



**GOVERNANCE AND
COMPENSATION COMMITTEE CHARTER**

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I. PURPOSE AND COMPOSITION OF COMMITTEE

(i) Purpose

The Governance and Compensation Committee (the “**Committee**”) has been established by the board of trustees (the “**Board**”) of Plaza Retail REIT (the “**Trust**”) to assist the Board in establishing the governance guidelines within which the Trust carries out its responsibilities and with the Trust’s overall approach to governance. In doing so, the Committee will develop, define and evaluate the governance processes and structure used to oversee the business and affairs of the Trust.

(ii) Composition of Committee

The Committee shall consist of as many members as the Board shall determine but not fewer than three (3). In accordance with the Trust’s declaration of trust (the “**Declaration of Trust**”), each member shall be a trustee of the Trust (individually a “**Trustee**”, collectively the “**Trustees**”) and shall be considered “independent” within the meaning of National Policy 58-201 – *Corporate Governance Guidelines* (“**NI-58-201**”).

(iii) Appointment of Committee Members

The members of the Committee shall be appointed by the Board at the first meeting of the Board following each annual meeting of the unitholders of the Trust and shall hold office until the next annual meeting. Any member of the Committee may be removed and replaced at any time by the Board. If the appointment of members of the Committee is not so made, the Trustees who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed. 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. Until the vacancy is so filled, the remaining Committee members shall exercise all powers of the Committee so long as a quorum remains in office.

(iv) Appointment of Committee Chair

Each year, the Board shall appoint a Chair of the Committee from among the members of the Committee. The Chair of the Committee shall be appointed at the first meeting of the Board following each annual meeting of unitholders, to continue in office until the next annual meeting. If, in any year, the Board does not appoint a Chair, the incumbent Chair shall continue in office until a successor is appointed.

II. COMMITTEE PROCEDURE

(i) Frequency of Meetings and In-camera Sessions

The Committee will meet as often as necessary to fulfill its responsibilities, provided that the Committee shall meet at least four (4) times per calendar year. Committee members will also meet *in-camera*, without any members of management present, as frequently as the Committee feels is appropriate or necessary to fulfill its responsibilities.

The Chair, any member of the Committee, the Chair of the Board, the Vice-Chair of the Board or the Chief Executive Officer may call a special meeting of the Committee at any time.

The Chair will preside as chair of each meeting of the Committee. Should the Chair be absent at any meeting, one of the other members of the Committee present at the meeting shall be chosen to preside.

(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 emailed, 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, by telephone or by electronic means, 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, in conjunction with the General Counsel and Secretary of the Trust (“**General Counsel**”), will develop and set the Committee’s agenda to ensure that all appropriate matters are brought forward to the Committee. The Chair may consult with other members of the Committee and other members of senior management, as necessary. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

(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 to Information

The Committee will have access to all books, records and information relating to the Trust which it deems relevant to the performance of its duties.

(vii) Attendance of Management at Meetings

The Chair of the Committee will co-ordinate with the General Counsel to ensure that all appropriate members of senior management are available to present to the Committee and

address any matters the Committee determines necessary.

(viii) Meeting Procedures, Maintaining 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 following each meeting, and when the Committee may deem appropriate or when requested by the Board.

(ix) Retention of Outside Consultants or Advisors

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

III. MANDATE OF COMMITTEE

The Committee shall have the responsibilities set out below, as well as any others that are delegated to the Committee by the Board:

(i) Approach to Governance

The Committee has the authority and responsibility to review Plaza's overall approach to governance and to make recommendations to the Board in this regard. This will include from time to time, as appropriate, reviewing the governance priorities of the Trust and the adequacy of the Trust's governance practices. Among other things, the Committee has the authority and responsibility to:

- review and assess this charter at least annually and recommend any changes it considers necessary or desirable to the Board for consideration and approval, in addition to ensuring that all responsibilities outlined herein have been carried out by the Committee;
- review and assess the mandate adopted by the Board (the "**Board Mandate**") at least annually and recommend any changes it considers necessary or desirable to the Board for consideration and approval;
- develop and review terms of reference for the Chair of the Board, the Vice-Chair of the Board, if any, and for the Chair of each committee of the Board at least annually and recommend any changes it considers necessary or desirable to the Board for consideration and approval;
- periodically review and assess the Trust's diversity policy and recommend any changes it considers necessary or desirable to the Board for consideration and approval;
- develop processes and protocols for dealing with related party transactions and conflicts of interest, including periodically reviewing and assessing the Trust's related party transaction

policy and recommend any changes it considers necessary or desirable to the Board for consideration and approval;

- monitor compliance by the Trust with the Declaration of Trust; and
- monitor developments and changes to regulatory requirements in the area of governance and recommend initiatives that will help the Trust maintain high standards of governance, as applicable.

(ii) Code of Business Conduct and Ethics

The Committee shall review and assess the Code of Business Conduct and Ethics (the “Code” or “Code of Conduct”) at least annually and confirm that it addresses, among other things, conflicts of interest, confidentiality, fair dealing, protection and proper use of the Trust’s assets, compliance with applicable laws, the reporting of illegal or unethical behaviour, and that it establishes mechanisms to facilitate the effective operation of the Code. The Committee will recommend any changes it considers necessary or desirable to the Board for consideration and approval.

Management will advise the Committee on a quarterly basis, or more often if and when required, as to whether there have been any complaints received or violations reported under the Code of Conduct during the prior quarter.

(iii) Website Disclosure and Availability of Documents

The Committee shall ensure that the Code of Conduct and all other applicable governance documents required pursuant to any applicable regulatory or stock exchange rule or policy, are posted and readily accessible via the Trust’s website. This shall include the Declaration of Trust (in which the Trust’s advance notice policy is incorporated), the Trust’s majority voting policy, the Board Mandate, charters for each of the Board’s committees, and terms of reference for the Chair of the Board, the Vice-Chair of the Board and Chairs of the Board committees.

(iv) Assess Independence

The Committee will annually assess the independence of each Trustee with reference to NI 58-201 and report to the Board that the Board is comprised of at least a majority of “independent” Trustees. Where necessary, the Committee will recommend the implementation of structures and procedures to facilitate the Board’s independence.

(v) Establish Trustee Qualifications

The Committee will establish the necessary qualifications for Trustees relating to, among other things, the competencies and skills that should be sought in candidates for Board membership, having in mind those that the Board as a whole should possess.

(vi) Review Size and Composition of the Board

The Committee shall, on an annual basis, examine the size and composition of the Board. This will include reviewing and assessing the skills, characteristics and competencies of the Board and its members and whether collectively, an appropriate balance exists. In performing this function,

the Committee may seek input from the Chair of the Board and take into consideration such characteristics as independence, experience, background and diversity, as well as the opportunities, risks and strategic direction of the Trust, and such other things as the Committee considers relevant.

(vii) Assess Effectiveness and Performance of the Board

The Committee is responsible to implement and oversee a process to allow Trustees to assess the effectiveness and performance of the Board and committees of the Board on an annual basis. This provides Trustees with an opportunity to comment on the structure and functionality of the Board, as well as any areas for improvement, among other things, to ensure the continued effectiveness of the Board and its committees.

Following performance of the assessments, the Committee will make recommendations to the Board where appropriate, including specifically reviewing areas in which the Board's effectiveness may be enhanced taking into account suggestions received.

(viii) Act as Nominating Committee

The Committee shall act as the nominating committee for the Trust. It will receive recommendations for nominations from the Trust's executive officers or Trustees and consider and assess each candidate's competencies and experience, background and diversity, reputation for business ethics, geographical representation, availability of service to the Trust, the current and future needs of the Trust, and such other things as the Committee considers relevant.

The Chair of the Committee, with the assistance of the Chair of the Board, the Vice-Chair of the Board and/or one or more other Trustees as necessary, will approach candidates for Board membership to explore the candidates' interest in joining the Board and confirm that interested candidates understand the role of a Trustee and the contribution a Trustee is expected to make to the Board, including the commitment of time that Plaza expects of its Trustees.

The Committee will, in accordance with the provisions of the Declaration of Trust, recommend the final candidates to the Board for approval and nomination for election by unitholders at the next annual meeting.

(ix) Compensation Matters

(a) Named Executive Officers

The Committee will have the following authority and responsibilities with respect to the compensation of the Trust's Named Executive Officers (as defined in CSA Form 51-102F6, herein "NEOs"):

Chief Executive Officer

The Committee will review the performance of the Chief Executive Officer, as well as the Chief Executive Officer's role and responsibilities, on an annual basis and report to the Board. The review shall be conducted in such manner as determined appropriate by the Committee.

The Committee will also annually review and recommend the compensation of the Chief Executive Officer to the Board for consideration and approval.

Other Named Executive Officers

The Committee will, after obtaining and considering the recommendation of the Chief Executive Officer, annually review and recommend the compensation of the Trust's other NEOs to the Board for consideration and approval. The Committee will review variable compensation in light of certain performance-based factors, including the Trust's performance, and such other factors as the Committee and the Trust consider relevant from time to time.

(b) Incentive Compensation Plans and Equity-Based Plans

The Committee will make recommendations to the Board with respect to the Trust's adoption and amendment of executive incentive compensation plans and equity-based plans. The Committee will also review and approve recommendations for grants or awards under any such plans, for consideration and approval by the Board.

(c) Employment Agreements

The Committee shall review and approve the terms of employment of the Trust's NEOs.

(d) Executive Compensation Disclosure in Management Information Circular

The Committee shall, prior to any public disclosure, review and discuss with management, and approve, the executive compensation disclosure included in the Trust's annual management information circular.

(e) Non-employee Trustees

The Committee will annually review and recommend the compensation of non-employee Trustees and any changes thereto which the Committee considers necessary to ensure that their compensation appropriately and adequately reflects the responsibilities of a trusteeship of the Trust.

Employee Trustees receive no compensation for their roles as Trustees.

(f) Equity Ownership-Requirements

The Committee will annually review and make recommendations to the Board on minimum equity ownership positions to be held by NEOs and non-employee Trustees.

(x) **Succession Planning**

The Committee will annually review succession planning for the Chief Executive Officer, other NEOs and non-employee Trustees and report to the Board.

(xi) **Insurance**

The Committee will review the Trust's insurance program on an annual basis and report to the Board.