

## **Crombie REIT**

### **INVESTMENT COMMITTEE MANDATE**

The Investment Committee is a committee of the Board of Trustees (the “Board”) of Crombie Real Estate Investment Trust (“Crombie”) and assists in discharging the Board’s responsibilities with regard to monitoring Crombie’s portfolio of real estate investments and reviewing investments, acquisitions, dispositions and developments undertaken by Crombie.

#### **COMPOSITION AND QUORUM**

The Investment Committee is comprised of at least five (5) Trustees, at least a majority of whom shall be Independent Trustees and not ECL Trustees. No more than one member of the Investment Committee may be a member of management.

The Investment Committee shall appoint a chairperson from among its members and such chairperson will be an independent elected trustee.

The Investment Committee shall be comprised of at least two members who shall have particular expertise in the area of real estate investment and management and at least two members who shall have particular expertise in the area of corporate finance.

The quorum at any meeting of the Investment Committee shall be a minimum of three of its members and approval of any acquisition, disposition or development investment proposal shall require majority approval by the Trustees present at the meeting.

#### **RESPONSIBILITIES AND AUTHORITY**

##### **Acquisition, Disposition and Development of Properties**

The Investment Committee shall be responsible for considering and, if appropriate, approving property acquisitions or dispositions proposed by Crombie management, or any property development investment proposed to be undertaken by management, with a value greater than the CEO’s approval discretion of \$12 million per third party transaction and \$12 million per related party transaction.

The Investment Committee’s authority shall be limited to the approval of individual real property transaction investments of up to \$100 million. All Related Party transactions above the CEO’s \$12 million approval discretion shall be reviewed and approved by the Investment Committee and then advanced to the Board of Trustees for approval.

In determining whether to approve a transaction, the Investment Committee and the CEO shall consider whether such transaction is consistent with Crombie’s Declaration of Trust (DOT) requirements, business strategy and aligned with Crombie’s capital plan and budget for the fiscal year.

With respect to the CEO's approval discretion of \$12 million per third party transaction and \$12 million per related party transaction:

- Management may authorize without prior approval of the Investment Committee or the Board third party transactions individually valued at up to \$12 million and related party transactions valued at up to \$12 million. Such discretion is permitted on up to \$25 million of total transactions per quarter.
- Management will report to the Committee quarterly on transactions completed pursuant to this discretion;
- Management has no authority to commit to follow up capital expenditures (e.g. a land acquisition followed by a subsequent development project) that would cause the total expenditure to exceed the \$12 million maximum per transaction without advance Investment Committee or Board approval;
- Separate transactions below the respective \$12 million CEO approval discretion that together could be reasonably viewed by the Investment Committee as linked transactions are to be aggregated and brought for Investment Committee approval if the total transaction amounts exceed the CEO's \$12 million approval threshold; and
- All transactions approved with this CEO approval discretion will be consistent with Crombie's DOT requirements, business strategy and aligned with Crombie's capital plan and budget for the fiscal year.

Crombie individual transaction investments in excess of the Investment Committee's \$100 million authority level shall receive the Committee's full consideration but will be advanced to the Board of Trustees for approval.

Any property transactions completed by Crombie with Empire Company Limited or affiliated companies are Related Party transactions. Such Related Party transactions greater than the CEO's \$12 million approval discretion must be approved by only non-ECL Trustees of the Investment Committee and then recommended to the Board of Trustees for approval. ECL trustees must abstain from voting on all Related Party transactions.

For any transaction to be considered by the Investment Committee or the Board, Management will provide a written report with their recommendation together with a financial analysis of the estimated cost and projected returns from the transaction and such supplementary information and data (including, without limitation, underlying assumptions, proposed financial arrangements and leasing, economic and market data) as is reasonably necessary to support such investment decision.

#### **POST INVESTMENT MONITORING**

The Investment Committee will review and report to the Board on material aspects of post investment financial analysis. This analysis will measure the actual financial results achieved upon stabilization / completion of each major development project against the results modeled by Management (and reviewed by the Investment Committee) during the investment approval process and reforecasted via ongoing Management updates to the Investment Company. This monitoring will inform the Committee whether previously approved major development investments are achieving project cost, financial accretion and/or NAV expectations.

## **ENVIRONMENTAL, SOCIAL & GOVERNANCE (“ESG”) MATTERS**

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

- Monitoring ESG matters in respect of all acquisitions, dispositions, and developments with particular attention to ESG risks and policy requirements, as well as project costs associated with ESG compliance
- Reviewing ESG assessments of future JV partners
- Monitoring of Crombie’s portfolio with particular attention to the ability to influence environmental and climate change risks
- Monitoring the implementation of Crombie’s brand and its implications on operations, development and JVs.
- Monitoring the impacts of Crombie’s developments on the community and opportunities for affordable housing.

**METHOD OF OPERATION**

The Investment Committee shall generally meet quarterly and with such additional frequency as may be determined by the members of the Committee.

The Investment Committee may, as it deems appropriate, engage external advisors to assist with its review and analysis of acquisition, disposition or development projects proposed by management.

The Chair of the Investment Committee shall report to the Board at each regular quarterly meeting of the Board on the activities of the Investment Committee during the preceding fiscal quarter.

The Committee contributes to the Board's oversight of ESG through reviewing and recommending to the Board elements of ESG relative to this Committee.

Nothing contained in this Mandate is intended to expand either the authorities or standards of conduct required of the Trustees of Crombie pursuant to either the Crombie Declaration of Trust or the requirements of applicable law.

Reviewed: February 22, 2023