

BOARD MANDATE

INTENT

This Policy applies to Melcor Real Estate Investment Trust.

The intent of this policy is to set out the approach to employment equity and diversity of Melcor Real Estate Investment Trust (the “REIT”).

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Applies To:	Board of Trustees
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Introduction

The primary responsibility of the board of Trustees (“**Board**”) of the REIT is to oversee the management of the business and to pursue the best interests of the REIT. The Board has plenary power and exercises overall responsibility for the management and supervision of the affairs of the REIT.

Board Meetings

In order for the Board to transact business, a majority of the Trustees must be present, and a majority of those present must be resident Canadians. The Board shall meet on a regular basis and shall schedule a sufficient number of meetings (whether in person or by teleconference) to carry out its mandate, which shall occur at least once each quarter. The Board shall have an *in camera* session at each Board meeting with only independent Trustees present.

Reports from Committees/Subsidiaries

Unless waived by the Board, each committee chair shall provide a report to the Board on material matters considered by the committee at the first Board meeting after the committee's meeting. Each board of a material subsidiary that does not have the same Trustees as the Board shall provide a report to the Board on material matters considered by the subsidiary board at the first Board meeting after the subsidiary's meeting.

Chairman

The Board shall appoint a Chairman of the Board who shall have responsibility to ensure that the Board discharges its duties and responsibilities.

Lead Trustee

In the event the Chairman of the Board is not independent, the independent members of the Board shall appoint a Lead Trustee. The Lead Trustee will chair the meetings of the independent Trustees and assume other responsibilities as the Board may designate from time to time.

Outside Advisors

The Board shall have the authority to retain, at the REIT's expense, independent advisors and consultants to advise the Board as it determines necessary to carry out its duties and to fix the remuneration of such advisors and consultants. The Board may request any officer or employee of the REIT, or the REIT's internal or external auditors or legal counsel to attend a meeting of the Board or to meet with any Trustees of, or consultants to, the Board.

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Governance

The Board has responsibility for developing the REIT's approach to governance issues although the Governance Committee plays a key role by recommending and reporting on governance issues, including ethical conduct, to the Board. The Board may delegate specific governance issues to other committees of the Board. The Board is responsible for establishing the appropriate procedures to ensure that the Board, Board committees and individual Trustees can function independently of management.

General Duties

It is the duty of the Trustees of the REIT to manage, or supervise the management of, the business and affairs of the REIT. In exercising his or her duties, every Trustee shall act honestly and in good faith with a view to the best interests of the REIT and exercise the care, diligence and skill that a reasonably prudent person would exercise in similar circumstances. Each Trustee shall also comply with the provisions of the *Canada Business Corporations Act*, and the By-laws of the REIT.

Trustees' Duties and Responsibilities

The Board has responsibility for stewardship of the REIT, including:

Strategic Planning Process

- Provide input to management on emerging trends and issues.
- Review and approve management's strategic plans.
- Review and approve the REIT's financial objectives, plans and actions, including significant capital allocations and expenditures.

Monitoring Tactical Progress

- Monitor the REIT's performance against the strategic and business plans, including assessing operating results to evaluate whether the business is being properly managed.

Risk Assessment

- Identify the principal risks of the REIT's businesses and ensure that appropriate systems are in place to manage these risks.

Senior Level Staffing

- Select, monitor and evaluate the Chief Executive Officer ("CEO") and other senior executives, and ensure management succession.
- Approve a position description for the CEO including limits to management's responsibilities and corporate objectives which the CEO is responsible for meeting, all upon recommendation from the Compensation & Governance Committee.

Integrity

- Ensure the integrity of the REIT's internal control and management information systems.
- Ensure ethical behaviour and compliance with laws and regulations, audit and accounting principles, and the REIT's own governing documents.

Material Transactions

- Review and approve material transactions not in the ordinary course of business.

Monitoring Trustees' Effectiveness

- Assess its own effectiveness in fulfilling the above and Trustees' responsibilities, including monitoring the effectiveness of individual Trustees.

Other

- Perform such other functions as prescribed by law or assigned to the Trustees in the REIT's Declaration of Trust.