



AUDIT COMMITTEE CHARTER

**REVIEWED & APPROVED BY THE BOARD OF TRUSTEES ON
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1. Establishment of Committee

(i) Committee

The audit committee (the “Committee”) is established by the board of trustees (the “Board”) of Plaza Retail REIT (the “Trust”) to assist the Board in fulfilling its oversight responsibilities relating to: (1) the financial reporting process, (2) systems of internal accounting and financial controls, (3) identifying and monitoring the management of principal risks that could affect the integrity of the Trust’s financial reporting, (4) the appointment and communication with the external auditor, including oversight of its work and monitoring its independence, (5) the Trust’s compliance with legal and regulatory requirements with respect to financial reporting matters, and (6) any other responsibilities that may be delegated from time to time by the Board.

(ii) Composition of Committee

In accordance with the Trust’s declaration of trust (the “Declaration of Trust”), the Committee shall consist of not fewer than three (3) trustees. Each member shall be:

- (1) a trustee of the Trust;
- (2) independent (within the meaning of National Instrument 52-110, *Audit Committees* (“NI 52-110”)); and
- (3) financially literate (as defined in NI 52-110).

(iii) Appointment of Committee Members & Secretary

The members of the Committee shall be appointed by the Board in accordance with the Declaration of Trust immediately following each annual meeting of the Trust and shall hold office until the next annual meeting, or until they are removed by the Board. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board by appointment from among its members.

The Board shall appoint a Chair for the Committee. The Chair may be removed and replaced by the Board. Should the Chair be absent at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen to preside at the meeting.

The Committee shall appoint a secretary.

2. Committee Procedure

(i) Meetings

The Committee will meet as often as necessary to fulfill its responsibilities, provided that the Committee shall meet at least quarterly.

The Chair, any member of the Committee, the external auditor, the Chief Financial Officer, the Chair of the Board or the Chief Executive Officer may call a special meeting of the Committee.

(ii) *Quorum*

In accordance with the Declaration of Trust, a majority of the members of the Committee, present in person or by telephone, videoconferencing or other communication facilities that permit all persons participating in the meeting to speak to each other, shall constitute a quorum.

(iii) *Notice of Meetings*

Regular meetings may be held without call or notice at a time and place fixed in accordance with the Declaration of Trust. Notice of the time and place of any other meetings shall be mailed or otherwise verbally, by telephone or by other means of communication, given not less than forty-eight (48) hours before the meeting but may be waived in writing by any Committee member either before or after such meeting. Notice of such meeting need not specify the purpose of or the business to be transacted at the meeting. The attendance of a Committee member at a meeting, in person or by telephone, shall constitute a waiver of notice of such meeting except where a Committee member attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

(iv) *Agenda*

The Chair shall develop and set the Committee's agenda in consultation with other members of the Committee, as necessary, and management.

(v) *Delegation*

The Committee shall have the power to delegate its authority and duties to individual members of the Committee as it deems appropriate.

(vi) *Access*

In discharging its responsibilities, the Committee shall have full access to all books, records, facilities and personnel of the Trust.

(vii) *Attendance of Officers at a Meeting*

At the invitation of the Chair of the Committee, one or more officers or employees of the Trust may, and if required by the Committee shall, attend a meeting of the Committee.

(viii) Procedure, Records, and Reporting

The Committee may adopt its own rules or procedures for meetings provided they are not inconsistent with the Declaration of Trust, and shall keep records of its proceedings and report to the Board quarterly, and when the Committee may otherwise deem appropriate or when requested by the Board.

(ix) Outside Consultants or Advisors

The Committee, when it considers it necessary or advisable, may retain at the Trust's expense, outside consultants or advisors to assist or advise the Committee independently on any matter within its mandate. The Committee shall have the sole authority to retain or terminate such consultants or advisors, including the sole authority to approve the fees and other retention terms for such persons.

3. Mandate of Committee

(i) Charter

The Committee must maintain a written charter setting out the Committee's mandate and responsibilities. The Committee shall assess the adequacy of this charter on an annual basis and recommend any changes to the Board, in addition to ensuring that all responsibilities outlined in this charter have been carried out.

(ii) Appointment and Oversight of the External Auditor

The Committee shall recommend to the Board the appointment or reappointment, as the case may be, of the external auditor for purposes of preparing or issuing any audit report or performing other audit, review or attest services for the Trust, such appointment to be confirmed by the Trust's unitholders at each annual meeting.

The Committee shall also be directly responsible for the oversight of the work of the external auditor for purposes of preparing or issuing an audit report or performing other audit, review, or attest services for the Trust, including the resolution of any disagreements between management and the external auditor regarding financial reporting. The Committee has the authority to communicate directly with the external auditor. This shall include holding quarterly *in camera* meetings with the external auditor.

The external auditor shall report directly to the Committee.

(iii) Review of Independence of Auditor

The Committee shall review the independence of the external auditor at least annually.

(iv) *Review Rotation of Lead Engagement Partner/ Engagement Quality Control Partner*

The Committee shall, after taking into account the opinions of management, review the rotation of the lead engagement partner and engagement quality control partner of the external auditor when required or necessary.

(v) *Review of Audit Plan*

Prior to the commencement of the annual audit, the Committee shall review with the external auditor and approve the proposed audit plan and scope of work.

(vi) *Review of Audit Fees*

The Committee shall review and approve, and recommend to the Board for approval, on an annual basis the fees to be paid to the external auditor for audit services.

(vii) *Pre-Approval of Non-Audit Services*

The Committee shall pre-approve non-audit services to be provided to the Trust or its subsidiary entities by the external auditor or specifically approve each engagement for such services, in accordance with the Committee's Pre-approval Policy. The Committee will review and approve the Pre-approval Policy on an annual basis.

(viii) *Other Communications with the External Auditor*

Following completion of the annual audit, the Committee will review with each of management and the external auditor any significant issues or difficulties encountered during the course of the audit, including any unresolved issues, and management's response thereto.

The Committee shall review all other material communication between the external auditor and management, such as any management letter or schedule of unadjusted differences.

(ix) *Evaluation of the External Auditor*

Following the completion of the annual audit, the Committee and management will perform annual performance evaluations of the external auditor, in form and substance as approved by the Committee.

(x) *Review of Financial Information*

The Committee shall, prior to any public disclosure, review and discuss with management and the external auditor, and approve and recommend to the Board for approval:

- (1) the audited annual financial statements;

- (2) the annual management's discussion & analysis;
- (3) the annual earnings press release; and
- (4) all financial statements and significant financial information included in a prospectus or other offering document.

The Committee shall, prior to any public disclosure, review and discuss with management and if necessary, the external auditor and approve:

- (1) the unaudited interim financial statements;
- (2) the quarterly management's discussion and analysis;
- (3) any audited financial statements required to be prepared regarding the Trust or its subsidiaries if required to be made publicly available or filed with a regulatory agency; and
- (4) any quarterly earnings press release or press release which contains estimates or information regarding the Trust's future financial performance or prospects.

In conducting its review of the financial statements and related management's discussion and analysis, the Committee will:

- (1) discuss with the external auditor the quality and not just the acceptability of the Trust's accounting policies;
- (2) review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas;
- (3) review and discuss with the external auditor recent professional and regulatory pronouncements and understand their impact on the financial statements;
- (4) review issues related to liquidity, capital resources, and contingencies that could affect liquidity;
- (5) review any plans for financial derivatives and hedging activities or transactions of such nature which are not prohibited by the Trust;
- (6) review material off-balance sheet transactions, contingent liabilities and transactions with related parties; and
- (7) receive and review reports from other board committees with regard to matters that could affect financial reporting.

(xi) *Annual Information Form*

The Committee shall, prior to public disclosure, review and discuss with management, and approve and recommend to the Board for approval, the Trust's annual information form.

(xii) Oversight of Disclosure Controls and Internal Controls

The Committee must be satisfied that adequate procedures are in place for the review of the Trust's public disclosure of financial information and must periodically assess the adequacy of those procedures. Accordingly, the Committee shall review and approve no less than annually the Trust's Disclosure Policy and recommend any suggested changes to the Board. The Committee shall also receive quarterly reports regarding Disclosure Committee approvals in accordance with the Disclosure Policy.

The Committee will also oversee the adequacy of the Trust's financial reporting processes and internal controls to safeguard assets from loss and unauthorized use and to verify the accuracy of financial records. This shall include receiving annual confirmation from management regarding any significant changes to the Trust's internal control systems.

The Committee will review and approve the Trust's CEO/CFO certification process on an annual basis.

(xiii) Complaints Procedure

The Committee will establish procedures for:

- (1) the receipt, retention and treatment of complaints received by the Trust under the process described in the Trust's Code of Business Conduct and Ethics (the "Code") regarding accounting, internal accounting controls or auditing matters; and
- (2) the confidential, anonymous submission by employees of the Trust or others of concerns regarding questionable accounting, auditing or other matters described in the Code. The Committee will cause this procedure to be tested at least annually.

The Committee may, at its discretion, refer to the Trust's Corporate Governance and Compensation Committee for its consideration, advice and recommendations on any matter relating to complaints received under the Code that the Committee deems appropriate.

(xiv) Legal Compliance

The Committee will review any legal matters that could have a significant impact on the Trust's financial statements. It will also review with management any material inquiries received from regulators or governmental agencies, and will advise the Board accordingly.

(xv) Risk Management for Fraud and Misconduct

On at least an annual basis, the Committee shall review with management the risk of fraud and misconduct which are likely to have a significant financial, reputational or regulatory impact on the Trust's business and any relevant controls in place.

(xvi) Interest Rate Hedging Policy

The Committee will receive a quarterly report regarding hedging activities in accordance with the Trust's Interest Rate Hedging Policy. Any exceptions to the Interest Rate Hedging Policy must be approved in advance by the Committee and the Committee will review and approve the said policy annually.

(xvii) Employees of the External Auditor

The Committee shall review and approve the hiring by the Trust of any partners, employees and former partners and employees of the present and former external auditor of the Trust.

(xviii) Approval of Expenses

The Chair of the Committee will annually review expense claims of the Chief Executive Officer and Chairman of the Board and will report to the Committee thereon.