

# Board of Trustees' Mandate

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## Purpose

The Board of Trustees of Killam Apartment REIT is responsible for, in accordance with Killam's Declaration of Trust, the stewardship of Killam and for overseeing the conduct of the business of Killam and the activities of Killam's Management, who are responsible for the day-to-day conduct of the business.

## Composition & Operation

The Board operates by reserving certain powers to itself and delegating certain authority to Management. The Board retains responsibility for managing its own affairs, including selecting its Chair and Independent Lead Director, if applicable, nominating candidates for election to the Board, constituting committees of the Board, and determining Trustee compensation. Subject to Killam's Declaration of Trust, the Board may constitute, seek the advice of, and delegate powers, duties and responsibilities to committees of the Board.

## Responsibilities

The Board's primary responsibilities are to enhance and preserve long-term unitholder value and to ensure that Killam meets its obligations on an on-going basis and operates in a reliable and prudent manner. In performing its duties, the Board should also consider the legitimate interests of other stakeholders, including among others, employees, creditors, customers and communities. In broad terms, the stewardship of Killam involves the Board in strategic planning, risk management and mitigation, Senior Management determination, communication planning, and internal control integrity. More specifically, the Board is responsible for:

- a) to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer and other executive officers, and that the CEO and other executive officers create a culture of integrity throughout Killam;
- b) establishing position descriptions for the Chair, the chair of each standing committee of the Board and the CEO, on recommendation by the Governance and ESG committee;
- c) ensuring that there are long-term goals and a strategic planning process in place for Killam and adopting a strategic planning process and approving, on an annual basis, a strategic plan for Killam which considers, among other things, the opportunities and risks of the business;
- d) identifying and understanding the principal risks of Killam's business and ensuring the implementation of appropriate systems to manage these risks, including achieving a proper balance between risks incurred and the potential return to Killam's unitholders, and confirming that there are systems in place that effectively monitor and manage those risks with a view to the long-term viability of Killam;
- e) succession planning (including appointing, training and monitoring Senior Management);

## Board of Trustees' Mandate

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- f) adopting a communication policy for Killam that includes measures for receiving feedback from stakeholders;
- g) Killam's internal control and management information systems;
- h) developing Killam's approach to governance, including developing a set of governance principles and guidelines that are specifically applicable to Killam;
- i) on an individual basis, attending all Board meetings, reviewing meeting materials in advance of meetings, and complying with the other expectations and responsibilities of Trustees of Killam established by the Board; and
- j) overseeing and monitoring policies and practices relating to Killam's Environmental, Social and Governance program, including management of climate-related risks and opportunities, and alignment of the ESG strategy with its overall business strategy.

### Specific Duties

The Board's specific duties, obligations and responsibilities fall into the following categories.

#### Section 1      Legal Requirements

- a) the Board has oversight responsibility for Killam's satisfaction of its legal obligations and for properly preparing, approving and maintaining Killam's documents and records;
- b) the Board has the obligation pursuant to Killam's Declaration of Trust to:
  - i. manage the affairs of Killam;
  - ii. act honestly and in good faith with in the best interests of Killam and its unitholders;
  - iii. exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
  - iv. act in accordance with its obligations as contained in Killam's Declaration of Trust.
- c) the Board will not delegate to Management or to a committee of the Board the authority to:
  - i. submit to the unitholders any question or matter requiring the approval of the unitholders;
  - ii. fill a vacancy among the Trustees or in the office of auditor;
  - iii. issue securities except in the manner and on the terms authorized by the Board;
  - iv. declare distributions;
  - v. purchase, redeem or otherwise acquire trust units issued by Killam, except in the manner and on the terms authorized by the Board;
  - vi. pay a commission to any person in consideration of the person's purchasing or agreeing to purchase trust units of Killam from Killam or from any other person, or procuring or agreeing to procure purchasers for trust units of Killam;

## Board of Trustees' Mandate

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- vii. approve any Management Proxy Circular relating to a solicitation of proxies by or on behalf of Management;
- viii. approve any take-over bid circular or Trustees' circular; or
- ix. approve any annual financial statements of Killam.

### Section 2 Independence

The Board is responsible for implementing appropriate structures and procedures to permit it to function independently of Management.

### Section 3 Appointment, Training and Monitoring of Senior Management

The Board is responsible for, on recommendation of the Compensation and Human Resources Committee of the Board:

- a) appointing the CEO, monitoring and assessing the CEO's performance, determining the CEO's compensation, and providing advice and counsel to the CEO in the execution of the CEO's duties;
- b) approving the appointment and remuneration of all officers of Killam; and
- c) confirming that adequate provision has been made for the training and development of Management and for the orderly succession of Management.

### Section 4 Reporting and Communication

The Board is responsible for:

- a) verifying that Killam has in place policies and programs to enable Killam to communicate effectively with its unitholders, other stakeholders and the public generally;
- b) verifying that the financial performance of Killam is adequately reported to unitholders, other security holders and regulators on a timely and regular basis;
- c) verifying that Killam's financial results are reported fairly and in accordance with International Financial Reporting Standards;
- d) verifying the timely reporting of any other developments that have a significant and material effect on the value of Killam; and
- e) reporting annually to Killam's unitholders on the Board's stewardship of the affairs of Killam for the preceding year.

### Section 5 Monitoring and Acting

The Board is responsible for:

- a) verifying that Killam operates at all times within applicable laws and regulations to the highest ethical and moral standards;

## Board of Trustees' Mandate

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- b) approving and monitoring compliance with the significant policies and procedures by which Killam is operated;
- c) verifying that Killam sets high environmental standards in its operations and is in compliance with environmental laws and regulations;
- d) verifying that Killam has in place appropriate programs and policies for the health and safety of its employees in the workplace;
- e) monitoring Killam's progress toward its goals and objectives and revising and altering its direction through Management in response to changing circumstances;
- f) taking action when Killam's performance falls short of its goals and objectives or when other special circumstances warrant;
- g) verifying that Killam has implemented adequate disclosure controls and procedures and internal control and information systems;
- h) ensuring that the Board receives from Senior Management on a timely basis the information and input required to enable the Board to effectively perform its duties;
- i) adopting a written code of business conduct and monitoring compliance with the code; and
- j) conducting and acting upon annual assessments and evaluations of the Board, committees of the Board and individual Trustees.

### Section 6 Other

The Board may perform any other activities consistent with this mandate, Killam's Declaration of Trust, and any other governing laws as the Board deems necessary or appropriate.