiveness of ICFR;
- (iii) review the plans of the executive who manages the internal audit function (Internal Auditor) and the external auditors with respect to ICFR;
- (iv) receive regular reports from management and the Internal Auditor on the effectiveness of ICFR, including any indication of fraud and the corrective activity undertaken in respect thereto; and
- (v) review regular reports from the external auditors, in order to be satisfied that the REIT

has designed and maintains an effective system of ICFR that provides reasonable assurance over the reliability of financial reporting, with such reports to include any indication of fraud and any corresponding corrective activity undertaken in respect thereto.

(d) Disclosure Controls and Procedures

- (i) satisfy itself that management has designed and maintains a system of disclosure controls and procedures (DC&P) to provide reasonable assurance that information required to be disclosed by the REIT in its continuous disclosure or other filings under securities legislation is recorded, processed, summarized and reported appropriately;
- (ii) satisfy itself that the Chief Executive Officer and the Chief Financial Officer have conducted an annual evaluation of the effectiveness of DC&P and disclosed in the annual MD&A their conclusions about the effectiveness of DC&P; and
- (iii) receive regular reports from management, the Internal Auditor and the external auditors on the effectiveness of DC&P, including any indication of fraud and the corrective activity undertaken in respect thereto.

(e) Other Financial Matters

- (i) prior to the declaration of any distributions, gain reasonable assurance that there are not reasonable grounds for believing that the REIT is or, after the payment of such distributions, would be unable to pay its liabilities as they become due, and that the realizable value of the REIT's assets would thereby be less than the aggregate of its liabilities and its stated capital of all classes, and confirm to the Board that it has gained such assurance before such distributions are declared;
- (ii) gain reasonable assurance that the REIT is able to repurchase, redeem or otherwise acquire or distribute securities and confirm to the Board that it has gained such assurance before such repurchase, redemption, acquisition or distribution is completed; and
- (iii) reviewing and approving the adequacy of insurance coverages maintained by the REIT and reporting thereon to the Board.

(f) Risk Management

- (i) annually review and recommend to the Board for approval the principal risks of the REIT; and
- (ii) recommend to the Board a comprehensive enterprise risk management policy and report to the Board on the enterprise risk management program established by management.

(g) Compliance with Laws and Regulations

- (i) review regular reports from management with respect to the REIT's compliance with laws and regulations having a material impact on the REIT's financial statements and

financial condition including:

- (A) tax and financial reporting laws and regulations;
 - (B) tax withholding requirements;
 - (C) requirements of governments, regulatory agencies and stock exchanges relating to financial reporting and disclosure; and
 - (D) other laws and regulations which expose trustees to liability;
- (ii) review the status of the REIT's tax filings and assessments and those of its subsidiaries;
 - (iii) review and recommend to the Board for its approval a Code of Conduct that is comprised of standards reasonably designed to promote integrity, deter wrongdoing and address the following issues:
 - (A) conflicts of interest, including transactions and agreements in respect of which a director or member of management has a material interest;
 - (B) protection and proper use and exploitation of the REIT's assets and opportunities;
 - (C) confidentiality of information relating to the business and affairs of the REIT;
 - (D) fair and ethical dealing with the REIT's security holders, tenants, customers who visit the REIT's properties, suppliers or service providers, and employees;
 - (E) compliance with applicable laws, rules and regulations; and
 - (F) reporting of any illegal or unethical behaviour or other breaches of the Code of Conduct;
 - (iv) review annually the process for monitoring compliance with and communication of the Code of Conduct to the REIT's employees and trustees and gain reasonable assurance that such process is operating effectively; and
 - (v) discuss with the General Counsel any significant legal, compliance or regulatory matters that may have a material effect on the financial statements or the business and affairs of the REIT, or on the compliance policies of the REIT.

(h) Compliance with Policies

- (i) review regular reports from management and others (e.g. the Internal Auditor) with respect to the REIT's compliance with all Board level policies that manage financial risk, and any corporate operating directives issued under such policies, that have been approved by the Board from time to time including the Board level policies set out in Appendix A to this Mandate; and
- (ii) review and recommend to the Board for approval proposed changes to the Board

level policies set out in Appendix A to this Mandate in accordance with the policy review timelines set out in each policy.

(i) Relationship with External Auditors

- (i) recommend to the Board the nomination of the external auditors;
- (ii) approve the terms of engagement of and, subject to the approval of the unitholders authorizing the Board to do so, determine the remuneration to be paid by the REIT to the external auditors with respect to the conduct of the annual audit, and report thereon to the Board;
- (iii) if necessary, recommend the removal by the unitholders of the current external auditors and replacement with new external auditors;
- (iv) review the performance of the external auditors annually or more frequently as required;
- (v) augment the annual performance assessment of the external auditors by performing a comprehensive review of such auditors every five years or more frequently as required, resulting in a recommendation to either retain or replace the external auditors;
- (vi) receive a report annually from the external auditors with respect to their independence, such report to include a disclosure of all engagements (and fees related thereto) for non-audit services by the REIT;
- (vii) as required, discuss with management and the external auditors the timing and the process for implementing the rotation of the lead audit partner, the concurring partner and any other active audit engagement team partner;
- (viii) review with the external auditors the scope of the audit, the areas of special emphasis to be addressed in the audit, the extent to which the external audit can be coordinated with internal audit activities and the materiality levels which the external auditors propose to employ;
- (ix) meet regularly with the external auditors in the absence of management to determine, *inter alia*, that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditors or the reporting of their findings to the Committee;
- (x) review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditor as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of the REIT, and the ramifications of their use as well as any other material changes. Review all material written communication between management and the external auditor such as management letters and schedules of unadjusted differences;

- (xi) establish effective communication processes with management and the REIT's external auditors to assist the Committee to monitor objectively the quality and effectiveness of the relationship among the external auditors, management and the Committee;
- (xii) oversee the work of the external auditors and the resolution of disagreements between management and the external auditors with respect to financial reporting; and
- (xiii) request that the external auditors provide to the Committee, at least annually, an oral and/or written report describing the external auditors' internal quality assurance policies and procedures as well as any material issues raised in the most recent internal quality assurance reviews, quality reviews conducted by the Canadian Public Accountability Board, or any inquiry or investigation conducted by government or regulatory authorities.

(j) Internal Auditor

- (i) review and approve the Internal Auditor's terms of reference;
- (ii) review and approve the annual plan of the Internal Auditor;
- (iii) review the reports of the Internal Auditor with respect to those controls that mitigate strategic, financial and operational risks, and any other matters appropriate to the Committee's duties. The Committee shall review the adequacy and appropriateness of management's response, including the implementation thereof; and
- (iv) review and approve the reporting relationship of the Internal Auditor to ensure that independence and objectivity are maintained and that the Internal Auditor is aware of his or her obligation to report directly to the Committee on matters affecting the Committee's duties, irrespective of his or her other reporting relationships.

(k) Other Key Responsibilities

- (i) review annually the expenses of the Chairman of the Board and the Chief Executive Officer for the purpose of gaining reasonable assurance as to the reasonableness of such expenses;
- (ii) after consultation with the Chief Financial Officer and the external auditors, gain reasonable assurance, at least annually, of the quality and sufficiency of the REIT's accounting and financial personnel and other resources, including consultants and systems;
- (iii) review, with the REIT's service provider, the adequacy of services provided by the REIT's service provider in those business areas or functions supporting the REIT's financial reporting and disclosure obligations, enterprise risk management program, legislative and regulatory compliance and other areas which fall within this Mandate or are otherwise delegated to the Committee by the Board;
- (iv) review, in advance, the appointment of the REIT's Chief Financial Officer;

- (v) investigate any matters that, in the Committee's discretion, fall within the Committee's duties;
- (vi) review periodic reports from the Internal Auditor on its review of compliance with the Code of Conduct and other applicable policies;
- (vii) review and approve the REIT's policy with respect to the hiring of partners, employees and former partners and employees of the current and former external auditors, in compliance with the external auditor's independence guidelines;
- (viii) establish and periodically monitor procedures for: (1) the confidential receipt, retention and treatment of complaints received by the REIT regarding the REIT's accounting, internal accounting controls or auditing matters, and (2) the confidential anonymous submission, retention and treatment of concerns by employees regarding questionable accounting or auditing matters, and require that all such matters be reported to the Committee together with a description of the resolution of the complaints or concerns;
- (ix) in consultation with management and the external auditors, schedule continuing education opportunities on important financial topics;
- (x) annually review and approve a report of the Committee's activities for inclusion in the REIT's management information circular.

7. Operating Procedures

- (a) The Committee shall meet four times annually and as many additional times as necessary to carry out its duties effectively. Committee meetings shall be held at the call of the Committee Chairman, upon the request of the Chief Executive Officer, any Committee member or the external auditors by giving the requisite notice in accordance with the REIT's amended and restated declaration of trust dated October 22, 2013, as may be further amended or restated from time to time. A majority of the members of the Committee shall form 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 Committee 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 Committee 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, management and the external auditors, 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) At each meeting of the Committee, the members of the Committee shall meet in private session with the external auditors; with management; and with the Committee members only. The Committee shall meet in private session with the Internal Auditor and with the head of Enterprise Risk Management as often as it deems necessary.
- (g) The Committee Chairman 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.

8. Operating Principles

- (a) The Committee Chairman and members of the Committee expect to have direct, open and frank communications throughout the year with management, the Chairman of the REIT's other committees, the external auditors, the Internal Auditor and other key Committee advisors as applicable.
- (b) The Committee expects that, in discharging their responsibilities to the unitholders, the external auditors shall be accountable to the Board through the Committee. The external auditors shall report all material issues or potentially material issues to the Committee.
- (c) The Committee shall communicate its expectations to management and the external auditors with respect to the nature, timing and extent of the information it requires. The Committee expects that written materials will be received from management and the external auditors at least one week in advance of meeting dates.

9. 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.

10. Evaluation and Assessment of this Mandate, the Committee and its Compliance with this Mandate

- (a) 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 GCN Committee for recommendation 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 GCN Committee and provide the results of the performance evaluation to the GCN Committee and the Board.
- (c) The Committee shall develop and recommend to the GCN Committee a position description for the Committee Chairman. Every three years, the Committee shall review and update as necessary the Committee Chairman's position description and recommend any changes thereto to the GCN Committee for its approval.

11. 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 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: February 10, 2020
Approved by: Board of Trustees

APPENDIX A
Board Level Policies

Enterprise Risk Management Board Policy
Ethical Business Conduct Board Policy
Financial Reporting Board Policy
Financial Risk Management Board Policy
Legal Risk Management Board Policy