

CT REAL ESTATE INVESTMENT TRUST AUDIT COMMITTEE CHARTER

1.0 Introduction

This charter (the “**Charter**”) sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the “**Committee**”) of the Board of Trustees (the “**Board**”) of CT Real Estate Investment Trust (the “**REIT**”).

2.0 Purpose

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

- (a) the integrity of the REIT’s financial statements;
- (b) the REIT’s compliance with applicable laws and regulations;
- (c) the qualifications, independence and performance of the REIT’s external auditor (the “**Auditor**”);
- (d) risk management;
- (e) internal control over financial reporting and disclosure controls and procedures;
- (f) the effectiveness of oversight functions including, but not limited to, the REIT’s internal audit and risk management functions; and
- (g) performing such other duties as set out in this Charter or otherwise delegated to the Committee by the Board.

3.0 Composition and Membership

- (a) The Committee shall be comprised of at least three trustees, a majority of whom shall be residents of Canada. Each Committee member shall meet the criteria for independence and financial literacy established by applicable laws and the rules of any stock exchanges upon which the REIT’s securities are listed, including National Instrument 52-110 – *Audit Committees*, as the same may be amended from time to time.
- (b) Committee members shall be appointed or reappointed annually by the Board on the recommendation of the Governance, Compensation and Nominating (“**GCN**”) Committee and from time to time thereafter to fill vacancies. Each member shall continue to be a Committee member until a successor is appointed, unless the member resigns, is removed or ceases to be a trustee. A Committee member may be removed or replaced, at any time, at the discretion of the Board.
- (c) Each year the Board shall appoint or reappoint one Committee member to be the chairman of the Committee (the “**Chairman**”). If, in any year, the Board does not appoint a Chairman, the incumbent Chairman will continue in office until a successor

is appointed. The Chairman will serve in such capacity in accordance with the terms of the Committee Chairman position description. The Committee shall review and assess the adequacy of Chairman's position description at least every three years and recommend changes, if any, to the GCN Committee for its approval.

- (d) The secretary or assistant secretary of the REIT, or any person acting in a similar capacity (the "**Secretary**"), will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. If the Secretary is not in attendance at any meeting, the Committee will appoint another person who may, but need not, be a Committee member to act as the secretary of that meeting.

4.0 Meetings and Operating Procedures

- (a) The Committee shall meet at least four times annually and as many additional times as required 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 (the "**CEO**"), the Chief Financial Officer (the "**CFO**") or any Committee member or upon the request of the Auditor by giving the requisite notice in accordance with the amended and restated Declaration of Trust dated October 22, 2013, as may be further amended from time to time ("**Declaration of Trust**"). A majority of the members of the Committee shall constitute a quorum.
- (b) In accordance with the Declaration of Trust, 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 resolution signed by all Committee members entitled to vote on that resolution at a meeting of the Committee. Each Committee member (including the Chairman) is entitled to one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes.
- (c) The Committee may invite, from time to time, such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee, and any trustee who is not a Committee member is entitled to attend Committee meetings.
- (d) In accordance with the Declaration of Trust, in the absence of the Committee Chairman, the Committee members shall appoint an acting chairman.
- (e) In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the members of the Committee and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of the REIT to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.
- (f) At each Committee meeting, the Committee shall meet *in camera* with the Auditor, with the head of the REIT's internal audit function, with management and with members of the Committee only.

5.0 Duties and Responsibilities

The duties and responsibilities of the Committee as they relate to the following matters are as follows:

5.1 *Financial Reporting and Disclosure*

- (a) review the annual and quarterly financial statements with management and with the Auditor to gain reasonable assurance that the financial statements present fairly, in all material respects, in accordance with Canadian Generally Accepted Accounting Principles (“GAAP”) (which includes International Financial Reporting Standards), the REIT’s financial position, results of operations and cash flows and together with management’s discussion and analysis and associated officer 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;
- (b) receive from the Auditor reports on their review of the annual and quarterly financial statements;
- (c) receive from management a copy of the representation letter provided to the Auditor and any additional representations required by the Committee;
- (d) review and, if appropriate, recommend to the Board for approval all public disclosure documents containing material audited or unaudited financial information, including prospectuses or other offering or public disclosure documents, annual information forms, annual reports to unitholders, material change disclosures of a financial nature, annual and interim management’s discussion and analysis, annual and interim CEO/CFO certifications of results, financial related releases, earnings guidance and associated news releases. In circumstances where events render it impractical for the Board or the Audit 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 Chairman and the Chairman of the Board, acting together;
- (e) review with management, and the Auditor, significant accounting principles and disclosure issues and alternative treatments under GAAP which includes International Financial Reporting Standards as issued by the International Accounting Standards Board, all with a view to gaining reasonable assurance that financial statements are accurate, complete, and present fairly the REIT’s financial position and results of its operations in accordance with GAAP;
- (f) satisfy itself that adequate procedures are in place for the review of the REIT’s public disclosure of financial information extracted or derived from the REIT’s financial statements or other sources and periodically assess the adequacy of those procedures;
- (g) review regularly with management, the Auditor and if necessary 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;

- (h) satisfy itself that appropriate accounting policies and practices have been selected and applied consistently and consider any changes in such policies or practices and their impact on the financial statements of the REIT;
- (i) discuss with management and the Auditor correspondence with regulators or 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
- (j) satisfy itself that management has developed and implemented a system to ensure that the REIT meets its continuous disclosure obligations.

5.2 *Enterprise Risk Management*

- (a) review and, if appropriate, recommend to the Board for approval, the enterprise risk management policy and the REIT's principal risks;
- (b) review and receive reporting on the REIT's enterprise risk management program, including the adequacy of its risk management policies, procedures and processes with respect to risk identification, assessment and the management of the REIT's principal risks. The Committee shall periodically report to the Board on any major issues and, if appropriate, make recommendations with respect to the risk management policies and procedures;
- (c) oversee the process by which the principal risks are reviewed by either the Committee, another committee of the Board or the Board on a periodic basis; and
- (d) review the adequacy of insurance coverage maintained by the REIT.

5.3 *Internal Controls and Internal Audit*

- (a) review the mandate, resourcing, annual plan and organizational structure of the internal audit function to ensure it is independent of management and has sufficient resources to carry out its mandate. The Committee will receive confirmation from the head of the internal audit function that (i) all significant internal audit issues and the status regarding previously reported internal audit issues have been brought to its attention, and (ii) the integrity of the REIT's internal control framework, including its management information systems, is satisfactory;
- (b) review the adequacy and effectiveness of the REIT's internal controls over financial reporting and disclosure controls and procedures through discussions with management, the head of the internal audit function and the Auditor to ensure that the REIT maintains: (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect the REIT's transactions; (ii) effective internal control systems; (iii) adequate processes for assessing the risk of material misstatement of the financial statements and other disclosure documents; and (iv) adequate procedures for detecting fraud;

- (c) satisfy itself, through discussion with management, that the adequacy of internal controls, systems and procedures has been periodically assessed in order to ensure compliance with regulatory requirements and recommendations;
- (d) review the plans and reports of internal audit and the Auditor to gain reasonable assurance that the combined evaluation and testing of internal financial controls is comprehensive, coordinated and cost-effective;
- (e) review and discuss the REIT's major financial risk exposures with management and the steps taken to monitor and control such exposures including the use of any financial derivatives and hedging activities; and
- (f) provide feedback on the adequacy of the internal audit services provided by the service provider.

5.4 External Audit

- (a) recommend to the Board the nomination of the Auditor, the remuneration and the terms of engagement of the Auditor;
- (b) review the performance of the Auditor annually or more frequently as required;
- (c) augment the annual performance assessment of the Auditor by performing a comprehensive review of such Auditor every five years or more frequently as required, resulting in a recommendation to either retain or replace the Auditor;
- (d) establish and maintain a direct line of communication with the Auditor and the head of the internal audit function;
- (e) review the independence of the Auditor including a written report from the Auditor respecting its independence; such report to include a disclosure of all engagements (and fees related thereto) for non-audit services to the REIT;
- (f) review the annual audit plan of the Auditor prior to the commencement of the audit;
- (g) establish effective communication processes with management and the Auditor to assist the Committee in objectively monitoring the quality and effectiveness of the relationship among the Auditor, management and the Committee;
- (h) review the results of the external audit and the report thereon including, without limitation, a discussion with the 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 Auditor such as management letters and schedules of unadjusted differences;
- (i) oversee the work of the Auditor and the resolution of disagreements between management and the Auditor with respect to financial reporting;

- (j) meet regularly with the Auditor 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 Auditor or the reporting of their findings to the Committee;
- (k) discuss with the Auditor its perception of the quality and sufficiency of the REIT's financial and accounting personnel, records and systems, the cooperation which the Auditor received during the course of its review, the availability of records, data and other requested information and any recommendations with respect thereto, and the nature and extent of coordination between the Auditor and the internal audit function; and
- (l) review annually a report from the Auditor in respect of its internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the Auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the Auditor, and any steps taken to deal with any such issues.

5.5 Compliance with Laws

- (a) review regular reports from management and others (e.g. internal audit and the Auditor) with respect to the REIT's compliance with laws and regulations having a material impact on the financial statements;
- (b) review the status of taxation matters of the REIT;
- (c) approve a Code of Business Conduct that is comprised of standards reasonably designed to promote integrity and review reports from the internal auditor, the Auditor and/or other committees' chairmen on their review of compliance with the REIT's Code of Business Conduct; and
- (d) discuss with legal counsel any significant legal, compliance or regulatory matters that may have a material effect on the financial statements or business affairs of the REIT, or on the compliance policies of the REIT.

5.6 Compliance with Policies

- (a) review regular reports from management and others (e.g. internal audit) 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; and
- (b) review proposed changes to the Board level policies set out in Appendix A to this Charter in accordance with the policy review timelines set out in each of the policies.

5.7 Associated Responsibilities

- (a) establish procedures for:
 - (i) the confidential receipt, retention and treatment of complaints received by the REIT regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission, retention and treatment of concerns by trustees, officers and employees of the REIT regarding questionable accounting and auditing practices;
- (b) review and approve the REIT's hiring policies regarding employees and partners, and former employees and partners, of the present and former Auditor.

6.0 Non-Audit Services

Pre-approve all non-audit services to be provided to the REIT or any subsidiary entities by its Auditor in accordance with the pre-approval policies and procedures established by the Committee. The Committee may delegate to the Chairman the authority to pre-approve non-audit services for any non-audit engagements that do not exceed \$100,000 in estimated fees, but pre-approval by the Chairman shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

7.0 Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that REIT's financial statements are complete and accurate or comply with GAAP and other applicable requirements. These are the responsibilities of management (including the oversight functions) and the Auditor. The Committee, the Chairman and any Committee members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the REIT, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Committee member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a member who is identified as having accounting or related financial expertise, like the role of all Committee members, is to oversee the process, not to certify or guarantee the internal or external audit of the REIT's financial information or public disclosure.

8.0 Reporting

The Chairman will report to the Board, at each Board meeting, on the Committee's activities since the last Board meeting. The Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

9.0 Access to Information and Authority

The Committee will be granted unrestricted access to all information regarding the REIT that is necessary or desirable to fulfill its duties and all trustees, officers and employees will be directed to cooperate as requested by members of the Committee.

The Committee has the authority to retain, at the REIT's expense, independent legal, financial and other advisors, consultants and experts to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board. The Committee also has the authority to communicate directly with the head of the internal audit function and the Auditor.

10.0 Review of Assessment of this Charter, the Committee and the Committee's Compliance with this Charter

- (a) The Committee will review and assess this Charter at least every three years taking into account all applicable legislative, regulatory and industry 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, submit amendments to the GCN Committee for consideration and for recommendation to the Board for its approval with such further amendments as proposed by the GCN Committee. Notwithstanding the foregoing, the authority to approve minor technical amendments to this Charter is delegated to the Secretary, who will report any such amendments to the Committee and the Board at their next regular meetings.
- (b) On a biennial basis, the Committee will conduct a review and evaluation of the Committee's performance, including its ability to meet the requirements of this Charter 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) From time to time, the Committee will disclose this Charter as required by applicable securities laws and regulations.
- (d) The Committee will annually review and approve a report of the Committee's activities for inclusion in the REIT's management information circular.

Dated: May 8, 2018

Approved by: Board of Trustees

APPENDIX A

Disclosure Board Policy
Enterprise Risk Management Board Policy
Ethical Business Conduct Board Policy
Financial Risk Management Board Policy
Securities Trading and Reporting Board Policy