

## Mandate of the Board of Trustees

The Board of Trustees (the “**Board**”) performs certain duties prescribed by law and is involved in a significant number of essential issues involving the REIT. Management and the Trustees determine the limits of the Board’s mandate as well as the issues to be dealt with by the Board.

The issues submitted to the Board include the financial statements, strategic orientations, business plan, budgets, major investments, financing and other major financial activities, the hiring of officers, compensation, performance assessment and succession planning, issues relating to the REIT’s assets and services (such as quality and security), management, corporate restructuring and material transactions.

In order to perform its duties, the Board must be aware of and have approved the general management plan of the business, but it must also be satisfied that the plan is implemented properly and that appropriate oversight and internal and external control and audit systems are set up to ensure that the affairs of the business are managed responsibly. This audit shall be carried out, among other things, by governing and approving the strategic plan, the business plans and the budgets resulting therefrom, taking into account the opinions of experts, which may be both internal and external.

The Board shall maintain its ability to intervene in management’s decisions in order to have the final say on important issues regarding the REIT. The Board shall thus ensure to retain ultimate control over the REIT.

The Board shall implement appropriate audit procedures, even if there is no particular problem at hand. Such procedures will allow the Board to ensure compliance of the day-to-day management of the operations of the REIT and other aspects of management which it cannot oversee or review itself. Therefore, the Board may set up comprehensive audits concerning various aspects of the operations of the REIT, not limited to accounting issues, for instance when the target areas present high risks for the activities of the REIT. Such procedures are not only useful and necessary to the oversight process but, in many situations, they will also provide an essential defence against allegations of failure to comply with the obligations of the Trustees in the performance of their duties.

Regulatory authorities are increasingly adopting corporate governance policies in order to ensure that the Trustees are more active and independent in performing their mandate. Regulatory authorities have, among other things, pointed out that the Board should explicitly assume the following specific duties:

- adopt a planning procedure including the orientation and review of corporate strategies, major plans of action, risk management policies, business plans and budgets;
- adopt a strategic planning procedure, which shall be reviewed and approved on an annual basis by the Board;
- adopt performance goals and provide oversight of the conduct of business and corporate performance;
- approve and oversee material transactions and investments;

- select officers and approve their compensation;
- carry out succession planning, including recruitment, training, career management, performance monitoring, and assessment of officers;
- review the compensation system for Board members and ensure that the Board procedure for nomination of candidates is well established and transparent;
- oversee and manage potential conflicts of interest of the officers and Board members, as well as compliance with the policies of the REIT;
- ensure the integrity of the financial and accounting systems of the REIT, including the independent audit, and ensure that an appropriate internal control system is set up, including specifically a system for monitoring risks, financial controls and compliance with the law;
- oversee the implementation and effectiveness of corporate governance rules;
- approve the communication policy of the REIT and oversee its enforcement;
- implement measures to get feedback from interested third parties wishing to engage with the independent Trustees;
- identify the main risks facing the REIT, ensure that a system has been set up to manage such risks, and monitor and revise the system as needed;
- adopt and disclose a code of ethics and business conduct for the REIT, ensure that the Trustees, officers and employees of the REIT and its subsidiaries, and the persons called upon to represent the REIT or to act on its behalf, including persons bound by contract or otherwise to the REIT, are informed thereof and understand its scope, that a procedure is set up to receive and handle complaints and that a report is made to the Board at least annually or when a material offence occurs;
- periodically verify whether the REIT has granted loans or lines of credit to Trustees or executive officers;
- ensure that no Trustee or officer has traded in Units during black-out periods and that they have filed their insider report within the prescribed time limit when they trade outside such periods;
- approve or amend the statutes, by-laws or administrative resolutions;
- ensure that integrity, and financial integrity in particular, prevails within the REIT while confirming the integrity of the President and Chief Executive Officer and other key executive officers who are responsible for conveying a culture of integrity throughout the organization.

In order to efficiently fulfill its duties, the Board shall meet periodically (at least once per quarter), and the Board committees shall meet in accordance with the meeting schedule set out in their work program and when circumstances so require. The Board shall also ensure that each Trustee has the opportunity to review in advance the documents to be discussed in these meetings.

The independent Trustees meet without management at the end of each Board meeting, or at other times during the year, if necessary. The independent Trustees also meet with the President and Chief Executive Officer without the other officers at the end of each Board meeting, or at other times during the year, if necessary.

In performing its mandate, the Board may retain the services of outside advisers at the expense of the REIT.