



AUDIT COMMITTEE CHARTER

Approved on November 10, 2022

TABLE OF CONTENTS

I.	PURPOSE AND COMPOSITION OF COMMITTEE.....	1
	(i) Purpose	1
	(ii) Composition of Committee	1
	(iii) Appointment of Committee Members	1
	(iv) Appointment of Committee Chair	1
II.	COMMITTEE PROCEDURE	2
	(i) Frequency of Meetings and <i>In-Camera</i> Sessions	2
	(ii) Quorum	2
	(iii) Notice of Meetings	2
	(iv) Agenda	2
	(v) Delegation.....	3
	(vi) Access to Information.....	3
	(vii) Attendance of Management at Meetings	3
	(viii) Meeting Procedures, Maintaining Records and Reporting.....	3
	(ix) Retention of Outside Consultants or Advisors	3
III.	MANDATE OF COMMITTEE	3
	<u>Administrative and Procedural Matters</u>	
	(i) Charter.....	3
	(ii) Reporting to the Board on Committee Activities	4
	(iii) Complaints Procedure.....	4
	<u>Oversight of External Auditor</u>	
	(iv) Appointment and Oversight of the External Auditor	4
	(v) Communications with the External Auditor	4
	(vi) Review of Material Communication between External Auditor and Management	4
	(vii) Review Independence of Auditor.....	5
	(viii) Review Rotation of Lead Engagement Partner/Engagement Quality Control Partner ..	5
	(ix) Evaluation of the External Auditor	5
	(x) Approve Audit Plan	5
	(xi) Approve Audit Fees.....	5
	(xii) Pre-Approval of Non-Audit Services.....	6
	(xiii) Employees of the External Auditor	6
	<u>Financial Reporting, Disclosure, and Internal Controls Oversight</u>	
	(xiv) Approve Financial Information.....	6
	(xv) Approve Annual Information Form.....	7
	(xvi) Approve Financial Disclosure in Sustainability Reports	7
	(xvii) Oversight of Disclosure Controls and Internal Controls	7

TABLE OF CONTENTS
continued

Other Oversight Items

(xviii)	Tax Filings and Statutory Remittances.....	7
(xix)	Legal Matters	8
(xx)	Regulatory Inquiries	8
(xxi)	Fraud and Misconduct	8
(xxii)	Cybersecurity	8
(xxiii)	Interest Rate Hedging	8
(xxiv)	Review Expense Budgets and Expenses Incurred.....	8

I. PURPOSE AND COMPOSITION OF COMMITTEE

(i) Purpose

The audit committee (the “**Committee**”) has been 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 appointment, communication, monitoring and evaluating the work, monitoring the fees and reviewing the independence of the external auditor;
- (2) financial reporting compliance and processes, disclosure controls and procedures, and systems of internal controls;
- (3) identifying and monitoring principal risks that could affect the integrity of the Trust’s financial reporting process and compliance with legal and regulatory requirements with respect to financial reporting matters; and
- (4) 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) members. Each member shall be:

- (1) a trustee of the Trust (individually “**Trustee**”, collectively the “**Trustees**”);
- (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

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. 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. Any member of the Committee may be removed and replaced at any time 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. 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 quarterly. Committee members will also meet *in-camera*, without any members of management present, on a quarterly basis or as frequently as the Committee feels is appropriate or necessary to fulfil its responsibilities. Similarly, the Committee will meet *in-camera* with management only as it feels is appropriate or necessary.

The Chair, any member of the Committee, the external auditor, the Chief Financial Officer, the Chair of the Board, the Vice-Chair of the Board (if any) or the President & Chief Executive Officer may call a special meeting of the Committee.

The Chair will preside as chair of each meeting of the Committee. 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 General Counsel and Secretary of the Trust (“**General Counsel**”) shall act as secretary of the Committee and shall record and maintain minutes of each Committee meeting.

(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 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, 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. Without limiting the generality of the foregoing, the President & Chief Executive Officer, the Chief Financial Officer and the Executive Vice-President will be required to attend each meeting of the Committee.

(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 otherwise deem appropriate or when requested by the Board.

(ix) Retention of Outside Consultants or Advisors

The Committee, when it considers it necessary or advisable, may retain at the Trust's expense, independent counsel, outside consultants or other 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. 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:

Administrative and Procedural Matters

(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 suggested changes to the Board, in addition to ensuring that all responsibilities outlined in this charter have been carried out.

(ii) Reporting to the Board on Committee Activities

The Committee shall report to the Board on its proceedings and recommendations at each Committee meeting at the next regularly scheduled Board meeting.

(iii) 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 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.

Oversight of External Auditor

(iv) 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 made by the Trust's unitholders at each annual meeting. If a change of the external auditor is proposed, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor required, and the orderly transition of such change.

The Committee is responsible for the oversight of the work of the external auditor for purposes of preparing or issuing an audit report or performing other audit, non-audit, review, or attest services for the Trust, including the resolution of any disagreements between management and the external auditor regarding financial reporting.

(v) Communications with the External Auditor

On behalf of the Board, the Committee will establish and maintain a direct reporting relationship with the external auditor. The Committee shall hold *in-camera* meetings with the external auditor as frequently as the Committee feels is appropriate for the Committee to fulfil its responsibilities (which shall not be less frequently than quarterly) and to discuss any concerns of the Committee, including any which may have been brought forward by management, or the auditor.

(vi) Review of Material Communication between External Auditor and Management

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.

(vii) Review Independence of Auditor

The Committee shall review the independence of the external auditor at least annually. This will include (i) confirming that the external auditor has communicated to the Trust in writing all relationships with the Trust which, in the auditor's professional judgment, may reasonably be thought to bear on its independence, considering rules and interpretations prescribed by relevant professional bodies and any applicable legislation or regulation; (ii) discussing with the external auditor any disclosed relationships or services that may affect its objectivity and independence in fact or in appearance; (iii) confirming that the external auditor has communicated safeguards that have been applied to eliminate any identified threats to independence or to reduce them to an acceptable level; and (iv) obtaining written confirmation from the external auditor that it is independent within the meaning of applicable rules of professional conduct and relevant ethical requirements.

(viii) 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 the engagement quality control partner of the external auditor when required or necessary.

(ix) Evaluation of the External Auditor

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

(x) Approve Audit Plan

The Committee shall review with the external auditor and approve its proposed audit plan and scope of work, as well as any areas of special emphasis to be addressed in the audit, the materiality levels and other matters, as appropriate. Any significant changes to the initial audit plan, scope of work or other matters shall also be approved by the Committee.

The Committee shall take such other reasonable steps as it may deem necessary to satisfy itself that the annual audit and quarterly reviews are conducted in a manner consistent with all applicable legal requirements and standards of applicable professional or regulatory bodies.

(xi) Approve Audit Fees

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

(xii) Pre-Approval of Non-Audit Services

The Committee has adopted a Pre-approval Policy, which sets forth the parameters by which the external auditor can provide certain non-audit services to the Trust not prohibited by law or deemed inconsistent with the auditor's independence. 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 Pre-approval Policy,. The Committee will be informed on a quarterly basis of the pre-approved non-audit services for which the external auditor has been engaged in accordance with the Policy.

The Committee will review and approve the Pre-approval Policy on an annual basis.

(xiii) 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.

Financial Reporting, Disclosure, and Internal Controls Oversight

(xiv) Approve 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 its consideration and approval:

- (1) the audited annual financial statements, in conjunction with the report of the auditor;
- (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 material estimates or material information regarding the Trust's future financial performance or prospects.

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

- (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) ascertain compliance with covenants under loan agreements and receive quarterly reports from management with respect thereto;
- (6) review any plans for financial derivatives and hedging activities or transactions of such nature which are not prohibited by the Trust;
- (7) review material off-balance sheet transactions, contingent liabilities and transactions with related parties; and
- (8) receive and review reports from other board committees with regard to matters that could affect financial reporting.

(xv) Approve Annual Information Form

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

(xvi) Approve Financial Disclosure in Sustainability Reports

At the request of the Board, the Committee shall, prior to public disclosure, review and discuss with management, and approve and recommend to the Board for its consideration and approval, financial related disclosures contained in any sustainability report produced by the Trust (as applicable).

(xvii) 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 for its consideration and approval. 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 confirmation from management on at least an annual basis of whether there have been any significant changes to the Trust's internal control systems.

The Committee will also review and receive confirmation from management on at least an annual basis of any significant changes to the Trust's Financial Reporting Certification Process.

Other Oversight Items

(xviii) Tax Filings and Statutory Remittances

The Committee will receive confirmation from management on a quarterly basis that all required

taxes and other statutory remittances have been submitted and discharged by the Trust in accordance with applicable law.

(xix) Legal Matters

The Committee will receive quarterly reports from management and review any legal matters that could have a significant impact on the Trust's financial statements.

(xx) Regulatory Inquiries

The Committee will review with management any material inquiries received from regulators or governmental agencies, and advise the Board accordingly.

(xxi) 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 to address same.

(xxii) Cybersecurity

On at least an annual basis, the Committee shall review with management the Trust's cybersecurity risk, as well as relevant controls and procedures in place to address same. The Committee shall also receive quarterly cybersecurity incident reports.

(xxiii) Interest Rate Hedging

The Committee will receive a quarterly report regarding hedging activities, as applicable, 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.

(xxiv) Review Expense Budgets and Expenses Incurred

The Committee will annually receive and review a budget for the upcoming fiscal year for expenses of the Chair of the Board, Vice-Chair of the Board and the Trust's Named Executive Officers (as defined in CSA Form 51-102F6).

The Committee will semi-annually receive and review a summary of the expenses incurred by the Chair of the Board, Vice-Chair of the Board and the Named Executive Officers, in addition to the annual budget for that fiscal year.