

## Committee Mandates & Charters

### ***Board Mandate***

The Board is responsible for the stewardship of Boardwalk. The Board supervises Management of Boardwalk with the goal of enhancing long-term Unitholder value. Management, in turn, is responsible for the day-to-day management of the business and affairs of Boardwalk and its subsidiaries. Management is also responsible for establishing strategic planning initiatives for Boardwalk. The Board assists in the development of these goals and strategies by acting as a sounding board and by contributing ideas. The Board ultimately approves the strategic plan, taking into account the risks and opportunities of the business of Boardwalk. The Board approves all significant decisions that affect Boardwalk before they are implemented, supervises the implementation and reviews the results. In some cases, the Board, by means of standing resolutions, will delegate limited authority to senior officers of the Trust to carry out certain tasks, usually within strict financial parameters and in a manner with the strategic plan of the Trust, both of which are reviewed on a quarterly basis by the Board.

The Board, in some cases through its committees, has specifically assumed responsibility for: (i) participating in the development of the 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 and the performance of its subsidiaries; (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 of Trustees, where required, and defining their mandates.

In the interests of renewal and continuity, committee chairs are generally expected to serve a three (3) year term.

Because of the Board's demanding role and responsibilities, all Trustees shall be required, on an annual basis concurrent with their performance assessments, to advise the Compensation, Governance and Nominations Committee of any outside, arms-length board of directors they have joined to ensure that such directorship(s) would not impair a Trustee's ability to fulfill the responsibilities of his or her position.

### ***Position Descriptions***

#### ***Chair, Lead Trustee and Chair of each Board Committee***

The Board has developed written position descriptions for the chair, lead Trustee and chair of each Board committee. The Board has also adopted written mandates for each Board committee. The Board as a whole and the members of each Board committee are responsible for taking such steps as may be necessary to ensure that the Board and the committees of the Board fulfill their respective mandates. Such position descriptions and mandates can be found on Boardwalk's investor website at [www.BoardwalkREIT.com](http://www.BoardwalkREIT.com).

#### ***Chief Executive Officer***

The Board has developed objectives which the Chief Executive Officer is responsible for meeting and the Board assesses the Chief Executive Officer against those objectives. A position description for the Chief Executive Officer can be found on Boardwalk's investor website at [www.BoardwalkREIT.com](http://www.BoardwalkREIT.com).

### ***Orientation and Continuing Education***

The Board and management of Boardwalk have established an orientation and education program for new Trustees and new committee members regarding the role of the Board, its committees and the Trustees, as well as the nature and operation of Boardwalk's business. Existing Trustees have historically provided orientation and education to new members in light of the particular needs of each new Trustee.

The Board of Trustees provides new Trustees with access to all background documents of the Trust, including all corporate records and prior Board materials. They are also provided with relevant research articles on the industry and the Trust. New members of the Board of Trustees are invited to meet with all officers of the Trust

## Committee Mandates & Charters

for orientation as to the nature and operations of the business and are invited to all meetings of the committees of the Board of Trustees.

Further, every Trustee has access to management and relevant business information and management makes regular presentations to the Board on the main areas of Boardwalk's business. At least annually, the Board reviews the skills, knowledge and effectiveness of the Board, its committees and individual Trustees.

Presentations are made regularly to the Board of Trustees and Committees to educate and inform them of changes within Boardwalk REIT and on other appropriate subjects such as regulatory and industry requirements and standards, capital markets and commodity pricing. During 2012, site tours of the Quebec portfolio were provided to Trustees. The CG&N Committee reviews information on available external educational opportunities and ensures that Trustees are aware of the opportunities. Boardwalk is a corporate member of The Institute of Corporate Directors ("ICD") and pays for each Trustee to be a member of ICD. Trustees are encouraged and supported financially to take ICD education programs, including certification through the Director's Education Program, as well as courses on corporate governance, financial literacy and related matters.

### *Ethical Business Conduct*

The Board has adopted a written code of conduct for the Trustees, directors, officers and employees of Boardwalk and its subsidiaries. The policy stipulates that such persons will treat each other, customers, suppliers, security holders and all other persons with goodwill, trust, and respect. The policy strives to create a culture in Boardwalk and its subsidiaries that values honesty, high ethical standards and compliance with laws, rules and regulations. In addition, the Trust has approved a discrimination policy, a sexual harassment policy, a work place harassment policy and an insider trading policy.

The Declaration of Trust contains "**conflict of interest**" provisions that serve to protect Unitholders without creating undue limitations on Boardwalk. Given that the Trustees are engaged in a wide range of real estate and other business activities, the Declaration of Trust contains provisions, similar to those contained in the *Canada Business Corporations Act*, that require each Trustee to disclose to Boardwalk any interest in a material contract or transaction or proposed material contract or transaction with Boardwalk (including a contract or transaction involving the making or disposition of any investment in real property or a joint venture arrangement) or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with Boardwalk. Such disclosure is required to be made at the first meeting at which a proposed contract or transaction is considered. In the event that a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the Trustees, a Trustee is required to disclose in writing to Boardwalk or request to have entered into the minutes of the meeting of the Trustees the nature and extent of his or her interest forthwith after the Trustee becomes aware of the contract or transaction or proposed contract or transaction. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to his or her remuneration as a Trustee, officer, employee or agent of Boardwalk or one for indemnity under the provisions of the Declaration of Trust or liability insurance.

The Board has advised each of the executive officers of Boardwalk and its subsidiaries that the terms of their employment require such executive officers to follow the same disclosure procedures and practices outlined above when such executive officers are in a situation that is, or may be considered to be, a "**conflict of interest**".

The Audit and Risk Management Committee has also adopted a "**whistleblower**" policy that sets out procedures which allow officers and employees of Boardwalk and its subsidiaries to file reports on a confidential and, if necessary, anonymous basis regarding any concerns about accounting, internal accounting controls or financial irregularities. A copy of the Trust's whistleblower policy, which includes the contact information for the Chair of the Audit and Risk Management Committee, is available on the Trust's investor website at [www.boardwalkreit.com/AboutUs/BusinessConduct.pdf](http://www.boardwalkreit.com/AboutUs/BusinessConduct.pdf)

## Committee Mandates & Charters

### *Nomination of Trustees*

The Board has appointed the Compensation, Governance and Nominations Committee (the “**CG&N Committee**”) which is responsible for, among other items: (i) reviewing the size and composition of the Board; (ii) recommending candidates for election to the Board; (iii) reviewing credentials of nominees for re-election; and (iv) recommending candidates for filling vacancies on the Board. The three (3) members of the Compensation, Governance and Nominations Committee are independent Trustees under NI 58-101.

The Board reviews its size and composition from time to time to determine their impact on its effectiveness. In that regard, the CG&N Committee maintains an active list of potential qualified nominees to the Board. The Board believes that its current Trustees comprise an appropriate mix of individuals with real estate, accounting, financial, legal, capital markets, income trust and general business experience. However, notwithstanding this opinion, the Board reviews qualified candidates for the Board on a regular and ongoing basis and will add any exceptional individuals as Trustees as and when they present themselves.

### *Compensation*

The Board, through its Compensation, Governance and Nominations Committee, reviews the adequacy and form of compensation of Trustees and executive officers annually. The Compensation, Governance and Nominations Committee considers the time commitment, risks and responsibilities of Trustees and executive officers, and takes into account the types of compensation and the amounts paid to directors, trustees and executive officers of comparable publicly traded Canadian companies and income trusts. As stated earlier, of the three (3) members of the Compensation, Governance and Nominations Committee, all are independent Trustees under NI 58-101.

### *Board Committees*

#### *General*

The Trustees may appoint from among their number one or more committees of Trustees and may, subject to applicable law and to any provision in the Declaration of Trust to the contrary, delegate to such committee or committees any of the powers of the Trustees.

The Board has two committees: (i) the Audit and Risk Management Committee; and (ii) the Compensation, Governance and Nominations Committee. Each of these committees is composed entirely of independent Trustees, and have the following responsibilities:

#### *Compensation, Governance and Nominations Committee – Terms of Reference*

The Declaration of Trust provides that Boardwalk shall establish a Compensation, Governance and Nominations Committee consisting of at least three (3) independent Trustees. The duties of the Compensation, Governance and Nominations Committee will be to review the governance of the Trust with the responsibility for the Trust’s corporate governance, human resources and compensation policies. In particular, the Compensation, Governance and Nominations Committee will be responsible for:

1. Review human resources development, organize and recommend to the Board compensation principles and practices and approve any significant changes to structure or principles and practices;
2. Review and make recommendations on the performance and compensation of the Chief Executive Officer and other senior executives of the Trust;
3. Review and recommend to the Board the form and adequacy of compensation for the Trustees;
4. Monitor the appropriateness of the Trust’s governance systems with regard to external governance standards, “**best practices**” guidelines and with an emphasis on “**ongoing improvements**”;
5. Review the makeup and needs of the Board of Trustees and develop criteria for adding new Trustees to the Board; and

## Committee Mandates & Charters

6. Circulate and report on questionnaires to each Trustee annually to evaluate and assess the effectiveness of the Board, its committees in meeting governance objectives and each individual's own contribution.

Notwithstanding the appointment of the Compensation, Governance and Nominations Committee, the Trustees may consider and approve any matter, which the Compensation, Governance and Nominations Committee has authority to consider or approve.

The Compensation, Governance and Nominations Committee conducts an annual evaluation of the effectiveness of the Board and each of the committees of the Board. The latter survey covers the operation of the Board and its committees, the adequacy of information provided to Trustees, Board structure and agenda planning for Board meetings. These assessments take into account the Board mandate and the relevant committee mandates. The results of the surveys form the basis of recommendations to the Board for change.

Effective February 13, 2008, the Board adopted a policy respecting annual peer evaluations of Trustees (see "*Term Limits and Retirement of Trustees*" below.)

### ***Audit and Risk Management Committee – Terms of Reference***

The Declaration of Trust provides that Boardwalk shall establish an Audit and Risk Management Committee consisting of at least three (3) independent Trustees. The Audit and Risk Management Committee shall be composed of Trustees who comply with the provisions of National Instrument 52-110 of the CSA. Subject to the delegation to the Audit and Risk Management Committee of such other responsibilities as are determined by the Trustees from time to time and subject to such changes to its form and function as may be mandated by any relevant regulatory authorities, the Audit and Risk Management Committee is responsible for:

- (a) Financial Disclosure Issues – review and recommend to the Board for its approval quarterly and annual financial statements, accounting policies that affect the statements, press releases associated with the financial statements, Management's Discussion and Analysis, significant issues affecting financial reports; review emerging generally accepted accounting principles ("GAAP") developments and pronouncements; communicate and discuss directly with the Trust's external auditors the quality of the Trust's financial statements and the findings of their audit work; and review and approve the Annual Information Form of the Trust;
- (b) Internal Control – consider the effectiveness and integrity of the Trust's management information system and internal controls over financial reporting and related information technology, security and control; review and approve fees for audit and non-audit services involving the current audit firm; review with management, external auditors and legal counsel, if necessary, any material litigation claims or other contingencies, including tax assessments and the adequacy of financial provisions in the Trust's financial statements;
- (c) Risk Management – identify and oversee the management of the principal financial and business risks that could impact the operations and financial reporting of the Trust; review and monitor the processes in place for identifying principal risks and reporting thereon to the Board; review and report to the Board on significant business and financial matters affecting the Trust; help senior executives to monitor these risks; and
- (d) In accordance with National Instrument 52-110, implement and supervise a whistleblower policy for safe reporting of any accounting and other financial irregularities and monitor compliance with same on a quarterly and annual basis.

In the interests of continuity and renewal, and subject to the composition of the Board, members of the Audit and Risk Management Committee are generally expected to serve from three (3) to six (6) years on the Committee and the Chair of the Committee is generally expected to serve in such capacity for three (3) years.

The external auditors of the Trust are entitled to receive notice of every meeting of the Audit and Risk Management Committee and, at the expense of the Trust, to attend and be heard thereat and, if so requested by a member of the Audit and Risk Management Committee, shall attend any meeting of the Audit and Risk Management Committee held during the term of office of the external auditors.

## Committee Mandates & Charters

### *Employment of Partners or Employees of External Auditor*

A conflict of interest could arise or be perceived if Boardwalk were to hire partners, employees or former partners or employees (collectively referred to as “**Partners**”) of our present or former external auditor as employees. Accordingly, pursuant to the requirements of applicable securities laws and in order to maintain the independence (as that term is defined in Canadian Securities Administrators’ Multi-Lateral Instrument 52-110, titled “**Audit Committees**”) of our external auditor and preserve the integrity of our reporting of financial results, any decision to hire a Partner as an employee will not be finalized until it has been reviewed by the Audit and Risk Management Committee.

Such review will include the qualifications of the Partner in question, as well as an assessment of the potential impact the Partner’s hiring could have on the independence of our external auditor and the integrity of our financial reporting. If the Audit and Risk Management Committee determines that the hiring of such Partner would adversely affect the independence of our external auditor or the integrity of the reporting of our financial results, such Partner will not be hired as an Associate.

Please note that any Partners hired prior to August 1, 2003 are specifically excluded from the application of this policy.

## Committee Mandates & Charters

### 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 concurrent with his or her performance assessment by the entire Board, to advise the CG&N Committee of any outside, arms-length board of directors he or she has joined 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.<sup>1</sup>

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 CEO or other corporate officers of Boardwalk upon request.

The Board annually reviews the adequacy of its mandate.

---

<sup>1</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.

## Committee Mandates & Charters

### **BOARD CHAIR**

#### **Role**

The Board Chair is a Trustee who is designated by the Board. The Board Chair'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.

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

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

The Board Chair'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 Board Chair shall:**

1. chair all Board meetings;
2. set the agenda of each Board meeting, in consultation with the Lead Trustee and Chief Executive Officer (the "CEO"), if the Board Chair 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 Board Chair is not also the CEO.

#### **With respect to relationships between the Board and management, unitholders and other stakeholders, the Board Chair 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 Board Chair is not also the CEO, this involves working closely with the CEO or, if the Board Chair 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 Board Chair 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

## Committee Mandates & Charters

5. at the request of the Board, and, if the Board Chair 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

## Committee Mandates & Charters

### COMMITTEE CHAIRS

#### **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 Board Chair, 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.

## Committee Mandates & Charters

### **CHIEF EXECUTIVE OFFICER**

#### **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 Board Chair, if the Board Chair is not also CEO, or the Lead Trustee, if the Board Chair is also CEO, in the setting of Board agendas, and taking all reasonable steps to ensure that the Board Chair 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 Board Chair or Lead Trustee, as applicable, and the Board as a whole, and meeting regularly and as required with the Board Chair 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;

## Committee Mandates & Charters

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 CG&N Committee of any outside, arms-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.

## Committee Mandates & Charters

### **INDEPENDENT LEAD TRUSTEE**

#### **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>2</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 Board Chair 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 Board Chair to ensure that Boardwalk is building a healthy governance culture;
3. act in an advisory capacity to the Board Chair 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 Board Chair, represent Boardwalk to external groups such as unitholders and other stakeholders, including local community groups and governments; and
5. Chair Board meetings when the Board Chair is not in attendance.

---

<sup>2</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.

## Committee Mandates & Charters

### **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 and Risk Management and Compensation, Corporate Governance and Nominating..

The members and chairs of the committees are recommended to the Board by the Board Chair in consultation with the CG&N 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;

The Board has adopted, and annually reviews, the Charters governing the mandate and responsibilities of the Board committees.

#### **Audit and Risk Management Committee**

##### **Membership and Quorum**

- a minimum of three Trustees appointed by the Board;
- only Independent (as determined by the Board) Trustees may be appointed. A member of the Audit and Risk Management Committee 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;
- each member must be "financially literate" (as determined by the Board); and
- quorum of majority of members.

##### **Frequency and Timing of Meetings**

- normally one day prior to Boardwalk Board meetings;
- at least four (4) times a year and as necessary;
- committee members meet before or after every meeting without the presence of management.

##### **Mandate**

1. The Audit and Risk Management Committee's primary duties and responsibilities are to:
  - (a) identify and monitor the management of the principal risks that could impact the financial reporting of Boardwalk;
  - (b) monitor the integrity of Boardwalk's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
  - (c) monitor the independence and performance of Boardwalk's external auditors;
  - (d) deal directly with the external auditors to approve external audit plans, other services (if any) and fees;
  - (e) directly oversee the external audit process and results (in addition to items described in Section 4 below);
  - (f) provide an avenue of communication among the external auditors, management and the Board; and
  - (g) ensure that an effective anonymous "whistle blowing" procedure exists to permit stakeholders to express concerns regarding accounting or financial matters to an appropriately independent individual.

## Committee Mandates & Charters

2. The Audit and Risk Management Committee shall have the authority to:
  - (a) inspect any and all of the books and records of Boardwalk, its subsidiaries and affiliates;
  - (b) discuss with the management of Boardwalk, its subsidiaries and affiliates and senior staff of Boardwalk, any affected party and the external auditors, such accounts, records and other matters as any member of the Audit and Risk Management Committee considers necessary and appropriate;
  - (c) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
  - (d) set and pay the compensation for any advisors employed by the Audit and Risk Management Committee.
3. The Audit and Risk Management Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.
4. The Audit and Risk Management Committee shall:
  - (a) review the audit plan with Boardwalk's external auditors and with management;
  - (b) discuss with management and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;
  - (c) review with management and with the external auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;
  - (d) review any problems experienced or concerns expressed by the external auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
  - (e) review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;
  - (f) review audited annual financial statements and related documents in conjunction with the report of the external auditors and obtain an explanation from management of all significant variances between comparative reporting periods;
  - (g) consider and review with management, the internal control memorandum or management letter containing the recommendations of the external auditors and management's response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls of Boardwalk and subsequent follow-up to any identified weaknesses;
  - (h) review with financial management and the external auditors the quarterly unaudited financial statements and management discussion and analysis before release to the public; and
  - (i) before release, review and if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectuses, annual reports, annual information forms, management discussion and analysis and press releases.
5. The Audit and Risk Management Committee shall:
  - (a) evaluate the independence and performance of the external auditors and annually recommend to the Board the appointment of the external auditor or the discharge of the external auditor when circumstances are warranted and the compensation of the external auditor;
  - (b) pre-approve all non-audit services to be provided to Boardwalk or its subsidiary entities by Boardwalk's external auditors;
  - (c) approve the engagement letter for non-audit services to be provided by the external auditors or affiliates, together with estimated fees, considering the potential impact of such services on the independence of the external auditors;

## Committee Mandates & Charters

- (d) when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation required pursuant to National Policy 31 (or any successor legislation) of the Canadian Securities Administrators and the planned steps for an orderly transition period; and
  - (e) review all reportable events as determined on the advice of counsel, including disagreements, unresolved issues and consultations, as defined by applicable securities policies, on a routine basis, whether or not there is to be a change of external auditors.
6. The Audit Committee shall:
- (a) evaluate Boardwalk's policies with respect to ensuring compliance with environmental regulations applicable to Boardwalk's assets and shall periodically obtain assurance from management that such policies have been applied;
  - (b) evaluate Boardwalk's policies with respect to derivative trading and hedge transactions and periodically obtain assurance from management that such policies have been adhered to;
  - (c) evaluate Boardwalk's policies with respect to disaster recovery, including policies and programs for computer systems and buildings;
  - (d) annually review the amount and terms of any insurance to be obtained or maintained by Boardwalk with respect to risks inherent in its operations and potential liabilities incurred by the trustees or officers in the discharge of their duties and responsibilities; and
  - (e) evaluate risks related to fraud in financial reporting and provide recommendations to management of procedures to manage such risks.
7. The Audit and Risk Management Committee shall annually review the amount and terms of any insurance to be obtained or maintained by Boardwalk with respect to risks inherent in its operations and potential liabilities incurred by the trustees or officers in the discharge of their duties and responsibilities.
8. The Audit and Risk Management Committee shall provide advice to the Board regarding the appointment of the Chief Financial Officer.
9. The Audit and Risk Management Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Audit and Risk Management Committee by any member of the Board, a unitholder of Boardwalk, the external auditors, or senior management.
10. The Audit and Risk Management Committee shall annually review with management the need for an internal audit function.
11. The Audit and Risk Management Committee shall establish and maintain procedures for:
- a. the receipt, retention and treatment of complaints received by Boardwalk regarding accounting controls, or auditing matters; and
  - b. the confidential, anonymous submission by employees of Boardwalk on concerns regarding questionable accounting or auditing matters.
12. The Audit and Risk Management Committee shall review and approve Boardwalk's hiring policies regarding employees and former employees of the present and former external auditors or auditing matters.
13. The Audit and Risk Management Committee shall review with Boardwalk's internal legal counsel as required but at least annually, any legal matter that could have a significant impact on Boardwalk's financial statements, and any enquiries received from regulators, or government agencies.
14. The Audit and Risk Management Committee shall assess, on an annual basis, the adequacy of this Charter and the performance of the Audit and Risk Management Committee.

## Committee Mandates & Charters

15. In contributing to the Audit and Risk Management Committee's discharging of its duties under this Charter, each Member shall be entitled to rely in good faith upon:

- a. accounting information of Boardwalk represented to him by an officer of Boardwalk or in a written report of the auditors; and
- b. any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

In contributing to the Audit and Risk Management Committee's discharging of its duties under its Charter, each member shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in its Charter is intended, or may be construed, to impose on any member a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject. The essence of the Audit and Risk Management Committee's duties is the monitoring and reviewing to gain reasonable assurance (but not to ensure) that Boardwalk's business activities are being conducted effectively and that the financial reporting objectives are being met and to enable the Audit and Risk Management Committee to report thereon to the Board.

As appropriate, the Audit and Risk Management Committee may retain independent advisors to help it carry out its responsibilities, including fixing such advisors' fees and retention terms, subject to advising the Board Chair; the Committee makes arrangements for the appropriate funding for payment of the external auditors and any advisors retained by it. The Board also provides appropriate funding for all administrative expenses necessary or appropriate to allow the Audit and Risk Management Committee to carry out its duties.

The Audit and Risk Management Committee has direct communication channels with the internal and external auditors to discuss and review specific issues, as appropriate. In addition, each must meet separately with the Audit and Risk Management Committee, without management, as frequently as required; the Audit and Risk Management Committee must also meet separately with management as frequently as required.

The Audit and Risk Management Committee shall report to the Board regularly on its deliberations and annually on the adequacy of its mandate.

Nothing contained in the above mandate is intended to assign to the Audit and Risk Management Committee the Board's responsibility to ensure Boardwalk's compliance with applicable laws or regulations or to expand applicable standards of liability under statutory or regulatory requirements for the Trustees or the members of the Audit and Risk Management Committee. Even though the Audit and Risk Management Committee has a specific mandate and its members may have financial experience and expertise, it is not the duty of the Audit and Risk Management Committee to plan or conduct audits, or to determine that Boardwalk's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Such matters are the responsibility of management, the internal auditors and the external auditors.

Members of the Audit and Risk Management Committee are entitled to rely, absent knowledge to the contrary, on: (i) the integrity of the persons and organizations from whom they receive information; (ii) the accuracy and completeness of the information provided; and (iii) representations made by management as to the non-audit services provided to Boardwalk by the external auditors.

The Audit and Risk Management Committee's oversight responsibilities are not established to provide an independent basis to determine that: (i) management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures; or (ii) Boardwalk's financial statements have been prepared and, if applicable, audited in accordance with generally accepted accounting principles or generally accepted auditing standards.

## Committee Mandates & Charters

### **Compensation, Governance and Nominating Committee**

#### **Membership and Quorum**

- a minimum of three (3) Trustees appointed by the Board;
- only Independent Trustees shall be appointed; and
- quorum of majority of members.

#### **Frequency and Timing of Meetings**

- normally one day prior to Boardwalk Board meetings; and
- at least three (3) times a year and as necessary.

#### **Mandate**

The responsibilities of the CG&N Committee include the following:

1. ensuring the adequacy and equity of compensation arrangements for all employees and Trustees of Boardwalk and its subsidiary entities;
2. reviewing principles of good corporate governance that are appropriate for Boardwalk and making recommendations to the Board of Trustees to ensure that Boardwalk adopts and follows best governance practices
3. assessing the necessary competencies of the Board of Trustees and overseeing new candidates for the Board of Trustees to determine that such candidates contribute to the necessary skills and competencies of the Board of Trustees as a whole.

In discharging its mandate with respect to compensation arrangements, the CG&N Committee shall review and approve the goals and objectives of Boardwalk relevant to the Chief Executive Officer (the “CEO”) of Boardwalk and evaluate the CEO’s performance in meeting those goals and objectives. Based on this evaluation, the CG&N Committee shall make recommendations to the Board of Trustees with respect to the CEO’s compensation level. The Committee will also make recommendations to the Board with respect to the compensation of other officers of Boardwalk and the Trustees and shall review and make recommendations to the Board of Trustees with respect to any incentive compensation plans, equity-based plans or other compensation arrangements.

The CG&N Committee shall also review executive compensation disclosure in the annual management proxy circular and any other public documents, including offering documents, prior to their public release.

In discharging its mandate with respect to governance, the Committee shall periodically assess the standards of governance of Boardwalk and review changes in recommended best governance practices and adopt such governance proposals for implementation by Boardwalk. The CG&N Committee shall make recommendations to the Board of Trustees regarding the adoption of such practices by Boardwalk.

The CG&N Committee shall also supervise the annual assessment of the effectiveness of the Board of Trustees, committees of the Board of Trustees and individual Trustees.

The CG&N Committee will review the disclosure of Boardwalk’s governance practices as contained in the Annual Information Form, management information proxy circular and all other Boardwalk documents intended for publication.

In discharging its mandate with respect to nominations and orientation of new Trustees, the CG&N Committee shall periodically review the competencies and skills that the Board of Trustees as a whole should have and assess what necessary skills new Trustees might contribute. The CG&N Committee shall review the experience, qualifications, education and other appropriate factors of potential new Trustees and make recommendations to the Board of Trustees regarding the size and composition of the Board and identify appropriate candidates for the Board of Trustees to fill vacancies caused by an increase in the size of the Board or the resignation of current Trustees.

## Committee Mandates & Charters

The CG&N Committee shall also be responsible for the ongoing development and implementation of Trustee education and orientation programs for new members of the Board of Trustees.

The CG&N Committee shall also:

- (a) investigate competitive practices and trends to determine the adequacy of the Boardwalk's executive compensation programs, including all forms of compensation and perquisites;
- (b) review who should participate in the various elements of the total executive compensation package; and
- (c) advise the full Board of Trustees as to necessary actions and exposure issues.

As appropriate, the CG&N Committee may retain independent advisors to help it carry out its responsibilities, including fixing such advisors' fees and retention terms, subject to advising the Board Chair.

The CG&N Committee shall report to the Board regularly on its deliberations and annually on the adequacy of its mandate.

The Board shall supervise the CG&N Committee annual performance assessment.

Nothing contained in the above mandate is intended to assign to the CG&N Committee the Board responsibility to ensure Boardwalk's compliance with applicable laws or regulations or to expand applicable standards of liability under statutory or regulatory requirements for the Trustees or the members of the CG&N Committee.