



**CHARTER OF THE HUMAN RESOURCES AND
COMPENSATION COMMITTEE OF
RIOCAN REAL ESTATE INVESTMENT TRUST**

General

1. **PURPOSE OF THE COMMITTEE**

1.1 **Responsibilities**

The Committee is appointed by the Board to discharge the Board's responsibilities relating to:

- (a) compensation of the Trustees and the Trust's Senior Management;
- (b) approving and evaluating the compensation plans, policies and programs of Senior Management or that are otherwise of significance to the Trust;
- (c) reviewing non-binding "say-on-pay" advisory voting results and addressing unitholder concerns identified by such voting results; and
- (d) reviewing compensation disclosure in public documents, including the Committee's annual report on executive compensation for inclusion in the Trust's information (proxy) circular(s), in accordance with applicable rules and regulations.

1.2 **General**

The Committee's purpose includes responsibility for such other matters as are set out in this Charter or as may otherwise be assigned to the Committee by the Board.

2. **DEFINITIONS AND INTERPRETATION**

2.1 **Definitions**

In this Charter:

- (a) "**Applicable Laws**" means all applicable provisions of law, domestic or foreign, including, without limitation, the *Securities Act* (Ontario) as amended, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder and the applicable rules and policies of any stock exchange on which the Trust is listed;
- (b) "**Board**" means the Board of Trustees of the Trust;

- (c) “**CEO**” means the Chief Executive Officer of the Trust;
- (d) “**CFO**” means the Chief Financial Officer of the Trust;
- (e) “**COO**” means the Chief Operating Officer of the Trust;
- (f) “**Chair**” means the chair of the Committee;
- (g) “**Committee**” means the Human Resources and Compensation Committee of the Board;
- (h) “**Declaration of Trust**” means the declaration of trust governing the Trust, as amended from time to time;
- (i) “**Named Executive Officer**” shall be defined as such term is defined in Applicable Laws;
- (j) “**Senior Management**” means the CEO, COO and CFO;
- (k) “**Trust**” means RioCan Real Estate Investment Trust;
- (l) “**Trustees**” means the trustees of the Trust; and
- (m) “**Unitholder**” means a unitholder of the Trust.

2.2 Interpretation

The provisions of this Charter are subject to the provisions of the Declaration of Trust and any applicable legislation. All terms used and not otherwise defined herein shall have the meanings ascribed thereto in the charter of the Board of Trustees or the Declaration of Trust, as applicable. In the event of any inconsistencies between the charter of the Board of Trustees and the Declaration of Trust, the terms and definitions shall have the meanings as described in the Declaration of Trust.

CONSTITUTION AND FUNCTIONING OF THE COMMITTEE

3. **ESTABLISHMENT AND COMPOSITION OF COMMITTEE**

3.1 Establishment of the Human Resources and Compensation Committee

The Committee is hereby established with the constitution, function and responsibilities herein set forth.

3.2 Appointment and Removal of Members of the Committee

- (a) Board Appoints Members. The members of the Committee shall be appointed by the Board.

- (b) Annual Appointments. The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the Unitholders at which Trustees are elected, provided that 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.
- (c) Vacancies. The Board may appoint a member to fill a vacancy that occurs in the Committee between annual elections of Trustees.
- (d) Removal of Member. Any member of the Committee may be removed from the Committee by a resolution of the Board.

3.3 Number of Members

The Committee shall consist of three or more Trustees.

3.4 Qualification and Independence of Members

Each member of the Committee shall be independent as defined under Applicable Laws. In addition, no members of the Committee shall have served as Chief Financial Officer of the Trust in the three years prior to their appointment to the Committee or have ever served as Chief Executive Officer of the Trust. At least one member of the Committee must have significant experience with compensation matters.

4. COMMITTEE CHAIR

4.1 Board to Appoint Chair

The Board shall appoint the Chair from the members of the Committee (or if it fails to do so, the members of the Committee shall appoint the Chair of the Committee from among its members).

4.2 Chair to be Appointed Annually

The designation of the Committee's Chair shall take place annually at the first meeting of the Board after a meeting of the members at which Trustees are elected, provided that if the designation of Chair is not so made, the Trustee who is then serving as Chair shall continue as Chair until his or her successor is appointed.

5. **COMMITTEE MEETINGS**

5.1 **Quorum**

A quorum of the Committee shall be a majority of its members present in person.¹ Any Trustee may participate in a meeting of the Committee by means of teleconference and a Trustee so participating shall be considered present in person at that meeting.²

5.2 **Secretary**

The Chair shall designate from time to time a person who may, but need not, be a member of the Committee, to be Secretary of the Committee.

5.3 **Time and Place of Meetings**

The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee.

5.4 **Right to Vote**

Each member of the Committee shall have the right to vote on matters that come before the Committee.

5.5 **Invitees**

The Committee may invite Trustees, officers, employees, advisors or consultants of the Trust or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.

5.6 **Regular Reporting**

The Committee shall report to the Board at the Board's next meeting the proceedings at the meetings of the Committee and all recommendations made by the Committee at such meetings.

6. **AUTHORITY OF COMMITTEE**

6.1 **Retaining and Compensating Advisors**

The Committee shall have the authority to retain and terminate:

- (a) any firm engaged to assist in the evaluation of the compensation of Trustees, the CEO or senior management;

¹ Declaration of Trust – s 7.3.

² Declaration of Trust – s. 7.5

- (b) any firm engaged to assist with human resource related matters; and
- (c) outside counsel and any other advisors as the Committee may deem appropriate in its sole discretion.

Prior to retaining any outside advisor, the Committee shall consider such factors as it considers necessary or desirable, including the expertise, skill set and experience of the proposed advisor together with the advisor's independence from the Trust (as such term is defined in applicable securities laws). The Committee shall have sole authority to approve related fees and retention terms of any such firm and other advisors.

6.2 Subcommittees

The Committee may form and delegate authority to subcommittees if deemed appropriate by the Committee.

6.3 Recommendations to the Board

The Committee shall have the authority to make recommendations to the Board, but shall have no decision-making authority other than as specifically contemplated in this Charter.

7. REMUNERATION OF COMMITTEE MEMBERS

Members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

SPECIFIC DUTIES AND RESPONSIBILITIES – HUMAN RESOURCES AND COMPENSATION

8. HUMAN RESOURCES AND COMPENSATION MATTERS

8.1 Compensation of Senior Management (including CEO)

The Committee shall:

- (a) review and recommend to the Board goals and objectives relevant to Senior Management compensation;
- (b) evaluate the performance of each member of Senior Management in light of those goals and objectives and report such performance to the Board;
- (c) determine and make recommendations to the Board for approval with respect to each member of Senior Management's compensation level (considering all elements of the compensation package, including bonus, long-term incentive and equity grants) based on this evaluation; and
- (d) in determining the long-term incentive component of each member of Senior Management's compensation for recommendation to the Board, consider:

- (i) the Trust's performance and relative unitholder return;
- (ii) the value of similar incentive awards to CEOs, COOs or CFOs, as the case may be, at comparable organizations; and
- (iii) the awards given to each member of Senior Management, respectively, in past years.

8.2 Other Compensation Matters

1. The Committee shall make recommendations to the Board:

- (a) with respect to the compensation structure for Senior Management and Trustees;
- (b) with respect to incentive awards, in the event such incentive award is granted to or made in favour of (i) Senior Management or the Trustees (for greater certainty, whether or not such plan is cash-based or equity-based), or (ii) any other non-Senior Management employee of the Trust and which involves the issuance of Units of the Trust or equity of the Trust (or securities exchangeable or exercisable into such Units or equity); and
- (c) with respect to incentive plans, in the event such incentive plan is applicable to, or for the benefit of, (i) Senior Management or the Trustees (for greater certainty, whether or not such plan is cash-based or equity-based), or (ii) any other non-Senior Management employee of the Trust and which plan involves the issuance of Units of the Trust or equity of the Trust (or securities exchangeable or exercisable into such Units or equity).

2. The Committee shall review the amount and form of compensation of Senior Management and Trustees.

3. In making recommendations to the Board, the Committee shall consider the time commitment, risks and responsibilities of the Senior Management and Trustees and well as comparative data derived from the experiences of the members of the Committee and advice from any outside advisors.

4. The Committee shall also seek to align the interests of Senior Management and Trustees with those of unitholders of the Trust where appropriate.

8.3 Review of Bonuses Paid

The Committee will monitor the administration of the Trust's Senior Management's incentive and other compensation related plans and shall review and shall report to the Board annually on whether incentives and bonuses awarded or paid to the CEO and each of the other members of Senior Management have been awarded or paid in accordance with the applicable plans.

8.4 Succession Planning

The Committee shall, if requested by the Board, make recommendations to the Board with respect to management succession including:

- (a) policies and principles for CEO selection and performance review with respect to potential successors to the CEO; and
- (b) policies regarding succession in the event of an emergency or the retirement of the CEO.

9. **DISCLOSURE AND REPORTING TO THE BOARD**

9.1 Executive Compensation Disclosure

The Committee shall review and recommend to the Board for approval, any public disclosure of information relating to the Trust's executive compensation, including the disclosure to be included in the Trust's information (proxy) circular(s).

9.2 Report of the Committee

The Committee shall prepare and recommend to the Board for approval, the Report of the Committee to be included in the Trust's information (proxy) circular(s).

SPECIFIC DUTIES AND RESPONSIBILITIES – COMMITTEE ADMINISTRATION

10. **REGULAR PERFORMANCE EVALUATION**

On a regular basis, the Committee shall follow the process established by the Board and overseen by the Nominating and Governance Committee for assessing the performance and effectiveness of the Committee.

13. **CHARTER REVIEW**

The Committee shall review and assess the adequacy of this Charter annually and recommend to the Board any changes it deems appropriate.

April 13, 2017