



PLAZACORP RETAIL
PROPERTIES LTD.

BOARD MANDATE

**REVIEWED AND UPDATED BY THE BOARD OF DIRECTORS ON
NOVEMBER 7, 2011**

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1. General

The Board has developed this Mandate to help fulfill its responsibility to shareholders to oversee the management of the business and affairs of Plazacorp Retail Properties Ltd. (the “Corporation”). The Mandate is also intended to align the interest of directors and management with the those of the Corporation’s shareholders.

The Corporate Governance Committee will review and assess this Mandate at least annually and suggest to the Board for approval such changes as the Committee deems appropriate.

2. Board of Directors

(i) Independence

The Corporation has determined that a majority of its directors should be independent from management as defined in Section 1.4 of National Instrument (NI) 52-110. The Board shall review and approve reports received from the Corporate Governance Committee regarding the “independent” status of each director and evaluation that the majority of the Board’s directors are “independent”.

(ii) Other Directorships

The Corporation has determined that its directors can sit as directors for other public issuers, where there is no inherent conflict of interest and where such other directorship does not unreasonably impact the availability and time such director can commit to the Corporation.

(iii) Duties and Expectations

The Corporation has determined that each director shall make every effort to ensure their regular attendance at all Board and committee meetings (where applicable) and that all directors arrive well-informed and have had a reasonable opportunity for advance review of any materials to be discussed at such meetings.

(iv) Number of Meetings

The Corporation has determined that the Board of Directors should meet a minimum of four (4) times in a calendar year, preferably by in-person meetings.

3. Stewardship of the Corporation

The Board acknowledges responsibility for the stewardship of the Corporation and has taken the following steps in furtherance of this goal:

(i) Culture of Integrity and Code of Conduct & Ethics

The Corporation believes in promoting a culture of integrity and ethical business conduct among its directors, executive officers and employees of the Corporation.

- (1) The Board has developed a Code of Business Conduct and Ethics (the “Code”) for the Corporation. The Board, through the direction of the Corporate Governance Committee, shall review on an annual basis, and approve any changes to the Code.
- (2) The Board will discuss any issues or situations arising under the Code, and will act diligently to resolve these situations, including the appointment of an *ad hoc* Board Committee to deal with any issues.
- (3) The Corporation has enacted “whistleblower” protections in the work place, including an exclusive confidential email access to the Board’s independent directors serving on the Audit Committee, by employees who have any concerns with the actions or activities of the Corporation’s management or employees.
- (4) The Corporation works diligently to nominate directors who have a proven track record of ethical business conduct and a reputation of excellent business relations.

(ii) Strategic Planning Process

The Board shall review and approve, on at least an annual basis, the Corporation’s strategic plan which takes into account, among other things, the opportunities and risks of the business.

(iii) Principal Business Risks

The Board, in consultation with the Chief Executive Officer, shall identify, on at least an annual basis, the principal risks of the Corporation’s business and ensure the implementation of appropriate systems to manage these risks.

(iv) Succession Planning

The Board shall, through direction of the Corporate Governance Committee, review and examine succession planning for the Corporation’s Chief Executive Officer at regular intervals (no less than every two years).

(v) Disclosure Policy

The Board shall annually review and, upon recommendation of the Corporate Governance Committee and if deemed appropriate, make any necessary amendments to the Corporation’s Disclosure Policy.

(vi) *Internal Control over Financial Reporting and Management Information Systems*

The Board, through direction of the Audit Committee, shall ensure that adequate internal controls and financial information systems have been adopted by the Corporation.

(vii) *Approach to Corporate Governance*

The Board is committed to good corporate governance and as such has established a Corporate Governance Committee (see section 7(2)) to advise the Board of Directors on Corporate Governance issues. The Corporate Governance Committee is responsible for developing and maintaining the Corporation's underlying governance principles and guidelines as outlined in this Mandate and in the Corporation's Committee Charters. The Board will upon recommendation received from the Corporate Governance Committee approve any necessary changes to the Corporate Governance Committee Charter.

(viii) *Feedback by Stakeholders*

The Board has enacted a "whistleblower" program, through the Audit Committee, which allows security holders of the Corporation to provide feedback.

4. *Nomination of Directors*

The Corporate Governance Committee shall act as the nominating committee for the Corporation, and will receive recommendations for nominations from the Corporation's Executive Officers and other Directors on the Board to fill any vacancy that is anticipated or has arisen on the Board using the following procedures:

- (1) The Corporate Governance Committee will review the proposed names and weigh their skill sets, expertise and background and the current and future needs of the Corporation.
- (2) The Corporate Governance Committee shall recommend to the Board the nominees for election or re-election to the Board or for appointment.

5. *Position Descriptions*

The Board will, through the direction of the Corporate Governance Committee, develop position descriptions for the Chairman of the Board and the Chair of each Committee.

6. *Orientation and Continuing Education*

The Corporation believes that it is critical that its directors have an understanding of its business and to have a reasonable familiarity with its day-to-day operations and key personnel. The

Corporation also believes that its new directors should experience a proper and effective orientation program.

- (1) Upon appointment to the Board, new directors will meet with the Corporation's Chairman, CEO, Vice President & General Counsel and Chief Financial Officer to discuss the various aspects of the Corporation's business. In addition, the new directors will be given a tour of selected assets by at least one of the Corporation's Executive Officers. The director will also meet with the Corporation's auditors if the new director is joining the Audit Committee.
- (2) Because the Corporation is a real estate development company, the Board will be provided, on a quarterly basis, with a list of descriptions of all purchases and financings related to the business and occurring within the previous quarter. The CEO will also informally keep the Board members advised of any significant business deals being transacted between Board meetings.
- (3) The Board shall be regularly educated in new developments in corporate governance matters by the Corporate Governance Committee, the Corporation's auditors, Corporate Counsel or any other officers or employees of the Corporation.

7. Board Committees

The Corporation believes that the business of the Board of Directors is best served by having three (3) committees: the Audit Committee, the Corporate Governance Committee and the Mortgage Bond Authorization Committee.

- (1) The Corporation has established an Audit Committee for purposes of fulfilling its oversight responsibility to shareholders, potential shareholders, the investment community and others relating to: i) the integrity of the Corporation's financial statements, ii) the financial reporting process, iii) the systems of internal control and financial reporting, iv) the appointment and communication with the independent auditors, and v) the Corporation's compliance with legal and regulatory requirements with respect to financial reporting matters. For further information on the Audit Committee's mandate, please refer to the Audit Committee Charter.
- (2) The Corporation has established a Corporate Governance Committee in order to establish the guidelines within which management carries out the responsibility of maximizing the Corporation's performance and shareholder value. The purpose of the Committee is to develop, define, evaluate and implement the process and structure used to supervise the business and affairs of the Corporation. This provides the accountability of the Board of Directors and management to the Corporation's shareholders and other stakeholders. For further information on the Corporate Governance Committee's mandate, please refer to the Corporate Governance Committee Charter.

- (3) The Corporation has established a Mortgage Bond Authorization Committee pursuant to the Corporation's Trust Indenture with Grant Thornton Limited dated April 10, 2007 (the "Indenture"), comprised of three directors who are current or former members of the Corporation's management team. The Mortgage Bond Authorization Committee periodically authorizes the draw-down of funds from the segregated account for the Corporation's mortgage bonds under the Indenture and provides resolutions as required to the trustee.

8. Delegation of Authority for Investing and Financing

The Corporation believes in delegating investing and financing authority to certain executive officers under the following parameters:

- (1) The Board has delegated the authority to the Chairman of the Board and the Chief Executive Officer to purchase or sell properties and enter into financing arrangements for the Corporation's existing and new properties (collectively, the "Transactions"), and to pass related resolutions thereto, provided the Transactions meet the following criteria:
 - a) Any acquisitions and developments, on completion, must earn a minimum cash yield (unlevered yield) equal to 100 basis points above the mortgage constant for a 10 year mortgage at prevailing rates over a 25 year amortization period;
 - b) The value of any purchase or sale must not exceed five percent (5%) of the Corporation's asset base based on its preceding published financial statements; and
 - c) The value of any financing must not exceed five percent (5%) of the Corporation's asset base based on its preceding published financial statements.
- (2) Any purchase, sale or financing not meeting the above criteria or any Transaction involving a related party must continue to be approved by the full Board of Directors and passed by resolution.
- (3) The Chairman and Chief Executive Officer shall provide the full Board with a report each quarter outlining the purchases, sales and financings that have been approved by them during that time period.

9. Board Assessments

The Corporation believes that the Board and its committees should be assessed on at least an annual basis to ensure they are performing effectively.

The Corporate Governance Committee shall review with the Board the appropriate skills and characteristics required of Board members. In performing this function, the Corporate Governance Committee will seek input from the Chairman of the Board and shall take into consideration the characteristics of independence, skills, experience, reputation for business ethics and availability of service to the Corporation of its members as well as the opportunities, risks and strategic direction of the Corporation.

Annually, each Board member shall perform an assessment questionnaire containing his/her views regarding the functionality, effectiveness and contribution of the Board and any committee during the previous year. These forms will be reviewed annually by the Chair of Corporate Governance Committee who will review the results and bring them to the Corporate Governance Committee for discussion. If necessary, the Corporate Governance Committee will bring forward to the Board any further action or recommendation resulting from the assessments.

10. Compensation

The Corporation believes that its directors, Chief Executive Officer and other executives should be fairly compensated based on their contribution to the Corporation's success.

The Corporate Governance Committee also acts as the Compensation Committee for the Corporation and annually recommends to the Board any changes to the Directors' compensation and that (if any) of the Chief Executive Officer to ensure that their compensation appropriately and adequately reflects the responsibilities of a directorship or executive office, as the case may be. These recommendations shall be provided to the Board for its approval at the commencement of each new fiscal year.

(i) Directors

- (1) The Corporation has a current policy of paying its independent directors the following compensation:
 - (a) \$10,000.00 for annual directors' fees;
 - (b) \$500.00 for each in-person Board or committee meeting;
 - (c) \$250.00 for each conference call relating to Board or committee business.
 - (d) Any director who acts as Chair of the Audit Committee or a Chair of the Corporate Governance Committee receives an annual fee of \$6,000.00.
- (2) In addition, the Corporate Governance Committee can recommend to the Board the granting of stock options for independent directors where it is deemed in the best interests of the Corporation.

- (3) Further, the Corporation pays for all reasonable expenses of all directors relating to meetings or board business.

(ii) *Chief Executive Officer*

- (1) An individual employment contract which identifies the roles and responsibilities of the CEO has been prepared and entered into with the Chief Executive Officer.
- (2) The Corporate Governance Committee reviews and reports to the Board on the performance of the Chief Executive Officer as well as his roles and responsibilities on an annual basis.