

# First Capital Real Estate Investment Trust

## MAJORITY VOTING POLICY

Decmeber 30, 2019



# **FIRST CAPITAL REAL ESTATE INVESTMENT TRUST**

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### **Introduction**

The Board (the “Board”) of Trustee (the “Trustees”) of First Capital Real Estate Investment Trust (“FCR”) believes that each of its members should carry the confidence and support of FCR’s unitholders. To this end, the Trustees have unanimously adopted this majority voting policy. Future nominees for election to the Board will be asked to subscribe to this policy before their names are put forward. Each of the current Trustees have subscribed to this Policy.

Forms of proxy for the vote at a unitholders’ meeting where Trustees are to be elected will enable the unitholder to vote in favour of, or to withhold from voting, separately for each nominee. At the meeting, the Chair of the meeting will call for a vote and instruct the scrutineers to record with respect to each nominee the number of units of FCR (“Units”) in his or her favour and the number of Units withheld from voting.

### **Majority Voting in Trustee Elections**

In an uncontested election of Trustees, any nominee for Trustee who receives a greater number of votes “withheld” from his or her election than votes “for” such election (a “Majority Withheld Vote”) shall immediately tender his or her resignation to the Chair of the Board following the meeting or to each member of FCR’s Corporate Governance Committee (the “Governance Committee”) if the affected Trustee is such chair. Any resignation received by the Chair of the Board shall be promptly referred to the Governance Committee for consideration. In this policy, an “uncontested election” means an election where the number of nominees for Trustee shall be equal to the number of Trustees to be elected.

The Governance Committee shall, promptly following the resignation but in any event within 30 days of the applicable unitholders’ meeting, consider the resignation offer and shall recommend to the Board whether or not to accept it. The Governance Committee shall recommend that the Board accept the resignation absent exceptional circumstances that would warrant the applicable Trustee to continue to serve on the Board.

The Board shall act on the Governance Committee’s recommendation promptly following its receipt thereof and, in any event, within 90 days of the applicable shareholders’ meeting. The Board shall accept the Governance Committee’s recommendation absent exceptional circumstances. If a resignation is accepted, the Board may, subject to applicable law and FCR’s charter documents, appoint a new Trustee to fill any vacancy created by resignation, reduce the size of the Board, leave the vacancy unfilled or call a meeting of unitholders to appoint a replacement. A resignation will be effective upon its acceptance by the Board.

Any Trustee who offers his or her resignation pursuant to this Policy shall not participate in the meeting of the Governance Committee, if he or she is a member of such committee, to consider the decision to recommend to the Board whether his or her resignation shall be accepted. However, if each member of the Governance Committee received a Majority Withheld Vote in the same election, or a sufficient number of Governance Committee members such that such committee no longer has a quorum, then all

the Trustees who are determined by the Board to be “independent” within the meaning of National Instrument 58-101 — *Disclosure of Corporate Governance Practices*, as replaced or amended from time to time (including any successor rule or policy thereto) who did not receive a Majority Withheld Vote shall consider the resignation offers and determine whether to accept them (applying the same procedures and consideration as apply to the Governance Committee under this Policy *mutatis mutandis*). Moreover, any Trustee who offers his or her resignation pursuant to this Policy shall not participate in the meeting of the Board to consider the recommendation of the Governance Committee as to whether his or her resignation should be accepted.

FCR shall promptly issue a news release with the Board’s decision, a copy of which must be provided to the Toronto Stock Exchange (if FCR is listed on such exchange at that time). If the Board determines not to accept a resignation, the news release shall fully state the reasons for that decision.

In the event that any Trustee who received a Majority Withheld Vote does not offer his or her resignation in accordance with this Policy, he or she will not be re-nominated by either the Governance Committee or the Board.

The Governance Committee may adopt such procedures as it sees fit to assist it in its determinations with respect to this Policy.

This Policy shall be posted on FCR’s website.