

**CT REAL ESTATE INVESTMENT TRUST  
GOVERNANCE, COMPENSATION AND NOMINATING COMMITTEE CHARTER**

**1.0 Introduction**

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

**2.0 Purpose**

The Committee’s purpose includes:

- (a) reviewing and making recommendations to the Board concerning the appointment of officers of the REIT (the “**Officers**”);
- (b) annually reviewing the Chief Executive Officer’s (the “**CEO**”) goals and objectives for the upcoming year, providing an appraisal of the CEO’s performance and reviewing his or her compensation;
- (c) making recommendations concerning the remuneration of trustees and Officers, and the nomination of new trustees;
- (d) reviewing and making recommendations regarding the design and operation of incentive and benefit plans for the REIT;
- (e) developing the REIT’s approach to governance issues, monitoring and overseeing the quality and effectiveness of the corporate governance practices and policies of the REIT and periodically reviewing the effectiveness of the trustees and the contribution of individual trustees;
- (f) developing orientation and continuing education programs for the trustees; and
- (g) performing such other duties 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 within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, as the same may be amended from time to time. None of the members will be Officers.
- (b) Committee members shall be appointed or reappointed annually by the Board on the recommendation of the 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) All Committee members will have an understanding of issues related to corporate governance and executive compensation or will commit to acquiring the necessary knowledge of such issues in a timely manner.
- (d) 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 the Chairman’s position description at least every three years and recommend changes, if any, to the Board for its approval.
- (e) 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**”), or any Committee member by giving the requisite notice in accordance with the Declaration of Trust dated October 22, 2013, as amended from time to time (the “**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 external advisors, if any, 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 Compensation of the CEO**

- (a) recommend to the Board the appointment, terms of employment and termination of the CEO;
- (b) develop and recommend to the Board a position description for the CEO setting out the CEO's authority and responsibilities, periodically review the adequacy of such position description and, where appropriate, recommend changes thereto to the Board;
- (c) on an annual basis, review and recommend to the Board the goals and objectives that are relevant to the CEO's compensation, evaluate the CEO's performance in light of those goals and objectives and report its conclusions to the Board;
- (d) annually review and recommend to the Board the CEO's compensation (subject to the CEO's contractual arrangements) based on the CEO's performance evaluation and other relevant factors;
- (e) recommend to the Board any discretionary bonuses for the CEO; and
- (f) assist the Board in identifying and evaluating potential successors to the CEO.

### **5.2 Compensation of Other Officers and Trustees**

- (a) review and recommend to the Board the appointment, reassignment, terms of employment and termination of all other Officers;
- (b) review, at least annually with the CEO, the performance and development of, as well as succession plans for, the Officers and report thereon to the Board;
- (c) in consultation with the CEO, annually review and recommend to the Board the Officers' compensation;

- (d) review any discretionary bonuses for the Officers proposed by the CEO and, where appropriate, recommend such bonuses to the Board for approval;
- (e) review, at least once every two years, the adequacy and form of the compensation of the trustees for Board and committee service and recommend to the Board a compensation program that is commensurate with the responsibilities and risks assumed and competitive with other real estate investment trusts which are comparable in terms of size and complexity to the REIT; and
- (f) review at least once every two years, and recommend to the Board, the minimum equity ownership requirements for the CEO, the Officers and the trustees, monitor compliance with such ownership requirements and report thereon to the Board.

### **5.3 *Incentive Compensation and Benefits Plans***

- (a) recommend to the Board the design of short-term, long-term and other incentive compensation and equity-based plans for the REIT, subject to unitholder approval, as appropriate;
- (b) review and recommend to the Board the approval of all grants and payouts pursuant to the REIT's short-term and long-term incentive compensation plans;
- (c) review and recommend to the Board the adjudication of matters impacting short-term or long-term incentive plans;
- (d) review and make recommendations to the Board with respect to the REIT benefit plans and any special or significant perquisites granted to the CEO and Officers; and
- (e) review annually the REIT's executive compensation philosophy and the general design and make-up of its broadly applicable benefit programs as to their general adequacy, competitiveness, internal equity and cost effectiveness. If required, the Committee will consider, in its review of external competitiveness, the compensation practices of a select group of real estate investment trusts it considers to be reasonably comparable with the REIT, in terms of size and complexity. In its review, the Committee will assess the linkage of executive compensation philosophy and executive incentive plans to the REIT's financial and non-financial performance and its business strategy.

### **5.4 *Approach to Governance***

- (a) develop and recommend to the Board the REIT's approach to governance issues, including a set of corporate governance practices and principles;
- (b) monitor developments and changes to regulatory requirements concerning corporate governance, review the adequacy and effectiveness of the REIT's corporate governance practices and principles in light of these developments and recommend changes where appropriate;

- (c) make recommendations to the Board concerning the adoption of Board policies with respect to corporate governance; and
- (d) annually review and recommend to the Board the corporate governance and executive compensation disclosure required by securities laws to be included in the REIT's management information circular.

## **5.5 Nomination of Trustees**

- (a) annually identify and recommend to the Board the appropriate criteria for selecting new trustees and the competencies and skills that the Board considers necessary for the Board, as a whole, and individual trustees to possess;
- (b) in conjunction with annually identifying the competencies and skills required to be possessed by individual trustees, determine whether the current trustees, individually or collectively, possess the requisite competencies and skills, having regard also to the personality and other qualities of each trustee, as these may ultimately determine the boardroom dynamic;
- (c) identify and maintain an evergreen list of candidates qualified to become new trustees;
- (d) annually identify and recommend to the Board qualified individuals as nominees for election at a meeting of unitholders of the REIT or for appointment by the Board to fill any vacancy on the Board if a trustee elected by the unitholders ceases to be a trustee, subject to any rights of third parties to nominate trustees pursuant to contract or otherwise. In making its recommendations to the Board, the Committee will consider, among other things:
  - (i) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
  - (ii) the competencies and skills that the Board considers each existing trustee to possess;
  - (iii) the competencies and skills each new nominee will bring to the boardroom; and
  - (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a trustee;
- (e) recommend to the Board the appointment of trustees to serve or fill vacancies on the Audit Committee, the Investment Committee, this Committee and special committees of the Board, including appointing or filling vacancies in the chairmanships thereof;
- (f) recommend to the Board the appointment, removal or replacement of the Chairman of the Board; and
- (g) assess annually each trustee's independence in accordance with applicable securities laws, including National Instrument 58-101 – *Disclosure of Corporate*

*Governances Practices*, as the same may be amended from time to time, and determine those trustees to be identified as independent and non-independent in the REIT's continuous disclosure documents in accordance with regulatory requirements.

## **5.6 Board Effectiveness**

- (a) review and make recommendations to the Board concerning any change in the number of trustees composing the Board, with a view to facilitating effective decision-making;
- (b) review, at least every three years, the adequacy of the position descriptions for the Chairman of the Board, each committee's Chairman and the trustees and, where required, approving changes thereto;
- (c) review, at least every three years, the adequacy of the Charters applicable to the Board and each Board committee, ensuring that each Board committee reviews at least once every three years its respective Charter and, where required, the Committee recommending changes to the Board for its approval;
- (d) develop and approve processes for assessing the performance and effectiveness of the Board, the Board committees, individual trustees and the Chairman of the Board;
- (e) conduct, every other year, an evaluation of the Board and the Board committees based on the approved processes and report thereon to the Board;
- (f) conduct, every other year, an evaluation of each individual trustee (including in their capacity as a member of a committee(s) of the Board) based on the approved process and provide feedback thereon to each individual trustee and report thereon to the Board;
- (g) conduct an annual performance review of the Chairman of the Board based on the approved process and report thereon to the Board;
- (h) review, no less than every three years, the delegation of authority by the Board to its committees and, where appropriate, recommending changes to the Board for its approval;
- (i) maintain a Board succession plan, including with respect to the Chairman of the Board, that is responsive to the REIT's needs and the interests of its unitholders; and
- (j) assess the quality and effectiveness of the trustees' relationship with management.

## **5.7 Orientation and Continuing Education**

- (a) develop a comprehensive orientation program for new trustees to assist them in understanding the role of the Board and its committees, the contribution individual trustees are expected to make (including, in particular the commitment

of time and resources that the REIT expects from its trustees) and the nature and operation of the REIT's business; and

- (b) develop a continuing education program for all trustees, so that individual trustees may maintain or enhance their skills and abilities as trustees and ensure their knowledge and understanding of the REIT's business remains current.

### **5.8 Other Responsibilities**

- (a) review the Declaration of Trust, from time to time, with a view to identifying potential amendments and recommending those amendments to the Board for its review; and
- (b) review, and make recommendations to the Board on all material non-arm's length transactions, agreements and arrangements, including with Canadian Tire Corporation, Limited or its affiliates.

### **6.0 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.

### **7.0 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.

### **8.0 Review of Assessment of this Charter, the Committee and the Committee's Compliance with this Charter**

- (a) The Committee will review and assess the adequacy of 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, recommend changes to this Charter to the Board for approval. Notwithstanding the foregoing, the authority to approve any minor technical amendments to this Charter, authority for which 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 Committee, and provide the results of the performance evaluation to the Board.

- (c) The Committee will annually review and approve a report of the Committee's activities for inclusion in the REIT's management information circular.

Dated: August 2, 2016

Approved by: Board of Trustees