

# First Capital Real Estate Investment Trust

## Compensation Committee Charter

December 30, 2019





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# FIRST CAPITAL REAL ESTATE INVESTMENT TRUST

## COMPENSATION COMMITTEE CHARTER

### 1. RESPONSIBILITY

The Compensation Committee is responsible for assisting the Board of Trustees (the “Board”) of First Capital Real Estate Investment Trust (“FCR”) in fulfilling its oversight responsibilities in relation to:

- selection, retention and succession planning of senior management;
- evaluation and compensation of the chief executive officer;
- compensation of senior management;
- professional development for senior management;
- incentive compensation plans and equity-based plans;
- human resource strategies;
- employment agreements and severance arrangements;
- benefit plans and perquisites;
- review, as appropriate, those risks in the enterprise risk management register, which have been assigned to the Compensation Committee and their trends, mitigations and impacts; and
- any additional matters delegated to the Compensation Committee by the Board.

### 2. MEMBERS

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

All of the members of the Compensation Committee will be “independent trustees” (“**Independent Trustees**”) as defined in section 1.4 of National Instrument 52-110 — *Audit Committees*, as amended from time to time (“**NI 52-110**”).

### 3. DUTIES

The Compensation Committee is responsible for performing the duties set out below as well as any other duties that are otherwise required by law or delegated to the Compensation Committee by the Board.

**(a) Senior Management Selection, Retention and Succession Planning**

The Compensation Committee will review the FCR's organizational structure, consider policies and principles for the selection and retention of senior management and succession planning for senior management.

**(b) Evaluation and Compensation of the Chief Executive Officer**

The Compensation Committee will have direct responsibility to:

- review and approve the corporate goals and objectives that are relevant to the Chief Executive Officer's compensation;
- evaluate the Chief Executive Officer's performance in meeting his or her goals and objectives;
- determine the Chief Executive Officer's compensation based on the evaluation referred to above, compensation paid to senior management in comparable organizations and the FCR's performance and relative unitholder return; and
- recommend to the Board remedial action where necessary.

**(c) Compensation of Senior Management**

The Compensation Committee will review and provide input to the Chief Executive Officer regarding the compensation of the members of senior management. The Compensation Committee will assess the compensation of members of senior management based on the recommendation of the Chief Executive Officer, in light of the FCR's performance and relative unitholder return and the compensation paid to senior management in comparable organizations. In addition, in assessing the compensation of the Chief Financial Officer and other key financial personnel, the Compensation Committee will consider input from the Audit Committee.

**(d) Senior Management Development**

The Compensation Committee will:

- review and monitor executive development programs, including training and retention programs for members of senior management;
- recommend policies and principles for performance reviews of members of senior management, and review and monitor the practices used to evaluate members of senior management; and
- provide input to the Chief Executive Officer with respect to the recruitment, promotion, transfer and termination of other members of senior management.

**(e) Incentive Compensation Plans and Equity-Based Plans**

The Compensation Committee will:

- make recommendations to the Board with respect to senior management compensation and the adoption and amendment of incentive compensation plans and equity-based plans;
- approve any equity-compensation plans and amendments to such plans, subject to unitholder approval, as appropriate;
- approve all stock options granted under the FCR's Stock Option Plan including the entitlement, vesting, exercise price and all other matters relating to the Plan;
- approve all grants under the FCR's Deferred Trust Unit Plan, Restricted Trust Unit Plan or any other equity-based compensation plans; and
- approve all annual incentive bonus plans and long-term incentive bonus plans.

**(f) Human Resources Strategies**

The Compensation Committee will:

- review and monitor the FCR's compliance with applicable human rights laws;
- review and monitor the FCR's human resources strategies for consistency with the FCR's vision, mission and core values;
- receive reports and updates from management on the FCR's compliance with health and safety legislation and internal policies and make any recommendations to management

**(g) Employment Agreements and Severance Arrangements**

The Compensation Committee will approve employment agreements, severance arrangements and any changes to contractual agreements and provisions, including pension arrangements, for all members of senior management.

**(h) Benefit Plans and Perquisites**

The Compensation Committee will review and approve all benefit plans designed primarily for members of senior management and any other perquisites granted to members of senior management.

**(i) Compensation of Trustees**

The Compensation Committee will periodically review the adequacy and form of trustees' compensation and recommend to the Board a compensation model that appropriately compensates trustees for the responsibilities and risks involved in being a trustee or a member of one or more Board committees, as applicable.

**(j) Risk Management**

The Compensation Committee will, on a quarterly basis, review a report from senior management describing the risk exposures of the FCR assigned to it on the enterprise risk register, and the steps senior management has taken to monitor and control such exposures.

#### 4. **REPORTING**

The Compensation Committee will:

- regularly report to the Board on all significant matters it has addressed and with respect to such other matters that are within its responsibilities; and
- oversee the preparation of the “Compensation of Executive Officers” and “Report on Executive Compensation” sections of the FCR’s management information circular.

#### 5. **COMPENSATION COMMITTEE MEETINGS**

##### (a) **Scheduling**

The Compensation Committee will meet as often as it determines is necessary to fulfill its responsibilities. A meeting of the Compensation Committee may be called by the Chair of the Compensation Committee, the Chair of the Board, the Chief Executive Officer or any Compensation Committee member.

Meetings will be held at a location determined by the Chair of the Compensation 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 Chair of the Compensation 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 Chair of the Compensation Committee will distribute, or cause the Assistant Corporate 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 Compensation Committee.

(g) **Voting and Approval**

At meetings of the Compensation 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 Chair of the Compensation Committee will not have a second or casting vote in addition to his or her original vote.

(h) **Procedures**

Procedures for Compensation Committee meetings will be determined by the Chair of the Compensation Committee unless otherwise determined by the by-laws of the FCR or a resolution of the Compensation Committee or the Board.

(i) **Transaction of Business**

The powers of the Compensation 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 Compensation Committee.

(j) **Absence of Chair of the Compensation Committee**

In the absence of the Chair of the Compensation Committee at a meeting of the Compensation Committee, the members in attendance must select one of them to act as chair of that meeting.

(k) **Secretary**

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

(l) **Minutes of Meetings**

A person designated by the Chair of the Compensation Committee at each meeting will keep minutes of the proceedings of the Compensation Committee and the Chair will



cause the Assistant Corporate Secretary to circulate copies of the minutes to each member on a timely basis.

**6. CHAIR OF THE COMPENSATION COMMITTEE**

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

**7. REMOVAL AND VACANCIES**

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

**8. ASSESSMENT**

At least annually, the Compensation Committee will assess its effectiveness in fulfilling its responsibilities and duties as set out in this Charter and in a manner consistent with the Board Mandate adopted by the Board.

**9. REVIEW AND DISCLOSURE**

The Compensation Committee will review this Charter at least annually and submit it to the Board for approval together with such amendments as it deems necessary and appropriate.

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

**10. ACCESS TO OUTSIDE ADVISORS**

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

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