



**BOARD MANDATE**

**Approved on November 10, 2022**

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## **I. GENERAL**

The board of trustees (the “**Board**”) has oversight responsibility for the stewardship of Plaza Retail REIT (the “**Trust**” or “**Plaza**”) and believes that sound governance practices are essential to Plaza’s success. The Board has adopted this mandate, which reflects Plaza’s commitment to high standards of governance, to assist the Board in overseeing the management of the business and affairs of the Trust in accordance with Plaza’s declaration of trust (the “**Declaration of Trust**”), applicable law and stock exchange rules and requirements. This mandate is also intended to align the interests of management and the trustees of the Trust (collectively the “**Trustees**”, individually a “**Trustee**”) with those of the Trust’s unitholders.

The Governance and Compensation Committee has the responsibility to review and assess this mandate at least annually and recommend any changes it considers necessary or desirable to the Board for consideration and approval.

## **II. COMPOSITION OF THE BOARD**

### ***(i) Independence***

A majority of Trustees must qualify as “independent” within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, in accordance with the Declaration of Trust. The Governance and Compensation Committee is responsible to assess the independence of each Trustee annually and report to the Board that it is comprised of at least a majority of independent Trustees.

### ***(ii) Appointment of Trustees***

Based on the recommendation of the Governance and Compensation Committee, which acts as the nominating committee for the Trust, and subject to express provisions of the Declaration of Trust relating to the qualification and appointment of Trustees, the Board is responsible for appointing nominees for election as Trustees and recommending each of them for election by the unitholders of the Trust on an annual basis.

### ***(iii) Size and Composition of the Board***

In accordance with the Declaration of Trust, there shall be a minimum of three (3) and a maximum of ten (10) Trustees. The number of Trustees within such minimum and maximum numbers may be changed by the unitholders of the Trust or by the Trustees from time to time at their discretion.

The Governance and Compensation Committee is responsible to examine the size and composition of the Board on an annual basis. This includes reviewing and assessing the skills, characteristics and competencies of the Board and its members and whether collectively, an appropriate balance exists.

### ***(iv) Appointment of Chair and Vice-Chair of the Board***

The Board will appoint or re-appoint (as the case may be) the Chair of the Board on an annual basis from among its members at the first meeting of the Board following each annual meeting of

unitholders, to continue in office until the next such meeting. The Board believes that the offices of Chair of the Board and Chief Executive Officer should be separate and not be held by the same person.

The Board may also appoint or re-appoint (as the case may be) a Vice-Chair on an annual basis from among the members of the Board. The Vice-Chair may act as Chair of the Board either in the absence or incapacity of the Chair or as requested by the Chair and may assist and advise the Chair, as appropriate, in fulfilling the responsibilities of the Chair of the Board.

If, in any year, the Board does not appoint a Chair of the Board, the incumbent Chair shall continue in office until a successor is appointed. If any vacancy occurs in the Board Chair position, the Vice-Chair of the Board or any Committee Chair may be asked to temporarily assume the role of Chair of the Board until a permanent replacement has been determined.

The Board, through the Governance and Compensation Committee, has developed written terms of reference for the Chair and the Vice-Chair of the Board, should one be appointed.

### **III. BOARD PROCEDURES**

#### ***(i) Frequency of Meetings***

The Board will meet a minimum of four (4) times in a calendar year, which may include a mix of in-person and virtual meetings. Additional meetings shall be held as required or appropriate. The Chair will preside as chair of each meeting of the Board. The General Counsel and Secretary of the Trust ("**General Counsel & Secretary**") shall act as secretary of the Board and shall record and maintain minutes of each meeting.

#### ***(ii) Trustee Attendance***

All Trustees must make every effort to ensure his or her regular attendance at all Board and Committee meetings (where applicable) and should arrive well-informed, having had a reasonable opportunity for advance review of any materials to be discussed at such meetings.

#### ***(iii) Quorum***

In accordance with the Declaration of Trust, a majority of the members of the Board, 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.

#### ***(iv) Agenda***

The Chair of the Board, in conjunction with the General Counsel & Secretary will develop and set the Board's agenda to ensure that all appropriate matters are brought forward to the Board. The Chair of the Board may consult with other members of the Board and other members of senior management, as necessary. The agenda, information concerning the business to be conducted at each Board meeting and any other information that is important to the Board's understanding of the business of the Trust shall, to the extent practical, be communicated to the members of the Board sufficiently in advance of each meeting to permit meaningful review.

**(v) Access to Information, Management and the Trust's Auditors**

The Board will have access to all books, records and information relating to the Trust which it deems relevant to the performance of its duties. Board members will also have complete access to the President & Chief Executive Officer, the Chief Financial Officer, the Executive Vice-President, the Chief Investment Officer, the General Counsel & Secretary and the Trust's auditors.

**(vi) Attendance of Management at Meetings**

The Chair of the Board will co-ordinate with the General Counsel & Secretary to ensure that all appropriate members of senior management are available to present to the Board and address any matters the Board determines necessary. For greater certainty, the Chief Financial Officer, the Executive Vice President and the General Counsel & Secretary of the Trust are expected to attend all Board meetings. The Chair of the Board, at his or her discretion, may invite other members of senior management, employees, advisors, consultants or others, as appropriate, to attend Board meetings.

**(vii) Retention of Outside Consultants and Advisors**

The Board and each Committee of the Board may retain at the Trust's expense, independent counsel, outside consultants or other advisors to assist or advise the Board independently on any matter within its mandate when it considers it necessary or advisable to do so. The Board 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.

**(viii) 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 Trustee 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 Trustee at a meeting, in person, by telephone or by electronic means, shall constitute a waiver of notice of such meeting except where a Trustee 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.

**(ix) Independent Trustee Meetings**

If the Chair of the Board is independent, he or she will facilitate and chair *in-camera* meetings among independent Trustees, the purpose of which may include the following: (i) to raise substantive issues that are more appropriately discussed in the absence of management; (ii) to discuss any matter of concern raised by any Committee or any Trustee; (iii) to address issues raised but not resolved at meetings of the Board and assess any follow-up needs; (iv) to discuss the quality, quantity and timeliness of the flow of information from management that is necessary for the independent Trustees to effectively and responsibly perform their duties; (v) to seek feedback about Board processes; and (vi) to discuss any other matters independent Trustees deem appropriate.

If the Chair is not independent, then the Vice-Chair (if independent) or designated Lead Trustee (as defined in the Declaration of Trust), if the Vice-Chair is not, will facilitate and chair *in-camera* meetings among independent Trustees.

Meetings of the independent Trustees shall be held at least in conjunction with quarterly Board meetings. Additional meetings may be convened by the Chair at his or her discretion, or the Vice-Chair or Lead Trustee, as the case may be, if the Chair is not independent, and will be convened if requested by any other Trustee.

#### **IV. COMMITTEES OF THE BOARD**

##### **(i) General**

The Board carries out its responsibilities directly and through the Audit Committee and the Governance and Compensation Committee (each, a “**Committee**”) and the functions of the Board may be delegated to the Committees, subject to the Declaration of Trust. The Board will provide a forum for discussion and reporting of all matters considered by the Committees.

The Board may, in accordance with the Declaration of Trust, establish such further standing committees as it determines to be necessary or desirable for the purposes of properly governing the affairs of the Trust. The Board may also create *ad hoc* committees from time to time for specific purposes or to examine or determine specific matters on behalf of the Board.

##### **(ii) Committee Charters**

Each standing Committee has a written charter, which it reviews and assesses at least annually and recommends any changes it considers necessary or desirable to the Board for consideration and approval. Copies the charters of the Committees are available on the Trust’s website at [www.plaza.ca](http://www.plaza.ca) and on SEDAR.

##### **(iii) Committee Chairs**

The Board appoints a Chair of each of the Audit Committee and the Governance and Compensation Committee from among the members of each Committee, as applicable, at the first meeting of the Board following each annual meeting of unitholders, to continue in office until the next annual meeting.

The Board, through the Governance and Compensation Committee, has developed written terms of reference for the Chair of each Committee of the Board.

#### **V. TENURE OF TRUSTEES**

The Board believes that Trustees who have served on the Board for a number of years are able to provide valuable insight and perspective into the operations of the Trust based on their experience with, and understanding of, the Trust’s history, policies and objectives. The Board does recognize however, the benefit of fresh approaches and ideas that new Trustees may introduce.

As a result, the limit of the tenure for newly appointed Trustees will be three (3) years, with Board discretion to renew, subject to annual election by unitholders of the Trust. This three (3) year tenure limit does not apply to members of the Board who were Trustees in or before 2015.

## **VI. SERVICE ON OTHER PUBLIC ENTITY BOARDS**

The Board has determined that Trustees can serve on other public entity boards where (i) there is no inherent conflict of interest, (ii) where such other service does not unreasonably impact the availability of the Trustee and time the Trustee can commit to Plaza, and (iii) so long as such other directorship(s) does not result in the Trustee being considered to be “overboarded”. No resources of the Trust shall be used for such other directorships.

Trustees shall follow the process for approval of public directorships approved by the Governance and Compensation Committee if asked to sit on any public boards other than the Trust.

## **VII. EQUITY OWNERSHIP**

Non-employee Trustees are required to make a minimum investment in the Trust equal to \$250,000 within three (3) years of becoming a Trustee. Such Trustees are required to continue to hold such minimum ownership levels for as long as they serve as Trustees of the Trust.

## **VIII. HEDGING UNITS**

Trustees are not permitted to purchase financial instruments (including options) that are designed to hedge or offset a decrease in the market value of trust units held by them, either directly or indirectly.

## **IX. RESPONSIBILITIES**

The Board acknowledges responsibility for the stewardship of the Trust and has taken the below steps in this regard. The Board shall also perform such other functions as are assigned to it in the Declaration of Trust and as it may from time to time determine necessary or appropriate.

### ***(i) Culture of Integrity and Code of Business Conduct & Ethics***

The Board promotes a culture of integrity and ethical business conduct among the Trustees, executive officers and employees of the Trust. In this regard:

- (1) the Trust has adopted a Code of Business Conduct and Ethics (the “**Code**” or “**Code of Conduct**”) which addresses, among other things, conflicts of interest, confidentiality, fair dealing, protection and proper use of the Trust’s assets, compliance with applicable laws and the reporting of illegal or unethical behaviour. The Board, through the Governance and Compensation Committee, reviews the Code at least annually and confirms that it addresses each of these matters and that it establishes mechanisms to facilitate the effective operation of the Code;
- (2) the Board, through the Governance and Compensation Committee, monitors compliance with the Code of Conduct and receives regular reports from management as to whether

there have been any complaints received or violations reported under the Code;

- (3) the Code contains “whistleblower” protections for the work place, including exclusive confidential email access to the Board’s independent Trustees serving on the Audit Committee by employees who have any concerns regarding questionable accounting, auditing or other matters described in the Code;
- (4) the Board, through the Governance and Compensation Committee as the nominating committee for the Trust, works diligently to nominate Trustees who have a proven track record of ethical business conduct and a reputation of excellent business relations.

**(ii) Business Plan**

The Board is responsible for the review and approval of the Trust’s business plan (which includes an annual operating and capital budget together with an outline of strategic initiatives) (the “**Business Plan**”). Any material deviations from the Business Plan are to be reported to and considered by the Board.

**(iii) Strategic Planning**

At least annually, the Board will discuss the strategic direction and objectives of the Trust with management. This discussion will include, among other things, opportunities and risks of the business of the Trust. With respect to significant opportunities and risks affecting the Trust, the Board may impose such limits on the activities of the Trust as may be in the interests of Plaza and its unitholders.

**(iv) Identification and Management of Risks**

The Board, in consultation with the President & Chief Executive Officer, the Chief Financial Officer and/or the General Counsel & Secretary, shall identify, on at least an annual basis, the principal risks of the Trust’s business and the implementation of appropriate systems to manage those risks. Significant risk management decisions are expected to be brought to the attention of the Board by senior management.

**(v) Succession Planning**

The Board shall, through the Governance and Compensation Committee, review succession planning for the Trust’s (i) President & Chief Executive Officer, (ii) other Named Executive Officers (as defined in CSA Form 51-102F6), (iii) and non-employee Trustees on at least an annual basis.

**(vi) Compensation**

The Board has appointed the Governance and Compensation Committee to annually review and recommend the compensation for the Trust’s Named Executive Officers and non-employee Trustees to the Board for consideration and approval.

**(vii) Approach to Governance**

The Board is responsible for developing the Trust's overall approach to governance. The Board has delegated the responsibility to review its approach to the Governance and Compensation Committee, including from time to time, as appropriate, reviewing the governance priorities of the Trust and the adequacy of the Trust's governance practices and making recommendations to the Board in this regard.

**(viii) Environmental, Social and Governance ("ESG") Matters**

The Board is responsible for oversight of the Trust's ESG strategy and programs, and receives regular reports and recommendations from management in this regard.

**(ix) Annual Assessment of Performance of the Board and Board Committees**

The Board will, through the Governance and Compensation Committee, 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 Governance and Compensation 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.

**(x) Nomination of Trustees**

The Governance and Compensation Committee acts as the nominating committee for the Trust. It receives recommendations for nominations from the Trust's executive officers or Trustees and considers and assesses each candidate's independence, 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 other Trustees as necessary, will approach candidates for Board membership to explore the candidates' interest in joining the Board. The Chair of the Committee will also confirm with interested candidates that they 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.

**(xi) Compliance with the Declaration of Trust**

The Board is responsible for monitoring compliance by the Trust with Declaration of Trust and has delegated this responsibility to the Governance and Compensation Committee.

**(xii) Disclosure Controls and Internal Control over Financial Reporting and Management Information Systems**

The Board has oversight responsibility for the integrity of the Trust's disclosure controls and procedures and internal control over financial reporting and management information systems. This includes, through the Audit Committee, (i) overseeing the establishment of procedures for the review of the Trust's public disclosure of financial information, periodically assessing the adequacy of those procedures and reviewing the Trust's disclosure policy; (ii) overseeing 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; and (iii) reviewing processes and controls in connection with certification of the Trust's financial statements and reviewing the Trust's Financial Reporting Certification Process on at least an annual basis.

**(xiii) Acquisitions, Dispositions and Financings**

The Board has delegated authority to an *ad hoc* committee of Trustees to approve the purchase and sale of properties, as well as financing arrangements for the Trust's existing and new properties within certain parameters, and to pass related resolutions thereto.

**X. ORIENTATION OF NEW TRUSTEES AND CONTINUING EDUCATION**

All new Trustees must experience an effective orientation process. This process includes meeting with the Chair of the Board and the President & Chief Executive Officer, or other designated Trustee(s), to discuss various aspects of the Trust's business and operations and meeting with the General Counsel & Secretary of the Trust to obtain an understanding of the role of the Board and its Committees, as well as each Trustee's individual role and responsibility. Each new Trustee will also meet with the Chair of each Committee he or she will be joining. If the new Trustee is joining the Audit Committee, he or she will also meet with the Chief Financial Officer, the Executive Vice-President and the Trust's external auditor, as necessary.

The Board is regularly educated in new developments in governance and financial reporting matters by the Governance and Compensation Committee, the Audit Committee, the Trust's auditor, the General Counsel & Secretary and certain other designated officers or employees of the Trust. Trustees are also encouraged to participate in continuing education programs.

**XI. FEEDBACK**

The Board welcomes input and comments from the Trust's unitholders. Any unitholder wishing to provide feedback to the Board should do so in writing and direct the communication to the General Counsel & Secretary as follows, who will deliver material communications to the Chair of the Board:

Board of Trustees of Plaza Retail REIT  
c/o General Counsel & Secretary  
98 Main Street  
Fredericton, New Brunswick  
E3A 9N6