

H&R REAL ESTATE INVESTMENT TRUST

Compensation, Governance and Nominating Committee Charter

PURPOSE

The trustees (the “**Trustees**”) of H&R Real Estate Investment Trust (the “**Trust**”) have established a Compensation, Governance and Nominating Committee (the “**CG&N Committee**”) to assist them in fulfilling their responsibilities relating to (i) compensation of the directors and officers of the Trust’s subsidiaries and controlled entities and of the Trustees and officers of the Trust, (ii) overseeing the corporate governance practices applicable to the Trust and (iii) overseeing the nomination process for new Trustees. For the purpose of this Charter, “**compensation**” shall include:

- annual base salary;
- annual incentive opportunity;
- option or other equity participation plans;
- long-term incentive opportunity;
- the terms of employment agreements, severance arrangements, and change in control agreements, in each case as, when and if appropriate;
- any special or supplemental benefits; and
- any other payments that are deemed compensation under applicable laws and regulations.

COMPOSITION

The members of the CG&N Committee shall be appointed by the Board of Trustees of the Trust (the “**Board**”). The CG&N Committee shall be comprised of not fewer than three Trustees, each of whom is an independent Trustee, and a majority of whom must be resident Canadians. An “**independent**” Trustee is a Trustee who is not a member of management and who does not have an interest or relationship with the Trust that could be seen to interfere with the Trustee’s ability to act in the best interests of the Trust, other than interests or relationships that result from holding units of the Trust and is an Independent Trustee (as such term is defined in the Trust’s Declaration of Trust), provided, however, that if at any time a member of the CG&N Committee is not an Independent Trustee because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of such Trustee, this requirement shall not be applicable for a period of 60 days thereafter, during which the remaining Trustees shall appoint an Independent Trustee to comply with the requirement.

The appointment of members of the CG&N Committee shall take place annually at the first meeting of the Board after a meeting of the unitholders at which Trustees are elected, provided that if the appointment of members of the CG&N Committee is not so made, the Trustees who are then serving as members of the CG&N Committee shall continue as members of the CG&N Committee until their successors are appointed. The Board may appoint a member to fill a vacancy that occurs in the CG&N Committee between annual elections of Trustees.

Any member of the CG&N Committee may be removed from the CG&N Committee by a resolution of the Board.

COMMITTEE CHAIR

The Board shall appoint the chair of the CG&N Committee (the “**Chair**”) from the members of the CG&N Committee (or if it fails to do so, the members of the CG&N Committee shall appoint the Chair of the CG&N Committee from among its members).

The designation of the CG&N Committee’s Chair shall take place annually at the first meeting of the Board after a meeting of the unitholders at which Trustees are elected, provided that if the designation of Chair is not so made, the Trustee who is then serving as Chair shall continue as Chair until his or her successor is appointed.

RESPONSIBILITIES AND DUTIES

The duties of the CG&N Committee are to review management’s compensation and governance of the Trust and to recommend for nomination new Trustees.

1. Compensation

To fulfill its responsibilities and duties relating to compensation, the CG&N Committee shall:

- (a) Review and approve annually corporate goals and objectives relevant to Chief Executive Officer (“**CEO**”) compensation, evaluate the CEO’s performance in light of those goals and objectives and set the CEO’s compensation level based on this evaluation.
- (b) Review and approve annually with respect to the hiring, compensation, benefits and termination of the senior executive officers and all other key employees of the Trust and its subsidiaries and controlled entities whose total compensation is above a certain materiality threshold, as determined by the CG&N Committee.
- (c) Review and make recommendations to the Trustees annually with respect to the appointment of officers of the Trust and its subsidiaries and controlled entities.
- (d) Review and make recommendations to the Trustees annually with respect to the compensation of the Trustees.
- (e) Review, administer and make recommendations to the Trustees with respect to the Trust’s incentive compensation plans and equity-based plans, including without limitation, granting options and incentive units upon the terms and subject to the conditions set forth in any unit option plan or incentive plan, as applicable, for the Trustees, officers and/or employees of the Trust upon receiving authority from the Trustees.
- (f) Prepare annually the report on executive compensation required by securities laws to be included in the Trust’s management information circular.

2. Governance

To fulfill its responsibilities and duties relating to governance, the CG&N Committee shall:

- (a) Review corporate governance practices of the Trust in general, including reviewing and updating the disclosure policy and the trading policy of the Trust.
- (b) Examine the adequacy and effectiveness of the corporate governance practices of the Trust in light of changing requirements and take necessary steps for improvement.
- (c) Oversee the number and composition of the Trustees and the size and composition of their committees.
- (d) Review annually the effectiveness of the Trustees including time commitments, conflicts of interest, continuing qualification, contribution by individual Trustees and the composition and effectiveness of committees of the Trustees.
- (e) Develop criteria for the selection of Trustees and identify individuals for election and/or appointment including in the event of any vacancy among the Trustees.
- (f) Oversee orientation and education programs for new Trustees.
- (g) Make recommendations to the committees of the Trustees with respect to the mandates of such committees.
- (h) Review succession planning for executive officers.
- (i) Assess the quality and effectiveness of the Trustees' relationship with management.
- (j) Prepare annually the report on corporate governance required by securities laws to be included in the Trust's continuous disclosure documentation.
- (k) Approve the engagement by an individual Trustee of an outside legal or other advisor at the expense of the Trust.
- (l) Consult with the directors, officers and employees of the Trust's subsidiaries and controlled entities, as appropriate, in fulfilling their responsibilities and duties hereunder.

3. Nomination of Trustees

The purpose of the CG&N Committee with respect to nominations of Trustees includes responsibility for:

- (a) identifying individuals qualified to become Board members, consistent with criteria established by the Board;
- (b) recommending to the Board the Trustees to be nominated for election at each annual meeting of unitholders; and
- (c) recommending to the Board orientation and continuing education programs for Trustees.

The specific duties and responsibilities of the CG&N Committee as it relates to the nomination of Trustees are as follows:

Evaluating Competencies and Skills

The CG&N Committee shall provide evaluations and recommendations to the Board with respect to the following matters:

- (a) the competencies and skills of the Board, as a whole, should possess;
- (b) the competencies and skills each existing Trustee possesses and that the Board as a whole therefore possesses; and
- (c) the personality and other qualities of each Trustee, as these may ultimately determine the boardroom dynamic.

Identifying and Recommending New Nominees

The CG&N Committee shall identify the individuals qualified to become new Trustees and recommend to the Board new nominees for election by unitholders or for appointment by the Board to fill any vacancy on the Board. In making its recommendations to the Board, the CG&N Committee shall consider and/or recommend:

- (a) any selection criteria approved by the Board from time to time, including a “skills matrix” outlining the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
- (b) the Trust’s diversity policy in place, as it may be amended from time to time;
- (c) the target skills of the Board as a whole (and disclosure of the same);
- (d) the competencies and skills that the Board considers each existing Trustee to possess;
- (e) the competencies and skills each new nominee would bring to the boardroom;
- (f) the use of an “evergreen” list of potential directors, based on the criteria in the “skills matrix”; and
- (g) the annual assessment of the Board’s skills.

Exception

If the Trust is legally required by contract or otherwise to provide third parties with the right to nominate Trustees, the CG&N Committee shall have no responsibility for the selection and recommendation of such Trustees.

4. General

In addition to the foregoing, the CG&N Committee shall:

- (a) Review annually this Charter for adequacy and recommend any changes to the Charter to the Trustees.

- (b) Report to the Trustees on the major items covered at each CG&N Committee meeting and make recommendations to the Trustees and management concerning these matters.
- (c) Perform any other activities consistent with this Charter, the Trust's Declaration of Trust and governing law as the CG&N Committee or the Trustees deem necessary or appropriate.

Notwithstanding the foregoing responsibilities and duties of the CG&N Committee, the Trustees may consider and approve any matter which the CG&N Committee has the authority to consider or approve.

CG&N COMMITTEE MEETINGS

The CG&N Committee will meet on a regular basis and will hold special meetings as circumstances require. Any member of the CG&N Committee may call a meeting of the CG&N Committee upon not less than 48 hours' notice. The procedure at meetings shall be determined by the Chair of the CG&N Committee, provided that at all CG&N Committee meetings at least a majority of the members present in person or participating by conference telephone shall constitute a quorum (provided that a majority of the members comprising such quorum shall not be non-residents of Canada).

The Chair shall designate from time to time a person who may, but need not, be a member of the CG&N Committee, to be Secretary of the CG&N Committee.

The acts of the CG&N Committee at a duly constituted meeting shall require no more than the vote of a majority of the members present and that, in any circumstances, a resolution or other instrument in writing signed by all members of the CG&N Committee shall avail as the act of the CG&N Committee. Each member of the CG&N Committee shall have the right to vote on matters that come before the CG&N Committee. Where for any reason a member of the CG&N Committee is disqualified from voting on or participating in a decision, any other independent and disinterested Trustee not already a member of the CG&N Committee may be designated by the Trustees to act as an alternate.

RESOURCES

The CG&N Committee shall have the authority to retain independent legal, accounting and other consultants to advise it. The CG&N Committee may invite or request that any Trustee, director, officer employee of the Trust or any of its subsidiaries or controlled entities, outside advisors or consultants, or any other person attend a meeting of the CG&N Committee or meet with any members of, or consultants to, the CG&N Committee.

The CG&N Committee shall also have the authority to retain and terminate (i) any firm engaged to assist it in identifying Trustee candidates, and (ii) any firm engaged to assist in the evaluation of Trustees candidates.

The CG&N Committee shall advise the Trustees on the extent of funding, if any, that may be necessary for payment of compensation to any consultants retained to advise the CG&N Committee.

Approved by the Trustees, as amended on May 11, 2018.