



**CORPORATE GOVERNANCE AND
COMPENSATION COMMITTEE CHARTER**

**APPROVED BY THE BOARD OF TRUSTEES ON
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TABLE OF CONTENTS

I.	Establishment of Committee	1
(i)	Committee	1
(ii)	Composition of Committee	1
(iii)	Appointment of Committee Members & Secretary	1
II.	Committee Procedure	1
(i)	Meetings	1
(ii)	Quorum	2
(iii)	Notice of Meetings	2
(iv)	Agenda	2
(v)	Delegation	2
(vi)	Access	2
(vii)	Attendance of Officers at a Meeting	2
(viii)	Procedure, Records and Reporting	3
(ix)	Outside Consultants or Advisors	3
III.	Mandate of Committee	3
(i)	Charter	3
(ii)	Independence	3
(iii)	Board Mandate, Code of Business Conduct and Ethics, Disclosure Policy and Certification Process	3
(iv)	Nomination Committee	4
(v)	Compensation Activities	4
(vi)	Position Descriptions	5
(vii)	Succession Planning	5
(viii)	Assessments	5
(ix)	Insurance	6

I. Establishment of Committee

(i) *Committee*

The Corporate Governance and Compensation Committee (the “Committee”) is established by the board of trustees (the “Board”) of Plaza Retail REIT (the “Trust”) in order to assist the Board in establishing the governance guidelines within which the Trust carries out its responsibilities. The purpose of the Committee is to develop, define and evaluate the process and structure used to supervise the business and affairs of the Trust. This provides accountability of the Board and management to the Trust’s unitholders and other stakeholders.

(ii) *Composition of Committee*

The Committee shall consist of as many members as the Board shall determine but not fewer than three (3) trustees. Each member shall be a trustee of the Trust. In addition, each member shall be considered “independent” within the meaning of National Policy 58-201 – *Corporate Governance Guidelines*.

(iii) *Appointment of Committee Members & Secretary*

The members of the Committee shall be appointed by the Board immediately following each annual meeting and shall hold office until the next annual meeting, or until they are removed 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. The Board also may remove and replace any member of the Committee.

The Board shall appoint a Chair for the Committee. The Chair may be removed and replaced by the Board. 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 by the Committee to preside at the meeting.

The Committee shall appoint a secretary.

II. Committee Procedure

(i) *Meetings*

The Chair, in consultation with Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least four (4) times per calendar year.

The Chair, any two members of the Committee, the Chair of the Board, Executive Vice-President & Chief Operating Officer, Chief Financial Officer or Chief Executive Officer may call a special meeting of the Committee at any time.

(ii) Quorum

In accordance with the Trust's declaration of trust (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 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 or by telephone, 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 shall develop and set the Committee's agenda in consultation with other members of the Committee, the Board and/or members of management. 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

In discharging its responsibilities, the Committee shall have full access to all books, records, facilities and personnel of the Trust.

(vii) Attendance of Officers at a Meeting

At the invitation of the Chair of the Committee, one or more officers or employees of the Trust shall attend a meeting of the Committee.

(viii) *Procedure, 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 quarterly, and when the Committee may deem appropriate or when requested by the Board.

(ix) *Outside Consultants or Advisors*

The Committee may retain at the Trust's expense, outside consultants or advisors to assist or advise the Committee independently on any matter within its mandate when it considers it necessary or advisable. The Committee 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.

III. *Mandate of Committee*

(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.

(ii) *Independence*

The Committee will review and document and report to the Board on an annual basis the independent status of each trustee considered to be "independent" as defined in National Policy 58-201. Furthermore, the Committee will review, document and report to the Board that the Board is comprised of at least a majority of "independent" trustees.

On a semi-annual basis and without any members of management present, the Committee will facilitate a discussion among independent trustees regarding whether they have any concerns regarding the management of the Trust, the Trust's ethics, the independent trustees' access to information or any other matters they deem appropriate. Additional meetings of independent trustees may also be held throughout the year as necessary. The Chair of the Committee will chair any independent trustee meetings and will extend an invitation to all independent trustees to take part in these meetings.

(iii) *Board Mandate, Code of Business Conduct & Ethics, Disclosure Policy and Certification Process*

Board Mandate

The Committee shall assess the adequacy of the Board Mandate on an annual basis and recommend any suggested changes to the Board.

Code of Business Conduct and Ethics

The Committee shall assess the adequacy of the Code of Business Conduct and Ethics on an annual basis and recommend any suggested changes to the Board.

In addition, the Committee will receive a letter or certificate from the Executive Vice-President & Chief Operating Officer advising if there have been any complaints received or violations reported under the Code of Business Conduct and Ethics during the prior year to his knowledge after due inquiry.

Disclosure Policy and Certification Process

The Committee shall assess the adequacy of the Trust's Disclosure Policy on an annual basis and recommend any suggested changes to the Board. The Committee will also review and approve the Trust's CEO/CFO certification process on an annual basis.

The Committee shall ensure that the Board Mandate, Code of Business Conduct and Ethics and the Charters for each of the Board's Committees are readily accessible to unitholders and other stakeholders via the Trust's website and/or in hard copy.

(iv) *Nomination Committee*

The Committee shall act as the nominating committee for the Trust. It will receive recommendations for nomination(s) from the Trust's executive officers or trustees, review the proposed name(s) and consider the individual's skill set, expertise and background, reputation for business ethics, geographical representation, diversity in accordance with the guidelines adopted by the Trust and availability of service to the Trust, as well as the current and future needs of the Trust.

The Chair of the Board and the Chief Executive Officer will meet with candidate(s) who have expressed their willingness to sit on the Board.

The Committee will, in accordance with the provisions of the Declaration of Trust, recommend the final candidate(s) to the Board for approval and nomination for election by unitholders at the next annual meeting.

(v) *Compensation Activities*

The Committee will annually review, approve and report to the Board the compensation of the Chief Executive Officer, Chair of the Board and any other Named Executive Officers (as defined in CSA Form 51-102F6) of the Trust, as further described below.

(a) Chief Executive Officer

The Committee will review the performance of the Chief Executive Officer as well as his role and responsibilities on an annual basis. This may be completed by having the Chair of the Committee complete a performance review with the Chief Executive Officer and reporting back to the Committee.

The Committee will annually review and approve the compensation of the Chief Executive Officer and any changes thereto to ensure that his compensation appropriately and adequately reflects the role and responsibilities of the Chief Executive Officer.

(b) Chair of the Board

The Committee will annually review and approve the compensation of the Chair of the Board and any changes thereto to ensure that his compensation appropriately and adequately reflects the role and responsibilities of the Chair of the Board.

(c) Named Executive Officers

The Committee will annually review and, after obtaining and considering the recommendation of the Chief Executive Officer and Chair of the Board, approve the compensation of any other Named Executive Officers of the Trust and any changes thereto to ensure that his or her compensation appropriately and adequately reflects the role and responsibilities of the individual.

Independent Trustees

The Committee will annually review, approve and report to the Board the compensation of the independent trustees and any changes thereto to ensure that their compensation appropriately and adequately reflects the responsibilities of a trusteeship of the Trust.

Incentive Compensation Plans

The Committee will review and approve recommendations in respect of any incentive compensation plans, including equity-based plans, of the Trust and amendments to such plans as applicable.

Executive Compensation Disclosure in Management Information Disclosure

The Committee shall, prior to any public disclosure, review and discuss with management, and approve, the executive compensation disclosure included in the Trust's annual management information circular.

(vi) Position Descriptions

The Committee will develop and annually review a position description for the Chair of the Board and position descriptions for the Chair of each Board committee.

(vii) Succession Planning

The Committee will annually review succession planning for the Trust's Chief Executive Officer and other NEOs and report to the Board.

(viii) Assessments

The Committee reviews with the Board the appropriate skills and characteristics required of Board members. In performing this function, the Committee will seek input from the Chair of the Board and shall take into consideration the characteristics of independence, experience,

background, reputation for business ethics, geographical representation, diversity and availability of service to the Trust, as well as the opportunities, risks and strategic direction of the Trust.

Annually, each Board member shall perform an assessment questionnaire containing his/her views regarding the structure, functionality, effectiveness and contribution of the Board and any committee during the previous year. The questionnaire will allow trustees to comment on areas for improvement to ensure the continued effectiveness of the Board and its committees, as well as seek comment on trustee access to the Chief Executive Officer and Chair of the Board, the manner in which the Chair of the Board conducts Board meetings and trustee satisfaction with the frequency and amount of time for discussion among independent trustees without the presence of management, among other things. The questionnaires will be reviewed annually by the Chair of the Committee, who will bring the results to the Committee for discussion. If necessary, the Committee will bring forward to the Board any further action or recommendation resulting from the assessments.

(ix) Insurance

The Committee will review the Trust's insurance program on an annual basis and report to the Board.