

CROMBIE REIT

AUDIT COMMITTEE OF THE BOARD

MANDATE

The Audit Committee of the Board of Trustees has the responsibilities and duties as outlined below:

A. MANDATE

- To perform such duties as may be required by applicable legislation and regulations including those of the Ontario Securities Commission, the Toronto Stock Exchange, and the Canadian Securities Administrators (CSA).
- To assist the Board of Trustees in fulfilling its oversight responsibilities for:
 - The integrity of the financial statements;
 - Compliance with legal and regulatory requirements relating to financial disclosure;
 - The external auditors' independence, performance and fees;
 - Identification and monitoring of principal risks that could impact financial reporting; and
 - The system of internal control for financial reporting and management information systems.
- To perform such other duties as may from time to time be assigned to the Audit Committee by the Board.

B. AUDIT COMMITTEE COMPOSITION

The Audit Committee shall be composed of three or more Trustees, appointed by the Board on the recommendation of the Governance and Nominating Committee. All members of the Committee must be independent. Independence will be defined by applicable legislation and Crombie's Declaration of Trust and at a minimum each Committee member will have no direct or indirect relationship with the REIT which in the view of the Board of Trustees could reasonably interfere with the exercise of a member's independent judgement except as otherwise permitted by applicable laws.

All members of the Audit Committee shall be financially literate (as defined by applicable legislation). A member of the Board of Trustees who is not financially literate may be appointed to the Audit Committee provided that the member becomes financially literate within four months following his or her appointment, subject to the Board of Trustees determining that this appointment will not materially adversely affect the ability of the Audit Committee to act independently and to satisfy the other requirements of this mandate.

If an Audit Committee member ceases to be independent for reasons outside the member's reasonable control, the member shall tender their resignation to the Chair of the Governance and Nominating Committee within three months of the occurrence of the event which caused the member to not be independent.

Members are reappointed annually by the Board, with such appointments to take effect immediately following the Annual General Meeting of Unitholders. Members shall hold office until the earlier of the time when their successors are appointed, or they cease to be Trustees of Crombie REIT. Vacancies of

members of the Audit Committee may be filled for the remainder of the current term of appointment by the Board, upon recommendation of the Governance and Nominating Committee.

The Board shall appoint from the Audit Committee membership a Chair for the Audit Committee to preside at its meetings. The Chair must be independent. In the absence of the Chair, one of the other members of the Audit Committee present shall be chosen by the Audit Committee to preside at the meeting.

C. AUTHORITY

The Audit Committee has the authority to:

1. Conduct or authorize an investigation into any matters within the scope of its mandate or responsibility;
2. At the REIT's expense, as determined by the Committee, retain independent counsel, accountants or others to advise the Audit Committee or assist in carrying out its duties or assist in the conduct of an investigation;
3. Meet with Management, internal auditors, external auditors or outside counsel as necessary; and
4. Call a meeting of the Board to consider any matter of concern to the Audit Committee.

D. MEETINGS

The Audit Committee shall meet quarterly or more frequently as circumstances dictate. Meetings of the Audit Committee may be called by:

- The Chair;
- Any member of the Audit Committee; or
- The external auditors.

The external auditors and Internal Audit shall be invited to attend and be heard at every quarterly Audit Committee meeting and have the opportunity to discuss matters with the Audit Committee without the presence of Management at each meeting. The Audit Committee will meet in-camera with the external auditors, Internal Audit, management and the Committee itself at each meeting. The Secretary of the REIT shall act as Secretary of the Audit Committee and minutes of the Audit Committee shall be recorded and maintained by the Secretary.

E. RESPONSIBILITIES

Administration:

1. The Committee annually reviews its mandate and recommends any changes to the Governance and Nominating Committee.
2. The Audit Committee shall report to the Board on the proceedings and recommendations of each Audit Committee meeting at the next regularly scheduled Board meeting.

External Auditor:

3. As required by the Board, the external auditor reports directly to the Audit Committee, is invited to attend each quarterly Audit Committee meeting and meets quarterly in camera with the Audit Committee.
4. The Audit Committee must recommend to the Board of Trustees;
 - a) the external auditor to be nominated, after annual review, for purposes of preparing or issuing an auditor's report or performing other audit, review or attest services for the REIT; and
 - b) the compensation of the external auditor.
5. The Audit Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing the Auditor's Report or performing other audit, review or attest services for the REIT, including the resolution of disagreements between management and the external auditor regarding financial reporting.
6. The Audit Committee must pre-approve all non-audit services to be provided to the REIT or its subsidiary entities by the REIT's external auditor. The Audit Committee has delegated to the Chair of the Committee the authority to pre-approve the non-audit services, with such pre-approval presented to the Audit Committee at the next scheduled Audit Committee meeting following such pre-approval.

De minimis non-audit services satisfy the pre-approval requirement provided:

- a) the aggregate amount of all these non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total audit fees paid by the REIT and its subsidiaries to the REIT's external auditor during the fiscal year in which the services are provided;
- b) the REIT or subsidiaries of the REIT, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- c) the services are promptly brought to the attention of the Audit Committee of the REIT and approved, prior to the completion of the audit, by the Audit Committee or by the Chair of the Audit Committee, who has been granted authority to pre-approve non-audit services.

The Audit Committee has instructed management that, to obtain pre-approval, management must detail the work to be performed by the external auditor and obtain the assurance from the external auditor that the proposed work does not impair their independence.

7. The Committee reviews with the external auditor and management all major accounting policies and practices adopted, any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties and key estimates and judgements of management that may be material to financial reporting. The Committee shall also review any significant changes to GAAP / IFRS or its application.
8. The Committee reviews and approves Crombie's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of Crombie.
9. The Committee ensures through enquiry that the external auditor is in good standing with the Canadian Public Accountability Board (CPAB) and that the lead partner and other partners fulfil the rotation requirements. The Committee also reviews that the relationship with the external auditor and management is independent with consideration to the requirements set out by the Canadian Securities Administrators and CPA Canada.
10. The Committee receives from the external auditor an outline of the annual audit scope, plan, resources, reliance on management and progress reports against that plan. The Committee approves the annual audit plan.
11. The Committee reviews the Auditor Report with the external auditor:
 - a) significant findings during the year and management's response thereto;
 - b) any difficulties encountered in the course of their audit, including any restrictions to the scope of their work or access to required information; and any changes required to the planned scope of their audit or quarterly reviews.

Risk Management

12. The Committee annually reviews the adequacy and quality of insurance coverage maintained by the REIT and the status of litigation matters occurring in the ordinary course of business.
13. The Committee reviews its assigned principal risks and ensures appropriate risk management techniques are in place. This will involve enquiry of management regarding how risks are managed as well as opinions from management regarding the degree of integrity of the risk mitigation strategies and accepted thresholds. The Committee shall review risk management policies as recommended by management. The Committee will collaborate on certain risks, where appropriate, with other Board Committees and the Board.
14. The Committee reviews the Environmental Report, Litigation Report, Hedge Report, the ESG Progress Report and any other reports requested from time to time and ensures their appropriateness.

15. The Committee reviews the status of compliance with laws and regulations and the scope and status of systems designed to ensure compliance therewith, and receives reports from management, legal counsel and other third parties as determined by the Committee on such matters, as well as major legislative and regulatory developments which could impact the REIT's contingent liabilities and risks.
16. The Committee determines through enquiry with Committee members and others the specific technical training and/or education required for Committee members to stay apprised of ongoing changes in financial reporting, risk management, etc
17. The Committee receives ongoing reports from management and other third-party opinions confirming compliance with SIFT and other taxation policies outlining the ongoing risks, priorities and action plans to maintain that compliance.
18. The Committee quarterly reviews the REIT's Information Technology platform including hardware, applications and infrastructure to monitor new and ongoing initiatives, risks, including cybersecurity, and changes since last report. Additionally, the Committee reviews and recommends to the Board capital allocation for new Information Systems and Technology, and provides strategic oversight and monitoring of project design, implementation milestones and risk mitigation.
19. The Committee completes debt overviews on a regular basis to ensure:
 - a) compliance with debt covenants in trust deeds, mortgages and credit agreements;
 - b) achievement of liquidity requirements and financing plans;
 - c) no material business risks, uncertainties and contingent liabilities; and
 - d) appropriate debt ladder maturities exist that are aligned with the REIT's objectives and risk thresholds.

Financial Management and Reporting

20. The Audit Committee reviews and recommends to the Board approval of the REIT's financial statements, MD&A and annual and interim earnings press releases prior to public disclosure of this information. It also ensures that adequate procedures are in place for the review of financial information extracted or derived from the REIT's financial statements, contained in the REIT's other financial disclosures and must periodically assess the adequacy of those procedures.
21. The Committee reviews the financially related disclosures contained in the Annual Report, Sustainability Report, Annual Information Form and Annual Information Circular.
22. The Committee reviews the disclosure controls and procedures and internal controls on financial reporting, including any significant deficiencies or material non-compliance with such controls and procedures.
23. The Committee reviews the Insider Trading and Corporate Disclosure Policies and the Disclosure Committee Mandate and reviews the minutes of the quarterly Disclosure Committee meetings.

24. The Committee establishes procedures for:
- a) the receipt, retention and treatment of complaints received by Crombie regarding accounting, internal accounting controls, or auditing matters; and
 - b) the confidential, anonymous submission by employees of Crombie of concerns regarding questionable accounting or auditing matters.
25. The Committee reviews the status and adequacy of the REIT's efforts to ensure its businesses are conducted and its facilities are operated in an ethical, legally compliant and socially responsible way, and recommends to the Board, for approval, policy changes and program initiatives considered advisable.

Internal Audit

26. The Committee annually reviews and approves the Internal Audit relationship and Annual Plan.
27. The Committee receives quarterly reports from, and meets in camera with, Internal Audit. Internal Audit is invited to each quarterly Audit Committee meeting.
28. The Committee ensures that the Internal Audit function is independent of management and has sufficient resources to carry out its mandate.
29. The Committee approves the appointment, replacement or termination of key Internal Audit Resources.

Environmental Social and Governance ("ESG") Matters

The Audit Committee contributes to the Board's oversight of ESG by:

30. Monitoring ESG metrics, performance indicators and disclosures and ESG-related disclosure controls and procedures;
31. Integrating ESG in Enterprise-Risk Management including climate and other sustainability and ESG Risks, along with monitoring and mitigation strategies;
32. Monitoring compliance with ESG regulations including climate, environment, human rights, and supply chain and ESG-related litigation risks;
33. Providing oversight of ESG matters in Crombie's Investor Relations Strategy; and
34. Monitoring ethics compliance, whistleblower complaints relating to Diversity, Equity & Inclusion or other ESG matters.

Reviewed: February 22, 2023