

## **CROMBIE REIT BOARD OF TRUSTEES**

### **HUMAN RESOURCES COMMITTEE MANDATE**

#### **Human Resources Committee Purpose**

The Human Resources Committee (the “Committee”) is a Committee of the Board of Trustees of Crombie REIT. It enables the Board of Trustees to fulfill its role with respect to:

1. Recruitment, development and retention of its workforce;
2. Appointment, performance evaluation and compensation of the CEO and Executives;
3. Compensation philosophy and framework for Executives including annual and long term incentive plans, benefits, perquisites, and pension;
4. Succession planning, talent management and development relating to the CEO and Executives reporting to the CEO, including recruitment, reassignments, and terminations;
5. Unit ownership in accordance with the Unit Ownership Guidelines for the CEO and Executives reporting to the CEO;
6. Clawback Policy and guidelines for the CEO and Executives reporting to the CEO; and
7. Diversity, Equity, Inclusion and Culture.

#### **Committee Composition, Appointments and Procedures**

1. Composition of the Committee:
  - a. The Committee shall be comprised of at least three trustees, a majority of whom shall be independent, appointed by the Board on recommendation from the Governance and Nominating Committee.
  - b. Trustee 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.
2. Appointments:
  - a. The members are appointed annually by the Board, with such appointments to take effect immediately following the Annual General Meeting of Unitholders.
  - b. Members shall hold office until, the earlier of the time, their successors are appointed, or they cease to be trustees of the REIT.
  - c. The Board, upon recommendation of the Governance and Nominating Committee, may fill vacancies of members of the Committee for the remainder of the current term of appointment.
  - d. Members of the Committee shall hold office at the pleasure of the Board.
3. Committee Chair:
  - a. The Board shall appoint a Chair from the Committee membership.
  - b. The Chair must be independent.

- c. The Chair:
  - i. Provides leadership to the Committee with respect to its functions as described in this mandate and as otherwise may be appropriate including overseeing the logistics of the operations of the Committee;
  - ii. Chairs meetings of the Committee, unless not present. In the absence of the Chair, one of the other members of the Committee present shall be chosen by the Committee to preside at the meeting;
  - iii. Ensures that the Committee meets on a regular basis, at least two times per year;
  - iv. Reviews in advance the agenda and supporting materials for the Committee meetings as prepared by the Secretary and other members of management;
  - v. Acts as liaison between the independent compensation consultants and the HRC;
  - vi. Acts as liaison and maintains communication with the Chair of the Board and the Board of Trustees to optimize and coordinate input from Trustees and to optimize the effectiveness of the Committee;
  - vii. Reports annually to the Board on the role of the Committee and the effectiveness of the Committee's role in contributing to the objectives and responsibilities of the Board.
- 4. Committee Secretary:
  - a. The Committee Secretary need not be a member of the Committee or Board. The Chief Talent Officer & VP Communications ordinarily shall serve as Secretary to the Committee.
- 5. Meetings:
  - a. The Committee shall meet at least twice annually and at such other times during the year as it deems appropriate.
  - b. The Committee will ordinarily meet in-camera at the beginning and at the end of each of its meetings.
  - c. Notice of the time and place of every meeting shall be given in writing (including electronic communication) to each member of the Committee at least 24 hours prior to the time fixed for such a meeting, provided however, that a member may in any matter waive a notice of meeting. Attendance of a member at a meeting is a waiver of notice of a meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.
  - d. A quorum of meeting shall be the majority of the members, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and hear each other.

The Committee shall report to the Board its activities after each meeting. The minutes of the meeting of the Committee shall be recorded and maintained by the Secretary of the meeting appointed by the Chair.

**Authority of the Committee:**

The Committee has the authority to:

1. Conduct or authorize research or investigation into any matter within the scope of its mandate or responsibility;
2. At the REIT's expense, retain independent consultants or others to advise the Human Resources Committee; and
3. Call a meeting of the Board to consider any matter of concern to the Committee.

**Responsibilities:**

**1. Recruitment, Retention and Development of the Workforce:**

The Committee:

- Annually reviews Crombie REIT's HR Corporate Policies;
- Considers alignment of the compensation philosophy and framework with strategy and with retention, recruitment and development strategies;
- Annually reviews the overall total compensation framework to ensure that the cost of the compensation approach is appropriate and incorporated into the Annual Budget planning process.

**2. Appointment, Performance Evaluation and Compensation of Executives:**

The Committee:

1. Annually reviews and recommends to the Board the total compensation for the President and CEO and Executives reporting to the CEO. Executives reporting to the CEO are defined as the Chief Financial Officer & Secretary, Chief Talent Officer & VP Communications, Executive Vice President Corporate Development, Executive Vice President Development & Construction, and Executive Vice President Leasing & Operations. Other Executive(s) who do not report directly to the CEO but are considered Named Executive Officers due to the amount of their total compensation will also have their total compensation reviewed and recommended to the Board. Such activities shall be primarily focused upon:
  - Base Salaries;
  - Annual Incentive Programs (AIP);

- Long-term Incentive Programs (LTIP) and related Restricted Unit (“RU”), Performance Unit (“PU”) and Deferred Unit (“DU”) Plans as applicable;
  - Executive Management Pension Plan Arrangements;
  - Executive Management Health and Life Insurance Benefits; and
  - Executive Perquisites
2. In collaboration with the Chair of the Board of Trustees, approves and recommends to the Board, the annual performance review for the CEO conducted by the Chair of the Board of Trustees. The Committee establishes annual and longer term objectives for the CEO and recommends them to the Board for approval. In addition, the Committee recommends to the Board, the CEO’s planned total compensation. This includes base salary and incentive awards to ensure linkages and alignment with the short and longer term interests of Crombie and its unitholders.
3. The Committee also:
- Reviews the annual performance of Executives reporting to the CEO and others who are Named Executive Officers; and
  - Approves and recommends to the Board the planned total compensation arrangements for Executives reporting directly to the CEO and others who are Named Executive Officers. This includes base salary, and incentive awards to ensure linkages and alignment with the short and longer term interests of Crombie and its unitholders.
  - Reviews the total cost year-over-year for the Executive team.
  - Provides advice to the CEO in relation to the planned total compensation arrangements for Executives who do not report to the CEO. This would include base salary, and incentive awards to ensure linkages and alignment with the short and longer term interests of Crombie and its unitholders.
  - Monitors progress on DEI with respect to base salary, LTIP-RU, LTIP-PU and AIP across the diverse groups.

**3. Compensation philosophy and framework for Executives including annual and long term incentive plans, benefits, and pension:**

1. The Committee is responsible for approving and recommending to the Board the compensation philosophy and framework for the President & CEO, Executives reporting to the CEO, and other Executives who are to be considered Named Executive Officers. This includes:
- Reviewing annual peer comparator benchmarking surveys;
  - Approving peer comparators for compensation and performance;
  - Reviewing compensation trend analysis against total unitholder return and other factors to ensure compensation is well-aligned with results for unitholders.

The Committee may seek independent advisory services in this regard.

**4. Succession Planning, Talent Management and Development of the President & CEO and Executives reporting to the President & CEO**

1. The Committee is responsible for timely and effective continuity of Executive leadership including:
  - Reviewing, approving and recommending approval to the Board, the succession plan for the President & CEO that addresses both planned and unforeseen succession circumstances;
  - Monitoring and reviewing the Executive leadership development plans for the Executive as a whole as well as for potential successor candidates;
  - Monitoring and reviewing the succession plans for the Executive;
  - Reviewing the adequacy of succession pools established to foster timely and effective executive continuity; and
  - Monitoring and reviewing the Diversity, Equity and Inclusion actions within the succession plans.
2. Executive Appointments, Reassignments and Terminations. On the recommendation of management, the Committee:
  - Reviews and approves major changes to the overall organizational structure of the Executive team;
  - Reviews, approves and recommends approval to the Board on the appointment of new Executives reporting to the President & CEO and any other Executive who may be a Named Executive Officer due to the level of their compensation;
  - Reviews, approves and recommends to the Board reassignments of current Named Executive Officers and other Executives reporting to the President & CEO; and
  - Reviews, approves and recommends to the Board terminations of Named Executive Officers and other Executives reporting to the President & CEO

**5. Unit ownership guidelines for the CEO and Executives:**

- The Committee reviews and approves changes to unit ownership guidelines applicable to Executives and reviews unit holdings of Executives relative to the unit ownership guidelines established by the Committee.

**6. Diversity, Equity, Inclusion and Culture:**

1. The Committee provides oversight and monitors the Diversity, Equity and Inclusion Policy implementation and trends in KPIs at least once annually. KPIs include but are not limited to:
  - Demographics of the Executive, Vice President and Director groups, and change over time;
  - Number of employees of various diverse groups identified as future leaders;
  - Aspirational goals for recruitment as outlined in the Diversity, Equity, & Inclusion Policy;

- Aspirational goals for diversity in leadership development programs as outlined in the Diversity, Equity, & Inclusion Policy;
  - Aspirational goals for diversity in Crombie's succession and replacement plans; and
  - Pay equity analysis across all groups in respect of base salary and incentive awards.
2. The Committee reviews the Culture Dashboard quarterly. The Culture Dashboard includes but is not limited to data regarding:
- Recruitment and retention;
  - Succession Planning;
  - Age Demographics;
  - Gender Demographics and Demographics of Equity Seeking Groups;
  - Internal promotion of diverse groups;
  - Role level demographics; and
  - Leadership Development program demographics.
3. The Committee reviews Employee Engagement Survey data on a regular basis and holds management accountable for:
- Identifying engagement strengths and gaps compared to benchmarks;
  - Implementing tactics/actions to prioritize and, where necessary, improve engagement results; and
  - Having an executive presence and demonstrating ownership of engagement and culture across all Crombie offices.

## **7. Environmental Social and Governance ("ESG") Matters**

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

- Reviewing ESG factors, goals and metrics in executive compensation;
- Reviewing the Employee Value Proposition and Compensation & Benefit Programs;
- Monitoring the implementation of the Diversity, Equity & Inclusion policy, programs and results as well as pay equity;
- Monitoring employee engagement results, corporate culture KPIs and Occupational Health and Safety; and
- Overseeing executive talent management including recruitment, succession planning, and development and ensure appropriate levels of executive and management expertise in ESG.
- Ensuring a culture of understanding, knowledge, and application of ESG.

### **Other Responsibilities**

- Reviews, at a minimum annually, the investment performance, regulatory compliance, employee communication, and plan administration of the pension plans.
- Reviews and approves occupational health and safety policies and monitors management and organizational initiatives, activities and reports to ensure Crombie REIT has integrated the

promotion of a safe and healthy work environment into its ongoing business planning and operations.

- Reviews and approves appointment of the REIT's Officers.
- Reviews and approves compensation disclosure contained in the Management Information Circular, including the Report on Executive Compensation, the Statement of Officers' Compensation, Employment Agreements, Share Plans, Pension Plans, and Executive and Senior Officers' Indebtedness.
- Annually reviews the mandate of this Committee and recommends changes to the Governance and Nominating Committee.
- Assumes other assignments as delegated by the Chair of the Board.

Reviewed: February 22, 2023