

## **SUN RESIDENTIAL REAL ESTATE INVESTMENT TRUST**

### **MANDATE OF THE BOARD OF TRUSTEES**

#### **1. Introduction**

The board of trustees of Sun Residential Real Estate Investment Trust is elected by the unitholders of Sun and is responsible for the stewardship of Sun. The purpose of this mandate is to describe the principal duties and responsibilities of the Board, as well as some of the policies and procedures that apply to the Board in discharging its duties and responsibilities.

#### **2. Chair of the Board**

The chair of the Board will be appointed by the Board, after considering the recommendation of any applicable committee of the Board, for such term as the Board may determine.

#### **3. Independence**

The Board will be comprised of a majority of independent trustees, as established by applicable laws and the rules of any stock exchanges upon which Sun's securities are listed, including section 1.4 of National Instrument 52-110 - *Audit Committees*.

Where the Chair is not independent, the independent trustees will select one of their number to be appointed lead trustee of the Board for such term as the independent trustees may determine. If Sun has a non-executive Chair, then the role of the lead trustee will be filled by the non-executive Chair. The lead trustee or non-executive Chair will chair regular meetings of the independent trustees and assume other responsibilities that the independent trustees as a whole have designated.

#### **4. Role and Responsibilities of the Board**

The role of the Board is to act honestly and in good faith and act in the best interests of Sun, and each member of the Board must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Board must represent the unitholders of Sun, enhance and maximize unitholder value and conduct the business and affairs of Sun ethically and in accordance with the highest standards of corporate governance. The Board is ultimately accountable and responsible for providing independent, effective leadership in supervising the management of the business and affairs of Sun. The responsibilities of the Board include:

- (a) adopting a strategic planning process;
- (b) risk identification and ensuring that procedures are in place for the management of those risks;
- (c) review and approve annual operating plans and budgets;
- (d) corporate social responsibility, ethics and integrity;
- (e) succession planning, including the appointment, training and supervision of management;
- (f) delegations and general approval guidelines for management;
- (g) monitoring financial reporting and management;
- (h) monitoring internal control and management information systems;

- (i) corporate disclosure and communications;
- (j) adopting measures for receiving feedback from stakeholders; and
- (k) adopting key corporate policies designed to ensure that Sun, its trustees, officers and employees comply with all applicable laws, rules and regulations and conduct their business ethically and with honesty and integrity.

## **5. Meetings and Oversight**

Meetings of the Board will be held at least quarterly, with additional meetings to be held as required. After each meeting of the Board, the independent trustees may meet without non-independent trustees. The Board will delegate responsibility for the day-to-day management of Sun's business and affairs to Sun's senior officers and will supervise such senior officers appropriately. The Board may delegate certain matters it is responsible for to Board committees. The Board will, however, retain its oversight function and ultimate responsibility for these matters and all delegated responsibilities.

## **6. Corporate Social Responsibility, Ethics and Integrity**

The Board will provide leadership to Sun in support of its commitment to corporate social responsibility, set the ethical tone for Sun and its management and foster ethical and responsible decision-making by management. The Board will take all reasonable steps to satisfy itself of the integrity of the Chief Executive Officer (the "CEO") and management and satisfy itself that the CEO and management create a culture of integrity throughout the organization.

## **7. Delegations and Approval Authorities**

The Board will delegate to the CEO and senior management authority over the day-to-day management of the business and affairs of Sun. This delegation of authority will be subject to specified financial limits and any transactions or arrangements in excess of general authority guidelines will be reviewed by and subject to the prior approval of the Board.

## **8. Policies**

The Board will adopt and annually review policies and procedures designed to ensure that Sun, its trustees, officers and employees comply with all applicable laws, rules and regulations and conduct Sun's business ethically and with honesty and integrity. Review of Mandate

The Board may, from time to time, amend this Mandate.

## **9. Approval**

Approved by the Board of Trustees on December 1, 2019.