First Capital Realty Inc.

ANNUAL INFORMATION FORM

March 26, 2019

Table of Contents

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included in the "Description of the Business" and "Risk Factors" sections of this Annual Information Form ("AIF"), as well as other statements concerning First Capital Realty Inc.'s ("First Capital Realty" or the "Company") objectives and strategies and the beliefs, plans, estimates and intentions of management of the Company ("Management"), constitute forward-looking statements within the meaning of applicable securities law. Forward-looking statements can generally be identified by the expressions "anticipate", "believe", "plan", "estimate", "project", "expect", "intend", "outlook", "objective", "may", "will", "should", "continue" and similar expressions. All statements, other than statements of historical fact, in this AIF that address activities, events or developments that the Company or a third party expect or anticipate will or may occur in the future, including the Company's future growth, results of operations, performance and business prospects and opportunities, and the assumptions underlying any of the foregoing, are forward-looking statements. The forward-looking statements are not historical facts but, rather, reflect the Company's current expectations regarding future results or events and are based on information currently available to Management. Certain material factors and assumptions were applied in providing these forward-looking statements. Forward-looking information involves numerous assumptions such as rental income (including assumptions on timing of lease-up, development coming on line and levels of percentage rent), interest rates, tenant defaults, borrowing costs (including the underlying interest rates and credit spreads), the general availability of capital and the stability of the capital markets, the ability of the Company to make loans at the same rate or in the same amount as repaid loans, amount of development costs, capital expenditures, operating costs and corporate expenses, level and timing of acquisitions of income-producing properties, the Company's ability to complete dispositions and the timing, terms and anticipated benefits of any such dispositions, the Company's ability to redevelop, sell or enter into partnerships with respect to the future uncommitted incremental density it has identified in its portfolio, the Company's ability to execute on its evolved urban investment strategy, the Company's ability to convert into a real estate investment trust ("REIT"), the completion of the Share Repurchase Transaction (as defined below) and Secondary Offering (as defined below), number of shares outstanding and numerous other factors.

Management believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions; however, Management can give no assurance that actual results will be consistent with these forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under the "Risk Factors" section of this AIF.

Factors that could cause actual results or events to differ materially from those expressed, implied or projected by forward-looking statements, in addition to those factors referenced above, include those described in the "Risk Factors" section of this AIF and include, but are not limited to: general economic conditions; real property ownership; tenant financial difficulties; defaults and bankruptcies; the relative illiquidity of real property; increases in operating costs and property taxes; First Capital Realty's ability to maintain occupancy and to lease or re-lease space at current or anticipated rents; repayment of indebtedness and the availability of debt and equity to finance the Company's business, including the repayment of existing indebtedness as well as development, intensification and acquisition activities; changes in interest rates and credit spreads; closing of the Share Repurchase Transaction and Secondary Offering; organizational structure; changes to credit ratings; the availability of a new competitive supply of retail properties which may become available either through construction, lease or sublease; unexpected costs or liabilities related to acquisitions, development and construction; unexpected costs or liabilities related to dispositions; geographic and tenant concentration; residential development, sales and leasing; challenges associated with the integration of acquisitions into the Company; compliance with financial covenants; changes in governmental regulation; environmental liability and compliance costs; uninsured losses and First Capital Realty's ability to obtain insurance coverage at a reasonable cost; risks in joint ventures; matters associated with significant shareholders; investments subject to credit and market risk; loss of key personnel; the ability of tenants to maintain licenses, certifications and accreditations; and cybersecurity. Furthermore, no formal determination to convert to a REIT structure has been made by the Company as of the date hereof and no assurance can be given as to whether such reorganization will be undertaken by the Company, or the timing, or impact of such reorganization, or its terms.

Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. First Capital Realty undertakes no obligation to publicly update any such statement to reflect new information or the occurrence of future events or circumstances except as required by applicable securities law.

All forward-looking statements in this AIF are made as of March 26, 2019 and are qualified by these cautionary statements.

GENERAL AND INCORPORATION BY REFERENCE

In this AIF, unless the context requires otherwise, references to the "Company" or "First Capital Realty" include First Capital Realty Inc., its direct and indirect wholly-owned subsidiaries (including trusts) and its interests in partnership, co-ownership and limited liability corporate venture arrangements. Unless otherwise indicated, all information in this AIF is provided as at December 31, 2018.

Financial data is prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts are in Canadian dollars, unless otherwise noted.

The Company's (i) management's discussion and analysis for the year ended December 31, 2018 (the "MD&A"); and (ii) material change report dated March 5, 2019 (the "MCR") are each incorporated by reference in this AIF, copies of which are available on SEDAR at www.sedar.com.

CORPORATE STRUCTURE

The Company

First Capital Realty Inc. (TSX: FCR) is one of the largest owners, developers and operators of necessity-based real estate located in Canada's most densely populated urban centres. As at December 31, 2018, the Company owned interests in 166 properties, totaling approximately 25.5 million square feet of gross leasable area.

The Company's primary strategy is the creation of value over the long term by generating sustainable growth in cash flow and capital appreciation of its urban portfolio. To achieve the Company's strategic objectives, Management continues to:

- undertake selective development, redevelopment and repositioning activities on its properties, including land use intensification;
- be focused and disciplined in acquiring well-located properties to create super urban neighbourhoods, primarily where there are value creation opportunities, including sites in close proximity to existing properties in the Company's target urban markets;
- raise capital to fund future growth through select dispositions;
- proactively manage its existing portfolio to drive rent growth;
- increase efficiency and productivity of operations; and
- maintain financial strength and flexibility to support a competitive cost of capital.

Incorporation

The Company was incorporated as Centrefund Realty Corporation under the *Business Corporations Act* (Ontario) (the "OBCA") on November 10, 1993. On each of January 1, 1996 and January 1, 1998, the Company amalgamated with one or more of its wholly-owned Canadian subsidiaries and continued as Centrefund Realty Corporation.

On September 7, 2001, the shareholders of the Company approved the change of name of the Company from Centrefund Realty Corporation to First Capital Realty Inc. Pursuant to articles of amendment dated September 7, 2001, the name of the Company was changed accordingly.

On each of October 1, 2009, January 1, 2013, March 25, 2013 and January 1, 2019, the Company amalgamated with one or more of its wholly-owned Canadian subsidiaries and continued as First Capital Realty Inc.

The registered and principal office of the Company is located at King Liberty Village, 85 Hanna Avenue, Suite 400, Toronto, Ontario, M6K 3S3.

Principal Subsidiaries and Employees

All of the Company's shopping centres and development properties are wholly-owned by the Company (directly or through direct and indirect wholly-owned subsidiaries of the Company), with the exception of twenty properties, as shown in "Appendix A: Properties" hereto.

The Company has one principal subsidiary, First Capital Holdings Trust, a 100%-owned trust established under the laws of Ontario, which had total assets amounting to more than 10% of the consolidated assets of the Company as at December 31, 2018 or total revenues amounting to more than 10% of the consolidated revenues of the Company for the year ended December 31, 2018. The Company is the sole beneficiary of this trust.

Certain subsidiaries of the Company, each of which represents not more than 10% of the consolidated assets and not more than 10% of the consolidated revenues of the Company, and all of which, in the aggregate, represent not more than 20% of the total consolidated assets and the total consolidated revenues of the Company as at and for the year ended December 31, 2018, have been omitted from this disclosure.

As at December 31, 2018, the Company had 364 full-time employees, in the development, leasing, construction management, investments, property management, legal, accounting and corporate financing, information technology and human resources departments. Employees are employed by the Company or its subsidiaries under employment contracts, are entitled to a base salary, and may receive various benefits (such as medical and dental benefits, life insurance coverage and fitness expense benefit), performance-based annual bonuses and may also be eligible to participate in the Company's long-term equity based compensation plans.

Description of Capital Structure

Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares ("Common Shares") and an unlimited number of preferred shares ("Preference Shares"), issuable in series. As at the close of business on March 26, 2019, there were 254,975,291 Common Shares outstanding and there were no Preference Shares outstanding. The Common Shares trade under the symbol "FCR" on the Toronto Stock Exchange ("TSX").

Holders of Common Shares are entitled to receive: (a) notice of and attend any meeting of the shareholders of the Company except class meetings of other classes of shares and are entitled to one vote for each Common Share held; and (b) dividends in the discretion of the Company's board of directors (the "Board"). Additionally, subject to the rights of holders of any shares ranking prior to the Common Shares, the holders of the Common Shares shall be entitled to receive the remaining property of the Company upon the liquidation, dissolution or winding-up of the Company.

Except for any dividends on the Preference Shares, all dividends that are declared in any year at the discretion of the Board out of the funds of the Company must be declared and paid in equal amounts per Common Share on all Common Shares without preference or distinction. The Company presently pays quarterly dividends on its Common Shares. Dividends on the Common Shares, if any, that are declared are at the discretion of the Board.

In the event of a liquidation, dissolution or winding-up of the Company or any other distribution of its assets among its shareholders, after payment of the amount due on the Preference Shares, the holders of Common Shares are entitled to receive, on a *pro rata* basis without preference or distinction, all of the remaining property and assets of the Company.

As at the close of business on March 26, 2019, First Capital Realty also had 5,836,683 options outstanding under its stock option plan (the "Stock Option Plan"), at exercise prices ranging from $9.81 to $21.14, all of which expire no later than 2029.

Senior Unsecured Debentures

The Company's senior unsecured debentures (the "Senior Unsecured Debentures") are direct, senior unsecured obligations of the Company and rank equally with one another and with all other unsecured and unsubordinated indebtedness of the Company (including each other series of Senior Unsecured Debentures), except for sinking fund provisions applicable to other debt securities issued under the trust indenture or to other similar types of obligations of the Company, if any, and except to the extent prescribed by law. At its option, the Company may redeem each series of Senior Unsecured Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of (i) the Canada Yield Price (as defined in the applicable supplemental indenture) and (ii) par, together in each case with accrued and unpaid interest to but excluding the date fixed for redemption.

See the table “Capital Structure and Liquidity – Senior Unsecured Debentures” in the MD&A for a summary of each series of outstanding Senior Unsecured Debentures, including the annual interest rate, the dates in each year upon which interest is payable semi-annually in arrears, the maturity date and the aggregate principal amount outstanding as at December 31, 2018.

Credit Ratings

DBRS Limited (“DBRS”) has assigned a long-term credit rating to the Company’s Senior Unsecured Debentures of “BBB (high)” with a “Stable” trend. Moody’s Investors Service, Inc. (“Moody’s”) has assigned a long-term credit rating to the Company’s Senior Unsecured Debentures of “Baa2” with a “Stable” outlook.

Subsequent to the announcement of the Share Repurchase Transaction, DBRS and Moody’s announced that the long-term credit rating of the Company’s Senior Unsecured Debentures have been placed “under review with negative implications” and “under review for downgrade”, respectively. The ratings are under review pending completion of the Share Repurchase Transaction and, in the case of DBRS, its review of the company’s intention to pursue conversion to a REIT structure.

Long-term ratings assigned by DBRS provide an opinion of DBRS on the risk of default; that is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued. Long-term ratings assigned by Moody’s are opinions of Moody’s of the relative credit risk of financial obligations with an original maturity of one year or more. They reflect on the likelihood of a default on contractually promised payments and the expected financial loss suffered in the event of default.

DBRS’ long-term credit ratings scale ranges from “AAA” (typically assigned to obligations of the highest credit quality) to “D” (typically assigned when an issuer has filed under any applicable bankruptcy, insolvency or winding up statute or there is a failure to satisfy an obligation after the exhaustion of grace periods). DBRS may also use “SD” (selective default) in cases where only some securities are impacted, such as the case of a “distressed exchange”. A long-term obligation rated “BBB” by DBRS is the fourth highest rated obligation after those rated “AAA”, “AA” and “A” and is, in DBRS’ view, of adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. DBRS indicates that “BBB” rated obligations may be vulnerable to future events. All DBRS rating categories other than “AAA” and “D” also contain subcategories “(high)” and “(low)”. The addition of either a “(high)” or “(low)” designation indicates the relative standing within a rating category.

Moody’s long-term credit ratings scale ranges from “Aaa” (typically assigned to obligations of the highest quality, subject to the lowest level of credit risk) to “C” (typically assigned to obligations in default, with little prospect for recovery of principal or interest). A long-term obligation rated “Baa2” by Moody’s is the fourth highest rated obligation after those rated “Aaa”, “Aa” and “A” and is considered by Moody’s to be subject to moderate credit risk. Moody’s considers long-term obligations rated “Baa2” to be medium grade and, as such, may possess certain speculative characteristics. Moody’s appends numerical modifiers of “1”, “2” or “3” to each generic rating classification from “Aa” to “Caa”. The modifier “2” indicates that the obligation ranks in the middle of the generic rating category.

DBRS uses “rating trends” for its ratings in, among other areas, the corporate finance sector. DBRS’ rating trends provide guidance in respect of DBRS’ opinion regarding the outlook for the rating in question, with rating trends falling into one of three categories: “Positive”, “Stable” or “Negative”. The rating trend indicates the direction in which DBRS considers the rating may move if present circumstances continue, or in certain cases as it relates to the corporate finance sector, unless challenges are addressed by the issuer. In general, DBRS assigns rating trends based primarily on an evaluation of the issuing entity or guarantor itself, but may also include consideration of the outlook for the industry or industries in which the issuing entity operates giving consideration to developments that could positively or negatively impact the sector or the issuer’s debt position within the sector. According to DBRS, it is often the rating trend that reflects the initial pressures or benefits of a changing environment rather than an immediate change in the rating. A “Positive” or “Negative” trend assigned by DBRS is not an indication that a rating change is imminent, but represents an indication that there is a greater likelihood that the rating could change in the future than would be the case if a “Stable” trend was assigned.

Moody’s uses “rating outlooks” to provide its opinion regarding the likely direction of a rating over the medium term. Where assigned, rating outlooks fall into the following four categories: “Positive (POS)”, “Negative (NEG)”, “Stable (STA)”, and “Developing (DEV)”.

There can be no assurance that a rating will remain in effect for any given period of time or that a rating will not be lowered, withdrawn or revised by either or both rating agencies if in their respective judgments circumstances so warrant. The rating of the Senior Unsecured Debentures is not a recommendation to buy, sell or hold such securities, in as much as such ratings do not comment as to market price or suitability for a particular investor. See “Risk Factors – Credit Ratings”.

First Capital Realty has paid customary rating fees to DBRS and Moody’s in connection with the above-mentioned ratings. The Company did not make any payments to DBRS or Moody’s in respect of any other service provided to the Company by DBRS or Moody’s.

DESCRIPTION OF THE BUSINESS

For a description of the business of First Capital Realty, including its strategy, investments, acquisition, disposition and development and redevelopment activities in 2018 and top 40 tenants as at December 31, 2018, see “Business Overview and Strategy” and “Business and Operations Review” in the MD&A.

DEVELOPMENT OF THE BUSINESS

Recent Developments – 2019

First Quarter Dividend

The Company announced that it will pay a first quarter dividend of $0.215 per common share on April 22, 2019 to shareholders of record on April 12, 2019.

Disposition Activities

On February 27, 2019, the Company sold a 100% interest in one of its properties in London, Ontario for $10.25 million.

Acquisition Activities

On March 11, 2019, the Company acquired a 100% interest in a property in Toronto, Ontario for $10.75 million.

See also “Outlook and Current Business Environment” in the MD&A.

Share Repurchase Transaction and Secondary Offering by Gazit

On February 28, 2019, the Company announced that the following transactions were entered into, upon completion of which, the indirect ownership of the Common Shares by Gazit-Globe Ltd. (“Gazit-Globe”), the Company’s significant shareholder, would be reduced from approximately 31.3% to approximately 9.9% (on a non-diluted basis):

i. *Share Repurchase Transaction*: Pursuant to a transaction agreement dated February 28, 2019 between the Company, Gazit Canada Inc., the Canadian wholly-owned subsidiary of Gazit-Globe (the “Selling Shareholder”), and Gazit-Globe (the “Transaction Agreement”), the Company agreed to purchase for cancellation 36,000,000 Common Shares from the Selling Shareholder for a price of $20.60 per Common Share, for gross share consideration paid to the Selling Shareholder of $741.6 million (the “Share Repurchase Transaction”); and

ii. *Secondary Offering*: The Company, the Selling Shareholder, Gazit-Globe and RBC Dominion Securities Inc. ("RBC") entered into an agreement for the Selling Shareholder to sell 22,000,000 Common Shares on a bought deal basis to a syndicate of underwriters led by RBC, at a price of $20.60 per Common Share, payable in two instalments, for total gross proceeds to the Selling Shareholder of $453.2 million (the "Secondary Offering"). The Secondary Offering is scheduled to close April 11, 2019 and will effectively be unwound if the Share Repurchase Transaction fails to close.

Subject to the satisfaction or waiver of conditions to closing (including, in the case of the Share Repurchase Transaction, the approval of the requisite majority of holders of Common Shares at a meeting scheduled to be held April 10, 2019), it is expected that closing of the Share Repurchase Transaction will be completed in April 2019. Further details of the Share Repurchase Transaction and the Secondary Offering, including a summary of the Transaction Agreement, are set forth in the MCR.

Three Years Ended December 31, 2018

Acquisitions

The income-producing property acquisitions completed by the Company during 2016 are summarized in the table below.

Income-producing Properties – Shopping Centres and Additional Adjacent Spaces

Count	Property	City/Province	Quarter Acquired	Interest Acquired	GLA (sq. ft.)		Acquisition Cost (in millions)
1.	Peninsula Village	Surrey, BC	Q1	100%	170,900	$	78.5
2.	225 Peel St. (Griffintown)	Montreal, QC	Q1	100%	108,200		56.0
3.	816-838 11th Avenue (Glenbow)	Calgary, AB	Q1	50%	23,800		10.5
4.	Yorkville Village Adjacent Properties	Toronto, ON	Q1, Q2	100%	-		1.8
5.	Criffcrest Plaza	Toronto, ON	Q2	100%	72,400		31.9
6.	Whitby Mall	Whitby, ON	Q2	50%	164,700		18.6
7.	Avenue Rd. & Lawrence Ave. assembly	Toronto, ON	Q4	100%	61,500		65.2
8.	2415-2595 rue de Salaberry (Galeries Normandie)	Montreal, QC	Q4	100%	17,100		5.2
9.	338 Wellington Rd. (Wellington Corners)	London, ON	Q4	100%	2,800		0.8
	Total				621,400	$	268.5

The development property acquisitions completed by the Company during 2016 are summarized in the table below.

Count	Property Name	City/Province	Quarter Acquired	Interest Acquired	Acreage		Acquisition Cost (in millions)
	Land parcels adjacent to existing properties						
1.	101 Yorkville Ave. (Yorkville Village)	Toronto, ON	Q3	50%	0.5	$	15.5
2.	2520 Chemin Bates (Wilderton)	Montreal, QC	Q4	100%	0.3		1.7
3.	1071 King Street West (remaining 50% interest)	Toronto, ON	Q1	50%	0.3		7.7
4.	2150 Lake Shore Blvd. West (former Christie Cookie site)	Toronto, ON	Q2	50%	13.5		27.1
	Total land parcels adjacent to existing properties				**14.6**	**$**	**52.0**

The acquisitions completed by the Company during 2017 are set forth under the section "Business and Operations Review – 2017 Acquisitions" in the MD&A.

The acquisitions completed by the Company during 2018 are set forth under the section "Business and Operations Review – 2018 Acquisitions" in the MD&A.

Dispositions

The dispositions completed by the Company during 2016 are summarized in the table below.

Count	Property Name	City/Province	Quarter Sold	Interest Sold	GLA (sq. ft.)(1)	Acreage(2)	Gross Sales Price (in millions)
1.	Les Galeries de Lanaudiere	Lachenaie, QC	Q1	50%	269,500	30.5	
2.	1706-1712 152nd Street	Surrey, BC	Q2	100%	4,700	0.2	
3.	Place Kirkland du Barry (adjacent land)	Kirkland, QC	Q2	100%	—	0.8	
4.	Porte de Chateauguay	Chateauguay, QC	Q3	100%	132,400	10.5	
5.	Place Pierre Boucher	Boucherville, QC	Q3	100%	78,400	9.0	
6.	Thickson Place	Whitby, ON	Q3	50%	52,400	5.4	
7.	3033 Sherbrooke (adjacent land)	Montreal, QC	Q3	100%	-	1.5	
8.	Carre Normandie	Montreal, QC	Q3	100%	6,000	0.3	
9.	Jericho Centre (land)	Langley, BC	Q4	100%	—	4.8	
10.	Rutherford Marketplace (adjacent land)	Vaughan, ON	Q4	50%	—	1.3	
	Total				543,400	64.3	$ 137.1

(1) Square footage provided for income producing properties.
(2) Acreage provided for development land.

The dispositions completed by the Company during 2017 are set forth under the section “Business and Operations Review – 2017 Dispositions” in the MD&A.

The dispositions completed by the Company during 2018 are set forth under the section “Business and Operations Review – 2018 Dispositions” in the MD&A.

Senior Unsecured Debentures and Convertible Debentures: Issuances, Redemptions and Interest Payments

On April 1, 2016, the Company redeemed its remaining 5.25% convertible unsecured subordinated debentures (the “Convertible Debentures”) (TSX: FCR.DB.G) and its remaining 4.95% Convertible Debentures (TSX: FCR.DB.H) in accordance with their terms. The full redemption price and interest owing on each series was satisfied as to 50% by issuance of Common Shares and as to 50% in cash.

On May 6, 2016, the Company completed the issuance of $150.0 million principal amount of Series T Senior Unsecured Debentures. The net proceeds of this offering were used to repay the amount outstanding on the Company’s senior unsecured revolving credit facility and for general corporate purposes.

On August 29, 2016, the Company renewed its Normal Course Issuer Bid (“NCIB”) for all of its then outstanding series of Convertible Debentures. The NCIB expired on August 28, 2017. All purchases made under the NCIB were made in accordance with the rules of the TSX or applicable securities laws through the facilities of the TSX or other Canadian marketplaces at market prices prevailing at the time of purchase determined by or on behalf of First Capital Realty.

On September 29, 2016, the Company completed the issuance of an additional $150.0 million principal amount of Series T Senior Unsecured Debentures. The net proceeds of this offering were used to repay the amount outstanding on the Company’s senior unsecured revolving credit facility and for general corporate purposes.

During the year ended December 31, 2016, 672,492 Common Shares, having a value of $13.6 million, were issued by the Company to pay interest to holders of Convertible Debentures.

On January 31, 2017, the Company redeemed its remaining 5.40% Convertible Debentures (TSX: FCR.DB.E) and its remaining 5.25% Convertible Debentures (TSX: FCR.DB.F) in accordance with their terms. The full redemption price and interest owing on each series was satisfied in cash.

On August 1, 2017, the Company redeemed its remaining 4.75% Convertible Debentures (TSX: FCR.DB.I) in accordance with their terms. The full redemption price and interest owing was satisfied in cash.

On July 10, 2017, the Company completed the issuance of $300.0 million principal amount of Series U Senior Unsecured Debentures. The net proceeds of this offering were used to repay the amount outstanding on the Company's senior unsecured revolving credit facility and for general corporate purposes including investments.

During the year ended December 31, 2017, 124,452 Common Shares, having a value of $2.52 million, were issued by the Company to pay interest to holders of Convertible Debentures.

On February 28, 2018, the Company redeemed its remaining 4.45% Convertible Debentures (TSX: FCR.DB.J) in accordance with their terms. The full redemption price and interest owing was satisfied in cash.

Common Shares

On May 26, 2016, the Company issued 5,451,000 Common Shares on a bought deal basis at a price of $21.10 per Common Share for gross proceeds of $115.0 million, including the exercise in full of the over-allotment option granted to the syndicate of underwriters.

On August 17, 2016, the Company issued 7,636,000 Common Shares on a bought deal basis at a price of $22.60 per Common Share for gross proceeds of $173.0 million, including the exercise in full of the over-allotment option granted to the syndicate of underwriters.

During 2016, the Company issued 107,231 Common Shares in connection with the redemption of deferred share units held by a former director of the Company.

On December 15, 2016, the Company issued 90,353 Common Shares to three members of Management, the former Chair of the Board and the current Chair of the Board, at a price of $20.39 per Common Share, which price represented the weighted average trading price of the Common Shares on the TSX for the five trading days preceding the issuance.

During 2016, 931,458 options were exercised at a weighted average exercise price of $17.13 per Common Share, resulting in proceeds to the Company of $16.0 million.

On January 20, 2017, the Company issued 18,809 Common Shares to a former member of Management at a price of $21.05 per Common Share, which price represented the weighted average trading price of the Common Shares on the TSX for the five trading days preceding the issuance.

On March 1, 2017, the Selling Shareholder entered into an agreement to sell 9,000,000 Common Shares of the Company on a bought deal basis at a price of $20.60 per Common Share.

On December 15, 2017, the Company issued 143,931 Common Shares to four members of Management, the former Chair of the Board and the current Chair of the Board, at a price of $20.86 per Common Share, which price represented the weighted average trading price of the Common Shares on the TSX for the five trading days preceding the issuance.

On December 15, 2017, the Company issued 18,785 Common Shares in connection with the redemption of restricted share units held by several employees of the Company.

On November 10, 2017, the Company issued 8,250 Common Shares in connection with the redemption of deferred share units held by a former director of the Company.

During 2017, 827,508 options were exercised at a weighted average exercise price of $17.12 per Common Share, resulting in proceeds to the Company of $14.17 million.

On February 12, 2018 and June 26, 2018, the Company issued a total of 42,249 Common Shares in connection with the redemption of deferred share units held by a former director of the Company.

On June 8, 2018, the Company issued 67,936 Common Shares to four members of Management, at a price of $21.12 per Common Share, which price represented the weighted average trading price of the Common Shares on the TSX for the five trading days preceding the issuance.

On July 18, 2018, the Company issued 9,757,000 Common Shares, on a bought deal basis at a price of $20.50 per Common Share for gross proceeds of $200.0 million to a syndicate of underwriters.

On October 1, 2018, the Company issued 855 Common Shares in connection with the redemption of restricted share units held by an employee of the Company.

On November 5, 2018, the Company issued 13,571 Common Shares in connection with the redemption of restricted share units held by several employees of the Company.

On December 15, 2018, the Company issued 10,000 Common Shares to the Chair of the Board, at a price of $20.10 per Common Share, which price represented the weighted average trading price of the Common Shares on the TSX for the five trading days preceding the issuance.

During 2018, 505,108 options were exercised at a weighted average exercise price of $16.75 per Common Share, resulting in proceeds to the Company of $8.46 million.

RISK FACTORS

Investing in securities of First Capital Realty involves certain risks. Investors in the Company's securities should carefully consider the following risks and all other information contained in this AIF and the MD&A. While the risks described below are the ones Management believes are most important for investors to consider, these risks are not the only ones that the Company faces. If any of the following risks actually occur, the Company's business, operating results and/or financial condition could be materially adversely affected, the market value of First Capital Realty securities could decline and investors could incur financial losses as a result of investing in the Company's securities.

Economic Conditions and Ownership of Real Estate

Real property investments are affected by various factors including changes in general economic conditions (such as the availability of financing, fluctuations in interest rates and unemployment levels) and in local market conditions (such as an oversupply of space or a reduction in demand for real estate in the area), the attractiveness of the properties to tenants, competition from other real estate developers, managers and owners in seeking tenants, the ability of the owner to provide adequate maintenance at an economic cost, and various other factors including changing consumer habits, demographic and shopping trends and transaction activity. The economic conditions in the markets in which the Company operates can also have a significant impact on the Company's tenants and, in turn, the Company's financial success. Adverse changes in general or local economic conditions can result in some retailers being unable to sustain viable businesses and meet their lease obligations to the Company, and may also limit the Company's ability to attract new or replacement tenants.

Revenue from the Company's properties depends primarily on the ability of the Company's tenants to pay the full amount of rent and other charges due under their leases on a timely basis. Leases comprise any agreements relating to the occupancy or use of the Company's real property. There can be no assurance that tenants and other parties will be willing or able to perform their obligations under any such leases. If a significant tenant or a number of smaller tenants were to become unable or unwilling to meet their obligations to the Company, the Company's financial position and results of operations would be adversely affected. In the event of default by a tenant, the Company may experience delays and unexpected costs in enforcing its rights as landlord under lease terms, which may also adversely affect the Company's financial position and results of operations. The Company may also incur significant costs in making improvements or repairs to a property required in order to re-lease vacated premises to a new tenant.

First Capital Realty's net income could be adversely affected in the event of a downturn in the business, or the bankruptcy or insolvency, of any anchor store or anchor tenant. Anchor tenants generally occupy large amounts of leasable area, pay a significant portion of the total rents at a property and contribute to the success of other tenants by drawing significant numbers of customers to a property. The closing of one or more anchor stores at a property could have a significant adverse effect on that property. Vacated anchor tenant space also tends to adversely affect the entire shopping centre because of the loss of the departed anchor tenant's power to draw customers to the centre, which in turn may cause other tenants' operations to suffer and adversely affect such other tenants' ability to pay rent or perform any other obligations under their leases. Moreover, a lease termination by an anchor tenant or a failure by that anchor tenant to occupy the premises may entitle other tenants of the centre to cease operating from their premises, to a reduction of rent payable under their leases and/or to terminate their leases. No assurance can be given that the Company will be able to quickly re-lease space vacated by an anchor tenant on favourable terms, if at all. In addition, although certain, but not all, leases contain a provision requiring tenants to maintain continuous occupancy of leased premises, there can be no assurance that such tenants will continue to occupy such premises. Further, certain tenants have a right to terminate their leases upon payment of a penalty.

The Company's financial position and results of operations would be adversely affected if tenants become unable to pay rent or other charges on a timely basis or if the Company is unable to lease a significant amount of available space in its properties on economically favourable terms.

At December 31, 2018, the Company's properties had approximately 4,495 leases with tenants, and the top 40 tenants represented 55.1% of the annualized minimum rent from such properties and occupied approximately 56.3% of the gross leasable area of such properties. For a table setting out the Company's top 40 tenants and the square footage occupied by such tenants, see "Business and Operations Overview – Top Forty Tenants" in the MD&A. See also "– Geographic and Tenant Concentration".

The success of its tenants' operations as well as their credit and financial stability may also impact the value of the subject real property and any improvements. In addition, a very limited number of the Company's major tenants have rights of first refusal and/or offer to purchase their leased premises, which may also affect the value of the related shopping centres.

Certain significant expenditures involved in real property investments, such as real estate taxes, ground rent, maintenance costs, insurance costs and mortgage payments, represent liabilities which must be satisfied regardless of whether the property is producing any income or sufficient income to meet these obligations. Many of these costs, and utility costs, continue to rise and may continue to do so at a rate beyond what is recoverable from tenants. If the Company is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or power of sale.

To the extent the properties in which the Company has or will have an interest are located on leased land, the land leases may be subject to periodic rent rate resets which may fluctuate and may result in significant rental rate adjustments. Under the terms of a typical ground lease, the Company will pay rent for the use of the land and will generally be responsible for all costs and expenses associated with the building improvements. An event of default by the Company under the terms of a ground lease could result in a loss of the property subject to such ground lease. The ground lease may provide for restrictions on financing or refinancing the properties subject to the ground lease and the transferability of the interests in such properties. Unless the ground lease is extended or the Company exercises its option to purchase the property, where available, the land together with all improvements thereon will revert to the land owner upon the expiration of the lease term or other termination of the lease.

Some premises are leased on a base year or semi-gross basis or otherwise have maximum upper limits on operating costs and/or tax recoveries. As a result, the Company will bear the economic cost of increases in certain of the operating costs and/or property taxes in such cases and may not be able to fully recover operating costs and property taxes from tenants.

Real property investments are relatively illiquid and generally cannot be sold quickly. This illiquidity will likely limit the ability of the Company to vary its portfolio promptly in response to changed economic or investment conditions, including changes in capitalization rates or property operating income. The Company's inability to respond quickly to changes in the performance of its investments could adversely affect its ability to meet its obligations, its financial position and its results of operations. Moreover, if the Company were required to quickly liquidate its assets, there is a risk that the Company would realize sale proceeds less than the current carrying value of its properties.

The fair value of the Company's portfolio as at December 31, 2018 was $9.7 billion at a weighted average capitalization rate of 5.3%. The sensitivity of the fair values of shopping centres to capitalization rates as at December 31, 2018 is set out in the following table:

As at December 31, 2018	*(millions of dollars)*
(Decrease) increase in capitalization rate	Resulting increase (decrease) in value of shopping centres
(0.75)%	$ 1,461
(0.50)%	$ 923
(0.25)%	$ 439
0.25%	$ (399)
0.50%	$ (763)
0.75%	$(1,097)

Additionally, a 1% increase or decrease in stabilized net operating income ("SNOI") would result in a $88 million increase or a $88 million decrease, respectively, in the fair value of shopping centres. SNOI is not a measure defined by IFRS. SNOI reflects stable property operations, assuming a certain level of vacancy, capital and operating expenditures required to maintain a stable occupancy rate. The average vacancy rates used in determining SNOI for non-anchor tenants generally range from 2% to 5%. A 1% increase in SNOI coupled with a 0.25% decrease in capitalization rate would result in an increase in the fair value of shopping centres of $531 million, and a 1% decrease in SNOI coupled with a 0.25% increase in capitalization rate would result in a decrease in the fair value of shopping centres of $483 million.

Lease Renewals and Rental Increases

Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. Expiries of certain leases will occur in both the short and long term, including expiry of leases of certain significant tenants, and although certain lease renewals and/or rental increases are expected to occur in the future, there can be no assurance that such renewals or rental increases will in fact occur. At December 31, 2018, lease expirations in each of the next ten years range from 3.2% to 13.9% of the annualized minimum rent in the Company's portfolio (including month-to-month leases). The failure to achieve renewals and/or rental increases may have an adverse effect on the financial position and results of operations of the Company. In addition, the terms of any subsequent lease may be less favourable to the Company than the existing lease. There can also be no assurance that a tenant will be able to fulfill its existing commitments under leases up to the expiry date. For a table setting out the Company's lease maturity profile at December 31, 2018, see "Business and Operations Overview – Lease Maturity Profile" in the MD&A.

Changes in lease accounting rules may require tenants to account for real property leases differently and, as a result, may incentivize tenants to seek new and renewal leases on different terms. Tenants may favour shorter lease terms, fewer renewals and a heavier weighting to variable as opposed to fixed rents, which could adversely affect the stability of the Company's rental income, the level of secured financing available, the value of the Company's properties and the Company's financial position and results of operations.

Financing, Interest Rates, Repayment of Indebtedness and Access to Capital

The Company has outstanding indebtedness in the form of mortgages, loans, credit facilities and senior unsecured debentures and, as such, is subject to the risks normally associated with debt financing, including the risk that the Company's cash flow will be insufficient to meet required payments of principal and interest. As at December 31, 2018, the Company had approximately $4.4 billion of outstanding indebtedness.

The amount of indebtedness outstanding could require the Company to dedicate a substantial portion of its cash flow from operations to service its debt, thereby reducing funds available for operations, acquisitions, development activities and other business opportunities that may arise. There is also a possibility that the Company's internally generated cash may not be sufficient to repay all of its outstanding indebtedness. However, the Company may elect to repay certain indebtedness through the issuance of equity securities or the sale of assets, where appropriate.

Interest rates have a significant effect on the profitability of commercial properties as interest represents a significant cost in the ownership of real property where debt financing is used as a source of capital. As of December 31, 2018, the Company had a total of $806.8 million principal amount of fixed rate interest-bearing instruments outstanding, including mortgages and Senior Unsecured Debentures maturing between January 1, 2019 and December 31, 2021 at a weighted average annual interest rate of 5.3%. If these amounts were refinanced at an average interest rate that was 100 basis points higher or lower than the existing rate, the Company's annual interest cost would respectively increase or decrease by $8.1 million. In addition, as at December 31, 2018, the Company had $657.6 million principal amount of debt (or 15% of the Company's aggregate debt as of such date) at floating interest rates. In connection with the Share Repurchase Transaction, the Company expects to incur approximately $800 million of indebtedness through new senior unsecured loans and new mortgages.

Upon the expiry of the term of the financing on any particular property owned by the Company, refinancing on a conventional mortgage loan basis may not be available in the amount required or may be available only on terms less favourable to the Company than the existing financing. This will be dependent upon the prevailing economic circumstances at such time. Also, a credit disruption in the capital markets could have an adverse impact on the Company's ability to meet its obligations and grow its business.

The real estate industry is highly capital-intensive. The Company will require access to capital to maintain its properties, as well as to fund its acquisition, development, redevelopment and intensification initiatives and significant capital expenditures from time to time. There is no assurance that capital financing will be available when needed or on favourable terms. The Company's access to debt or equity capital depends on a number of factors, including equity and debt market conditions, as well as the market's perception of the Company's growth potential, ability to pay dividends, financial position, credit ratings and current and potential future earnings. Depending on the outcome of these factors, the Company could experience delay or difficulty in implementing its operations and/or investment strategies on satisfactory terms, or be unable to implement these strategies. The issuance of equity securities in connection with any acquisition, investment, debt refinancing or for any other purposes could be substantially dilutive to shareholders.

Management and the Board have discretion under the Company's articles of incorporation and by-laws to increase the amount of outstanding debt. The decisions with regard to the incurrence and maintenance of debt are based on available investment opportunities for which capital is required, the cost of debt in relation to such investment opportunities, whether secured or unsecured debt is available, the effect of additional debt on existing financial ratios and the maturity of the proposed new debt relative to maturities of existing debt. The Company could become more highly leveraged, resulting in increased debt service costs that could adversely affect cash flows and operating results. In particular, following completion of the Share Repurchase Transaction, the Company's "net debt to total assets" is expected to increase from approximately 42% as at December 31, 2018 to approximately 49%. The Company's intention is to gradually return its leverage to current levels and may do so in a number of ways, including by disposing of selected assets. Any failure to gradually return its leverage to current levels may have a material adverse impact on the Company's capital requirements, its financial position or its ability to achieve its business objectives.

Closing of Share Repurchase Transaction

The Share Repurchase Transaction is subject to a number of conditions, including the closing of the Secondary Offering and approval by the requisite majority of votes cast by shareholders of the Company at a special meeting of shareholders of the Company scheduled to be held on April 10, 2019, as more fully-detailed in the Transaction Agreement, which is a material contract for the Company, that has been filed under the Company's issuer profile on SEDAR at www.sedar.com. There is no guarantee that all of these conditions will be satisfied. Failure to satisfy any of these conditions could result in the termination of the Share Repurchase Transaction.

Organizational Structure

The Company currently does not pay income tax principally due to its ability to reduce taxable income through unclaimed Capital Cost Allowance ("CCA") and non-capital losses. The Company is currently pursuing a conversion of its corporate structure into a REIT structure. However, transactions undertaken by the Company prior to any REIT conversion, including dispositions, could result in higher taxable income and the use of non-capital losses sooner than estimated and may result in the Company recognizing current income tax expense before a REIT conversion is completed. If the Company continues as a corporation in 2019, depending on its level of taxable income, it could recognize current income tax expense. Additionally, the Company may recognize current income tax expense even if it converts into a REIT, depending on a number of factors including the timing of the conversion, the resulting organizational structure and the amount of dispositions that increase its annual taxable income above its annual distributions. There may be additional tax consequences to the Company and the shareholders of the Company resulting from any REIT conversion and, following such conversion, the treatment of the Company and of such holders for tax purposes may differ from the current treatment. Any reorganization of the Company into a REIT will be subject to customary conditions, including the approval of the shareholders of the Company. No assurance can be given as to whether such reorganization will be undertaken by the Company, the timing or impact of such reorganization, or its terms.

Credit Ratings

Any credit rating that is assigned to the Senior Unsecured Debentures may not remain in effect for any given period of time or may be lowered, withdrawn or revised by one or more of the rating agencies if, in their judgment, circumstances so warrant. Moreover, the Company intends to fund the Share Repurchase Transaction with new debt financing. As a result of the change in the capital structure of the Company arising due to this new debt financing, DBRS and Moody's have placed the long-term credit ratings on the Company's Senior Unsecured Debentures "under review with negative implications" and "under review for downgrade", respectively. Refer to "Corporate Structure – Credit Ratings". There can be no assurance as to the rating to be assigned by either DBRS or Moody's following their respective reviews. Any lowering, withdrawal or revision of a credit rating may have an adverse effect on the market price of the Senior Unsecured Debentures and the other securities of the Company, may adversely affect a security holder's ability to sell its Senior Unsecured Debentures or other securities of the Company and may adversely affect the Company's access to financial markets and its cost of borrowing.

Acquisitions, Expansions, Developments, Redevelopments and Strategic Dispositions

An important factor in the Company's ongoing success will be its ability to create and enhance value through the skill, creativity and effectiveness of its Management team and the opportunities the market presents. First Capital Realty will continue to seek acquisition, expansion and selective development opportunities that offer acceptable risk-adjusted rates of return, although the Company may not succeed in identifying such opportunities or may not succeed in executing them.

The Company competes for suitable real property investments with individuals, corporations, real estate investment companies, trusts, pension funds and other institutions (both Canadian and foreign) that may seek real property investments similar to those desired by the Company. Many of these investors may also have financial resources that are comparable to, or greater than, those of the Company. An increase in the availability of investment funds, and an increase of interest in real property investments, increases competition for real property investments, thereby increasing purchase prices and reducing the yield therefrom.

Increased competition in the real estate market leads to lower capitalization rates for new acquisitions in certain of the markets in which the Company operates, while a decrease in competition leads to higher capitalization rates. Lower capitalization rates mean a smaller spread between the Company's cost of capital and initial return on acquisitions and may therefore have a negative impact on the Company's earnings growth. Higher capitalization rates may have a similar negative effect on the Company's earnings growth if there is an associated increase in interest rates such that capital cannot be secured at a cost which provides an appropriate return on investment.

The Company's acquisition and investment strategy and market selection process may not ultimately be successful and may not provide positive returns on investment. The acquisition of properties or portfolios of properties entails risks that include the following, any of which could adversely affect the Company's financial position and results of operations and its ability to meet its obligations: (i) the Company may not be able to identify suitable properties to acquire or may be unable to complete the acquisition of the properties identified; (ii) the Company may not be able to successfully integrate any acquisitions into its existing operations; (iii) properties acquired may fail to achieve the occupancy or rental rates projected at the time of the acquisition decision, which may result in the properties' failure to achieve the returns projected; (iv) the Company's pre-acquisition evaluation of the physical condition of each new investment may not detect certain defects or identify necessary repairs, which could significantly increase the Company's total acquisition costs; (v) the Company's investigation of a property or building prior to acquisition may fail to reveal various liabilities, which could reduce the cash flow from the property or increase its acquisition cost; and (vi) representations and warranties obtained from third party vendors may not adequately protect against unknown, unexpected or undisclosed liabilities and any recourse against such vendors may be limited by the financial capacity of such vendors.

Further, the Company's development and redevelopment commitments are subject to those risks usually attributable to construction projects, which include: (i) construction or other unforeseen delays; (ii) cost overruns; (iii) the failure of tenants to occupy and pay rent in accordance with existing lease agreements, some of which are conditional; (iv) the inability to achieve projected rental rates or anticipated pace of lease-ups; and (v) an increase in interest rates during the life of the development or redevelopment. Furthermore, residential property development and redevelopment is a relatively new line of business for the Company. As a result, development risks associated with such projects may be greater due to the Company's limited experience in this area (see also "– Residential Development, Sales and Leasing").

In addition, the Company undertakes strategic property dispositions from time to time in order to recycle its capital and maintain an optimal portfolio composition. The Company may be subject to unexpected costs or liabilities related to such dispositions, which could adversely affect the Company's financial position and results of operations and its ability to meet its obligations. For example, the Company may be required to provide representations, warranties and/or indemnities to third party purchasers which may expose the Company to costs or liabilities for breaches of representations and warranties as a result of unexpected or unknown changes in the condition of the disposed property.

If the Company acquires a business, the Company will be required to integrate the operations, personnel and accounting and information systems of the acquired business and train, retain and motivate any key personnel from the acquired business. In addition, acquisitions of, or investments in, companies may cause disruptions in the Company's operations and divert Management's attention away from day-to-day operations, which could impair the Company's relationships with current tenants and employees.

Geographic and Tenant Concentration

As at December 31, 2018, approximately 49%, 18%, 23% and 10% of First Capital Realty's annualized minimum rent was from, and approximately 46%, 23%, 22% and 9% of the Company's gross leasable area was located in, the provinces of Ontario, Quebec, Alberta and British Columbia, respectively. Moreover, within each of these provinces, the Company's portfolio is concentrated predominantly in selected urban markets. As a result, economic, real estate and other general conditions in one or more markets where First Capital Realty has a concentration of shopping centres will significantly affect the Company's revenues and the value of its properties. Business layoffs or downsizing, industry slowdowns, declines in real estate values, changing demographics, increases in insurance costs and real estate taxes and other factors may adversely affect the economic climate in the markets in which the Company operates. Any resulting reduction in demand for retail properties in one or more markets where First Capital Realty has a concentration of shopping centres will adversely affect the Company's financial position, results of operations and the value of its properties concerned.

As at December 31, 2018, the Company's top 10 tenants represented 34.7% of the Company's annualized minimum rent and occupied 40.5% of the Company's gross leasable area. First Capital Realty's single largest tenant, Loblaw Companies Limited ("Loblaws") (which operates stores under multiple banners and formats), accounts for 10.0% of the Company's annual minimum rent and 9.4% of the Company's gross leasable area. In the event that one or more tenants of the Company that individually or collectively account for an important amount of the Company's annual minimum rent experience financial difficulty and are unable to pay rent or fulfill their lease commitments, the Company's financial position, results of operations and the value of the affected properties would be adversely affected.

Competition

The real estate business is competitive. Numerous other developers, managers and owners of retail properties compete with the Company in seeking tenants. Some of the properties located in the same markets as the Company's properties may be newer, better located and/or have stronger anchor tenants than the Company's properties. The existence of developers, managers and owners in the markets in which the Company operates, or any increase in supply of available space in such markets (due to new construction, tenant insolvencies or other vacancy) and competition for the Company's tenants could adversely affect the Company's ability to lease space in its properties in such markets and on the rents charged or concessions granted. In addition, the internet and other technologies increasingly play a more significant role in consumer preferences and shopping patterns, which presents an evolving competitive risk to the Company that is not easily assessed. Any of the aforementioned factors could have an adverse effect on the Company's financial position and results of operations.

Competition for acquisitions of real properties can be intense and some competitors may have the ability or inclination to acquire properties at a higher price or on terms less favourable than those the Company may be prepared to accept. An increase in the availability of investment funds, an increase in interest in real property investments or a decrease in interest rates may increase competition for real property investments thereby increasing purchase prices and reducing the return on investment. See also "– Acquisitions, Expansions, Developments, Redevelopments and Strategic Dispositions".

Residential Development, Sales and Leasing

First Capital Realty is and expects to be increasingly involved in the development of mixed-use properties that include residential condominiums and rental apartments. These developments are often carried out with an experienced residential developer as the Company's partner. Purchaser demand for residential condominiums is cyclical and is significantly affected by changes in general and local economic and industry conditions, such as employment levels, availability of financing for homebuyers, interest rates, consumer confidence, levels of new and existing homes for sale, demographic trends and housing demand. In addition, an oversupply of alternative housing, such as new homes, resale homes (including homes held for sale by investors and speculators), foreclosed homes and rental properties and apartments may (i) reduce First Capital Realty's ability to sell new condominiums, depress prices and reduce margins from the sale of condominiums, and (ii) have a material adverse effect on the Company's ability to lease rental apartments and on the rents charged or concessions granted therefor.

Home and condominium buyers typically finance their home or condominium acquisitions through lenders providing mortgage financing. Increases in mortgage rates or decreases in the availability of mortgage financing could depress the market for new condominiums because of the increased monthly mortgage costs to potential buyers. Even if potential customers do not need financing, changes in mortgage interest rates and mortgage availability could make it harder for them to sell their existing homes to potential buyers who need financing, which would result in reduced demand for new homes. As a result, rising mortgage rates and reduced mortgage availability could adversely affect the Company's ability to sell new condominiums and the price at which it can sell them.

As a residential landlord in its properties that include rental apartments, First Capital Realty is subject to the risks inherent in the multi-unit residential rental property industry. In addition to the risks highlighted above, these include exposure to private individual tenants (as opposed to commercial tenants in the Company's retail properties), fluctuations in occupancy levels, the inability to achieve economic rents (including anticipated increases in rent), controlling bad debt exposure, rent control regulations, increases in operating costs including the costs of utilities (residential leases are often "gross" leases under which the landlord is not able to pass on costs to its residents), the imposition of increased taxes or new taxes and capital investment requirements.

Financial Covenants

First Capital Realty's revolving credit facilities and its outstanding Senior Unsecured Debentures contain customary covenants and conditions, including, among others, compliance with various financial ratios and restrictions upon the incurrence of additional indebtedness and liens on the Company's properties. Furthermore, the terms of some of this indebtedness may adversely affect the Company's ability to consummate transactions that result in a change of control. The existing mortgages also contain customary negative covenants such as those that limit the Company's ability, without the prior consent of the lender, to further mortgage the applicable property. If the Company were to breach covenants in these debt agreements, the lender could declare a default and require the Company to repay the debt immediately. If the Company fails to make such repayment in a timely manner, the lender may be entitled to take possession of any property securing the loan. If the lenders declared a default under the Company's revolving credit facilities, all amounts outstanding thereunder would become due and payable and the Company's ability to borrow in future periods could be restricted. In addition, any such default on indebtedness in excess of a stipulated amount, unless waived, would constitute a default under First Capital Realty's revolving credit facilities and Senior Unsecured Debentures, giving rise to the acceleration of such indebtedness.

Governmental Regulation and Environmental Matters

The Company and its real estate investments are subject to various requirements imposed by governmental legislation and regulation. Any change in such legislation or regulation, or the level of enforcement of the same, that is adverse to the Company or its investments could adversely affect the operating and financial performance of the Company.

The Company maintains comprehensive environmental insurance and conducts environmental due diligence upon the acquisition of new properties. There is, however, a risk that the value of any given property in the Company's portfolio could be adversely affected as a result of unforeseen or uninsured environmental matters or changes in governmental regulations.

Under various federal, provincial and local laws, the Company, as an owner, and potentially as a person in control of or managing real property, could potentially be liable for costs of investigation, remediation and monitoring of certain contaminants, hazardous or toxic substances present at or released from its properties or disposed of at other locations, whether the Company knows of, or is responsible for, the environmental contamination and whether the contamination occurred before or after the Company acquired the property. The costs of investigation, removal or remediation of hazardous or toxic substances are not estimable, may be substantial and could adversely affect the Company's results of operations or financial position. The presence of contamination or the failure to remediate such substances, if any, may adversely affect the Company's ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims, including proceedings by government regulators or third-party lawsuits. Environmental legislation can change rapidly and the Company may become subject to more stringent environmental laws in the future, and compliance with more stringent environmental laws, or increased enforcement of the same, could have a material adverse effect on its business, financial position or results of operations.

Uninsured Losses

The Company carries comprehensive general liability, director and officer, environmental, fire, flood, and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar companies and similar properties. There are, however, certain types of risk (including without limitation catastrophic events, such as war or terrorist acts, and pre-existing circumstances, such as existing litigation and environmental contamination) which may be either uninsurable, in whole or in part, or, in the opinion of Management, not economically insurable. Should an uninsured or underinsured loss occur, the Company could lose some or all of its investment in, and anticipated profit and cash flows from, one or more of its properties, and the Company would continue to be obligated to repay any recourse mortgage indebtedness on such properties.

The Company cannot guarantee that material losses in excess of insurance proceeds will not occur in the future. If any of the Company's properties were to experience a catastrophic loss, it could seriously disrupt the Company's operations, delay revenue and result in large expenses to repair or rebuild the property. Also, due to inflation, changes in codes and regulations, environmental considerations and other factors, it may not be feasible to use insurance proceeds to replace a building after it has been damaged or destroyed or the proceeds could be insufficient. Events such as these could adversely affect the Company's financial position and results of operations and its ability to meet its obligations.

Partnerships

First Capital Realty has investments in properties with non-affiliated partners through partnership, co-ownership and limited liability corporate venture arrangements (collectively, "partnerships"). As a result, the Company does not control all decisions regarding those properties and may be required to take actions that are in the interest of the partners collectively, but not in the Company's sole best interests. A partner may fail to provide capital or fulfill its obligations, which may result in certain liabilities to First Capital Realty for guarantees and other commitments. Any of the foregoing may give rise to conflicts between the Company and its partners, which may be difficult and costly to manage and resolve. In addition, it may be difficult to manage or otherwise monitor partnerships.

Although partnerships may allow First Capital Realty to share risks with partners, these arrangements may also decrease the Company's ability to manage risk. Partnerships involve additional risks, such as: diverging business goals and strategies and the need for the partners' continued cooperation; First Capital Realty's inability to take actions with respect to partnership activities that the Company believes are favourable if its partner does not agree; First Capital Realty's inability to control the legal entity that has title to the real estate associated with the partnership; lenders may not be easily able to sell First Capital Realty's partnership assets and investments or may view them less favourably as collateral, which could negatively affect the Company's liquidity and capital resources; a partner or its affiliates might become insolvent or bankrupt, which may adversely affect the Company and any property owned through the partnership; and a partner's business decisions or other actions or omissions may result in harm to First Capital Realty's reputation or adversely affect the value of the Company's investments.

Significant Shareholders

Chaim Katzman, the former Chairman of the Board and currently a director of First Capital Realty, and several of the Company's shareholders affiliated with Mr. Katzman (collectively, the "Gazit Group"), including Gazit-Globe and related entities, beneficially own approximately 31.3% of the outstanding Common Shares. Upon completion of the Share Repurchase Transaction and the Secondary Offering, Gazit-Globe's beneficial ownership of the outstanding Common Shares would be reduced from approximately 31.3% to approximately 9.9%. See "Development of the Business – Recent Developments – 2019 – Share Repurchase Transaction and Secondary Offering by Gazit".

Gazit-Globe is a public company listed on the Tel-Aviv Stock Exchange (the "TASE"). Mr. Katzman is the Chief Executive Officer and Vice Chairman of Gazit-Globe and its controlling shareholder, Norstar Holdings Inc. ("Norstar"), a corporation listed on the TASE. Additional information concerning Gazit-Globe is available in its public disclosure. Dori J. Segal, the Chairman of the Board of the Company, is also a director of Gazit-Globe and Norstar. Mr. Katzman, as well as Mr. Segal, directly and indirectly, own shares of Norstar. As a result, Mr. Katzman owns or exercises control over approximately 53.54% of the outstanding common shares of Gazit-Globe. Mr. Segal directly owns 811,800 common shares of Gazit-Globe, representing approximately 0.43% of the outstanding common shares of Gazit-Globe. In addition, he also holds 2,965,505 stock options to acquire common shares of Gazit-Globe and if all these options were exercised, he would own approximately 1.96% of the outstanding common shares of Gazit-Globe.

The market price of the Common Shares could decline materially if the Company's significant shareholders sell some or all of their Common Shares or are perceived by the market as intending to sell such Common Shares. In addition, so long as the Gazit Group maintains a significant interest in the Company, it may be able to exercise significant influence over the outcome of any matter submitted to a vote of shareholders of the Company which requires the approval of a simple majority of shareholders voting at the meeting. As of the date hereof, at its current level of ownership, Gazit Group will also be able to exercise significant influence in the event of a take-over bid for First Capital Realty. This level of ownership may discourage third parties from seeking to acquire control of the Company, which in turn may adversely affect the market price of the Common Shares.

Moreover, members of the Gazit Group have pledged a substantial portion of their Common Shares to secure revolving credit facilities made available to them by commercial banks (the "Gazit Group Credit Facilities"). Based on information from the Gazit Group, First Capital Realty believes that as at December 31, 2018, an amount in excess of 95% of the Common Shares reported as beneficially owned by the Gazit Group are pledged to secure the Gazit Group Credit Facilities. While First Capital Realty has not been provided with a copy of the Gazit Group Credit Facilities or the related pledge agreements, it has been advised by the Gazit Group that if one of the Gazit Group members defaults on any of their obligations under the Gazit Group Credit Facilities or the related pledge agreements, the related lenders may have certain rights over the pledged Common Shares, including without limitation, the right to sell the pledged Common Shares in one or more public or private sales. Any such event could cause the market price of the Common Shares to decline materially. Many of the occurrences that could result in a default under the Gazit Group Credit Facilities and, among other things, foreclosure of the pledged Common Shares are out of First Capital Realty's control and are unrelated to its operations.

The foregoing information regarding the Gazit Group has been provided by the Gazit Group and has not been independently verified. Accordingly, there can be no assurances that such information is complete, or accurate in all material respects.

Investments Subject to Credit and Market Risk

The Company provides co-owner financing, priority mortgages and mezzanine loans to third parties in connection with certain transactions and partnerships (“Loans and Mortgages Receivable”). First Capital Realty also invests in marketable and other securities. The Company is exposed to customary risks in the event that the values of its Loans and Mortgages Receivable and/or its investments, in marketable and other securities, decrease due to overall market conditions, business failure, and/or other non-performance/defaults by the counterparties or investees. Not all lending activities will translate into acquisitions or equity participation in a project and the value of the assets securing the Company’s Loans and Mortgages Receivable is dependent on real estate market conditions and in the event of a large market correction, their value may be unable to support the investments. There can also be no assurance that the Company will advance new Loans and Mortgages Receivable at the same rate or in the same amount repaid, which could negatively impact future earnings. Additionally, repayment of one or more of the current loans outstanding would result in an immediate decrease of the Company’s Loans and Mortgages Receivable unless and until such time that the Company advances new loans.

Key Personnel

First Capital Realty’s executives and other senior officers oversee the development and execution of the Company’s strategy and have a significant role in its success. The Company’s ability to retain its key management personnel or attract suitable replacements should any of them leave the Company is dependent on, among other things, the competitive nature of the employment market. First Capital Realty has experienced departures of key management personnel in the past and may again experience such departures in the future. The loss of services from key members of the Management team could have an adverse effect on the Company’s operations until such time as suitable replacements are engaged.

Licensing, Certification and Accreditation Requirements

Many of the Company’s tenants are subject to numerous legal, regulatory, professional and private licensing, certification and accreditation requirements. For instance, in the case of health care facilities, these include, but are not limited to, requirements imposed by provincial health insurance plans and private payors. Receipt and renewal of licenses, certifications and accreditations are often based on inspections, surveys, audits, investigations or other reviews, some of which may require affirmative compliance actions by tenants that could be burdensome and expensive. In addition, the applicable standards may change in the future and there can be no assurance that subject tenants will be able to maintain all necessary licenses or certifications or that they will not be required to incur substantial costs in doing so. The failure to maintain all necessary licenses, certifications and accreditations, or the requirement to incur substantial costs to maintain them, could have a material adverse effect on the business of these tenants. The Company’s financial position and results of operations may be adversely affected if such tenants become unable to pay rent or other charges on a timely basis, or if the Company is unable to lease a significant amount of available space in its properties on economically favourable terms.

Cybersecurity

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of the Company’s information resources. More specifically, a cyber incident is an intentional attack or an unintentional event that can include gaining unauthorized access to information systems to disrupt operations, corrupt data or steal confidential information. As the Company’s reliance on technology has increased, so have the risks posed to its systems. The Company’s primary risks that could directly result from the occurrence of a cyber incident include operational interruption, damage to its reputation, damage to its business relationships with tenants as well as the disclosure of confidential information. Events such as these could adversely affect the Company’s financial position and results of operations.

DIVIDENDS

The Company presently pays quarterly dividends on the Common Shares. Dividends on the Common Shares, if any, that are declared are at the discretion of the Board and are set from time to time after taking into consideration the Company’s capital requirements, its alternative sources of capital and common industry cash distribution practices. The Company declared and paid regular quarterly cash dividends aggregating $0.86 per Common Share for each of the years ended December 31, 2016, December 31, 2017 and December 31, 2018.

STOCK EXCHANGE LISTINGS

The Common Shares are listed for trading on the TSX under the symbol “FCR”. The following table lists the price ranges and volume traded for the Common Shares on the TSX, on a monthly basis during the year ended December 31, 2018, as reported by the TSX.

Month	Open ($)	High ($)	Low ($)	Close ($)	# of Trades	Volume Traded	Value Traded($)
January	20.66	21.38	20.43	20.57	38,665	7,706,014	160,219,697
February	20.55	20.66	19.08	19.97	44,799	7,958,609	156,851,740
March	20.00	21.00	19.67	20.35	36,155	7,666,267	156,286,661
April	20.28	20.79	20.01	20.07	29,308	6,387,231	129,867,832
May	20.08	21.41	20.02	21.02	30,083	6,193,144	128,511,439
June	21.06	21.34	20.57	20.66	29,319	6,443,567	135,237,815
July	20.71	21.22	19.71	20.28	41,351	9,583,617	193,301,747
August	20.14	20.78	19.80	20.44	32,786	6,868,411	138,889,232
September	20.43	20.52	19.28	19.50	24,562	6,558,790	131,565,654
October	19.55	19.82	18.60	19.64	41,031	8,558,704	164,828,505
November	19.69	20.21	19.05	19.74	39,372	7,733,300	152,130,210
December	19.89	20.33	18.28	18.85	40,292	7,480,527	146,091,955

DIRECTORS, OFFICERS AND SENIOR MANAGEMENT

The names and municipalities of residence of the directors, officers and senior management of the Company, their respective positions and offices held with the Company and their principal occupation for the last five or more years are shown below as at March 26, 2019. Directors are elected to serve until the next annual meeting of shareholders or until their successors are elected or appointed, unless their office is earlier vacated.

Pursuant to the Transaction Agreement, Gazit-Globe has agreed to cause two of its representatives on the Board to resign from the Board upon request of the Company, effective as of closing of the Share Repurchase Transaction. Furthermore, following closing of the Share Repurchase Transaction, the Company has agreed that Gazit-Globe shall have the right to nominate one director to the Board so long as Gazit-Globe owns, directly or indirectly, or exercises control or direction over, at least 5% of the outstanding Common Shares.

Name and Province/State and Country of Residence	Office	Principal Occupations During the Last Five or more Years	Period Served
Adam E. Paul, C.P.A., C.A.(1) Toronto, Ontario, Canada	President and Chief Executive Officer and Director	President, Chief Executive Officer and director of the Company; director of Real Property Association of Canada (REALpac). Previously, Executive Vice President, Investments and Leasing of Canadian Real Estate Investment Trust.	Director since February 16, 2015
Dori J. Segal (1) Toronto, Ontario, Canada	Chair of the Board	Chair of the Board of the Company; director of Gazit-Globe; director of Norstar. Previously, Vice Chairman and Chief Executive Officer of Gazit-Globe; Vice Chairman of Norstar; President and Chief Executive Officer of the Company.	Director since August 18, 2000

Name and Province/State and Country of Residence	Office	Principal Occupations During the Last Five or more Years	Period Served
Jon N. Hagan, C.P.A., C.A.(1)(2) Dover, Christ Church, Barbados	Director	Corporate Director; principal, JN Hagan Consulting; director of Walton Big Lake Development Corporation; director of Walton Westphalia Development Corporation. Previously, Chair of the Board of Regal Lifestyle Communities Inc.; director of Bentall Kennedy Group; trustee of Sunrise Senior Living Real Estate Investment Trust; director of Mills Corporation; and Chair of Teranet Income Fund.	Director since February 14, 2003
Chaim Katzman(3) Sunny Isles, Florida, USA	Director	Founder, Chief Executive Officer and Director of Gazit-Globe and Norstar; Chairman of Atrium European Real Estate; Chairman of Citycon Oyj. Previously, Founder, Chief Executive Officer and Executive Chairman of Equity One, Inc.; Vice Chairman of Regency Centers Corporation; Chairman of the Board of the Company.	Director since December 6, 2018
Annalisa King, ICD.D(2)(4) Vancouver, British Columbia, Canada	Director	Corporate Director; director of Saputo Inc.; director of The North West Company Inc.; director of Vancouver Airport Authority; director of McArthurGlen Designer Outlet Centre (a joint venture between McArthurGlen Group and the Vancouver Airport Authority). Previously, Chief Financial Officer, Chief Information Officer and Senior Vice President of Best Buy Canada Ltd.	Director since November 9, 2016
Bernard McDonell(1)(4)(5) Apple Hill, Ontario, Canada	Lead Director	Lead Director of the Company. Previously, Chairman of the board of Performance Sports Group Ltd.; director of The Commonwell Mutual Insurance Group; Vice Chairman, Chief Executive Officer and director of Investus Real Estate Inc.; Vice Chairman and President of Provigo Inc.	Director since May 24, 2007
Aladin (Al) W. Mawani, C.P.A., C.A.(2) Thornhill, Ontario, Canada	Director	Corporate Director; trustee of Granite Real Estate Investment Trust; director of Extendicare Inc. Previously, independent lead trustee of Boardwalk Real Estate Investment Trust; trustee of SmartCentres Real Estate Investment Trust; trustee of Slate Office Real Estate Investment Trust; trustee of IPC US Real Estate Investment Trust; director of Amica Mature Lifestyle Inc.; President and Chief Executive Officer of Rodenbury Investments Limited; President and Chief Executive Officer of SmartCentres Real Estate Investment Trust; Chief Financial Officer of Oxford Properties Group, Inc.	Director since May 29, 2018
Jeffrey S. Mooallem(1) Miami, Florida, USA	Director	President and Chief Executive Officer of Gazit Horizons, Inc. since 2017. Previously, Senior Vice President and Managing Director of Federal Realty Investment Trust; President, West Coast of Equity One, Inc.; Senior Vice President of Turnberry Associates; Division President of GL Homes.	Director since August 1, 2018

Name and Province/State and Country of Residence	Office	Principal Occupations During the Last Five or more Years	Period Served
Andrea Stephen, C.P.A., C.A. (1)(2)(4) Toronto, Ontario, Canada	Director	Corporate Director; trustee of Boardwalk Real Estate Investment Trust; trustee of Slate Retail Real Estate Investment Trust; director of The Macerich Company. Previously, director of Multiplan Empreendimentos Imobiliaros; director of Pension Real Estate Association (PREA); Executive Vice President, Investments of The Cadillac Fairview Corporation Limited; director of Canada's Walk of Fame; Director, Real Estate with the Ontario Teachers' Pension Plan Board; member of Investment Advisory Committee of the National Association of Real Estate Investment Trusts (NAREIT).	Director since January 9, 2012
Kay Brekken, C.P.A. Toronto, Ontario, Canada	Executive Vice President and Chief Financial Officer	Executive Vice President and Chief Financial Officer of the Company. Previously, Executive Vice President and Chief Financial Officer of Indigo Books & Music, Inc.	Officer since August 5, 2014
Carmine Francella Toronto, Ontario, Canada	Senior Vice President, Leasing	Senior Vice President, Leasing of the Company. Previously, Vice President, Leasing of Scotiabank; Senior Director, Real Estate & Development of Walmart Canada.	Officer since January 25, 2016
Alison Harnick Toronto, Ontario, Canada	Senior Vice President, General Counsel and Corporate Secretary	General Counsel and Corporate Secretary of the Company. Previously, corporate lawyer at Torys LLP.	Officer since October 10, 2017
Maryanne McDougald Mississauga, Ontario, Canada	Senior Vice President, Operations	Senior Vice President, Operations of the Company. Previously, Vice President, Property Management and President and Senior Vice President & Chief Operating Officer of FCR Management Services LP.	Officer since August 6, 2010
Jordan Robins Toronto, Ontario, Canada	Executive Vice President and Chief Operating Officer	Executive Vice President and Chief Operating Officer of the Company. Previously, Senior Vice President, Planning and Development of RioCan REIT.	Officer since June 1, 2016
Jodi Shpigel Richmond Hill, Ontario, Canada	Senior Vice President, Development	Senior Vice President, Development of the Company. Previously, Senior Vice President, Central Canada.	Officer since September 4, 2013

(1) Member of the Investment Committee. Mr. Segal is the Chair of the committee.
(2) Member of the Audit Committee. Mr. Mawani is the Chair of the committee.
(3) Mr. Katzman served as Chairman of the Board of the Company from 2000 to 2015, as director from 2015 to 2017 and re-joined the Board in December 2018.
(4) Member of the Compensation and Corporate Governance Committee. Mr. McDonell is the Chair of the committee.
(5) Lead Director.

As at March 26, 2019, the directors and executive officers (as defined in National Instrument 51-102 — *Continuous Disclosure Obligations*) of the Company, as a group, beneficially owned, or exercised control or direction over, an aggregate of 2,627,204 Common Shares representing approximately 1.0% of the issued and outstanding Common Shares and 1,875,023 vested options granted under the Stock Option Plan. If all vested options beneficially owned by such persons were exercised, such persons would own an additional 1,875,023 Common Shares and would hold approximately 1.8% of the issued and outstanding Common Shares.

Except as set forth below, as of the date hereof, none of the current directors or executive officers of the Company, and to the best of the Company's knowledge, no shareholder expected to hold a sufficient number of securities to affect materially the control of the Company, is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, (a) a director, chief executive officer or chief financial officer of any company that was subject to an order that was issued while the existing or proposed director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; (b) subject to an order that was issued after the existing or proposed director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; (c) a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (d) bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual. For the purposes of this paragraph, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Mr. McDonell was the Chairman of the board of Old PSG Wind-down Ltd. (formerly Performance Sports Group Ltd.) ("PSG"). On October 31, 2016, PSG announced that it had filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code in the District of Delaware and commenced proceedings under the *Companies' Creditors Arrangement Act (Canada)* (the "CCAA") in the Ontario Superior Court of Justice. Trading in the securities of PSG on the TSX and the New York Stock Exchange was immediately suspended and the securities were subsequently delisted. On February 28, 2017, PSG announced the completion of the court-approved sale of substantially all of its assets.

Mr. Hagan was a director of Walton Ontario Land 1 Corporation ("Walton Land 1"), Walton Big Lake Development Corporation, Walton Edgemont Development Corporation ("Walton Edgemont") and Walton Westphalia Development Corporation (collectively, the "Walton Companies"). The Walton Companies are involved in real estate investment and development projects. On April 28, 2017, it was announced that the parent company, Walton International Group Inc. (of which Mr. Hagan was not a director) and 32 of its affiliates (including Walton Land 1 and Walton Edgemont) had obtained protection from their creditors and would attempt to restructure under the CCAA. Under the CCAA, Walton Land 1 and Walton Edgemont began a court-supervised restructuring in order to provide a CCAA plan of arrangement to creditors for approval. Walton Land 1 and Walton Edgemont sold their properties and proceeds from the transactions were used to repay court-ordered charges and debt. Both Walton Land 1 and Walton Edgemont have paid in full all creditors and are in the process of being wound up which will result in final distribution to investors.

The foregoing information regarding the Walton Companies has been sourced from publicly available information and has not been independently verified. Accordingly, there can be no assurances that such information is complete, or accurate in all material respects.

AUDIT COMMITTEE

The Audit Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to: the integrity of the Company's financial statements; the Company's compliance with legal and regulatory requirements related to financial reporting; the qualifications, independence and performance of the Company's auditor; the design and implementation of internal controls and disclosure controls; and any additional matters delegated to the Audit Committee by the Board.

The Audit Committee assesses the performance of the Company's external auditor on an annual basis and makes a recommendation to the Board in respect of the external auditor to be nominated for appointment or re-appointment, as the case may be. Such a recommendation is considered by the Board which approves the external auditor that is nominated for appointment or re-appointment, as the case may be, by the Company's shareholders at the next annual shareholders' meeting.

Audit Committee Charter

The Board adopted a charter for the Audit Committee on May 7, 2004 and amended the charter in each of November 2005, March 2010, April 2012, May 2014, February 2016 and November 2017. The Audit Committee and the Compensation and Corporate Governance Committee each review and assess the Audit Committee Charter on an annual basis and consider whether any amendments are advisable. A copy of the charter is attached to this AIF as Appendix B.

Composition of the Audit Committee

The members of the Audit Committee are Al Mawani (Chair), Jon Hagan, Annalisa King and Andrea Stephen. All members of the Audit Committee are "independent" and "financially literate" as such terms are defined in National Instrument 52-110 — *Audit Committees*.

Relevant Education and Experience

Al Mawani is currently a principal of Exponent Capital Partners Inc., a private equity investor and real estate advisory firm. He has over 35 years of experience in the commercial real estate industry. Mr. Mawani is currently an independent member of the board of trustees of Granite Real Estate Investment Trust ("Granite") and also an independent director of Extendicare Inc. ("Extendicare"). He is member of the audit committee of both the Extendicare and Granite boards and Chair of the compensation, governance & nominating committee of the board of trustees of Granite.

Previously, Mr. Mawani served as the independent lead trustee of Boardwalk Real Estate Investment Trust. Mr. Mawani was also a trustee of Smart Centres Real Estate Investment Trust, Slate Office Real Estate Investment Trust and IPC US Real Estate Investment Trust, and also served as a director of Amica Mature Lifestyle Inc.

Mr. Mawani has held several executive officer positions in his career including President and Chief Executive Officer of Rodenbury Investments Limited, a private real estate owner-operator, and President and Chief Executive Officer of SmartCentres Real Estate Investment Trust. In addition, he spent 23 years at Oxford Properties Group, Inc., including over 11 years as Chief Financial Officer.

Mr. Mawani is a Chartered Professional Accountant, Chartered Accountant and has earned Master of Business Administration and Master of Laws degrees.

Jon Hagan was previously the Chair of the Audit Committee of the Company. He has been the principal of JN Hagan Consulting since December 2000 and provides assistance to major corporations regarding real estate capital markets, and acquisition and disposition transactions covering situations in Canada, the United States, Mexico and China. In addition to serving on the Board of the Company, Mr. Hagan is a director and a member of the audit committee of Walton Big Lake Development Corporation and Walton Westphalia Development Corporation.

Mr. Hagan has previously served as a director and chair of the board and compensation and governance committee and sat on the audit committee of Regal Lifestyle Communities Inc. He also served as a director and chair of the audit committee and sat on the executive committee of Bentall Kennedy Group. Mr. Hagan served as a trustee and chair of the audit committee of Sunrise Senior Living Real Estate Investment Trust. He was on the board of directors and audit committee of the Mills Corporation and also was the chairman of Teranet Income Fund. Mr. Hagan has over 40 years' experience with leading Canadian real estate companies as the senior financial executive, including The Cadillac Fairview Corporation, Empire Company Limited and Cambridge Shopping Centres Limited. He is a Chartered Professional Accountant, Chartered Accountant.

Annalisa King is a corporate director and currently serves on the boards of Saputo Inc., The Northwest Company Inc., Vancouver Airport Authority and McArthurGlen Designer Outlet Centre (a joint venture between McArthurGlen Group and the Vancouver Airport Authority). She is the Chair of the Governance Committee for the Vancouver Airport Authority. Previously, she was Chief Financial Officer, Chief Information Officer and Senior Vice President of Best Buy Canada Ltd. Prior to joining Best Buy Canada Ltd., Ms. King was the Senior Vice President of Business Transformation for Maple Leaf Foods in Toronto and Vice President of Finance prior to that. Earlier in her career she held leadership positions in finance at several consumer packaged goods companies, including Kraft and Pillsbury Canada. In addition, Ms. King holds the ICD.D designation from the Institute of Corporate Directors and is a National Association of Corporate Directors (NACD) Board Leadership Fellow.

Andrea Stephen is a corporate director and currently is a trustee and member of the audit committee of Boardwalk Real Estate Investment Trust and Slate Retail Real Estate Investment Trust. She is also a director and the chair of the compensation committee of The Macerich Company. Previously, she was Executive Vice President, Investments for The Cadillac Fairview Corporation where she led the investment team on sourcing and executing many significant global investments. She also held several positions with the Ontario Teachers' Pension Plan Board, including Assistant Portfolio Manager, Asset Management and North American Investments, as well as Director, Real Estate. She served as a member of the board of Multiplan Empreendimentos Imobiliaros, a Brazilian public real estate company, Pension Real Estate Association, Canada's Walk of Fame, and was previously a member of National Association of Real Estate Investment Trust's Investor Committee. Ms. Stephen is a Chartered Professional Accountant, Chartered Accountant.

Pre-Approval Policies and Procedures

The Audit Committee is responsible for overseeing the work of the external auditors and has considered whether the provision of services other than audit services is compatible with maintaining the auditors' independence. The Audit Committee has adopted a policy regarding its pre-approval of all audit and permissible non-audit services provided by the external auditors. The policy gives detailed guidance to Management as to the specific types of services that have been pre-approved by the Audit Committee. The policy requires the Audit Committee's specific approval of all other permitted types of services that have not been pre-approved. Senior Management of the Company periodically provides the Audit Committee with a summary of services provided by the external auditors in accordance with the pre-approval policy. The Audit Committee's charter permits delegation to one or more of its members of the authority to evaluate and approve engagements in the event that the need arises for approval between Audit Committee meetings provided that any pre-approvals granted pursuant to such delegation are reported to the full Audit Committee at its next scheduled meeting.

External Auditor Service Fees

Ernst & Young LLP has been the Company's external auditor since September 25, 2012. From time to time, Ernst & Young LLP also provides the Company with advisory and other non-audit services.

Fees incurred for services performed by Ernst & Young LLP for the years ended December 31, 2018 and December 31, 2017 were as follows:

	2018 Fees		2017 Fees	
	($)	**(%)**	**($)**	**(%)**
Audit Fees (1)	969,100	75.3%	$934,500	88.1%
Audit-Related Fees(2)	179,500	14.0%	$120,850	11.4%
Tax Fees (3)	132,500	10.3%	$Nil	0%
All Other Fees (4)	6,000	0.4%	$5,800	0.5%
Total Fees	1,287,100	100%	$1,061,150	100%

(1) Refers to all fees incurred in respect of audit services, being the professional services rendered by the external auditors for the audit and review of the Company's financial statements, as well as services normally provided by the external auditors in connection with regulatory filings and engagements.
(2) Audit-Related Fees primarily relate to assurance engagements in respect of joint-venture property financial statements, common area maintenance statements and environmental reporting.
(3) Incurred in respect of tax advisory services.
(4) Refers to all fees for services not included in audit fees or tax fees.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Management is not aware of any material interest, direct or indirect, of any director or executive officer of the Company, or any person beneficially owning, directly or indirectly, more than 10% of the Company's voting securities or any associate or affiliate thereof in any transaction since the beginning of 2016 that has materially affected or will materially affect the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found under the Company's issuer profile on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, will be contained in the Company's Management Information Circular in connection with its Annual Meeting of Shareholders to be held later this year. Additional financial information is provided in the Company's comparative financial statements and Management's Discussion & Analysis for its most recently completed fiscal year. A copy of such documents may be obtained, without charge, upon written request to the Assistant Corporate Secretary of the Company.

TRANSFER AGENT, REGISTRAR AND INDENTURE TRUSTEE

The transfer agent, registrar and indenture trustee for the Company is Computershare Trust Company of Canada, at its principal office in Toronto, Ontario.

EXPERTS

The auditor of the Company is Ernst & Young LLP. Ernst & Young LLP is independent of the Company in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

APPENDIX A: PROPERTIES

The following table summarizes certain aspects of the income producing properties owned by the Company as at December 31, 2018:

Investment Property Information
December 31, 2018
(unaudited)

	Property	City	Ownership Interest	Gross Leasable Area (Square Feet)(1)	Anchor and Select Tenants
CENTRAL					
1	146-150 Lakeshore Road West	Oakville	100%	20,000	Starbucks, Harvey's, Pizza Hut
2	1670 Bayview Avenue	Toronto	100%	40,000	BMO
3	1842-1852 Queen Street East	Toronto	100%	11,000	CIBC, Starbucks
4	3080 Yonge Street	Toronto	100%	220,000	Loblaws, Sleep Country Canada, Visualsonics Inc, NCO Financial Services, Regus, Anatomy Fitness,First Canadian Health Management Corp., The College of Audiologists
5	5051-5061 Yonge Street	Toronto	100%	37,000	Jack Astor's, Michaels
6	71 King Street West	Mississauga	100%	42,000	Various medical-related tenants
7	895 Lawrence Avenue East	Toronto	100%	30,000	Subway, Pet Valu
8	Adelaide Shoppers	London	50%	10,000	Shoppers Drug Mart
9	Ambassador Plaza Assets	Windsor	100%	271,000	FreshCo, Food Basics, Shoppers Drug Mart, Canadian Tire, RBC Royal Bank, CIBC, BMO, Scotiabank, Tim Hortons, Fit4Less By GoodLife, Dollarama, LCBO, Pet Valu, Bulk Barn, Dollar Tree, Factory Direct
10	Appleby Village Assets	Burlington	100%	253,000	Fortinos, Rexall, TD Canada Trust, BMO, Starbucks, Harvey's, Pizza Hut, Jackson's Landing, Dollarama, LCBO, The Beer Store, Pet Valu, Home Hardware, Women's Fitness Clubs of Canada
11	Avenue/Lawrence Assets	Toronto	100%	53,000	Pusateri's Fine Foods, Canadian Learning College
12	Bayview Lane Plaza	Markham	100%	43,000	Dollarama, Starbucks
13	Bloor and Spadina	Toronto	100%	8,000	Scotiabank
14	Bloor West	Toronto	35%	29,000	Various sole proprietorships
15	Brampton Corners Shopping Centre	Brampton	100%	322,000	Fortinos, Walmart, Scotiabank, HSBC, National Bank, Kelsey's, Indigo, Buck or Two, Petsmart
16	Bridgeport Plaza Assets	Waterloo	100%	240,000	Sobeys, Shoppers Drug Mart, Walmart, Tim Hortons, Subway, Pet Valu, Bulk Barn, Sun Life, Moore's, Your Dollar Store With More
17	Brooklin Towne Centre	Whitby	100%	117,000	Sobeys, Shoppers Drug Mart, Scotiabank, Tim Hortons, Subway, Dollarama, LCBO, The Beer Store, Pet Valu
18	Burlingwood Shopping Centre Assets	Burlington	100%	67,000	No Frills, Rexall, Subway
19	Byron Village Plaza	London	50%	43,000	Metro, Rexall Pharma Plus, TD Canada Trust, LCBO, Pet Valu
20	Cedarbrae Mall Assets	Toronto	100%	548,000	No Frills, Shoppers Drug Mart, Walmart, Canadian Tire, Mark's, RBC Royal Bank, CIBC, BMO, Scotiabank, Burger King, Tim Hortons, McDonald's, GoodLife Fitness, Fit4Less By GoodLife Fitness, Dollarama, LCBO, Winners, The Beer Store, Scarborough Centre for Healthy Communities, Frugo, Ministry Of Government Services, Healthy Planet

Investment Property Information December 31, 2018 *(unaudited)*					
	Property	**City**	**Ownership Interest**	**Gross Leasable Area (Square Feet)(1)**	**Anchor and Select Tenants**
21	Chartwell Shopping Centre Assets	Toronto	100%	147,000	Bestco Foodmart, CIBC, BMO, Tim Hortons, Ding Tai Fung Shanghai Dim Sum, Sushi Legend, Grandeur Palace, Dollarama, Pulse Academy, Terrapin Healthcare
22	Clairfield Commons Assets	Guelph	100%	230,000	Food Basics, Shoppers Drug Mart, TD Canada Trust, RBC Royal Bank, BMO, Scotiabank, Starbucks, Harvey's, Subway, The Keg Steakhouse & Bar, State & Main Kitchen & Bar, GoodLife Fitness, Dollarama, The Beer Store, Bulk Barn, Cineplex, JYSK Linen 'N Furniture
23	Cliffcrest Plaza	Toronto	100%	80,000	Shoppers Drug Mart, CIBC, Scotiabank, Subway, LCBO, Dollarama, Toronto Employment Services Centre
24	Credit Valley Town Plaza	Mississauga	100%	107,000	No Frills, Rexall Pharma Plus, TD Canada Trust, BMO, Tim Hortons, Subway, Bulk Barn
25	Danforth Sobeys Assets	Toronto	100%	29,000	Sobeys
26	Delta Centre Assets	Cambridge	100%	79,000	FreshCo, Shoppers Home Health Care, Starbucks, Pizza Hut, Subway, Dollarama
27	Derry Heights Plaza	Milton	100%	104,000	Shoppers Drug Mart, RBC Royal Bank, CIBC, Tim Hortons, Tiny Tim, Fitness Etc.
28	Dufferin Corners	Toronto	100%	74,000	Shoppers Drug Mart, TD Canada Trust, RBC Royal Bank
29	Fairview Mall Assets	St. Catharines	100%	389,000	Food Basics, Walmart, Mark's, Sport Chek, CIBC, Scotiabank, Swiss Chalet, Kelsey's, Subway, Dollarama, LCBO, Staples, Winners, IKEA, Chapters
30	Fairway Plaza Assets	Kitchener	100%	291,000	Food Basics, Sport Chek, TD Canada Trust, Starbucks, Swiss Chalet, Harvey's, State & Main Kitchen & Bar, GoodLife Fitness, Dollarama, LCBO, Marshalls, MEC, Pier 1 Imports, Petsmart, Visions Electronics, The Shoeper Store
31	Grimsby Square Shopping Centre Assets	Grimsby	100%	167,000	Sobeys, Shoppers Drug Mart, Canadian Tire, Mark's, RBC Royal Bank, McDonald's, Brewers Retail, Pet Valu
32	Halton Hills Village	Georgetown	100%	112,000	Metro, TD Canada Trust, Tim Hortons, Subway, LCBO, Pet Valu, Playbox Children Centre, Petro-Canada
33	Harwood Plaza	Ajax	100%	215,000	Food Basics, Shoppers Drug Mart, RBC Royal Bank, Scotiabank, Tim Hortons, Subway, GoodLife Fitness, Dollarama, Ministry of Health, National Thrift Store, Factorydirect.ca, Pitney Bowes of Canada Ltd
34	Hazelton Hotel	Toronto	60%	7,000	One Restaurant
35	Humbertown Shopping Centre	Toronto	100%	104,000	Loblaws, Shoppers Drug Mart, RBC Royal Bank, Scotiabank, LCBO, Bulk Barn
36	Hyde Park Plaza	London	50%	26,000	Remark Fresh Markets, Shoppers Drug Mart, BMO, Starbucks
37	Laurelwood Shopping Centre	Waterloo	100%	94,000	Sobeys, TD Canada Trust, CIBC, Starbucks, LCBO
38	Leaside Village Assets	Toronto	100%	127,000	Longo's, CIBC, Tim Hortons, Local Public Eatery, Amsterdam Brew House, The Beer Store, Pet Valu, Bulk Barn, Linen Chest
39	McLaughlin Corners Assets	Brampton	50%	53,000	Shoppers Drug Mart, RBC Royal Bank, Pizza Hut, GoodLife Fitness

Investment Property Information **December 31, 2018** *(unaudited)*					
	Property	**City**	**Ownership Interest**	**Gross Leasable Area (Square Feet)[(1)]**	**Anchor and Select Tenants**
40	Meadowvale Town Centre Assets	Mississauga	100%	422,000	Metro, Shoppers Drug Mart, Canadian Tire, TD Canada Trust, CIBC, BMO, Tim Hortons, Subway, McDonald's, Union Social Eatery, GoodLife Fitness, LCBO, Brewers Retail, Your Dollar Store With More
41	Merchandise Building	Toronto	100%	52,000	Metro, Ryerson University
42	Midland Lawrence Plaza	Toronto	100%	81,000	Freshco, Part Source, TD Canada Trust, Your Dollar and Party Store Plus, Tormedco
43	Morningside Crossing Assets	Toronto	100%	317,000	No Frills, Food Basics, Shoppers Drug Mart, Rexall, Mark's, TD Canada Trust, CIBC, Scotiabank, Tim Hortons, Starbucks, Swiss Chalet, Subway, McDonald's, Pizza Hut, Shoeless Joe's, GoodLife Fitness, Dollarama, LCBO, The Beer Store, Bulk Barn, Home Hardware, BSW Beauty Supply
44	One Bloor East	Toronto	100%	59,000	McEwan, Nordstrom, Starbucks
45	Queenston Place Assets	Hamilton	100%	154,000	No Frills, Mark's, Kelsey's, Pizza Hut, GoodLife Fitness, Pennington's, Home Hardware, Dollar Tree, Visions Electronics
46	Queensway Assets	Etobicoke	100%	45,000	Mercedes-Benz Canada
47	Rona Stockyards	Toronto	100%	84,000	RONA
48	Royal Orchard	Thornhill	50%	21,000	Food Basics, Shoppers Drug Mart
49	Rutherford Marketplace	Vaughan	100%	197,000	Longo's, Shoppers Drug Mart, RBC Royal Bank, CIBC, Harvey's, Me Va Me, LCBO, L.A. Fitness, Childventures Early Learning Academy
50	Sheridan Plaza	Toronto	100%	171,000	Food Basics, Walmart, Tim Hortons, Black Creek Community Health
51	Shoppes on Dundas	Oakville	100%	66,000	Shoppers Drug Mart, TD Canada Trust, Starbucks, RBC General Insurance, Monkey See Monkey Do
52	Shops at King Liberty Assets	Toronto	100%	360,000	Loblaws, Longos[(3)], Metro, Shoppers Drug Mart, TD Canada Trust, RBC Royal Bank, CIBC, National Bank, Tim Hortons, Starbucks, William's Landing, Harvey's, Subway, Mildred's Temple Kitchen, GoodLife Fitness, LCBO, The Beer Boutique, West Elm, Kasian Architecture, Altius Architecture Inc, Entertech Systems, EQ3, Knoll, Kitchen Stuff Plus, Structube, Wasserman Sports & Entertainment
53	South Oakville Assets	Oakville	100%	300,000	Sobeys, Whole Foods, Longo's[(3)], Shoppers Drug Mart, Rexall Pharma Plus, RBC Royal Bank, CIBC, BMO[(3)], Tim Hortons, Starbucks, Harper's Landing[(3)], Subway, RBC General Insurance, LCBO, Indigo,The Beer Store, Pet Valu, Kids & Company[(3)], Home Hardware
54	Stanley Park Mall	Kitchener	100%	188,000	Zehrs, Rexall Pharma Plus, Walmart, TD Canada Trust, LCBO, Pet Valu, Dollar Tree
55	Steeple Hill Shopping Centre Assets	Pickering	100%	93,000	FreshCo, Shoppers Drug Mart, RBC Royal Bank, Burger King, RBC General Insurance
56	Stoneybrook Plaza	London	50%	27,000	Sobeys, Rexall Pharma Plus, TD Canada Trust,The Home Depot[(2)]
57	Sunningdale Village	London	50%	36,000	No Frills, Shoppers Drug Mart, Starbucks

Investment Property Information December 31, 2018 *(unaudited)*					
	Property	**City**	**Ownership Interest**	**Gross Leasable Area (Square Feet)(1)**	**Anchor and Select Tenants**
58	Thickson Place Assets	Whitby	50%	214,000	Sobeys, Metro, TD Canada Trust, CIBC, BMO, Starbucks, Subway, McDonald's, Taco Bell, Melanie Pringles Restaurants, Dollarama, LCBO, Whitby Medical Clinic, Urban Planet
59	Tomken Plaza	Mississauga	100%	93,000	No Frills, TD Canada Trust, Subway, Pizza Hut, Bulk Barn
60	Victoria Park Centres Assets	Toronto	100%	456,000	No Frills, Metro, Shoppers Drug Mart, TD Canada Trust, CIBC, Scotiabank, Tim Hortons, Subway, McDonald's, GoodLife Fitness, Dollarama, LCBO, Staples, Toys "R" Us, Pet Valu, DriveTest, Home Hardware, Healthy Planet
61	Wellington Corners Assets	London	50%	92,000	FreshCo, Shoppers Drug Mart, Shoppers Home Health Care, BMO, Tim Hortons(3), Starbucks, Montana's, Subway, The Beer Store(2), Staples(3), Pet Valu
62	Westney Heights Plaza	Ajax	100%	162,000	Sobeys, Shoppers Drug Mart, TD Canada Trust, CIBC, Scotiabank, Starbucks, Harvey's, Dollarama, Westney Heights Medical Centre, Canada Computers, BSW Beauty Supply
63	Yonge-Davis Centre	Newmarket	100%	51,000	Subway, Alexanian Carpet, Dogtopia
64	York Mills Gardens Assets	Toronto	100%	189,000	Longo's, Shoppers Drug Mart, TD Canada Trust, RBC Royal Bank, BMO, Starbucks, Swiss Chalet, McDonald's, Pizza Hut, LCBO, Uptown Spa
65	Yorkville Village Assets	Toronto	100%	292,000	Whole Foods, Rexall, Aburi Restaurants, Chase Hospitality Group, Equinox Fitness, SoulCycle, TNT (The New Trend), Anthropologie, Chanel, Diesel, Andrew's, Brunello Cucinelli, Versace, Radford, Stone Island, Gallerie de Bellefeuille, Her Majesty's Pleasure, Waxon
	TOTAL CENTRAL			**9,061,000**	
EASTERN					
	Ontario				
1	College Square	Ottawa	50%	194,000	Loblaws, Rexall Pharma Plus, BMO, Starbucks, Tim Hortons, Subway, McDonald's, LCBO, Dollarama, The Beer Store, The Home Depot
2	Eagleson Place Assets	Ottawa	100%	119,000	Shoppers Drug Mart, TD Canada Trust, Starbucks, Harvey's, Subway, GoodLife Fitness, The Beer Store, Home Hardware, Westend FamilyCare Clinic FHT, Kids & Company
3	Elgin and Lisgar	Ottawa	50%	6,000	Starbucks, Harvey's
4	Gloucester City Centre	Ottawa	100%	369,000	Loblaws, Rexall, Walmart, CIBC, Scotiabank, Tim Hortons, Subway, Moxie's Classic Grill, Big Rig Brew Pub, Dollarama, LCBO, Pet Valu, Bulk Barn, The Co-Operators, Eastern Ottawa Resource Centre.
5	Hunt Club Marketplace Assets	Ottawa	66%	87,000	T&T Supermarket, TD Canada Trust, St. Hubert Express(3), Harvey's, Subway, Dollarama, Petro-Canada(3)
6	Loblaws Plaza Assets	Ottawa	100%	141,000	Loblaws, RBC Royal Bank, BMO, Starbucks, GoodLife Fitness, Pet Valu, Fabricland, Dollar Giant, Greta Leeming Studio of Dance
7	Merivale Mall	Ottawa	100%	219,000	Farmboy, Shoppers Drug Mart, Sport Chek, CIBC, TD Canada Trust, Harveys, Subway, Tailgator, Marshall's, Planet Fitness, YMCA-YWCA

Investment Property Information December 31, 2018 *(unaudited)*					
	Property	**City**	**Ownership Interest**	**Gross Leasable Area (Square Feet)[1]**	**Anchor and Select Tenants**
8	Strandherd Crossing	Ottawa	100%	123,000	Loeb, Shoppers Drug Mart, TD Canada Trust, RBC Royal Bank, Starbucks, Subway, GoodLife Fitness
	Total Ontario			***1,258,000***	
	Quebec				
1	2600 Daniel-Johnson	Laval	100%	68,000	Tim Hortons, Subway, Toys "R" Us
2	Carrefour Belvédère Assets	Sherbrooke	100%	98,000	IGA Extra, Familiprix, Tim Hortons, Energie Cardio
3	Carrefour du Plateau des Grives	Gatineau	100%	231,000	IGA, Jean Coutu, Canadian Tire, Sports Experts, RBC Royal Bank, CIBC, Desjardins, National Bank, McDonald's, Boston Pizza, La Cage Brasserie Sportive, Dollarama
4	Carrefour du Versant Assets	Gatineau	100%	115,000	IGA, Familiprix, TD Canada Trust, RBC Royal Bank, CIBC, Tim Hortons, Subway, Dollarama, SAQ
5	Carrefour Soumande	Vanier	100%	119,000	Metro, SAQ, Bouclair, Super Mini Prix, Fruiterie 440
6	Carrefour St-David Assets	Quebec City	100%	206,000	Metro, Pharmacie Uniprix, TD Canada Trust, National Bank, RBC Royal Bank, CIBC, Starbucks, Subway, McDonald's, Boston Pizza, SAQ, World Gym, Nautilus Plus
7	Carrefour St-Hubert Assets	Longueuil	100%	329,000	IGA, Metro, Pharmaprix, Jean Coutu, TD Canada Trust, RBC Royal Bank, CIBC, National Bank, Rotisserie St. Hubert, Subway, Tim Hortons, McDonald's, Dollarama, SAQ, CSSS Champlain, Energie Cardio, Re/Max, Cargill Nutrition Animale
8	Centre commercial Beaconsfield Assets	Beaconsfield	100%	196,000	Provigo, Metro, Pharmaprix, Proxim Pharmacie, TD Canada Trust, RBC Royal Bank, Tim Hortons, Subway, McDonald's, SAQ, Athletik Klub 20
9	Centre commercial Côte St-Luc	Côte St-Luc	100%	144,000	IGA, Jean Coutu, RBC Royal Bank, Subway, McDonald's, Dollarama, SAQ, Maison Caplan
10	Centre commercial Domaine Assets	Montreal	100%	220,000	Metro, Walmart, CIBC, Tim Hortons, Dollarama, Rossy, C.R.C. St-Donat, Salon de Quilles Domaine
11	Centre commercial Maisonneuve Assets	Montreal	100%	115,000	Provigo, Brunet, Canadian Tire, TD Canada Trust
12	Centre commercial Van Horne Assets	Montreal	100%	81,000	IGA, Pharmaprix, RBC Royal Bank, Tim Hortons, Destination Dollar Plus
13	Centre commercial Wilderton Assets	Montreal	100%	152,000	Metro, Pharmaprix, Jean Coutu, RBC Royal Bank, National Bank, Tim Hortons, Subway, Dollarama, SAQ, Plexo
14	Carré Lucerne	Mount Royal	100%	117,000	Provigo, Pharmaprix, Scotiabank, Starbucks, Subway
15	Centre Kirkland Assets	Kirkland	100%	181,000	IGA, Uniprix, CIBC, BMO, Starbucks, Rotisserie, St. Hubert, Subway, Dollarama, SAQ, Ville De Montreal
16	Centre Maxi Trois-Rivières	Trois-Rivieres	100%	121,000	Maxi, Jean Coutu, BMO, Tim Hortons, Dollarama, Value Village
17	Côte-des-Neiges	Montreal	100%	92,000	RBC Royal Bank, Tim Hortons, Subway, CLSC Cote Des Neiges, Dormez-Vous
18	Édifice Gordon	Verdun	100%	17,000	Pharmaprix, Societe Immobiliere Du Quebec
19	Faubourg des Prairies	Montreal	100%	67,000	IGA, Tim Hortons, SAQ, Nautilus Plus

Investment Property Information December 31, 2018 *(unaudited)*					
	Property	**City**	**Ownership Interest**	**Gross Leasable Area (Square Feet)[1]**	**Anchor and Select Tenants**
20	Galeries Charlesbourg	Quebec City	100%	262,000	IGA, Brunet, RBC Royal Bank, McDonald's, Buffets des Continents, Dollarama, SAQ, Hart, Stitches, L'Univers du Gym Fitness, Clinique d'Obstétrique et de Gynécologie, Meubles Croteau, Bingo Centre-Bourg
21	Galeries Normandie Assets	Montreal	100%	233,000	IGA, Pharmaprix, Jean Coutu, TD Canada Trust, RBC Royal Bank, BMO, Desjardins, Tim Hortons, Subway, McDonald's, Dollarama, SAQ, Nautilus Plus, Renaissance Montreal, Garderie Educative, Librairie Monet
22	Griffintown - 100 Peel	Montreal	100%	254,000	Metro, Pharmaprix, Brunet, TD Canada Trust, RBC Royal Bank, Scotiabank, National Bank, Starbucks, McDonald's, Tim Hortons, Zibo, Houston, Dollarama, Winners, SAQ, Groupe BMR Inc
23	La Porte de Gatineau	Gatineau	100%	161,000	Provigo, Maxi, Pharmacie Proxim, TD Canada Trust, CIBC, Tim Hortons, Subway, Au Vieux Duluth, SAQ, Village Du Dollar, Canada Computers, Ameublement Desrochers, Toys "R" Us[2]
24	Lachenaie Assets	Charlemagne	50%	271,000	Metro, Uniprix, Sports Rousseau, TD Canada Trust, RBC Royal Bank, McDonald's, SAIL, Dollarama, RONA, Staples, Winners, SAQ, World Gym, Dollar Max, Maison En Gros, Surplus RD Inc, The Home Depot[2]
25	Le Campanîle & Place du Commerce Assets	Montreal	100%	105,000	IGA, Pharmaprix, Jean Coutu, TD Canada Trust, BMO, Scotiabank
26	Les Galeries de Repentigny Assets	Repentigny	100%	192,000	IGA, Shoppers Drug Mart, Super C, Uniprix, Laurentian Bank, Tim Hortons, Subway, Dollar Max, Group Yellow Inc, Maison en Gros
27	Les Jardins Millen Assets	Montreal	100%	56,000	IGA, Uniprix, TD Canada Trust
28	Marche du Vieux Longueuil	Longueuil	100%	58,000	Metro, Pharmaprix
29	Place Cité des Jeunes	Gatineau	100%	64,000	Metro, Uniprix, Tim Hortons
30	Place Fleury Assets	Montreal	100%	125,000	Metro, Pharmaprix, BMO, Dollarama, SAQ, Libraire Renaud-Bray Inc.
31	Place Jean-Talon	Montreal	100%	9,000	Avis Rent A Car
32	Place Lorraine	Lorraine	100%	68,000	Provigo, National Bank, SAQ
33	Place Nelligan Assets	Gatineau	100%	74,000	IGA, Brunet, Subway, Dollarama
34	Place Pointe-aux-Trembles	Montreal	100%	116,000	Metro, Jean Coutu, Tim Hortons, Subway, Pizza Hut, Dollarama, Rossy, Chaussures Rubino, Bar L'Anjeu
35	Place Portobello Assets	Brossard	100%	519,000	Maxi[2], Jean Coutu, RBC Royal Bank, CIBC, Subway, Buffets des Continents, Renaissance Montreal, Marche Thai Foo, Restaurant Asiatique, RBC General Insurance, Dollarama, Ardene, RONA, Décor Depot, Rubino Shoes, Party Mania
36	Place des Quatre-Bourgeois Assets	Quebec City	100%	266,000	IGA, Jean Coutu, TD Canada Trust, Tim Hortons, Subway, Pacini, Dollarama, Winners, SAQ, Hart, Nautilus Plus, Le Chateau
37	Place Roland Therrien Assets	Longueuil	100%	42,000	Scotiabank, Subway, Bulk Barn, Max Depot
38	Place Viau Assets	Montréal	100%	335,000	IGA, Pharmaprix, Walmart, TD Canada Trust, Pizza Hut, Rotisserie St. Hubert, Maison en Gros, Dollarama, Staples, Marshalls, SAQ, Michaels, Econofitness

Investment Property Information December 31, 2018 *(unaudited)*					
	Property	**City**	**Ownership Interest**	**Gross Leasable Area (Square Feet)(1)**	**Anchor and Select Tenants**
39	Place Vilamont	Laval	100%	73,000	Provigo, Jean Coutu, Tim Hortons, Subway, Les Chaussures Rubino
40	Plaza Laval Élysée	Laval	100%	63,000	Supermarche PA Samson, Shoppers Drug Mart, Tim Hortons, Magi Prix
41	Promenades Lévis	Levis	100%	141,000	Metro, Jean Coutu, BMO, SAAQ, McDonald's, Cinema Lido, Chaussures Rubino, Surplus RD Inc, Le Billardier
42	Queen Mary Assets	Montreal	100%	23,000	Jean Coutu, Tim Hortons
43	St. Denis Pharmaprix	Montreal	100%	11,000	Pharmaprix
44	Place Anjou	Anjou	100%	52,000	Toys "R" Us, Bouclair
	Total Quebec			***6,242,000***	
	TOTAL EASTERN			**7,500,000**	
WESTERN					
	Alberta				
1	1st Avenue NE	Calgary	75%	13,000	Molson Canada
2	Cranston Market	Calgary	100%	84,000	Sobeys, Scotiabank, Subway, The Berwick Public House, Cranston Market Clinic
3	Deer Valley Marketplace	Calgary	100%	215,000	Calgary Co-op, Shoppers Drug Mart, Walmart, RBC Royal Bank, CIBC, Starbucks, Dollarama, Liquor Barn, Pet Valu, Deer Valley Dental Care, Filos
4	Fairmount Shopping Centre	Calgary	100%	54,000	Italian Centre Shop, RBC Royal Bank, Tim Hortons, Liquor Depot
5	Gateway Village	St. Albert	100%	105,000	Safeway, CIBC, BMO, Scotiabank, Tim Hortons, Subway, Liquor Depot
6	GM Glenbow	Calgary	50%	44,000	Brewsters Brewing Co & Restaurant
7	Kingsland Shopping Centre	Calgary	100%	46,000	Shoppers Drug Mart, Starbucks
8	Kingsway Mews	Edmonton	100%	44,000	RBC Royal Bank, Subway
9	Lakeview Plaza	Calgary	100%	64,000	IGA, Shoppers Drug Mart, Scotiabank, Liquor Depot
10	Longstreet Shopping Centre	Edmonton	100%	45,000	BMO, Subway, Pizza Hut, Red Robin Restaurant, Kal Tire
11	Macleod Trail Assets	Calgary	100%	292,000	Shoppers Home Health Care, BMO, Starbucks, Smitty's, Fit4Less By GoodLife, Dollarama, RONA, Bulk Barn
12	McKenzie Towne Centre Assets	Calgary	100%	234,000	Sobeys, Rexall, TD Canada Trust, BMO, Scotiabank, ATB Financial, Servus Credit Union Ltd., Tim Hortons, Subway, Brewsters Brewing Co & Restaurant, Kilt and Caber Ale House, GoodLife Fitness, Liquor Depot, Brightpath Early Learning, My Orthodontist, High Street Dental Clinic
13	Meadowbrook Centre Assets	Edmonton	100%	71,000	Sobeys, Shoppers Drug Mart, Subway, Western Cellars
14	Meadowlark Health and Shopping Centre	Edmonton	100%	303,000	Safeway, Shoppers Drug Mart, Walmart, RBC Royal Bank, CIBC, McDonald's, Pizza Hut, Brewsters Brewing Co & Restaurant, Liquor Depot, Insight Medical Imaging, Alberta Health Services, Lifemark Health Services, Edmonton West Primary Care Network, Plastic & Cosmetic Surgical Centre

Investment Property Information December 31, 2018 *(unaudited)*					
	Property	**City**	**Ownership Interest**	**Gross Leasable Area (Square Feet)(1)**	**Anchor and Select Tenants**
15	Mount Royal Village Assets	Calgary	100%	371,000	Urban Fare, Shoppers Drug Mart, London Drugs, Tim Hortons, GoodLife Fitness, Canadian Tire, West Elm, Oasis Wellness Centre & Spa, Sotheby's International Realty Canada, Copeman Healthcare
16	Northgate Centre	Edmonton	100%	486,000	Safeway, Rexall, Walmart, RBC Royal Bank, Tim Hortons, Subway, McDonald's, Smitty's, Good Buddy Restaurant, Marshalls, Liquor World, Alberta Health Services, LMIC - Labour Market Centre, Spa Lady, Edmonton Bone and Joint Centre, Edmonton North Primary Care Group, Veterans Affairs, Centre, Healthcare Solutions, Ardene, The Learning Experience Daycare, Pivotal Physiotherapy, The X-Ray Clinic at Northgate Centre
17	Old Strathcona Shopping Centre	Edmonton	100%	91,000	No Frills, Dollarama, Liquor Depot, Anytime Fitness, Old Scona Medical Centre
18	Red Deer Village	Red Deer	100%	244,000	Sobeys, Shoppers Drug Mart, Canadian Tire, Mark's, TD Canada Trust, Starbucks, Western Cellars, Dollarama, Alcanna
19	Richmond Square Assets	Calgary	100%	262,000	Save-on-Foods, London Drugs, Canadian Tire(2), BMO, Boston Pizza, GoodLife Fitness, Home Outfitters, Brightpath Early Learning & Childcare, Richmond Square Medical Centre, Visions Electronics, Calgary Lab Services
20	Royal Oak Centre	Calgary	100%	336,000	Sobeys, London Drugs, Walmart, RBC Royal Bank, BMO, Scotiabank, Subway, Western Cellars, Dollarama, Pet Valu, Home Outfitters, Royal Oak Clinic, Kids & Company
21	Seton Gateway	Calgary	100%	126,000	Save-On-Foods(3), Shoppers Drug Mart(3), TD Canada Trust(3), BMO(3), Subway(3), Cineplex
22	Sherwood Towne Square Assets	Sherwood Park	50%	167,000	Safeway, Save-On-Foods(2),Shoppers Drug Mart, London Drugs, Mark's, RBC Royal Bank, CIBC, Scotiabank, Tim Hortons, Starbucks, Swiss Chalet, Safeway Gas Bar, Dollarama, Staples, Home Sense, Michaels, The Home Depot(2), Liquor Depot
23	South Park Centre	Edmonton	100%	372,000	H Mart, Walmart, TD Canada Trust, Starbucks, IHOP, GoodLife Fitness, Pennington's, Toys "R" Us(2), DSW - Designer Shoe Warehouse, JYSK Linen 'N Furniture, Petland, Dollar Tree, Bouclair, Lammle's Western Wear
24	Staples Gateway Assets	Edmonton	100%	40,000	Mark's, Staples, The Home Depot(2)
25	The Brewery District	Edmonton	50%	121,000	Loblaws, Shoppers Drug Mart, TD Canada Trust, Starbucks, GoodLife Fitness, Winners, MEC, Petland
26	Towerlane Centre Assets	Airdrie	100%	250,000	Safeway, Shoppers Drug Mart, TD Canada Trust, CIBC, Starbucks, Standard Tap Public House, GoodLife Fitness, Dollarama, Staples, Liquor Depot, Pet Valu, Roxy Theatre
27	TransCanada Centre	Calgary	100%	184,000	Save-on-Foods, Rexall, Tim Hortons, Subway, Pizza Hut, Dollarama, Liquor Barn, Spa Lady, Family Services
28	Tuscany Market	Calgary	100%	85,000	Sobeys, Rexall, Scotiabank, Starbucks, Subway, Western Cellars, The Last Straw
29	West Springs Village	Calgary	50%	32,000	Shoppers Drug Mart, Scotiabank, Starbucks, Subway

	Property	City	Ownership Interest	Gross Leasable Area (Square Feet)(1)	Anchor and Select Tenants
Investment Property Information **December 31, 2018** *(unaudited)*					
30	Westmount Shopping Centre Assets	Edmonton	100%	479,000	Safeway, Shoppers Drug Mart, Rexall, Walmart, Mark's, TD Canada Trust, BMO, Scotiabank, Tim Hortons, Subway, McDonald's, Boston Pizza, Smitty's, Tony Roma's, Dollarama, The Home Depot, Liquor Depot, Pet Valu, Woodcroft Medical Centre, Alberta Cancer Board,,Crunch Fitness
	Total Alberta			***5,260,000***	
	British Columbia				
1	Broadmoor Shopping Centre Assets	Richmond	100%	47,000	Shoppers Drug Mart, RBC Royal Bank, Subway
2	False Creek Village	Vancouver	100%	63,000	Urban Fare, London Drugs, TD Canada Trust, Subway, Legacy Liquor Store
3	Gorge Shopping Centres	Victoria	100%	36,000	Shoppers Drug Mart, Subway, Dollarama, BC Liquor Store
4	Harbour Front Centre Assets	North Vancouver	100%	166,000	Canadian Tire, Mark's, Tim Hortons, McDonald's, Michaels, Petsmart
5	Kerrisdale	Vancouver	100%	30,000	Save-On-Foods
6	Langford Centre Assets	Victoria	100%	141,000	Fairway Market, Starbucks, Subway, Dollarama, Willowbrae Childcare Academy
7	Langley Crossing Shopping Centre	Langley	100%	125,000	Shoppers Drug Mart, Chuck E. Cheese's, Earl's, Fit4Less By GoodLife, Dollarama, Bulk Barn, Long & McQuade, BDO Dunwoody LLP, Creative Kids Learning Centers
8	Langley Mall	Langley	100%	137,000	Loblaws, Tim Hortons, Army & Navy, Opus Framing & Art Supplies
9	Pemberton Plaza Assets	North Vancouver	100%	99,000	Save-On-Foods, Remedy's RX, TD Canada Trust, Vancity, White Spot, Willobrae Childcare Academy
10	Peninsula Village Shopping Centre	Surrey	100%	171,000	Safeway, London Drugs, Dollarama, BC Liquor Store, Rothewood Academy
11	Port Place Shopping Centre Assets	Nanaimo	100%	150,000	Thrifty Foods, London Drugs, TD Canada Trust, CIBC, Starbucks, Subway, Dollarama, Timberwest, Medical Arts Centre, BC Liquor Store
12	Scott 72 Centre	Delta	100%	167,000	London Drugs, TD Canada Trust, Vancity, Starbucks, Subway, White Spot, Staples, Fitness World, Dollar Max
13	Semiahmoo Shopping Centre Assets	Surrey	100%	226,000	Save-On-Foods, Shoppers Drug Mart, CIBC, Coast Capital Savings Credit Union, Tim Hortons, Subway, Taco Del Mar, White Spot, Dollarama, Chevron, Dollar Tree, BC Liquor Store
14	Shops at New West	New Westminster	100%	203,000	Safeway, Shoppers Drug Mart, RBC Royal Bank, CIBC, Tim Hortons, Starbucks, Subway, Hub Restaurant & Lounge, Landmark Cinemas, Dynamic Health and Fitness, Dollar Tree
15	Staples Lougheed	Burnaby	100%	32,000	Staples
16	Terra Nova Village	Richmond	100%	72,000	Save-On-Foods, RBC Royal Bank, Starbucks, Subway, Pizza Hut, Dollarama
17	The Olive	Vancouver	100%	21,000	Shoppers Drug Mart, Subway
18	Time Marketplace Assets	North Vancouver	100%	72,000	IGA Marketplace, Shoppers Drug Mart, TD Canada Trust, Boston Pizza, Cineplex(3)
19	Tuscany Village Assets	Victoria	100%	75,000	Thrifty Foods, Rexall, CIBC, Island Savings Credit Union, Starbucks, Subway

Investment Property Information December 31, 2018 *(unaudited)*					
	Property	**City**	**Ownership Interest**	**Gross Leasable Area (Square Feet)(1)**	**Anchor and Select Tenants**
	Total British Columbia			***2,033,000***	
	TOTAL WESTERN			**7,293,000**	
TOTAL CANADA – December 31, 2018				**23,854,000**	

(1) Gross Leasable Area represents the Company's ownership interest.
(2) Non-owned anchor (not included in Gross Leasable Area).
(3) 50% ownership interest.

APPENDIX B

AUDIT COMMITTEE CHARTER

FIRST CAPITAL

First Capital Realty Inc.

Audit Committee Charter

Approved by the Board of Directors on March 10, 2010

Revised April 10, 2012, May 22, 2014, February 17, 2016 and November 7, 2017

TABLE OF CONTENTS

Page

TABLE OF CONTENTS

(continued)

Page

FIRST CAPITAL REALTY INC.

AUDIT COMMITTEE CHARTER

1. RESPONSIBILITY

The Audit Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to:

- the integrity of the Corporation's financial statements;
- the Corporation's compliance with legal and regulatory requirements related to financial reporting;
- the internal audit function of the Corporation;
- the qualifications, independence and performance of the Corporation's auditor;
- the design, implementation and maintenance of internal controls and disclosure controls; and
- any additional matters delegated to the Audit Committee by the Board.

2. MEMBERS

The Board must appoint a minimum of three directors to be members of the Audit Committee. The members of the Audit Committee will be selected by the Board on the recommendation of the Compensation and Corporate Governance Committee.

All of the members of the Audit Committee will be "independent directors" ("**Independent Directors**") as defined in sections 1.4 and 1.5 of National Instrument 52-110 — *Audit Committees*, as amended from time to time ("**NI 52-110**"). In addition, every member of the Audit Committee will be "**financially literate**" as defined in section 1.6 of NI 52-110.

3. DUTIES

The Audit Committee is responsible for performing the duties set out below as well as any other duties delegated to the Audit Committee by the Board.

(a) Appointment and Review of the Auditor

The auditor is ultimately accountable to the Audit Committee and reports directly to the Audit Committee. Accordingly, the Audit Committee will evaluate and be responsible for the Corporation's relationship with the auditor. Specifically, the Audit Committee will:

- select, evaluate and nominate the auditor to be proposed for appointment or reappointment, as the case may be, by the shareholders;
- review and approve the auditor's engagement letter;
- review the independence, experience, qualifications and performance of the auditor, including the engagement and lead partners, in recommending its appointment or reappointment, including considering whether the auditor's provision of any permitted non-audit services is compatible with maintaining its independence;

- resolve any disagreements between senior management and the auditor regarding financial reporting;

- at least annually, obtain and review a report by the auditor describing:

  a. the auditor's internal quality-control procedures, including with regard to safeguarding confidential information;

  b. any material issues raised by the most recent internal quality control review, or peer review, of the auditor, or review by any independent oversight body, such as the Canadian Public Accountability Board, or governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the auditor, and the steps taken to deal with any issues raised in any such review; and

- where appropriate, terminate the auditor.

(b) Confirmation of the Auditor's Independence

At least annually, and before the auditor issues its report on the annual financial statements, the Audit Committee will:

- review a formal written statement from the auditor describing all of its relationships with the Corporation;

- discuss with the auditor any relationships or services that may affect its objectivity and independence;

- obtain written confirmation from the auditor that it is objective within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of Chartered Accountants to which it belongs and is an independent public accountant within the meaning of the Independence Standards of the Canadian Institute of Chartered Accountants; and

- confirm that the auditor has complied with applicable rules, if any, with respect to the rotation of certain members of the audit engagement team.

(c) Pre-Approval of Non-Audit Services

The Audit Committee will pre-approve the appointment of the auditor for any non-audit service to be provided to the Corporation. Before the appointment of the auditor for any non-audit service, the Audit Committee will consider the compatibility of the service with the auditor's independence. The Audit Committee may pre-approve the appointment of the auditor for any non-audit services by adopting specific policies and procedures, from time to time, for the engagement of the auditor for non-audit services. Such policies and procedures will be detailed as to the particular service, and the Audit Committee must be informed of each service, and the procedures may not include delegation of the Audit Committee's responsibilities to management. In addition, the Audit Committee may delegate to one or more members the authority to pre-approve the appointment of the auditor for any non-audit service to the extent permitted by applicable law provided that any pre-approvals granted pursuant to such delegation shall be reported to the full Audit Committee at its next scheduled meeting.

(d) Communications with the Auditor

The Audit Committee has the authority to communicate directly with the auditor and will meet privately with the auditor periodically to discuss any items of concern to the Audit Committee or the auditor, such as:

- the scope, planning and staffing of the audit;
- the auditor's materiality threshold for the audit;
- the assessment by the auditor of significant audit risk;
- any material written communications between the auditor and senior management, such as any management letter or schedule of unadjusted differences;
- whether or not the auditor is satisfied with the quality and effectiveness of financial recording procedures and systems;
- the extent to which the auditor is satisfied with the nature and scope of its examination;
- whether or not the auditor has received the full co-operation of senior management and other employees of the Corporation;
- the auditor's opinion of the competence and performance of the Chief Financial Officer and other key financial personnel;
- the items required to be communicated to the Audit Committee under the Canadian authoritative guidance;
- critical accounting policies and practices to be used by the Corporation;
- alternative treatments of financial information within generally accepted accounting principles that have been discussed with senior management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor;
- any difficulties encountered in the course of the audit work, any restrictions imposed on the scope of activities or access to requested information, any significant disagreements with senior management and their response; and
- any illegal act that may have occurred and the discovery of which is required to be disclosed to the Audit Committee.

(e) Review of the Audit Plan

The Audit Committee will discuss with the auditor the nature of an audit and the responsibility assumed by the auditor when conducting an audit under generally accepted auditing standards. The Audit Committee will review a summary of the auditor's audit plan for each audit.

(f) Review of Audit Fees

The Audit Committee will determine the auditor's fee and the terms of the auditor's engagement. In determining the auditor's fee, the Audit Committee should consider, among other things, the number and nature of reports to be issued by the auditor, the quality of the internal controls of the Corporation, the size, complexity and financial condition of the Corporation and the extent of support to be provided to the auditor by the Corporation.

(g) Review of Financial Statements

The Audit Committee will review and discuss with senior management and the auditor the annual audited financial statements, together with the auditor's report thereon, and the interim financial statements, before recommending them for approval by the Board. The Audit Committee will also review and discuss with senior management and the auditor management's discussion and analysis relating to the annual audited financial statements and interim financial statements. The Audit Committee will also engage the auditor to review the interim financial statements prior to the Audit Committee's review of such financial statements.

Before recommending any financial statements to the Board for approval, the Audit Committee will satisfy itself that such financial statements, together with the other financial information included in the Corporation's annual and interim filings, fairly present in all material respects the financial condition, results of operations and cash flows of the Corporation as of the relevant date and for the relevant periods.

In conducting its review of the financial statements and related management's discussion and analysis, the Audit Committee will:

- consider the quality of, and not just the acceptability of, the accounting principles, the reasonableness of senior management's judgments and estimates that have a significant effect upon the financial statements, and the clarity of the disclosures in the financial statements;

- discuss any analyses prepared by senior management or the auditor that set out significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP;

- discuss the effect of off-balance sheet transactions, arrangements, obligations (including contingent liabilities) and other relationships with unconsolidated entities or other persons that may have a material current or future effect on the Corporation's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues and expenses;

- consider any changes in accounting practices or policies and their impact on financial statements of the Corporation;

- discuss with senior management, the auditor and, if necessary, legal counsel, a report from senior management describing any litigation, claim or other contingency, including tax assessments, that could have a material effect upon the financial position of the Corporation, and the manner in which these matters have been disclosed in the financial statements;

- discuss with senior management and the auditor any correspondence with regulators or governmental agencies, employee complaints or published reports that raise material issues regarding the Corporation's financial statements or accounting policies;

- discuss with the auditor any special audit steps taken in light of material weaknesses in internal control;

- review the results of the audit, including any reservations or qualifications in the auditor's opinion;

- discuss with the auditor any difficulties encountered in the course of the audit work, including any restrictions on the scope of their procedures and access to requested information, accounting adjustments proposed by the auditor but were “passed” (as immaterial or otherwise), and significant disagreements with senior management;

- discuss with the auditor any issues on which the Corporation’s audit and/or internal audit teams consulted the auditor’s national office; and

- consider any other matter which in its judgment should be taken into account in reaching its recommendation to the Board concerning the approval of the financial statements.

(h) Review of Other Financial Information

The Audit Committee will review:

- all earnings press releases and other material press releases containing financial information. The Audit Committee will also review the use of “pro forma” or “adjusted” non-GAAP information in such press releases and financial information. Such review may consist of a general discussion of the types of information to be disclosed or the types of presentations to be made;

- all other financial statements of the Corporation that require approval by the Board before they are released to the public, including, without limitation, financial statements for use in prospectuses or other offering or public disclosure documents and financial statements required by regulatory authorities;

- the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation’s financial statements; and

- disclosures made to the Audit Committee by the Chief Executive Officer and Chief Financial Officer during their certification process for applicable securities law filings about any significant deficiencies and material weaknesses in the design or operation of the Corporation’s internal control over financial reporting which are reasonably likely to adversely affect the Corporation’s ability to record, process, summarize and report financial information, and any fraud involving senior management or other employees who have a significant role in the Corporation’s internal control over financial reporting.

(i) Relations with Senior Management

The members will periodically meet privately with senior management and the person responsible for the Corporation’s internal audit function to discuss any areas of concern to the Audit Committee, senior management or internal audit.

The Audit Committee will provide input to the Compensation and Corporate Governance Committee on the competence and performance of the Chief Financial Officer and will provide input to the Chief Financial Officer on the competence and performance of other key financial personnel, including the person responsible for the Corporation's internal audit function.

(j) Oversight of Internal Controls and Disclosure Controls

The Audit Committee will review with senior management and the person responsible for the Corporation's internal audit function the adequacy of the internal controls and procedures that have been adopted by the Corporation to safeguard assets from loss and unauthorized use and to verify the accuracy of the financial records. This review will include a comparable review of the adequacy of the internal controls and procedures adopted by any third party with whom the Corporation has contracted and whose duties include the collection of monies and preparation of financial information. The Audit Committee will review any special audit steps adopted in light of material control deficiencies.

The Audit Committee will review with senior management and the person responsible for the Corporation's internal audit function the controls and procedures that have been adopted by the Corporation to confirm that material information about the Corporation and its subsidiaries that is required to be disclosed under applicable law or stock exchange rules is disclosed.

(k) Review of the Internal Audit Function

The Audit Committee will review the mandate, planned activities, staffing, organizational structure and performance of the internal audit function (which may be fully or partially outsourced to a firm other than the auditor) to confirm that it is has sufficient resources to carry out its planned activities and that it is carrying-out those activities. The person responsible for the Corporation's internal audit function will report to the Audit Committee at least annually regarding internal audit's activities for prior year and the results thereof. The Audit Committee will review the significant reports to management prepared by the internal auditor and management's responses. If necessary, the Audit Committee will discuss the internal audit function and its activities with the auditor.

(l) Legal Compliance

The Audit Committee will review with legal counsel any legal matters that could have a significant effect on the Corporation's financial statements. It will also review with legal counsel material inquiries received from regulators and governmental agencies and advise the Board accordingly.

(m) Risk Management

The Audit Committee will oversee the Corporation's risk assessment and management function and, on a quarterly basis, will review a report from senior management describing the major financial (including taxation matters), legal, operational and reputational risk exposures of the Corporation and the steps senior management has taken to monitor and control such exposures, including the Corporation's policies with respect to monitoring risk assessment and managing and controlling risks. At least annually, the Audit Committee will meet separately with members of senior management and, if desired by the Audit Committee, the person responsible for the Corporation's internal audit function and/or the Corporation's auditors, to assess the Corporation's risk assessment and management policies and practices, including an assessment of the Corporation's most significant areas of risk and the Corporation's plans to monitor and manage those areas of risk (including the Corporation's insurance relating thereto).

(n) Taxation Matters

The Audit Committee will review with senior management the status of taxation matters of the Corporation. The Audit Committee will also review a report from senior management confirming that the Corporation has withheld or collected and remitted all amounts required to be withheld or collected and remitted by it in respect of any taxes, levies, assessments, reassessments and other charges payable to any governmental authority.

(o) Employees of the Auditor

The Audit Committee will pre-approve the hiring by the Corporation of any existing or former partner or employee of the auditor who has been personally engaged on behalf of the auditor in performing any audit, review, attest or related services for or relating to the Corporation within 24 months preceding the date of hire by the Corporation.

(p) Conduct and Ethics

On a quarterly basis, the Audit Committee will review all expenses incurred by the Chairman and the Chief Executive Officer. The Audit Committee will also periodically confirm with management that there is a proper approval process in place for expenses incurred by directors and senior management of the Corporation.

4. COMPLAINTS PROCEDURE

The Audit Committee will review the procedures established in the Corporation's Ethics Reporting Policy for the receipt, retention and follow-up of complaints received by the Corporation regarding accounting, internal controls, disclosure controls or auditing matters and for the confidential, anonymous submission of concerns by employees of the Corporation regarding such matters.

5. REPORTING

The Audit Committee will regularly report to the Board on:

- the auditor's independence;
- the performance of the auditor and the Audit Committee's recommendations regarding its reappointment or termination;
- the performance of the Corporation's internal audit function;
- the adequacy of the Corporation's internal controls and disclosure controls;
- its recommendations regarding the annual and interim financial statements of the Corporation, including any issues with respect to the quality or integrity of the financial statements;
- its review of the annual and interim management's discussion and analysis;
- the Corporation's compliance with legal and regulatory requirements related to financial reporting;
- the Corporation's risk assessment and management policies and practices; and

- all other significant matters it has addressed and with respect to such other matters that are within its responsibilities.

6. AUDIT COMMITTEE MEETINGS

(a) Scheduling

The Audit Committee will meet as often as it determines is necessary to fulfill its responsibilities, which will be not less than four times a year. A meeting of the Audit Committee may be called by the Chairman of the Audit Committee, the Chairman, the Chief Executive Officer or any Audit Committee member.

Meetings will be held at a location determined by the Chairman of the Audit Committee.

(b) Notice

Notice of the time and place of each meeting will be given to each member either by telephone or other electronic means not less than 48 hours before the time of the meeting or by written notice not less than five days before the date of the meeting. Meetings may be held at any time without notice if all of the members have waived or are deemed to have waived notice of the meeting. A member participating in a meeting will be deemed to have waived notice of the meeting.

(c) Agenda

The Chairman of the Audit Committee will establish the agenda for each meeting. Any member may propose the inclusion of items on the agenda, request the presence of or a report by any member of senior management, or at any meeting raise subjects that are not on the agenda for the meeting.

(d) Distribution of Information

The Chairman of the Audit Committee will distribute, or cause the Secretary to distribute, an agenda and meeting materials in advance of each meeting to allow members sufficient time to review and consider the matters to be discussed.

(e) Attendance and Participation

Each member is expected to attend all meetings. A member who is unable to attend a meeting in person may participate by telephone or teleconference.

(f) Quorum

A majority of the members will constitute a quorum for any meeting of the Audit Committee.

(g) Voting and Approval

At meetings of the Audit Committee, each member will be entitled to one vote and questions will be decided by a majority of votes. In case of an equality of votes, the Chairman of the Audit Committee will not have a second or casting vote in addition to his or her original vote.

(h) Procedures

Procedures for Audit Committee meetings will be determined by the Chairman of the Audit Committee unless otherwise determined by the by-laws of the Corporation or a resolution of the Audit Committee or the Board.

(i) Transaction of Business

The powers of the Audit Committee may be exercised at a meeting where a quorum is present in person or by telephone or other electronic means, or by resolution in writing signed by all members entitled to vote on that resolution at a meeting of the Audit Committee.

(j) Absence of Chairman of the Audit Committee

In the absence of the Chairman of the Audit Committee at a meeting of the Audit Committee, the members in attendance must select one of them to act as chairman of that meeting.

(k) Secretary

The Audit Committee may appoint one of its members or any other person to act as secretary.

(l) Minutes of Meetings

A person designated by the Chairman of the Audit Committee at each meeting will keep minutes of the proceedings of the Audit Committee and the Chairman will cause the Assistant Secretary to circulate copies of the minutes to each member on a timely basis.

7. CHAIR

Each year, the Board will appoint one member to be Chairman of the Audit Committee. If, in any year, the Board does not appoint a Chairman of the Audit Committee, the incumbent Chairman of the Audit Committee will continue in office until a successor is appointed.

8. REMOVAL AND VACANCIES

Any member may be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as the member ceases to meet the qualifications set out above. The Board will fill vacancies on the Audit Committee by appointment from among qualified members of the Board. If a vacancy exists on the Audit Committee, the remaining members will exercise all of its powers so long as a quorum remains in office.

9. ASSESSMENT

At least annually, the Compensation and Corporate Governance Committee will review the effectiveness of the Audit Committee in fulfilling its responsibilities and duties as set out in this Charter and in a manner consistent with the mandate adopted by the Board.

10. REVIEW AND DISCLOSURE

The Audit Committee will review this Charter and the Position Description for the Chief Financial Officer at least annually and submit them to the Compensation and Corporate Governance Committee together with any proposed amendments. The Compensation and

Corporate Governance Committee will review these documents and submit them to the Board for approval with such further amendments as it deems necessary and appropriate.

This Charter will be posted on the Corporation's Web site and the annual report of the Corporation will state that this Charter is available on the Web site or is available in print to any shareholder who requests a copy.

11. ACCESS TO OUTSIDE ADVISORS AND RECORDS

The Audit Committee may retain any outside advisor at the expense of the Corporation at any time and has the authority to determine any such advisor's fees and other retention terms.

The Audit Committee, and any outside advisors retained by it, will have access to all records and information relating to the Corporation which it deems relevant to the performance of its duties.