

ARTIS REAL ESTATE INVESTMENT TRUST AUDIT COMMITTEE CHARTER

Role and Objective

The Audit Committee (the "Committee") is a committee of the board of trustees (the "Board") of Artis Real Estate Investment Trust ("REIT") to which the Board has delegated its responsibility for oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for Board approval, the audited financial statements and other mandatory disclosure releases containing financial information. The objectives of the Committee are as follows:

1. To assist directors in meeting their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of REIT and related matters;
2. To provide better communication between directors and external auditors;
3. To enhance the external auditors' independence; and
4. To increase the credibility and objectivity of financial reports.

Membership of Committee

1. The Committee shall be comprised of at least three (3) trustees of REIT, each of which shall be "independent" as such term is used in Multilateral Instrument 52-110 – Audit Committees ("MI 52-110") and an "unrelated" trustee within the meaning of the TSX Company Manual.
2. The Board shall have the power to appoint the Committee Chairman.

Meetings

1. At all meetings of the Committee every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chairman of the meeting shall not be entitled to a second or casting vote.
2. A quorum for meetings of the Committee shall constitute 50% of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board.
3. Meetings of the Committee should be scheduled to take place at least four times per year. Minutes of all meetings of the Committee shall be taken.

4. The Committee shall forthwith report the results of meetings and reviews undertaken and any associated recommendations to the Board.
5. The Committee shall meet with the external auditors at least once per year (in connection with the preparation of the year end financial statements) and at such other times as the external auditors and the Committee consider appropriate.

Mandate and Responsibilities of Committee

1. It is the responsibility of the Committee to oversee the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting.
2. It is the responsibility of the Committee to satisfy itself on behalf of the Board with respect to REIT's internal control system:
 - identifying, monitoring and mitigating business risks; and
 - ensuring compliance with legal, ethical and regulatory requirements.
3. It is a responsibility of the Committee to review the annual financial statements of REIT prior to their submission to the Board for approval. The process should include but not be limited to:
 - reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;
 - reviewing significant accruals or other estimates such as the ceiling test calculation;
 - reviewing accounting treatment of unusual or non-recurring transactions;
 - ascertaining compliance with covenants under loan agreements;
 - reviewing disclosure requirements for commitments and contingencies;
 - reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
 - reviewing unresolved differences between management and the external auditors; and
 - obtaining explanations of significant variances within comparative reporting periods.

4. The Committee is to review the financial statements, MD&A and annual and interim earnings press releases, and make a recommendation to the Board with respect to their approval, prior to their release to the public. The Committee must be satisfied that adequate procedures are in place for the review of the REIT's disclosure of all other financial information, where extracted or derived from the financial statements, and shall periodically assess the adequacy of those procedures
5. With respect to the appointment of external auditors by the Board, the Committee shall:
 - recommend to the Board the appointment of the external auditors;
 - recommend to the Board the terms of engagement of the external auditors, including the compensation of the external auditors and a confirmation that the external auditors shall report directly to the Committee; and
 - when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change.
6. The Committee shall review with external auditors (and the internal auditor if one is appointed by REIT) their assessment of the internal controls of REIT, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee shall also review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of REIT and its subsidiaries.
7. The Committee must pre-approve all non-audit services to be provided to REIT or its subsidiaries by the external auditors. The Committee may delegate to one or more members the authority to pre-approve non-audit services, provided that the member(s) report to the Committee at the next scheduled meeting such pre-approval and the member(s) comply with such other procedures as may be established by the Committee from time to time.
8. The Committee shall review risk management policies and procedures of REIT (i.e. hedging, litigation and insurance).
9. The Committee shall establish a procedure for:
 - a. the receipt, retention and treatment of complaints received by REIT regarding accounting, internal accounting controls or auditing matters; and

- b. the confidential, anonymous submission by employees and agents of REIT of concerns regarding questionable accounting or auditing matters.
10. The Committee shall review and approve REIT's hiring policies regarding employees and former employees of the present and former external auditors of REIT.
 11. The Committee shall have the authority to investigate any financial activity of REIT. All employees and agents of REIT are to cooperate as requested by the Committee.
 12. The Committee may retain any person having special expertise and/or obtain independent professional advise to assist in satisfying their responsibilities at the expense of REIT without any further approval of the Board.
 13. The Committee shall annually review, discuss and assess the performance of the Committee and its members, and shall periodically review and consider the need for recommending amendment to this charter to the Board.