

## **CT REAL ESTATE INVESTMENT TRUST MANDATE OF THE BOARD OF TRUSTEES**

### **1. Role of the Board**

The Board of Trustees (Board) of CT Real Estate Investment Trust (REIT) is responsible for the stewardship of the REIT. This stewardship role consists primarily of the duty to supervise the management of the business and affairs of the REIT and includes two key functions: decision making and oversight. The decision-making function primarily involves working with management to: (i) develop strategic goals, (ii) develop fundamental policies, and (iii) review and approve certain significant actions. The oversight function primarily consists of: (i) supervising management's decisions, (ii) ensuring systems and controls of the REIT are adequate, and (iii) implementing and maintaining appropriate policies.

### **2. Responsibilities of the Board**

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), the Board shall exercise its powers and discharge its duties as trustees honestly and in good faith with a view to the best interests of the REIT and the REIT's unitholders. The Board is also responsible for taking a long-term view and overseeing management's activities and plans on an ongoing basis to ensure they continue to be responsive to the changing business environment in which the REIT operates. In making its decisions on the proposed strategies, tactics and transactions (e.g. investment or capital) proposed by management, the Board should consider the potential implications, such as financial, reputational and/or human resource implications, of such proposals.

The Board's duties include:

#### **(a) Compliance with Declaration of Trust**

- (i) Obtaining reasonable assurance of the REIT's compliance with the Declaration of Trust.
- (ii) Exercising its powers and take whatever action(s) as may be necessary or desirable to carry out the provisions of the Declaration of Trust.
- (iii) Ensuring that the exercise of such powers or the taking of such actions is not inconsistent with the provisions of the Declaration of Trust.

#### **(b) Strategic Planning and Business Operations**

- (i) Providing oversight and guidance on the strategic issues facing the REIT.
- (ii) Working with management to establish the long-term objectives and goals for the REIT's business and reviewing, modifying (if appropriate) and approving the strategic plan proposed by management to achieve such objectives and goals.
- (iii) Overseeing the development of the REIT's investment plan.
- (iv) Approving the REIT's financial objectives and investment plan, including investment activities (acquisitions, dispositions and/or development), capital allocations, expenditures and material financing arrangements.
- (v) Monitoring the implementation, performance and effectiveness of the approved strategic and investment plans.
- (vi) Reviewing and approving the REIT's distribution policy and approving the timing and payment of distributions.

(vii) Approving major business decisions not specifically delegated to management.

**(c) Financial Information and Internal Controls**

- (i) Overseeing the financial reporting and disclosure obligations imposed on the Board, the REIT and management by applicable laws, regulations, rules and policies.
- (ii) Overseeing the integrity of the REIT's management information systems and the effectiveness of the REIT's internal controls.
- (iii) Overseeing the preparation of, and processes relating to, reports and attestations with respect to the REIT's internal control and disclosure control procedures.
- (iv) Obtaining reasonable assurance that due diligence processes and controls in connection with the certification of the REIT's annual and interim filings are in place, monitoring their continued effectiveness, and obtaining confirmation that such filings are in a form that supports such certification.
- (v) Approving the REIT's financial statements, management's discussion and analysis (MD&A) and news releases prepared by management and overseeing the REIT's compliance with applicable audit, accounting and reporting requirements.

**(d) Identification and Management of Risks**

- (i) Overseeing the development and implementation by management of a comprehensive enterprise risk management policy and enterprise risk management program that are collectively designed to appropriately identify, assess, monitor, manage and report on the REIT's principal risks and emerging risks.
- (ii) Annually identifying and approving the principal risks of the REIT.
- (iii) Monitoring the REIT's systems and controls for assessing, managing and monitoring principal and emerging risks and management's reports relating to the operation and effectiveness of these systems and controls.

**(e) Corporate Policies**

- (i) Adopting policies and procedures designed to provide reasonable assurance that the REIT, its trustees, officers and employees comply with all applicable laws, rules and regulations and conduct the REIT's business ethically with honesty and integrity.

**(f) Human Resource Management and Executive Compensation**

- (i) Obtaining reasonable assurance that there are policies and practices in place to enable the REIT to attract, develop and retain the human resources required by the REIT to meet its business objectives.
- (ii) Overseeing the REIT's executive compensation program and overall compensation philosophy.
- (iii) Monitoring the REIT's approach to human resource management.
- (iv) Supervising the succession planning processes of the REIT and approving the selection, appointment, development, evaluation and compensation of the Chairman of the Board, the trustees and senior management.

**(g) Integrity, Ethics and Social Responsibility**

- (i) Obtaining reasonable assurance as to the integrity of the Chief Executive Officer and other senior management and that the Chief Executive Officer and other senior management strive to create a culture of integrity throughout the REIT.
- (ii) Approving the REIT's Code of Conduct (Code), monitoring compliance with the Code and receiving reports on adherence to the Code.
- (iii) Approving other policies and practices, as required, for dealing with matters related

to integrity, ethics, and environmental and social responsibility.

**(h) Corporate Communications and Public Disclosure**

- (i) Overseeing the establishment of policies and processes for accurate, timely and appropriate public disclosure.
- (ii) Monitoring compliance with a written disclosure policy and applicable corporate, securities and exchange requirements.
- (iii) Obtaining reasonable assurance that there is effective communication between the Board and securityholders on material issues.

**(i) Governance**

- (i) Developing, approving and monitoring the REIT's approach to corporate governance.
- (ii) Disclosing the REIT's approach to corporate governance in its management information circular.
- (iii) Appointing the Chairman of the Board who 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 (Applicable Laws).
- (iv) Ensuring that portions of each of the Board's meetings shall be conducted with no members of management present.
- (v) Establishing Board committees and defining their mandates to assist the Board in carrying out its roles and responsibilities.
- (vi) Setting expectations and responsibilities of trustees, including attendance at, preparation for, and participation in Board and committee meetings, and reviewing and updating such expectations and responsibilities, as necessary, at least every three years.
- (vii) Developing position descriptions for the Chairman of the Board, the Chairman of each of the Audit Committee, Investment Committee and the Governance, Compensation and Nominating Committee, and reviewing and updating, as necessary, each position description, at least every three years.
- (viii) Establishing, maintaining and implementing appropriate formal processes for regularly assessing the effectiveness of the Board, the Chairman of the Board, the committees, each committee chairman and individual trustees.
- (ix) Monitoring the composition of the Board with a view to the effectiveness and independence of the Board and its members.
- (x) Identifying competencies and skills necessary for individual trustees and for the Board as a whole.
- (xi) Identifying individuals qualified to become new trustees.
- (xii) Obtaining reasonable assurance that each new trustee engages in a comprehensive orientation process and that all trustees are provided with continuing education opportunities.
- (xiii) Reviewing and approving the REIT's approval process for non-arm's length transactions, agreements and arrangements, including with CTC or its affiliates.
- (xiv) Reviewing and approving all material non-arm's length transactions, agreements and arrangements, including with CTC or its affiliates.

### **3. Committees of the Board**

The Board may also delegate certain of its powers to appropriate Board committees, to the extent permitted under the Declaration of Trust or Applicable Laws. The Board reserves the right to exercise any powers or authorities delegated to a committee. The Board also has the right to revoke any of its powers or authorities delegated to a committee, as well as to revoke or vary any decision of a committee. Any committee decision shall be reported to the Board at its meeting following the meeting of the committee at which such decision was made.

The Board has established the following committees to assist in discharging its duties: the Audit Committee, the Governance, Compensation and Nominating Committee and the Investment Committee. Each committee has its own mandate which is reviewed and approved by the Board on an ongoing basis in accordance with each respective committee mandate. The Board may establish additional Board committees as circumstances require. The Board is responsible for overseeing the duties delegated to each committee.

#### **(a) Delegation to the Audit Committee**

The Board has delegated the following approval matters to the Audit Committee:

- (i) 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;
- (ii) non-audit services to be performed by the external auditors for the REIT or its subsidiaries;
- (iii) all engagements for accounting and tax advice proposed to be provided by an audit firm other than the external auditors of the REIT;
- (iv) the internal auditor's terms of reference and the annual plan of the internal auditor;
- (v) the reporting relationship of the internal auditor; and
- (vi) 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.

#### **(b) Delegation to the Governance, Compensation and Nominating Committee**

The Board has delegated the following approval matters to the Governance, Compensation and Nominating Committee:

- (i) approval of the processes for evaluating the performance of the Board, the committees, individual trustees (including in their capacity as members of any committee) and the Chairman of the Board to the Governance, Compensation and Nominating Committee; and
- (ii) reviewing and approving the REIT's approval process for non-arm's length transactions, agreements and arrangements, including with CTC or its affiliates.

#### **(c) Delegation to the Investment Committee**

The Board has delegated the following approval matters to the Investment Committee:

- (iii) review and approval of investment policies on an annual basis to the Investment Committee; and
- (iv) approval of certain investment activities may be delegated to the Chairman of the Investment Committee subject to any limits provided by the Board and/or the Declaration of Trust (including specified financial limits).

#### **4. Delegation of Authority**

- (a) In addition to any powers or authority delegated to a committee by the Board pursuant to section 3 of this Mandate, the Board may also establish formal delegations of authority to management to manage the business of the REIT. The Board has delegated to the Chief Executive Officer certain powers and authorities to manage the business and affairs of the REIT, subject to any limitations under the Declaration of Trust or Applicable Laws. Any power or authority not so delegated remains with the Board.
- (b) Notwithstanding any delegation of authority to a committee or management by the Board, the following matters cannot be delegated by the Board pursuant to the Declaration of Trust:
  - (i) submission to the unitholders of any question or matter requiring the approval of the unitholders;
  - (ii) filling a vacancy among the members of the Board or in the office of auditor or appointing or removing the President and Chief Executive Officer, the Chief Financial Officer or the Chairman of the Board;
  - (iii) subject to the right of the Board, to authorize officers to borrow, issue debt securities, give guarantees and create security interests, issue securities except in the manner and on the terms authorized by the Board;
  - (iv) declaring distributions;
  - (v) purchasing, redeeming or otherwise acquiring units issued by the REIT;
  - (vi) paying a commission in connection with the sale of the REIT's units;
  - (vii) approving a management information circular;
  - (viii) approving a take-over bid circular, trustees' circular or issuer bid circular;
  - (ix) approving annual or interim financial statements;
  - (x) approving an amalgamation or an amendment to the Declaration of Trust; or
  - (xi) adopting, amending or repealing regulations.

#### **5. Evaluation and Assessment of this Mandate and Compliance with this Mandate**

- (a) At least every three years, the Board 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, approve any changes to this Mandate, 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 Board at its next regular meeting.
- (b) Every two years, the Board shall conduct a review and evaluation of its performance including its ability to meet the requirements of this Mandate, in accordance with the evaluation process developed and approved by the Governance, Compensation and Nominating Committee.

**6. Advisors**

The Board may at the expense of the REIT retain and terminate external advisors having particular expertise for the purposes of fulfilling this Mandate and shall be entitled to rely in good faith upon any report by any advisor. The Board 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