

ALLIED

Governance, Compensation and
Nomination Committee
Terms of Reference

December 2021

Governance, Compensation And Nomination Committee Terms of Reference

1 PURPOSE

- 1.1 The overall purpose of the Governance, Compensation and Nomination Committee (the “Committee”) of Allied is to develop and monitor Allied’s approach to matters of governance, to the compensation of officers of Allied and to the nomination of Trustees for election by unitholders.

2. COMPOSITION, PROCEDURES AND ORGANIZATION

- 2.1 The Committee shall consist of at least three members of the board of trustees of Allied (the “Trustees”), all of whom shall be, in the determination of the Trustees, “independent” as that term is defined by National Instrument 52-110.
- 2.2 The Trustees, at their organizational meeting held in conjunction with each annual meeting of unitholders, shall appoint the members of the Committee for the ensuing year. The Trustees may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. Any member of the Committee ceasing to be a trustee shall cease to be a member of the Committee.
- 2.3 Unless the Trustees shall have appointed a chair of the Committee, the members of the Committee shall select a chair from amongst their number. The chair shall be “independent” and shall not have a second, or casting, vote.
- 2.4 The Committee shall have access to such officers and employees of Allied, Allied’s external auditor and its legal counsel, and to such information respecting Allied as it considers to be necessary or advisable in order to perform its duties.
- 2.5 The Committee shall meet at such times and at such locations as the chair of the Committee shall determine. Any member of the Committee may request a meeting of the Committee.
- 2.6 Any Trustee may request the chair of the Committee to call a meeting of the Committee and may attend at such meeting or inform the Committee of a specific matter of concern to such Trustee, and may participate in such meeting to the extent permitted by the chair of the Committee.
- 2.7 A quorum for any meeting of the Committee shall be at least 50% of the members of the Committee, present in person. Any member participating in a meeting of the Committee by conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall be considered present in person at the meeting.
- 2.8 The Committee is authorized, at Allied’s expense, to retain independent counsel and other advisors as it determines necessary to carry out its duties.

3. THE DUTIES OF THE COMMITTEE

Corporate Governance and Nomination of Trustees

3.1 The duties of the Committee are as follows:

- a. to develop and monitor Allied's overall approach to corporate governance issues and, subject to approval by the Trustees, to implement and administer a system of corporate governance which reflects superior standards of corporate governance practices and to continue to develop Allied's approach to corporate governance issues;
- b. to undertake an annual review of corporate governance issues and practices as they affect Allied;
- c. to oversee and review, as appropriate, Allied's Protocol for Review of Related Party Transactions and responses to Allied's Conflict of Interest Questionnaire;
- d. to advise the Trustees or any committees of the Trustees of corporate governance issues which the Committee determines ought to be considered by the Trustees or any such committee;
- e. to review with the Trustees on a regular basis but not less than annually, the mandate of the Trustees, the terms of reference of each of the committees of the Trustees and the methods and processes by which the Trustees fulfill their duties and responsibilities, including without limitation:
 - i. the number and content of meetings;
 - ii. the annual schedule of issues to be presented to the Trustees at its meetings or those of its committees;
 - iii. material which is to be provided to the Trustees generally and with respect to meetings of the Trustees or its committees;
 - iv. resources available to the Trustees; and
 - v. the communication process between the Trustees and management;
- f. to review and consider requests from a committee or an individual Trustee to engage separate independent counsel and advisors at the expense of Allied and to make recommendations to the Trustees in respect thereof;
- g. to develop a position description for the chair of the Trustees (the "Chair") and to assess the performance of the Chair;
- h. to oversee and review as required, Allied's Orientation and Education Program for new recruits to the Board, in order to familiarize new Trustees with the business of Allied, its management and professional advisers and

its facilities. Under the Orientation and Education Program, all new recruits to the Board shall:

- i. receive orientation materials consisting of all Trustees' Committee Mandates, copies of the Board and Allied Policies, an Indemnity Agreement, a copy of Allied's Trustees and Officers insurance policies and Allied's most recent significant public disclosure documents;
 - ii. prior to joining the Trustees, meet with the Chair of Allied, the Chief Executive Officer of Allied and the Chief Financial Officer of Allied. Each such officer shall be responsible for outlining the business and prospects of Allied both positive and negative with a view to ensuring that the new recruit is properly informed to commence his or her duties as a Trustee; and
 - iii. attend on a site visit of selected properties with a senior management member to observe the operations of the business.
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- i. at least once annually, to canvass members of the Trustees and members of management with respect to the effectiveness of the Trustees, Trustees' committees, and the chairs thereof. The review shall include an inquiry into the adequacy of Trustees' materials, frequency and content of Trustees' meetings and effectiveness of communications between management and the Trustees. To facilitate this review, the Trustees will be asked to complete the Board Effectiveness Survey published by the Canadian Coalition for Good Governance. The Chair of the Trustees will also canvass the Trustees and members of management with respect to the effectiveness of individual Trustees. The Committee shall be responsible for providing constructive feedback to the Trustees, Trustees' committees and management, as appropriate;
 - j. to review annually the effectiveness of the terms of reference of the Audit Committee and the Governance, Compensation and Nomination Committee of Allied as they relate to matters affecting governance;
 - k. to report annually to Allied's unitholders, through Allied's annual management proxy circular or annual report to unitholders, on Allied's approach to corporate governance;
 - l. to adopt and implement a Disclosure Policy for Allied as well as an Insider Trading Policy for trustees, executives and employees of Allied;
 - m. to recommend candidates to fill trustee and committee vacancies;
 - n. to recommend candidates to be nominated for election as a trustee at the annual meeting of unitholders;
 - o. to review and monitor Allied's code of business conduct to ensure ethical behaviour and compliance with laws and regulations; and

- p. to consider any other questions or matters of governance or nomination of trustees referred to it by the Trustees.

Environmental, Social and Governance (“ESG”)

- 3.2 The duties of the Committee as they relate to ESG are as follows:
 - a. to oversee and monitor Allied's ESG performance;
 - b. to adopt and review annually Allied's ESG Policy for recommendation to the Board;
 - c. to receive and review annually Allied's ESG Report;
 - d. to recommend ESG compensation performance criteria to the Trustees; and
 - e. to consider any other matters or questions relating to ESG referred to it by the Trustees.

Compensation

- 3.3 The duties of the Committee as they relate to compensation are as follows:
 - a. to recommend to the Trustees human resources and compensation policies and guidelines;
 - b. to ensure that Allied has in place programs to attract and develop management of the highest calibre and a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the Chief Executive Officer in this regard;
 - c. to review and confirm on an annual basis the adequacy of the CEO mandate;
 - d. subject to any contractual arrangements, to set the annual salary, bonus and other benefits, direct and indirect, of the Chair, the Chief Executive Officer and the Committee Chairs and to approve compensation for all other designated officers after considering the recommendations of the Chief Executive Officer, all within any human resources and compensation policies and guidelines approved by the Trustees;
 - e. to review periodically the adequacy and form of the compensation of the trustees of Allied with a view to ensuring that such compensation realistically reflects the responsibilities and risks of being a trustee;
 - f. to implement and administer human resources and compensation policies approved by the Trustees concerning the following:
 - i. executive compensation, employment and related contracts, unit option plans, deferred unit plans and other incentive plans; and

- ii. proposed personnel changes involving officers reporting to the Chief Executive Officer;
- g. from time to time to review with the Chief Executive Officer, Allied's broad policies on compensation for all employees and overall labour relations strategies; and
- h. to consider any other questions or matters of compensation referred to it by the Trustees.