

# Audit Committee Charter

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# Subject

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The Audit Committee (the “Committee”) is a Committee of the Board of Trustees (the “Board”) of BTB Real Estate Investment Trust (“BTB”) to which the Board has delegated responsibilities.

The general purpose of the Committee is to ensure that BTB's management has designed and implemented an effective system of internal financial controls, to review the integrity of BTB's consolidated financial statements and related financial information and to report thereon and on BTB's compliance with regulatory and legislative requirements relating to financial statements, tax matters and financial reporting.

## Composition, procedure and organization

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1. The Committee consists of at least three members of the Board, each of whom will be independent under the terms of BTB's current trust agreement. In addition, each of the members has the ability to read and understand a set of financial statements that present accounting issues of a certain degree of complexity («financial literacy») or must acquire financial literacy within a reasonable period of time after its completion. appointment as a Committee member.
2. At its organizational meeting held in conjunction with or after each annual meeting of Unitholders, the Board appoints the members of the Committee for the next fiscal year. The Board may remove or replace any member of the Committee and may fill any vacancy on the Committee.
3. Unless the Board has appointed a chair of the Committee, the members of the Committee elect a chair and a secretary for each meeting of the Committee.
4. The CEO, CFO, internal auditors, if any, and external auditors have a direct line of communication with the Committee through its chair and they can bypass management if they see fit. necessary. The Committee, through its Chairman, may communicate directly with any employee of BTB as it deems necessary and any employee may bring to the Committee any questions regarding questionable, illegal or irregular financial practices or transactions.
5. The Committee has access to officers and employees of BTB and to BTB's external auditors and to information concerning BTB as it deems necessary or desirable in order to discharge its duties and responsibilities.
6. Committee members and the Committee Chair will receive compensation, as determined by the Board from time to time, for their service.

# Meetings

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Committee meetings are held as follows:

1. each question is decided by a majority of the votes cast. In the event of a tie, the chairman of the Committee has a casting vote;
2. the Committee meets at least four times a year at such times and places as the chair of the Committee may request;
3. the external auditors or any member of the Committee may request the calling of a meeting of the Committee;
4. management representatives may be invited to attend all meetings, except for in camera sessions with the external auditors;
5. minutes of all Committee meetings must be kept; and
6. the Committee meets with the external auditors at least once a year (in connection with the preparation of the year-end financial statements) and at such other times as the external auditors and the Committee deem appropriate.

The quorum for Committee meetings is a majority of its members, present in person or by telephone or other telecommunications device, and the rules for calling, holding, conducting and adjourning Committee meetings are identical to those govern the council.

## Mandate and Responsibilities

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The general duties and responsibilities of the Committee are as follows:

1. assist the Board in discharging its responsibilities regarding BTB's accounting principles, disclosure practices and internal controls and the Board's approval of the annual and interim consolidated financial statements and related financial information ;
2. establish and maintain a direct channel of communication with BTB's internal auditors, if any, as well as the external auditors and evaluate their performance;
3. ensure that BTB's management has designed, implemented and maintains an effective system of internal financial controls; and
4. report regularly to the Board on the performance of its duties and responsibilities.

The duties and responsibilities of the Committee with respect to the external auditors are as follows:

1. recommend to the Board a firm of external auditors that BTB should engage and verify the independence of these external auditors;
2. reviewing and approving the fees, scope and timing of the audit and other related services rendered by the external auditors;
3. review the audit plan of the external auditors before the start of the audit;

4. review with the external auditors, after they have completed their audit:
  - (i) the content of their report;
  - (ii) the scope and quality of audit work performed;
  - (iii) the competence of BTB's finance and audit staff;
  - (iv) cooperation received from BTB personnel during the audit;
  - (v) internal resources used;
  - (vi) material transactions outside the normal course of BTB's business;
  - (vii) material proposed adjustments and recommendations to improve internal accounting controls, accounting practices or management systems; and
  - (viii) non-audit services provided by the external auditors.
5. discuss with the external auditors the quality and not only the acceptability of BTB's accounting principles;
6. implement structures and procedures to ensure that BTB meets with the external auditors on a regular basis without management present; and
7. approve all non-audit services rendered to BTB or its subsidiaries by the external auditors.

The duties and responsibilities of the Committee with respect to BTB's internal auditors, if any, are as follows:

1. periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
2. review and approve the internal audit plan; and
3. review significant internal audit findings and recommendations and management's response thereto

The functions and responsibilities of the Committee with respect to BTB's internal control procedures are as follows:

1. review the adequacy and effectiveness of BTB's business policies and practices that affect its financial integrity, including those relating to internal audit, assurance, accounting, services and information systems and internal controls, management information and risk management;
2. review compliance with BTB's policies on business conduct and ethics and periodically review such policies and recommend to the Board any changes it may deem appropriate;
3. reviewing any outstanding issues between management and the external auditors that may affect BTB's financial reporting or internal controls; and
4. periodically review BTB's financial and auditing procedures and the extent to which recommendations made by internal audit staff or external auditors have been implemented.
5. The Committee must also establish procedures:
  - (i) regarding the receipt, retention and treatment of complaints received by BTB regarding accounting, internal accounting controls or auditing;
  - (ii) regarding the confidential, anonymous submission by BTB employees of concerns regarding questionable accounting or auditing matters.

The Committee is also responsible for the following:

1. review BTB's interim statements of earnings, including the impact of extraordinary items and changes in accounting principles and estimates, and report to the Board thereon;
2. reviewing and approving BTB's hiring policies with respect to partners and employees, former or current, of BTB's external auditor, whether current or former auditor;
3. review and approve the financial sections of the following documents:
  - (i) the annual report to Unitholders;
  - (ii) the Annual Information Form;
  - (iii) annual and interim management reports;
  - (iv) prospectuses;
  - (v) press releases discussing BTB's financial results;
  - (vi) other public reports of a financial nature requiring Board approval; and
  - (vii) report to the Board thereon.
4. review filings and regulatory decisions regarding BTB's consolidated financial statements;
5. review the adequacy of policies and procedures used in the preparation of BTB's consolidated financial statements and other required disclosures and review recommendations for any material changes to such policies;
6. review and report on the integrity of BTB's consolidated financial statements;
7. review the minutes of any meeting of the audit Committee, subsidiaries or trusts;
8. review with management, the external auditors and, if necessary, legal counsel, any litigation, claims or other contingencies, including tax assessments, that could materially affect the financial condition or results of operations of BTB and how these matters have been disclosed in the consolidated financial statements;
  - (i) review BTB's compliance with regulatory and legislative requirements regarding financial statements, tax matters and financial reporting; and
  - (j) establish a schedule of activities to be undertaken by the Committee for each succeeding fiscal year and present such schedule in the appropriate format to the Board after each annual meeting of Unitholders.

The Committee reviews and assesses the relevance of these rules on an annual basis and recommends to the Board to make any changes that the Committee deems appropriate. The Committee also reviews changes to these rules that may be necessary to meet new requirements under a law or regulation.