

**CANADIAN APARTMENT PROPERTIES
REAL ESTATE INVESTMENT TRUST
GOVERNANCE AND NOMINATING
COMMITTEE CHARTER**

Section 1 Purpose.

The Governance and Nominating Committee (the “**Committee**”) is a committee of the Board of Trustees (the “**Board of Trustees**” or the “**Board**”) of Canadian Apartment Properties Real Estate Investment Trust (the “**Trust**”). Its primary function is to assist the Board of Trustees in fulfilling its applicable responsibilities to the Trust, the unitholders and the investment community and others by:

- (a) assessing the effectiveness of the trustees and the Board as a whole as well as discussing the contribution of individual members;
- (b) periodically assessing the Trust’s governance;
- (c) reviewing the Trust’s Disclosure Policy, Insider Trading Policy and Code of Conduct, and similar policies and practices as deemed required;
- (d) proposing new nominees for appointment to the Board of as trustees where applicable; and
- (e) orienting new trustees and providing continuing education for existing trustees.

Section 2 Composition and Meetings.

- (1) The Committee will be comprised of not less than three trustees as are determined by the Board, each of whom shall be independent for the purposes of National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, as amended from time to time, and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee and each of whom should be (or should become within a reasonable period of time after appointment) familiar with corporate governance practices.
- (2) The members of the Committee and its Chair shall be elected by the Board on an annual basis, or until their successors are duly appointed. Unless a Chair is

elected by the full Board of Trustees, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

- (3) The members of the Committee may be removed by the other members of the Board at any time by majority vote. The Chair may be removed by the other members of the Board or the Committee in consultation with the Board at any time.
- (4) The Committee may delegate any or all of its functions to any of its members or any sub-set thereof, or other persons, from time to time as it sees fit.
- (5) The Committee may, if considered appropriate, conduct or authorize investigations into any matters within the Committee's scope of activities.
- (6) The Committee shall be empowered to retain independent counsel, accountants, outside governance specialists or other experts and other professionals to assist in fulfilling its duties.
- (7) The Committee shall meet at least four times per annum. The Committee may ask members of management or others to attend meetings or to provide information as necessary. The Committee shall have full access to all information it deems appropriate for the purpose of fulfilling its role. In addition, the Committee may retain the services of outside governance specialists or other experts to the extent it desires.
- (8) A quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee or such greater number as the Committee shall by resolution determine.
- (9) Meetings of the Committee shall be held from time to time as the Chair determines; however, any member of the Committee may request the Chair to call a meeting with two (2) days' notice. The two (2) day notice period may be waived by all members of the Committee. Each of the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer and the Secretary shall be entitled to request that any member of the Committee call a meeting.
- (10) The members of the Committee will meet at regularly scheduled sessions with select members of management as well as by themselves, without management present.
- (11) The Chair shall submit copies of Committee meeting minutes to the trustees.

Section 3 General Role.

The Committee should:

- (a) determine the agenda items for its meetings;
- (b) review this Charter and recommend to the Board and the trustees changes to this Charter, as considered appropriate from time to time;
- (c) summarize in the Trust's Annual Report the Committee's composition and activities and set out in the Trust's annual management information circular the disclosure concerning the Trust's corporate governance that is required by applicable securities laws; and
- (d) report to the Board on the business conducted at meetings and any material decision reached by the Committee.

Section 4 Governance.

The Committee should:

- (a) review, on a periodic basis, the number and composition of the trustees and any Committees of trustees and make recommendations as to the number of independent trustees and advise the trustees and the Board on filling vacancies;
- (b) facilitate the independent functioning of the trustees and seek to maintain an effective relationship between the trustees and the executive officers;
- (c) develop and recommend to the trustees a written mandate for the trustees, however, it shall be the responsibility of the trustees as a whole to adopt any written mandate for the trustees;
- (d) develop a written position description for the Executive Chairman or Chairman, as the case may be, and lead trustee, as applicable, and should assess, at least annually, the effectiveness of the Executive Chairman or Chairman, as the case may be, and lead trustee, as applicable;
- (e) assess, at least annually, the effectiveness of the trustees as a whole, committees of the Trust and the contribution and qualification of individual trustees, including making recommendations where appropriate that a sitting trustee be removed or not be nominated for re-appointment and should also provide or co-ordinate the provision

of continuing education for the trustees so as to assist the trustees in maintaining the skill and knowledge necessary to meet their obligations as trustees;

- (f) review, on a periodic basis, the Trust's Disclosure Policy, Insider Trading Policy and the Trust's Code of Conduct, and recommend to the trustees any changes thereto as considered appropriate from time to time.

Section 5 Nominating Responsibilities.

- (1) The Committee should, as necessary or appropriate, establish qualifications for trustees and officers, and procedures for identifying possible nominees who meet these criteria. In doing so, it should consider desired competences and skills and the appropriate size of the Board.
- (2) The Committee should provide orientation or information as requested to new trustees.
- (3) The Committee should analyze the current skills and competences of the Board, the needs of the Board of Trustees when vacancies arise on the Board and identify and recommend nominees who meet such needs.
- (4) The Committee should recommend the resignation or removal of trustees or officers where their current or past conduct is or has been improper or reasonably likely to adversely affect the assets of the Trust or its reputation.

Section 6 Reporting.

The Committee should review with the Board of Trustees the Committee's judgment as to the quality of the Trust's governance and suggest changes to the Trust's operating governance guidelines as determined appropriate.

Section 7 General.

- (1) Notwithstanding the foregoing and subject to applicable law, nothing contained in this Charter is intended to require the Committee to ensure the Trust's compliance with applicable laws or regulations.
- (2) The Committee is a committee of the Board of Trustees and it is not and shall not be deemed to be an agent of the Trust's unitholders for any purpose whatsoever. The Board of Trustees may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively. No provision contained herein is intended to give rise to civil liability to securityholders of Trust or any other liability whatsoever.

