

KILLAM APARTMENT REIT
BOARD OF TRUSTEES MANDATE

The board of trustees (the "Board") of Killam Apartment REIT ("Killam", or the "REIT") is responsible for the stewardship of Killam and for overseeing the conduct of the business of Killam and the activities of management, who are responsible for the day-to-day conduct of the business.

COMPOSITION AND OPERATION

The Board operates by reserving certain powers to itself and delegating certain of its authorities to management. The Board retains responsibility for managing its own affairs, including selecting its chair, nominating candidates for election to the Board, constituting committees of the Board, and determining director compensation. Subject to the declaration of trust of the REIT and any regulations adopted by the trustees pursuant thereto, 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 safe manner. In performing its duties, the Board should also consider the legitimate interests other stakeholders, such as employees, customers and communities, may have in Killam. 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 ("CEO") and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization;
- (b) adopting a strategic planning process and approving, on an annual basis, a strategic plan for Killam which takes into account, among other things, the opportunities and risks of the business;
- (c) identifying the principal risks of Killam's business and ensuring the implementation of appropriate systems to manage these risks;
- (d) succession planning (including appointing, training and monitoring senior management);
- (e) adopting a communication policy for Killam that includes measures for receiving feedback from stakeholders;
- (f) Killam's internal control and management information systems;
- (g) developing Killam's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to Killam; and
- (h) 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.

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 statutory obligation to:
 - (i) manage the business and affairs of Killam,
 - (ii) act honestly and in good faith with a view to the best interests of Killam,
 - (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 contained in the Canada Business Corporations Act and the regulations thereunder, Killam's articles and by-laws, and other relevant legislation and regulations.
- (c) The Board has the statutory obligation to consider certain matters as a board of trustees. The Board may 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 units 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 units of Killam from Killam or from any other person, or procuring or agreeing to procure purchasers for units of Killam,
 - (vii) approve any management proxy circular relating to a solicitation of proxies by or on behalf of the management of Killam,
 - (viii) approve any take-over bid circular or directors' circular,
 - (ix) approve any annual financial statements of Killam, or
 - (x) adopt, amend or repeal by-laws.

Section 2. Independence

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

Section 3. Strategic Planning

The Board is responsible for ensuring that there are long-term goals and a strategic planning process in place for Killam and participating with management directly or through its committees in approving the strategic plan by which Killam proposes to achieve its goals.

Section 4. Risk Management

The Board is responsible for understanding the principal risks of the business in which Killam is engaged, achieving a proper balance between risks incurred and the potential return to 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.

Section 5. Appointment, Training and Monitoring of Senior Management

The Board is responsible for:

- (a) appointing the CEO of Killam, 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 6. 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 generally accepted accounting principles,
- (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 unitholders on the Board's stewardship of the affairs of Killam for the preceding year.

Section 7. 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,
- (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 legislation,
- (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 8. Other

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