



**BOARDWALK REAL ESTATE INVESTMENT TRUST  
CORPORATE GOVERNANCE MANUAL**

**Last Approved by the Board of Trustees  
on November 4, 2024**

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## 1. OVERVIEW

Boardwalk Real Estate Investment Trust (“**Boardwalk**” or the “**Trust**”) is committed to adhering to the highest possible standards in its corporate governance practices. As set forth in this Corporate Governance Manual, these practices are designed to assist Boardwalk in achieving its principal stated corporate objectives, which are to: (i) provide unitholders with stable and growing cash distributions, partially, on a Canadian income tax-deferred basis, from investments in its assets, platform and any additional revenue producing multi-family residential properties or interests acquired by Boardwalk; and (ii) increase trust unit value through the effective management of its residential, multi-family, revenue-producing properties and the acquisition of additional accretive properties or interests therein. Boardwalk believes that in order to enhance unitholder value, on a long-term basis, it is advisable to take into account the interests of its other stakeholders.

“*Corporate governance*” means the process and structure used to direct and manage the business and affairs of Trust with the objective of enhancing unitholder value, which includes ensuring the financial viability of the business. The process and structure define the division of power and establish mechanisms for achieving accountability among the board of trustees and management for the benefit of the Trust. The direction and management of the business should take into account the impact on other stakeholders such as employees, customers, suppliers and communities..

The following description of Boardwalk’s corporate governance practices fully complies with the disclosure and listing requirements of the Toronto Stock Exchange (the “**TSX**”) and with applicable Canadian legislation and related regulations such as National Instruments 52-108, 52-109, 52-110 and 58-101, and National Policy 58-201 of the Canadian Securities Administrators (the “**CSA**”) (collectively, the “**Canadian Corporate Governance Standards**”).

Disclosure of Boardwalk’s corporate governance practices is made annually in the annual management information circular provided in connection with the annual meeting of unitholders, which annual management information circular is available on Boardwalk’s web site at [bwalk.com/en-ca/investors/corporate-governance](http://bwalk.com/en-ca/investors/corporate-governance).

Boardwalk’s Board of Trustees (the “**Board**”) annually reviews this Corporate Governance Manual with a view to continuously improving Boardwalk’s corporate governance practices by assessing their effectiveness and comparing them with evolving best practices, standards identified by leading governance authorities and Boardwalk’s changing circumstances and needs.

## 2. BOARD OF TRUSTEES

### 2.1 Composition of the Board

Boardwalk’s Declaration of Trust (the “**DoT**”), as amended, provides that its Board shall consist of a minimum of five (5) and a maximum of twelve (12) Trustees. The Board currently has seven (7) Trustees.

The Compensation, Governance, Nominations and Sustainability Committee (the “**CGN&S Committee**”) regularly reviews with the Chairman the size and composition of Boardwalk’s Board and that of its committees to favour effective decision-making. The CGN&S Committee also considers the geographical representation, business background, personal qualities and diversified experience of the Board as a whole in the context of Boardwalk’s evolving business environment. Finally, the CGN&S Committee regularly monitors Board membership to ensure that the Board functions effectively, taking into consideration Boardwalk’s circumstances and requirements.

In determining whether or not a Trustee is “Independent”, as that term is defined in the Canadian Corporate Governance Standards, the Board considers all material relationships that a Trustee may have with Boardwalk. In addition, a Trustee is not independent if:

- (a) the Trustee is, or has been within the last three years, an employee of Boardwalk, or an immediate family member of the Trustee is, or has been within the last three years, an executive officer of Boardwalk;
- (b) the Trustee has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than CAD \$75,000 in direct compensation from Boardwalk, other than Trustee and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);
- (c) (A) the Trustee or an immediate family member of the Trustee is a current partner of a firm that is Boardwalk’s internal or external auditor; (B) the Trustee is a current employee of such firm; (C) the Trustee has an immediate family member who is a current employee of such firm and who participates in the firm’s audit, assurance or tax compliance (but not tax planning) practice; or (D) the Trustee or an immediate family member was within the last three years (but is no longer) a partner or employee of such firm and personally worked on Boardwalk’s audit within that time;
- (d) the Trustee or an immediate family member of the Trustee is, or has been within the last three years, employed as an executive officer of another entity where any of Boardwalk’s present executive officers at the same time serves or has served on that entity’s compensation committee;
- (e) the Trustee is a current employee, or an immediate family member of the Trustee is a current executive officer, of a company that has made payments to, or received payments from, Boardwalk for goods or services in an amount which, in any of the last three fiscal years, exceeds the greater of CAD \$1 million, or 2% of such other company’s consolidated gross revenues;
- (f) the Trustee is a current employee or an immediate family member of the Trustee is a partner or executive officer of a firm that receives payments from Boardwalk for professional services in an amount which, in any of the last three fiscal years, exceeds 3% of the total annual billing of the firm; or
- (g) the Trustee or an immediate family member of the Trustee is an executive officer, Trustee or trustee of a not-for-profit organization that has received charitable contributions from Boardwalk in an amount which, in any of the last three fiscal years, exceeds 1% of that organization’s total annual charitable receipts (Boardwalk’s contributions matching employee contributions being excluded from such calculation).

In its determination as to the independence of Trustees, the Board may also consider mutual and reciprocal directorships of Board members.

In order to be considered Independent, a member of the Audit and Risk Management Committee (the “**Audit Committee**”) must also qualify as such under the applicable Canadian Corporate Governance Standards, and as such may not, other than in his or her capacity as a Trustee or member of a Board committee and subject to the exceptions provided in Canadian laws and regulations, accept directly or indirectly any fee from Boardwalk or any subsidiary of Boardwalk nor be an affiliated person of Boardwalk or any subsidiary of Boardwalk.

With a view to further Trustees' independence, the Board has adopted a policy pursuant to which a Trustee shall not accept the invitation to join an outside public company/issuer board without first informing the CGN&S Committee and shall not: (i) accept the invitation to join the board of another trust, corporation, partnership or other organization which owns multi-family rental communities; and (ii) sit on the boards of directors/trustees of more than three (3) public issuers in addition to the Trust, both without the prior approval of the CGN&S Committee. In addition, any request by a Trustee to join the board of a third public issuer in addition to the Trust shall only be considered by the CGN&S Committee if it does not result in a conflict between the requesting Trustee's time commitment and duties owed to Boardwalk, and shall only be considered by the CGN&S Committee at a regularly scheduled meeting in order to avoid an *ad hoc* and/or rushed decision by the CGN&S Committee.

The Board discloses annually which Trustees qualify as Independent. In

addition, all members of the Audit Committee are "financially literate".

In determining whether or not a Trustee is "financially literate", the Board considers if the Trustee has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Boardwalk's financial statements.

## **2.2 Appointment of Trustees**

In consultation with the Chairman, the CGN&S Committee reviews annually the credentials of nominees for election or re-election as members of the Board. It considers their qualification under applicable law, the validity of the credentials underlying the appointment of each nominee, and, for nominees who are already Trustees of Boardwalk, an evaluation of their skills, effectiveness and performance as members of the Board, including their attendance at Board and committee meetings. It then submits a report to the Chairman, for presentation to the Board.

In proposing the list of Boardwalk Board nominees, the Board is guided by the following process:

- based on Boardwalk's current business plan, the opportunities and risks facing Boardwalk, the nature of Boardwalk's operating and competitive environment, and the work carried out by each of the committees of the Board, the CGN&S Committee identifies, in consultation with the Chairman, the expertise, competencies, skills and knowledge that the Board as a whole and its committees require to understand the business, to adequately fulfill their mandates and enhance unitholder value;
- the CGN&S Committee, in consultation with the Chairman, develops a competency matrix with knowledge areas, types of expertise, competencies, skills and geographical representation listed on one axis and individual Board members listed on the other;
- based on the results of the most recent Trustee performance assessment both at the Board and committee levels, the CGN&S Committee's knowledge of the competencies, skills, personal qualities, availability, geographical representation, business background and experience of the Board members and with the help of the competency matrix and the Diversity Policy contained in this Corporate Governance Manual, the CGN&S Committee identifies any improvement to be addressed in the Trustee nomination process;
- based on the improvements to be made as identified by the CGN&S Committee, and considering Board membership requirements such as those for Independence and availability, the CGN&S Committee, in consultation with the Chair of the CGN&S Committee, conducts a search for the requisite new Board members;

- once potential Board candidates have been identified, the Chair of the CGN&S Committee meets with and interviews each candidate to assess the candidate's fit with the Board and the candidate's ability to work as part of a team and advises the Board of the results;
- as appropriate, the CGN&S Committee may rely on assessments made by the Chairman and other Board members who have interviewed or who know the candidate(s); and
- based on the above process and the recommendations of the CGN&S Committee, the Chairman brings forth to the Board, for consideration and approval, a slate of nominees to consider for appointment as Trustees of Boardwalk at the next annual meeting of unitholders.

In order to assist the CGN&S Committee and the Chairman in recommending candidates to become Trustees of Boardwalk, the CGN&S Committee shall constitute and update a list of potential candidates. Such a list will be constituted and updated based on the same process as described above with respect to Boardwalk Board nominees.

The term of office of each Trustee expires at the close of the annual meeting of unitholders following that at which he or she was elected. Board nominees, as recommended by the CGN&S Committee and the Chairman and approved by the Board, are put to a vote of unitholders. Should a vacancy occur during the course of the year, the Board may fill the vacancy in accordance with the foregoing process and applicable laws.

In accordance with the legal provisions governing Boardwalk, the Board may appoint one or more additional Trustees, who shall hold office for a term expiring not later than the next annual meeting of unitholders, but the total number of Trustees so appointed may not exceed one third of the number of Trustees elected at the previous annual meeting of unitholders.

The Board has adopted a policy providing that a nominee for election as a Trustee of Boardwalk who receives a greater number of votes "withheld" than votes "for", with respect to the election of Trustees by unitholders, will be expected to offer to tender his or her resignation to the Chairman promptly following the meeting of unitholders at which the Trustee is elected. The CGN&S Committee will consider such offer and make a recommendation to the Board whether to accept it or not. The Board will make its decision and announce it in a press release within 90 days following the meeting of unitholders. The Trustee who offered to tender his or her resignation should not be part of any committee or Board deliberations pertaining to the resignation offer. This policy only applies in circumstances involving an uncontested election of Trustees. An "uncontested election of Trustees" means that the number of Trustee nominees is the same as the number of Trustees to be elected to the Board and that no proxy material is circulated in support of one or more nominees who are not part of the candidates supported by the Board. Subject to any corporate law restrictions, in the case where the Board accepts the offer of resignation of a Trustee and that such Trustee resigns, the Board may leave the resultant vacancy unfilled until the next annual meeting of unitholders. It may also choose to fill the vacancy through the appointment of a new Trustee whom the Board considers to merit the confidence of the unitholders. It may further decide to call a special meeting of unitholders at which there will be presented a new candidate to fill the vacant position.

The Board has also adopted a policy on term limits for Trustees (excluding management Trustees), whereby a Trustee would not, unless otherwise determined by the Board, in its discretion, be nominated for re-election at the annual meeting following his or her ninth (9<sup>th</sup>) year on the Board. In addition, Trustees are expected to inform the Chairman of any major change in their principal occupation so that the Board would have the opportunity to decide the appropriateness of such Trustee's continuance as a member of the Board or of a Board committee. The CGN&S Committee and the Chairman will apply Board nominee selection criteria,

including Trustees' past contributions to the Board and availability to devote sufficient time to fulfill their responsibilities, prior to recommending Trustees for re-election for another term.

### **2.3 Mandate of the Board**

The Board has clearly delineated its role and the role of management. The role of the Board is to supervise the management of Boardwalk's business and affairs, with the objective of increasing unitholder value. Management's role is to conduct the day-to-day operations in a way that will meet this objective.

The Board approves all matters expressly required herein, under Boardwalk's DoT and applicable legislation. The Board may assign to Board committees the prior review of any issues it is responsible for, or as required by applicable laws. Board committee recommendations are generally subject to Board approval. The Board has delegated the approval of certain matters to management pursuant to its standing resolutions, as amended from time to time.

Meetings of the Board are held at least four (4) times a year and as necessary.

As part of its stewardship responsibility, the Board advises management on significant business issues and has the following responsibilities:

- (i) participating in the development of Boardwalk's strategic plan;
- (ii) identifying and managing business risks;
- (iii) ensuring the integrity and adequacy of Boardwalk's internal controls and management information systems;
- (iv) defining the roles and responsibilities of management;
- (v) reviewing and approving the business and investment objectives to be met by management;
- (vi) assessing the performance of management;
- (vii) succession planning;
- (viii) ensuring effective and adequate communication with Boardwalk's unitholders and other stakeholders, as well as the public at large; and
- (ix) establishing committees of the Board, where required, and defining their mandates.

Because of a Trustee's demanding role and responsibilities, each member of the Board shall be required, on an annual basis, to remind the CGN&S Committee of any outside, arm's-length board of directors he or she is a member of to ensure that such other directorship(s) would not impair the Trustee's ability to fulfill the responsibilities of his or her position with the Trust.

The independent Board members meet before or after every Board meeting without the presence of management and under the chairmanship of the independent Lead Trustee.\*

Board members are expected to demonstrate a high level of professionalism in discharging their responsibilities. They are expected to attend the meetings of the Board and of the Board committees on which they sit and to rigorously prepare for and actively participate in such meetings. They should review all meeting materials in advance. They are also expected to be available to provide advice and counsel to the Chairman and Chief Executive Officer (“CEO”) or other corporate officers of Boardwalk upon request.

The Board annually reviews the adequacy of its mandate.

## **2.4 Board Performance Assessment**

The Board has implemented and reviews, each year, a process to annually assess the effectiveness of the Board, Board committees, Board and committee chairs and individual Trustees. This process is under the supervision of the CGN&S Committee and the Chairman and comprises the following steps:

- Performance questionnaires are prepared and approved by the CGN&S Committee and the Chairman for the Board and each committee, taking into account current issues, previous years findings and input from the Board. Within each of the questionnaires, the effectiveness of the Board or the committee, as applicable, is evaluated as is the Chairman, the Lead Trustee and the chair of each committee. Such questionnaires take into account the responsibilities set forth in Board and committee mandates as well as competencies and skills each individual Trustee is expected to bring to the Board.
- Each questionnaire is then sent to every Trustee and, through a software program, a complete set of anonymous responses is forwarded to the Lead Trustee and the Chair of the CGN&S Committee.
- A summary of the results of the questionnaires is then made by the CGN&S Committee chair to the CGN&S Committee and the Board, with suggestions to improve the effectiveness of the Board, Board committees, Board and committee chairs and individual Trustees.

In addition to the above, the Board may, from time to time, hire an independent advisor to independently assess or assist the Board in independently assessing the performance of the Board, Board committees, Board and Committee chairs and individual Trustees. Such assessment may include an individual Trustee peer assessment conducted with the assistance of the independent advisor.

## **3. CHAIRMAN**

### **3.1 Role**

The Chairman is a Trustee who is designated by the Board. The Chairman’s key role is to take all reasonable measures to ensure that the Board (i) carries out its responsibilities effectively and (ii) clearly understands and respects the boundaries between Board and management responsibilities.

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\* Meetings of the Independent Trustees without the presence of the Chairman are not intended to cover the breadth or scope of subjects discussed at meetings of the full Board. Such meetings are usually limited to non-operational or non-strategic matters such as conflicts of interest, flow of information & reports, meeting effectiveness and need for clarification on any Board agenda item.

The Chairman may vote at meetings of the Board and at all meetings of the committees of which the Chairman is a member.

The Chairman may attend and participate in all meetings of the Board committees.

The Chairman's responsibilities include the following:

**With respect to Board effectiveness:**

1. to take all reasonable steps to ensure that the Board works as a cohesive team and provide the leadership essential to achieve this;
2. to arrange for adequate resources to be available to the Board (in particular, timely and relevant information) to support its work; and
3. to take all reasonable steps to ensure that a process is in place for the regular assessment of the effectiveness of the Board, its committees and each Trustee.

**With respect to Board management, the Chairman shall:**

1. chair all Board meetings;
2. set the agenda of each Board meeting, in consultation with the Lead Trustee and CEO, if the Chairman is not also the CEO;
3. take all reasonable steps to ensure that the conduct of Board meetings facilitates discussions and provides adequate time for effective study and consideration of items on the agenda;
4. adopt procedures to ensure that the Board conducts its work effectively and efficiently, including the review of committee structure and composition;
5. oversee the Board's full discharge of its responsibilities;
6. take all reasonable steps to ensure that, where responsibilities are delegated to committees or individual Trustees, they are carried out and results thereof are reported to the Board; and
7. take all reasonable steps to ensure that Independent Trustees meet regularly without management and other non-Independent Trustees present and chair these meetings, if the Chairman is not also the CEO.

**With respect to relationships between the Board and management, unitholders and other stakeholders, the Chairman shall:**

1. take all reasonable steps to ensure that the expectations of the Board toward management, and the expectations of management towards the Board, are clearly expressed, understood and respected;
2. act as liaison between the Board and management. If the Chairman is not also the CEO, this involves working closely with the CEO or, if the Chairman is also the CEO, working closely with the Lead Trustee, to ensure that the Trust is building a healthy governance culture;
3. act in an advisory capacity to the CEO (if the Chairman is not also the CEO) and to other senior management members in all matters concerning the interests and management of the Trust;
4. chair annual and special meetings of the unitholders; and

5. at the request of the Board, and, if the Chairman is not also the CEO, with the agreement of the CEO, represent the Trust to external groups such as unitholders and other stakeholders, including local community groups and governments

### **3.2 Objectives and Performance Assessment**

The CGN&S Committee, together with the Chairman, develops each year objectives that the Chairman is responsible for meeting, which objectives are submitted to the Board for approval. Every year, the Chairman is assessed against these objectives.

As part of this assessment, a Chairman assessment questionnaire is prepared by the Chair of the CGN&S Committee, taking into account current issues and objectives, previous year's findings and input from the Board. This questionnaire is forwarded to each Board member well in advance of a meeting with the CGN&S Committee chair and is used as a reference tool for meetings between the chairs of that committee and each Board member to discuss such Trustee's assessment of the Chairman's performance during the year.

The CGN&S Committee chair collates the information and meets with the Chairman to discuss the findings and then report on the results of the Chairman assessment process to the CGN&S Committee.

## **4. COMMITTEE CHAIRS**

### **4.1 Role**

Each committee of the Board is chaired by an outside Trustee (the "**Committee chair**"). The Committee chair is responsible for the management and the effective performance of his or her committee. He or she takes all reasonable measures to ensure that the committee fully executes its mandate.

The Committee chair responsibilities include the following:

#### **With respect to committee effectiveness:**

1. to take all reasonable steps to ensure that the committee works as a cohesive team and provide the leadership to achieve this;
2. to arrange for adequate resources to be available to the committee (in particular, timely and relevant information) to support its work; and
3. to take all reasonable steps to ensure that a process is in place for the regular assessment of the effectiveness of the committee of each of its members.

#### **With respect to committee management, the Committee chair shall:**

1. chair all committee meetings;
2. set the agenda of each committee meeting, in consultation with the Chairman, when appropriate;
3. take all reasonable steps to ensure that the conduct of committee meetings facilitates discussions and provides adequate time for effective study and consideration of items on the agenda;
4. adopt procedures to ensure that the committee conducts its work effectively and efficiently; and
5. oversee the committee's full discharge of its responsibilities;

Each Committee chair shall report to the board at the next full Board meeting on the deliberations of the committee and on any decisions or recommendations of the committee.

#### **4.2 Performance Assessment**

The CGN&S Committee, together with the Chairman, annually supervises the performance assessment of each Committee chair and reports to the Board on such assessment.

### **5. CHIEF EXECUTIVE OFFICER**

#### **5.1 Role**

The CEO is responsible for the management of Boardwalk's strategic and operational agenda and for the execution of the Board's resolutions and policies.

The responsibilities of the CEO include the following:

#### **With respect to strategic planning:**

1. formulating, and recommending to the Board, a strategy that leads to unitholder value creation;
2. assuming ultimate accountability for the execution of Boardwalk's strategy and policies and, where appropriate, their communication to Boardwalk's key internal and external stakeholders; and
3. developing and recommending to the Board annual business plans and budgets that support Boardwalk's strategy and, when approved by the Board, implementing such business plans within the parameters of such budgets.

#### **With respect to operations of Boardwalk:**

1. running Boardwalk's day-to-day business operations;
2. seeing to the continuous improvement in the quality and value of the suites and service provided by Boardwalk;
3. identifying and managing the risks and opportunities that Boardwalk faces in the course of its business;
4. assuming responsibility for the hiring, compensation, performance assessment, leadership development and succession planning of management resources, subject to the approval of the Board as to senior management;
5. maintaining a positive and ethical work climate that is conducive to attracting, retaining and motivating a diverse group of top-quality employees at all levels; and
6. directing and monitoring the activities of Boardwalk in a manner that ensures that agreed upon targets are met and that the assets of Boardwalk are safeguarded and optimized in the best interests of the unitholders.

#### **With respect to governance matters:**

1. serving as Boardwalk's key spokesperson on all major issues;
2. collaborating with the Chairman, if the Chairman is not also CEO, or the Lead Trustee, if the Chairman is also CEO, in the setting of Board agendas, and taking all reasonable steps to

- ensure that the Chairman or Lead Trustee, as applicable, and the Board are kept appropriately informed of the Trust's overall business operations and of major issues facing Boardwalk;
3. maintaining an effective communication link with the Chairman or Lead Trustee, as applicable, and the Board as a whole, and meeting regularly and as required with the Chairman or Lead Trustee, as applicable, and other Board members to ensure that they are provided in a timely manner with all information and access to management necessary to allow the Board to fulfill its statutory and other obligations;
  4. fostering a corporate culture that promotes ethical practices, encourages individual integrity, and fulfills social responsibility;
  5. taking all reasonable steps to ensure that Boardwalk's policies with respect to legal, accounting, safety, security and environmental standards are implemented, and Boardwalk is in full compliance with applicable laws and regulations; and
  6. taking all reasonable steps to ensure that Boardwalk has in place a reporting system capable of producing financial statements that fairly present Boardwalk's financial condition and enables investors to understand Boardwalk's business and to make investment decisions accordingly.

Because of the CEO's demanding role and responsibilities, the CEO shall be required, on an annual basis concurrent with his or her performance assessment, to advise the CGN&S Committee of any outside, arm's-length board of directors he or she has joined to ensure that such directorship(s) would not impair the CEO's ability to fulfill the responsibilities of his or her position.

## **5.2 Objectives and Performance Assessment**

The CGN&S Committee, together with the CEO, develop each year corporate and personal objectives that the CEO is responsible for meeting, which objectives are submitted to the Board for review and approval. Every year, the CEO is assessed against these objectives and all other relevant criteria.

After a review of the CEO's performance by the CGN&S Committee, the CGN&S Committee chair and the Lead Trustee meet with the CEO to discuss such review and the CGN&S Committee chair then reports to the Board on the results of the review and recommendations for Board approval of the CEO's objectives for the following year.

## **6. INDEPENDENT LEAD TRUSTEE**

### **6.1 Role**

The Lead Trustee is an Independent Trustee who is designated by the Board. The Lead Trustee's key role is to take all reasonable measures to ensure that the Board: (i) has structures and procedures in place to enable it to function independently of management; (ii) carries out its responsibilities effectively; and (iii) clearly understands and respects the boundaries between Board and management responsibilities.

The Lead Trustee may vote at meetings of the Board and at all meetings of the committees of which the Lead Trustee is a member.

The Lead Trustee may attend and participate in all meetings of the Board committees.

The Lead Trustee's responsibilities include the following:

**With respect to meetings of the Independent Trustees, the Lead Trustee shall:**

1. call and chair all meetings of the Independent Trustees;
2. set the agenda of each meeting of the Independent Trustees<sup>†</sup>;
3. take all reasonable steps to ensure that the conduct of such meetings facilitates discussions and provides adequate time for effective study and consideration of items on the agenda;
4. adopt procedures to ensure that the Independent Trustees conduct their work effectively and efficiently;
5. take all reasonable steps to ensure that, where responsibilities are delegated to committees or individual Trustees, they are carried out and results thereof are reported as directed;
6. take all reasonable steps to ensure that Independent Trustees meet regularly without management and other non-Independent Trustees present and chair these meetings;
7. ensure that a process is in place to regularly assess the effectiveness of the Board, its committees and individual Trustees; and
8. consult with the Chairman to set the agenda for Board meetings.

**With respect to relationships between the Independent Trustees and management, the Lead Trustee shall:**

1. ensure Board leadership in times of crisis; take all reasonable steps to ensure that the expectations of the Independent Trustees toward management, and the expectations of management towards the Independent Trustees are clearly expressed, understood and respected;
2. act as liaison between the Independent Trustees and management. This involves working closely with the Chairman to ensure that Boardwalk is building a healthy governance culture;
3. act in an advisory capacity to the Chairman and to other senior management members in all matters concerning the interests and management of Boardwalk;
4. at the request of the Board, and with the agreement of the Chairman, represent Boardwalk to external groups such as unitholders and other stakeholders, including local community groups and governments; and
5. Chair Board meetings when the Chairman is not in attendance.

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<sup>†</sup> Meetings of the Independent Trustees without the presence of the Chairman are not intended to cover the breadth or scope of subjects discussed at meetings of the full Board. Such meetings are usually limited to non-operational or non-strategic matters such as conflicts of interest, flow of information & reports, meeting effectiveness and need for clarification on any Board agenda item.

## **6.2 Performance Assessment**

The Lead Trustee will be elected by the independent members of the Board annually, and shall be fully independent of management. The Lead Trustee shall commit to a term of three (3) years, with the option to continue for one second term subject to Board support. The Independent members of the Board will annually assess the performance of the Lead Trustee.

## **7. SECRETARY**

The Secretary provides a communication and information link between the Board, management, and unitholders, with particular emphasis on facilitating the flow of information. The Secretary may be an employee of Boardwalk or may be an external service provider. The Secretary receives information from management and takes all reasonable steps to ensure that it is formulated so as to facilitate effective Board and committee evaluation, discussion, and decision-making. The Secretary advises management of Board and committee comments and decisions and is the custodian of the corporate records.

The office of the Secretary, together with the Chief Financial Officer if the Secretary is an external service provider, is responsible for arranging the logistics of Board and committee meetings. He or she is, together with the Chief Financial Officer if the Secretary is an external service provider, responsible for liaising with the chair of the CGN&S Committee to set the agendas and assist in putting together information for CGN&S Committee meetings.

The Secretary acts as an advisor or arranges for the provision of independent advice to the Board and its committees on legal and procedural matters and, together with the Chief Financial Officer if the Secretary is an external service provider, assists the Chairman and the CGN&S Committee in providing Trustee orientation and continuing education programs.

The Secretary serves as a source of expertise and advice to the CGN&S Committee on regulatory changes, new developments in corporate governance and best practices.

The Secretary ensures that Boardwalk, as well as its officers, trustees and Associates, are aware of all applicable rules and standards of professional conduct imposed by law or adopted from time to time by regulatory authorities.

The Secretary, together with the Chief Financial Officer if the Secretary is an external service provider, takes all reasonable steps to ensure the relevance, on a continuous basis, of Boardwalk's DoT, administrative resolutions and policies, as well as of this Corporate Governance Manual and Boardwalk's Code of Business Conduct.

The Secretary, with assistance from management, is responsible for drafting the management information circular for the Trust's annual meeting, as well as presenting governance and compensation information (in conjunction with the CGN&S Committee) in a manner that provides information necessary for third party/independent surveys of corporate governance practices, such as the Globe & Mail annual rankings of boards of directors/trustees.

If the Secretary is an employee of Boardwalk, he or she reports to the Chairman and the CEO and is assessed annually on his performance by the CEO, after consultation with the Lead Trustee.

## **8. BOARD COMMITTEES**

It is Boardwalk's policy that, as a general rule, committees make recommendations to the Board, which has the decision authority unless otherwise required by law. However, the Board may, from time to time, delegate its decision authority or part thereof to a committee or an individual, subject to applicable laws.

The committee structure of the Board includes the following committees: Audit Committee; and CGN&S Committee.

The members and chairs of the committees are recommended to the Board by the Chairman in consultation with the CGN&S Committee. New members of each committee will be chosen taking into account their skills and qualifications so that the committees may properly oversee the discharge of the responsibilities delegated to them by the Board.

Each committee has its own Charter, approved by the Board, governing the mandate of the committee and responsibilities thereof. The committees and the Board annually review the Charters for any changes required by applicable law or best practices.

## **9. BOARD MEMBER ORIENTATION AND CONTINUING EDUCATION PROGRAMS**

Boardwalk has developed, for the benefit of new Trustees, a Board Orientation Program, which normally includes the following:

- presentations by Boardwalk officers or other key executives on Boardwalk's organizational structure and the nature and operation of Boardwalk's business, including a review of the current business plan. Such presentations may include visits to key business locations in order to acquaint the new Trustee with Boardwalk's business activities;
- a review with the Chairman of the methods of operation and the roles of the Board and its committees, including a discussion of the Board performance assessment process, meeting format, access to information both included in, and outside of, the Board and Board committee meeting materials, and other factors that are important to Board effectiveness;
- a discussion on the contribution individual Trustees are expected to make (including the commitment of time and energy that Boardwalk expects from its Trustees);
- access to a summary of the legal and ethical responsibilities of Board members including a review of the Code of Business Conduct applicable to Boardwalk's Trustees, officers and employees; and
- access to other appropriate information or outside resources as discussed with the Chairman, given the new Trustee's previous experience as a member of other boards of Trustees and the new Trustee's responsibilities, both at the Board and committee levels.

In addition to the Board Orientation Program for new Trustees, the Chairman should take all reasonable steps to ensure that Board members have access to education and information on an on-going basis and as required pertaining to the following:

- board effectiveness and the best practices associated with boards that are the most successful at adding value for their securityholders;
- briefings as required on factors or emerging trends that may be relevant to Boardwalk's current or future business strategy; and
- other material as deemed appropriate by the Chairman or as suggested to the Chairman by other Board members.

With the prior approval of the Chairman, Boardwalk also encourages Trustees to attend seminars and other educational programs and to report back to the Board on the quality of such programs. The expenses for such educational programs are usually split between the Trustees and Boardwalk's expense on a 50/50 basis.

## **10. DIVERSITY POLICY**

Boardwalk recognizes the benefits of having a diverse Board. Nomination and appointment of candidates which provide for multiple perspectives, skills, expertise, industry experience and personal characteristics such as age, gender, ethnicity and other distinctions, all contribute to Boardwalk's continued success. At Boardwalk, these differences will be considered in determining the optimum composition of the Board and when possible will be balanced appropriately. For purposes of Board composition, diversity includes, but is not limited to, business experience, geography, age, gender and ethnicity and aboriginal status. In particular, the Board should include women and visible minority directors.

This Diversity Policy is intended to set out the framework for Boardwalk's approach to Board diversity and also outline the key criteria for the composition of the Board that promotes the Trust's commitment and targets for diversity and inclusion.

### **10.1 Commitment and Policy Statement**

Boardwalk is committed to a merit based system for Board composition within a diverse and inclusive culture which solicits multiple perspectives. When assessing Board composition or identifying suitable candidates for appointment or re-election to the Board, Boardwalk will consider candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of the Board including the existing level of representation of women and visible minorities on the Board.

The CGN&S Committee oversees the evaluation, assesses and considers the effectiveness, of the Board as a whole, the committees of the Board and the contribution of individual members on an annual basis. The CGN&S Committee also reviews the experience, qualifications and skills of incumbent Trustees to ensure that the composition of the Board and committees and the competencies of the members are in line with those that the CGN&S Committee considers that the Board and respective committees should possess.

The CGN&S Committee has established a competency "skills matrix" outlining the skills and experience which they believe are required by the members of the Board. This skills matrix is reviewed annually by the CGN&S Committee and updated as necessary and is disclosed in the Trust's Management Information Circular.

In considering suitable candidates for appointment or re-election to the Board, or whether to accept the deemed resignation of a Trustee pursuant to Boardwalk's Board Renewal Policy, and to assist the Trust in attaining its targeted representation, the CGN&S Committee shall:

1. consider all aspects of diversity, including, but not limited to, those described above, in order to enable the CGN&S Committee to discharge its duties and responsibilities effectively;
2. assess the skills and backgrounds collectively represented on the Board to ensure that they reflect the diverse nature of the business environment in which Boardwalk operates;
3. consider candidates on merit against objective criteria having due regard to the benefits of diversity on the Board; and
4. engage, as deemed necessary, qualified independent external advisors to identify and assess candidates that meet the Board's skills and diversity criteria.

## **10.2 Reviewing, Monitoring and Reporting**

To assess Boardwalk's effectiveness in promoting a diverse Board, which includes an appropriate number of women and visible minority Trustees, the CGN&S Committee will annually review the skills, expertise, experience, independence and background of the Board, committees and each of its individual Trustees to ensure that the composition of the Board and committees and the skills and competencies of the members are in line with those that the CGN&S Committee considers that the Board and respective committees should possess. In addition, the CGN&S Committee will review the number of women and visible minorities considered or brought forward as potential nominees for Board positions when the Board is looking to add additional members or replace existing members and will evaluate the skills, knowledge, experience and character of any such women and visible minority candidates relative to other candidates to ensure that women and visible minority candidates are being fairly considered relative to other candidates.

Any search firm engaged to assist the CGN&S Committee in identifying candidates for appointment to the Board will be specifically directed to include diverse candidates generally, and multiple women and visible minority candidates in particular. The CGN&S Committee will maintain an "evergreen list" of potential Board nominees. In establishing the "evergreen list", the CGN&S Committee will consider the criteria outlined in the skills matrix and Board diversity.

In addition, each year the CGN&S Committee will: (i) assess the effectiveness of this Diversity Policy and related objectives; (ii) monitor and review our progress in achieving our aspirational target for diversity; (iii) monitor the implementation of this Diversity Policy; and (iv) report to the Board and recommend any revisions that may be necessary, including evaluating whether it is desirable to adopt additional requirements or policies with respect to the diversity of the Board and management.

## **10.3 Board Diversity Target**

At least 35 percent of Boardwalk Trustees shall be women or visible minorities.

## **10.4 Executive Officer Diversity Policy**

The Board believes that the appointment of executive officers should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the particular position. Boardwalk believes that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide the leadership needed to achieve the Trust's business objectives is in the best interests of Boardwalk and all of its stakeholders. Although no quotas or targets have been imposed, Boardwalk will strive to add female and visible minority representation to its executive when considering executive appointments.

## **11. TRUSTEE COMPENSATION AND EXPENSE POLICY**

The CGN&S Committee annually reviews with the Chairman and makes recommendations to the Board on the adequacy and form of the compensation for non-executive Trustees, including their retainers, meeting fees and reimbursement of expenses, taking all reasonable steps to ensure such compensation realistically reflects the responsibilities and risk involved, without compromising a Trustee's independence. A substantial portion of the total non-executive Trustees' compensation package should be in the form of Boardwalk trust units or trust unit equivalents in order to align the interests of Boardwalk's Trustees with the interests of its unitholders. The Board has adopted a guideline stating that each non-executive Trustee should own, within five (5) years of joining the Board, trust units, deferred trust units, restricted share units or similar unit equivalent of Boardwalk, if any, with a value of at least CAD \$200,000. Each Trustee shall continue to increase their annual ownership position in trust units throughout his or her tenure as a Trustee.

Each Trustee may elect to receive up to one hundred percent (100%) of such retainers in deferred units of Boardwalk.

Trustees who are executives of Boardwalk receive no additional remuneration for their services as Trustee.

In general, Trustees are required to follow Boardwalk's policies and procedures with respect to reimbursement of their travel expenses, which policies and procedures can be obtained from the Vice President, Human Resources and are also contained in Boardwalk's employee handbook, which is distributed to the Trustees on their election to the Board and updated on an annual basis. Specifically, and by way of example, such policies and procedures include, but are not limited to, the following:

1. Trustees will book the lowest-priced, non-stop coach class airfare available that permits changes in itinerary for reasonable fees. Business class and first class are not permitted unless a letter is received from the Trustee explaining the extenuating circumstances (e.g. medical reasons) that requires such service;
2. Boardwalk has negotiated rates with a number of hotels and hotel chains in cities across Canada. Selections were based upon location, rates and hotel amenities. Reservations for all accommodations can only be booked at one of the preferred hotels. The only exceptions to this policy are as follows:
  - attendance at a conference/seminar, which is at a specific hotel; or
  - attendance at a training and development course, which is at a specific hotel; and
3. Trustees will be reimbursed for meals based on reasonable actual costs accompanied by detailed original receipts. Trustees will be reimbursed for business-related meals taken with other Boardwalk employees in the following circumstances:
  - when, for confidentiality reasons, business must be conducted off Boardwalk premises, or
  - when dining with other employees on an out-of-town trip such as a conference, or
  - when authorized by the Board for reward, recognition, or other appropriate business purposes.

The cost of alcoholic beverages **WILL NOT** be considered for a business-related expense unless there is prior approval from the Chairman.

## **12. ACCESS TO MANAGEMENT AND TO EXTERNAL ADVISORS**

Board members have full access to executive management. Advice and counsel from Trustees to executive management occur both in formal Board and committee meetings and through informal, individual Trustees' contacts and discussions with the President, CEO, Secretary and other members of Boardwalk executive management.

The Board relies on the information that management provides to the Board and its committees. The timeliness, quality and completeness of this information is critical to the effectiveness of Board decisions and is monitored by the Board on an ongoing basis. Nonetheless, on occasion, members of the Board may seek legal or expert advice at Boardwalk's expense from a source independent of management. Hiring of such advisors is subject to Board approval, except as otherwise provided herein with respect to the Audit Committee and CGN&S Committee.

## **13. EXECUTIVE COMPENSATION CLAWBACK POLICY**

The Board may, in its sole discretion, to the full extent permitted by governing law and to the extent it

determines that it is in Boardwalk's best interest to do so, recover all or a portion of annual and long-term incentive compensation awarded to the executive officer if:

- (a) the amount of the incentive compensation received by the executive officer was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently the subject of or affected by a restatement of all or a portion of Boardwalk's financial statements, and gross negligence, fraud or other serious misconduct directly caused or contributed, in whole or in part, to the restatement; or
- (b) the executive officer has committed fraud or engaged in other serious misconduct, irrespective of whether there was a restatement of previously issued financial statements.

For the purposes of this Executive Compensation Clawback Policy: "Board" means the Board of Trustees of Boardwalk or, if determined by the Board, one of its committees; and "executive officer" means any current or former executive officer of Boardwalk who has been designated as such by the Board.

## **14. PROCEDURES RELATIVE TO COMPLAINTS REGARDING ACCOUNTING AND AUDITING MATTERS**

### **14.1 General**

The purpose of Boardwalk's complaint procedure regarding accounting and auditing matters (the "**Complaint Procedure**") is to offer an effective and confidential method for interested parties to notify the Board of any potential or real wrongdoing with respect to accounting or auditing matters.

Any person who wishes to raise issues relating to accounting and auditing matters will be asked to call, email, or mail the chair of the Audit Committee.

The Complaint Procedure is set out in Boardwalk's Code of Conduct, available at [bwalk.com/en-ca/investors/corporate-governance](http://bwalk.com/en-ca/investors/corporate-governance).

### **14.2 Protection**

The Complaint Procedure offers protection to those who disclose their concerns. No complaint will result in dismissal or disciplinary action or any other form of detriment for the complainant. Any acts of reprisal against a complainant shall be treated by Boardwalk as a very serious matter.

### **14.3 Confidentiality**

The identity of any complainant under the Complaint Procedure will be kept confidential and any complaint can be made anonymously.

### **14.4 Detailed procedures**

The Complaint Procedure is reserved for complaints related to accounting and auditing matters. Complaints about other matters made using the Complaint Procedure will be redirected to the appropriate organization or person.

Complaints will be classified in four categories: (1) Accounting, (2) External Audit, (3) Internal Audit, or (4) Unclassified.

Detailed information about the complainant and the complaint allegations will be recorded and complaints details will be sent to the chair of the Audit Committee for review (unless the complaint or allegations

concern the chair of the Audit Committee in which case it will be forwarded to the Secretary). Complainants requesting to remain anonymous will be assigned a reference number.

A quarterly report of all complaints and/or disclosures as well as any subsequent actions taken will be made to the Audit Committee by the chair of the Audit Committee or Secretary, as the case may be.

**14.5 Procedures review**

The Complaint Procedure will be reviewed periodically.

**15. INTERESTED PARTIES COMMUNICATIONS WITH MANAGEMENT**

In addition to the Complaint Procedure, the Board has made available a method for interested parties to communicate their concerns to the Business Conduct Committee, consisting of the Secretary, Vice Presidents, Human Resources and Customer Service, as well as the Director of Community Development. This process is posted on Boardwalk's website.

Such method allows any interested party to communicate directly by telephone or telecopier with the Business Conduct Committee at locations determined and agreed to by him or her.

The Secretary will report periodically to the Board on any valid concerns expressed by interested parties.

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