

MANAGEMENT INFORMATION CIRCULAR &
NOTICE OF ANNUAL MEETING OF UNITHOLDERS
TO BE HELD ON JUNE 22, 2021

MAY 13, 2021



May 13, 2021

Dear Fellow Unitholder:

We are pleased to invite you to attend the 2021 Annual Meeting of Unitholders of First Capital Real Estate Investment Trust on Tuesday, June 22, 2021 at 10:00 a.m. (Toronto time).

This year, out of an abundance of caution, to proactively address the unprecedented public health impact of COVID-19, and to mitigate risks to the health and safety of our communities, unitholders, colleagues and other stakeholders, we will hold our annual meeting in a virtual only format, which will be conducted via live webcast. At the virtual annual meeting, regardless of geographic location, Unitholders will have an opportunity to listen, participate and vote through a web-based platform instead of attending the meeting in person. Inside this document, you will find important information and detailed instructions about how to participate at our virtual annual meeting.

The purpose of the meeting will be to conduct our regular annual meeting business as described in the Notice of 2021 Annual Meeting of Unitholders.

Your vote is important. This Management Information Circular in respect of the meeting contains important information about voting, the nominated trustees, our governance practices and how we compensate our trustees and executives. You may vote by either attending the virtual meeting or by completing and sending in your proxy form. Voting by proxy (or voting instruction form, as applicable) is an easy way to vote – just follow the instructions for submitting your proxy by mail, internet or telephone.

You will be able to attend, participate and vote at the virtual meeting online at <https://web.lumiagm.com/404875575>. Additional information on how to attend the virtual meeting is enclosed. Any Unitholder having questions or concerns with respect to voting their Trust Units after reviewing the accompanying Management Information Circular should contact First Capital REIT's strategic unitholder advisor and proxy solicitation agent, Kingsdale Advisors at 1-888-823-4343 (toll-free in North America) or 1-416-867-2272 (collect outside North America) or by email at contactus@kingsdaleadvisors.com.

On behalf of the Board of Trustees and the Executive Leadership Team, we thank you for your continued support and look forward to welcoming you on June 22nd.

Yours truly,

FIRST CAPITAL REAL ESTATE INVESTMENT TRUST

Adam E. Paul
President and Chief Executive Officer



NOTICE OF 2021 ANNUAL MEETING OF UNITHOLDERS

You are invited to the 2021 Annual Meeting of Unitholders (the “Meeting”) of First Capital Real Estate Investment Trust (“First Capital REIT”):

When

Tuesday, June 22, 2021
10:00 a.m. (Toronto Time)

Where

Virtual Only Meeting via Live Webcast online at:

<https://web.lumiagm.com/404875575>

Username: **15-digit control number** located on the form of proxy

Password: **first2021**

Your Vote is Important

If you are a unitholder of record of trust units (“Trust Units”) or special voting units (“Special Voting Units”) of First Capital REIT at the close of business on May 12, 2021, you are entitled to receive notice of, attend and vote your Trust Units and Special Voting Units at the Meeting, or else at a reconvened meeting if the Meeting is postponed or adjourned. Please remember to vote your Trust Units and Special Voting Units. You can vote by proxy (or voting instruction form, as applicable) if you are unable to attend the Meeting.

This year, out of an abundance of caution, to address the unprecedented public health impact of COVID-19, and to mitigate risks to the health and safety of our communities, unitholders, colleagues and other stakeholders, we will hold our annual meeting in a virtual only format, which will be conducted via live webcast. Unitholders will have an opportunity to participate at the virtual meeting in real time through a web-based platform instead of attending the meeting in person. Inside this document, you will find important information and detailed instructions about how to participate at our virtual annual meeting.

A unitholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form (including a non-registered unitholder who wishes to appoint themselves to attend) must carefully follow the instructions in the management information circular and on their form of proxy or voting instruction form. **Failure to register the proxyholder with our transfer agent will result in the proxyholder not receiving a Control Number to vote at the Meeting and only being able to attend as a guest.**

Any unitholder having questions or concerns with respect to voting their Trust Units should contact Kingsdale Advisors at 1-888-823-4343 (toll-free in North America) or 1-416-867-2272 (collect outside North America) or by email at contactus@kingsdaleadvisors.com.

Technology required to access the virtual meeting

The Meeting will be entirely virtual and unitholders and proxyholders will not be able to attend in person. If you are a registered unitholder or a duly appointed proxyholder (including non-registered unitholders who have duly appointed themselves as proxyholder), you will be able to attend, vote and ask questions at the Meeting, all in real time. If you are a non-registered unitholder who does not appoint themselves

as proxyholder then you may attend the Meeting as a guest, but you will not be able to vote or ask questions at the Meeting.

You will be able to participate in the Meeting using an internet-connected device such as a laptop, computer, tablet or mobile phone. In order to run the meeting platform, you will need the latest version of Chrome, Safari, Edge or Firefox, that are running the most updated version of the applicable software plugins and that meet the minimum system requirements. If you have any doubt, you can check your system's compatibility by visiting <https://www.lumiglobal.com/faq> for additional information.

If you are accessing the Meeting you must remain connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting. Note that if you lose connectivity once the Meeting has commenced, there may be insufficient time to resolve your issue before ballot voting is completed. Even if you plan to attend the Meeting, you should consider voting your units in advance so that your vote will be counted in case you later decide not to attend the Meeting or in the event that you experience any technical difficulties and are unable to access the Meeting and vote for any reason. Please note that you cannot vote if you access the Meeting by dialing in – voting at the Meeting can only be done through the Meeting portal. If you encounter technical difficulties, please contact Lumi at support@lumiglobal.com.

Asking questions at the virtual meeting

First Capital REIT believes that the ability to participate in the Meeting in a meaningful way remains important despite the decision to hold this year's meeting virtually. It is anticipated that registered unitholders and proxyholders (including non registered unitholders who have appointed themselves as proxyholders) will have substantially the same opportunity to ask questions on matters of business before the Meeting as in past years when the annual unitholders meeting was held in person.

Questions received from unitholders which relate to the business of the Meeting or to the affairs of First Capital REIT are expected to be addressed in the question-and-answer section that will follow the Meeting. Such questions will be read by the Chair of the Meeting or a designee of the chair and responded to by a representative of First Capital REIT as they would be at a unitholders meeting that was being held in person. As at an in-person meeting, to ensure fairness for all attendees, the Chair of the Meeting will decide on the amount of time allocated to each question and will have the right to limit or consolidate questions and to reject questions that do not relate to the business of the Meeting or to the affairs of First Capital REIT or which are determined to be inappropriate or otherwise out of order.

Business of the Meeting

1. To receive the audited consolidated financial statements for the fiscal year ended December 31, 2020, together with the report of the auditors thereon (see *Business of the Meeting – Receiving the Financial Statements* in the management information circular (the "Circular"));
2. To elect the Board of Trustees for the ensuing year (see *Business of the Meeting – Election of Trustees* in the Circular);
3. To appoint auditors for the ensuing year and to authorize the Board of Trustees to fix the remuneration paid to the auditors (see *Business of the Meeting – Appointment of Auditor* in the Circular);
4. To consider, in an advisory, non-binding capacity, the approach to executive compensation disclosed in the Circular (see *Business of the Meeting – Say-on-Pay Non-Binding Advisory Vote* in the Circular); and
5. To consider other business that may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Notice-and-Access

First Capital REIT is using the “notice-and-access” system adopted by the Canadian Securities Administrators for the delivery of the Circular and 2020 annual report, which includes the management’s discussion and analysis and annual audited consolidated financial statements for the fiscal year ended December 31, 2020 (collectively, the “Meeting Materials”). Under notice-and-access, you will receive a proxy or voting instruction form enabling you to vote at the Meeting. However, instead of a paper copy of the Circular, you are receiving this notice which contains information about how to access the Meeting Materials electronically. The principal benefit of the notice-and-access system is that it reduces the environmental impact of producing and distributing paper copies of documents in large quantities.

The Circular and form of proxy (or voting instruction form, as applicable) provide additional information concerning the matters to be dealt with at the Meeting. **You should access and review all information contained in the Circular before voting.**

Unitholders with questions about notice-and-access can call Computershare at 1-866-964-0492.

Websites Where Meeting Materials are Posted


Our Meeting Materials can be viewed online on our website at <https://fcr.ca/investors/unitholders/>, or under our issuer profile at www.sedar.com.

How to Obtain a Paper Copy of the Meeting Materials

Beneficial unitholders may request that paper copies of the Meeting Materials be mailed to them at no cost. Requests may be made up to one year from the date that the Circular was filed on SEDAR by going to www.proxyvote.com and entering the 16-digit control number located on your voting instruction form and following the instructions provided. Alternatively, you may submit a request by calling 1-877-907-7643. Requests should be received by June 9, 2021 (i.e., at least seven business days in advance of the date and time set out in your voting instruction form as a voting deadline) if you would like to receive the Meeting Materials in advance of the voting deadline and Meeting date.

Registered unitholders may request that paper copies of the Meeting Materials be mailed to you at no cost. Requests by registered unitholders may be made up to one year from the date that the Circular was filed on SEDAR by calling First Capital REIT at 1-866-404-4114. Requests should be received by June 9, 2021 (i.e., at least seven business days in advance of the date and time set out in your proxy form as a voting deadline) if you would like to receive the Meeting Materials in advance of the voting deadline and Meeting date.

By Order of the Board of Trustees,



Adam E. Paul
President and Chief Executive Officer

May 13, 2021
Toronto, Ontario

TABLE OF CONTENTS

	Page
MANAGEMENT INFORMATION CIRCULAR.....	1
Basis of Presentation	1
Voting Information.....	2
Voting Recommendations.....	6
BUSINESS OF THE MEETING	8
Receiving the Financial Statements	8
Election of Trustees	8
Appointment of Auditor	21
Say-on-Pay Non-Binding Advisory Vote	21
EXECUTIVE COMPENSATION	23
Compensation Discussion and Analysis	23
Named Executive Officers.....	24
Compensation Program Changes and 2020 Compensation Outcomes.....	26
Compensation Governance	29
Executive Compensation Philosophy	30
Executive Compensation Benchmarking	34
Elements of Compensation.....	35
Performance Graph	55
CEO Compensation Look-Back Table	57
Summary Compensation Table for NEOs.....	59
Outstanding Unit-Based Awards and Option-Based Awards.....	60
Incentive Plan Awards - Value Vested, Realized or Earned During 2019	61
Termination and Change of Control Benefits	61
TRUSTEE COMPENSATION AND MEETING INFORMATION	67
Compensation Discussion and Analysis	67
Incentive Plan Awards - DTUs	72
EQUITY COMPENSATION PLAN INFORMATION	72
OUR CORPORATE GOVERNANCE PRACTICES	73
About the Board.....	73
Committees of the Board.....	79
ESG & Climate Governance.....	81
Enterprise Risk Management.....	84
Internal Controls Over Financial Reporting	85
Executive Compensation and Succession Planning	85
Equity Ownership Guidelines.....	85
Board Evaluation.....	88
Orientation and Continuing Education	88
Ethical Conduct	91
Related Party Transactions and Conflicts of Interest.....	92
Disclosure and Insider Trading Policy	92
Unitholder/Investor Communications and Feedback.....	93
TRUSTEES' AND OFFICERS' LIABILITY INSURANCE	94
INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS.....	94
BOARD APPROVAL.....	94
SCHEDULE A – MANDATE OF THE BOARD OF TRUSTEES	

MANAGEMENT INFORMATION CIRCULAR

Basis of Presentation

Effective December 30, 2019, pursuant to a court approved plan of arrangement (the “Arrangement”), First Capital Realty Inc. (the “Company”) completed its conversion to a real estate investment trust, known as First Capital Real Estate Investment Trust (“First Capital REIT”, the “Trust” or the “REIT”). Under the Arrangement, each outstanding common share of the Company was exchanged for one Trust Unit of First Capital REIT, unless a qualifying shareholder validly elected to receive Exchangeable LP Units of First Capital REIT Limited Partnership in exchange for their common shares of the Company. As the Arrangement became effective on December 30, 2019, information presented in this management information circular (“Circular”) for the period prior to December 30, 2019 is in respect of the Company and information provided on or after December 30, 2019 is in respect of First Capital REIT. Accordingly, references herein to the business and activities of First Capital REIT prior to December 30, 2019 refer to First Capital REIT’s predecessor, the Company.

We are sending you this Circular because you owned Trust Units or Special Voting Units of First Capital REIT as at the close of business on May 12, 2021 (the “Record Date”). As a unitholder of record, you are entitled to receive notice of our 2021 annual meeting of unitholders to be held on June 22, 2021 (the “Meeting”), attend the Meeting and vote your units.

Management is soliciting your proxy for the Meeting, and any adjournment or postponement thereof, for the purposes set out in the Notice of Meeting (the “Notice”). This Circular includes important information about the items of business we will be covering at the Meeting. It also provides detailed information about the nominated trustees, our governance practices and how we compensate our trustees and executives.

In this document, *we, us, our*, the *REIT*, the *Trust* and *First Capital REIT* refer to First Capital REIT. *You* and *your* refer to the REIT’s unitholders.

The information in this management information circular is provided as of May 13, 2021, unless indicated otherwise.

All information is presented in Canadian dollars, unless indicated otherwise.

We are using the “notice-and-access” system for the delivery of this Circular and our annual report in respect of fiscal 2020, which includes management’s discussion and analysis and our annual audited consolidated financial statements for the fiscal year ended December 31, 2020 (collectively, the “Meeting Materials”).

Under the notice-and-access system, the Notice and form of proxy (or voting instruction form, as applicable) will be mailed on or about May 21, 2021 to all unitholders of record of the REIT as of the close of business on May 12, 2021. The Notice provides instructions regarding the website availability of the Meeting Materials. Unitholders have the ability to access the Meeting Materials on our website at www.fcr.ca/investors/investor-resources and under our issuer profile at www.sedar.com, and to request a paper copy of the Meeting Materials by telephone. Instructions on how to request a paper copy can be found in the Notice. The principal benefit of the notice-and-access system is that it reduces the environmental impact of producing and distributing paper copies of documents in large quantities.

See the discussion below for information about who is entitled to vote and how to vote. First Capital REIT has retained Kingsdale Advisors (“**Kingsdale**”) as its strategic unitholder advisor and proxy solicitation agent to assist in soliciting proxies. The REIT estimates fees for Kingsdale associated with this year’s proxy solicitation will be \$40,000 plus out-of-pocket expenses. The REIT will bear all costs associated with this Circular, the Notice and the form of proxy (or voting instruction form, as applicable), as well as the costs of the solicitation of proxies (or voting instructions). Although the solicitation will be primarily by mail, officers and employees of the REIT may also directly solicit proxies or voting instructions (but not for additional compensation) personally, by telephone or facsimile or by other means of electronic transmission. Banks, brokerage houses

and other custodians and nominees or fiduciaries will be requested to forward proxy solicitation materials to their principals and to obtain authorizations for the execution of proxies and will be reimbursed for their reasonable expenses in doing so.

Voting Information

Please carefully read this section, as it contains important information regarding how to vote your units. First Capital REIT has sent, or caused to be sent, forms of proxy to our registered unitholders and voting instruction forms to our non-registered unitholders.

Who can attend the Meeting and vote?

You have the right to vote on each matter put to a vote at the Meeting if you owned any Trust Units or Special Voting Units as of the close of business on May 12, 2021. Each Trust Unit or Special Voting Unit you own entitles you to one vote. In order to determine how to vote at the Meeting, you should first determine whether you are a beneficial or registered unitholder.

What is the difference between a registered unitholder and a non-registered (beneficial) unitholder?

Most of our unitholders are beneficial unitholders.

You are a non-registered (or beneficial) unitholder if your bank, trust company, securities broker, trustee, other financial institution, depository, clearing agency (such as CDS Clearing and Depository Services Inc.) or other intermediary holds your units for you. This means you do not have a physical unit certificate and do not hold your units through the direct registration system (DRS) on the records of our transfer agent in electronic form, but instead, your units are recorded on your intermediary's electronic system. For example, you are a beneficial unitholder if you hold your units in a brokerage account of any type.

You are a registered unitholder if your units are registered directly in your name with our transfer agent, Computershare. You may hold your units in the form of a physical unit certificate or through DRS on the records of our transfer agent in electronic form.

What does it mean if I receive more than one Notice, form of proxy or voting instruction form?

If you receive more than one Notice, form of proxy or voting instruction form, it means that you have multiple accounts with brokers or other intermediaries or with the transfer agent, as applicable, through which you hold units. The voting process is different for registered unitholders and non-registered (beneficial) unitholders. Please follow the instructions carefully and vote or provide voting instructions for all of the units you own.

How do I vote?

First Capital REIT unitholders may vote by proxy before the Meeting or vote at the Meeting, as described below.

1. Voting by proxy before the Meeting

You may vote before the Meeting by completing your form of proxy or voting instruction form in accordance with the instructions provided therein. Non-registered unitholders should also carefully follow all instructions provided by their intermediary to ensure that their units are voted at the Meeting.

Voting by proxy is the easiest way to vote. It means you are giving someone else the authority to attend the Meeting and vote on your behalf (called your "proxyholder").

Bernard McDonell, Chair of the Board, has agreed to act as the First Capital REIT proxyholder. Proxyholders must vote your units according to your instructions, including on any ballot that may be called. If there are changes to the items of business or new items properly come before the Meeting, a proxyholder can vote as he or she sees fit.

You can appoint someone else to be your proxyholder. This person does not need to be a unitholder. See “Appointment of a third party as proxy” below.

Registered Unitholders

There are three ways for registered unitholders to vote by proxy before the Meeting:

Telephone Voting	You may vote by calling the toll-free telephone number 1-866-732-VOTE (8683). You will be prompted to provide your control number printed on the form of proxy. You may not appoint a person as proxyholder other than the First Capital REIT proxyholders named in the form of proxy if you vote by telephone. Please follow the voice prompts that allow you to vote your units and confirm that your instructions have been properly recorded.
Internet Voting	You may vote by logging on to the website indicated on the form of proxy (www.investorvote.com). Please follow the website prompts that allow you to vote your units and confirm that your instructions have been properly recorded.
Return Your Form of Proxy by Mail	You may vote by completing, signing and returning the form of proxy in the postage-paid envelope provided to Computershare Trust Company of Canada, (“Computershare”), our transfer agent, either in person or by mail or courier, to 100 University Avenue, 8 th Floor, Toronto, Ontario, M5J 2Y1.

Proxies, whether submitted through the internet or by telephone or mail, as described above, must be deposited with our transfer agent, Computershare by no later than **10:00 am (Toronto time) on June 18, 2021**, or if the Meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, before the commencement of such adjourned or postponed meeting. The time limit for the deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion.

If a unitholder who has submitted a proxy attends the Meeting via the webcast and has accepted the terms and conditions when entering the Meeting online, any votes cast by such unitholder by completing an online ballot will be counted and the submitted proxy will be disregarded.

If you are a registered unitholder, contact Computershare, our transfer agent, at 1-800-564-6253 (toll free in North America) or 1-514-982-7555 (outside North America) for any voting questions.

Non-Registered (Beneficial) Unitholders

Beneficial unitholders will receive a Notice and voting instruction form indirectly through their broker or other intermediary for the number of units they hold. For your units to be voted, you must follow the instructions on the request for voting instructions that is provided to you. Voting instruction forms can be completed by telephone or facsimile at the applicable numbers listed thereon, by mail in the envelope provided, or through the internet at www.proxyvote.com. **Beneficial unitholders who are completing, signing and delivering voting instruction forms should note that those forms specify mandatory delivery dates which generally occur before the deadline that registered unitholders must deliver completed forms of proxy.** You should contact your broker or intermediary for further details.

In some cases, beneficial unitholders may be given a form of proxy which has already been signed by the intermediary (typically by a facsimile or stamped signature) which is restricted as to the number of units beneficially owned but which is otherwise uncompleted. The form of proxy need not be signed by the unitholder. In this case, the beneficial unitholder who wishes to submit a form of proxy should properly complete the form of proxy and deposit it with Computershare, our transfer agent, as described above under *Registered Holders*.

First Capital REIT may utilize the Broadridge QuickVote™ service to assist non-registered Unitholders with voting their Trust Units over the telephone. Alternatively, Kingsdale may contact such non-registered Unitholders to assist them with conveniently voting their Trust Units directly over the phone. If you have any questions or need assistance completing your form of proxy or voting instruction form, please contact, Kingsdale, toll free in North America at 1-888-823-4343, or call collect from outside North America at 416-867-2272, or by email at contactus@kingsdaleadvisors.com.

2. Voting at the Meeting

Registered unitholders may vote at the Meeting by completing a ballot online during the Meeting, as further described below under “How do I attend and participate at the Meeting?”

Non-registered (beneficial) unitholders who have not duly appointed themselves as proxyholder will not be able to vote at the Meeting but will be able to participate as a guest. This is because the REIT and our transfer agent, Computershare, do not have a record of the non-registered unitholders of the REIT, and, as a result, will have no knowledge of your unitholdings or entitlement to vote unless you appoint yourself as proxyholder.

If you are a non-registered unitholder and wish to vote at the Meeting, you have to appoint yourself as proxyholder by inserting your own name in the space provided on the voting instruction form or form of proxy sent to you and must follow all of the applicable instructions, including the deadline, provided by your intermediary. See “Appointment of a third party as proxy” and “How do I attend and participate at the Meeting?” below.

Appointment of a third party as proxy

The following applies to unitholders who wish to appoint someone as their proxyholder other than the First Capital REIT proxyholders named in the form of proxy or voting instruction form. This includes non-registered unitholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

Unitholders who wish to appoint someone other than the First Capital REIT proxyholders as their proxyholder to attend and participate at the Meeting as their proxy and vote their units MUST submit their form of proxy or voting instruction form, as applicable, appointing that person as proxyholder AND register that proxyholder online, as described below. Registering your proxyholder is an additional step to be completed AFTER you have submitted your form of proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a Control Number that is required to vote at the Meeting.

- **Step 1: Submit your form of proxy or voting instruction form.** To appoint someone other than the First Capital REIT proxyholders as proxyholder, insert that person’s name in the blank space provided in the form of proxy or voting instruction form (if permitted by your intermediary) and follow the instructions for submitting such form of proxy or voting instruction form. This must be completed before registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form.

If you are a non-registered unitholder and wish to vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary AND register yourself as your proxyholder, as described below. By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary. In some cases, your intermediary may send you additional documentation that must be completed in order

for you (or such other person) to vote at the Meeting. Please also see further instructions below under the heading “How do I attend and participate at the Meeting?”.

If you are a non-registered unitholder located in the United States and wish to vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described below under “How do I attend and participate at the Meeting?”, you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to Computershare. Requests for registration from non-registered unitholders located in the United States that wish to vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail or by courier to: uslegalproxy@computershare.com (if by e-mail), or Computershare, Attention: Proxy Dept., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Canada (if by courier), and in both cases, must be labeled “Legal Proxy” and received no later than the voting deadline of 10:00 a.m. (Toronto Time) on June 18, 2021. Please note that you are required to register your appointment at <https://www.computershare.com/firstcapital>.

- **Step 2: Register your proxyholder.** To register a third-party proxyholder, unitholders must visit <https://www.computershare.com/firstcapital> by 10:00 a.m. (Toronto time) on June 18, 2021 and provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder with a Control Number via email. Without a Control Number, proxyholders will not be able to vote at the Meeting but will be able to participate as a guest.

How do I attend and participate at the Meeting?

First Capital REIT is holding the Meeting in a virtual only format, which will be conducted via live webcast. Unitholders will not be able to attend the Meeting in person.

Attending the Meeting online enables registered unitholders and duly appointed proxyholders, including non-registered (beneficial) unitholders who have duly appointed themselves as a proxyholder, to participate at the Meeting and ask questions. If desired, registered unitholders and duly appointed proxyholders can vote at the appropriate times during the Meeting.

Guests, including non-registered beneficial unitholders who have not duly appointed themselves as proxyholder, can log into the Meeting as set out below. Guests can listen to the Meeting and ask questions but are not able to vote during the Meeting.

- Login online at <https://web.lumiagm.com/404875575>. We recommend that you login at least one hour before the Meeting starts.
- Click “Login” and then enter your 15-digit Control Number (see below) and Password “first2021” (case sensitive).
OR
- Click “Guest” and then complete the online form.

Registered unitholders: Your Control Number is the control number located on the form of proxy or in the email notification you received.

Duly appointed proxyholders: Computershare will provide each proxyholder with a Control Number by email after the proxy voting deadline has passed and the proxyholder has been duly appointed AND registered as described in “Appointment of a third party as proxy” above.

If you attend the Meeting online, it is important that you are connected to the internet at all times during the Meeting in order to vote when voting commences during the Meeting. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedure.

How can I change or revoke my vote?

Registered Unitholders

If you are a registered unitholder and you voted by proxy, you may change a vote you made by proxy by voting again, by:

- (a) completing and signing a proxy bearing a later date and depositing it with Computershare as described above;
- (b) depositing an instrument in writing executed by the unitholder or by the unitholder's attorney authorized in writing:
 - (i) at First Capital REIT's registered office at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement of the Meeting, at which the proxy is to be used; or
 - (ii) with the chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting, or any adjournment or postponement of the Meeting; or
- (c) in any other manner permitted by law.

If you have followed the process for attending and voting at the Meeting online, voting at the Meeting online will revoke your previous proxy.

Non-Registered (Beneficial) Unitholders

If you are a beneficial unitholder, contact your broker or intermediary to find out how to change or revoke your voting instructions and the timing requirements, or for other voting questions. Intermediaries may set deadlines for the receipt of revocation notices that are farther in advance of the Meeting than those set out above and, accordingly, any such revocation should be completed well in advance of the deadline prescribed in the form of proxy or voting instruction form to ensure it is given effect at the Meeting.

What is the voting deadline?

If voting by proxy, your proxy must be received by 10:00 a.m. (Toronto time) on June 18, 2021, regardless of the voting method you choose. If the Meeting is postponed or adjourned, your instructions must be received **not later than 48 hours** (excluding, Saturdays, Sundays and statutory holidays) **before the time the Meeting is reconvened**. The time limit for the deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion without notice.

First Capital REIT reminds unitholders that only the most recently dated voting instructions will be counted and any dated instructions will be disregarded.

Voting recommendations

The management representatives designated in the form of proxy (or voting instruction form) will vote or withhold from voting the units in respect of which they are appointed on any ballot that may be called for in accordance with the instructions of the unitholder as indicated on the proxy (or voting instruction form, as applicable) and, if the unitholder specifies a choice with respect to any matter to be acted upon, such units will be voted accordingly. **In the absence of such direction, such units will be voted in accordance with the following recommendations of the Board:**

- **FOR** the election of each of the management nominees named in this Circular as trustees (see *Business of the Meeting – Election of Trustees*);
- **FOR** the reappointment of Ernst & Young LLP as the auditors of the Company and the authorization of the trustees to fix the remuneration to be paid to the auditors (see *Business of the Meeting – Appointment of Auditor*); and
- **FOR** the non-binding advisory resolution accepting the approach to executive compensation disclosed in this Circular (see *Business of the Meeting – Say-on-Pay Non-Binding Advisory Vote*).

The form of proxy (or voting instruction form, as applicable) confers discretionary authority upon the management representatives designated therein with respect to amendments to or variations of matters identified in the Notice and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of First Capital REIT knows of no such amendments, variations or other matters.

Voting of Units

As of the close of business on May 12, 2021, First Capital REIT had outstanding 219,403,754 Trust Units and 103,223 Special Voting Units, representing an aggregate of 219,506,977 units entitled to vote at the Meeting. Each holder of Trust Units and Special Voting Units of record at the close of business on May 12, 2021 is entitled to vote on all matters proposed to come before the Meeting on the basis of one vote for each Trust Unit or Special Voting Unit held, respectively. A simple majority of votes cast, in person or by proxy (or voting instruction form), is required to approve each of the items specified in the Notice. Only unitholders of record at the close of business on May 12, 2021 are entitled to vote at the Meeting.

Significant Holders of Voting Securities

To the knowledge of our trustees and officers, the following is the only person or company who beneficially owns, directly or indirectly, or exercises control or direction over, securities of the REIT carrying 10% or more of the voting rights attached to any class of outstanding voting securities as at the close of business on May 12, 2021, the record date for the Meeting:

	Number of Trust Units	Percentage of Class
RBC Global Asset Management Inc.	24,577,189	11.20%

BUSINESS OF THE MEETING

Receiving the Financial Statements

Our consolidated annual financial statements for the fiscal year ended December 31, 2020 and the auditors' report thereon are available on our website at www.fcr.ca, or our issuer profile at www.sedar.com.

Election of Trustees

Unitholders are asked to vote on the election of trustees to the Board of Trustees of First Capital REIT (the "Board of Trustees" or the "Board"). Nine trustees have been nominated, seven of whom currently serve on our Board. All nine nominated trustees are eligible to serve as trustees and have expressed their willingness to do so. Messrs. Segal and Hagan will not be standing for re-election at the Meeting. The Board would like to thank Messrs. Segal and Hagan for their significant contributions to the REIT during their tenures.

The nominated trustees are:

Bernard McDonell	Paul C. Douglas
Adam E. Paul	Annalisa King
Leonard Abramsky	Aladin (Al) W. Mawani
Sheila Botting	Andrea Stephen
Ian Clarke	

*Management and the Board recommend that you vote **FOR** the nominated trustees.*

The management representatives designated in the form of proxy (or voting instruction form, as applicable) will vote or withhold from voting the units in respect of which they are appointed by proxy in the election of the management nominees for trustee in accordance with the instructions of the unitholder as indicated on the proxy. **In the absence of such instructions, such units will be voted FOR the election of such trustees.** All such nominees who are now trustees have been trustees of the REIT (or directors of the Company) since the dates indicated in *About the Nominated Trustees* below. Management does not contemplate that any of the proposed nominees will be unable to serve as a trustee but, if that should occur for any reason before the Meeting, the management representatives designated in the form of proxy (or voting instruction form, as applicable) reserve the right to vote for another nominee at their discretion. Each trustee elected will hold office until the REIT's next annual meeting or until his or her successor is elected or appointed.

See *About the Nominated Trustees* for more information.

Majority Voting Policy

The Board believes that each of its members should carry the confidence and support of its unitholders. To this end, the Board has unanimously adopted an individual and majority voting policy that requires that

HIGHLIGHTS OF THE BOARD OF TRUSTEES

- Highly experienced Board of Trustees, with expertise in all key areas of the REIT's business.
- 8 of 9 nominees are independent (assuming election of nominees).
- Women represent 33% of the Board and 37% of the independent trustees of the Board (assuming election of nominees).
- Independent Chair of the Board.
- 2 new independent nominees.
- 6 new members in the last 5 years (assuming election of nominees).
- Individual and majority voting policy.
- All trustees in 2020 met or exceeded applicable equity ownership requirements.
- Skills matrix used to evaluate and guide the composition and development of the Board and committees.
- Board Diversity Policy to ensure that diversity is considered during the trustee recruitment process.
- Board of Trustees Conflicts of Interest Policy to ensure that any potential conflicts of interest are addressed and considered.

unitholders be able to vote in favour of, or withhold from voting, separately for each nominee for trustee and that, 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 applicable meeting or to each member of the Corporate Governance Committee (as defined below) if the affected trustee is such Chair. Any resignation received by the Chair of the Board shall be promptly referred to the Corporate Governance Committee for consideration. An “uncontested election” means an election where the number of nominees for trustees is equal to the number of trustees to be elected.

The Corporate Governance Committee shall, promptly following the resignation but in any event within 30 days of the applicable unitholders’ meeting, consider the offer of resignation and shall recommend to the Board whether or not to accept it. The Corporate 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 Corporate Governance Committee’s recommendation promptly following its receipt thereof and, in any event, within 90 days of the applicable unitholders’ meeting. The Board shall accept the Corporate Governance Committee’s recommendation absent exceptional circumstances. If a resignation is accepted, the Board may, subject to applicable law and the REIT’s declaration of trust, appoint a new trustee to fill any vacancy created by the resignation, reduce the size of the Board or call a meeting of unitholders to appoint a replacement. A resignation will be effective upon its acceptance by the Board. The REIT will promptly issue a news release announcing the Board’s decision. If the Board determines not to accept a resignation, the news release will fully state the reasons for that decision.

Board Committees

The Board has established the following four standing committees:

- Audit Committee
- Compensation Committee
- Corporate Governance Committee; and
- Investment Committee


The current members of these committees are indicated in *About the Nominated Trustees* below.

About the Nominated Trustees

The Board has determined that nine trustees are to be elected this year. Seven of the nominated trustees currently serve on the Board. Eight of the nine nominated trustees are independent of First Capital REIT as determined in accordance with applicable securities laws. Mr. McDonell is independent of First Capital REIT and is the Chair of the Board and Chair of the Investment Committee.


The following profiles present information about the nominated trustees, including their areas of expertise, their membership on other public entity boards and the number of REIT securities held as at the Record Date. Each trustee has skills and experience that are important for fulfilling his or her responsibilities as a member of the Board (see *Skills Matrix* below). See *Our Corporate Governance Practices – Equity Ownership Guidelines* for additional information regarding the equity ownership by the trustees.

The following profiles also provide the proxy voting results received by each current trustee of the REIT at the Company’s 2020 annual and special meeting of unitholders held on September 29, 2020 (the “2020 Meeting”), where there were unitholders represented in person or by proxy holding 179,103,552 trust units of the REIT, representing 81.63% of the REIT’s then issued and outstanding voting units.

	BERNARD MCDONELL	Areas of Expertise:				
	Age: 66 Apple Hill, Ontario, Canada Chair of the Board since May 28, 2019 Trustee of the REIT since May 24, 2007 ⁽¹⁾ INDEPENDENT	Strategic insight/leading growth Real estate Retail Board and governance Accounting and tax acumen Corporate finance and capital markets Legal Business leadership Human resource management ESG Public policy/corporate relations				
Principal Occupation						
<p>Before becoming Chair of the Board, Mr. McDonell was the Lead Director of the Company from 2011 to 2019. Previously, he was the Chairman of Old PSG Wind-down Ltd. (formerly Performance Sports Group Ltd.), a director of The Commonwell Mutual Insurance Company and a director of Investus Real Estate Inc., a publicly traded industrial real estate company, and, prior thereto, served as Vice-Chairman and Chief Executive Officer of the same company.</p> <p>Mr. McDonell was the Vice-Chairman and President of Provigo Inc. from 1999 to 2006, at which time it was Quebec’s grocery market unit leader and a Top 10 employer with 24,000 employees in the Province. In this role, he led the company’s integration with Loblaw Companies Limited and managed a complete market repositioning of the company’s retail network. Under his guidance, the company executed a capital plan in excess of \$1 billion and the addition of an average of 250,000 square feet of net retail space per annum.</p> <p>Mr. McDonell’s experience includes work in the most senior executive positions in real estate and property management both at Provigo Inc. and Steinberg Inc. During his career, he has led several corporate acquisitions and divestitures.</p>						
Other Public Board Memberships			Public Board Interlocks			
None			None			
Current Board/Committee Membership			2020 Attendance		2020 Attendance (Total)	
Chair of the Board			19/19	100%	23/23	100%
Member of the Compensation Committee			4/4	100%		
Chair of the Investment Committee ⁽²⁾			N/A	N/A		
Equity Beneficially Owned, Controlled or Directed, Directly or Indirectly			Equity Interest Requirements			
Year	Trust Units	Deferred Unit Units (“DTUs”)	Minimum Requirements		Meets Requirements	
As at August 14, 2020	2,616	120,684	6 x annual retainer		Yes	
As at May 13, 2021	2,616	131,760				
Voting Results of 2020 Annual Meeting						
			Proxy Votes For	Proxy Votes Withheld	Total Proxy Votes Cast	
# of Proxy Votes			172,562,287	6,533,595	179,095,882	
% of Proxy Votes			96.35	3.65	100	

(1) Also includes time spent serving as a director of the Company.


(2) The Investment Committee did not meet in 2020 as there were no transactions within its approval threshold for consideration (\$30 million to \$90 million for income producing properties and \$10 million to \$30 million for vacant land).

	ADAM E. PAUL, C.P.A., C.A.			Areas of Expertise:		
	Age: 46 Toronto, Ontario, Canada Trustee of the REIT since February 16, 2015 ⁽¹⁾ NOT INDEPENDENT (President and Chief Executive Officer of the REIT)			Strategic insight/leading growth Real estate Retail Board and governance Accounting and tax acumen Corporate finance and capital markets Legal Business leadership Human resource management ESG Public policy/corporate relations		
Principal Occupation						
As President and Chief Executive Officer, Mr. Paul is responsible for the overall leadership, strategy, operations and performance of First Capital REIT. Prior to joining the Company in February 2015, Mr. Paul was a senior executive at Canadian Real Estate Investment Trust (“CREIT”) (now Choice Properties Real Estate Investment Trust) where he had direct responsibility for various aspects of CREIT’s business. Mr. Paul is a Chartered Professional Accountant, Chartered Accountant, a member of the Young Presidents’ Organization and a director of Real Property Association of Canada (REALpac).						
Other Public Board Memberships				Public Board Interlocks		
None				None		
Current Board/Committee Membership				2020 Attendance		2020 Attendance (Total)
Member of the Board Member of the Investment Committee ⁽²⁾				19/19 N/A	100% N/A	19/19 100%
Equity Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽³⁾				Equity Interest Requirements		
Year	Trust Units	Restricted Trust Units (“RTUs”)	Performance Trust Units (“PTUs”)	Minimum Requirements		Meets Requirements
As at August 14, 2020	265,325	41,135	219,565	6 x annual base salary		Yes
As at May 13, 2021	283,325	85,360	238,309			
Voting Results of 2020 Annual Meeting						
				Proxy Votes For	Proxy Votes Withheld	Total Proxy Votes Cast
# of Proxy Votes				176,076,475	3,019,407	179,095,882
% of Proxy Votes				98.31	1.69	100

(1) Also includes time spent serving as a director of the Company.


(2) The Investment Committee did not meet in 2020 as there were no transactions within its approval threshold for consideration (\$30 million to \$90 million for income producing properties and \$10 million to \$30 million for vacant land).

(3) In addition to the equity outlined above, Mr. Paul holds a total of 3,810,445 stock options with a weighted average exercise price of \$19.77.


	LEONARD ABRAMSKY Age: 58 Toronto, Ontario, Canada Trustee of the REIT since June 4, 2019 ⁽¹⁾ INDEPENDENT	Areas of Expertise: Strategic insight/leading growth Real estate Retail Board and governance Corporate finance and capital markets Business leadership Human resource management ESG Public policy/corporate relations			
Principal Occupation					
<p>Mr. Abramsky is a real estate investor and advisor. He has over 35 years of experience in the commercial real estate industry. Mr. Abramsky is currently the President of The Dunloe Group Inc., a Toronto-based real estate investment company. In his current role, he actively oversees investments in private equity, real estate assets and private debt.</p> <p>Along with founding The Dunloe Group Inc., Mr. Abramsky was Managing Partner of Brookfield Financial Corp. (“BFIN”). From 2005 to 2018, he held positions of increasing responsibility with BFIN in a number of areas including the active trading and financing of all forms of commercial property (with a particular focus on retail assets) and overseeing the global expansion of the firm to 9 countries and 15 offices. During this time, he also served on the board of directors of Rouse Properties Inc., a US public retail company which was privatized by Brookfield in 2016.</p> <p>Mr. Abramsky presently serves as Vice Chair and member of the Investment Committee of the Jewish Foundation of Greater Toronto. He is former Co-Chair of the 2020 Annual UJA Campaign.</p>					
Other Public Board Memberships			Public Board Interlocks		
None			None		
Current Board/Committee Membership			2020 Attendance		2020 Attendance (Total)
Member of the Board Member of the Compensation Committee Member of the Investment Committee ⁽²⁾			19/19 4/4 N/A	100% 100% N/A	23/23 100%
Equity Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽³⁾			Equity Interest Requirements		
Year	Trust Units	DTUs	Minimum Requirements		Meets Requirements
As at August 14, 2020	53,162	4,276	6 x annual retainer		Yes
As at May 13, 2021	53,162	8,393			
Voting Results of 2020 Annual Meeting					
			Proxy Votes For	Proxy Votes Withheld	Total Proxy Votes Cast
# of Proxy Votes			178,845,367	250,515	179,095,882
% of Proxy Votes			99.86	0.14	100

(1) Also includes time spent serving as a director of the Company.


(2) The Investment Committee did not meet in 2020 as there were no transactions within its approval threshold for consideration (\$30 million to \$90 million for income producing properties and \$10 million to \$30 million for vacant land).

	SHEILA BOTTING Age: 62 Burlington, Ontario, Canada New Nominee INDEPENDENT	<u>Areas of Expertise:</u> Strategic insight/leading growth Real estate Retail Board and governance Accounting and tax acumen Corporate finance and capital markets Business leadership Human resource management ESG Public policy/corporate relations			
Principal Occupation					
<p>Ms. Botting is currently Principal and President, Americas at Avison Young where she leads the Americas professional services practice and is a member of the Avison Young’s global real estate executive.</p> <p>Prior to Avison Young, she was Senior Partner & Canadian Real Estate Leader with Deloitte, and a member of Deloitte global real estate executive. In this role, she led many substantive assignments around the globe across both public and private sectors working with occupiers, investors, operators, and industry participants including Deloitte’s own corporate workplace strategy and implementation program across Canada.</p> <p>Prior to Deloitte, Ms. Botting was Executive Managing Director of Cushman & Wakefield, a leading full services professional firm, and a global partner. She led the Canadian professional services operation including real estate valuation and advisory services for the industry’s largest investors, owners and corporate occupiers. Cushman & Wakefield acquired Royal LePage Commercial Inc. (a Brookfield entity) in 2006 where she worked for over 20 years and held executive positions.</p>					
Other Public Board Memberships			Public Board Interlocks		
None			None		
Current Board/Committee Membership⁽¹⁾			2020 Attendance		2020 Attendance (Total)
Member of the Board Member of the Corporate Governance Committee			N/A	N/A	N/A
Equity Beneficially Owned, Controlled or Directed, Directly or Indirectly			Equity Interest Requirements		
Year	Trust Units	DTUs	Minimum Requirements		Meets Requirements
As at August 14, 2020	N/A	N/A	6 x annual retainer		Yes, as applicable ⁽²⁾
As at May 13, 2021	N/A	N/A			
Voting Results of 2020 Annual Meeting					
			Proxy Votes For	Proxy Votes Withheld	Total Proxy Votes Cast
# of Proxy Votes			N/A	N/A	N/A
% of Proxy Votes			N/A	N/A	N/A


- (1) Subject to her election at the Meeting, Ms. Botting is expected to become a member of the Corporate Governance Committee. See *Our Corporate Governance Practices – Committees of the Board* for more information.
- (2) Trustees are required to acquire within five years of the date of their appointment or election and thereafter maintain an equity interest with a value at least equal to six times their annual retainer (consisting of their annual cash retainer and DTU grant). If Ms. Botting is elected as trustee of the REIT, she will be subject to such requirements. See *Equity Ownership Guidelines* for more information.

	<p>IAN CLARKE, F.C.P.A., F.C.A., ICD.D</p> <p>Age: 60</p> <p>Pickering, Ontario, Canada</p> <p>New Nominee</p> <p>INDEPENDENT</p>	<p><u>Areas of Expertise:</u></p> <p>Strategic insight/leading growth</p> <p>Real estate</p> <p>Retail</p> <p>Board and governance</p> <p>Accounting and tax acumen</p> <p>Corporate finance and capital markets</p> <p>Legal</p> <p>Business leadership</p> <p>Human resource management</p> <p>Public policy/corporate relations</p>			
Principal Occupation					
<p>Mr. Clarke has been the Chief Financial Officer of the Greater Toronto Airports Authority (GTAA) since April 2017 and previously was a GTAA Board member for five years and Chaired the Audit Committee for two years. His responsibilities include commercial and business partnerships, new business development and corporate strategy.</p> <p>He is a financial professional with over 25 years of experience in the sports and entertainment industry ranging from finance, administration, taxation, new business development, government relations, regulatory filings, collective bargaining, bond and loan restructuring. Mr. Clarke was the Chief Financial Officer, Business Development at Maple Leaf Sports & Entertainment Ltd. (MLSE) for 12 years and held senior financial roles with MLSE for 14 years prior to being the CFO.</p> <p>Mr. Clarke received a Fellowship of Chartered Accountants from the Institute of Chartered Accountants of Ontario and holds the ICD.D designation from the Institute of Corporate Directors.</p>					
Other Public Board Memberships			Public Board Interlocks		
None			None		
Current Board/Committee Membership⁽¹⁾			2020 Attendance		2020 Attendance (Total)
Member of the Board Member of the Audit Committee			N/A	N/A	N/A N/A
Equity Beneficially Owned, Controlled or Directed, Directly or Indirectly			Equity Interest Requirements		
Year	Trust Units	DTUs	Minimum Requirements		Meets Requirements
As at August 14, 2020	N/A	N/A	6 x annual retainer		Yes, as applicable ⁽²⁾
As at May 13, 2021	N/A	N/A			
Voting Results of 2020 Annual Meeting					
			Proxy Votes For	Proxy Votes Withheld	Total Proxy Votes Cast
# of Proxy Votes			N/A	N/A	N/A
% of Proxy Votes			N/A	N/A	N/A

- (1) Subject to his election at the Meeting, Mr. Clarke is expected to become a member of the Audit Committee. See *Our Corporate Governance Practices – Committees of the Board* for more information.
- (2) Trustees are required to acquire within five years of the date of their appointment or election and thereafter maintain an equity interest with a value at least equal to six times their annual retainer (consisting of their annual cash retainer and DTU grant). If Mr. Clarke is elected as trustee of the REIT, he will be subject to such requirements. See *Equity Ownership Guidelines* for more information.


	PAUL C. DOUGLAS Age: 69 Toronto, Ontario, Canada Trustee of the REIT since June 4, 2019 ⁽¹⁾ INDEPENDENT	<u>Areas of Expertise:</u> Strategic insight/leading growth Real estate Board and governance Accounting and tax acumen Corporate finance and capital markets Business leadership Human resource management ESG Public policy/corporate relations				
Principal Occupation						
<p>Mr. Douglas has been the Group Head, Canadian Business Banking at TD Bank Group (“TD”) since 2004. In his current role, he leads the bank in offering a variety of banking products, services and expertise to business banking customers across Canada.</p> <p>Mr. Douglas has had a distinguished career at TD for over 40 years, during which time he has held positions of increasing responsibility in a number of areas including retail banking, commercial banking, corporate banking, investment banking and risk management.</p> <p>Mr. Douglas is the former Chair of TD’s Diversity Leadership Council subcommittee on promoting and enhancing a supportive environment for LGBTQ2+ employees and clients. He also serves as a member of the Board of Governors of McMaster University, where he earned his Bachelor of Commerce and Master of Business Administration degrees.</p>						
Other Public Board Memberships			Public Board Interlocks			
None			None			
Current Board/Committee Membership			2020 Attendance		2020 Attendance (Total)	
Member of the Board			19/19	100%	27/27	100%
Member of the Audit Committee			4/4	100%		
Member of the Corporate Governance Committee			4/4	100%		
Equity Beneficially Owned, Controlled or Directed, Directly or Indirectly			Equity Interest Requirements			
Year	Trust Units	DTUs	Minimum Requirements		Meets Requirements	
As at August 14, 2020	29,000	6,495	6 x annual retainer		Yes	
As at May 13, 2021	50,000	13,851				
Voting Results of 2020 Annual Meeting						
			Proxy Votes For	Proxy Votes Withheld	Total Proxy Votes Cast	
# of Proxy Votes			178,795,586	300,296	179,095,882	
% of Proxy Votes			99.83	0.17	100	

(1) Also includes time spent serving as a director of the Company.

	ANNALISA KING Age: 54 Vancouver, British Columbia, Canada Trustee of the REIT since November 9, 2016 ⁽¹⁾ INDEPENDENT	<u>Areas of Expertise:</u> Strategic insight/leading growth Real Estate Retail Board and governance Accounting and tax acumen Corporate finance and capital markets Legal Business leadership Human resource management ESG Public policy/corporate relations				
Principal Occupation						
<p>Ms. King is a corporate director and the Chair of the board for the Vancouver Airport Authority. In addition to serving on the Board of First Capital REIT and the Vancouver Airport Authority, she is a director of Saputo Inc., The North West Company Inc. and McArthurGlen Designer Outlet Centre (a joint venture between McArthurGlen Group and the Vancouver Airport Authority).</p> <p>Ms. King was the 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. She has also held leadership positions in finance at several consumer packaged goods companies, including Kraft and Pillsbury Canada. 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.</p>						
Other Public Board Memberships			Public Board Interlocks			
Saputo Inc. The Northwest Company Inc.			None			
Current Board/Committee Membership			2020 Attendance		2020 Attendance (Total)	
Member of the Board			19/19	100%	27/27	100%
Member of the Audit Committee			4/4	100%		
Chair of the Corporate Governance Committee			4/4	100%		
Equity Beneficially Owned, Controlled or Directed, Directly or Indirectly			Equity Interest Requirements			
Year	Trust Units	DTUs	Minimum Requirements		Meets Requirements	
As at August 14, 2020	5,161	23,141	6 x annual retainer		Yes, as applicable ⁽²⁾	
As at May 13, 2021	5,161	31,653				
Voting Results of 2020 Annual Meeting						
			Proxy Votes For	Proxy Votes Withheld	Total Proxy Votes Cast	
# of Proxy Votes			178,601,694	494,188	179,095,882	
% of Proxy Votes			99.72	0.28	100	


(1) Also includes time spent serving as a director of the Company.

(2) Trustees are required to acquire within five years of the date of their appointment or election and thereafter maintain an equity interest with a value at least equal to six times their annual retainer (consisting of their annual cash retainer and DTU grant). See *Equity Ownership Guidelines* for more information.

	ALADIN (AL) W. MAWANI, C.P.A., C.A.	Areas of Expertise:			
	Age: 69 Thornhill, Ontario, Canada Trustee of the REIT since May 29, 2018 ⁽¹⁾ INDEPENDENT	Strategic insight/leading growth Real estate Retail Board and governance Accounting and tax acumen Corporate finance and capital markets Legal Business leadership Human resource management Public policy/corporate relations			
Principal Occupation					
Mr. Mawani is 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 a member of the board of trustees of Granite Real Estate Investment Trust (“Granite”) and a director of Extendicare Inc. He is a member of the audit committee of both boards, Chair of the Investment Committee and member of the Human Resources Committee of the board of Extendicare Inc. and was the Chair of the Compensation, Governance & Nominating Committee of the board of Granite (until December 31, 2020).					
Previously, Mr. Mawani served as the independent lead trustee of Boardwalk Real Estate Investment Trust. He was also a trustee of SmartCentres 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.					
Other Public Board Memberships			Public Board Interlocks		
Granite Real Estate Investment Trust Extendicare Inc.			None		
Current Board/Committee Membership			2020 Attendance		2020 Attendance (Total)
Member of the Board			19/19	100%	27/27 100%
Chair of the Audit Committee			4/4	100%	
Member of the Compensation Committee			4/4	100%	
Equity Beneficially Owned, Controlled or Directed, Directly or Indirectly			Equity Interest Requirements		
Year	Trust Units	DTUs	Minimum Requirements		Meets Requirements
As at August 14, 2020	15,000	14,110	6 x annual retainer		Yes, as applicable ⁽²⁾
As at May 13, 2021	15,000	22,623			
Voting Results of 2020 Annual Meeting					
			Proxy Votes For	Proxy Votes Withheld	Total Proxy Votes Cast
# of Proxy Votes			178,831,990	263,892	179,095,882
% of Proxy Votes			99.85	0.15	100

(1) Also includes time spent serving as a director of the Company.

(2) Trustees are required to acquire within five years of the date of their appointment or election and thereafter maintain an equity interest with a value at least equal to six times their annual retainer (consisting of their annual cash retainer and DTU grant). See *Equity Ownership Guidelines* for more information.

	ANDREA STEPHEN, C.P.A., C.A. Age: 56 Toronto, Ontario, Canada Trustee of the REIT since January 9, 2012 ⁽¹⁾ INDEPENDENT	Areas of Expertise: Strategic insight/leading growth Real estate Retail Board and governance Accounting and tax acumen Corporate finance and capital markets Legal Business leadership ESG Human resource management Public policy/corporate relations			
Principal Occupation					
Ms. Stephen is a corporate director. In addition to serving on the Board of First Capital REIT, she is currently Chair of the board of trustees of Slate Grocery REIT and a director of The Macerich Company.					
Previously, Ms. Stephen served as a trustee of Boardwalk Real Estate Investment Trust. She retired from her position as Executive Vice President, Investments at The Cadillac Fairview Corporation (“Cadillac Fairview”) in 2011. In this position, she was responsible for developing and executing investment strategy. Ms. Stephen executed over \$9 billion of transactions, including Cadillac Fairview’s first investments in the United Kingdom and Brazil. She was previously a director of Multiplan Empreendimentos Imobiliarios, a public real estate company listed on the Brazil stock exchange and was also a member of the board of directors of the Pension Real Estate Association (PREA). Ms. Stephen has served as Director, Real Estate with the Ontario Teachers’ Pension Plan Board, where she initiated the U.S. real estate investment program and led the team that privatized Cadillac Fairview. She was also previously a member of the Investor Advisory Committee of the National Association of Real Estate Investment Trusts (NAREIT) and a director of Canada’s Walk of Fame. Ms. Stephen is a Chartered Professional Accountant, Chartered Accountant.					
Other Public Board Memberships			Public Board Interlocks		
Slate Grocery Real Estate Investment Trust The Macerich Company			None		
Current Board/Committee Membership			2020 Attendance		2020 Attendance (Total)
Member of the Board			19/19	100%	27/27100%
Chair of the Compensation Committee			4/4	100%	
Member of the Corporate Governance Committee			4/4	100%	
Member of the Investment Committee ⁽²⁾			N/A	N/A	
Equity Beneficially Owned, Controlled or Directed, Directly or Indirectly			Equity Interest Requirements		
Year	Trust Units	DTUs	Minimum Requirements		Meets Requirements
As at August 14, 2020	22,123	48,844	6 x annual retainer		Yes
As at May 13, 2021	22,123	56,124			
Voting Results of 2019 Annual Meeting					
			Proxy Votes For	Proxy Votes Withheld	Total Proxy Votes Cast
# of Proxy Votes			177,694,588	1,401,294	179,095,882
% of Proxy Votes			99.22	0.78	100

(1) Also includes time spent serving as a director of the Company.

(2) The Investment Committee did not meet in 2020 as there were no transactions within its approval threshold for consideration (\$30 million to \$90 million for income producing properties and \$10 million to \$30 million for vacant land).

Skills Matrix

Our Board is comprised of individuals that have demonstrated skills in one or more of the following areas:

Strategic Insight/Leading Growth – Experience driving strategic insight and direction to encourage innovation and conceptualize key trends to continuously challenge the organization to sharpen its vision while achieving significant growth.

Real Estate – Experience in the retail, commercial or residential real estate industries, real estate property development and management, regulatory requirements, construction and sustainable/green development practices and a strong knowledge of markets, business challenges and real estate finance.

Retail – Experience in the retail industry and knowledge of markets, competitors, consumer trends, product cycles, business challenges and regulatory implications.

Board and Governance – Experience as a board or committee member of a major organization with a current governance mindset.

Accounting and Tax Acumen – Experience in financial accounting and reporting and understanding of internal financial controls. Experience with and knowledge of tax implications and tax treatment of commercial real estate business operations and developments.

Corporate Finance and Capital Markets – Experience with corporate finance, debt and equity capital markets, public company reporting and continuous disclosure obligations, investor relations and related activities in public capital markets, either domestically or internationally.

Legal – Experience with and knowledge of the legal and regulatory environments associated with carrying on business in Canada and/or abroad, including in particular in connection with the business of First Capital REIT.

Business Leadership – Experience working as a chief executive officer or senior officer of a large public entity or major organization.

Human Resource Management – Experience in and a thorough understanding of succession planning, talent development and retention and compensation programs, including executive compensation.

ESG – Experience in and a thorough understanding of environmental liability, impacts and remediation requirements, and social and governance issues such as principles of governance, wellness, equity, diversity and inclusivity of employees, health and safety considerations, purpose and presence in the community at large, among others.

Public Policy/Corporate Relations – Experience in or a strong understanding of the workings of government and public policy. May include experience in or a thorough understanding of communication and media perspectives.

The following skills matrix illustrates the relevant skills possessed by each of the nominee trustees. The skills matrix can be used to evaluate and guide the development of the Board, assist in the recruiting process and identify areas for training or education. See *Our Corporate Governance Practices – About the Board – Board Succession and Renewal – Recruitment of Trustees* for additional information.

Name	Strategic Insight/ Leading Growth	Real Estate	Retail	Board and Governance	Accounting and Tax Acumen	Corporate Finance and Capital Markets	Legal	Business Leadership	Human Resource Management	ESG	Public Policy/ Corporate Relations
Bernard McDonell	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Adam E. Paul	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Leonard Abramsky	✓	✓	✓	✓		✓		✓	✓	✓	✓
Sheila Botting	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
Ian Clarke	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Paul C. Douglas	✓	✓		✓	✓	✓		✓	✓	✓	✓
Annalisa King	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Al Mawani	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Andrea Stephen	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Ownership, Control or Direction over Trust Units by Trustees and Officers of First Capital REIT

As at May 13, 2021, the trustees and executive officers (as defined in National Instrument 51-102 — *Continuous Disclosure Obligations*) of the REIT, as a group, beneficially owned, or exercised control or direction over, an aggregate of 3,121,973 Trust Units representing approximately 1.42% of the aggregate issued and outstanding Trust Units and Special Voting Units and 3,288,020 vested stock options granted under the Stock Option Plan (trustees are not eligible to receive stock options). If all vested stock options beneficially owned by such persons were exercised, such persons would own an additional 3,266,170 Trust Units and would hold approximately 1.49% of the aggregate issued and outstanding Trust Units and Special Voting Units as at May 13, 2021.

Additional Disclosure Relating to Trustees

Except as set forth below, as of the date hereof, to the knowledge of the REIT and based upon information provided to it by the nominees for election to the Board of Trustees which has not been independently verified by the REIT, no such nominee is or has been in the previous 10 years, (a) a director, chief executive officer or chief financial officer of any company that was subject to an order that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer, or was subject to an order that was issued after such person 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; (b) 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 (c) 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. McDonnell 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.

Appointment of Auditor

The auditor of the REIT is Ernst & Young LLP ("E&Y"), Chartered Professional Accountants, Chartered Accountants, Licensed Public Accountants, located in Toronto, Ontario. E&Y was initially appointed as the auditor of the Company effective September 25, 2012.

Following its evaluation of E&Y's performance during 2020, the Audit Committee recommended to the Board that E&Y be reappointed as the auditor of the REIT for 2021 and the Board accepted such recommendation. Unitholders are being asked to approve the reappointment of E&Y as auditor of the REIT for the ensuing year and to authorize the trustees to fix the remuneration of the auditor. If E&Y is reappointed as auditor, they will serve until the end of the next annual meeting of unitholders and their remuneration for 2021 will be set and approved by the Audit Committee.

*The Board recommends that you vote **FOR** the re-appointment of E&Y as our auditor.*

The management representatives designated in the form of proxy (or voting instruction form) will vote for or withhold from voting the units in respect of which they are appointed by proxy in respect of the reappointment of E&Y as auditor of the REIT to hold office until the REIT's next annual meeting of unitholders and the authorization of the trustees to fix the remuneration to be paid to the auditor in accordance with the instructions of the unitholder as indicated on the proxy (or voting instruction form, as applicable). **In the absence of such instructions, such units will be voted FOR the reappointment of E&Y as auditor of the REIT to hold office until the REIT's next annual meeting of unitholders and the authorization of the trustees to fix the remuneration to be paid to the auditor.**

Say-on-Pay Non-Binding Advisory Vote

First Capital REIT's compensation policies and procedures are based on the principle of pay for performance. The Board believes that such policies and procedures align the interests of the REIT's executive officers with the long-term interests of unitholders. The Board also believes that unitholders should have the opportunity to fully understand the objectives, philosophy and principles used in its approach to executive compensation decisions and to have an advisory vote on the approach to executive compensation. Detailed disclosure of the compensation program for 2020 can be found under the heading "*Executive Compensation*" below.

This non-binding, advisory vote, commonly known as "Say-on-Pay", gives unitholders an opportunity to either endorse or not endorse the REIT's approach to its executive compensation programs and policies. Unitholders are being asked to consider an annual non-binding advisory Say-on-Pay resolution (the "Say-on-Pay Resolution") substantially in the form below:

"Resolved, on an advisory basis and not to diminish the role and responsibilities of the Board of Trustees of the REIT, that the unitholders accept the approach to executive compensation disclosed in the Circular delivered in advance of the 2021 annual meeting of unitholders."

The purpose of the Say-on-Pay Resolution is to provide appropriate trustee accountability to unitholders of First Capital REIT for the Board's compensation decisions by giving unitholders a formal opportunity to provide their views on the disclosed objectives of the executive compensation plans, and on the plans themselves, for the past, current and future fiscal years. While unitholders will provide their collective

advisory vote, the trustees remain fully responsible for their compensation decision and are not relieved of these responsibilities by a positive advisory vote by unitholders.

Approval of the Say-on-Pay Resolution will require an affirmative vote of a majority of the votes cast at the Meeting. As this is an advisory vote, the results will not be binding upon the Board. However, the Board will take the results of the vote into account, as appropriate, when considering future compensation policies, procedures and decisions and in determining whether there is a need to significantly increase their engagement with unitholders of First Capital REIT on compensation and related matters. The REIT will disclose the voting results of the Say-on-Pay Resolution as a part of its report on voting results for the Meeting. In addition, in the event that the Say-on-Pay Resolution does not receive sufficient support of at least 70% of the votes cast, the Board will consult with the unitholders, particularly those who are known to have voted against it, in order to better understand their concerns. The Compensation Committee will review the REIT's approach to compensation in the context of those concerns. Unitholders who have voted against the Say-on-Pay Resolution will be encouraged to contact the Compensation Committee to discuss their specific concerns.

Following the review by the Compensation Committee, the REIT will disclose to its unitholders as soon as is practicable, a summary of the significant comments relating to compensation received from unitholders in the process, a description of the process undertaken and a description of any resulting changes to executive compensation or why no changes will be made. The REIT will endeavor to provide this disclosure within six months of voting on the Say-on-Pay Resolution, and no later than in the management information circular for the next annual meeting of unitholders.

The Board recognizes that Say-on-Pay is an evolving area in Canada and globally and will review this policy annually to ensure that it is effective in achieving its objectives.

*Management and the Board recommend that you vote **FOR** the non-binding advisory resolution to accept the approach to executive compensation disclosed in this Circular.*

The management representatives designated in the form of proxy (or voting instruction form, as applicable) will vote the units in respect of which they are appointed by proxy **for** or **against** the non-binding advisory resolution accepting the approach to executive compensation disclosed in this Circular in accordance with the instructions of the unitholder as indicated on the proxy (or voting instruction form, as applicable). **In the absence of such instructions, such units will be voted FOR the non-binding advisory resolution to accept the approach to executive compensation disclosed in this Circular.**

First Capital REIT and the Company have given the opportunity to its unitholders/shareholders to vote on Say-on-Pay since 2018 and the voting results on this matter have been included in the reports of voting results filed publicly under First Capital REIT's issuer profile at www.sedar.com.

Below are last year's Say-on-Pay voting results:

YEAR	Votes For	Percentage For	Votes Against	Percentage Against	Outcome
2020	130,955,136	73.12%	48,140,746	26.88%	Carried

Although more than 73% of our unitholders supported our 2019 executive compensation, this fell short of our expectations. In response, our Compensation Committee Chair reached out to a significant number of our largest unitholders, particularly those known to have voted against the say-on-pay resolution at our 2020 annual and special meeting, to better understand their concerns. The REIT's approach to compensation was reviewed in the context of those concerns and several changes have been made to its executive compensation policies and practices which are outlined in this Circular.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Named Executive Officers in 2020

This section discusses our compensation program and the key compensation decisions for our *named executive officers* or *NEOs* in 2020. The titles listed below and throughout this section of the Circular apply to 2020 and, except as otherwise noted below, reflect the title the named executive officer held on December 31, 2020:

Adam E. Paul	President and Chief Executive Officer
Jordan Robins	Executive Vice President and Chief Operating Officer
Kay Brekken ⁽¹⁾	Executive Vice President and Chief Financial Officer
Carminé Francella	Senior Vice President, Leasing
Alison Harnick	Senior Vice President, General Counsel and Corporate Secretary


(1) Ms. Brekken retired on February 26, 2021.

HIGHLIGHTS OF EXECUTIVE COMPENSATION

- The objectives of First Capital REIT's executive compensation programs are to attract, retain and motivate outstanding executives who are committed to improving the REIT's performance and creating value for its unitholders.
- Structured to align executive compensation with the long-term financial performance of the REIT, with the long-term performance of its Trust Units and, ultimately, to align the long-term interests of the executives with those of our unitholders.
- The President and CEO, the members of the executive leadership team and all trustees are subject to equity ownership requirements.
- Equity ownership requirements continue to apply to the President and CEO for a period of one year following him ceasing to hold the office of President and CEO, subject to limited exceptions.
- The REIT has a compensation claw-back policy for the executive leadership team and trustees.
- Vesting timeframe of "at-risk" compensation is designed to expose a material portion of executive compensation to the risks associated with the REIT's business, including property development and stabilization timelines and financing strategy.
- Trustees are not eligible to participate in the Stock Option Plan.
- Stock Option Plan will be terminated in 2022.
- PTUs have a performance factor multiplier from 0% to 200%.
- Bonus payment to the President and CEO and other NEOs is not guaranteed.


Named Executive Officers


The following presents basic biographical information for each of the Company's (and now REIT's) Named Executive Officers.

	ADAM E. PAUL President and Chief Executive Officer	
	<p>Toronto Ontario, Canada</p> <p>Service: 6 years</p> <p>Industry Experience: >15 years</p> <p>Age: 46</p>	<p>Mr. Paul joined the Company in 2015. As President and Chief Executive Officer, he is responsible for the overall leadership, strategy, operations and performance of First Capital REIT. Prior to joining the Company in February 2015, Mr. Paul was a senior executive at Canadian Real Estate Investment Trust ("CREIT") (now Choice Properties Real Estate Investment Trust) where he had direct responsibility for various aspects of CREIT's business. Mr. Paul is a Chartered Professional Accountant, Chartered Accountant, a member of the Young Presidents' Organization and a director of Real Property Association of Canada (REALpac).</p>

	JORDAN ROBINS Executive Vice President and Chief Operating Officer	
	<p>Toronto, Ontario, Canada</p> <p>Service: 5 years</p> <p>Industry Experience: >20 years</p> <p>Age: 50</p>	<p>Mr. Robins joined the Company in 2016. As Chief Operating Officer, he is responsible for overseeing various aspects of First Capital REIT's activities, including leasing, acquisitions, dispositions, development, design and construction. Previously, he was the Senior Vice President, Planning and Development of RioCan Real Estate Investment Trust. Mr. Robins brings over 20 years of extensive experience and a proven track record in many facets of retail real estate to First Capital REIT including development, leasing and acquisitions.</p>

	KAY BREKKEN Executive Vice President and Chief Financial Officer	
	<p>Toronto Ontario, Canada</p> <p>Service: 7 years</p> <p>Industry Experience: 7 years</p> <p>Age: 52</p>	<p>Ms. Brekken joined the Company in 2014. As Chief Financial Officer, she was responsible for managing First Capital REIT's financial reporting, accounting, treasury, taxation, investor relations, internal audit and information systems and technology. Previously, she was the Executive Vice President and Chief Financial Officer of Indigo Books & Music, Inc. Ms. Brekken has over 20 years of North American financial leadership experience including public company reporting, strategic and operational planning, and debt and equity financing. Ms. Brekken is a Certified Public Accountant.</p> <p>Ms. Brekken retired on February 26, 2021.</p>

	CARMINE FRANCELLA Senior Vice President, Leasing	
	<p>Toronto, Ontario, Canada</p> <p>Service: 5 years</p> <p>Industry Experience: >25 years</p> <p>Age: 56</p>	<p>Mr. Francella joined the Company in 2016. As the Senior Vice President, Leasing, he is responsible for overseeing all leasing activities of the organization. Mr. Francella brings over 25 years of experience leading teams that focus on lease negotiations, store development, and lease audits. He was previously the global head of lease transactions in his role as Vice President, Leasing of Scotiabank. Prior to Scotiabank he was the head of real estate for Walmart Canada in the role of Senior Director, Real Estate & Development.</p>

	ALISON HARNICK Senior Vice President, General Counsel and Corporate Secretary	
	<p>Toronto Ontario, Canada</p> <p>Service: 4 years</p> <p>Industry Experience: 4 years</p> <p>Age: 41</p>	<p>Ms. Harnick joined the Company in 2017. As Senior Vice President, General Counsel and Corporate Secretary, she is responsible for overseeing all legal and regulatory aspects of the business including corporate matters, securities, leasing, litigation and intellectual property. She is also Co-Chair of the REIT's charitable foundation. Previously, Ms. Harnick practiced law at Torys LLP, with a focus on corporate and securities laws, including M&A transactions, public and private offerings of equity and debt, acquisitions, dispositions and numerous other commercial transactions. She also has a broad range of experience in governance, shareholder engagement and compliance matters. Ms. Harnick serves as a director of Park People and a director of Women General Counsel Canada.</p>

Compensation Program Changes and 2020 Compensation Outcomes

Compensation Program Changes

In the past year we made several changes to our executive pay program, which took into account feedback from unitholders following our 2020 say-on-pay vote. Although more than 73% of our unitholders supported our 2019 executive compensation, this fell short of the 80% and 90% favourable results we received in 2019 and 2018, respectively. In response, our Compensation Committee Chair reached out to a significant number of our largest unitholders, representing approximately 45% of the REIT's issued and outstanding units, particularly those known to have voted against the say-on-pay resolution at 2020 annual and special meeting, to better understand their concerns. Of these, unitholders representing approximately 10% of the REIT's issued and outstanding units responded and engaged in meaningful discussions with the Chair of the Compensation Committee. The feedback from unitholders was predominantly related to the desire to see an expanded range of the PTUs' performance multiplier to make PTUs fully "at risk". Additionally, unitholders requested additional disclosure regarding the short-term compensation review process undertaken by the Compensation Committee. The Compensation Committee then reviewed the REIT's approach to compensation in the context of those concerns and, with input from its external compensation consultant, enhanced its disclosure of the Compensation Committees' assessment of NEO's performance and corresponding short term incentive awards, and made the following changes to the REIT's long-term executive compensation policies and practices.

Performance Trust Units (PTUs) for 2021

- PTUs' performance factor multiplier was expanded to 0% - 200% of target from 50% - 150%; the PTUs will now be fully "at risk" from a performance conditioning perspective.
- Total unitholder return will be assessed relative to a custom peer group and the S&P/TSX Capped REIT Index on a range around median basis.
- Additional performance metrics assessed include (i) FFO, as adjusted for other gains, losses and expenses, and (ii) ESG objectives set out in the REIT's 5-year ESG Roadmap.

Amended and Restated Stock Option Plan

- Stock Option Plan was amended to clarify that Trustees are not eligible to participate (they had not participated since 2014).
- Stock option usage will be discontinued after 2021 (no further grants after 2021).

2020 Compensation Outcomes Summary

The performance of the REIT's NEOs is assessed based on predetermined criteria that is established at the beginning of the fiscal year and approved by the Compensation Committee. In 2020, the Compensation Committee found that the management team performed exceptionally well considering the challenging environment created by the global pandemic.

Compensation decisions regarding NEO's 2020 base salaries and long-term incentive awards were made in February 2020, prior to the onset of the pandemic and consistent with past practice. The Compensation Committee was, however, able to review annual incentive bonuses with a view to creating further alignment with unitholders' interests, taking into account the impact of the pandemic on the Company's results. As a result, the aggregate amount of NEOs' annual incentive bonuses was adjusted downward from the calculated result and there were no changes made to the performance criteria set at the beginning of the year (prior to the pandemic). Additionally, the restricted trust units (RTUs) and performance trust units (PTUs) granted to NEOs in early 2020, 2019 and 2018 are tracking down significantly relative to the grant date fair value disclosed in the summary compensation table and stock options granted in 2020 and prior are all currently underwater, demonstrating strong alignment between the REIT's executive compensation realizable pay outcomes and unitholder returns.

Below is a summary of the 2020 compensation outcomes for each element of compensation. Further details, including specific performance criteria outcomes, can be found under the heading “*Elements of Compensation*”.

Base Salary

Named Executive Officer	Base Salary		
	2019	2020	% change
Adam Paul	800,000	850,000	6.25%
Jordan Robins	500,000	510,000	2.00%
Kay Brekken	465,000	480,000	3.22%
Carmine Francella	340,000	350,000	2.90%
Alison Harnick	290,000	320,000	10.34%

The base salary increases in 2020 were implemented prior to the onset of the global pandemic in early 2020 following an extensive benchmarking exercise conducted by the Compensation Committee in consultation with its external compensation consultant. Mr. Paul had not received a salary increase since 2017. The base salary increases noted above were made to keep pace with market movement and market compensation in accordance with the REIT’s compensation philosophy which targets total direct compensation at the median of the Compensation Peer Group.

There were no changes to the base salaries of the NEOs or other members of the executive leadership team in 2021. *See Elements of Compensation – Base Salary.*

Short Term Incentives

The following table below sets forth details regarding 2020 short-term incentives targets and the 2020 and 2019 total award for each NEO:

Name	Base Salary (\$)	STIP Target as percentage of base salary (%)	2020 STIP Target (\$)	2019 STIP Award		2020 STIP Award	
				Actual Bonus (\$)	Percentage of target bonus (%)	Actual Bonus (\$)	Percentage of target bonus (%)
Adam Paul	850,000	125	1,062,500	972,000	97.0	717,000	67.0
Jordan Robins	510,000	100	510,000	456,000	91.0	382,500	75.0
Kay Brekken	480,000	100	480,000	447,795	96.0	360,000	75.0
Carmine Francella	350,000	50	175,000	155,210	91.0	131,250	75.0
Alison Harnick	320,000	50	160,000	140,650	97.0	120,000	75.0

The Compensation Committee followed a well-established and thorough vetting process whereby NEOs were assessed according to predetermined corporate and individual goals. For 2020, to more closely align the NEOs with unitholders, management recommended, and the Compensation Committee agreed, to apply a downward adjustment to aggregate annual incentive bonuses for NEOs. These adjustments resulted in a maximum level of “mid” (or 75%) of the NEOs’ bonus eligibility. *See Elements of Compensation – Short Term Incentives.*

Long-Term Incentives

The REIT's long-term incentives were awarded in the form of PTUs, RTUs and stock options in the first quarter of 2020, prior to the onset of the global pandemic. These awards were made consistent with past practice: 50% as PTU grants, 25% as RTU grants and 25% as option grants. The RTU competent of the grant was increased from the past practice to reward significant additional work performed by the NEOs to ensure the successful completion of the Company's conversion into a real estate investment trust, which closed on December 30, 2019. *See Elements of Compensation – Long-Term Incentives.*

2020 RTU and PTU Grants

The following table outlines the RTUs and PTUs granted during fiscal 2020 to each of the Company's NEOs:

Name	Annual Grant of RTUs ⁽¹⁾	PTUs Granted	Unit-Based Awards (\$) ⁽²⁾	Vesting Date
Adam E. Paul	40,277	61,836	2,150,000	February 28, 2023
Jordan Robins	15,957	20,215	762,500	February 28, 2023
Kay Brekken	17,108	17,837	737,500	February 28, 2023
Carmine Francella	5,035	7,729	268,750	February 28, 2023
Alison Harnick	9,949	6,540	306,250	February 28, 2023

(1) Additional RTUs were awarded as in recognition of additional work related to the REIT conversion in 2019. This amounted to 7% of additional LTIP value for the CEO and between 7% and 18% for the other NEOs.

(2) The amount represents the dollar value of RTUs and PTUs granted, based on the weighted average closing price of the Trust Units on the TSX for the five trading days ending on the trading day immediately prior to the date of grant. *See Summary Compensation Table for NEOs.*

2020 Stock Option Grants

The following table outlines the stock options granted during fiscal 2020 for each of the Company's NEOs:

Stock Options				
Name	Units Underlying Stock Options (#)	Option Exercise Price (\$)	Option-Based Awards (\$)	Option Expiration Date
Adam E. Paul	854,139	21.24	650,000	February 28, 2030
Jordan Robins	279,238	21.24	212,500	February 28, 2030
Kay Brekken	246,386	21.24	187,500	February 28, 2030
Carmine Francella	106,767	21.24	81,250	February 28, 2030
Alison Harnick	90,342	21.24	68,750	February 28, 2030

(1) The value of the option-based awards represents the compensation value of stock options granted on March 2, 2018 in respect of 2018 grants, March 6, 2019 in respect of 2019 grants and February 28, 2020 in respect of 2020 grants. *See Summary Compensation Table for NEOs.*

Compensation Governance

Composition and Mandate of the Compensation Committee

The mandate of the Compensation Committee is described under *Our Corporate Governance Practices — Committees of the Board — Compensation Committee*.

The Compensation Committee is directly responsible for reviewing and approving the corporate and individual goals and objectives that are relevant to the President and Chief Executive Officer's compensation, for evaluating his performance in meeting those goals and objectives, and for determining his compensation. The Compensation Committee reviews and provides input to the President and Chief Executive Officer regarding the compensation of the executives who report directly to him based on specific objectives relevant to each executive and achievement of corporate objectives.

The current members of the Compensation Committee have direct experience that is relevant to their responsibilities in respect of executive compensation. Their experience and skills enable the Compensation Committee to make sound decisions on the suitability of the REIT's compensation policies and practices. The following discussion provides some background on the current members of the Compensation Committee that is relevant to the performance of their duties as members of the Compensation Committee.

Andrea Stephen has been the Chair of the Compensation Committee since June 2019 and a member of the former Compensation and Corporate Governance Committee since May 2014. This committee split into two committees in 2019, the Compensation Committee and the Corporate Governance Committee. Currently, she is also Chair of the compensation committee of The Macerich Company and Chair of the board of Slate Grocery Real Estate Investment Trust. Previously, Ms. Stephen was Executive Vice President, Investments for The Cadillac Fairview Corporation where she led the investment team on sourcing and executing many significant global investments.

Ms. Stephen served as a member of the board of Multiplan Empreendimentos Imobiliarios, 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.

As an industry executive, she participated in the creation of new executive compensation plans and has had significant experience in developing corporate goals and objectives and incorporating those into compensation programs. Ms. Stephen is a Chartered Professional Accountant, Chartered Accountant.

Mr. Abramsky is a real estate investor and advisor. He has over 35 years of experience in the commercial real estate industry. Mr. Abramsky is currently the President of The Dunloe Group Inc., a Toronto-based real estate investment company. In his current role, he actively oversees investments in private equity, real estate assets and private debt. Along with founding The Dunloe Group Inc., Mr. Abramsky was Managing Partner of Brookfield Financial Corp. ("BFIN"). From 2005 to 2018, he held positions of increasing responsibility with BFIN in a number of areas including the active trading and financing of all forms of commercial property (with a particular focus on retail assets) and overseeing the global expansion of the firm to 9 countries and 15 offices. During this time he also served on the board of directors of Rouse Properties Inc., a US public retail company which was privatized by Brookfield in 2016.

Mr. Abramsky presently serves Vice Chair and member of the Investment Committee of the Jewish Foundation of Greater Toronto. He is former Co-Chair of the 2020 Annual UJA Campaign.

Members:

- Andrea Stephen (Chair)
- Leonard Abramsky
- Al Mawani
- Bernard McDonell

Each committee member is independent within the meaning of applicable securities laws. No committee member is an officer, employee or former officer or employee of the REIT or its affiliates or is (or will be) eligible to participate in its executive compensation programs.

Mr. Mawani is 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 a member of the board of trustees of Granite Real Estate Investment Trust (“Granite”) and a director of Extendicare Inc. He is a member of the audit committee of both boards, Chair of the Investment Committee and member of the Human Resources Committee of the board of Extendicare Inc. (which oversees its executive compensation program) and was the Chair of the Compensation, Governance & Nominating Committee of the board of Granite (until December 31, 2020). Previously, Mr. Mawani served on multiple boards of TSX-listed companies including, as the independent lead trustee and Chair of the Compensation, Governance & Nominating Committee of Boardwalk Real Estate Investment Trust., trustee and member of the Compensation, Governance & Nominating Committee of the board of Slate Office Real Estate Investment Trust, trustee of SmartCentres Real Estate Investment Trust, trustee of 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 with public companies in his career and was involved with executive compensation matters. He was 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. He has also attended various executive compensation seminars and education sessions.

Mr. McDonell was the Chair of the former Compensation and Corporate Governance Committee from May 2014 to June 2019 and a member of that committee since 2010. He is currently the Chair of the Board of Trustees of First Capital REIT. Before becoming Chair of the Board, Mr. McDonell was the Lead Director of the Company from 2011 to 2019. Previously, he was the Chairman of Old PSG Wind-down Ltd. (formerly Performance Sports Group Ltd.), a director of The Commonwell Mutual Insurance Company and a director of Investus Real Estate Inc., a publicly traded industrial real estate company, and, prior thereto, served as Vice-Chairman and Chief Executive Officer of the same company. Mr. McDonell was the Vice-Chairman and President of Provigo Inc. from 1999 to 2006, at which time it was Quebec’s grocery market unit leader and a Top 10 employer with 24,000 employees in the Province. In addition to his executive compensation related experience with the Company and the REIT, he was involved with executive compensation at Performance Sports Group Ltd. in his capacity as Chairman of its board and at the Commonwealth Mutual Insurance Company in his capacity as a member of its board and its executive committee.

Executive Compensation Philosophy

The objectives of our executive compensation programs are to attract, retain and motivate outstanding executives who are committed to improving our performance and creating value for our unitholders.

Four core principles underlie our executive compensation programs:

1. Pay for Performance
2. Competitive Compensation
3. Alignment with Long-term Unitholder Interest
4. Effective Risk Management

1. Pay for Performance

We structure our executive compensation programs to align executive compensation with our financial performance and with the performance of our Trust Units. A significant portion of executive compensation is in the form of at-risk pay and the REIT’s leadership team receives PTUs that are subject to the REIT’s relative performance (see *Elements of Compensation – RTU Plan - PTUs*). This creates a performance-based

corporate culture that rewards individual and team-based contributions to the achievement of our goals and to the increase in unitholder value.

Fixed and At-Risk Compensation

The following table illustrates the portions of compensation that are fixed and at-risk for each NEO.

Named Executive Officer	PAY COMPONENTS (as % of Total Compensation Earned)			
	Fixed	At Risk		Total At Risk Compensation (%)
	Base Salary & Other Compensation	Annual Incentive Bonus	Equity Compensation	
Adam E. Paul				
2020	20%	16%	64%	80%
2019	20%	22%	58%	80%
2018	23%	25%	52%	77%
Jordan Robins				
2020	29%	20%	51%	71%
2019	31%	28%	41%	69%
2018	34%	29%	37%	66%
Kay Brekken				
2020	29%	20%	51%	71%
2019	31%	28%	41%	69%
2018	34%	30%	36%	66%
Carmine Francella				
2020	45%	15%	40%	55%
2019	45%	18%	37%	55%
2018	45%	20%	32%	55%
Alison Harnick				
2020	42%	14%	44%	58%
2019	44%	19%	37%	56%
2018	48%	20%	32%	52%

2. Competitive Compensation

Competitive compensation is important as it enables us to attract and retain talented and qualified individuals to lead the business. We have developed processes to ensure that our executive compensation programs are competitive with market and industry practices and support the attraction, development and retention of high-quality executives.

3. Alignment of Executive Compensation Programs with Long-Term Unitholder Interests

We structure our executive compensation programs to align the interests of our executives with those of our unitholders. A significant portion of executive compensation takes the form of long-term equity-based awards. Structuring executive compensation in this manner ensures that our executives are properly motivated to increase long-term unitholder value.

4. Effective Risk Management

The compensation program must not encourage management to take excessive or inappropriate risks. Within this philosophy, compensation for our individual executives reflects the functions they perform, the short-term and long-term risks associated with their responsibilities, their contributions, their ability to improve our financial performance, their commitment to achieving corporate objectives and their ability to create unitholder value.

Safeguards to Mitigate Compensation Risks

The Board and the Compensation Committee believe that our executive compensation program should serve to mitigate risk by effectively aligning the short-term and long-term interests of each executive with those of First Capital REIT. Risk mitigation is a core principle of our compensation and corporate governance practices and the Compensation Committee considers risk implications in its annual review and recommendation of actual executive compensation and in its regular review of our compensation plans and practices. Accordingly, our compensation program includes numerous safeguards to mitigate compensation risks. The following measures have been implemented to avoid excessive or inappropriate risk-taking by NEOs:

- The Compensation Committee is made up of entirely independent trustees and the committee regularly holds in-camera sessions where management is not present.
- Risk oversight function involves the Board and its committees.
- Short-term incentive compensation (annual incentive cash bonus) is capped as a percentage of base salary (125% for the President and Chief Executive Officer, 100% for the Executive Vice President and Chief Operating Officer, 100% for the Executive Vice President and Chief Financial Officer, 50% for the Senior Vice President, Leasing and 50% for the Senior Vice President, General Counsel and Corporate Secretary. The percentage cap for the Senior Vice President, Leasing was increased in 2021 from 50% to 75% of base salary to reflect that individual achievements are directly linked to revenue generating opportunities.
- A substantial portion of our NEO compensation is “at-risk”, with variable “vesting” periods (annual, 3-year and 5-year), which serves to align the interests of NEOs with those of unitholders as a substantial portion of their compensation is directly affected by our performance over a varied time horizon.
- Short-term and long-term incentives are based on a mix of corporate and individual performance measures.
- All trustees, the President and Chief Executive Officer and all other NEOs are subject to equity ownership requirements, which serve to further align their interests with our unitholders.
- The President and Chief Executive Officer continues to be subject to the applicable equity ownership requirements for one year following him ceasing to hold the office of President and Chief Executive Officer of the REIT for any reason, subject to certain exceptions, as described below and under *Our Corporate Governance Practices – Equity Ownership Guidelines*. This serves to align the longer-term interests of the President and Chief Executive Officer with the longer-term interests of our unitholders.
- An annual review of our compensation practices and targets is undertaken by the Compensation Committee to ensure continued appropriateness.
- Adjustments can be made by the Compensation Committee where the application of the policies has unintended results.
- We have a formal compensation “claw-back” policy as described under *Compensation Discussion and Analysis – Compensation Claw-Back Policy* which applies to all of our trustees and members of our executive leadership team.
- We have a formal anti-hedging policy as described under *Our Corporate Governance Practices – Hedging* which applies to, among others, all of our trustees, officers and employees.

Other elements of our executive compensation plans and practices which the Board and the Compensation Committee believe help to deter excessive risk-taking behaviour include:

- a. generally consistent structure of compensation policies across roles and regions within the organization, all with a significant overall performance component;
- b. the vesting timeframe of “at-risk” compensation is designed to expose a material portion of executive compensation to the risks associated with our business, including property development and stabilization timelines and an overall financing strategy; and
- c. performance goals heavily based on financial metrics that are fundamental to long-term unitholder value appreciation.

As a result of these and other practices, the Board and the Compensation Committee believe that our executive compensation program does not encourage NEOs to take unreasonable risks relating to our business and stated objectives and consequently does not raise our risk profile.

In the design of our executive compensation plans and practices, the Board and the Compensation Committee have considered the implications of the risks associated therewith and with our business. As a general rule, our executive compensation plans are designed to ensure that management is not encouraged to take excessive risks.

Compensation Claw-Back Policy

Our compensation claw-back policy provides that the Compensation Committee will require members of the executive leadership team, including NEOs, and trustees to reimburse, in all appropriate cases, any bonus, short-term incentive award or amount, or long-term incentive award or amount, awarded to the executive or trustee and to forfeit any non-vested equity-based awards previously granted to the executive or trustee (collectively, “Incentive Compensation”) if:

- (a) the amount of the Incentive Compensation was calculated based upon the achievement of certain financial results that were subsequently the subject of a restatement or the correction of a material error;
- (b) the executive or trustee engaged in intentional misconduct that caused or partially caused the need for the restatement or caused or partially caused the material error; and
- (c) the amount of the Incentive Compensation that would have been awarded to the executive or trustee, had the financial results been properly reported, would have been lower than the amount actually awarded.

Compensation Consultant and Executive Compensation-Related Fees

In establishing appropriate compensation policies, practices and levels, the Compensation Committee may request and receive advice from outside experts, who have expertise in executive compensation or who conduct surveys and provide competitive data, as well as recommendations from management.

To assist the Compensation Committee in fulfilling its duties, the committee periodically retains the services of independent compensation consultants. In December 2019, the Compensation Committee retained Hugessen Consulting (“Hugessen”) to provide ongoing independent executive compensation advice to the Compensation Committee. Pursuant to Hugessen’s engagement, Hugessen has provided reports, analysis and recommendations in respect of our long-term incentive programs, trustee compensation, Chief Executive Officer compensation, and comparator groups for each of trustee and executive officer compensation purposes. In addition, Hugessen also provided compensation advice in light of the negative impact of COVID-19. In 2020 and 2019, Hugessen received aggregate fees of \$130,000 and \$5,000 respectively for services performed relating to determining compensation for the REIT’s trustees and executive officers. Hugessen did not provide any services to the REIT or any of its trustees, other than in

addition to compensation services for in respect of the trustees and executive officers. Prior to the engagement of Hugessen, the former Compensation and Corporate Governance Committee, retained Willis Towers Watson in 2016.

Executive Compensation Benchmarking

Consistent with previous years, the Compensation Committee, with input from its external compensation consultant, approved peer groups, as described below. The “Compensation Peer Group” is referenced by the Committee to assist in setting executive and trustee compensation and the “Performance Peer Group” is referenced to determine relative total unitholder return in connection with the REIT’s long-term, performance-based compensation program.

2020 Compensation Peer Group

The Compensation Peer Group was determined in consultation with the REIT’s external compensation consultant based on several factors, including annual revenues, total assets, market capitalization, enterprise value, funds from operations, characteristics of assets, geography of operations and corporate ownership structure. Specifically scoping criteria of 0.5x to 2x total enterprise value was applied.

The Compensation Peer Group consists of a broad group of similar-sized organizations across a related industry scope. A subset of that group, comprised of Canadian publicly traded REITs, was then further analyzed. The subgroup closely resembles our 2019 pay peer group with the addition of one peer, Chartwell Retirement Residences. In addition to the Canadian peers, the Compensation Committee also referenced a subgroup of US REITs with similar business model characteristics for additional context given the limited number of comparable Canadian REITs. The Compensation Peer Group did not change for 2021. The Compensation Peer Group for 2020 is set out below:

2020 Compensation Peer Group	
Allied Properties REIT ⁽¹⁾	FirstService Corporation
Canadian Apartment REIT ⁽¹⁾	H&R REIT ⁽¹⁾
Chartwell Retirement Residences ⁽¹⁾⁽²⁾	IGM Financial Inc.
Choice Properties REIT ⁽¹⁾	Metro Inc.
CI Financial Corp.	RioCan REIT ⁽¹⁾
Colliers International Group Inc.	SmartCentres REIT ⁽¹⁾
Dollarama Inc.	Stantec Inc.
Empire Company Limited	WSP Global Inc.

(1) Canadian REIT Subgroup.

(2) Additional REIT peer vs. 2019 peer group.

To ensure that executive pay programs are competitive, the REIT assesses compensation levels compared to the marketplace on an annual basis. The Compensation Committee reviewed benchmarking reports with respect to 2020 compensation where the executive compensation for the REIT was compared with the Compensation Peer Group. The comparator group and other market analysis were used to ensure that executive compensation was substantially in line. The REIT generally establishes target total direct compensation at the median of the Compensation Peer Group, consistent with its compensation philosophy. Compensation for an executive may be set above or below median to reflect the strategic importance of the role within the REIT, market conditions, as well as individual performance and potential. Although market data is considered when making compensation decisions, the Compensation Committee also relies on its own experience, information and deliberations to determine individual compensation arrangements.

2021 Performance Peer Group

Pursuant to the Amended and Restated RTU Plan, the REIT's PTUs are subject to performance vesting conditions, one of which is relative total unitholder return (TUR), weighted at 75%. TUR over the applicable period is assessed relative to (i) 50% a custom peer group of Canadian publicly traded, primarily retail, REITs (the "Performance Peer Group") and (ii) 50% the S&P/TSX Capped REIT Index. The Performance Peer Group shares similar investment characteristics (e.g., competitors for investor capital) and generally respond similarly to external conditions, such that true "outperformance" can be more easily defined.

The Compensation Committee, with input from its external compensation consultant, approved the following Performance Peer Group for 2021 PTU grants. Equity compensation grants made in early 2020 were made pursuant to the REIT's previous RTU Plan.

The 2021 Performance Peer Group is set out below:

2021 Performance Peer Group	
Allied Properties REIT Choice Properties REIT Crombie REIT	CT REIT RioCan REIT SmartCentres REIT

Elements of Compensation

Our executive compensation program is comprised of salary, short-term and long-term compensation incentives based on the achievement of corporate and individual objectives, and benefits. The key components of the short-term compensation program are base salary and the short-term annual incentive cash bonus plan. The long-term compensation program is comprised of RTUs, PTUs and stock options. Beginning in 2022, stock options will no longer be part of the REIT's equity compensation program and that portion of compensation will be replaced with grants of RTUs.

The Compensation Committee reviews the executive compensation program annually with the mix of compensation components generally determined in reference to:

- the Compensation Peer Group;
- the NEO's skillset and alternative earning opportunities available to them;
- the impact and influence the NEO has on the REIT's performance; and
- alignment with long term growth for unitholders.

In determining the mix and relative weighting of cash incentives (base salary, bonus and other performance-based cash incentives) versus equity-based incentives, the Compensation Committee considers the appropriate proportion of compensation that should be at risk based on the executive officer's ability to affect and influence the REIT's short and long-term results and advance the interests of unitholders as well as the compensation mix for similar positions in other real estate investment trusts or companies of comparable size engaged in similar businesses in Canada. In general, the proportion of total pay delivered through "at risk" performance-based compensation increases directly with the executive officer's level of responsibility. Similarly, the proportion of equity-based compensation also increases directly with the executive officer's level within the REIT. The Compensation Committee believes that this ensures that the executive leadership team is held most accountable for achievement of critical strategic and operating performance goals and for changes in unitholder value. In addition, the Compensation Committee believes that this mix and weighting aligns the interests of executive officers with those of the unitholder, provides significant incentives for superior performance and assists in keeping REIT competitive in the market for high-quality executives. For excellent performance (i.e., excelling at individual and corporate performance

goals), executives have the ability to receive total compensation at the same levels as for comparable performance of their peers.

The following table provides a summary description of the key objective and purpose of each component of executive compensation for 2020. A more detailed description of each element of compensation can be found below the table, including 2020 compensation decisions.

Compensation Component & Form	Summary of Program Objectives
Fixed Compensation	
1. Base Salary	
Cash, paid bi-weekly	<ul style="list-style-type: none"> To pay the executives a base salary that is in line and competitive with positions with relatively equivalent responsibilities and scope within a peer comparator group To align with the executive's scope of responsibility and individual performance To attract and retain key talent
At Risk Compensation	
2. Short-Term Incentive	
Annual Incentive Cash Bonus Cash, paid in March of the following year (if awarded based on measurable criteria)	<ul style="list-style-type: none"> To motivate and reward individual executives for the direct contribution they make to First Capital REIT and to the overall achievement of the REIT's annual business plan To retain key talent Entirely at risk – there is no assurance that a bonus will be paid For more information, see <i>Executive Compensation – Short-term Incentives</i>.
3. Long-Term Incentives	
Restricted Trust Units RTUs awarded in Q1 with three-year vesting criteria	<ul style="list-style-type: none"> An equity-based incentive to foster retention of key executives and long-term accumulation of Trust Units To align long-term unitholder interests with key executives To assist in recruitment of key executives
Performance Trust Units PTUs awarded in Q1 with pre-set performance-based vesting criteria	<ul style="list-style-type: none"> An equity-based incentive to foster retention of key executives and long-term accumulation of Trust Units To provide a forward-looking performance-based component to executive compensation To align long-term unitholder interests with key executives To assist in recruitment of key executives
Stock Options⁽¹⁾ Options granted in Q1 with pre-set term and vesting criteria	<ul style="list-style-type: none"> An equity-based incentive to foster retention of key executives and long-term accumulation of Trust Units To provide a performance-based component to executive compensation To align long-term unitholder interests with key executives To assist in recruitment of key executives
Other Compensation	
4. Other Benefits	
Medical and Dental Benefits Fully funded by the REIT; executives responsible for co-payments. REIT also contributes to RRSPs for members of executive leadership team	<ul style="list-style-type: none"> To provide competitive benefits to protect the well-being of key executives To attract and retain executives
Indirect Compensation Wellness expense benefit; life insurance coverage and car allowance	<ul style="list-style-type: none"> To provide competitive benefits to support the well-being of key executives To attract and retain executives

(1) 25% of the long-term incentive portion of compensation in 2020 and 2021 were comprised of stock options. Stock options will not be part of the compensation mix as of January 1, 2022 and there will be no further grants of stock options as of this date.

Base Salary

The Compensation Committee reviews annually and approves any changes in base salary for the President and Chief Executive Officer and considers and, if thought fit, approves changes in base salaries recommended by the President and Chief Executive Officer for his direct reports. The table below shows the base salary for each NEO for 2019 and 2020.

Named Executive Officer	Base Salary		
	2019	2020	% change
Adam Paul	800,000	850,000	6.25%
Jordan Robins	500,000	510,000	2.00%
Kay Brekken	465,000	480,000	3.22%
Carmine Francella	340,000	350,000	2.90%
Alison Harnick	290,000	320,000	10.34%

Executive Compensation is determined relative to positions with relatively equivalent responsibilities and scope within a peer comparator group. The base salary increases in 2020 were implemented prior to the onset of the global pandemic in early 2020 following an extensive benchmarking exercise conducted by the Compensation Committee in consultation with its external compensation consultant. Mr. Paul had not received a salary increase since 2017. The base salary increases noted above were made to keep pace with market movement and market compensation in accordance with the REIT's compensation philosophy which targets total direct compensation at the median of the Compensation Peer Group, consistent.

There have been no changes to the base salaries of the NEOs or other members of the executive leadership team in 2021.

Short-Term Incentives

Annual Incentive Cash Bonus

Approach to Annual Incentive Cash Bonus

Annual incentive cash bonus awards are calculated by the Compensation Committee as a percentage of the NEO's base salary based on a scorecard approach. The Compensation Committee assesses the REIT's performance and each NEO's performance against scorecard objectives and considers all relevant factors, both positive and negative. The allocation between the individual and corporate performance goals is weighted each year for each NEO. An NEO's individual goals are based on that NEO's ability to impact the outcome of that metric and its overall importance to the achievement of the REIT's business plan. Award opportunities vary based on the individual's position and contributions to the REIT's overall performance.

Annual cash bonus awards are calculated by the Compensation Committee as a percentage of the NEO's base salary in reference to the achievement of a predetermined threshold, mid or target objective for each goal on the scorecard. Actual bonus awards can range from 0% of base salary for performance outcomes that fall below the predetermined performance threshold to the maximum target percentage set out below for excelling in relation to corporate and individual performance goals.

EXECUTIVE COMPENSATION PROCESS REVIEW HIGHLIGHTS

Setting Objectives (Q4)

- Board strategy session and approval of the REIT's annual business plan for the following year
- Management strategy session to establish corporate and individual performance goals for each NEO for the upcoming year based on annual business plan
- Management recommends corporate and individual performance goals for each NEO to the Compensation Committee for approval in Q1

For 2020, the bonus levels for Named Executive Officers and the weightings were as follows:

Position	Annual Cash Bonus as % of Base Salary (Threshold/Mid/Target) ⁽¹⁾	Allocation %
President & CEO	62.5 / 93.75 / 125%	55% corporate/45% individual
Executive Vice President & COO	50 / 75 / 100%	40% corporate/60% individual
Executive Vice President & CFO	50 / 75 / 100%	40% corporate/60% individual
Senior Vice President Leasing	25 / 37.5 / 50%	40% corporate/60% individual
Senior Vice President, General Counsel	25 / 37.5 / 50%	40% corporate/60% individual

⁽¹⁾ The award of a bonus is based on the achievement of corporate and individual performance goals and, as such, it is possible to get zero if performance outcomes fall below the predetermined threshold.

Setting Annual Objectives

The Board holds a meeting in the fourth quarter of every year to review, discuss and approve the REIT's annual business plan for the following year. At the beginning of the fiscal year, annual corporate and individual NEO performance targets are approved by the Compensation Committee, on the recommendation of management, based on the REIT's annual business plan. Annual performance objectives for the REIT's executives are specific, measurable goals designed to align the interest of executives with the REIT's business objectives as well as each executive's ability to attain these objectives. The annual incentive cash bonus awards are based on actual achievements relative to these established performance measurement targets, as reviewed and approved by the Compensation Committee.

Assessing Annual Performance

The Compensation Committee's review follows a well established and thorough vetting process. The CEO presents an assessment of each NEO's annual achievements (excluding the CEO's) to the Committee and makes a recommendation as to whether an annual incentive cash bonus should be paid, and if so, the amount earned based on the NEO's scorecard. Prior to the CEO's review, each NEO's individual scorecard and the corporate scorecard results are verified through an internal auditing process and it is determined whether the NEO achieved the threshold, mid, target or stretch goal for each objective. The CEO also meets with Compensation Committee to assess his achievements against his individual predetermined performance goals and corporate goals. The Compensation Committee then reviews the assessments and considers the CEO's recommendations based on each NEO's accomplishments. If the Compensation Committee determines that a bonus is warranted, it approves the annual cash incentive bonus awards for each of the NEOs.

EXECUTIVE COMPENSATION PROCESS REVIEW HIGHLIGHTS

Assessing Annual Achievements (Q1)

- Corporate and NEO performance for the prior year is reviewed, internally audited and measured against the predetermined performance goals
- NEOs (other than CEO) meet with CEO to assess their annual achievements against individual performance goals
- CEO presents NEO and corporate annual assessments to the Compensation Committee
- CEO recommends the award of annual cash incentive bonuses for NEOs (other than the CEO) for the prior year based on assessments presented to the Compensation Committee
- CEO meets with Compensation Committee to assess his achievements against his predetermined individual performance goals and corporate goals
- Based on the assessments, the Compensation Committee considers the performance of each NEO
- If the Compensation Committee determines that a bonus is warranted, it approves an annual cash incentive bonus award for each NEO

2020 Annual Performance and Incentive Bonus Compensation Outcomes

The following table below sets forth details regarding the annual incentive bonus target and 2020 and 2019 total award for each NEO:

Name	Base Salary (\$) ⁽¹⁾	STIP Target as percentage of base salary (%)	2020 STIP Target (\$)	2019 STIP Award		2020 STIP Award	
				Actual Bonus (\$)	Percentage of target bonus (%) ⁽²⁾	Actual Bonus (\$)	Percentage of target bonus (%)
Adam Paul	850,000	125	1,062,500	972,000	97.0	717,000	67.0
Jordan Robins	510,000	100	510,000	456,000	91.0	382,500	75.0
Kay Brekken	480,000	100	480,000	447,795	96.0	360,000	75.0
Carmine Francella	350,000	50	175,000	155,210	91.0	131,250	75.0
Alison Harnick	320,000	50	160,000	140,650	97.0	120,000	75.0

(1) Base salary is the base salary paid to each NEO in 2020.

(2) Percentage of target bonus represented by 2019 STIP awards were calculated using the actual base salaries for each NEO from 2019. See – *Base Salary*.

Annual Incentive Bonus – Corporate Performance Goals

The corporate goals for 2020 were comprised of: (i) performance goals for financial growth; (ii) performance goals for ESG initiatives and (iii) performance goals for specific strategic initiatives. For the purposes of the 2020 scorecard, the corporate goals were weighted 35%, 30% and 35% respectively.

The following is a summary of the annual corporate goals for 2020 and the analysis of the achievement of those goals. No adjustments were made to the substance of the short-term corporate goals or their weighting for 2020 as a result of the pandemic.

(i) Performance Goals for Financial Growth (35% of corporate goals)

Performance Goal	Weight	Outcome & Analysis	Bonus
Achieve target FFO ⁽¹⁾ \$ per unit threshold of \$1.13, target of \$1.15; stretch of \$1.16 ⁽²⁾	5%	\$1.01 per unit (below threshold due to temporary decline in rental revenue caused by pandemic)	0%
Achieve increase in NAV ⁽¹⁾ \$ per unit from \$23.39 at Q4 2019 by threshold of \$0.10; target of \$0.20; stretch of \$0.25	5%	-\$1.05 (below threshold due to the global pandemic)	0%
Total SP NOI ⁽¹⁾ growth (excl. LTFs) threshold of 2.5%; target of 2.7%; stretch of 2.8%	10%	-6.0% (below threshold due to a temporary decline in rental revenue caused by the global pandemic)	0%
Achieve lease renewal lift threshold of 8%; target of 10%; stretch of 11%	10%	10.3% lift (exceeded target, fell below stretch)	11.5%
Achieve year end occupancy threshold of 96.7%; target 97.1%; stretch 97.3%	5%	96.2% (below threshold due to temporary decline in occupancy caused by the global pandemic)	0%

Bonus Achievement Subtotal: 11.5% out of 35%

(1) FFO, NAV and NOI are measures of operating performance not defined by International Financial Reporting Standards (“IFRS”). These non-IFRS measures are further defined and discussed in the REIT’s management discussion and analysis for the three months and year ended December 31, 2020. Since these non-IFRS measures do not have standard meanings prescribed by IFRS, they may not be comparable to similar measures reported by other issuers and should not be considered as an alternative to net income, cash flow from operating activities or any other measure prescribed under IFRS.

(2) Certain corporate metrics included a predetermined stretch category that was applied to results that exceeded target.

(ii) **Performance Goals for ESG Initiatives (30% of corporate goals)**

Performance Goal	Weight	Analysis	Bonus
Implement national employee-led charitable initiative	5%	Target achieved – launched FCR Thriving Neighbourhoods Foundation	5%
Enhance employee understanding of brand/strategy (80% level)	5%	Target achieved – over 90% of employees with a proven high degree of understanding	5%
Establish a 5-year ESG Roadmap	7.5%	Target achieved – released detailed 5-year ESG Roadmap publicly in Q4	7.5%
Implement previously identified opportunities for environmental improvements (threshold 1; mid 2; target 3)	7.5%	Target achieved – 3+ initiatives implemented <ul style="list-style-type: none">▪ Developed FCR Tenant Guide to Sustainable Operations▪ Developed Tenant Fit-Out Guide with Green Lease initiative▪ Implemented various climate risk and resilience measures▪ Set waste diversion targets	7.5%
Implement 3 company-wide employee engagement initiatives	5%	Target achieved – implemented Wellness Work Days, Yoga, Pilates, Personal Finances courses, mental health awareness); dress for your day; flexible work	5%

Bonus Achievement Subtotal: 30% out of 30%

(iii) **Performance Goals for Specific Strategic Initiatives (35% of corporate goals)**

Performance Goal	Weight	Analysis	Bonus
Surfacing value in density pipeline:			
▪ Complete entitlement submissions for threshold of 2M sq. ft.; target of 2.5M sq. ft.; stretch of 2.8M sq. ft.	5%	2.5M sq. feet (exceeded target) ⁽¹⁾	6.7%
▪ Achievement of monetization threshold of \$105M; target \$155M; stretch \$180M	5%	Fell below threshold due to pause in the transaction market as a result of global pandemic	0%
Advancing 'Super' Urban Strategy:			
▪ Achieve population density (within a 5km radius) above 300k people	5%	304K (exceeded target) ⁽¹⁾	6%
▪ Average rental rate target of \$22.00; threshold \$21.80; stretch \$22.20	5%	\$21.89 (exceeded threshold but fell below target)	3.6%
Disposition/Leverage:			
▪ Achieve IPP disposition threshold of \$600M; target \$800M; stretch \$900M		\$217M (below threshold due to temporary pause in transaction market due to global pandemic)	
▪ Debt to EBITDA threshold of 10x; target of 9.8x; stretch of 9.7x	15%	11.7x (due to pause in dispositions)	0%
▪ Debt to assets threshold of 43.5%; target of 42.5%, stretch of 43.0%		47.2% (due to pause in dispositions)	

Bonus Achievement Subtotal: 16.3% out of 35%

CORPORATE SCORECARD COMPONENT TOTAL: 57.8% out of 100%

(1) Certain corporate metrics included a predetermined stretch category that was applied to results that exceeded target.

Annual Incentive Bonus – Individual Performance Goals

In administering the annual incentive bonus plan, the Compensation Committee may, in its judgment, vary incentive awards payable to executives if the application of the REIT's incentive formula has unintended results. For 2020, to more closely align the NEOs with unitholders, management recommended, and the Compensation Committee agreed, to apply a downward adjustment to aggregate annual incentive bonuses for NEOs. These adjustments resulted in a maximum level of "mid" (or 75%) of the NEOs' bonus eligibility.

Certain NEOs had higher weightings attributed to metric targets that were not possible (or not desirable) to achieve due to the market conditions created by the global pandemic, resulting in an unintentional disparity in annual bonus outcomes among NEOs. At the same time, significant contributions were made by the REIT's NEOs to ensure the business ran as effectively and safely as possible, including: FCR's Small Business Support Program, the administration of government assistance programs such as the Canada Emergency Commercial Rent Assistance (CECRA), information technology mobilization, safe return to office planning, financial modeling, an increased number of lease negotiations and front-line property operational efforts, among others. Given the unanticipated nature of these projects, these are non-compensable achievements.

Therefore, to be equitable and to align incentive bonuses to unitholders' interests, the aggregate amount of the NEOs' annual cash incentive bonus was adjusted downward to mid (or 75%) of bonus eligibility if actual results were above this level (excluding the CEO whose bonus was adjusted downwards to between mid and threshold (or 67%) of his bonus eligibility) instead of the stated individual achievement levels for 2020, which for certain NEOs was materially higher. No adjustments were made to the substance of the individual performance goals for 2020 as a result of the pandemic and the Committee did not vary the threshold, mid and target levels or weightings applicable to such goals.

The individual achievement metrics for NEOs are specific and measurable objectives, with each assigned a specific weighting at the beginning of the fiscal year. However, to protect sensitive competitive information, in certain cases these metrics are described generally rather than in the detailed format in which they are approved and referenced by the Compensation Committee when it determines the annual bonus incentive outcome for each NEO.

***Adam Paul, President & Chief Executive Officer
(individual objectives weighted 45%)***

Performance Goal	2020 Analysis
<ul style="list-style-type: none">Expand the scope of the REIT's strategic review processDevelop strategic initiatives to surface valueQualitative performance of the CEO assessed by the Compensation Committee considering various factors such as: management of the impact of the pandemic on the REIT, demonstrating leadership, achieving culture and engagement objectives, overall risk management, investor relations, public communications, and organizational improvements among other things	<p>Target</p> <p>Between mid and target</p> <p>Exceeded target</p>

TOTAL SCORECARD ACHIEVEMENT: 67%

In the context of the challenging circumstances of 2020, the Compensation Committee was of the view that Mr. Paul demonstrated exceptional leadership and his performance could be characterized as having achieved in excess of his individual objective targets. However, the Compensation Committee determined to apply a downward adjustment, as discussed above, and granted Mr. Paul his bonus on the basis of achieving between mid and target for his individual goals. Therefore, Mr. Paul received 67% of his eligible bonus rather than 73% of his eligible bonus, which was the calculated result based on his actual achievement of 92% of his individual goals. In the prior year, he received 97% of his eligible bonus.

Jordan Robins, Executive Vice President & Chief Operating Officer
(individual objectives weighted 60%)

Performance Goal	2020 Analysis
Investments <ul style="list-style-type: none"> Continue to successfully execute the REIT's disposition program Continue to ensure the quality of REIT's investments program (terms) 	Fell short of threshold Target
Leasing <ul style="list-style-type: none"> Achievement of specific goals related to three strategic leasing projects 	Between threshold and mid
Team Alignment <ul style="list-style-type: none"> Implement structure for better alignment with 'super' urban strategy 	Target
Construction & Development <ul style="list-style-type: none"> Entitlement submissions Design, budget and rezoning milestones for key developments Ongoing review and reprioritization of development ladder 	Target

TOTAL SCORECARD ACHIEVEMENT: 75%

Mr. Robins received 75% of his eligible bonus. In the prior year, he received 91% of his eligible bonus.

Kay Brekken, Executive Vice President & Chief Financial Officer
(individual objectives weighted 60%)

Performance Goal	2020 Analysis
Financial Growth <ul style="list-style-type: none"> ACFO (less dividends) target of \$40 million Develop and execute investor relations and communications plan with respect to density pipeline and NAV growth 	Fell short of threshold Target
Employee Engagement <ul style="list-style-type: none"> Execute departmental engagement initiatives to support career development and knowledge sharing 	Target
Investor Relations and Financial Management <ul style="list-style-type: none"> Update all investor materials to reflect updated brand/strategic positioning Achieve milestones with respect to investor meetings Maintain appropriate capital structure and access to capital Effectively manage REIT status 	Target

TOTAL SCORECARD ACHIEVEMENT: 75%

Ms. Brekken received 75% of her eligible bonus. In the prior year, she received 96% of her eligible bonus.

Carminc Francella, Senior Vice President, Leasing
(individual objectives weighted 60%)

Performance Goal	2020 Analysis
Tenant and Team Initiatives <ul style="list-style-type: none"> National tenant reviews Team alignment and leadership initiatives System integration of new technology for leasing deals Significant Leasing Files <ul style="list-style-type: none"> Execute leasing objectives for predetermined properties/spaces Leasing Metrics <ul style="list-style-type: none"> Occupancy Renewal Lift Possession Dates Average Rent Growth Lease completion for pads 	Target Target for 46%, Mid for 1%; remainder fell short of threshold Fell short of threshold Target Threshold Mid Mid
TOTAL SCORECARD ACHEIVEMENT: 75%	

Mr. Francella received 75% of his eligible bonus. In the prior year, he received 91% of his eligible bonus.

Alison Harnick, Senior Vice President, General Counsel & Corporate Secretary
(individual objectives weighted 60%)

Performance Goal	2020 Analysis
Leasing, Property Management & Construction Support <ul style="list-style-type: none"> Occupancy Possession dates Knowledge sharing sessions Number of new & renewal lease deals Implementation of national tenant legal plan ESG Initiatives <ul style="list-style-type: none"> Green lease Disclosure Strategic Initiatives and Team Alignment <ul style="list-style-type: none"> Contribute expertise to near-term and long-term strategic planning, major transactions, governance and unitholder matters Team alignment and leadership initiatives Leverage Technology <ul style="list-style-type: none"> Develop framework for lease abstraction and lease automation; team trained on integration of leasing software 	Fell short of threshold Threshold Exceeded target Between mid & target Exceeded target Target Target Target
TOTAL SCORECARD ACHEIVEMENT: 75%	

Ms. Harnick received 75% of her eligible bonus. In the prior year, she received 97% of her eligible bonus.

Long-Term Incentives

For our executive leadership team, including NEOs, a substantial portion of compensation is variable, with a heavier weighting on long-term opportunities, consistent with market practice and to mitigate risks relating to compensation practices. Our equity-based compensation plans are designed to foster the long-term retention of key employees of First Capital REIT and to demonstrably align the long-term interests of key employees with the long-term interests of its unitholders. Allocations under these plans are intended to provide strong incentives for superior long-term performance.

All grants are reviewed and approved by the Compensation Committee as part of its regular review of compensation. Generally, the Compensation Committee makes option, RTU and PTU grants with a view to providing competitive total target compensation packages. For 2020, the REIT awarded NEOs long-term incentives in the form of RTUs, PTUs and stock options, the values of which are directly linked to the market value of the Trust Units. Beginning in 2022, stock options will no longer be part of the REIT's equity compensation program and that portion of compensation will be replaced with grants of RTUs. LTIP grants are generally made in the first quarter during the open trading window, following the announcement of the REIT's year-end financial results in accordance with the REIT's Disclosure and Insider Trading Policy.

In administering the equity compensation plans, the Compensation Committee may, in its judgment, vary incentive awards payable to executives if the application of the REIT's formula has unintended results, to reward exceptional performance or for other reasons determined by the Compensation Committee. There were no adjustments made to any incentive awards payable in 2020.

Equity Compensation Plans

The Compensation Committee administers our equity compensation plans. These plans have two components, (i) PTUs and RTUs granted pursuant to our RTU Plan and (ii) stock options granted pursuant to our Stock Option Plan, each of which reward management based on increases in the value of the Trust Units. The equity compensation grants made to NEOs in 2020 were awarded based on a mix of 50% PTUs, 25% RTUs and 25% stock options. However, the RTU component of the grant was increased from the past practice to reward significant additional work performed by the NEOs to ensure the successful completion of the Company's conversion into a real estate investment trust, which closed on December 30, 2019. See *Summary Compensation Table for NEOs*.

EXECUTIVE COMPENSATION PROCESS REVIEW HIGHLIGHTS

Determining Pay Mix, LTIP Awards (Q1)

- A summary of competitive market data for comparable positions among the Compensation Peer Group is prepared and reviewed
- Periodically, the Compensation Committee engages a compensation consultant to advise on pay mix, executive and trustee compensation, composition of, and comparability with, the Compensation Peer Group
- CEO makes a recommendation to the Compensation Committee for the award of long-term incentives for NEOs (other than the CEO) with reference to the long term performance of the REIT in the prior fiscal year as well as pay mix and base salary for the current year based on each NEO's assessment and competitive market data
- Compensation Committee considers pay mix, base salary and bonus eligibility for the current year as well as long-term incentive awards, taking into account various factors for each element of pay, including competitive market data and the advice of compensation consultants
- Compensation Committee approves compensation for the fiscal year (retroactive to January 1st) for each NEO as well as long-term incentive awards which are generally granted in Q1
- For more information see *Elements of Compensation – Base Salary; – Short Term Incentives; and – Long-Term Incentives*

RTU Plan Recent Amendments

In 2016, the REIT created and began to issue PSUs (now Performance Trust Units or “PTUs”) to the members of the executive leadership team as an alternative to time-based RSUs (now RTUs) pursuant to an amended RSU (now RTU) Plan. PTUs are adjusted by a performance factor at the time of vesting that is based on the relative performance of the Trust Units against the S&P/TSX Capped REIT Index and the Performance Peer Group (see – *Performance Trust Units*). As a result, PTUs more deeply align the long-term interests of the REIT’s key executives with the long-term interests of its unitholders.

On December 30, 2019, pursuant to the Arrangement effecting the REIT conversion, the former restricted share unit plan (“RSU Plan”) was replaced by the RTU Plan to provide for the issuance of Trust Units (among other housekeeping changes) and in connection therewith, each outstanding restricted share unit (“RSU”) and performance share unit (“PSU”) was exchanged for one RTU and PTU, respectively, and each such RSU and PSU was cancelled. The material terms and conditions of the replacement RTUs and PTUs are substantially the same as the RSUs or PSUs for which they were exchanged and such RTUs and PTUs will be governed by the terms of the RTU Plan.

On March 1, 2021, the RTU Plan was amended (to make housekeeping changes) and the 2021 PTU grant for NEOs included updated performance vesting conditions. These updates were made in accordance with LTIP design amendments recommended to the Board by the Compensation Committee based on advice from its external compensation consultant as well as the feedback of our unitholders. The first grants of PTUs pursuant to the updated performance vesting were on March 1, 2021. The full text of the recently Amended and Restated RTU Plan was publicly filed on March 4, 2021 and is available on SEDAR under First Capital REIT’s issuer profile at www.sedar.com.

Below is a summary of the REIT’s new performance vesting criteria, which are applicable to the 2021 PTU grants:

Updated PTU Performance Vesting Conditions	
Payout Range for PTUs	<ul style="list-style-type: none"> PTUs will vest based on a Performance Adjustment Factor ranging from 0% - 200% (and will be fully at risk)
Performance Measurement Criteria	<ul style="list-style-type: none"> Total unitholder return (TUR) assessed relative to (i) the Performance Peer Group and (ii) the S&P/TSX Capped REIT Index, each being weighted equally (“Relative TUR Multiplier”), on a range around the median basis (+/- 5% for each one year period and +/- 15% for the three year period); and (i) FFO, as adjusted for one-time gains, losses and expenses, and (ii) accomplishment of the REIT’s 5-year ESG roadmap (based on the applicable years), each being weighted equally (“Supplemental Metrics Multiplier”)
Performance Adjustment Factor Calculation	<ul style="list-style-type: none"> On the applicable vesting date, a minimum of 0% and a maximum of 200% performance adjustment factor will be applied to the PTUs granted. The Adjustment Factor shall be expressed as a percentage and calculated as follows: Performance Adjustment Factor (%) = $(0.75 \times \text{Relative TUR Multiplier}) + (0.25 \times \text{Supplemental Metrics Multiplier})$
Relative TUR Performance Measurement Period	<ul style="list-style-type: none"> The Relative TUR Multiplier will be calculated over a three-year performance period with reference to both the annual Relative TUR and a three-year cumulative Relative TUR, on a combined basis as follows, based on a 20-day VWAP at the beginning and end of the period: <ul style="list-style-type: none"> 15% annual Relative TUR for year 1 of the performance period; 15% annual Relative TUR for year 2 of the performance period; 15% annual Relative TUR for year 3 of the performance period; and 55% three-year cumulative Relative TUR for the performance period.

Stock Option Plan Recent Amendments

Pursuant to the Arrangement, the former stock option plan was replaced by the Stock Option Plan, effective December 30, 2019, to provide for the issuance of Trust Units (among other housekeeping changes) and in connection therewith, each outstanding stock option was exchanged for a replacement stock option with the same exercise price, vesting dates and otherwise with substantially the same terms as the stock option for which it was exchanged.

The Stock Option Plan was recently amended on March 1, 2021 to remove trustees as eligible participants. Trustees had not been granted stock options since 2014. The last grant of stock options was on March 1, 2021, as starting in 2022, stock options will not be part of the REIT's equity-based compensation. For a summary of the amendments to the LTIP design see *Long-Term Incentives – Equity Compensation Plans* above. The full text of the recently Amended and Restated Stock Option Plan was publicly filed on March 4, 2021 and is available on SEDAR under First Capital REIT's issuer profile at www.sedar.com.

None of the recent amendments to the RTU Plan and Stock Option Plan required unitholder approval.

Equity Compensation Key Features

The following is a summary of the main features of each of our equity compensation plans.

Stock Option Plan	
Form of award	Options to buy Trust Units whereby each stock option represents the right to purchase from the REIT one Trust Unit in consideration for payment of the exercise price described below.
Who participates	The Stock Option Plan provides that officers, employees or consultants of First Capital REIT or any affiliate may be eligible participants. However, it is the intention of the Compensation Committee to grant stock options primarily to members of the executive leadership team. Trustees are not eligible participants.
Administration	The Board has delegated to the Compensation Committee responsibility for administering the Stock Option Plan and approving all stock options granted thereunder, including the entitlement, vesting, exercise price and all other matters relating to the Stock Option Plan.
Determination of Option Grants	Option grants are determined based on a percentage of each participant's total targeted long term incentive plan awards and are subject to discretionary adjustments based on merit and performance criteria, similar to those used in establishing annual cash incentive bonuses.
Vesting	Stock options typically vest in equal annual amounts over a five-year period commencing on the first anniversary of the grant date. The Compensation Committee determines the time at which stock options vest when making a grant. Subsequent to the time of granting stock options, the Compensation Committee may, in its discretion, permit an option holder to exercise any or all of such holder's unvested stock options then outstanding.
Exercise Price	The exercise price of an option may not be lower than the closing price of the Trust Units on the TSX on the trading day immediately preceding the date of the grant.
Term	The term of an option may not exceed 10 years from the date of the grant; however, if an option would otherwise expire during a blackout period, the term of such option shall automatically be extended until 10 business days after the end of the blackout period.
Payout	<p>Value is based on the difference between the market price of a Trust Unit when the options are exercised and the exercise price.</p> <p>An option holder may elect to surrender his/her options in exchange for an amount equal to the aggregate market price of the underlying Trust Units, minus (i) the aggregate exercise price of options being surrendered, and (ii) any applicable withholding taxes (together, the "Net Surrender Consideration"). The REIT shall satisfy the payment of such Net Surrender Consideration by issuing to the option holder such number of Trust Units with an aggregate market value equal to the Net Surrender Consideration.</p>

Cessation of Employment	Unless otherwise determined by the Compensation Committee or set forth in an option holder's employment agreement, stock options cease to be exercisable if an option holder ceases to be an officer, employee or consultant of the REIT or one of its affiliates. At the time of granting stock options, the Compensation Committee may, in its discretion, determine the provisions relating to the expiry of an option upon the bankruptcy, death, disability, retirement, termination of employment or service of an option holder.
Assignment	Stock options are not assignable or transferable other than to an RRSP controlled by the grantee established for the sole benefit of the grantee; a personal holding company controlled by the grantee, the sole unitholders of which are the grantee or the spouse, minor children or minor grandchildren of the grantee; or a family trust, a trustee of which is the grantee and the sole beneficiaries of which are the grantee or the spouse, minor children or minor grandchildren of the grantee, in each case, subject to approval of the Compensation Committee and any applicable regulatory approval.
Change of Control	All issued and outstanding stock options vest immediately upon a change of control in accordance with the terms of the Stock Option Plan.

2020 Stock Option Grants

The following table outlines the stock options granted during fiscal 2020 for each of the Company's NEOs:

Stock Options			
Name	Number of Securities Underlying Stock Options	Option Exercise Price (\$)	Option Expiration Date
Adam E. Paul	854,139	21.24	February 28, 2030
Jordan Robins	279,238	21.24	February 28, 2030
Kay Brekken	246,386	21.24	February 28, 2030
Carmine Francella	106,767	21.24	February 28, 2030
Alison Harnick	90,342	21.24	February 28, 2030

Limits

Subject to the overall limit on the number of Trust Units issuable under the Stock Option Plan, the maximum number of Trust Units available for issuance under the Stock Option Plan to:

- (i) any one participant is 5% of the then issued and outstanding Trust Units; and
- (ii) insiders of the REIT is 10% of the then issued and outstanding Trust Units.

Under no circumstances may more than 10% of the REIT's total issued and outstanding securities be issued within a one-year period or be issuable at any time to insiders of the REIT under the Stock Option Plan and all of the REIT's other security-based compensation arrangements.

The following table sets out the number of Trust Units previously issued and available for future issuance under the Stock Option Plan.

As at December 31, 2020	Number of Trust Units	
	Number	As % of Outstanding
Maximum number of Trust Units approved for issuance under the Stock Option Plan	19,740,000	9.00%
Number of stock options previously granted under the Stock Option Plan but not yet exercised ⁽¹⁾	7,105,050	3.24%
Number of Trust Units that remain available for future grants of stock options under the Stock Option Plan	4,580,485	2.09%

(1) Excludes stock options which have expired or been cancelled.

Annual Burn Rate under the Stock Option Plan as of December 31, 2020

Year	Number of Stock Options Granted	Burn rate (as % of weighted average number of Trust Units outstanding during the applicable fiscal year)	Weighted average number of Trust Units outstanding during the applicable fiscal year
2020	1,803,548	0.82%	219,419,356
2019	1,201,000	0.52%	229,399,779
2018	1,197,013	0.48%	249,348,569

Amending, Suspending or Terminating the Stock Option Plan

The Compensation Committee may amend, suspend or terminate the Stock Option Plan at any time in accordance with applicable laws, regulations, stock exchange rules or accounting/auditing requirements, and subject to any required unitholder or regulatory approval, as long as it obtains the participant's consent to any material adverse change to such participant's outstanding stock options.

Unitholder approval is required to make the following amendments to the Stock Option Plan:

- increasing the number of Trust Units that can be issued under the Stock Option Plan, including an increase to a fixed number of Trust Units or a change from a fixed maximum number of Trust Units to a fixed percentage;
- extending awards beyond a term of 10 years from the date of grant;
- increasing the period after a blackout period during which an award may be exercised;
- repricing, cancelling or reissuing an option;
- permitting the transfer of an option, except by testate or intestate succession;
- broadening or increasing insider participation in the Stock Option Plan;
- any amendments permitting transfer or assignment of an option other than for normal estate settlement purposes;
- the addition of a deferred or restricted unit which results in optionees receiving Trust Units while no cash consideration is received by the REIT;
- increasing the participation of non-employee trustees in the Stock Option Plan on a discretionary basis;
- changing the provisions for amending, suspending or terminating the Stock Option Plan; and
- any amendment required to be approved by unitholders under applicable law.

Stock options will not be part of executive or trustee compensation in 2022 and thereafter. The intention of the Compensation Committee is that the 2021 grants of stock options will be the last granted under the plan.

Restricted Trust Unit Plan⁽¹⁾

Restricted Trust Units (RTUs)	
Form of award	Each RTU represents the right of a participant to receive, on a deferred basis and at the option of the REIT, an award of one Trust Unit issued from treasury or purchased on the open market, or the equivalent cash value, or a combination thereof.
Who participates	The RTU Plan provides that any employee of First Capital REIT or its affiliates and the Chair of the Board may be an eligible participant. RTUs are typically granted to the REIT's senior management level employees and certain other high performing employees.
Administration	The Board has delegated to the Compensation Committee responsibility for administering the RTU Plan and approving all RTUs granted thereunder, including the entitlement, vesting, and all other matters relating to the RTU Plan.
Determination of RTU Grants	The number of RTUs granted to a participant in respect of a fiscal year is determined based on a percentage of each participant's total targeted long term incentive plan awards and is subject to discretionary adjustments based on merit and performance criteria similar to those used in establishing annual cash incentive bonuses. When cash distributions are paid on Trust Units, additional RTUs are credited to a participant in respect of the RTUs credited to the participant's account as of the record date for payment of distributions. The number of additional RTUs (including fractional RTUs) to be credited to the participant on a distribution payment date is determined by multiplying the aggregate number of RTUs held on the applicable distribution record date by the amount of distributions paid by the REIT on each Trust Unit, and dividing the result by the market price per Trust Unit on the distribution payment date.
Vesting	RTUs vest on the third anniversary following the date on which such RTUs were granted or such other date that the Compensation Committee may determine from time to time. A distribution RTU vests on the same day as the RTU in respect of which the distribution was granted and is redeemed by the REIT on such vesting date.
Payout	<p>The REIT may elect to settle vested RTUs by delivering Trust Units issued from treasury, cash or Trust Units purchased in the open market. If the REIT elects to settle RTUs with Trust Units purchased in the open market, it will provide funds to an independent custodian to purchase Trust Units in the open market. These open market Trust Units will be held in an employee benefit plan trust and will be delivered to participants in settlement of vested RTUs.</p> <p>If the REIT elects to settle RTUs by delivering cash, the amount of cash will be equal to the volume weighted average trading price ("VWAP") of the Trust Units on the TSX for the ten trading days ending on the last trading day preceding the vesting date multiplied by the number of RTUs being settled (changed from VWAP for the five trading days ending on the last trading day preceding the vesting date).</p>
Cessation of Employment	If the employment of a participant ceases for any reason, the participant will forfeit all rights, title and interest with respect to all RTUs which have not vested on or prior to the participant's termination date, unless otherwise set forth in the participant's RTU grant agreement or employment agreement, or unless otherwise expressly determined by the Compensation Committee in writing.
Assignment	RTUs are not assignable or transferable other than by will or the laws of descent and distribution.

Performance Trust Units (PTUs)									
Form of award	Each PTU granted under the RTU Plan represents the right of a participant to receive, on a deferred basis and at the option of the REIT, an award of one Trust Unit issued from treasury or purchased on the open market, or the equivalent cash value or a combination thereof, subject to a performance adjustment factor.								
Who participates	PTUs may be awarded to any employee of First Capital REIT or its affiliates and the Chair of the Board. It is the intention of the Compensation Committee that only the REIT's executive leadership team will receive PTU grants. New participants may be eligible to participate at the time of hire or promotion subject to the approval of the Compensation Committee.								
Administration	The Board has delegated to the Compensation Committee responsibility for administering the RTU Plan (under which the PTUs are granted) and approving all PTUs granted thereunder, including the entitlement, vesting, and all other matters relating to the RTU Plan.								
Determination of PTU Grants	The number of PTUs granted to a participant will be established at the sole discretion of the Compensation Committee. Grants will generally be considered on an annual basis. A grant of PTUs with specific terms and conditions attached will be evidenced by a grant agreement, signed on behalf of the REIT and acknowledged (signed) by the participant. The terms and conditions of the grant agreement will set out the applicable performance adjustment factor. When cash distributions are paid on Trust Units, additional PTUs are credited to a participant in respect of the PTUs credited to the participant's account as of the record date for payment of distributions. The number of additional PTUs (including fractional PTUs) to be credited to the participant on a distribution payment date is determined by multiplying the aggregate number of PTUs held on the applicable distribution record date by the amount of distributions paid by the REIT on each Trust Unit, and dividing the result by the market price per Trust Unit on the distribution payment date. Such additional PTUs will also be subject to the performance adjustment factor on vesting.								
Performance Adjustment Factor	The performance adjustment factor used to determine PTU vesting is dependent on the REIT's performance relative to the standard(s) determined at the grant date. Performance standards and associated adjustment factors are determined at the sole discretion of the Compensation Committee. The performance adjustment factor is from a minimum of 50% to a maximum of 150% for PTUs granted up to and including 2020. For PTUs granted beginning in 2021, new performance adjustment criteria will be applied. See – <i>Equity Compensation Plans – Updated PTU Performance Vesting Conditions</i> .								
Performance Period	PTUs are subject to a performance period over which performance is measured to determine the number of PTUs which will vest and may reflect: (i) a three-year period beginning with the start of the REIT's fiscal year in the year of the grant; or (ii) such other time period that the Compensation Committee may determine.								
Performance Measure	<p>The type, number and weighting of performance measures used for the PTUs will be determined at the sole discretion of the Compensation Committee.</p> <p>The 2018, 2019 and 2020 PTU grants were made on the following basis:</p> <table border="1"> <thead> <tr> <th>Three-year Performance of Trust Units Relative to S&P/TSX Capped REIT Index⁽¹⁾</th><th>Performance Adjustment Factor (% of Grant)</th></tr> </thead> <tbody> <tr> <td>At or below 25th percentile</td><td>50%</td></tr> <tr> <td>At 50th percentile</td><td>100%</td></tr> <tr> <td>At or above 75th percentile</td><td>150%</td></tr> </tbody> </table> <p>(1) The S&P/TSX Capped REIT Index was selected as the performance-related benchmark index because it is a sector-based index of Canadian real estate issuers and generally represents the primary group of issuers against which the Company competes for capital.</p>	Three-year Performance of Trust Units Relative to S&P/TSX Capped REIT Index ⁽¹⁾	Performance Adjustment Factor (% of Grant)	At or below 25 th percentile	50%	At 50 th percentile	100%	At or above 75 th percentile	150%
Three-year Performance of Trust Units Relative to S&P/TSX Capped REIT Index ⁽¹⁾	Performance Adjustment Factor (% of Grant)								
At or below 25 th percentile	50%								
At 50 th percentile	100%								
At or above 75 th percentile	150%								

	<p>On the applicable vesting date, a minimum of 50% and a maximum of 150% performance adjustment factor will be applied to the PTUs granted in 2017, 2018 and 2019 (a performance adjustment factor below 50% or above 150% is not applicable).</p> <p>For the performance between the above levels, the performance adjustment factor will be interpolated on a linear basis based on the actual percentile ranking. The Compensation Committee may apply additional adjustments to the adjustment factor in circumstances where the outcome is inconsistent with the intent of the RTU Plan.</p> <p>The RTU Plan was amended in 2021 and the 2021 PTU grants are subject to a payout adjustment factor ranging between 0% - 200% of the grant and are fully at risk. See – <i>Equity Compensation Plans – Updated PTU Performance Vesting Conditions</i>.</p> <p>The Committee may apply additional adjustments to the Adjustment Factor in circumstances where the outcome is inconsistent with the intent of the Plan.</p>
Vesting Period	PTUs vest on the date that is: (i) the third anniversary following the date on which the PTUs were granted; or (ii) such other date that the Compensation Committee may determine from time to time, provided that such other date shall be expressly set forth in an award agreement. The number of PTUs vesting will equal the number of PTUs granted (plus distribution equivalents) multiplied by the performance adjustment factor.
Payout	<p>The REIT may elect to settle vested PTUs by delivering Trust Units issued from treasury, cash or Trust Units purchased in the open market. The redemption date may not be later than December 31 of the third calendar year following the year in respect of which the PTUs were granted.</p> <p>If the REIT elects to settle PTUs with Trust Units purchased in the open market, it will provide funds to an independent custodian to purchase Trust Units in the open market. These open market Trust Units will be held in an employee benefit plan trust and will be delivered to participants in settlement of vested PTUs.</p> <p>If the REIT elects to settle PTUs by delivering cash, the amount of cash will be equal to the weighted average trading price of the Trust Units on the TSX for the ten trading days ending on the last trading day preceding the vesting date multiplied by the number of PTUs being settled.</p>
Cessation of Employment	If the employment of a participant ceases for any other reason or if the Chair of the Board ceases to be a trustee of the REIT, the participant will forfeit all rights, title and interest with respect to all PTUs which have not vested on or prior to the participant's termination date, unless otherwise set forth in the participant's PTU grant agreement or employment agreement, or unless otherwise expressly determined by the Compensation Committee in writing.
Assignment	PTUs are not assignable or transferable other than by will or the laws of descent and distribution.

(1) Above summary is based on terms applicable to the 2020 grants. Changes made following the 2020 grants in consultation with the REIT's external compensation consultant and based on feedback from unitholders is described above. See *Equity Compensation Plans – Updated PTU Performance Vesting Conditions*.

2020 RTU and PTU Grants

The following table outlines the RTUs and PTUs granted during fiscal 2020 to each of the Company's NEOs:

Name	Annual Grant of RTUs	PTUs Granted	Vesting Date
Adam E. Paul	40,277	61,836	February 28, 2023
Jordan Robins	15,957	20,215	February 28, 2023
Kay Brekken	17,108	17,837	February 28, 2023
Carmine Francella	5,035	7,729	February 28, 2023
Alison Harnick	9,949	6,540	February 28, 2023

Additional RTUs were awarded as in recognition of additional work related to the REIT conversion in 2019. This amounted to 7% of additional LTIP value for the CEO and between 7% and 18% for the other NEOs.

2018 PTU Results and Payout

The 2018 PTU grants vested on March 1, 2021 for the performance period of January 1, 2018 to December 31, 2020. During this period, the threshold TUR performance was not achieved, resulting in a payout of 50% in accordance with the terms of the RTU Plan. Accordingly, the number of PTUs representing the 50% not earned were lost. The difference between grant value and realized value on vesting demonstrates strong alignment between the REIT's long-term executive compensation and unitholder returns which were negatively impacted in 2020 due to the global pandemic. These PTUs were settled in cash, less applicable withholdings.

2018 PTU RESULTS AND PAYOUT								
Named Executive Officer	PTUs Granted March 2, 2021 #	Value of PTUs at Time of Grant \$(¹)	PTUs Held on Vesting Date (dividends / distributions reinvested) #	Performance Factor %	PTUs Forfeited #	PTUs Redeemed #	Payout Value Realized \$(²)	Change in Value Since Grant (\$)
Adam E. Paul	65,037	1,300,000	74,732	50%	37,366	37,366	575,970	(724,030)
Kay Brekken	17,510	350,000	20,120	50%	10,060	10,060	155,069	(194,931)
Jordan Robins	17,510	350,000	20,120	50%	10,060	10,060	155,069	(194,931)
Carmine Francella	8,005	160,000	9,197	50%	4,598	4,599	70,888	(90,000)
Alison Harnick	3,002	60,000	3,449	50%	1,725	1,724	26,583	(33,417)

(1) Market price at time of grant was \$19.99.

(2) Market price at time of redemption was \$15.41.

Limits

Subject to the overall limit on the number of Trust Units issuable under the RTU Plan, the maximum number of Trust Units available for issuance under the RTU Plan to:

- (i) any one participant is 5% of the then issued and outstanding Trust Units; and
- (ii) insiders of the REIT is 10% of the then issued and outstanding Trust Units.

Under no circumstances may more than 10% of the REIT's total issued and outstanding securities be issued within a one-year period or be issuable at any time to insiders of the REIT under the RTU Plan and all of the REIT's other security-based compensation arrangements.

The following table sets out the number of Trust Units previously issued and available for future issuance under the RTU Plan.

As at December 31, 2020	Number of Trust Units	
	Number	As % of Outstanding
Maximum number of Trust Units approved for issuance under the RTU Plan	2,430,554	1.11%
Number of RTUs and PTUs previously granted under the RTU Plan but not yet redeemed ⁽¹⁾	785,252	0.36%
Number of Trust Units that remain available for future grants of RTUs and PTUs under the RTU Plan	420,166	0.19%

(1) Excludes RTUs and PTUs which have been forfeited.

Annual Burn Rate under the RTU Plan as of December 31, 2020

Fiscal Year	Number of RTUs and PTUs⁽¹⁾ Granted	Burn rate (as % of weighted average number of Trust Units outstanding during the applicable fiscal year)	Weighted average number of Trust Units outstanding during the applicable fiscal year
2020	295,208	0.13%	219,419,356
2019	244,172	0.11%	229,399,779
2018	220,843	0.09%	249,348,569

(1) 130,568 PTUs were granted in 2020, 153,790 PTUs were granted in 2019 and 139,579 PTUs were granted in 2018. The performance adjustment factor for these PTUs was between 50% and 150%. The performance adjustment factor for PTUs granted in 2021 is between 0% and 200%.

Amending, Suspending or Terminating the RTU Plan

The Compensation Committee may amend, suspend or terminate the RTU Plan at any time in accordance with applicable laws, regulations, stock exchange rules or accounting/auditing requirements, and subject to any required unitholder or regulatory approval, as long as it has the participant's consent to any material adverse change to such participant's outstanding RTUs.

Unitholder approval is required to make the following changes to the RTU Plan:

- increasing the number of Trust Units that can be issued under the RTU Plan, including an increase to a fixed number of Trust Units or a change from a fixed maximum number of Trust Units to a fixed percentage;
- expanding the categories of eligible participants;
- extending the term of any rights granted under the plan beyond its original expiry date;
- permitting the transfer of a Trust Unit, except by testate or intestate succession;
- any amendment to remove or exceed the insider participation limit;
- changing the provisions for amending, suspending or terminating the RTU Plan; and
- any amendment required to be approved by unitholders under applicable law.

We do not require unitholder approval to make other amendments to the RTU Plan, including without limitation amendments that:

- are administrative or "housekeeping" in nature;
- are required to comply with the law;
- qualify for favourable tax treatment;
- relate to early termination; and
- are necessary to suspend or terminate the RTU Plan.

Employee Unit Purchase Plan

The former Employee Share Purchase Plan of the Company was implemented in 2016 in order to attract, retain and motivate employees of the Company and its affiliates to invest in Common Shares of the Company in a convenient and systematic manner, so as to encourage continued employee interest in the operation, growth and development of the Company, as well as to provide an additional investment savings opportunity to employees. The Company converted into a REIT effective December 30, 2019 and, as a result, a new Employee Unit Purchase Plan for the REIT (the “EUPP”) was approved effective the same date, which replaced the Employee Share Purchase Plan. There have been no amendments made to the EUPP to date.

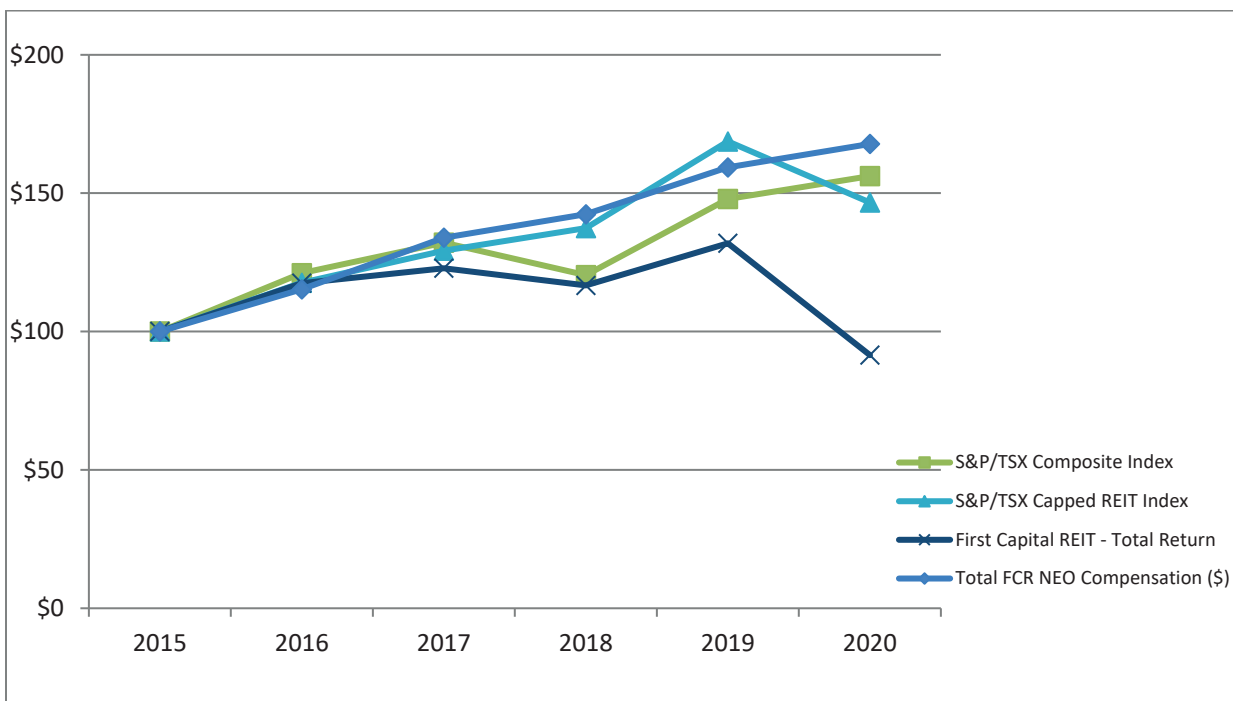
Form of award	The REIT contributes one hundred percent of the participant’s contributions, up to a maximum contribution for each participant for each calendar year of \$1,500.
Who participates	All regular permanent full-time employees of the REIT or an affiliate having completed at least three months of continuous service are eligible participants, excluding any member of the REIT’s executive leadership team.
Administration	The EUPP is administered by the REIT. The REIT may, from time to time, establish, amend or repeal administrative rules and regulations relating to the operation of the EUPP as it may deem necessary. An independent third party has been appointed by the REIT as a trustee to maintain employee accounts and to acquire, hold and sell Trust Units for and on behalf of all participants.
Determination of Trust Unit Purchases	Participants may elect to contribute by way of regular payroll deductions or, no more than four times per calendar year, elect to make lump sum contributions, the total contributions of which may not exceed the greater of \$1,500 and 5% of the participant’s eligible earnings for that calendar year. The REIT will contribute an amount equal to 100% of a participant’s contribution, up to a maximum contribution of \$1,500 for each participant for each calendar year.
Vesting	Trust Units purchased using REIT contributions (“FCR Units”) are subject to a 12-month vesting period.
Payout	After expiry of the vesting period applicable to FCR Units, and at any time with respect to other Trust Units, a participant may elect to withdraw or sell all or any portion of his/her Trust Units held in the EUPP.
Cessation of Employment	In the event a participant ceases to be employed by the REIT or a participating affiliate for any reason, including death, disability, retirement, resignation or termination with or without cause, the participant may elect to withdraw from the plan or sell all whole Trust Units other than the unvested Trust Units. Unvested FCR Units are immediately forfeited on the participant’s termination date and no amount is payable to the participant in respect thereof.
Assignment	The interest of any participant in the EUPP is not assignable either by voluntary assignment or by operation of law except upon death or upon mental incompetency.
Change of Control	All unvested FCR Units credited to a participant’s account vest at the effective time of a change of control of the REIT in accordance with the terms of the EUPP.

Benefits

We provide a comprehensive benefit program to our executives similar to those typically found in Canadian companies of a similar size. Our benefit program provides all employees (including the executive leadership team) with additional medical and dental benefits, life insurance coverage and a wellness expense benefit. The benefit program is fully funded by the REIT with executives responsible for co-payments under the benefits plan. The REIT also contributes to RRSPs for all executives, including each of the NEOs.

Performance Graph

The graph below shows a comparison over the same period of the yearly change in the REIT's cumulative total unitholder return on a \$100 investment in Common Shares of the Company on December 31, 2015, assuming reinvestment of dividends/distributions with (i) the cumulative total returns of the S&P/TSX Composite Index®, (ii) the S&P/TSX Capped Real Estate Investment Trust Index®, and (iii) the yearly change in total compensation for the REIT's NEOs from time to time assuming compensation of \$100 in the year preceding the comparison period.



**Table Showing Relative Cumulative Total Return Data Used In Performance Graph
(As at December 31)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
FCR – Total Return	\$100	\$117	\$123	\$117	\$132	\$91
S&P/TSX Capped REIT Index®	\$100	\$118	\$129	\$137	\$169	\$147
S&P/TSX Composite Index®	\$100	\$121	\$132	\$120	\$148	\$156
Total FCR NEO Compensation	\$100	\$115	\$134	\$142	\$159	\$168

Sources: TSX; Bloomberg

The stock price declined significantly in 2020 due to the negative impact of the global pandemic, and in particular lockdowns which affected certain retail tenants and landlords disproportionately, resulting in a decline of total unitholder return. Based on a \$100 investment in the Common Shares of the Company on December 31, 2015, assuming reinvestment of dividends/distributions, the value for the unitholders as at December 31, 2020 was \$91 and as of the date of this Circular it was \$119.

Based on the timing and structure of the REIT's compensation plans and review process, executive compensation levels are determined when the actual performance of the REIT in the prior year is known. As a result, REIT performance is reflected (i) in the annual incentive cash bonus amounts in the same year (since these are made in respect of the prior year) and (ii) in the long-term incentive equity grants in the following year (since these are made in respect of the year in which they are granted). This causes executive compensation impacts to partially lag our performance. Moreover, for the purposes of the analysis below, total compensation is valued only on the date of grant or payment, as applicable, and does not reflect the

fact that a substantial portion of the NEOs' past compensation has been in the form of stock options, RTUs and PTUs that have a value that is directly tied to the trading price of the Trust Units and fluctuates with unitholder returns. See *Executive Compensation – Compensation Discussion and Analysis* for a discussion of the factors considered in the determination of the REIT's executive compensation levels.

Analysis of the total compensation trend for the REIT's NEOs from time to time, for the five years ended December 31, 2020, demonstrates that the total compensation for these individuals as a group: (i) increased in 2016 at a pace consistent with the positive total return of the Common Shares of the Company in 2016 primarily due to the Company's performance relative to its performance measurement targets for 2015, and due in part to newly created roles and market adjustments made to NEO compensation levels based on the advice of the independent compensation consultants, WTW, engaged by the former Compensation and Corporate Governance Committee; (ii) increased in 2017 at a faster pace than the positive total return of the Common Shares of the Company in 2017, reflecting the Company's overall performance relative to its performance measurement targets for 2016 and primarily due to the lower level of total compensation in 2016 which augmented the relative amount of the total compensation increase in 2017; (iii) increased in 2018 despite the slightly negative total return of the Common Shares of the Company which was primarily due to a decline of real estate stocks and of the stock market in general in 2018, and also lower level of total compensation in 2017; (iv) increased in 2019 at a faster pace than the positive total return of the Common Shares of the Company and of the Trust Units of the REIT in 2019, reflecting the REIT's overall performance relative to its performance measurement targets for 2019 and primarily due to the lower level of total compensation in 2018 which augmented the relative amount of the total compensation increase in 2018; and (v) increased in 2020 at a faster pace than the total return of the Trust Units of the REIT partly due to the additional RTUs awarded as in recognition of additional work related to the REIT conversion in 2019 which amounted to 7% of additional LTIP value for the CEO provided prior to the global pandemic and partly due to the decline in stock price in 2020 as a result of the negative impact of the pandemic.

Mr. Paul's original compensation package was determined at the time of his hire in 2015 and was initially set below the then current market median for comparable roles at peer companies given that Mr. Paul was new to this role and to the Company and given the structure of the Company's senior management team. His compensation package was originally set with the understanding that his total compensation opportunity would increase over time to reflect the market median in the Company's compensation comparator group. Mr. Paul's increase in total compensation reflects this gradual alignment with the market median as well as his performance over time. In 2021, Mr. Paul and the executive team did not receive a merit salary increase. The decision was made primarily because of the ongoing pandemic and its negative impact on the business.

Cost of Management Ratio

The following information is for the REIT's NEOs from time to time and represents the total compensation as presented in the Summary Compensation Table in each year for the five-year period from January 1, 2016 through December 31, 2020, presented as a percentage of each of FFO and revenues.

	2016	2017	2018	2019	2020 ⁽¹⁾
Total NEO compensation (\$millions)⁽²⁾	6.8	7.9	8.4	9.4	9.9
FFO (\$millions)	263	284	303	285	222
As a % of FFO	2.6%	2.8%	2.8%	3.3%	4.4%
Revenues (\$millions)	684	704	738	756	680
As a % of revenues	0.99%	1.12%	1.14%	1.24%	1.45%

(1) Total NEO compensation for 2016, 2017, 2018 and 2019 includes the compensation of Mr. Segal, the former Chair of the Board who was not an executive officer, but a NEO in those years.

(2) Total NEO compensation excludes transition payments made to any NEOs during the period.

CEO Compensation Look-Back Table

The following table provides a summary of compensation earned by the CEO over the last five years. See also *Executive Compensation – Summary Compensation Table for NEOs* below.

Name	2016 (\$)	2017 (\$)	2018 (\$)	2019 (\$)	2020 (\$)
Adam E. Paul President and Chief Executive Officer					
Salary	750,000	800,000	800,000	800,000	850,000
Unit Based Awards ⁽¹⁾	1,000,000	1,066,666	1,300,000	1,666,666	2,150,000
Option Based Awards ⁽²⁾	500,000	533,333	650,000	833,333	650,000
Annual Incentive Plan	734,250	973,000	926,000	972,000	717,000
All Other Compensation	47,300	48,100	48,800	55,600	49,500
Total Compensation	3,031,550	3,421,099	3,724,800	4,327,599	4,416,500

- (1) The amount represents the dollar value of PTUs and RTUs granted, based on the weighted average closing price of the Trust Units on the TSX for the five trading days ending on the trading day immediately prior to the date of grant (which was \$20.45 for 2016, \$20.14 for 2017, \$19.98 for 2018, \$21.02 for 2019, \$21.02 for 2020 for the annual grants of PTUs and RTUs and \$21.37 for the one grant of RTUs in 2020) multiplied by the number of RTUs or PTUs granted. In 2017, 2018 and 2019 all unit-based awards were made in the form of PTUs for Mr. Paul. In 2020 the unit-based awards were 50% in PTUs (value of \$1,300,000) and 25% in RTUs (value of \$650,000). The remaining 25% of his equity-based awards in 2020 was in stock options. In 2020 additional RTUs were awarded as in recognition of additional work related to the REIT conversion in 2019 which amounted to 7% of additional LTIP value for the CEO. The allocation of equity-based awards in 2021 was the same as in 2020 (50% in PTUs, 25% in RTUs and 25% in stock options) and there were no special grants. Stock options will not be granted in 2022 and allocation will be 50% in PTUs and 50% in RTUs.
- (2) The value of the option-based awards represents the compensation value of stock options granted on February 19, 2016 in respect to 2016 grant, March 17, 2017 in respect of 2017 grant, March 2, 2018 in respect of 2018 grant, March 6, 2019 in respect of 2019 grant and February 28, 2020 in respect of the 2020 grant. The 2016, 2017, 2018, 2019 and option grant values are based on the closing price of the Trust Units on the TSX on the day immediately preceding the date of grant being \$19.60 for the 2016 grant, \$20.07 for the 2017 grant, \$20.03 for the 2018 grant, \$21.14 for the 2019 grant and \$21.24 for the 2020 grant. The option grant compensation value is determined using the Black-Scholes option pricing model for option valuation and reflects the estimated expected life of the stock options as well as assumptions for volatility, risk-free interest rate and dividend yield. The weighted average assumptions used to determine the Black-Scholes value of \$1.09 per option for 2016 were as follows: risk-free interest rate of 0.78%, expected unit price volatility of 15%, expected option life of 6 years, and dividend yield of 4.35%. The weighted average assumptions used to determine the Black-Scholes value of \$1.29 per option for 2017 were as follows: risk-free interest rate of 1.31%, expected unit price volatility of 15%, expected option life of 6 years, and dividend yield of 4.26%. The weighted average assumptions used to determine the Black-Scholes value of \$1.17 per option for 2018 were as follows: risk-free interest rate of 2.00%, expected unit price volatility of 13.50%, expected option life of 5.5 years, and dividend yield of 4.33%. The weighted average assumptions used to determine the Black-Scholes value of \$1.35 per option for 2019 were as follows: risk-free interest rate of 1.71%, expected unit price volatility of 14.00%, expected option life of 5.8 years, and distribution yield of 4.08%. The weighted average assumptions used to determine the Black-Scholes value of \$0.76 per option for 2020 were as follows: risk-free interest rate of 1.08%, expected unit price volatility of 13.70%, expected option life of 6.6 years, and distribution yield of 4.08%.

The following table compares Mr. Paul's target compensation for the last five years to his compensation as reported in the Summary Compensation Table and the realized/realized compensation value. The table illustrates the REIT's track record of aligning CEO's pay to the REIT's performance. In each year, other than in 2020 when the stock price declined significantly due to the negative impact of the global pandemic, the current value of \$100 invested by a shareholder of the Company or a unitholder of the REIT was significantly greater than the current value of \$100 in compensation awarded to the CEO. In 2020, the current values were almost equal. See also *Executive Compensation – Summary Compensation Table for NEOs* below.

Year	Total Target Compensation ⁽¹⁾ (\$)	Total Compensation as Reported in the Summary Compensation Table ⁽²⁾ (\$)	Realized Compensation Value ^{(3) (4) (5)} (\$)	Realizable Compensation Value ⁽⁶⁾ (\$)	Period	Value of \$100 for the CEO (realized and realizable compensation) ⁽⁷⁾ (\$)	Value of \$100 for the Unitholders ⁽⁸⁾ (\$)
2016	3,047,300	3,031,550	2,535,860	-	12/31/15 to 12/31/20	84	117
2017	3,448,100	3,421,099	2,691,328	-	12/31/16 to 12/31/20	79	105
2018	3,789,800	3,724,800	2,350,771	-	12/31/17 to 12/31/20	63	95
2019	4,355,599	4,327,599	1,827,600	1,190,015	12/31/18 to 12/31/20	70	113
2020	4,712,000	4,416,500	1,616,500	1,466,340	12/31/19 to 12/31/20	70	69
Average						\$73	\$100

- (1) Total target compensation includes salary, target bonus, grant value of unit based awards and option based awards and all other compensation.
- (2) Total compensation as reported in the Summary Compensation Table includes salary, bonus paid, grant value of unit based awards and option based awards and all other compensation.
- (3) Realized compensation includes salary, bonus paid, payout of unit based awards, gains realized from exercise of stock options and all other compensation.
- (4) The unit based awards amounts for the years 2016, 2017 and 2018 (included in realized compensation value) represent the dollar value of PTUs redeemed upon vesting on March 25, 2019, February 25, 2020 and March 2, 2021 based on the five-day VWAP for the PTUs redeemed on March 25, 2018 and February 25, 2020 and the ten-day VWAP for the PTUs redeemed on March 2, 2021 (which was \$20.93 on March 25, 2019, \$21.84 on February 25, 2020 and \$15.45 on March 2, 2021), including re-invested dividends/distributions up to the date of redemption multiplied by the PSUs/PTUs performance factor which was 87.40% for the PSUs redeemed on March 25, 2019, 66.60% for the PTUs redeemed on February 25, 2020 and 50% for the PTUs redeemed on March 2, 2021. None of the unit based awards granted in 2019 and 2020 were vested as at December 31, 2020.
- (5) As at December 31, 2020, none of the stock options were in-the-money. Mr. Paul has not exercised any stock options since he joined the Company in 2015.
- (6) Realizable compensation is equal to the current value of unvested unit based awards. The current value for the unvested PTUs and RTUs granted in 2019 and 2020 (included in realized and realizable compensation value) has been calculated based on the closing price on December 31, 2020 (\$13.55) and applying a performance factor of 100% for PTUs. Distributions up to December 31, 2020 have been added to the number of PTUs and RTUs granted in accordance with the RTU Plan.
- (7) Represents the actual value realized and realizable as at December 31, 2020 for each \$100 awarded to the CEO in total direct compensation during the respective fiscal year.
- (8) Represents the cumulative value as at December 31, 2020 of a \$100 investment made in Common Shares of the Company or Units of the REIT on the first day of the period indicated, assuming reinvestment of dividends/distributions.

Summary Compensation Table for NEOs

The following table provides a summary of compensation earned by our NEOs in respect of 2020, 2019 and 2018, as determined in accordance with applicable securities laws.

Name and Principal Position	Year	Salary (\$)	Unit-Based Awards ⁽¹⁾ (\$)	Option-Based Awards ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)		All Other Compensation ⁽⁴⁾ (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans ⁽³⁾		
Adam E. Paul President and Chief Executive Officer	2020	850,000	2,150,000	650,000	717,000	N/A	49,500	4,416,500
	2019	800,000	1,666,666	833,333	972,000	N/A	55,600	4,327,599
	2018	800,000	1,300,000	650,000	926,000	N/A	48,800	3,724,800
Jordan Robins Executive Vice President and Chief Operating Officer	2020	510,000	762,500	212,500	382,500	N/A	43,700	1,911,200
	2019	500,000	470,000	235,000	456,000	N/A	49,100	1,710,100
	2018	475,000	350,000	175,000	423,700	N/A	42,400	1,466,100
Kay Brekken ⁽⁵⁾ Executive Vice President and Chief Financial Officer	2020	480,000	737,500	187,500	360,000	N/A	43,900	1,808,900
	2019	465,000	450,000	225,000	447,795	N/A	48,700	1,636,495
	2018	450,000	350,000	175,000	428,400	N/A	42,900	1,446,300
Carmine Francella Senior Vice President, Leasing	2020	350,000	268,750	81,250	131,250	N/A	43,700	875,000
	2019	340,000	243,750	81,250	155,210	N/A	49,250	869,460
	2018	325,000	160,000	80,000	146,575	N/A	49,250	760,825
Alison Harnick Senior Vice President, General Counsel and Corporate Secretary	2020	320,000	306,250	68,750	120,000	N/A	43,500	858,600
	2019	290,000	206,250	68,750	140,650	N/A	49,050	760,700
	2018	275,000	136,666	68,333	135,025	N/A	49,250	664,274

(1) The amount represents the dollar value of RTUs and PTUs granted, based on the weighted average closing price of the Trust Units on the TSX for the five trading days ending on the trading day immediately prior to the date of grant (which was \$19.98 in 2018, \$21.02 for 2019 and \$21.02 for 2020 for all NEOs) multiplied by the number of RTUs or PTUs granted. In 2018 and 2019 all NEOs received unit-based awards in the form of PTUs. In 2020, the unit-based awards were 50% in PTUs (value of \$1,300,000 for Mr. Paul, \$375,000 for Ms. Brekken, \$425,000 for Mr. Robins, \$162,500 for Mr. Francella and \$137,500 for Ms. Harnick) and 25% in RTUs (value of \$650,000 for Mr. Paul, \$187,500 for Ms. Brekken, \$212,500 for Mr. Robins, \$81,250 for Mr. Francella and \$68,750 for Ms. Harnick). The remaining 25% of the equity-based awards in 2020 was in stock options. In 2020 additional RTUs were awarded as in recognition of additional work related to the REIT conversion in 2019 which amounted to 7% of additional LTIP value for the CEO and between 7% and 18% for the other NEOs. The allocation of equity-based awards in 2021 was the same as in 2020 (50% in PTUs, 25% in RTUs and 25% in stock options) and there have been no special grants made to-date. Stock options will not be granted in 2022 and allocation of equity-based awards will be 50% in PTUs and 50% in RTUs.

(2) The value of the option-based awards represents the compensation value of stock options granted on March 2, 2018 in respect of 2018 grants, March 6, 2019 in respect of 2019 grants and February 28, 2020 in respect of 2020 grants. The 2018, 2019 and 2020 option grant values are based on the closing price of the Trust Units on the TSX on the day immediately preceding the date of grant being \$20.03 for the 2018 grants, \$21.14 for the 2019 grants and \$21.24 for the 2020 grants. The option grant compensation value is determined using the Black-Scholes option pricing model for option valuation and reflects the estimated expected life of the stock options as well as assumptions for volatility, risk-free interest rate and dividend yield. The weighted average assumptions used to determine the Black-Scholes value of \$1.17 per option for 2018 were as follows: risk-free interest rate of 2.00%, expected unit price volatility of 13.50%, expected option life of 5.5 years, and dividend yield of 4.33%. The weighted average assumptions used to determine the Black-Scholes value of \$1.35 per option for 2019 were as follows: risk-free interest rate of 1.71%, expected unit price volatility of 14.00%, expected option life of 5.8 years, and distribution yield of 4.08%. The weighted average assumptions used to determine the Black-Scholes value of \$0.76 per option for 2020 were as follows: risk-free interest rate of 1.08%, expected unit price volatility of 13.70%, expected option life of 6.6 years, and distribution yield of 4.08%.

- (3) The REIT does not provide non-equity long-term incentives to its executives.
- (4) These amounts represent REIT contributions to RRSPs on behalf of the NEOs, car allowances, group life insurance and other benefits.
- (5) Ms. Brekken retired on February 26, 2021. Mr. Neil Downey is currently the Executive Vice President, Enterprise Strategies and Chief Financial Officer of the REIT.

Outstanding Unit-Based Awards and Option-Based Awards

The following table sets forth information concerning stock options, RTUs and PTUs outstanding under each of the Stock Option Plan and RTU Plan, as applicable, held by the NEOs of the Company as at December 31, 2020.

Name	Option-Based Awards				Unit-Based Awards (RTUs and PTUs)		
	Number of Securities Underlying Unexercised Stock Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Stock Options (\$) ⁽¹⁾	Number of Units or Units of Units That Have Not Vested (#) ⁽²⁾	Market or Payout Value of Unit-Based Awards That Have Not Vested (\$) ⁽³⁾	Market or Payout Value of Vested Unit-Based Awards Not Paid Out or Distributed (\$)
Adam E. Paul	240,000 285,000 467,000 411,872 557,748 619,072 854,139	18.41 18.40 19.60 20.07 20.03 21.14 21.24	November 3, 2024 June 8, 2025 February 19, 2026 March 17, 2027 March 2, 2028 March 6, 2029 February 28, 2030	0	267,361	3,622,742	N/A
Jordan Robins	145,000 128,967 150,163 174,578 279,238	20.24 20.07 20.03 21.14 21.24	April 11, 2026 March 17, 2027 March 2, 2028 March 6, 2029 February 28, 2030	0	82,177	1,113,498	N/A
Kay Brekken	50,000 74,000 112,000 115,839 150,163 167,150 246,386	19.02 18.40 19.60 20.07 20.03 21.14 21.24	August 5, 2024 June 8, 2025 February 19, 2026 March 17, 2027 March 2, 2028 March 6, 2029 February 28, 2030	0	79,854	1,082,022	N/A
Carmine Francella	47,000 42,474 68,646 59,431 106,767	19.60 20.07 20.03 21.14 21.24	February 19, 2026 March 17, 2027 March 2, 2028 March 6, 2029 February 28, 2030	0	30,772	416,961	N/A
Alison Harnick	25,742 50,764 90,342	20.03 21.14 21.24	March 2, 2028 March 6, 2029 February 28, 2030	0	25,677	347,923	N/A

- (1) Value represents the difference between the closing price of the Trust Units on the TSX on December 31, 2020, \$13.55 and the exercise price of the applicable option, multiplied by the number of such stock options. As at December 31, 2020, none of the stock options were in-the-money.

- (2) The RTUs and PTUs held by the NEOs will vest according to the following schedule, subject to the terms of the RTU Plan, including any performance vesting conditions in respect of the PTUs, described under *Executive Compensation – Elements of Compensation – Long-Term Incentives – Equity Compensation Plans – RTU Plan*. In 2018, 2019 and 2020, all NEOs received unit-based awards in the form of PTUs and RTUs.

NEO	2021		2022		2023	
	RTUs	PTUs	RTUs	PTUs	RTUs	PTUs
Adam E. Paul	Nil	74,005	Nil	86,403	42,186	64,767
Jordan Robins	Nil	19,924	Nil	24,366	16,713	21,174
Kay Brekken	Nil	19,924	Nil	23,329	17,918	18,683
Carmine Francella	Nil	9,108	Nil	8,295	5,273	8,096
Alison Harnick	Nil	3,416	Nil	7,085	8,326	6,850
Total	Nil	126,378	Nil	149,476	90,417	119,570

- (3) Value represents the number of unit-based awards that have not vested multiplied by the closing price of the Trust Units on the TSX on December 31, 2020, \$13.55. In the case of PTUs, the performance adjustment factor of 100% is applied in order to determine the value of the award.

Incentive Plan Awards – Value Vested, Realized or Earned During 2020

The following table sets forth information concerning the value of option-based awards and unit-based awards of the NEOs that vested or was realized upon exercise or redemption (as applicable) during 2020, as well as the value of non-equity incentive plan compensation earned during 2020.

Name	Option-Based Awards – Value Vested During 2020 ⁽¹⁾ (\$)	Option-Based Awards – Value Realized Upon Exercise During 2020 ⁽²⁾ (\$)	Unit-Based Awards – Value Vested During 2020 ⁽³⁾ RTUs (\$)	Unit-Based Awards – Value Vested During 2020 ⁽³⁾ PTUs (\$)	Non-Equity Incentive Plan Compensation – Value Earned During 2020 (\$)
Adam E. Paul	-	-	-	870,227	717,000
Jordan Robins	-	-	-	271,669	382,500
Kay Brekken	-	-	-	244,751	360,000
Carmine Francella	-	-	-	89,745	131,250
Alison Harnick	-	-	-	-	120,000

- (1) Value represents the difference between the closing price of the Trust Units on the TSX on the day immediately preceding the date of vesting and the exercise price of the applicable option on the vesting date, multiplied by the number of such stock options that vested in 2020. As at December 31, 2020, none of the stock options were in-the-money.
- (2) Value represents the difference between the closing price of the Trust Units on the TSX on the day immediately preceding the date of exercise and the exercise price of the applicable option, multiplied by the number of such options exercised. As at December 31, 2020, none of the stock options were in-the-money.
- (3) Value represents the number of unit-based awards that vested in 2020 multiplied by the Market Price (as defined in the RTU Plan) on the trading day immediately prior to the applicable vesting date.

Termination and Change of Control Benefits

Mr. Paul, the President and Chief Executive Officer of First Capital REIT, has an employment contract with the REIT pursuant to which he is paid an annual base salary, is entitled to receive a bonus under the REIT's annual incentive cash bonus plan and is eligible to participate in the REIT's long-term incentive programs based on his performance and commensurate with awards to other members of the REIT's executive leadership team as determined by the Compensation Committee. His employment contract also provides that if his employment is terminated without cause, or if he resigns for "good reason" (defined below) within 24 months following a change of control, he will be paid an amount equivalent to two years' base salary, bonus, benefits and perquisites and all RTUs, PTUs (performance adjustment factor determined in the sole

and absolute discretion of the Compensation Committee for PTUs) and stock options vest immediately with RTUs and PTUs being redeemed immediately and stock options being exercisable until the earlier of: (a) 60 days after his date of termination; and (b) the original expiry of the awards. Mr. Paul is subject to one year post-termination non-competition and non-solicitation in respect of employees obligations and a confidentiality obligation. If he breaches any of these obligations, the REIT is entitled to injunctive relief and any further legal relief as may be applicable. Under the terms of Mr. Paul's employment contract, "good reason" means: (a) a reduction of his salary by the REIT; (b) any action by the REIT which would materially adversely affect the participation in or materially reduce the aggregate incentive compensation, pension, life insurance, health, accident, or other benefits under plans which Mr. Paul participates in; (c) any failure by the REIT to make any payments to Mr. Paul when due; (d) any breach by the REIT of any of its material obligations under Mr. Paul's employment contract; (e) the relocation of the principal office at which Mr. Paul's services are performed by more than 50 kilometres; (f) Mr. Paul involuntarily ceases to be CEO and a trustee of the REIT; (g) a material adverse change in Mr. Paul's role, responsibilities or reporting relationship; (h) a change in control and more than 50% of the trustees of the REIT voluntarily resign as a consequence of the change in control; and (i) any other reason which would be considered to constitute constructive dismissal by a court of competent jurisdiction.

Mr. Robins, the Executive Vice President and Chief Operating Officer of First Capital REIT, has an employment contract with the REIT pursuant to which he is paid an annual base salary, is entitled to receive a bonus under the REIT's annual incentive cash bonus plan and is eligible to participate in the REIT's long-term incentive programs based on his performance and commensurate with awards to other members of the REIT's executive leadership team as determined by the Compensation Committee. His employment contract also provides that if his employment is terminated without cause, or if he resigns for "good reason" (defined below) within 12 months following a change of control, he will be paid an amount equivalent to one year's base salary, bonus, benefits and perquisites and all RTUs, PTUs (performance adjustment factor determined in the sole and absolute discretion of the Compensation Committee for PTUs) and stock options vest immediately with RTUs and PTUs being redeemed immediately and stock options being exercisable until the earlier of: (a) 60 days after his date of termination; and (b) the original expiry of the awards. Mr. Robins is subject to one year post-termination non-competition and non-solicitation in respect of employees obligations and a confidentiality obligation. If he breaches any of these obligations, the REIT is entitled to injunctive relief and any further legal relief as may be applicable.

Prior to her retirement in early 2021, Ms. Brekken, the Executive Vice President and Chief Financial Officer of First Capital REIT, had an employment contract with the REIT pursuant to which she was paid an annual base salary, was entitled to receive a bonus under the REIT's annual incentive cash bonus plan and was eligible to participate in the REIT's long-term incentive programs based on her performance and commensurate with awards to other members of the REIT's executive leadership team as determined by the Compensation Committee. Her employment contract also provided that if her employment was terminated without cause, or if she resigned for "good reason" (defined below) within 12 months following a change of control, she would be paid an amount equivalent to two years' base salary, bonus, benefits and perquisites and all RTUs, PTUs (performance adjustment factor determined in the sole and absolute discretion of the Compensation Committee for PTUs) and stock options vest immediately with RTUs and PTUs being redeemed immediately and stock options being exercisable until the earlier of: (a) 60 days after her date of termination; and (b) the original expiry of the awards. Ms. Brekken is subject to one year post-termination non-competition and non-solicitation in respect of employees obligations and a confidentiality obligation. If she breaches any of these obligations, the REIT is entitled to injunctive relief and any further legal relief as may be applicable.

Ms. Brekken retired on February 26, 2021. Neil Downey is currently the Executive Vice President, Enterprise Strategies and Chief Financial Officer of First Capital REIT. Mr. Downey's termination and change of control benefits are similar to those described above for Ms. Brekken.

Mr. Francella, the Senior Vice President, Leasing of First Capital REIT, has an employment contract with the REIT pursuant to which he is paid an annual base salary, is entitled to receive a bonus under the REIT's annual incentive cash bonus plan and is eligible to participate in the REIT's long-term incentive programs based on his performance and commensurate with awards to other members of the REIT's executive leadership team as determined by the Compensation Committee. His employment contract also provides that if his employment is terminated without cause, or if he resigns for "good reason" (defined below) within 12 months following a change of control, he will be paid an amount equivalent to one year's base salary, bonus, benefits and perquisites and all RTUs, PTUs (performance adjustment factor determined in the sole and absolute discretion of the Compensation Committee for PTUs) and stock options vest immediately with RTUs and PTUs being redeemed immediately and stock options being exercisable until the earlier of: (a) 60 days after her date of termination; and (b) the original expiry of the awards. Mr. Francella is subject to one year post-termination non-competition and non-solicitation in respect of employees obligations and a confidentiality obligation. If she breaches any of these obligations, the REIT is entitled to injunctive relief and any further legal relief as may be applicable.

Ms. Harnick, the Senior Vice President, General Counsel and Corporate Secretary of First Capital REIT, has an employment contract with the REIT pursuant to which she is paid an annual base salary, is entitled to receive a bonus under the REIT's annual incentive cash bonus plan and is eligible to participate in the REIT's long-term incentive programs based on her performance and commensurate with awards to other members of the REIT's executive leadership team as determined by the Compensation Committee. Her employment contract also provides that if her employment is terminated without cause, or if she resigns for "good reason" (defined below) within 12 months following a change of control, she will be paid an amount equivalent to one year's base salary, bonus, benefits and perquisites and all RTUs, PTUs (performance adjustment factor determined in the sole and absolute discretion of the Compensation Committee for PTUs) and stock options vest immediately with RTUs and PTUs being redeemed immediately and stock options being exercisable until the earlier of: (a) 60 days after her date of termination; and (b) the original expiry of the awards. Ms. Harnick is subject to one year post-termination non-competition and non-solicitation in respect of employees obligations and a confidentiality obligation. If she breaches any of these obligations, the REIT is entitled to injunctive relief and any further legal relief as may be applicable.

Under the terms of Messrs. Robins and Francella's and Ms. Harnick and Brekken's employment contracts, "good reason" means: (a) a reduction of his or her salary by the REIT; (b) any action by the REIT which would materially adversely affect the participation in or materially reduce the aggregate incentive compensation, pension, life insurance, health, accident, or other benefits under plans in which the NEO participates; (c) any failure by the REIT to make any payments to the NEO when due; (d) any breach by the REIT of any of its material obligations under the NEO's employment contract; (e) the relocation of the principal office at which the NEO's services are performed by more than 50 kilometres; (f) a material adverse change in the NEO's role, responsibilities or reporting relationship; and (g) any other reason which would be considered to constitute constructive dismissal by a court of competent jurisdiction.

Termination and Change of Control Payments

The following table presents the termination and change of control payments that would be paid by the Company if a termination or change of control occurred on December 31, 2020. These amounts are determined pursuant to each NEOs employment contract or engagement agreement as applicable. For more information regarding the circumstances, including termination, that trigger payments and provision of benefits, please see *Executive Compensation — Termination and Change of Control Benefits* above.

Adam E. Paul

Name	Termination Without Cause, Resignation for Good Reason ⁽¹⁾ within 24 months following a Change of Control, or Disability	Change of Control	Death or Retirement
Adam E. Paul, President and Chief Executive Officer	<p>\$7,110,742 comprised of:</p> <ul style="list-style-type: none"> \$1,700,000 (2 x base salary) \$1,690,000 (2 x average bonus paid to employee for two most recently completed fiscal years) \$8,600 (2 x annual cost of benefit plans premiums for employee) \$90,400 (cost of perquisites for 24 months, including RRSP contributions and car allowance) \$3,622,742 (dollar value of all accelerated PTUs – all PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment) \$0⁽²⁾ (the in the money amount as at December 31, 2019 of all stock options which were unvested on December 31, 2020) 	\$0 ⁽²⁾ (the in the money amount as at December 31, 2020 of all stock options which were unvested on December 31, 2020)	<p>In case of death \$3,622,742 (dollar value of accelerated PTUs – all PTUs (and related distribution units) are accelerated and vest immediately prior to the date of death).</p> <p>In case of retirement, PTUs granted continue to vest in accordance with the terms of the RTU Plan as if Mr. Paul continued to be actively employed by First Capital REIT.</p>

(1) See *Executive Compensation – Termination and Change of Control Benefits* for the definition of “good reason”.

(2) As at December 31, 2020, none of the stock options were in-the-money.

Jordan Robins

Name	Termination Without Cause, Resignation for Good Reason ⁽¹⁾ within 12 months following a Change of Control, or Disability	Change of Control	Death or Retirement
Jordan Robins, Executive Vice President and Chief Operating Officer	<p>\$2,086,448 comprised of:</p> <ul style="list-style-type: none"> \$510,000 (1 x base salary) \$419,250 (1 x average bonus paid to employee for two most recently completed fiscal years) \$4,500 (cost of benefit plans premiums for 12 months) \$39,200 (cost of perquisites for 12 months, including RRSP contributions and car allowance) \$1,113,498 (dollar value of accelerated PTUs - all PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment) \$0⁽²⁾ (the in the money amount as at December 31, 2020 of all stock options which were unvested on December 31, 2020) 	\$0 ⁽²⁾ (the in the money amount as at December 31, 2020 of all stock options which were unvested on December 31, 2020)	<p>In case of death \$1,113,498 (dollar value of accelerated PTUs – all PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment).</p> <p>In case of retirement, PTUs granted continue to vest in accordance with the terms of the RTU Plan as if Mr. Robins continued to be actively employed by First Capital REIT.</p>

(1) See *Executive Compensation – Termination and Change of Control Benefits* for the definition of “good reason”.

(2) As at December 31, 2020, none of the stock options were in-the-money.

Kay Brekken⁽¹⁾

Name	Termination Without Cause, Resignation for Good Reason ⁽²⁾ within 12 months following a Change of Control, or Disability	Change of Control	Death or Retirement
Kay Brekken, Executive Vice President and Chief Financial Officer	<p>\$2,937,617 comprised of:</p> <ul style="list-style-type: none"> • \$960,000 (2 x base salary) • \$807,795 (2 x average bonus paid to employee for two most recently completed fiscal years) • \$9,400 (cost of benefit plans premiums for 24 months) • \$78,400 (cost of perquisites for 24 months, including RRSP contributions and car allowance) • \$1,082,022 (dollar value of accelerated PTUs - all PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment) • \$0⁽³⁾ (the in the money amount as at December 31, 2020 of all stock options which were unvested on December 31, 2020) 	\$0 ⁽³⁾ (the in the money amount as at December 31, 2020 of all stock options which were unvested on December 31, 2020)	<p>In case of death \$1,082,022 (dollar value of accelerated PTUs – all PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment).</p> <p>In case of retirement, PTUs granted continue to vest in accordance with the terms of the RTU Plan as if Ms. Brekken continued to be actively employed by First Capital REIT.</p>

(1) Ms. Brekken retired on February 26, 2021.

(2) See *Executive Compensation – Termination and Change of Control Benefits* for the definition of “good reason”.

(3) As at December 31, 2020, none of the stock options were in-the-money.

Carmine Francella

Name	Termination Without Cause, Resignation for Good Reason ⁽¹⁾ within 12 months following a Change of Control, or Disability	Change of Control	Death or Retirement
Carmine Francella, Senior Vice President, Leasing	<p>\$914,716 comprised of:</p> <ul style="list-style-type: none"> • \$350,000 (1 x base salary) • \$143,255 (1 x bonus paid to employee for the most recently completed fiscal year) • \$4,500 (cost of benefit plans premiums for 12 months) • \$39,200 (cost of perquisites for 12 months, including RRSP contributions and car allowance) • \$416,961 (dollar value of accelerated PTUs - all PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment) • \$0⁽²⁾ (the in the money amount as at December 31, 2020 of all stock options which were unvested on December 31, 2020) 	\$0 ⁽²⁾ (the in the money amount as at December 31, 2020 of all stock options which were unvested on December 31, 2020)	<p>In case of death \$416,961 (dollar value of accelerated PTUs - all PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment).</p> <p>In case of retirement, PTUs granted continue to vest in accordance with the terms of the RTU Plan as if Mr. Francella continued to be actively employed by First Capital REIT.</p>

(1) See *Executive Compensation – Termination and Change of Control Benefits* for the definition of “good reason”.

(2) As at December 31, 2020, none of the stock options were in-the-money.

Alison Harnick

Name	Termination Without Cause, Resignation for Good Reason ⁽¹⁾ within 12 months following a Change of Control, or Disability	Change of Control	Death or Retirement
Alison Harnick, Senior Vice President, General Counsel and Corporate Secretary	<p>\$802,548 comprised of:</p> <ul style="list-style-type: none"> • \$320,000 (1 x base salary) • \$130,325 (1 x bonus paid to employee for the most recently completed fiscal year) • \$4,300 (cost of benefit plans premiums for 12 months) • \$39,200 (cost of perquisites for 12 months, including RRSP contributions and car allowance) • \$347,923 (dollar value of accelerated PTUs - all PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment) • \$0⁽²⁾ (the in the money amount as at December 31, 2020 of all stock options which were unvested on December 31, 2020) 	\$0 ⁽²⁾ (the in the money amount as at December 31, 2020 of all stock options which were unvested on December 31, 2020)	<p>In case of death \$347,923 (dollar value of accelerated PTUs - all PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment).</p> <p>In case of retirement, PTUs granted continue to vest in accordance with the terms of the RTU Plan as if Ms. Harnick continued to be actively employed by First Capital REIT.</p>

(1) See *Executive Compensation – Termination and Change of Control Benefits* for the definition of “good reason”.

(2) As at December 31, 2020, none of the stock options were in-the-money.

TRUSTEE COMPENSATION AND MEETING INFORMATION

Compensation Discussion and Analysis

Trustee Compensation

First Capital REIT's trustee compensation philosophy integrates the following objectives:

1. to align the interests of the trustees with the interests of the REIT's unitholders;
2. to attract, retain and motivate trustees who will contribute to the success of the REIT;
3. to provide fair and competitive compensation that takes into account the time commitment, risks and responsibilities of trustees; and
4. to provide the types of compensation and the amounts paid to trustees of comparable publicly-traded Canadian entities.

HIGHLIGHTS OF TRUSTEE COMPENSATION

- 73% of fees were paid in DTUs.
- All trustees in 2020 met or exceeded equity ownership requirements, as applicable.
- The REIT has a compensation claw-back policy for senior management and trustees.
- Fixed annual retainer structure for trustee compensation.
- Trustees are not eligible participants in the Stock Option Plan.

We review our trustee compensation program regularly to ensure we stay competitive and can attract quality trustees to our Board. For the purposes of the trustee compensation program structure, the last change took place in 2016, when the Company's former director compensation, comprising an annual base retainer plus meeting fees, was replaced with a fixed annual retainer. There are additional retainer amounts for the Chair, chairs of Board committees and members of the Audit Committee, in each case recognizing and proportionate to the additional responsibilities associated with such roles. The change to a fixed annual retainer was made as we believe this structure of trustee compensation is best practice. The last change to compensation level was made effective January 1, 2021.

The Compensation Committee annually reviews the adequacy and form of trustees' compensation. In 2020, trustee compensation was comprised of the following components:

- An annual retainer for outside trustees (all trustees other than Mr. Paul) consisting of a fixed amount of cash and DTUs; and
- Additional annual retainer amounts for the Lead Director (up to June 4, 2019 when Mr. McDonnell ceased being the Lead Director of the Company and was appointed as Chair of the Board as a result of Mr. Segal stepping down as Chair of the Board), committee chairs (other than the Investment Committee Chair) and Audit Committee members (other than the Audit Committee Chair who receives an annual retainer in this capacity).

2020 Compensation Peer Group

The Compensation Committee considers the compensation of trustees of a group of peer REITs when reviewing the adequacy and form of our trustees' compensation. The REITs in the comparator group for trustee compensation are set out in the table below. This is the same as the executive compensation comparator group which was determined in consultation with the REIT's external compensation consultant based on several factors, including annual revenues, total assets, market capitalization, enterprise value, funds from operations, characteristics of assets, geography of operations and corporate ownership structure. Specifically scoping criteria of 0.5x to 2x total enterprise value was applied.

The Compensation Peer Group consists of a broad group of similar-sized organizations across a related industry scope. A subset of that group, comprised of Canadian publicly traded REITs, was then further

analyzed. The subgroup closely resembles our 2019 pay peer group with the addition of one peer. The Compensation Peer Group did not change for 2021. The Compensation Peer Group for 2020 is set out below:

2020 Compensation Peer Group	
Allied Properties REIT ⁽¹⁾	FirstService Corporation
Canadian Apartment REIT ⁽¹⁾	H&R REIT ⁽¹⁾
Chartwell Retirement Residences ⁽¹⁾⁽²⁾	IGM Financial Inc.
Choice Properties REIT ⁽¹⁾	Metro Inc.
CI Financial Corp.	RioCan REIT ⁽¹⁾
Colliers International Group Inc.	SmartCentres REIT ⁽¹⁾
Dollarama Inc.	Stantec Inc.
Empire Company Limited	WSP Global Inc.

(1) Canadian REIT Subgroup.

(2) Additional REIT peer vs. 2019 peer group.

To ensure that trustee pay programs are competitive, the REIT assesses compensation levels compared to the marketplace on an annual basis. The Compensation Committee reviewed benchmarking reports with respect to 2020 compensation where the trustee compensation for the REIT was compared with the Compensation Peer Group. As a result of this review, in February 2020, with input from the REIT's external compensation consultant, the Compensation Committee approved an increased compensation for trustees which was more aligned with the REIT's peers. However, due to the negative impact of COVID-19 on the REIT's business starting in March 2020, the Compensation Committee decided to delay the implementation of this increase until 2021.

The following table sets out the fees our outside trustees (i.e., all trustees other than Mr. Paul) were entitled to receive in 2020. For a summary of the compensation earned by Mr. Paul for the year ended December 31, 2020, see *Executive Compensation – Summary Compensation Table for NEOs*.

TRUSTEE FEES	FEE AMOUNT
Annual Retainer – Board Chair	\$275,000
Annual Retainer – Lead Trustee	\$20,000
Annual Retainer – Outside Trustees	\$65,000 in DTUs and \$50,000 in cash or DTUs
Annual Retainer – Audit Committee Chair	\$20,000
Annual Retainer – Audit Committee Members (other than the Chair)	\$5,000
Annual Retainer – Compensation Committee Chair	\$10,000
Annual Retainer – Corporate Governance Committee Chair	\$10,000

The following table lists the fees our outside trustees are entitled to receive as of January 1, 2021.

TRUSTEE FEES	FEE AMOUNT
Annual Retainer – Board Chair	\$275,000
Annual Retainer – Outside Trustees	Total of \$165,000 - 40% in cash and 60% in DTUs
Annual Retainer if serving on two or more committees of the Board	\$5,000 (\$5,000 less if serving on less than two committees of the Board)
Annual Retainer – Audit Committee Chair	\$25,000
Annual Retainer – Compensation Committee Chair	\$15,000
Annual Retainer – Corporate Governance Committee Chair	\$15,000

Trustee Compensation Table

The table below shows fees earned by each outside trustee of the REIT and former directors of the Company (i.e., all trustees and former directors other than Mr. Paul) in 2020, based on the fee schedule. Of total compensation payable to outside trustees in 2020, 73% was paid in the form of DTUs. For a summary of the compensation earned by Mr. Paul for the year ended December 31, 2020, see *Executive Compensation – Summary Compensation Table for NEOs*.

OUTSIDE TRUSTEE	ANNUAL CASH RETAINER (\$)	ANNUAL DTU RETAINER (\$)	COMMITTEE CHAIR FEES (\$)	COMMITTEE MEMBER FEES (\$)	TOTAL COMPENSATION (\$)	PERCENTAGE OF TOTAL COMPENSATION	
						CASH	DTUs ⁽¹⁾
Jon N. Hagan	50,000	65,000	-	5,000	120,000	46%	54%
Leonard Abramsky	50,000	65,000	-	-	115,000	43%	57%
Paul Douglas	50,000	65,000	-	5,000	120,000	0%	100%
Annalisa King	50,000	65,000	10,000	5,000	130,000	0%	100%
Al Mawani	50,000	65,000	20,000	-	135,000	0%	100%
Bernard McDonell	151,724	123,276	-	-	275,000	55%	45%
Andrea Stephen	50,000	65,000	10,000	-	125,000	27%	73%
Dori Segal	45,742	59,464	-	-	105,206	43%	57%
Total	497,466	572,740	40,000	15,000	1,125,206	27%	73%

- (1) In 2020, trustees were entitled to elect to receive any portion (up to all) of their fees in the form of DTUs. The minimum amount of fees that was to be paid in the form of DTUs was \$65,000 per year, but the majority of the trustees had elected to receive more than the minimum requirement. Ms. King and Messrs. Mawani and Douglas had elected to receive 100% of their compensation in DTUs. Their election continued in 2021 and will continue until they advise otherwise or retire from the Board.

Board Meetings Held and Attendance

The table below provides a summary of the attendance of trustees at Board and committee meetings held during the year ended December 31, 2020. Attendance is a critical element for trustees to perform their duties and responsibilities. Trustees are expected to attend all meetings of the Board and its committees on which they sit, unless circumstances make it impossible to do so.

SUMMARY OF ATTENDANCE AT BOARD AND COMMITTEE MEETINGS												
TRUSTEE	BOARD MEETINGS		AUDIT COMMITTEE MEETINGS		COMPENSATION COMMITTEE MEETINGS		CORPORATE GOVERNANCE COMMITTEE MEETINGS		INVESTMENT COMMITTEE MEETINGS ⁽¹⁾		OVERALL	
Bernard McDonell	19/19	100%	N/A	N/A	4/4	100%	N/A	N/A	N/A	N/A	23/23	100%
Adam E. Paul	19/19	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19/19	100%
Leonard Abramsky	19/19	100%	N/A	N/A	4/4	100%	N/A	N/A	N/A	N/A	23/23	100%
Paul Douglas	19/19	100%	4/4	100%	N/A	N/A	4/4	100%	N/A	N/A	27/27	100%
Jon N. Hagan	19/19	100%	4/4	100%	N/A	N/A	4/4	100%	N/A	N/A	27/27	100%
Annalisa King	19/19	100%	4/4	100%	N/A	N/A	4/4	100%	N/A	N/A	27/27	100%
Al Mawani	19/19	100%	4/4	100%	4/4	100%	N/A	N/A	N/A	N/A	27/27	100%
Dori J. Segal	19/19	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	19/19	100%
Andrea Stephen	19/19	100%	N/A	N/A	4/4	100%	4/4	100%	N/A	N/A	27/27	100%
OVERALL ATTENDANCE RECORD	100%		100%		100%		100%		100%		100%	

- (1) The Investment Committee did not meet in 2020 as there were no transactions within its approval threshold for consideration (\$30 million to \$90 million for income producing properties and \$10 million to \$30 million for vacant land).

Trustees' Deferred Trust Unit Plan

Pursuant to the Arrangement, the former deferred share unit plan ("DSU Plan") was replaced by the Deferred Trust Unit Plan ("DTU Plan"), effective December 30, 2019, to provide for the issuance of Trust Units (among other housekeeping changes) and in connection therewith, each outstanding deferred share unit ("DSU") was exchanged for one deferred trust unit ("DTU") and each DSU was cancelled. The material terms and conditions of the replacement DTUs are substantially the same as the DSUs for which they were exchanged, except that DTUs must always be settled in Trust Units issued from treasury, and such DTUs will be governed by the terms of the DTU Plan. References herein to DTUs granted prior to December 30, 2019 refer to DSUs.

The Board has delegated to the Compensation Committee responsibility for administering the DTU Plan. The DTU Plan was implemented in order to align the long-term interests of the trustees with the long-term interests of the REIT's unitholders.

Form of award	<p>A portion of all non-employee trustees' annual retainer is paid in the form of DTUs, and they may elect to receive up to 100% of their other trustees' compensation in the form of DTUs. Each DTU represents the right of the eligible trustee to receive, on a deferred basis, an award of one Trust Unit issued from treasury.</p> <p>DTUs are granted on the business day immediately following the last day of each fiscal quarter. The number of DTUs granted to each non-employee trustee who elects to receive DTUs is determined by dividing the amount of the trustee's quarterly remuneration to be provided in DTUs by the weighted average trading price of the Trust Units on the TSX for the ten trading days ending on the trading day immediately preceding the date of grant of the DTUs. When a distribution is paid on the Trust Units, each non-employee trustee is allocated additional DTUs equal in value to the distribution paid on an equivalent number of Trust Units. DTUs are fully vested on the date of grant.</p>
Who participates	All non-employee trustees.
Cessation as an Outside Trustee	If a non-employee trustee ceases, for any reason except as a result of death, to be a trustee of the REIT or any subsidiary of the REIT, the DTUs held by such non-employee trustee will be credited upon the earlier of (i) the REIT's receipt of notice by the trustee of an intention to redeem such DTUs and (ii) December 15 of the first calendar year commencing after the date that the non-employee trustee retires from or otherwise ceases to hold such positions. Such credited DTUs shall be redeemed within seven days of the date the DTUs are credited. In the event of death of a non-employee trustee, the REIT will redeem all DTUs held by the non-employee trustee within 90 days of the death.
Payout	Each DTU will be redeemed for one Trust Unit. Non-employee trustees pay a nil purchase price for Trust Units acquired on the redemption of DTUs. When a non-employee trustee ceases to be a member of the Board, DTUs can be redeemed.
Assignment	DTUs are not assignable or transferable other than by will or the laws of descent and distribution.

The DTU Plan was recently amended on March 1, 2021 to change the definition of "market price" from five-day VWAP to ten day VWAP to minimize the impact of market volatility and for consistency with the RTU Plan. The full text of the recently Amended and Restated DTU Plan was publicly filed on March 19, 2021 and is available on SEDAR under First Capital REIT's issuer profile at www.sedar.com. For a summary of the amendments to the LTIP design see *Long-Term Incentives – Equity Compensation Plans* above.

Limits

Subject to the overall limit on the number of Trust Units issuable under the DTU Plan, the maximum number of Trust Units available for issuance under the DTU Plan to:

- (i) any one participant is 5% of the then issued and outstanding Trust Units; and
- (ii) insiders of the REIT is 10% of the then issued and outstanding Trust Units.

Under no circumstances may more than 10% of the REIT's total issued and outstanding securities be issued within a one-year period or be issuable at any time to insiders of the REIT under the DTU Plan and all of the REIT's other security-based compensation arrangements.

The following table sets out the number of Trust Units previously issued and available for future issuance under the DTU Plan.

As at December 31, 2020	Number of Trust Units	
	Number	As % of Outstanding
Maximum number of Trust Units approved for issuance under the DTU Plan	815,000	0.37%
Number of DTUs previously granted under the DTU Plan but not yet redeemed	365,731	0.17%
Number of Trust Units that remain available for future grants of DTUs under the DTU Plan	73,518	0.03%

Annual Burn Rate under the DTU Plan as of December 31, 2020

Year	Number of DTUs Granted	Burn rate (as % of weighted average number of Trust Units outstanding during the applicable fiscal year)	Weighted average number of Trust Units outstanding during the applicable fiscal year
2020	59,090	0.03%	219,419,356
2019	31,009	0.01%	229,399,779
2018	27,645	0.01%	249,348,569

Amending, Suspending or Terminating the DTU Plan

The Compensation Committee may amend, suspend or terminate the DTU Plan at any time in accordance with applicable laws, regulations, stock exchange rules or accounting/auditing requirements, and subject to any required unitholder or regulatory approval, as long as it has the participant's consent to any material adverse change to such participant's outstanding DTUs.

Unitholder approval is required to make the following amendments to the DTU Plan:

- increasing the number of Trust Units that can be issued under the DTU Plan, including an increase to a fixed number of Trust Units or a change from a fixed maximum number of Trust Units to a fixed maximum percentage;
- expanding the categories of eligible participants;
- extending the term of any rights granted under the plan beyond its original expiry date;
- permitting the transfer of a DTU, except by testate or intestate succession;
- any amendment to remove or exceed the insider participation limit;
- changing the provisions for amending, suspending or terminating the DTU Plan; and
- amendments required to be approved by unitholders under applicable law.

Unitholder approval is not required to make other amendments to the DTU Plan, including amendments that:

- are administrative or "housekeeping" in nature;
- are required to comply with the law;
- qualify for favourable tax treatment; and
- are necessary to suspend or terminate the DTU Plan.

Incentive Plan Awards - DTUs

The below table sets forth the following information concerning DTUs held by the non-employee trustees.

- *Unit-based awards – Value Vested during the Year* is the amount that non-employee trustees received in DTUs in 2020, valued as of the grant dates. It includes all of the DTUs that vested as of the grant date and DTUs granted as dividend equivalents in 2020.
- *Unit-based awards – Market or Payout Value of Vested Unit-Based Awards Not Paid Out or Distributed* are all of the trustees' DTUs outstanding as at December 31, 2020. DTUs are not paid out until the trustee ceases to be a member of the Board. The DTUs were valued at \$13.55, the closing price of the Trust Units on the TSX on December 31, 2020.

Name	Unit-Based Awards (DTUs)	
	Value Vested during the Year ⁽¹⁾ (\$)	Market or Payout Value of Vested Unit-Based Awards Not Paid Out or Distributed (DTUs Outstanding) (\$)
Jon N. Hagan	156,821	1,535,161
Leonard Abramsky	68,148	92,343
Paul Douglas	124,619	151,069
Annalisa King	148,747	387,259
Al Mawani	145,995	264,293
Bernard McDonell	225,380	1,739,346
Dori Segal	60,801	61,341
Andrea Stephen	132,250	724,844

(1) DTUs vest immediately upon grant and they are redeemable only upon retirement or other cessation from the Board. Includes all of the DTUs that vested as of the grant date and DTUs granted as distribution equivalents in 2020, in each case valued as of the grant dates.

EQUITY COMPENSATION PLAN INFORMATION

The table below provides information as at December 31, 2020 regarding Trust Units that may be issued under the REIT's equity compensation plans.

	Number of securities to be issued upon exercise of outstanding stock options / redemption of outstanding units	Weighted-average exercise price of outstanding stock options/ units	Number of securities remaining available for future issuance under equity compensation plans (excluding securities which may be issued in connection with outstanding stock options / units)
Equity compensation plans approved by security holders			
Stock Option Plan	7,103,050	\$20.20	4,580,485
DTU Plan	365,731	N/A	73,518
RTU Plan (including PTUs)	785,252	N/A	420,166
Equity compensation plans not approved by security holders			
	--	--	--
Total	8,254,032	\$20.20	5,074,169

OUR CORPORATE GOVERNANCE PRACTICES

We believe that sound and effective corporate governance is essential to our performance. We have adopted a governance framework that reflects our values, ensures that effective corporate governance practices are followed and that the Board functions independently of management. The Corporate Governance Committee and the Board periodically review the various components of our overall approach to corporate governance, including corporate governance practices and procedures, to ensure that they adequately address the guidelines set forth in National Policy 58-201 – *Corporate Governance Guidelines* and other significant corporate governance matters. The following is a description of our corporate governance practices taking into account the requirements of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

About the Board

Independence of the Board

The Board's composition and procedures are designed to permit it to function independently from management and to promote and protect the interests of all unitholders. The Board believes that, except during periods of temporary vacancies, a majority of its members should be "independent" as defined in section 1.4 of National Instrument 52-110 – *Audit Committees*, as the same may be amended from time to time ("NI 52-110").

The Board reviews the independence of all trustees on an annual basis. To facilitate this review, trustees are asked to provide the Board with full information regarding their business and other relationships with the REIT and our affiliates and with executives and their affiliates. Trustees have an ongoing obligation to inform the Board of any material changes in their circumstances or relationships which may affect the Board's determination as to their independence. Length of tenure is also considered when determining independence.

The Board has reviewed the independence of each trustee and determined that the majority of the Board nominees (eight out of nine) are independent. Mr. Paul, the President and Chief Executive Officer of the REIT is not considered independent. The independent trustees are Mses. King and Stephen and Messrs. Abramsky, Douglas, Hagan, Mawani, Segal and McDonell. Messrs. Hagan and Segal will not stand for re-election. The new nominees, Ms. Botting and Mr. Clarke, are independent.

Mandate of the Board of Trustees

The Board has adopted a formal written mandate (the "Board Mandate") which reflects the REIT's commitment to high standards of corporate governance, to assist the Board in supervising the management of our business and affairs as required under applicable law and stock exchange rules and requirements. A copy of the Board Mandate is attached as Schedule A to this Circular and is also available on our website at

HIGHLIGHTS OF CORPORATE GOVERNANCE

- Entirely independent Audit, Compensation and Corporate Governance committees.
- 33% of trustee nominees are women and 22% visible minorities.
- Significant equity ownership requirements.
- Equity ownership requirements continue to apply to the President and Chief Executive Officer for a period of one year following him ceasing to hold the office of President and Chief Executive Officer, subject to certain exceptions.
- Compensation claw-back policy for executives and trustees.
- Anti-hedging policy.
- Succession planning for the President and Chief Executive Officer and other executives undertaken by the Board and the Corporate Governance Committee annually.
- All committees have a written charter.
- Board Diversity Policy.
- Board Conflicts of Interest Policy.
- Position descriptions for each of the Chair, Lead Director, Chief Executive Officer and Chief Financial Officer.

www.fcr.ca. The Corporate Governance Committee reviews the Board Mandate annually, or more often if warranted, and recommends to the Board such changes as it deems necessary and appropriate in light of the REIT's needs and legal and regulatory developments.

The Board supervises the conduct of the affairs of the REIT directly and through its committees. In so doing, the Board endeavours to act always in the best interest of the REIT. In addition, the Board recognizes the importance of enhancing value for all unitholders. In carrying out its responsibilities, the Board appoints executives of the REIT and meets with them on a regular basis to receive and consider reports on our business. The Board holds regularly scheduled meetings, with additional meetings being held as required to consider particular issues or conduct specific reviews between regularly scheduled meetings whenever appropriate. During 2020, the Board held a total of 19 meetings.

In discharging its duties and responsibilities, the Board's functions, either directly or through its committees, include: (a) overseeing our strategic planning process and overall business strategies and their implementation; (b) assessing and overseeing the management of the principal risks arising from or incidental to our operations, including financial, operational, regulatory and environmental risks; (c) electing or appointing our executives as deemed appropriate; (d) overseeing our executive compensation plans and policies and succession planning and reviewing the performance of the executive leadership team in line with corporate policies and applicable annual and long-term business strategies and our other objectives; (e) overseeing corporate culture, employee engagement; diversity and inclusion and health and safety; (f) overseeing unitholder, investor and public communication policies and their implementation, including timely disclosure of material information; and (f) monitoring and assessing the scope, implementation and integrity of our audit, internal accounting control and management information systems.

Along with those matters which must by law be approved by the Board, key strategic decisions are also submitted by management to the Board for approval. In addition to approving specific corporate actions, the Board reviews and approves the reports issued to unitholders, including annual and interim financial statements, as well as materials prepared for unitholders' meetings. The Board also approves our overall business strategies and annual business plans for achieving the REIT's objectives.

The quorum for the transaction of business at any meeting of the Board consists of a majority of the trustees of the Board (provided a majority of the trustees comprising such quorum are residents of Canada). At all meetings of the Board, every question is decided by a majority of the votes cast on the question and in case of an equality of votes, the chair of the meeting is not entitled to a second or casting vote.

Position Descriptions

The Board has adopted position descriptions for the Chair, the Committee Chairs (Audit Committee, Compensation Committee, Corporate Governance Committee and Investment Committee), the President and Chief Executive Officer and the Chief Financial Officer, which set out the duties and responsibilities of these trustees and officers. These position descriptions are reviewed by the Corporate Governance Committee from time to time.

Board Succession and Renewal

The Corporate Governance Committee is responsible for reviewing and implementing succession planning for the Board.

Board Composition

The Corporate Governance Committee is currently composed entirely of independent trustees. The Committee is responsible for reviewing and assessing the composition of the Board and will make recommendations to the Board on the appointment of new trustees. The Committee will identify, evaluate and recommend trustee nominees with the assistance of management, other trustees and outside advisors, as appropriate. The Committee supports the appointment of independent trustees and trustees drawn from

the executive leadership team. This combination leads to a healthy exchange in Board deliberations, resulting in objective, well-balanced and informed discussion and decision-making.

The names of our proposed trustees, together with their municipality and country of residence, year first elected or appointed as a trustee, principal occupation, other principal directorships and committee memberships, if applicable, are set out under *Business of the Meeting – Election of Trustees*. Also indicated for each proposed trustee is the number of Trust Units, DTUs and other securities of the REIT beneficially owned, directly or indirectly, or over which control or direction was exercised, by the trustees as at the close of business on May 13, 2021.

Nine trustees have been proposed for election to the Board at the Meeting. The Board considers this to be an appropriate size given the nature of our operations and our current ownership.

Of the nine trustees proposed for election to the Board, three, or 33%, of such trustees are women and two, or 22%, are visible minorities. Mr. Paul is currently considered a non-independent trustee. The eight remaining trustees are considered independent and three, or 38%, of the independent trustees are women and two, or 25%, are visible minorities.

The Board annually reviews its size and composition and those of its committees and makes recommendations on any proposed changes to the Board to complement our strategy, business and operations.

Board and Management Diversity

First Capital REIT endorses the principle that its Board and management should have a balance of skills, experience and diversity of perspectives appropriate to the business. The REIT believes that having a wide range of perspectives and being able to draw upon a diverse set of competencies and knowledge is essential to effectively address the evolving nature and complexity of its business. With this in mind, the Board has adopted a written diversity policy (the “Board Diversity Policy”) specifically geared towards ensuring that diversity, including gender diversity, is a key consideration when establishing recruitment priorities in advance of the trustee identification and selection process. Additionally, experiential attributes, such as functional and industry experiences, accomplishments and education as well as demographic, age and personal attributes are also regarded as important aspects to ensuring diversity pursuant to the Board Diversity Policy.

The REIT believes that a diverse Board will have enhanced decision-making abilities, lead to improved oversight and promote better overall corporate governance by utilizing differences in skills, experience and background, gender, ethnicity, age, geographical and industry experience, length of service, and other distinguishing qualities of its members. Diversity will be considered in connection with the trustee recruitment process described below to determine optimal Board composition. Notwithstanding the foregoing, all Board appointments will always be based on merit, having due regard to the overall effectiveness of the Board.

The Board has not adopted specific formal targets for board representation of women, Aboriginal peoples (being Indian, Inuit, Métis), persons with disabilities⁽¹⁾ and members of visible minorities (persons other than Aboriginal peoples who are non-Caucasian in race or non-white in colour) (together the “designated groups” as defined under Article 3 of the *Employment Equity Act* (Canada)), as diversity is already an important factor that is considered in the trustee identification process and ultimately because the Board believes its Board evaluation and nomination process, together with the implementation of its written Board Diversity Policy, is robust and, in fact, does consider and result in diversity on the Board. The Corporate Governance Committee reviews the structure and diversity of the Board annually and will set diversity, including gender diversity, aspirations regarding the Board’s optimum composition as part of the recruitment process.

(1) *"Persons with disabilities" is defined as meaning persons who have a long term or recurring physical, mental, sensory, psychiatric or learning impairment and who: (i) consider themselves to be disadvantaged in employment by reason of that impairment, or (ii) believe that an employer or potential employer is likely to consider them to be disadvantaged in employment by reason of that impairment. This definition also includes persons whose functional limitations owing to their impairment have been accommodated in their current job or workplace.*

The Trust is committed to an inclusive and diverse workplace and recognizes that diversity is an important consideration in creating and maintaining an effective senior management team. The Trust has not adopted a formal diversity policy or specific diversity targets for senior management as it feels that the skills, experience, expertise, character and behavioral qualities of an individual candidate are most important in determining the value that an individual could bring to the Trust as members of senior management.

Over the course of 2020 and to date in 2021, the Trust surveyed the Board nominees and senior management to determine the number and proportion of individuals that self-identified as belonging to one or more of the designated groups. Participation in the survey was voluntary and, as such, the results represent only those individuals who elected to participate and may not be entirely representative of the designated groups at the Board and senior management level.

The Trust has three trustee nominees that have identified as women, representing approximately 33% of the Board and two trustee nominees that have identified as visible minorities, representing approximately 22% of the Board. No trustee nominee has identified as an aboriginal person or a person with disabilities.

The Trust's senior people managers represent approximately 15% of its total employee base and is comprised of 51 employees holding the titles of Director, Senior Director, Vice President, Senior Vice President, Executive Vice President and President and CEO. This group of senior employees has: 29 women, representing approximately 57% senior employees and seven individuals who have identified as visible minorities, representing approximately 14% of senior employees. No member of this group of senior employees has identified as an aboriginal person or as a person with disabilities. The Trust is committed to ensuring it attracts and retains the most highly qualified and experienced trustees, executive and senior management and recognizes that diversity is an important consideration in creating and maintaining an effective Board, executive and senior leadership team.

Women in Executive Officer Positions

We value gender diversity and believe that we have a strong record with respect to promoting women on our executive leadership team and throughout our organization. We publish employee statistics annually in our Corporate Responsibility and Sustainability (CRS) Report which can be located on our website at www.fcr.ca. As at December 31, 2020, the following are statistics derived from our operations which we believe demonstrate our positive record with respect to gender diversity:

- women represented approximately 58% of our workforce (including full-time, part-time and contract employees);
- 5 out of 8, or 63%, of executives on our executive leadership team were women. 2 out of 5, or 40%, of our NEOs were women. Executive officer and director positions in respect of our major subsidiaries are drawn from the same executive leadership team;
- 29 out of 51, or 57%, of senior people managers were women; and
- 56% of professional/technical and middle management roles were held by women.

We consider the distinguishing qualities of all candidates during the executive officer recruitment process with regard to the overall composition of our executive leadership team, including the level of representation of women, and the final selection is always based on merit. We have not adopted a target regarding the number of women in executive officer positions because, as evidenced by the strong representation of women on our executive leadership team, we have an existing ingrained culture and strong record of promoting gender diversity at all levels throughout the organization.

Board Conflicts of Interest Policy

Trustees have a duty to ensure the integrity of the decision-making processes of the Board and that they and other members of the Board are free from conflict or potential conflict in their decision-making. It is also the fiduciary duty of the trustees that conflicts of interest be avoided. It is important that all trustees understand their obligations when a conflict of interest or potential conflict of interest arises.

To complement these obligations, the Board has adopted a specific Conflicts of Interest Policy which applies to all trustees of First Capital REIT and directors of its subsidiaries. Trustees shall disclose any conflicts or potential conflicts to the Chair of the Board and the Chair of the Corporate Governance Committee at the earliest possible time. In addition, given the nature of the REIT's business, each trustee is required to provide the REIT with a list of properties located in Canada in which they may have an ownership interest, directly or indirectly, with the exception of their principal residence, or properties owned for personal use. If a trustee is considering acquiring any property other than a principal residence or properties owned for personal use, he/she shall disclose such intention to the REIT's CEO on a confidential basis and obtain consent to proceed. If consent is not provided, the matter shall be referred to the Corporate Governance Committee for consideration at the request of the trustee and/or the CEO.

Recruitment of Trustees

The Corporate Governance Committee, which is currently composed entirely of independent trustees, is responsible for identifying and recommending to the Board appropriate candidates to serve as trustee.

The Board, with the input of the Corporate Governance Committee, has focused on Board renewal over the past several years. As part of this renewal effort, two new independent trustees were appointed in 2019. In 2021, the Corporate Governance Committee engaged Spencer Stuart & Associates (Canada) Ltd. ("Spencer Stuart") to assist with the search for new independent nominees. As part of this search, the Corporate Governance Committee identified the relevant skills and knowledge needed on the Board and established recruitment priorities for Spencer Stuart to pursue. Spencer Stuart worked with the Corporate Governance Committee over a period of three months to identify a short-list of candidates from a larger group composed of candidates surfaced by the REIT's current board members as well as Spencer Stuart. Each member of the Corporate Governance Committee, the Chair of the Board and the REIT's Chief Executive Officer reviewed and met with the top candidates. After careful consideration and deliberation, the Board ultimately determined to invite Ms. Sheila Botting and Mr. Ian Clarke to stand for election at the Meeting as independent trustees. Both are highly qualified nominees who will bring valuable skills and experience to the Board. Further information on their background is set out in the "Election of Trustees" section of this Circular. Assuming the election of all nominees, there will be 6 new members joining the Board in the last 5 years.

With the invitation of Ms. Botting and Mr. Clarke to stand for election, Messrs. Segal and Hagan will not be standing for re-election at the Meeting. Mr. Segal was the President and Chief Executive Officer of the Company from 2000 to February 2015, and Chair of the Board from May 2015 to May 2019. Mr. Hagan has served as a member of the Board since 2003 and was Chair of the Audit Committee from 2014 to 2018.

The Board would like to thank Messrs. Segal and Hagan for their significant contributions to the REIT during their tenures.

The total compensation paid to Spencer Stuart in 2021 was \$132,000.

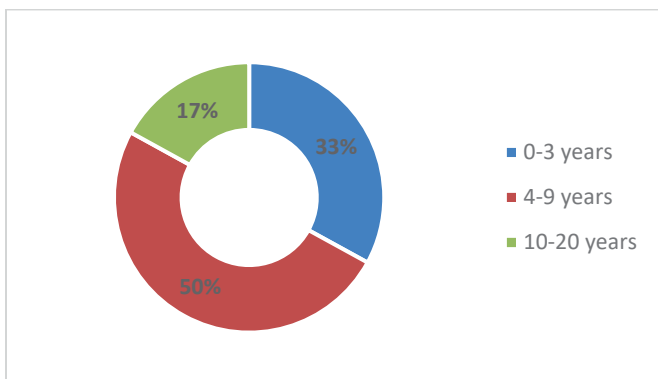
Retirement Policy and Term Limits

The Board has not adopted a mandatory retirement policy or term limits for trustees. It believes that such arbitrary limits are not the most effective means of ensuring Board renewal and could result in a loss of trustees who have developed, over time, valuable insight into our strategy, business and operations and who have an institutional memory from which the Board and management can benefit. The Board believes

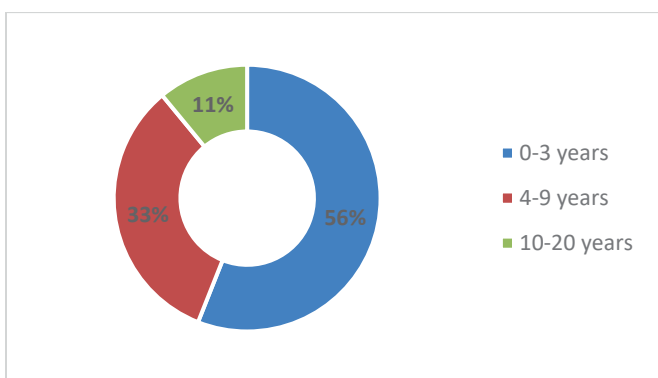
that it has pursued meaningful Board renewal (described above) in the absence of a mandatory retirement policy or term limits.

Board Tenure

The chart below shows the tenure of our Board as of May 13, 2021:



The chart below shows the tenure of our Board after the Meeting (subject to the election of all trustee nominees):



Board Leadership

The Board Mandate provides that the Board will in each year elect from among its members a Chair who, except under exceptional circumstances, is not the Chief Executive Officer or otherwise a member of management. Mr. McDonell has been the Chair of the Board since May 2019. Mr. Segal was the Chair of the Board of the Company from May 2015 to May 2019 at which time Mr. McDonell was appointed as Chair of the Board. As Chair of the Board, Mr. McDonell is responsible for the management, development and effective performance of the Board, and for providing leadership to the trustees in carrying out their collective responsibilities to provide a Board oversight role regarding the management of the business and affairs of the REIT. The Board Mandate includes a position description of the Chair, which sets out his duties and responsibilities.

In addition, the Board Mandate provides that the Board will in each year, if the Chair is not an “independent trustee”, elect from among its independent members a Lead Trustee. Mr. McDonell held this position from March 2011 until his appointment as Chair of the Board in May 2019.

The Corporate Governance Committee is responsible for reviewing and recommending the implementation of structures and procedures to facilitate the Board’s independence from management and to avoid conflicts of interest. The Corporate Governance Committee monitors relationships between the executive

leadership team and the Board and recommends procedures to allow trustees to have access to, and an effective relationship with, executives.

As part of his responsibilities, the Chair of the Board will meet periodically with the other trustees to ensure that the Board and its committees are able to discharge their respective responsibilities independently of management. The independent trustees also meet separately and such meetings are chaired by the Chair of the Board, who informs management of the substance of these meetings to the extent that action is required by them. The Corporate Governance Committee and the Chair of the Board are each available as a forum for addressing the concerns of individual trustees. Individual trustees are also free to engage outside advisors, at the expense of the REIT, with Corporate Governance Committee authorization.

Attendance

Each trustee is expected to attend all meetings of the Board and of committees on which they sit, unless circumstances make it impossible to do so. The attendance records of the REIT's trustees for the year ended December 31, 2020 are set out under *Executive Compensation — Board Meetings Held and Attendance*.

Committees of the Board

The Board has established the following four standing committees:

- Audit Committee (four members);
- Compensation Committee (four members);
- Corporate Governance Committee (four members); and
- Investment Committee (five members).

The current membership and independence of these committees is summarized in the table below.

	Board Committee Membership			
	Audit ⁽¹⁾⁽²⁾	Compensation ⁽³⁾	Corporate Governance ⁽⁴⁾⁽⁵⁾	Investment ⁽⁵⁾
Non-Independent Trustees				
Adam Paul				X
Independent Trustees				
Leonard Abramsky		X		X
Paul Douglas	X		X	
Jon Hagan	X		X	
Annalisa King	X		Chair	
Al Mawani	Chair	X		
Bernard McDonell (Board Chair)		X		Chair
Dori Segal				X
Andrea Stephen		Chair	X	X

(1) All members of the Audit Committee are independent and all are financially literate in accordance with applicable securities laws.

(2) Subject to election at the Meeting, it is expected that Mr. Clarke will join the Audit Committee.

(3) All members of the Compensation Committee are independent.

(4) All members of the Corporate Governance Committee are independent.

(5) Subject to election at the Meeting, it is expected that Ms. Botting will join the Corporate Governance Committee.

(6) Other than Mr. Paul, all members of the Investment Committee are independent.

Each Board committee operates under a written charter. Copies of these charters are available on our website at www.fcr.ca. Each committee reviews its charter not less than annually and the Corporate Governance Committee recommends any changes to the Board. Below is a brief description of the responsibilities of each committee.

Audit Committee

The Audit Committee is currently composed of four trustees, all of whom are “independent” and all are “financially literate” as defined in NI 52-110.

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

- the integrity of the REIT’s financial statements;
- the REIT’s compliance with legal and regulatory requirements related to financial reporting;
- the internal audit function of the REIT;
- the qualifications, independence and performance of the REIT’s auditor;
- the design and implementation of internal controls and disclosure controls;
- risk management oversight including information security oversight; and
- any additional matters delegated to the Audit Committee by the Board.

A further description of matters relating to the Audit Committee as required by NI 52-110, including information regarding the fees paid to the auditors, is set forth under “Audit Committee” in the REIT’s annual information form dated February 22, 2021, which is available under our issuer profile at www.sedar.com.

Compensation Committee

The Compensation Committee is currently composed of four trustees, all of whom are “independent”.

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

- selection and retention 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;
- reviewing, 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.

See *Executive Compensation - Compensation Governance – Composition and Mandate of the Compensation Committee*.

Corporate Governance Committee

The Corporate Governance Committee is currently composed of four trustees, all of whom are “independent”.

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

- overall approach to corporate governance by overseeing good governance at the organizational level and ensuring that policies and procedures are in place that foster the long-term success of First Capital REIT in an ethical, prudent and responsible manner;

- identifying qualified candidates and recommending nominees for trustee, Board committee appointments, the appointment of a Lead Trustee (if the Chair of the Board is not independent) and oversight of the size, composition and structure of the Board and its committees;
- orientation and continuing education for all trustees;
- evaluations of the Board, Board committees, all individual trustees, the Board Chair, all Board committee chairs and the Lead Trustee (if one is appointed);
- to assist the Board through annual reviews of environmental, social, governance programs and activities, or as needed;
- reviewing, as appropriate, those risks in the enterprise risk management register, which have been assigned to the Corporate Governance Committee and their trends, mitigations and impacts;
- related party transactions and other matters involving actual or potential conflicts of interest; and
- any additional matters delegated to the Corporate Governance Committee by the Board.

Investment Committee

The Investment Committee currently consists of five trustees, including the Chair of the Board, the President and Chief Executive Officer and three other trustees who are “independent”.

The Investment Committee has the authority, on behalf of the Board and subject to certain monetary limits determined by the Board, to:

- approve investments in and divestitures of real property assets, including:
 - acquisitions and dispositions of property;
 - development budgets (including the cost of land); and
 - acquisitions and dispositions of raw land;
- approve investments in and divestitures of marketable securities; and
- approve entering into derivatives for hedging purposes only.

ESG & Climate Governance

Sustainability has always been integral to the responsible management of every aspect of our business and the mitigation of various risks. By taking a holistic approach to our environmental, social and governance (ESG) practices, we are focused on reducing our environmental impact while creating thriving and dynamic urban neighbourhoods and at the same time, delivering long-term value for our stakeholders. To support our commitment to sustainability, First Capital has established an Environmental, Social, Governance (ESG) governance structure that includes the Board of Trustees, members of the Executive Leadership team, dedicated full-time employees and an ESG Taskforce.

Governance of ESG, including climate-related issues, occurs at the Board level. The Chair of the Governance Committee is directly responsible for oversight of ESG matters at the Board level. The Board receives updates and presentations on ESG matters as required, annually at a minimum, and reviews environmental risks quarterly. In 2020, the Board and Management team received a presentation from the Canadian Climate Law Initiative to improve climate knowledge, as well as a presentation on ESG strategy from First Capital’s Senior Director, Sustainability.

The Board reviews First Capital’s Risk Management Dashboard quarterly, which identifies climate change as a risk and includes risk mitigation activities. The Board monitors and oversees progress against goals and targets for addressing ESG initiatives, including climate-related initiatives, through annual progress updates on First Capital’s 5-year ESG Roadmap, which is available on our website.

The Senior Vice President (SVP), Operations is the highest-level management position responsible for ESG at First Capital. The SVP, Operations is a member of the Executive Leadership Team and reports directly to the President & Chief Executive Officer (CEO). The role oversees all of First Capital's property operations nationally, as well as the environmental and sustainability programs.

Since 2010, First Capital has maintained a full-time senior leadership position responsible for the oversight of its ESG program. The Senior Director, Sustainability reports to the SVP, Operations. This leadership role is responsible for directing sustainability reporting initiatives and driving continuous ESG engagement and improvement at First Capital.

Ongoing oversight of ESG and climate-related issues is carried out by the ESG Taskforce, co-chaired by First Capital's Chief Operating Officer and Senior Director, Sustainability and attended by Executive and Senior leadership representatives from all areas of the business. The Corporate Governance Committee meets quarterly and is the senior forum for developing and implementing ESG strategy and commitments, assessing and managing climate-related risks and opportunities, reviewing performance and integrating ESG practices and initiatives across the organization.

Our commitment to advance ESG initiatives and address climate-related issues is embedded across the business, through several key performance indicators (KPIs). The performance against these KPIs is linked to the remuneration of all employees, including NEOs, aiming to incentivise progress against our ESG commitments.

ESG Reporting

We have in place robust capabilities to measure and report on our progress and to continually assess and improve our environmental programs each year. The REIT is committed to transparency and ensuring that our sustainability reporting is accurate, meaningful and accessible to all stakeholders. The REIT published its first corporate responsibility and sustainability report in 2009. Since 2010, we have had a third-party conduct assurance on selected sustainability indicators, including greenhouse gas emissions and energy use. We have used the Global Reporting Initiative (GRI) framework for corporate responsibility reporting since 2011. In addition to GRI, we continue to monitor international reporting trends, including the work of the Sustainability Accounting Standards Board (SASB). Our 2019 CRS report included several disclosures recommended by the SASB. The REIT also responds annually to the Global Real Estate Sustainability Benchmark (GRESB) survey and the Carbon Disclosure Project's (CDP) Climate Change questionnaire.

ESG Priorities and Progress

1. Environmental

- Reduce our carbon emissions and energy use:
 - 10% reduction in absolute greenhouse gas (GHG) emissions over 5 years (2015-2019).
 - Current target: 9% reduction in carbon emissions by year-end 2021, 2018 baseline.
 - Completed commitment to upgrade all parking lot and exterior lighting to energy efficient light emitting diode (LED) lamps by December 2020.
- Promote sustainable transportation:
 - Over 99% of our portfolio within a 5-minute walk of public transit.
 - Average Walk Score for our portfolio is 72 (very walkable).
 - Over 160 electric vehicle charging stations; goal to have electric charging stations installed at all our properties by 2024.
- Achieve green building certifications:
 - Achieve Building Owners and Managers Association's Building Environmental Standards (BOMA BEST) certification at all applicable properties by 2021; 79% of portfolio certified as of December 31, 2020.
 - Certify all new construction projects to Leadership in Energy and Environmental Design (LEED) standards (subject to tenant acceptable); 16.5% of our portfolio (120 projects) is certified to LEED as of December 31, 2020.
- Effectively manage climate change risk and resilience:
 - Actively working to better understand the risks of climate change, incorporating this into our business continuity planning and in turn, increasing the resiliency of our properties and communities.
 - Reviewing the recommendations and guidance put forth by the Task Force on Climate-related Financial Disclosures (TCFD) and are committed to defining how best to apply them to our business and across our portfolio.
 - Actively managing and reducing our carbon footprint.

2. Social

- Foster and engaged and diverse workforce:
 - Honouree in the Globe and Mail's "Women Lead Here" list for 2021 and 2020.
 - Strong gender diversity metrics achieved through all levels of the organization; over 50% of management positions are held by females.
 - Signed the CEO pledge in support of The BlackNorth Initiative with the primary goal to take bold action on anti-black and other forms of systemic racism in Canada.
 - Launched the FCR Equity, Diversity and Inclusion Council.
- Be one of the best places to work:
 - Recognized by the Globe and Mail as one of the Greater Toronto's Top Employers for 2021 and 2020.
 - Named one of Canada's Top Small and Medium Employers for 2020.
 - Selected for inclusion in "The Career Directory" for 2021 as one of Canada's Best Employers for Recent Graduates.

- Michele Walkau, Senior Vice President, Brand & Culture selected as one of 50 winners for Report on Business' 2021 Best Executive Awards for excellence in Human Resources.
- Best in class employee engagement score in most recent employee survey.
- Be a good corporate citizen in the communities in which we operate:
 - Long-standing support of public art, now with 27 installations across our portfolio.
 - Launched the FCR Thriving Neighbourhoods Foundation in 2020; employee-led charitable giving and volunteer program focused on community support.
 - Launched FCR's Small Business Support Program to assist qualifying tenants during the COVID-19 pandemic.
 - Supported eligible tenants through participation in Canada Emergency Commercial Rent Assistance Program.
 - Supported frontline and community service workers by delivering thousands of fresh meals in partnership with independent grocery and restaurant tenants.
 - Participation in numerous local neighbourhood and community volunteer events.

3. Governance

- Have a strong governance framework in place that:
 - Reflects our values.
 - Ensures effective corporate governance practices are followed.
 - Ensures the Board functions independently of management.
 - Ensures diversity is considered in determining optimal board composition.
- Strive to be a governance leader by making it a priority to:
 - Continuously adopt new and improved governance practices.
 - Follow recommendation as governance standards evolve.
- Monitor our progress:
 - Reviewing our annual governance scores from ISS, the Globe and Mail Board Games and other similar rankings with our Board.
 - Providing opportunities for our unitholders to communicate directly with our Board.

For additional information regarding our ESG practices, refer to the latest Corporate Responsibility & Sustainability Report on the REIT's website at www.fcr.ca/sustainability.

Enterprise Risk Management (ERM)

The Board of Trustees oversees the ERM activities of the REIT. Management reports to the Audit Committee and to the Board at least quarterly on ERM activities which consists of updates on existing key risks, changes in risk prioritization as identified, changes in risk trending quarter over quarter and identification and evaluation of emerging risks that may have a potential impact on the business of the REIT. The REIT's business is subject to certain risks including strategic, financial, operational, economic, regulatory, information security, environmental, reputational and other risks. For a detailed description of the risks that the REIT is facing, please refer to our annual information form dated February 22, 2021 and the management's discussion and analysis for the year ended December 31, 2020, which are available under our issuer profile at www.sedar.com.

The REIT completes a review of information technology risk assessment annually and provides training to employees periodically. The REIT has never experienced any material information security breaches. The REIT does not have information security insurance coverage, but is in the process of obtaining such coverage and expects to have it in place by the second half of 2021.

Internal Controls Over Financial Reporting

The Board is responsible for overseeing financial reporting to ensure compliance with audit, accounting rules, regulatory and reporting requirements. The Audit Committee evaluates the integrity and effectiveness of the REIT's internal controls over financial reporting and information systems.

The REIT has a Disclosure Committee which meets at least quarterly. Among other things, the Disclosure Committee reviews and confirms the following at least quarterly:

- That the Board has been informed of all significant corporate developments and material information.
- Whether there have been any:
 - Failures to make disclosure of Material Changes as required under securities laws;
 - Known occurrences of selective disclosure of material information;
 - Known misrepresentation in a News Release, Document or Oral Public Statement;
 - Cybersecurity breaches to the best of the committee's knowledge;
 - Fraud instances that the committee is aware of; and
 - COVID-19 outbreaks that require external disclosure.

The REIT has never experienced any material breaches of any of the above.

Executive Compensation and Succession Planning

The Compensation Committee is directly responsible for reviewing and approving the corporate goals and objectives that are relevant to the President and Chief Executive Officer's compensation, for evaluating his performance in meeting those goals and objectives, and for determining his compensation. The Compensation Committee considers the recommendations of the President and Chief Executive Officer in approving the compensation of other members of the executive leadership team who report to the President and Chief Executive Officer. The Compensation Committee also annually reviews the adequacy and form of trustees' compensation.

The Compensation Committee is also responsible for reviewing the REIT's organizational structure, considering policies and principles for the selection and retention of executives and succession planning for the executive leadership team. The Compensation Committee reviews and discusses succession planning issues for executives of the REIT with the President and Chief Executive Officer on an annual basis. Discussions include prospects for high performing executives, replacement scenarios for unexpected events and development opportunities for the executive leadership team. In addition, the Board and the Compensation Committee developed a procedure to manage succession planning for the position of Chief Executive Officer should that position become vacant for any reason. Pursuant to that succession planning procedure, it is contemplated that the Board will appoint an existing and duly qualified member of the Board or management to serve as interim Chief Executive Officer while an independent external executive management search firm is retained to canvass for qualified external candidates in addition to any qualified internal candidates that may be identified by the Board.

Equity Ownership Guidelines

The Board believes that meaningful unit ownership by members of the REIT's executive leadership team and the Board is a key element of strong corporate governance. The Board believes that long-term equity ownership further aligns the interests of trustees and executives with our unitholders and also enables them to share in the long-term growth and success of the REIT.

We have a Policy on Trustee and Executive Leadership Team Equity Ownership (the "Equity Ownership Policy") that applies to all trustees and to all members of the REIT's executive leadership team, including all NEOs.

- Trustees are required to acquire within five years of the date of their appointment or election and thereafter maintain an equity interest in the REIT with a value equal to six times their annual retainer (consisting of their annual cash retainer and DTU grant).
- The Chair of the Board is required to acquire and maintain an equity interest in the REIT with a value equal to six times his annual retainer (consisting of his annual cash retainer and DTU grant).
- Each member of the REIT's executive leadership team is required to accumulate, over time from grants under the REIT's RTU Plan and thereafter maintain RTUs, PTUs and Trust Units acquired through the vesting thereof (on an after-tax basis). The members of the executive leadership team who are NEOs must acquire and maintain such securities of the REIT with a value at least equal to the multiple set forth below (the "Salary Multiple") of his/her annual base salary (the "Ownership Requirement"). Prior to achieving the Ownership Requirement, these individuals are prohibited from disposing of any Trust Units of the REIT acquired pursuant to the REIT's RTU Plan, other than dispositions as they may wish solely for the purpose of paying taxes associated with the vesting of RTUs or PTUs.

Title	Salary Multiple
President and Chief Executive Officer	6x annual salary
Executive Vice President	3x annual salary
Senior Vice President	1.5x annual salary

The value of DTUs, RTUs, PTUs (assuming performance adjustment factor of 100%) and Trust Units count towards meeting the Ownership Requirement. Unexercised stock options do not count toward the unit Ownership Requirement. The value of DTUs, RTUs, PTUs and Trust Units is deemed to be the market value at the relevant time.

CEO Equity Retention Requirements

The Equity Ownership Policy provides that the President and Chief Executive Officer continues to be subject to the applicable equity ownership requirements for a period of one year following the date he ceases to hold the office of President and Chief Executive Officer of the REIT, unless (i) the date he ceases to hold such office for any reason is within 12 months following a change of control (as defined in his employment agreement) or (ii) he ceases to hold such office following death, incapacity or disability.

Current Trustee and Executive Unit Ownership

The following table sets out the ownership of Trust Units, RTUs, PTUs and DTUs by the applicable NEOs, trustees and trustees nominees as at the close of business on May 13, 2021.

Holdings ⁽¹⁾				Minimum Requirements				Comparison
Name and Title	Type	Number ⁽²⁾	Value ⁽³⁾ (\$)	Multiple	Value ⁽⁴⁾ (\$)	Deadline	Meets Requirements	Holdings vs. Minimum Requirements
Bernard McDonell Chair of the Board	DTUs	131,760	\$2,279,448	6 times annual retainer	1,650,000	May 23, 2012	Yes	141% +\$674,705
	Trust Units	2,616	\$45,257					
	Total	134,376	\$2,324,705					
Adam E. Paul President and Chief Executive Officer and Trustee	PTUs	238,309	\$4,122,746	6 times annual salary	5,100,000	N/A ⁽⁵⁾	Yes	206% +\$5,400,996
	RTUs	85,360	\$1,476,728					
	Trust Units	283,325	\$4,901,523					
	Total	606,994	\$10,500,996					

Holdings ⁽¹⁾				Minimum Requirements				Comparison
Jordan Robins Executive Vice President and Chief Operating Officer	PTUs	73,981	\$1,279,871	3 times annual salary	1,530,000	N/A ⁽⁵⁾	Yes	197% +\$1,479,871
	RTUs	30,862	\$533,913					
	Trust Units	69,138	\$1,196,087					
	Total	173,981	\$3,009,871					
Neil Downey ⁽⁶⁾ Executive Vice President, Enterprise Strategies and Chief Financial Officer	PTUs	-	-	3 times annual salary	1,500,000	N/A ⁽⁵⁾	Yes	108% +\$120,958
	RTUs	54,716	\$946,587					
	Trust Units	38,981	\$674,371					
	Total	93,697	\$1,620,958					
Carmine Francella Senior Vice President, Leasing	PTUs	27,253	\$471,477	1.5 times annual salary	525,000	N/A ⁽⁵⁾	Yes	156% +\$292,685
	RTUs	10,670	\$184,591					
	Trust Units	9,342	\$161,617					
	Total	47,265	\$817,685					
Alison Harnick Senior Vice President, General Counsel and Corporate Secretary	PTUs	23,127	\$400,097	1.5 times annual salary	480,000	N/A ⁽⁵⁾	Yes	138% +\$181,898
	RTUs	12,938	\$223,827					
	Trust Units	2,195	\$37,974					
	Total	38,260	\$661,898					
Leonard Abramsky Trustee	DTUs	8,393	\$145,199	6 times annual retainer	690,000 ⁽⁷⁾	June 4, 2024	Yes	154% +\$374,902
	Trust Units	53,162	\$919,703					
	Total	61,555	\$1,064,902					
Sheila Botting ⁽⁸⁾ New Trustee Nominee	DTUs	-	-	N/A	N/A	N/A	N/A	N/A
	Trust Units	-	-					
	Total	-	-					
Ian Clarke ⁽⁸⁾ New Trustee Nominee	DTUs	-	-	N/A	N/A	N/A	N/A	N/A
	Trust Units	-	-					
	Total	-	-					
Paul C. Douglas Trustee	DTUs	13,851	\$239,622	6 times annual retainer	690,000 ⁽⁷⁾	June 4, 2024	Yes	160% +\$414,622
	Trust Units	50,000	\$865,000					
	Total	63,851	\$1,104,622					
Jon N. Hagan Trustee	DTUs	116,141	\$2,009,239	6 times annual retainer	690,000 ⁽⁷⁾	Oct. 11, 2011	Yes	343% +\$1,673,405
	Trust Units	20,472	\$354,166					
	Total	136,613	\$2,363,405					
Annalisa King ⁽⁹⁾ Trustee	DTUs	31,653	\$547,597	6 times annual retainer	690,000 ⁽⁷⁾	Nov. 9, 2021	Yes as applicable ⁽¹⁰⁾	92% -\$53,118
	Trust Units	5,161	\$89,285					
	Total	36,814	\$636,882					
Al Mawani ⁽¹¹⁾ Trustee	DTUs	22,623	\$391,378	6 times annual retainer	690,000 ⁽⁷⁾	May 29, 2023	Yes as applicable ⁽¹⁰⁾	94% -\$39,122
	Trust Units	15,000	\$259,500					
	Total	37,623	\$650,878					
Dori J. Segal Trustee	DTUs	6,031	\$104,336	6 times annual retainer	690,000 ⁽⁷⁾	Aug. 18, 2005	Yes	6,366% +\$43,233,973
	RTUs	26,227	\$453,727					
	Trust Units	2,506,700	\$43,365,910					
	Total	2,538,958	\$43,923,973					
Andrea Stephen Trustee	DTUs	56,124	\$970,945	6 times annual retainer	690,000 ⁽⁷⁾	Jan. 9, 2017	Yes	196% +\$663,673
	Trust Units	22,123	\$382,728					
	Total	78,247	\$1,353,673					

- (1) Includes RTUs, DTUs, PTUs and Trust Units owned, controlled or directed, directly or indirectly by such person. For calculation purposes RTUs and PTUs are considered as vested and PTUs are deemed to have a 1.0x performance adjustment factor. See *Performance Trust Units* above.
- (2) For RTUs, DTUs and PTUs, includes accrued dividends and distributions.
- (3) Values are based on the closing price of the Trust Units on May 13, 2021 (\$17.30).
- (4) Values are based on 2020 salary or annual retainer, as applicable.
- (5) Officers of the REIT are required to acquire over time from grants under the RTU Plan and thereafter maintain RTUs, PTUs and Trust Units acquired (on an after-tax basis) through the vesting thereof with a value equal to the prescribed Salary Multiple.
- (6) Mr. Downey was appointed as officer of the REIT on January 4, 2021.
- (7) In February 2020, the Compensation Committee approved an increased compensation for trustees which was more aligned with the REIT's peers. Because of the negative impact of the pandemic, the Compensation Committee decided not to implement the increased compensation in 2020. In March 2021, considering the improved economic conditions, the Compensation Committee decided to implement the increased compensation approved in 2020, effective January 1, 2021. See *Compensation Discussion and Analysis – Trustee Compensation* above. As a result of the increased annual retainer, the equity ownership requirement for trustees will increase from \$690,000 to \$990,000.
- (8) Ms. Botting and Mr. Clarke are new trustee nominees. As such, the REIT's equity ownership requirements are not applicable to them as of May 13, 2021. If elected at the Meeting, they will be subject to applicable equity ownership requirements.
- (9) Ms. King was appointed as a director of the Company on November 9, 2016 and elected at the annual meeting of shareholders held on May 30, 2017. She is required to meet her unit ownership requirements by November 9, 2021.
- (10) Trustees are required to acquire within five years of the date of their appointment or election and thereafter maintain an equity interest with a value at least equal to six times their annual retainer (consisting of their annual cash retainer and DTU grant).
- (11) Mr. Mawani was elected as a director of the Company on May 29, 2018. He is required to meet his unit ownership requirements by May 29, 2023.

Hedging

No trustee, officer or employee of the REIT or its affiliates, or any other person (or their associates) in a special relationship with the REIT, may, at any time, purchase financial instruments, including, prepaid variable forward contracts, instruments for the short sale or purchase or sale of call or put options, equity swaps, collars, or units of exchangeable funds, that are designed to or that may reasonably be expected to have the effect of hedging or offsetting a decrease in the market value of any securities of the REIT.

Board Evaluation

The Corporate Governance Committee is responsible for developing and recommending to the Board a review process for assessing the competencies, skills and effectiveness of the Board, Board committees and individual Board members.

The Corporate Governance Committee assesses the competencies, skills and effectiveness of the Board, Board committees and individual Board members as well as the operations of the Board and Board committees. In particular, at least annually, the Corporate Governance Committee reviews and assesses the Board's mandate, the charter of each committee and the position description of the Chair of the Board. The Corporate Governance Committee, on behalf of the Board, maintains a formal process for assessing the competencies, skills and effectiveness of the Board, Board committees and individual trustees. The assessment is conducted internally by written self-assessment and peer reviews of the Board, its committees and individual trustees. These written reviews are then considered by the Corporate Governance Committee. Following review, the results of the assessments are considered by the Board and changes, as required, are implemented to improve Board performance and effectiveness. The Corporate Governance Committee periodically reviews the effectiveness of this process and recommends changes to the process where applicable.

Orientation and Continuing Education

We believe that well-informed trustees are essential for the effective performance of a board. Accordingly, all new trustees receive a comprehensive orientation, including an overview of First Capital REIT's business and strategy, its current year business plan, the role of the Board and its mandate, the roles of the committees and their respective charters, and the role of the Chair of the Board.

Upon appointment or election to the Board, each new trustee receives a package and is referred to convenient online sources containing up-to-date information on the REIT's corporate and organizational structure, recent filings and financial information, corporate governance documents and important policies. A formal orientation session is given to new trustees to familiarize them with the REIT, its business, industry, the executive leadership team and the contribution individual trustees are expected to make.

The Board recognizes the importance of ongoing trustee education and the need for each trustee to take personal responsibility for this process. To facilitate ongoing education:

- Board members are provided an opportunity to meet individually in work sessions with executives to obtain further insight into the operations of the REIT, and are involved on a regular basis in discussions with management;
- education is provided to trustees through presentations to the Board and committees by management and outside advisors when key business decisions are sought and at strategic planning meetings; and
- Board members are encouraged to attend conferences, seminars or courses at the REIT's expense. Conferences, seminars or courses can deal with any subject matter that is applicable to a trustee's role on the Board or a Board committee or to increase a trustee's knowledge of developments in the real estate industry.

During 2020, in addition to property tours attended by certain trustees at various times, the REIT organized the following presentations for its trustees:

Educational Presentations	Presented/ Hosted By	Date	Audience
Diversity and Inclusion	Bhasin Consulting	November 3, 2020	Board of Trustees
Directors' and Officers' Insurance and Liability Trends	Marsh Canada	November 2, 2020	Corporate Governance Committee
Audit Committee Insight	Ernst & Young LLP	December 10, 2020	Independent Trustees

In addition to participating in the internal educational presentations listed above, Board members also participated in conferences, seminars and courses during 2020 presented or hosted by persons other than the REIT, including the following:

Educational Presentations	Presented/ Hosted By	Date	Attended By
Board Oversight of Corporate Strategy	Institute of Corporate Directors	February 2, 2020, February 26, 2020 & December 2, 2020	Annalisa King
Chief Economist Overview COVID-19	KPMG	March 23, 2020	Annalisa King
Capital Markets Upheaval and Corona Virus – What to Watch in a Volatile Environment	Pension Real Estate Association	March 25, 2020	Andrea Stephen
The Canadian Government Response to COVID-19	Blake, Cassels & Grayden	March 26, 2020	Andrea Stephen
Navigating the Pandemic – a Board Lens	KPMG	April 1, 2020	Andrea Stephen
Economic Impact of COVID-19	Canadian Real Estate Forums	April 1, 2020	Andrea Stephen
Economic Outlook for Board of Directors	Deloitte	April 21, 2020	Al Mawani
Pandemic Overview	Yardi	April 23, 2020	Jon Hagan
Economic Update	Deloitte	April 27, 2020	Jon Hagan
Crisis Communications	International Council of Shopping Centres	April 28, 2020	Jon Hagan

Educational Presentations	Presented/ Hosted By	Date	Attended By
Issues and Trends for Public Companies in the Covid-19 Context	Fasken	May 11, 2020	Al Mawani
Economic Update and Tourism	CIBC	May 20, 2020	Jon Hagan
Redefining Crisis – the Board’s Opportunity to Create a New Normal	Nasdaq	May 27, 2020	Al Mawani
Real Estate and Board Effectiveness – Social Unrest	Korn Ferry	June 1, 2020	Andrea Stephen
Executive Pay Trends and Issues	Hugessen Consulting	June 16, 2020	Al Mawani
Economic Update and Office Overview	CIBC	June 17, 2020	Jon Hagan
The Impact of COVID-19 in the Real Estate Industry	Fasken	June 18, 2020	Al Mawani
Leading Minds of Governance Webinar	National Association of Corporate Directors	July 14, 2020	Annalisa King
Changing Consumer Behaviour and the Impact on Commercial Real Estate	Pension Real Estate Association	August 13, 2020	Andrea Stephen
Real Estate Conference	BMO Capital Markets	September 2 &3, 2020	Al Mawani
Global Capital Flows	Pension Real Estate Association	September 15, 2020	Andrea Stephen
Audit Committee Forums	Canadian Public Accountability Board (CPAB)	September 22, 2020	Al Mawani
Canadian Real Estate Forums	Canadian Public Accountability Board (CPAB)	September 23, 2020	Al Mawani
Economic Update	CIBC	September 23, 2020	Jon Hagan
Director of Officer Assessment	Diligent	September 24, 2020	Jon Hagan
Hot Topics in Canadian Commercial Leasing and Retail	Osler, Hoskin & Harcourt	September 30, 2020	Al Mawani
Omni Channel and Digital Transformation	International Council of Shopping Centres	October 6, 2020	Jon Hagan
Governance Professionals of Canada Annual Conference	Governance Professionals of Canada	October 6, 2020	Annalisa King
Measuring Stakeholder Capitalism – Common Metrics for ESG	Diligent	October 7, 2020	Andrea Stephen
NACD Global Virtual Summit	National Association of Corporate Directors	October 12&13, 2020	Annalisa King
Audit Committee Summit	National Association of Corporate Directors	October 15, 2020	Annalisa King
Frank McKenna Interview	Institute of Corporate Directors	October 20, 2020	Jon Hagan
The Chair Suite Education	Watson Inc.	October 20, 2020 and December 16, 2020	Annalisa King
Strategy and Risk Committee Forum	National Association of Corporate Directors	October 21, 2020	Annalisa King
ReCon Canada	International Council of Shopping Centres	October 26&27, 2020	Jon Hagan
The Changing Role of the CEO and Corporations in Society – Webinar	Institute of Corporate Directors	October 28, 2020	Annalisa King
Expert Insight: Data Privacy and Cyber Security	National Association of Corporate Directors	October 29, 2020	Annalisa King
Economic Update	CIBC	November 4, 2020	Jon Hagan

Educational Presentations	Presented/ Hosted By	Date	Attended By
Beyond Staycations	ICAB	November 10, 2020	Jon Hagan
Cyber Security	BC CPA	November 13, 2020	Jon Hagan
Money Laundering	BC CPA	November 17, 2020	Jon Hagan
Multi Residential in Canada	Informa	November 17, 2020	Jon Hagan
Annual Disclosure and Governance Seminar	McCarthy Tetrault	November 17, 2020	Al Mawani
Research Symposium	REALpac	November 20, 2020	Jon Hagan
Real Estate Industry Update	Informa	November 23, 2020	Jon Hagan
Real Estate Technology and Data	Informa	November 24, 2020	Jon Hagan
Package Deliveries	Ernst & Young	November 25, 2020	Jon Hagan
Financial Reporting Update	Ernst & Young	November 25, 2020	Jon Hagan
Latest Developments in Financial Reporting for Public Companies	Ernst & Young	November 25, 2020	Al Mawani
The Latest Developments in Financial Reporting and real Estate	Ernst & Young	November 25, 2020	Andrea Stephen
HR & Compensation Committee Effectiveness	Institute of Corporate Directors	November 25, 2020	Andrea Stephen
2020: Hindsight + Insight = Foresight	Fasken	November 25, 2020	Al Mawani
Financial Reporting for Public Companies – Real Estate	Ernst & Young	November 26, 2020	Al Mawani Jon Hagan
Cyber Security	Ernst & Young	November 30, 2020	Jon Hagan
2020 Real Estate Industry Accounting Update	Deloitte	December 2, 2020	Al Mawani
BC Director Connect Webcast – Cyber Security for Directors	PWC	December 2, 2020	Annalisa King
Real Estate Forum	Canadian Real Estate Forums	December 2&3, 2020	Leonard Abramsky Andrea Stephen
Tax/US Elections/Racism/Digital	REALpac	December 2&3, 2020	Jon Hagan
CPA Ontario Ethics Summit	Chartered Professional Accountants of Ontario	December 10, 2020	Andrea Stephen
Work from Home	CPA	December 15, 2020	Jon Hagan
Preparing for 2021 Annual Meeting and Reporting Season	Equilar	December 15, 2020	Andrea Stephen
Public Company Issues in a Covid Era	Sidley Austin	December 16, 2020	Andrea Stephen
Black North Initiative	REALpac	December 17, 2020	Jon Hagan

Ethical Conduct

Employee Code of Conduct and Ethics

The Board has adopted a Code of Conduct and Ethics (the “Code”) that governs the conduct of our employees, officers and trustees. The Code is based on our values, and the laws, regulations and rules that apply to our business. The purpose of the Code is to ensure that we maintain a high level of trust and integrity in accordance with the highest ethical standards. The Code addresses, among other things, compliance with laws, rules and regulations, conflicts of interest, corporate opportunities, protection and proper use of company assets, work environment, confidential and proprietary information, fraudulent activities, and integrity of records and compliance with accounting principles. The Code sets out procedures for reporting of violations and possible violations of the Code.

Our employees, officers and trustees are required to report any violation or possible violation of the Code, or any other policy or legal requirement. Each employee, officer and trustee is required to provide an annual statement of compliance.

We have also adopted an ethics reporting policy (the “Ethics Reporting Policy”) which sets out procedures for employees, officers and trustees to report any activity or omission or suspected activity or omission that may constitute a violation of the Code, relating to the integrity of our financial reporting or which might otherwise be considered sensitive in preserving our reputation, or relating to workplace health and safety. The Audit Committee is responsible for reviewing the procedures set out in the Ethics Reporting Policy.

The REIT has retained the services of an independent third party to provide a confidential, anonymous communication channel to report violations and possible violations of the Code. Through the third party, anonymous reporting may be reported online, through a toll-free number and by mail.

A copy of the Code of First Capital REIT can be found on our website at www.fcr.ca.

Supplier Code of Conduct and Ethics

Similar to the Code, the REIT adopted a Supplier Code of Conduct and Ethics (the “Supplier Code”) which was designed to ensure that suppliers have a clear understanding of how the REIT expects to conduct its business with suppliers. The Supplier Code applies to all suppliers and contractors, subcontractors and their employees that supply goods and/or services to the REIT and its subsidiaries. The Supplier Code expectations are aligned with our values, principles and policies and cover such matters as the conduct of business at all times in an honest, fair and ethical manner; bribes, kickbacks and other forms of inappropriate payment; conflicts of interest; protection of confidential information; prevention of harassment and unlawful discrimination; and health and safety in the workplace.

The Supplier Code sets out procedures for reporting violations and possible violations of the Supplier Code. The REIT has retained the services of an independent third party to provide a confidential, anonymous communication channel to enable suppliers to report any activity or omission or suspected activity or omission that may constitute a violation of the Supplier Code. Through the third party, anonymous reports may be submitted online, through a toll-free number and by mail. A copy of the Supplier Code can be found on our website at www.fcr.ca.

Related Party Transactions and Conflicts of Interest

In the case of any transaction or agreement in respect of which a trustee or executive officer of the REIT has a material interest, the trustee or officer is required to disclose his or her interest. Where applicable, he or she is also generally required to exclude him or herself from any deliberations or votes relating to such transaction or agreement.

The Corporate Governance Committee reviews all proposed related party transactions and situations involving a potential conflict of interest that are not required to be dealt with by an “independent special committee” pursuant to applicable securities laws or that have not otherwise been considered by another committee of independent trustees, such as the Audit Committee or independent trustees acting without involvement of the “interested” member of the Board or management. Any member of the Corporate Governance Committee who is a party to or has a potential conflict of interest in a proposed transaction, or who has a material interest in any related party transaction or in a party to a related party transaction, must abstain from any vote on that transaction.

Disclosure and Insider Trading Policy

The Board has adopted and periodically reviews and updates the REIT’s written Disclosure and Insider Trading Policy. This policy, among other things:

- establishes a process for the disclosure of material information;
- establishes a process for reviewing documents, including news releases and public oral statements that contain material information before they are issued or made by the REIT;
- sets out the obligations of the REIT's employees, officers and trustees to preserve the confidentiality of undisclosed material information; and
- articulates the prohibitions applicable generally to the REIT's subject employees, officers and trustees with respect to illegal insider trading and tipping.

A copy of the Disclosure and Insider Trading Policy can be found on our website at www.fcr.ca.

Unitholder/Investor Communications and Feedback

We have in place procedures to effectively communicate with our stakeholders, including our unitholders, employees and the general public. Our objective is to ensure an open, accessible and timely exchange of information with unitholders, employees and other stakeholders concerning the business, affairs and performance of the REIT. We communicate with our unitholders in a number of ways, including through:

- quarterly conference calls open to investors, industry analysts and media representatives in conjunction with the release of the REIT's financial results;
- regular presentations to or meetings with industry analysts and with institutional investors; and
- our corporate website through which unitholders and other stakeholders may access our most recent conference call recording and our most recent presentation made to the investment community.

We have in place procedures to ensure that inquiries or other communications from unitholders are answered by an appropriate person in the organization.

You may contact the independent trustees as a group by writing to them c/o the Assistant Corporate Secretary of First Capital REIT at King Liberty Village, 85 Hanna Avenue, Suite 400, Toronto, Ontario, Canada M6K 3S3.

TRUSTEES' AND OFFICERS' LIABILITY INSURANCE

We have liability insurance for our trustees and officers to protect them against liabilities they may incur in their capacity as trustees and officers of First Capital REIT. In aggregate, our trustees' and officers' liability insurance provides coverage for liability of up to \$60 million subject to a \$100,000 deductible or, in the case of securities claims, a \$250,000 deductible. The aggregate annualized premiums amount to approximately \$250,000 in respect of the 2021 policy year. This insurance does not provide coverage for losses arising from the breach of fiduciary responsibilities under statutory or common law.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management is not aware of any material interest in any matter to be acted upon or any material transaction, direct or indirect, of any trustee or senior officer of the REIT, or any person beneficially owning, directly or indirectly, more than 10% of the REIT's voting securities or any associate or affiliate thereof since the beginning of 2020.

Our financial information is provided in our consolidated comparative financial statements and management's discussion and analysis for 2020. You may obtain copies of our financial statements and management's discussion and analysis by contacting the Assistant Corporate Secretary of First Capital REIT at King Liberty Village, 85 Hanna Avenue, Suite 400, Toronto, Ontario, Canada, M6K 3S3. These documents, certain of our governance documents and additional information about the REIT can also be found at www.fcr.ca.

Our other continuous disclosure documents are available on our website, www.fcr.ca and under our issuer profile at www.sedar.com.

BOARD APPROVAL

The contents and the delivery of this Circular have been approved by the Board of Trustees.

By Order of the Board of Trustees,



Adam E. Paul
President and Chief Executive Officer

SCHEDULE A



First Capital Real Estate Investment Trust

Mandate of the Board of Trustees

December 30, 2019

Revised: November 3, 2020

FIRST CAPITAL REAL ESTATE INVESTMENT TRUST

MANDATE OF THE BOARD OF TRUSTEES

1. GENERAL

The Board of Trustees (the “**Board**”) of First Capital Real Estate Investment Trust (“**FCR**”) believes that sound corporate governance practices are essential to the well-being of FCR and the promotion and protection of its Unitholders’ interests. The Board oversees the functioning of FCR’s governance system, in part through the work of the Corporate Governance Committee.

The Board has adopted this Mandate, which reflects FCR’s commitment to high standards of corporate governance, to assist the Board in supervising the management of the business and affairs of FCR as required under applicable law and stock exchange rules and requirements.

The fundamental responsibility of the Board is to supervise the management of the business and affairs of FCR with a view to sustainable value creation for all Unitholders. As stated in the public disclosure documents of FCR, FCR’s primary objective is the creation of value through long-term maximization of cash flow and capital appreciation from its growing mixed-use portfolio. FCR achieves this objective (a) through a focused and disciplined acquisition strategy, (b) by undertaking selective development and redevelopment activities, and (c) by pro-actively managing its existing mixed-use portfolio.

The Board promotes full, true and plain reporting, including financial reporting, to unitholders of FCR and other interested persons as well as ethical and legal corporate conduct through an appropriate system of corporate governance, internal controls and disclosure controls. The Board believes that FCR is best served by a board of trustees which functions independently of management and is informed and engaged.

The Corporate Governance Committee will review this Mandate annually, or more often if warranted, and recommend to the Board such changes as it deems necessary and appropriate in light of FCR’s needs and legal and regulatory developments.

2. BOARD COMPOSITION

(a) Board Membership Criteria

The Corporate Governance Committee is responsible for establishing the competencies and skills that the Board, as a whole, should possess; the competencies and skills that each existing trustee should possess; and the competencies and skills each new candidate to be elected by unitholders should bring to the Board.

The Corporate Governance Committee recommends candidates for initial Board membership and Board members for nomination. In making its recommendations, the Corporate Governance Committee focuses on the competencies, skills, personal qualities, real estate or other business experience, as well as taking into account diversity considerations such as gender, age, background and other qualities of the candidates to enhance the Board’s decision-making process and the overall management of the business and affairs of FCR.

Trustees must have sufficient time to carry out their duties and not assume responsibilities which would materially interfere with or be incompatible with Board membership. Trustees who change their principal occupation are expected to advise the Corporate Governance Committee and, if determined appropriate by the Corporate Governance Committee, resign from the Board.

(b) Trustee Independence

The Board's composition and procedures are designed to permit it to function independently from management and to promote and protect the interests of all unitholders. The Board believes that, except during periods of temporary vacancies, a majority of its members should be "independent" ("**Independent Trustees**") as defined in section 1.4 of National Instrument 52-110—*Audit Committees*, as the same may be amended from time to time ("**NI 52-110**"). The Board will determine whether a trustee is an Independent Trustee.

The Board will review the independence of all trustees on an annual basis and will publish its determinations in the management information circular relating to FCR's annual meeting. To facilitate this review, trustees will be asked to provide the Board with full information regarding their business and other relationships with FCR and its affiliates and with senior management and their affiliates. Trustees have an ongoing obligation to inform the Board of any material changes in their circumstances or relationships which may affect the Board's determination as to their independence.

(c) Board Size

The Board sets the size of the Board from time to time. The Board considers eight or nine trustees to be an appropriate size for effective decision-making and committee work given the nature of FCR's operations and its current ownership.

(d) Term

All trustees are elected at the annual meeting of unitholders of FCR for a term of one year. The Board does not believe it should establish term limits or mandatory retirement ages for its members as such limits may deprive FCR and its unitholders of the contributions of members who have been able to develop, over time, valuable insights into FCR, its strategy and business operations.

(e) Board Succession

The Corporate Governance Committee is responsible for maintaining a Board succession plan that is responsive to FCR's needs and the interests of its unitholders.

(f) Service on Other Boards

The Board does not believe that its members should be prohibited from serving as a trustee, directors or in a similar position for a government agency or an outside entity, so long as these commitments do not create a conflict of interest or interfere with their ability to fulfill their duties as members of the Board. Trustees must be mindful of the number of other public company boards and committees of those boards on which they serve, taking into account potential attendance, participation and effectiveness on those boards and committees. Before accepting

an appointment to the board or a committee of any entity, or accepting a chair appointment for an existing board, a trustee should obtain consent of the Chair of the Board and the Chair of the Corporate Governance Committee.

3. TRUSTEES' DUTIES AND RESPONSIBILITIES

Trustees must act honestly and in good faith with a view to the best interests of FCR and its unitholders and in connection therewith must exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In order to fulfill this responsibility, each trustee is expected to:

- approve multi-year strategic plans and annual business plans;
- develop and maintain a thorough understanding of FCR's operational and financial objectives, financial position and performance and also in the context of its principal competitors;
- diligently prepare for each meeting, including reviewing all meeting materials distributed in advance;
- actively and constructively participate in each meeting, including seeking clarification from management and outside advisors where necessary to fully understand the issues under consideration;
- engage in continuing education programs for trustees, as appropriate; and
- diligently attend all meetings of the Board and any committee of which he or she is a member.

4. BOARD DUTIES AND RESPONSIBILITIES

In fulfilling its responsibilities, the Board is, among other matters, responsible for the following matters.

(a) Appointment and Supervision of Chief Executive Officer and Senior Management

The Board appoints and supervises the Chief Executive Officer, approves his or her compensation and, as permitted by applicable law, delegates to senior management responsibility for the day-to-day operations of FCR.

The Board will establish and maintain a position description for the Chief Executive Officer and Chief Financial Officer.

(b) Strategic Planning and Risk Management

The Board will approve a multi-year strategic plan and annual business plans with measurable performance indicators in accordance with FCR's public disclosure documents. In this regard, the Board will:

- adopt a strategic planning process and review and approve at least on an annual basis a strategic plan developed by management which includes rigorous but realistic goals, takes into account, among other things, the opportunities and risks of the business and sets parameters within which management will operate in relation to capital expenditures, investment activities, risk management and other matters;
- set annual corporate and management performance targets consistent with FCR's strategic plan;
- confirm that a system is in place to identify the principal risks facing FCR and its business and that appropriate procedures are in place to monitor and mitigate such risks; and
- confirm that processes are in place to address and comply with applicable legal, regulatory, corporate, securities and other compliance matters.

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

(c) Financial Reporting and Management

The Board will:

- approve FCR's annual and interim financial statements and related management's discussion and analysis and review and oversee the integrity of FCR with respect to its compliance with applicable audit, accounting and financial reporting requirements;
- approve annual operating and capital budgets;
- confirm the integrity of FCR's internal controls over financial reporting and management information systems; and
- review operating and financial performance results relative to established strategies, plans, budgets and objectives.

(d) Disclosure, Communications and Insider Trading

The Board will satisfy itself that appropriate policies and procedures are in place regarding public disclosure, communications and restricted trading by insiders in order to:

- disclose all material information in compliance with FCR's timely disclosure obligations and to prevent selective disclosure of material information to analysts, institutional investors, market professionals and others;
- verify that news releases and corporate documents issued by FCR and public oral statements made by or on behalf of FCR are accurate and do not contain a misrepresentation;

- inform all trustees, officers, and other employees of FCR about their obligation to preserve the confidentiality of undisclosed material information about FCR; and
- inform all trustees, officers and other employees of FCR about prohibitions on illegal insider trading and tipping under applicable law and stock exchange rules.

(e) Corporate Governance

The Board will:

- establish an appropriate system of corporate governance including practices to facilitate the Board's independence;
- establish committees and approve their respective charters and the limits of authority delegated to each committee;
- establish appropriate processes for the regular evaluation of the effectiveness of the Board and its committees and the contributions of individual trustees;
- approve the nomination of trustees;
- review the adequacy and form of trustees' compensation to confirm that it realistically reflects the responsibilities and risks involved in being a trustee; and
- provide an opportunity for Independent Trustees to meet on a regular basis or as needed.

(f) Approval of Certain Other Matters

Notwithstanding the delegation to management of the authority to manage the business of FCR, the Board must approve the following:

- any material departure from an established strategy, operating or capital budget or corporate policy approved by the Board;
- the entering into of any agreement or transaction, the performance of which could result in an actual or contingent liability that would be material to FCR;
- those matters which may not be delegated by the Board under applicable corporate law; and
- such other matters as the Board may, from time to time, determine require its approval.

(g) Delegation to Management

The Board delegates to the Corporate Secretary authority to make housekeeping and non-material changes to this Mandate, the charters of the Board committees and Board policies. Before making such changes the Corporate Secretary shall obtain the consent of the Chair of the Corporate Governance Committee. The Corporate Secretary shall report such changes to the next meeting of the Board and/or relevant committee.

5. ROLE OF MANAGEMENT

Management is responsible, with input and approval from the Board, for developing strategy and implementing strategy. Management is also responsible for safeguarding FCR's assets and for creating wealth for unitholders. When management performance is inadequate, the Board has the responsibility to bring about appropriate change, and when management performance is effective, the Board will reward management accordingly.

FCR's governance policies are designed to create autonomy and effective decision-making of management, and to ensure appropriate oversight by the Board and its committees. Management of FCR is under the direction and control of the Chief Executive Officer. Senior management, through the Chief Executive Officer, reports to and is accountable to the Board.

Management is responsible for developing a multi-year strategic plan and an annual business plan, including an annual operating and capital budget, for review and approval by the Board. The Board's approval of the business plan provides a mandate for management to conduct the affairs of FCR. Material deviations from the plan must be reported to and considered by the Board.

The Board, in consultation with the Compensation Committee, maintains a succession plan for the Chief Executive Officer and establishes objectives against which the Chief Executive Officer's performance is benchmarked. Compensation is assessed against objectives which are established. Similar reviews and assessments are undertaken for other members of senior management by the Chief Executive Officer with input from the Board.

6. CHAIR OF THE BOARD

(a) Appointment

The Board will in each year elect from among its members a Chair who, except under exceptional circumstances, is not the Chief Executive Officer or otherwise a member of management.

(b) General

The Chair is responsible for the management, development and effective performance of the Board, and for providing leadership to the trustees in carrying out their collective responsibilities to supervise the management of the business and affairs of FCR.

(c) Specific Role and Responsibilities

The Chair will:

- confirm that appropriate procedures are in place to allow the Board to work effectively and efficiently and to function independently from management;
- confirm that the responsibilities of the Board are understood by both the trustees and management and that the boundaries between the Board's and management's responsibilities are understood and respected;

- confirm that the functions delegated to Board committees are carried out by the committees and reported to the Board;
- maintain an effective relationship between the Board and management of FCR;
- provide direction and advice to management of FCR, including defining major issues, maintaining accountability to stakeholders and building relationships;
- confirm that the Board and its committees have the necessary resources to support their work (in particular, timely and relevant information);
- monitor compliance with the governance policies of FCR, including those regarding regularity and conduct of Board meetings, managing and reporting information and other policies relating to the Board's business;
- provide leadership to ensure that the Board works as a cohesive team;
- convene Board meetings as often as necessary for the trustees to carry out their duties and responsibilities effectively;
- on an ongoing basis, work with the Chief Executive Officer to develop schedules of meetings of the Board and committees and, in consultation with other trustees and the Chief Executive Officer, establish the agenda of the Board;
- chair meetings of the Board, including requiring appropriate briefing materials to be delivered in a timely fashion, stimulating debate, providing adequate time for discussion of issues, facilitating consensus, encouraging full participation and discussion by individual trustees and confirming that clarity regarding decisions is reached and duly recorded;
- chair meetings of the unitholders of FCR;
- work closely with the Chief Executive Officer and the Chair of the Corporate Governance Committee to further the creation of a healthy corporate governance culture within FCR;
- work closely with the Corporate Governance Committee to develop strategic criteria for the recruitment of trustees and succession planning;
- work closely with the Chief Executive Officer to facilitate effective relations with the Board and external stakeholders such as unitholders, the investment community, the media, governments and the public;
- actively participate in and oversee the administration of an annual evaluation of the performance and effectiveness of the Chief Executive Officer, the Board, its committees and all individual trustees and committee chairs; and
- carry out other duties as requested by the trustees, as needs and circumstances arise.

7. LEAD TRUSTEE

(a) Appointment

If the Chair of the Board is an Independent Trustee, then the Board will not elect a Lead Trustee. If in any year, the Chair is not an Independent Trustee, the Board will for that year, elect from among its members a Lead Trustee who is an Independent Trustee.

(b) General

The Lead Trustee is responsible for facilitating the functioning of the Board independently of management and ensuring that trustees formally have an independent leadership contact.

(c) Specific Role and Responsibilities

The Lead Trustee will:

- in the absence of the Chair of the Board, act as chair of meetings of the Board;
- chair all meetings of the Independent Trustees;
- provide input to the Chair and management on agendas for Board meetings;
- promote, in conjunction with the Corporate Governance Committee, the highest standards of corporate governance;
- ensure that the members of the Board understand the boundaries between board and management responsibilities;
- as may be required from time to time, consult and meet with any or all of the Independent Trustees, at the discretion of either party and with or without the attendance of the Chair or any other trustee, and represent such trustees in discussions with the Chair and management of the Company on Independent Trustee matters;
- meet periodically with the other trustees to ensure that the Board and its committees are able to discharge their respective responsibilities independently of management;
- recommend, where necessary, the holding of special meetings of the Board;
- assist in the process of conducting trustee evaluations; and
- carry out other duties as requested by the Board or Independent Trustees, as needs and circumstances arise.

8. SECRETARY

(a) Appointment

The Board will in each year elect from among its members or officers of FCR a Secretary who is not the Chief Executive Officer.

(b) General

The Secretary is responsible for assisting the Chair in managing the operations and affairs of the Board and for performing additional duties requested by the Chair or the Board or any of its committees.

(c) Specific Role and Responsibilities

With the assistance of the Assistant Secretary of FCR, the Secretary will:

- confirm that all notices and materials are delivered to unitholders and trustees in a timely manner;
- confirm that all minutes of meetings of unitholders, the Board and its committees are duly recorded;
- confirm that copies of the minutes are circulated to each Board or committee member, as the case may be, on a timely basis (with the trustees receiving copies of minutes of all committee meetings once approved by the applicable committee);
- facilitate communication among the trustees and among the Board, its committees and senior management;
- administer the operations of the Board and its committees; and
- perform additional duties requested by the Chair or the Board or any of its committees.

9. BOARD COMMITTEES

(a) General

The Board carries out its responsibilities directly and through the Audit Committee, the Compensation Committee, the Corporate Governance Committee, the Investment Committee and such other committees as it may establish from time to time.

(b) Composition

The Audit Committee, the Compensation Committee and the Corporate Governance Committee will be comprised solely of Independent Trustees who are selected by the Board on the recommendation of the Corporate Governance Committee. Members of the Audit Committee must be Independent Trustees and meet the additional independence requirements prescribed

by applicable securities laws. Each member of the Audit Committee will also be “financially literate” as defined in NI 52-110.

(c) Committee Chairs

The Audit Committee, the Compensation Committee and the Corporate Governance Committee will each be chaired by an Independent Trustee who is selected by the Board on the recommendation of the Corporate Governance Committee. The chair of each Board committee will:

- in consultation with the Chair of the Board, Chief Executive Officer, Chief Financial Officer and the committee members, as appropriate, determine the date, time and location of meetings of the committee;
- confirm that the committee’s activities are consistent with, and fulfill, the duties and responsibilities set forth in its charter;
- confirm that the duties and responsibilities of the committee, as set forth in its charter, are well understood by the committee members and executed as effectively as possible;
- convene meetings of the committee as often as necessary to carry out its responsibilities effectively;
- in consultation with the Chair of the Board, committee members, the Chief Executive Officer and the Chief Financial Officer, as appropriate, review meeting agendas to ensure that required business is brought before the committee to enable the committee to carry out its responsibilities;
- chair all meetings of the committee;
- communicate with appropriate members of senior management in fulfilling the duties and responsibilities set forth in the committee’s charter;
- with the assistance of the Chief Executive Officer and Chief Financial Officer, ensure that agenda items for all committee meetings are ready for presentation and that adequate information is distributed to committee members in advance of such meetings in order that committee members may properly inform themselves on matters to be acted upon;
- ensure that minutes are kept of all committee meetings and sign minutes once approved by the committee;
- report to the Board at its next meeting following any decision or recommendation arising from any meeting of the committee or the signing of a written resolution evidencing a decision or recommendation of the committee, including reporting on the considerations that led to such decision or recommendation;
- provide leadership to enable the committee to act as an effective team in carrying out its responsibilities; and

- oversee the committee’s annual evaluation of its effectiveness in fulfilling the duties and responsibilities set forth in its charter.

(d) Charters

Each committee has its own charter which sets forth its duties and responsibilities, qualifications for membership, procedures for committee member appointment and removal and reporting to the Board. On an annual basis, each committee’s charter is reviewed by both the committee itself and the Corporate Governance Committee and is also reviewed and approved by the Board. Copies of each charter are posted on FCR’s website. Below is a brief description of the responsibilities of each Board committee:

- **Audit Committee**

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

- **Compensation Committee**

The Compensation Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to: the selection and retention of senior management; the evaluation and compensation of the chief executive officer; the compensation of senior management; professional development for senior management; incentive compensation plans and equity-based plans; human resource strategies; employment agreements and severance arrangement; the management of benefit plans for employees; compensation of trustees; and any additional matters delegated to the Compensation Committee by the Board.

- **Corporate Governance Committee**

The Corporate Governance Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to: FCR’s overall approach to corporate governance; the size, composition and structure of the Board and its committees; identifying and recommending qualified Board candidates; orientation and continuing education for trustees; related party transactions and other matters involving conflicts of interest; and any additional matters delegated to the Corporate Governance Committee by the Board.

- **Investment Committee**

The Investment Committee consists of the Chair of the Board, the President and Chief Executive Officer of FCR and at least three “independent trustees” as defined in section 1.4 of National Instrument 52-110 – Audit Committees, as amended from time to time. Three members will constitute a quorum for any meeting of the Investment Committee. The Chair of the Board serves as Chair of the Investment Committee.

The Investment Committee has the authority to, on behalf of the Board and subject to certain monetary limits as determined by the Board:

- approve investments in and divestitures of real property assets, including;
 - acquisitions and dispositions of property;
 - development budgets including the cost of land; and
 - acquisitions and dispositions of raw land;
- approve investments in and divestitures of certain loan transactions whereby FCR is lender;
- approve investments in and divestitures of marketable securities; and
- approve entering into derivatives for hedging purposes only.

10. BOARD AND COMMITTEE MEETINGS

(a) Scheduling

Board meetings are scheduled in advance at appropriate intervals throughout the year. In addition to regularly scheduled Board meetings, additional Board meetings may be called upon proper notice at any time to address specific needs of FCR. The Board may also take action from time to time by unanimous written consent. A Board meeting may be called by the Chair, the Chief Executive Officer or any trustee.

Each committee meets as often as it determines is necessary to fulfill its responsibilities. A meeting of any committee may be called by the committee chair, the Chair, the Chief Executive Officer or any committee member.

(b) Agenda

The Chair establishes the agenda for each Board meeting in consultation with the other trustees and the Chief Executive Officer and Chief Financial Officer, as appropriate. Any trustee 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 Board meeting raise subjects that are not on the agenda for that meeting.

Committee chairs establish the agenda for each committee meeting. Any committee 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 committee meeting raise subjects that are not on the agenda for the meeting.

The Assistant Secretary of FCR distributes an agenda and meeting materials in advance of each Board or committee meeting to allow Board or committee members, as the case may be, sufficient time to review and consider the matters to be discussed.

(c) In Camera Meetings and Meetings of Independent Trustees

To provide open discussion among the trustees, they shall meet separately in camera at every Board meeting (i) with the CEO present and (ii) without the CEO present and any other trustee that has declared a conflict, as applicable, present. These meetings are chaired by the Chair of the Board if the Chair is an Independent Trustee, or Lead Trustee (if one is appointed) or in his or her absence, one of the other Independent Trustees, who informs senior management of the substance of these meetings to the extent that action is required by them. Additionally, the Independent Trustees will meet at such other time as any Independent Trustee may request.

(d) Distribution of Information

Information that is important to the Board's understanding of the business and its agenda is distributed to trustees in advance of Board meetings. Sensitive subject matters may be discussed at a meeting without written materials being distributed in advance of or at the meeting.

(e) Preparation, Attendance and Participation

Each trustee is expected to be diligent in attending meetings of the Board and any committee of which he or she is a member. In addition, each trustee is expected to attend each annual meeting of unitholders. A trustee who is unable to attend a Board or committee meeting in person may participate by telephone or teleconference.

(f) Attendance of Non-Trustees at Board Meetings

The Chief Financial Officer and Secretary are expected to attend Board meetings. The Chief Executive Officer, at his or her discretion, may invite other employees, advisors or consultants to attend Board meetings. The Chair, at his or her discretion, may also invite employees of FCR, consultants, advisors or others, as appropriate, to attend Board meetings.

(g) Procedures

Procedures for Board meetings are determined by the Chair unless otherwise determined by the by-laws of FCR or a resolution of the Board.

Procedures for committee meetings are determined by the chair of the committee unless otherwise determined by the by-laws of FCR or a resolution of the committee or the Board.

Procedures for meetings of Independent Trustees are determined by the Chair, if the Chair is an Independent Trustee, or Lead Trustee (if one is appointed) or in his or her absence, the Independent Trustee who acts as chair of such meeting, unless otherwise determined by the by-laws of FCR or a resolution of the Board.

(h) Secretary

The Secretary acts as secretary to the Board and each of its committees. In the absence of the Secretary, the Board or a committee may appoint one of its members or any other person to act as secretary.

11. TRUSTEE COMPENSATION

The Compensation Committee has the responsibility for recommending to the Board compensation and benefits for service on the Board and on Board committees. In discharging this duty, the Compensation Committee will be guided by the following principles: compensation should fairly pay trustees for work required in an issuer of FCR's size and scope; it should not exceed what is customary given the size and scope of FCR's business and operations; compensation should align trustees' interests with the long-term interests of unitholders; and the structure of the compensation should be simple, transparent and easy for unitholders to understand. Not less often than annually, the Compensation Committee will review trustees' compensation and recommend any changes to the Board.

12. EQUITY OWNERSHIP REQUIREMENTS

Trustees are subject to equity ownership requirements prescribed in FCR's Policy on Trustee and Executive Leadership Team Equity Ownership.

13. TRUSTEE ORIENTATION AND CONTINUING EDUCATION

The Corporate Governance Committee is responsible for confirming that procedures are in place and resources are made available to provide new trustees with a proper orientation to both FCR and their duties and responsibilities as trustees and to provide other trustees with appropriate continuing education opportunities.

14. BOARD ACCESS TO MANAGEMENT, OUTSIDE COUNSEL AND ADVISORS

The Board has unrestricted access to members of senior management and FCR's outside counsel and advisors. The Board and its committees may invite any member of senior management, employee, outside advisor or other person to attend any of their meetings. On an as needed basis, the Independent Trustees will meet privately with each member of senior management other than the Chief Executive Officer.

The Board and any of its committees may retain an outside advisor at the expense of FCR at any time and have the authority to determine the advisor's fees and other retention terms. Individual trustees may retain an outside advisor at the expense of FCR with the approval of the Corporate Governance Committee.

15. PERFORMANCE ASSESSMENT OF THE BOARD AND ITS COMMITTEES

The Corporate Governance Committee, with the assistance of the Chair of the Board (if Chair is an Independent Trustee) or of the Lead Trustee (if one is appointed), will annually review the effectiveness of the Board and its committees in fulfilling their duties and responsibilities.

In addition, the Corporate Governance Committee, with the assistance of the Chair of the Board (if Chair is an Independent Trustee) or of the Lead Trustee (if one is appointed), will evaluate individual trustees to assess their suitability for nomination for re-election.

16. CODE OF BUSINESS CONDUCT AND ETHICS

The Board has adopted a Code of Business Conduct and Ethics. The purpose of the Code is to ensure that FCR maintains a high level of trust and integrity in accordance with the highest ethical standards.

17. FEEDBACK

The Board welcomes input and comments from unitholders of FCR. Input or comments for the Board, the Chair of the Board, the Lead Trustee (if one is appointed) or its committees should be directed to the Corporate Secretary at:

Board of Trustees of First Capital Real Estate Investment Trust
c/o Corporate Secretary
85 Hanna Avenue
Suite 400
Toronto, Ontario
M6K 3S3

OR

Corporate.Secretary@fcr.ca

QUESTIONS? NEED HELP VOTING?

CONTACT US

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