



**CHARTER OF THE NOMINATING AND
GOVERNANCE COMMITTEE OF
RIOCAN REAL ESTATE INVESTMENT TRUST**

General

1. **PURPOSE OF THE COMMITTEE**

1.1 **Nominating**

The Committee's purpose includes responsibility for:

- (a) identifying individuals qualified to become Board members, consistent with criteria established by the Board;
- (b) recommending to the Board the Trustees to be nominated for election at each annual meeting of unitholders; and
- (c) recommending to the Board orientation and continuing education programs for Trustees.

1.2 **Governance**

The Committee's purpose includes responsibility for:

- (a) developing and recommending to the Board a set of governance principles applicable to the Trust;
- (b) overseeing the evaluation of the Board, the committees of the Board and individual Trustees; and
- (c) reviewing, considering and recommending to the Board whether to accept a resignation of a Trustee.

1.3 **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) **“Chair”** means the chair of the Committee;
- (e) **“Committee”** means the Nominating and Governance Committee of the Board;
- (f) **“Declaration of Trust”** means the declaration of trust governing the Trust, as amended from time to time;
- (g) **“Trust”** means RioCan Real Estate Investment Trust; and
- (h) **“Trustees”** means the trustees 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 Nominating and Governance 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

No member of the Committee shall be a member of management of the Trust and all members shall be independent as defined under Applicable Laws and otherwise satisfy the criteria for membership as established by the Board and any Applicable Laws.

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 Unitholders 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

¹ Declaration of Trust – s. 7.3.

² Declaration of Trust – s. 7.5.

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 it in identifying Trustee candidates;
- (b) any firm engaged to assist in the evaluation of Trustees; and
- (c) outside counsel and any other advisors as the Committee may deem appropriate in its sole discretion.

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, in consultation with the Human Resources and Compensation Committee, may determine from time to time.

**SPECIFIC DUTIES AND RESPONSIBILITIES
– NOMINATION OF TRUSTEES**

8. NOMINATION OF NEW TRUSTEES

8.1 Evaluating Competencies and Skills

The Committee shall provide evaluations and recommendations to the Board with respect to the following matters:

- (a) the competencies and skills the Board, as a whole, should possess;
- (b) the competencies and skills each existing Trustee possesses and that the Board as a whole therefore possesses; and
- (c) the personality and other qualities of each Trustee, as these may ultimately determine the boardroom dynamic.

8.2 Identifying and Recommending New Nominees

The Committee shall identify the individuals qualified to become new Trustees and recommend to the Board new nominees for election by Unitholders entitled to vote at a meeting of Unitholders or for appointment by the Board to fill any vacancy on the Board. In making its recommendations to the Board, the Committee shall consider:

- (a) any selection criteria approved by the Board from time to time, including the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
- (b) the competencies and skills that the Board considers each existing Trustee to possess; and
- (c) the competencies and skills each new nominee would bring to the Board.

The Committee should also consider whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member.

8.3 Exception

If the Trust is legally required by contract or otherwise to provide third parties with the right to nominate Trustees, the Committee shall have no responsibility for the selection and recommendation of such Trustees.

SPECIFIC DUTIES AND RESPONSIBILITIES – GOVERNANCE

9. **GOVERNANCE PRACTICES AND DISCLOSURE**

9.1 Governance Practices

- (a) The Trust's Approach to Governance. The Committee shall develop and recommend to the Board the Trust's approach to governance including, if so instructed by the Board, a set of governance principles and guidelines that are specifically applicable to the Trust.
- (b) Annual Review. The Committee shall review the Trust's governance practices at least annually and recommend to the Board any changes to the governance practices which it considers appropriate.

9.2 Governance Disclosure

The Committee shall review and recommend to the Board for approval any disclosure relating to the Trust's governance practices.

10. **BOARD EFFECTIVENESS**

10.1 Size of the Board

The Committee shall, on an annual basis, examine the size and composition of the Board and, if appropriate, recommend to the Board a program to establish a Board comprised of a number of Trustees that will facilitate effective decision-making.

10.2 Committees of the Board

The Committee shall review the Board's committee structure on an annual basis and recommend to the Board any changes it considers necessary or desirable with respect to the committee structure, including:

- (a) the charters of each committee;
- (b) the criteria for membership on any committee;
- (c) the composition of each committee;
- (d) the appointment and removal of members from any committee;

- (e) the operations of each committee, including the ability of any committee to delegate any or all of its responsibilities to a sub-committee of that committee; and
- (f) the process by which each committee reports to the Board.

10.3 Delineating Board and Management Responsibilities

The Committee shall:

- (a) develop and recommend to the Board position descriptions for:
 - (i) the chair of each committee of the Board; and
 - (ii) the chair of the Board; and
- (b) together with the CEO develop and recommend to the Board a position description for the CEO, including:
 - (i) defining the limits of management's responsibilities; and
 - (ii) overall goals and objectives that the CEO is responsible for meeting, taking into consideration goals and objectives relevant to CEO compensation approved by the Compensation Committee.

10.4 Resignation of Trustee

If a Trustee tenders his or her resignation to the Chairman of the Board following a meeting of Unitholders to consider election of Trustees in accordance with Section 4.2 of the Board Charter, the Committee shall expeditiously consider the Trustee's offer to resign and make a recommendation to the Board whether to accept that offer.

10.5 Succession Planning

The Committee shall, if requested by the Board, make recommendations to the Board with respect to Trustee succession, including without limitation policies and principles regarding Trustee term limits and succession.

11. ORIENTATION AND CONTINUING EDUCATION

11.1 Orientation

The Committee shall develop and make recommendations to the Board regarding orientation for new Trustees that shall include assisting new Trustees to understand:

- (a) the role of the Board and its committees;

- (b) the contribution individual Trustees are expected to make (including the commitment of time and energy that the Trust expects from its Trustees); and
- (c) the characteristics and operation of the Trust and its assets.

11.2 Continuing Education

The Committee shall develop and recommend to the Board a continuing education program for all Trustees that shall, among other things:

- (a) assist Trustees to maintain or enhance their skills and abilities as Trustees; and
- (b) assist Trustees in ensuring that their knowledge and understanding of the Trust and its assets remains current.

12. REVIEW PROCESS

12.1 Board, Committee and Individual Trustee Review

The Committee shall:

- (a) develop and recommend to the Board a process for reviewing the competencies, skills and effectiveness of the Board as a whole, the committees of the Board and the contributions of individual Trustees on a regular basis, such process to consider:
 - (i) input from Trustees, as appropriate;
 - (ii) attendance of Trustees at meetings of the Board and any committee;
 - (iii) the Board's written charter;
 - (iv) the charter of each committee of the Board;
 - (v) applicable position description(s) for the chairs of the Board and each committee of the Board, and
 - (vi) the competencies and skills each individual Trustee is expected to bring to the Board and each committee of the Board; and
- (b) be responsible for overseeing the execution of the review process approved by the Board and management.

13. **POLICIES**

13.1 Communication Policy

The Committee shall review and recommend that the Board adopt a disclosure policy and such other policies as may be necessary or desirable for the Trust's communication of material information to Unitholders, the investment community, the media, governments and their agencies, employees and the general public. The Committee shall monitor the Trust's compliance with its continuous and timely disclosure obligations thereunder and, as appropriate, shall make recommendations to the Board with respect to the policy. In formulating its recommendations, the Committee shall take into consideration any recommendation of the Trust's disclosure committee.

13.2 Ethical Compliance and Legal Compliance

The Committee shall:

- (a) subject to Board approval, establish, review and update periodically the Trust's code of business conduct and ethics (the "**Code of Conduct**") with a view to complying with all applicable rules and regulations, and ensure that management has established a system to enforce this code;
- (b) monitor compliance with the Code of Conduct and the review system in place to ensure that the Trust's financial statements, reports and other financial information disseminated to governmental organizations and the public satisfy legal requirements;
- (c) satisfy itself that management has established a system to disclose the Code of Conduct, any amendments to the code and any waivers from the code granted by the Committee for the benefit of a Trustee or senior officer of the Trust, as required by applicable rules and regulations; and
- (d) monitor compliance with the Trust's Disclosure, Confidentiality and Restrictions on Trading Policy.

13.3 Unit Ownership Policy

The Committee shall monitor compliance with respect to the Trust's unit ownership policy adopted by the Board of Trustees.

13.4 Diversity Policy

The Committee shall, subject to Board approval, establish, review and update periodically, the Trust's diversity policy adopted by the Board of Trustees.

**SPECIFIC DUTIES AND RESPONSIBILITIES
COMMITTEE ADMINISTRATION**

14. **REGULAR PERFORMANCE REVIEW**

On a regular basis, the Committee shall follow the process established by it and adopted by the Board (referred to in Section 12 above) for all committees of the Board for reviewing the performance and effectiveness of the Committee.

15. **CHARTER REVIEW**

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

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