



INVESTMENT COMMITTEE CHARTER

**ADOPTED BY THE BOARD OF TRUSTEES ON
May 17, 2015**



PARTNERS REAL ESTATE INVESTMENT TRUST

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The Investment Committee (the “**Committee**”) of the Board of Trustees (the “**Board**”) of Partners Real Estate Investment Trust (the “**Trust**”) shall, in accordance with the responsibilities and duties set out in this Charter assist the Board in discharging the Board’s oversight responsibilities relating to proposed acquisitions, dispositions, major capital investments and financing arrangements. This Charter is subject to and shall be interpreted in a manner consistent with the Trust’s Declaration of Trust and with any applicable law.

PART I COMPOSITION OF INVESTMENT COMMITTEE

1. **Composition and Term**

The Committee shall be composed of not less than three members of the Board. Each member of the Committee shall be appointed annually by the Board, and shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

2. **Independence**

A majority of the members of the Committee, including the Chair of the Committee, shall be independent within the meaning of the provisions of National Instrument 52-110 – *Audit Committees*, as may be amended from time to time (“**NI 52-110**”).

3. **Appointment of Chair**

A chair of the Committee (the “**Chair**”) will be appointed by the Board upon the recommendation of the Governance, Compensation and Nominating Committee from among the independent trustees of the Board, failing which the members of this Committee may designate a Chair, from among the independent members of the Committee, by majority vote of the full Committee membership. The Committee may from time to time delegate to its Chair certain powers or responsibilities that the Committee itself may have hereunder. The Chair will have the responsibilities described in Part 4 hereto.

PART 2
INVESTMENT COMMITTEE PROCEDURE AND AUTHORITY

4. Frequency of Meetings

The Committee shall meet as many times per year as necessary to carry out its duties and responsibilities.

5. Quorum

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. Unless otherwise set by the Board, a majority of members of the Committee, present in person, by teleconferencing, or by videoconferencing will constitute a quorum.

6. Calling of Meetings

The Chair, any member of the Committee, the chair of the Board, the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Committee by notifying the Chair of the Committee who will notify the members of the Committee. The Chair shall chair all Committee meetings that he or she attends, and in the absence of the Chair, the members of the Committee present may appoint a chair from their number for a meeting.

7. Procedure

The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be in compliance with the Declaration of Trust.

8. Attendance of Non-Members

The Committee may invite any trustee, officer or employee of the Trust, the Trust's counsel or any other person, as appropriate, to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee, but none of these other persons shall be permitted to vote. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities. The Committee will meet at the end of each meeting with only members of the Committee present.

9. Access to Management

The Committee shall have unrestricted access to the Trust's management and employees and the books and records of the Trust as necessary to carry out the duties and responsibilities of the Committee

10. Outside Advisors

The Committee may at any time retain any external legal, accounting or other advisor, at the expense of the Trust, to assist it in fulfilling its responsibilities and in that regard, may set the compensation of such advisor. The Committee shall inform the Chairman of the Board of the retention of an advisor.

11. Minutes

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. The Chair shall also report to the Board on all material matters considered by the Committee at the first Board meeting after the Committee's meeting. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

12. Committee Decisions

Decisions at the meetings of the Committee shall be determined by a vote of the majority of those present and eligible to vote. The Chair of the meeting shall not have a second or casting vote. Any decision or recommendation of the Committee shall not become effective as a decision of the Board until such decision or recommendation is either confirmed or otherwise extended or amended by the Board, unless the Board has expressly delegated a particular matter to be finalized by the Committee without requiring the subsequent confirmation by the Board as outlined in the Duties and Responsibilities of the Committee. All matters requiring the approval of the Board shall be submitted to the next called or scheduled meeting of the Board.

PART 3 MANDATE OF INVESTMENT COMMITTEE

13. Duties and Responsibilities of the Committee

Subject to the powers and duties of the Board, the Board has delegated the following powers and duties to be performed by the Committee on behalf of and for the Board:

- a. the Committee shall review information provided by management regarding potential acquisitions, dispositions, significant lease transactions (including extensions), significant capital investments and financing arrangements, convene with management as needed to discuss and assess such opportunities and:
 - i. acquisitions and dispositions of real property (including raw land) within the limits prescribed in the Trust's Board approved annual budget;
 - ii. acquisitions or disposition of marketable securities within the limits prescribed in the Trust's Board approved annual budget;
 - iii. aggregate development disbursements (including the cost of land) within the limits prescribed in the Trust's Board approved annual budget;

- iv. mortgage financing of any property or debt financing of the Trust within the limits prescribed in the Trust's Board approved annual budget; and
 - v. significant lease transactions within the limits prescribed in the Trust's Board approved annual budget.
- b. review the Trust's investment guidelines (as set out in the Trust's Declaration of Trust) on an annual basis and, when desirable, propose investment guideline revisions to the Board;
- c. monitor the application of and compliance with the investment guidelines by officers and employees of the Trust;
- d. monitor the performance of the Trust's portfolio based on such benchmarks as the Committee may from time to time select in compliance with the Trust's investment guidelines;
- e. when appropriate, after review of management's proposal, the Committee will present a timely recommendation to the Board for approval of the proposed acquisition, disposition, significant lease extension, significant capital investment or real estate financing arrangement, provided always that such transaction falls within the Trust's investment guidelines as set out in the Trust's Declaration of Trust.
- f. At least annually, the Committee shall, in a manner it determines to be appropriate:
 - i. perform a review and evaluation of the performance of the Committee and its members, including compliance of the Committee with the charter.
 - ii. review and assess the adequacy of this charter and, if appropriate, recommend changes to this charter to the Board for approval, except any minor technical amendments to this charter, authority for which is delegated to the secretary of the Board, who will report any such amendments to the Committee and the Board at their next regular meetings.

PART 4
RESPONSIBILITIES OF COMMITTEE CHAIR

14. Responsibilities of the Chair

The role and responsibilities of the Chair are set out below:

- a. attend and preside over Committee meetings;

- b. provide direction with respect to the dates, locations and frequencies of Committee meetings;
- c. coordinate with the chair of the Board to enhance the overall functioning of the Board;
- d. liaise with the Trust's officers, as appropriate, for information relevant to the Committee's duties and responsibilities and to communicate decisions and conclusions of the Committee;
- e. set the agenda for Committee meetings with, where required, input from the chair of the Board, other members of the Committee, the Trust's officers or other persons whose input is necessary to discharge to duties and responsibilities of the committee;
- f. distribute an agenda and meeting materials in advance of each meeting to allow members sufficient time to review and consider the matters to be discussed.
- g. set the tone for meetings, focus discussion on agenda topics and provide effective leadership to the Committee in the execution of its obligations and responsibilities with a goal of building consensus among Committee members;
- h. lead the Committee in determining areas for focus from time to time and satisfy himself or herself that the Committee is provided with appropriate information and access to resources (in particular timely and relevant information) in order to effectively complete a review of any such topic;
- i. report to the Board on material matters considered by the Committee (a member of the Committee may be designated as the liaison member to report on the deliberations of the Committee to the Board as a result of the inability of the Chair to perform such task);
- j. lead the Committee in annually reviewing and assessing the adequacy of its charter, and evaluating its contribution and effectiveness in fulfilling its charter; as well as leading it in a constructive discussion of any resulting action plans;
- k. work with the chair of the Board, the chair of the Governance, Compensation and Nominating Committee, and any persons assigned by the Board to assist the Committee to lead the Committee in keeping up-to-date on governance and other matters relevant to it, and in determining education sessions to be held from time to time;
- l. meet with any new trustee appointed to serve on the Committee as part of his or her overall orientation session;
- m. work with the chair of the Board to provide input on succession planning in respect of the Committee Chair position and membership of the Committee generally;
- n. co-ordinate with the other committee chairs to discuss issues in common including ongoing efforts to further enhance board and committee processes.

- o. designate a secretary of the Committee (the “**Secretary**”) who will maintain the minutes of all Committee meetings and deliberations. In the event the Secretary is unable to attend a meeting, the Chair may designate a person (who need not be a committee member) to act as secretary of the meeting; and
- p. monitor Committee activities to ensure the work is undertaken is consistent with this charter and does not interfere with management’s responsibilities.