

## **DUNDEE REAL ESTATE INVESTMENT TRUST**

### **MANDATE FOR THE BOARD OF TRUSTEES**

Pursuant to the amended and restated Declaration of Trust of the Trust dated June 14, 2005, the Trust may have a board of trustees (the “**Board**”) consisting of between five and 12 trustees at any give time, although a majority of the trustees must be resident Canadians. Dundee Corporation is entitled to appoint up to one less than a majority of the trustees, provided that Dundee Corporation maintains a beneficial ownership interest in the Trust above a certain level. The remaining trustees are elected by the holders of REIT Units, Series A of the Trust, REIT Units, Series B of the Trust and Special Trust Units (collectively, the “**Unitholders**”). Although trustees may be appointed by Dundee Corporation or elected by the Unitholders to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Trust must be paramount at all times.

#### **DUTIES OF TRUSTEES**

The Board is responsible for the stewardship of the activities and affairs of the Trust. The Board seeks to discharge such responsibility by reviewing, discussing and approving the Trust’s strategic planning and organizational structure and supervising management to oversee that the strategic planning and organizational structure enhance and preserve the business of the Trust and the underlying value of the Trust.

The Board discharges its responsibility for overseeing the management of the Trust’s activities and affairs by delegating to the Trust’s senior officers the responsibility for day-to-day activities of the Trust. The Board discharges its responsibilities both directly and through its committees, the Audit Committee, the Governance and Environmental Committee, the Investment Committee and the Compensation Committee. In addition to these regular committees, the Board may appoint ad hoc committees periodically to address certain issues of a more short-term nature. The Board’s primary roles are overseeing performance and providing quality, depth and continuity of management to meet the Trust’s strategic objectives. Other principal duties include, but are not limited to the following categories:

#### **Appointment of Management**

1. The Board is responsible for approving the appointment of the Chief Executive Officer and all other senior management, and approving their compensation, following a review of the recommendations of the Compensation Committee.
2. The Board from time to time delegates to senior management the authority to enter into certain types of transactions, including financial transactions, subject to specified limits. Investments and other expenditures above the specified limits, and material transactions outside the ordinary course of business are reviewed by and are subject to the prior approval of the Board.
3. The Board oversees that succession planning programs are in place, including programs to train and develop management.

#### **Board Organization**

4. The Board will respond to recommendations received from the Governance and Environmental Committee and the Compensation Committee, but retains responsibility for managing its own affairs by giving its approval for its composition and size, the selection of the Chair of the Board, candidates nominated for election to the Board, committee and committee chair appointments, committee charters and director compensation.
5. The Board may delegate to Board committees matters it is responsible for, including the approval of compensation of the Board and management, the conduct of performance evaluations and oversight of internal controls systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

#### **Strategic Planning**

6. The Board has oversight responsibility to participate directly, and through its committees, in reviewing, questioning and approving the mission of the Trust and its objectives and goals.
7. The Board is responsible for reviewing the business, financial and strategic plans by which it is proposed that the Trust may reach those goals.
8. The Board is responsible for providing input to management on emerging trends and issues and on strategic plans, objectives and goals that management develops.

9. The Board will consider alternate strategies in response to possible change of control transactions or take-over bids with a view to maximizing value for Unitholders.

### **Monitoring of Financial Performance and Other Financial Reporting Matters**

10. The Board is responsible for enhancing congruence between Unitholder expectations, Trust plans and management performance.
11. The Board is responsible for:
- a. adopting processes for monitoring the Trust's progress toward its strategic and other goals, and to revise and alter its direction to management in light of changing circumstances affecting the Trust; and
  - b. taking action when Trust performance falls short of its goals or other special circumstances warrant.
12. The Board is responsible for approving the audited financial statements, interim financial statements and the notes and Management's Discussion and Analysis accompanying such financial statements.
13. The Board is responsible for reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Trust's Declaration of Trust and other governing documents, including the payment of distributions, purchase and redemptions of securities, acquisitions and dispositions.

### **Risk Management**

14. The Board is responsible for the identification of the principal risks of the Trust's business and ensuring the implementation of appropriate systems to effectively monitor and manage such risks with a view to the long-term viability of the Trust and achieving a proper balance between the risks incurred and the potential return to the Trust's Unitholders.

### **Policies and Procedures**

15. The Board is responsible for:
- a. approving and monitoring compliance with all significant policies and procedures by which the Trust is operated; and
  - b. approving policies and procedures designed to ensure that the Trust operates at all times within applicable laws and regulations and in accordance with ethical and moral standards.
16. The Board shall enforce its policy respecting confidential treatment of the Trust's proprietary information and the confidentiality of Board deliberations.

### **Communications and Reporting**

17. The Board has approved and will revise from time to time as circumstances warrant a disclosure policy to address communications with Unitholders, employees, financial analysts, governments and regulatory authorities, the media and the Canadian and international communities.
18. The Board is responsible for:
- a. overseeing the accurate reporting of the financial performance of the Trust to Unitholders, other securityholders and regulators on a timely and regular basis;
  - b. overseeing that the financial results are reported fairly and in accordance with generally accepted accounting standards and related legal disclosure requirements;
  - c. taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on the Trust;
  - d. reporting annually to Unitholders on its stewardship for the preceding year; and
  - e. overseeing the Trust's implementation of systems which accommodate feedback from Unitholders.