



## CHARTER OF THE COMPENSATION, GOVERNANCE AND NOMINATING COMMITTEE (the “Charter”)

### 1. Introduction

The Governance, Compensation and Nominating Committee (the “Committee”) of Slate Office REIT (the “REIT”) is a committee of the Board of Trustees (the “Board”) of the REIT. The Committee shall review, oversee and evaluate the governance and nominating policies and the compensation policies of the REIT.

For purposes of understanding the duties and responsibilities of Committee as they relate to the compensation of the REIT’s senior management, reference is made to an amended and restated management agreement, dated August 12, 2014 (and effective November 4, 2014) between the REIT and Slate Asset Management LP. (“Slate”), as amended, supplemented or amended and restated from time to time (the “Management Agreement”). Pursuant to the Management Agreement, Slate has agreed to provide strategic, asset management, administrative, property management, leasing, construction management and administrative services necessary to manage the day-to-day operations of the REIT and its assets. As part of the management services provided by Slate, the REIT’s senior management team will consist of individuals employed by Slate. For the term of the Management Agreement, the REIT will not have any employment agreements with members of senior management and will not pay any cash compensation to any individuals serving as the REIT’s officers, directly or indirectly. Rather, those individuals will be compensated by Slate.

### 2. Membership

The Committee shall be composed of a minimum of three members of the Board, all of whom will be “independent” (each an “Independent Trustee”) within the meaning of National Instrument 58-101 – Disclosure of Corporate Governance Practices, as replaced or amended from time to time. The majority of members of the Committee shall be resident Canadians and shall be appointed annually by the Board. Each member of the Committee shall serve until the member resigns, is removed, or ceases to be a member of the Board. The members of the Committee shall designate a Chair (who shall be a resident Canadian) by majority vote of the full Committee.

### 3. Meetings

The Committee shall meet at least semi-annually or as many times per year as necessary to carry out its duties and responsibilities. No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum, provided that a majority of the members of the Committee comprising the quorum shall be resident Canadians.

The Chair shall establish the agenda for each meeting of the Committee with input from management. Any member of the Committee may propose the inclusion of items on the agenda, or at any meeting raise subjects that are not on the agenda for the meeting.

The Chair shall distribute, or shall cause the REIT’s Secretary to 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.

The Committee may invite to a meeting any officer or employee of the REIT or Slate, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

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 included in the agenda of the Board's next meeting. 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.

The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board.

#### **4. Access to Management**

The Committee shall have unrestricted access to the REIT's management and employees and the books and records of the REIT.

#### **5. Duties and Responsibilities**

The Committee shall have the duties and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and the REIT's Amended and Restated Declaration of Trust dated as of December 17, 2014, as amended, supplemented or amended and restated from time to time (the "Declaration of Trust"). In addition to these functions and responsibilities, the Committee shall perform the duties required of it by any exchange upon which securities of the REIT are traded, or any governmental or regulatory body exercising authority over the REIT, as are in effect from time to time.

##### **A. Governance Matters**

To fulfil its duties and responsibilities, the Committee shall:

###### **Policies, Mandates and Charters**

- (a) review on an ongoing basis, and report to the Board at least annually on, the REIT's approach to governance, and recommend the establishment from time to time of appropriate new governance policies and standards for the REIT and the Board;
- (b) at least annually, review and assess the mandate adopted by the Board and recommend any amendments to the Board;
- (c) at least annually, review the charter of each committee of the Board, in consultation with such committee of the Board, and recommend any amendments to the Board;
- (d) annually review all key REIT governance policies and procedures and recommend any amendments to the Board;
- (e) review and monitor compliance with key REIT governance policies and procedures; Code of Business Conduct and Ethics
- (f) at least annually, report to the Board on compliance with, or material deficiencies from the REIT's Code of Business Conduct and Ethics (the "Code") and recommend any amendments of the Code to the Board;
- (g) report to the Board, when determined necessary by the Committee, on investigations and any resolutions of complaints received under the Code;

###### **Position Descriptions**

- (h) annually review the position descriptions of the Chair of the Board, the Lead Trustee, the chairs of each committee of the Board and the Chief Executive Officer of the REIT and recommend any amendments to the Board;

## Ongoing Matters

- (i) review and monitor compliance with regulatory rules, procedures or guidelines instituted by regulatory authorities having jurisdiction over the REIT, relating to corporate governance;
- (j) monitor relationships between senior management and the Board, and recommend procedures to allow trustees to have more effective access to, and a greater dynamic relationship with, senior management ;
- (k) be available as a forum for addressing the concerns of individual trustees;
- (l) work with senior management of the REIT to foster a healthy governance structure with the REIT;

## Disclosure Document Review

- (m) review and approve public disclosure related to governance contained in the annual management proxy circular or other disclosure documents and publications;

## Additional Governance Duties

- (n) ensure that any issues relating to governance which are identified by the trustees are raised with senior management; and
- (o) undertake such other initiatives as are necessary or desirable to provide effective governance for the REIT.

## B. Compensation Matters

To fulfil its duties and responsibilities, the Committee shall:

- (a) at least annually, report to the Board on the REIT's approach to human resource management and executive compensation;
- (b) periodically review the REIT's organizational structure, consider policies and principles for the selection and retention and succession planning for the Chief Executive Officer and Chief Financial Officer and other senior management as may be identified by the Committee from time to time;
- (c) annually review the Management Agreement, to ensure compliance with best practices, policies and terms as set out in the Management Agreement;
- (d) consider the establishment of an appropriate comparator group for purposes, if applicable, of setting future compensation of senior management and considering grants under incentive compensation plans;

## Evaluation, Compensation and Succession of the Chief Executive Officer

- (e) on an annual basis, review and approve the goals and objectives that are relevant to the Chief Executive Officer's compensation;
- (f) evaluate the Chief Executive Officer's performance in meeting his or her annual goals and objectives;
- (g) determine, or if such determination is not feasible due to existing contractual arrangements involving the REIT, provide its opinion on, the Chief Executive Officer's compensation based on the evaluation referred to above and such other factors as the Committee considers relevant;
- (h) assist the Board in evaluating and nominating potential successors to the Chief Executive Officer;
- (i) recommend to the Board remedial action where necessary; Compensation of Senior Management

- (j) make recommendations to the Board with respect to the adoption and amendment of incentive compensation plans, including equity-based plans for the REIT, and its subsidiaries subject to unitholder approval, as appropriate;
- (k) administer and approve all other awards or grants under any incentive compensation plans adopted by the REIT;
- (l) make recommendations to the Board with respect to all annual incentive bonus plans and long-term incentive bonus plans paid by the REIT for senior management;
- (m) review the employee benefit plans and discuss with senior management any questions or concerns the Committee may have regarding such plans; and

#### **Equity Ownership**

- (n) review annually and make recommendations to the Board as to the minimum equity ownership positions by senior management.

### **C. Trustees Matters**

To fulfil its duties and responsibilities, the Committee shall:

#### **Board Size, Composition and Structure**

- (a) examine the size of the Board and recommend to the Board a size that facilitates effective decision making. In addition, taking into consideration the recommended size of the Board, and subject to the requirements of the Declaration of Trust, the Committee will recommend the number of Board positions to be filled by Independent Trustees;
- (b) review the overall composition of the Board, taking into consideration such factors as business experience and specific areas of expertise of each trustee, and make recommendations to the Board as it determines appropriate;
- (c) evaluate whether the necessary and appropriate committees exist to support the work of the Board and will make recommendations to the Board for the reorganization of responsibilities among committees, the creation of additional committees or subcommittees, or the elimination of committees as it determines appropriate;

#### **Qualifications**

- (d) make recommendations to the Board with respect to the preferred experience and qualifications for new trustees which will reflect, among other things: (A) competencies, skills and personal qualities that the Board considers to be necessary for the Board, as a whole, to possess; (B) competencies and skills that the Board considers each existing trustee to possess; (C) competencies, skills and personal qualities that each nominee would bring to the Board; and (D) responsibilities that would not materially interfere with or be incompatible with Board membership;

#### **Candidates for Board of Trustees**

- (e) oversee the process of identifying, and recommend to the Board, a list of candidates for nomination for election to the Board at the REIT's annual meeting of unitholders;
- (f) as the need arises, oversee, identify and recommend to the Board new candidates for Board membership, and in making such recommendations the Committee will provide an assessment of whether each candidate is or would be an Independent Trustee, and whether such candidate would meet the eligibility requirements imposed by the Declaration of Trust for membership on one or more of the committees of the Board;

### **Appointment to Committee**

- (g) recommend to the Board those trustees it considers qualified for appointment to each committee of the Board, including making recommendations as to which trustee should serve as the chair of each committee of the Board. Where a vacancy occurs at any time in the membership of any committee of the Board, the Committee will recommend to the Board, and such committee of the Board, a trustee to fill such vacancy;

### **Succession**

- (h) develop a Board succession plan that is responsive to the REIT's needs and the interest of its unitholders;

### **Performance Assessment**

- (i) at least annually, assess the effectiveness of the Board and each of its committees including (i) an assessment of the skills and experience of the Board as a whole and its committees in relation to the needs of the REIT and (ii) a review of the size of the Board and its committees in relation to the needs of the REIT, and deliver such assessment to the Chair of the Board;
- (j) at least annually, consider the establishment of assessments of the effectiveness of each individual trustee, and if so established, deliver any such assessments to the Chair of the Board other than (i) the assessment of the Chair of the Board, which shall be delivered to the Chair of the Committee and (ii) if the Chair of the Board is not an Independent Trustee, the assessment of the non-Independent Trustee of the REIT, which shall be delivered to the trustee appointed as the Lead Trustee;
- (k) ensure annual completion and dissemination of the results of Board effectiveness questionnaires for trustees and individual peer evaluations,
- (l) at least annually, report to the Board regarding its evaluation of trustee independence standards established by the Board and the Board's ability to act independently from management in fulfilling its duties;

### **Orientation and Continuing Education**

- (m) oversee the implementation of an orientation program for new members of the Board;
- (n) coordinate the implementation of continuing trustee development programs to enable the continuing trustees to maintain or enhance their skills and abilities as trustees, as well as ensuring their knowledge and understanding of the REIT and its business remains current;

### **Compensation**

- (o) review, at least annually, the adequacy and form of trustee compensation and recommend to the Board a compensation model that appropriately compensates trustees for the responsibilities and risks involved in being a trustee or a member of one or more committees of the Board, as applicable. In discharging this duty, the Committee will bear in mind that compensation should fairly pay trustees for work required in respect of an issuer of the REIT's size and scope; and
- (p) review annually and make recommendations to the Board as to the minimum equity ownership positions by trustees.

## **6. Assessment**

At least annually, the Committee will assess the effectiveness of the Committee in fulfilling its duties and responsibilities as set out in this Charter and in a manner consistent with the Board of Trustees Mandate adopted by the Board.

## **7. Review of Charter**

At least annually, the Committee shall review this Charter. Amendments to this Charter shall be brought to the Board for consideration and approval.

## **8. Access to Outside Advisors**

The Committee shall have the authority to retain and terminate external legal counsel, consultants or other advisors that it determines necessary to permit it to fulfill its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the REIT. The Committee shall inform the Chair of the Board of the retention of an advisor. The REIT shall provide appropriate funding, as determined by the Committee, for the services of any such advisor.

With respect to any compensation consultant or advisor (other than a legal, accounting and tax advisor) retained by the Committee or the Board for determining compensation for any of the REIT's trustees or executive officers, the Committee must pre-approve any retainer for such compensation consultant or advisor, or any affiliate thereof, to provide to the REIT any other services at the request of management.

## **9. Conflicts of Interest**

If a trustee (i) is a party to a material contract or transaction or proposed material contract or transaction with the REIT (or an affiliate thereof), including a material contract or transaction involving the making or disposition of any investment in real property or a joint venture agreement; or (ii) is a director or officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the REIT (or an affiliate thereof) (a "Conflict of Interest"), such Conflict of Interest will be subject to, and handled in accordance with, the provisions governing such matters as set out in the Declaration of Trust.

## **10. No Rights Created**

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Committee functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Declaration of Trust, it is not intended to establish any legally binding obligations.

In the event that any provision of this Charter conflicts with or contravenes any provision of the Declaration of Trust, such provision of the Declaration of Trust will govern and nothing herein shall be construed as giving the trustees of the REIT who are members of the Committee any powers or authority in addition to, or greater than, the power and authority established, or permitted, by the Declaration of Trust.