



This document outlines answers to the questions that Associates have asked the BCLT directly, via the confidential [Ask the BCLT](#) survey, as well as questions that have been escalated informally.

Please continue submitting your questions and suggestions. We value your input and remain committed to reviewing every comment we receive.

*Stay safe,
Peter Forde*

Q&A

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WORKING IN THE OFFICE

1. IS IT SAFE FOR ME TO WORK IN THE SMARTCENTRES OFFICE?

Your safety is our priority.

We are very fortunate that our Vaughan office is a 2-storey building with an escalator, mitigating physical distancing concerns on an elevator. It has exceptionally high ceilings for an office space, generous workstations and minimal local pedestrian congestion.

Over the past 6 months, we have implemented meaningful measures to further ensure your safety. The list of enhancements includes:

- Increased cleaning and sanitization,
- Temperatures upon arrival,
- Managed pathways,
- Touchless door openers, kitchen faucets and kitchen paper towel dispensers,
- Limited occupancy in meeting rooms and common areas,
- Transparent plexiglass dividers around workstations,
- Prohibited entry of external guests,
- Vaughan office HVAC system sanitization and servicing increased by 600%, and
- Increased fresh air flow into the Vaughan office by over 40%,and

We also conduct a COVID-19 pre-screening questionnaire prior to each Associate returning to the office. Starting this week, we are adding a **new daily COVID screening**, as an additional safety step in all our offices nationwide, in compliance with new Ontario regulations: Every morning, the security guard will ask you to verbally confirm your answers to a COVID-19 pre-screening questionnaire that will be posted at the entrance to the office.

We have had multiple 3rd party experts review our measures and the feedback has been very positive:

- **RISK MANAGEMENT:** Our plans for the safe return of our Associates received a perfect score from Marsh, a leading global risk management firm.
- **AIR QUALITY:** We had two air quality audits conducted. Results were positive, with no concerns indicated. In fact, the testing company wondered why we were spending the money on the tests, given the strong results.
- **MINISTRY OF LABOUR:** Last week, a representative from the Ministry of Labour's Occupational Health and Safety Department was on site in Vaughan. After reviewing our safety measures and procedures, his findings concluded that we are compliant with all necessary protocols. He was impressed by all the steps we have taken to protect our Associates against the spread of COVID-19, over and above what has been mandated by the government.

It is important to remember that the physical measures we have taken will only be effective if we each do our part. I strongly encourage every associate to do the following:

- **FOLLOW PUBLIC HEALTH GUIDELINES:** Remain vigilant to ensure office place safety by practicing physical distancing and keeping our hands clean. Never hesitate to use the code word **ORANGE** as a lighthearted reminder when others are standing too close.
- **GET THE FLU VACCINE:** We have arranged for the administering of the flu vaccine in the Vaughan office on October 22nd. The more of us that get vaccinated, the safer our workplace will be. If you have not already signed up, please do or make alternate arrangements. We hope to offer the same convenient service when a COVID-19 vaccine is available.
- **DOWNLOAD THE COVID ALERT APP:** We have investigated the Canadian Government's [COVID Alert app](#) and strongly encourage all Associates in Ontario to download it (*Quebec and BC governments have not sanctioned it for their provinces*). **I have installed it on my phone.** This will help control potential spread if any of our Associates are exposed to the virus. Here's how it works:
 - The app uses Bluetooth to exchange and store random codes from your phone and phones near you, for 14 days.
 - Every day, it checks the random codes from people that tell the app that they tested positive and notifies you if you have been near one of those codes in the past 14 days.
 - The app was built with strong privacy protection. It does not use GPS to track your location, and has no way of connecting your name, address, health information, etc. with the random phones.

2. HOW DO I KNOW WHEN I AM SCHEDULED TO RETURN TO THE OFFICE?

When an Associate is identified to return to the office, HR contacts them directly.

We are continuing to adjust the number of Associates in the office, as deemed safe, with responsible protocols in place to ensure your health and wellbeing.

If you are still working from home, please continue to work diligently, ensuring that you are accessible, productive and responsive.

3. WILL MASKS BE REQUIRED IN THE OFFICE?

Our home offices do not constitute “public spaces” because they are closed to the public. As such, masks are optional, not required.

Per the [Centre for Disease Control \(CDC\)](#) and the [World Health Organization \(WHO\)](#), our first line of defense remains physical distancing and diligent hygiene.

- Masks are primarily enforced where it is difficult to ensure physical distancing.
- The protocols we have implemented in our home offices support physical distancing.

Having said that, every associate that returns to the office is given both reusable and disposable masks, and a mask case. While masks are optional inside our offices, they are very much accepted and welcomed for anyone who chooses to wear one, and are particularly encouraged in common areas, when physical distancing measures may be more difficult to maintain.

With respect to the Montreal office, the common areas in the building are enclosed public spaces. Masks are mandatory until you are inside the SmartCentres office.

4. CAN I TAKE PUBLIC TRANSIT TO AND FROM THE OFFICE?

We are very fortunate to have the luxury of transit at our doorstep AND a team of Associates that predominantly have access to a car.

If you commute via public transit:

- We ask that you follow public health’s physical distancing guidelines while in transit and encourage you to wear a mask and gloves.
- Receptacles have been placed at our front door for immediate disposal of PPE.
- Once you have disposed of your PPE, please use the hand sanitizer on site to disinfect prior to entering the office area.

Please remain cautious. These procedures are in place for your own safety, and for the comfort and safety of your peers.

5. IS SMARTCENTRES REVIEWING ITS WORK-FROM-HOME POLICY?

These are unprecedented times and I have been incredibly impressed by many Associates' ability to adapt, leverage collaboration technology, and work productively from home. I also appreciate that some of you are having difficulty being as productive working from home.

As an organization, we are stronger when we are together. Furthermore, several Associates that have returned to the office to date have openly shared that they are more productive in the office than they were at home, and that they benefit from the impromptu collaborative interactions at the office.

We intentionally do not have a formal Work-From-Home Policy because our culture and success has been anchored in teamwork and collaboration:

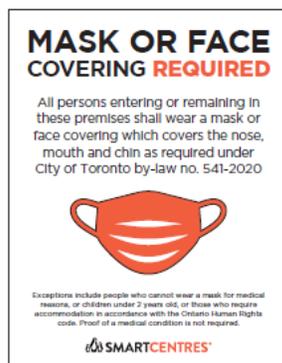
- One of our greatest strengths is our informal learning culture, which is less accessible from a distance.
- Our best work often comes out of spontaneous unplanned interactions – those moments of 'serendipity'.
- When we work together physically, we can solve problems faster and more creatively than via remote collaboration.

Once Canada returns to a state of normalcy, so too will our ways of working, including the eventual return of all Associates to our offices and the benefits of daily in-office interactions.

COVID UPDATES

6. ARE WE ENFORCING MASK USE IN OUR ENCLOSED MALLS AND RENTAL OFFICE SPACE?

Where masks or face coverings have been deemed mandatory by law, we support and encourage compliance. We are posting signs that reference the local bylaws, and security on-site has been instructed to politely remind customers and tenants to oblige.



7. HOW ARE WE LEARNING FROM THIS EXPERIENCE?

We have been learning, adapting and documenting since the onset of COVID-19. These efforts can be grouped into the following initiatives:

THE IMPLEMENTATION OF A NEW BUSINESS CONTINUITY PLAN:

- Earlier this year, we reviewed the business continuity risks associated with COVID and acted quickly to adjust our processes and mitigate concerns prior to implementing our temporary work-from-home policy.
- We then assembled multiple committees to ensure Associate safety, tenant support and business continuity throughout the pandemic.
- The learnings from these activities are now being documented in a robust, updated Business Continuity Plan.

AN ORGANIZED REVIEW & CONSOLIDATION OF COMPANY-WIDE LEARNINGS:

- Every team is documenting the lessons they have learned; outlining enhancement opportunities and go-forward recommendations (e.g. protocols to reinforce, processes to streamline, automation opportunities, etc).
- Starting last week, the Executive Team and BCLT began meeting with at least one team per week, for an overview of these recommendations, many of which we are already working to implement.

8. ARE WE PREPARING FOR A SECOND WAVE?

Yes.

While we remain optimistic, we recognize that the current numbers suggest that a second wave is here, at least in parts of the country. Now is the time to learn and prepare. I expect that a second wave would be managed even more effectively given the lessons we have learned this year.

The knowledge and direct experience of the actions we have taken since March will help to prepare us, and they have proven our unwavering ability to persevere. We are updating our business continuity plan and continue to step our efforts up, not down, to proactively prepare for worst-case scenarios.

Additionally, IT has completed an assessment of our technology needs, to strengthen our work-from-home capabilities if/when required.

We have:

- Ordered necessary Associate-specific hardware,
- Negotiated a new contract to increase our bandwidth 5-fold, enabling us to improve company-wide VPN access, and
- Purchased back-up hardware (e.g. back-up server, second cheque printer, etc.).

If you are aware of hardware requirements for yourself or a team member, please advise your Manager and IT as soon as possible, so we can prioritize requirements accordingly.

IT is also working to automate procedures, where feasible, and minimize the need for manual processing and physical signatures. David Silva will be sending out an all-Associate email outlining the enhancements that are planned and/or underway.... It's very exciting!

9. WHAT IDEAS ARE THE CHANGE AGENTS PURSUING?

We are not simply reacting to the current situation. Rather, we are proactively identifying opportunities to adjust our business model to capitalize on it.

The Change Agents identified over 50 valuable ideas to help accelerate the transformation of our business, as customer needs and the current retail landscape continue to evolve. These ideas were prioritized to effectively focus our resources.

There are 10 Change Agent subcommittees focusing on a range of concepts from the digitization of leasing support, to new self-storage and seniors home formats, to assessing new asset classes that we may want to enter.

10. HOW ARE THE CECRA APPLICATIONS PROGRESSING?

Our internal teams spent a considerable amount of time building a thorough process to collect our tenants' CECRA application details. All CECRA applications for April through September have been submitted and the government funds have been received.

Thank you to everyone involved, both on the CECRA leadership committee, and the broader CECRA support team. Your efforts are making a meaningful difference for our small independent retailers.

HUMAN RESOURCES

11. CAN / SHOULD I TAKE A VACATION?

Our vacation policy is 'business as usual'. While your original vacation plans may have been impacted this year, taking a break from work to decompress and spend time with close friends and family is important, and can be very beneficial for your well-being. You have earned your vacation and we encourage you to take time off as you normally would.

As always, please give your manager sufficient notice, and be accountable for your work responsibilities, to ensure that there are no urgent matters requiring your attention during the planned vacation leave.

If you choose to travel outside of Canada, you are required to advise your Manager and HR of your travel plans and destination, prior to departure. Furthermore, if you leave the country, or are in contact with anyone one who has been outside of the country, you are required to adhere to the [Canadian Government's COVID-19 travel restrictions and advice](#), inclusive of the 14-day quarantine period. Your Manager will determine if you can work productively from home during the quarantine period. If not, vacation days can be used.

If you travel to, or are visited by someone from an area deemed "[Warning Level 3](#)" by the Centres for Disease Control and Prevention, a COVID-19 test is required after the 12th day of quarantine. We encourage you to use a testing centre that offers a quick turnaround of test results – HR can offer some suggestions. Your negative COVID-19 test results must be shared with HR prior to returning to the office.

12. DID SMARTCENTRES FURLOUGH ASSOCIATES DUE TO COVID-19?

No.

Despite pressure on our cashflow due to the non-payment of tenant rents, we were able to avoid temporarily laying-off any Associates as a result of the first wave of COVID-19. We continue to closely monitor the situation.

The few staffing changes made before and during the COVID-19 period have been normal course departures, not circumstantial temporary layoffs.

13. MY PRIORITIES ARE IN FLUX. HOW WILL I BE EVALUATED THIS YEAR?

We typically set annual trust targets and establish clear and measurable objectives to drive alignment, accountability, and results throughout the year. When setting targets, we base our forward-looking assumptions on historical data, yet we have never seen the world operate the way it is right now.

These targets require a high degree of certainty, and in 2020, certainty has been hard to find. Furthermore, many Associates' priorities continue to shift to support our shorter term COVID-related needs.

We recognize the need to calibrate our performance evaluation approach differently this year. **2020 objectives will be more qualitative and less quantitative.** In some instances, you will be tasked with the achievement of a principle (i.e. an idea/concept), rather than a hard-measurable target, and we will constantly refine our approach and results as we go.

The Executive Team has discussed this and has agreed that some departments' goals will remain similar to prior years, along with some additional discretionary goals. Other departments' goals will shift more to reflect the new priorities and activities we have had to undertake in response to COVID. Additionally, Managers will be given more latitude to evaluate Associates based on their interpretation of individual effort, attitude, teamwork and accountability.

REIT FINANCIALS

14. WERE THE UNSECURED DEBENTURES ISSUED IN JUNE BECAUSE OF COVID?

In ordinary times, we probably would not have issued \$600 million in unsecured debentures in June. This issuance was in response to us carefully assessing our 2020 liquidity and the new financing options made available due to the uncertainty in the market. A timely decision was made to take advantage of the lower interest-rate environment. This debenture issuance is not expected to adversely impact our credit rating.

15. HAVE WE CONSIDERED REDUCING OUR DISTRIBUTIONS?

Our distributions (i.e. REIT dividends) are a Board decision. The Board thoughtfully considers the distribution payout ratio every month as it evaluates the short-term and potential long-term impacts of COVID-19 on our properties, tenants, liquidity and balance sheet. As you may have seen, the Board maintained our distributions in both August and September as well.