



THE RIGHT PLAN. THE RIGHT TEAM.

Protect your investment from a self-serving activist.
Vote your **BLUE** proxy today.



Questions? Need help voting?
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As owners of Canada's preeminent urban retail real estate portfolio, you deserve an independent board of trustees that is committed to acting in the best interests of ALL unitholders and carefully overseeing your investment in First Capital.

There is a lot at stake – today you have a reliable monthly distribution supported by strong cash flows and the future upside potential from a value maximizing plan.

The Right Plan

We are working to make First Capital even stronger and to monetize a portion of the significant value we have created in our real estate portfolio by:

- ✓ Reducing debt
- ✓ Driving earnings growth
- ✓ Improving operational and financial performance
- ✓ Driving net asset value meaningfully higher

The Refreshed Team

We have a refreshed board of trustees that balances the need for new perspectives with the benefits that come from the continuity of trustees who deeply understand our real estate portfolio and business.

- ✓ Since 2018 we have appointed seven new highly qualified and independent trustees to our ten-member Board
- ✓ In February 2023, we appointed a new and highly regarded Board Chair, Paul C. Douglas.
- ✓ We are pleased that two esteemed individuals have decided to join our Board, Ira Gluskin, and Richard Nesbitt, and that Dayna Gibbs will stand for election as a trustee. Each of Mr. Gluskin, Mr. Nesbitt and Ms. Gibbs have extensive real estate investing, capital markets, M&A, and transactional experience.

CHOOSE:

- ✓ Value maximizing and unitholder focused initiatives to drive value for all unitholders
- ✓ Refreshed and independent board of trustees aligned with the interests of all unitholders

NOT:

- ✗ Nominees overseen by a privately owned, short-term oriented opaque hedge fund and the CEO of an underperforming REIT competitor
- ✗ Nominees with a self-serving and disruptive agenda

**PROTECT YOUR INVESTMENT AND STOP SANDPIPER AND ARTIS;
VOTE IN SUPPORT OF THE REFRESHED BOARD OF FIRST CAPITAL**

VOTE YOUR BLUE PROXY

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A Letter to Unitholders

Dear Fellow Unitholders,

We are continually working to deliver strong and growing cash flows, and to provide reliable cash distributions, in order to enhance your investment in First Capital REIT and to make sure that you benefit from the value embedded in our exceptional real estate.

First Capital REIT owns an outstanding urban real estate portfolio. FCR's occupancy and rental rate growth remained strong through the pandemic period, enduring lockdowns and government regulation. Yet, the urban nature of the portfolio influenced the perception of our business, and our unit price was disproportionately affected. Since the pandemic¹, our units have outperformed peers and the broader market, analysts have upgraded their ratings and credit rating agencies have positively revised their outlooks to reflect our sound strategy and promising future. Moreover, since initiating² and executing upon a series of deliberate unitholder focused initiatives that are working to unlock value, First Capital's units have delivered a 23% total return, well ahead of industry peers.

Today, as a unitholder in First Capital REIT, you own a stake in the preeminent retail real estate portfolio in Canada.

Your investment is overseen by an independent board of trustees (the "Board") and a management team that is financially aligned with you, protected the business through the pandemic and has positioned the REIT to be a source of strong and growing cash flows, reliable monthly cash distributions and capital preservation, and appreciation for your investment portfolio.

Sandpiper and Artis – an opaque self-interested hedge fund and an underperforming competing REIT – threaten the value of your investment in First Capital.

On March 28, 2023, an important unitholders' meeting will take place that will have a significant impact on the future of your investment in First Capital. Sandpiper is an opaque self-interested hedge fund and Artis is an underperforming competing REIT that is controlled by Sandpiper. The two have related-party ties and they have joined forces to try to elect their trustee nominees to influence First Capital to adopt an agenda that serves their interests, not yours. If they succeed, First Capital's real estate strategy, business model, investment characteristics, and risk-profile will change dramatically and could be irreparably damaged.

[1] On March 1, 2022 the Government of Ontario provided for a significant easing of restrictions related to indoor and outdoor gatherings and more general restrictive public health measures such as proof of vaccination.

[2] Commencing with the May 16, 2022 approval of FCR's normal course issuer bid ("NCIB")

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Sandpiper and Artis proposal calls for First Capital to be led by an individual who is the CEO of a privately-owned, short-term focused hedge fund and the CEO of an underperforming REIT competitor. This creates major conflicts and major risks for FCR's unitholders.

FCR and Artis Unit Price Performance⁽¹⁾



Note: (1) Unit price performance data from December 14, 2020 to February 22, 2023 indexed to a starting value of 100%.
Source: Bloomberg

If Sandpiper and Artis are successful, the value creation plan (the "Optimization Plan") that is underway at First Capital today will be interrupted. At best, Sandpiper and Artis intend to replace the Optimization Plan with an ill-conceived, ill-defined and risky competing plan that will result in an increase in First Capital's financial leverage profile and lower FundsFrom Operations ("FFO") per unit growth.

But taking history as a guide – the outcome could be much worse. Sandpiper has a history of destroying value in the real estate sector through its past activist campaigns. Your investment in First Capital could become unrecognizable. This is what happened at Artis REIT. Sandpiper has irreparably changed Artis' governance and business model and Artis has now become an "un-investable" entity for most institutions.

Since Sandpiper first became involved with Artis in April 2018, its unit price has declined by 30% and its discount to Net Asset Value ("NAV") has widened to greater than 50%. Sandpiper has changed Artis' business model to create a hedge-fund look-a-like where it invests in equity securities selected by Sandpiper and pays investment management fees to Sandpiper. And, this is all happening while Sandpiper and Artis share the same CEO. Moreover, by its own admission, Artis' REIT status may also be in jeopardy. These significant changes to Artis' business model were never disclosed to Artis' unitholders when Sandpiper ran its proxy contest against Artis.

Sandpiper's CEO, Samir Manji became Artis's CEO on December 14, 2020 and under his direction, Artis' unitholder returns have suffered. Despite this very poor performance, Sandpiper has continued to benefit through fees and compensation paid to Mr. Manji, who now wants a seat on our Board. You deserve better.

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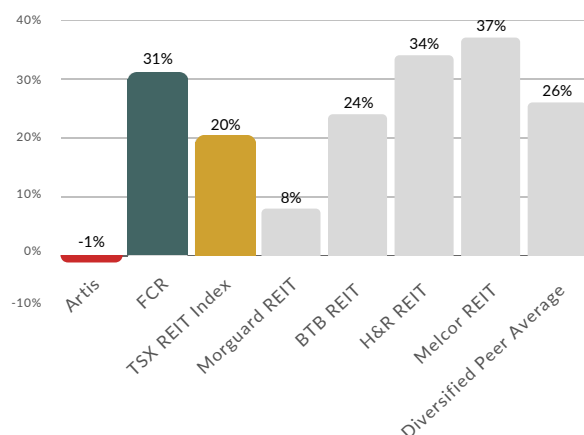
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Artis's Total Return Performance Under the Direction of Sandpiper⁽¹⁾



Note: (1) Total unitholder returns from December 14, 2020 to February 22, 2023.

Source: Bloomberg

We have the right plan and the right refreshed team to continue to deliver for you.

The right plan: First Capital is guided by a seasoned, proactive and aligned management team pursuing value-enhancing activities that have led to improving operational and financial performance while driving NAV per unit meaningfully higher.

The global pandemic had a considerable and adverse impact on investor perception of urban retail real estate. First Capital, despite its strong operating performance during COVID-19, was not immune to these forces.

Through this difficult period, our Board and management team remained disciplined and focused on positioning the REIT to capitalize on strategic opportunities coming out of the pandemic, and First Capital is delivering as we work to maximize value for ALL unitholders. Over the course of the past year, we initiated and began to implement a series of deliberate unitholder-focused initiatives that are working to unlock value.

These value unlocking initiatives include:

- A normal course issuer bid (the “NCIB”) to enable FCR to buy and cancel up to 10% of FCR’s public float, under which we have accretively **repurchased 6.2 million trust units for approximately \$95 million (a weighted average price of \$15.14 per unit) representing a 36% discount relative to IFRS NAV** as at December 31, 2022.
- As we promised to unitholders in early 2021, a **full reinstatement of the REITs monthly distribution**, equating to an annualized rate of approximately \$0.86 per unit, representing an important component of the total return that unitholders expect as owners of a REIT.
- A value maximizing sales process of primarily low- or non-yielding assets as part of our Optimization Plan that is expected to generate **gross proceeds of more than \$1 billion by the end of 2024**, while still maintaining approximately 75% of our current ~22 million square foot development pipeline.

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Collectively, these initiatives, along with strong underlying operating performance in occupancy and rental rate growth, have already delivered the following:

- Strong growth in 2022 Funds From Operations per unit to \$1.21, representing an increase of 6% over \$1.14 earned in 2021.
- A significant reduction in First Capital's Net Debt to Adjusted EBITDA multiple⁽¹⁾ to 10.2x as at December 31, 2022 versus 11.2x one-year prior.
- The sale of approximately \$180 million of low-yielding assets, including:
 - Our remaining 50% non-managing interest in the residential component of King High Line, located at 1100 King Street West in Toronto, for gross proceeds of \$149 million at a highly compelling capitalization rate (below 3.0%).
 - A strategic development partnership with two world-class real estate development partners that includes the sale of a 25% interest in our Yonge &
 - Roselawn development in Toronto.

Overall, we are advancing a strategic plan to monetize a portion of the significant value we have created in our development pipeline, to make FCR even stronger, **by reducing debt and driving earnings growth.**

First Capital has a strong business and the right plan. Our Optimization Plan has been very favourably received as evidenced by: (i) our unit price increasing by more than 20% since the Plan's announcement, which far exceeds the S&P/TSX REIT Index and all of our Retail REIT peers; and (ii) positive reception from multiple independent REIT research analysts, including the following:

“Overall, we view FCR's announced strategic initiatives as steps in the right direction to enhance growth and support a structurally stronger valuation.”

– Pammi Bir, RBC Capital Markets,
September 23, 2022

“On the whole though, we still agree with FCR pursuing its disclosed “Optimization Plan”. We still believe FFOPU-accretive dispositions above IFRS value (low-cap rate sales; incl. residential density) while simultaneously lowering financial leverage is positive for FCR unit price.”

– Mario Saric, Scotiabank,
February 9, 2023

(1) Refer to “Non-IFRS Financial Measures” section of the Circular.

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Yet – for their own benefit – Sandpiper and Artis want to disrupt our progress and prevent us from eliminating approximately \$400 million of debt from First Capital’s balance sheet.

Sandpiper and Artis want to take us backwards and they demonstrate a lack of basic understanding about the REIT, our portfolio and the importance of managing debt levels in a high interest rate environment.

“

“From our lens, Sandpiper Group plan misses the mark. Redeploying proceeds from asset sales primarily into NCIB does little to address investor preference for lower leverage.”

- Pammi Bir, RBC Capital Markets,
February 9, 2023

“

“We do not view Sandpiper’s proposals as superior. In our view, while there are differences between Sandpiper’s proposal and the REIT’s current strategy, we do not view these ideas as anything superior to what the REIT is currently undertaking and, to some degree, are relatively similar.”

- Mark Rothschild, Canaccord Genuity,
January 10, 2023

The right team: First Capital and our Board value the fresh perspective of individuals who can act as independent fiduciaries for the benefit of ALL unitholders – and we demonstrate this at every turn. First Capital has an ongoing and thoughtful board refreshment process that includes attention to all types of diversity, balances the need for new perspectives with the benefits that come from the continuity of trustees who deeply understand our real estate portfolio and business.

- Since 2018, we have appointed seven new highly qualified and independent trustees to our ten-member Board.
- In February 2023, we appointed a new and highly regarded Board Chair, Paul C. Douglas.
- We are pleased that two esteemed individuals have decided to join our Board, Ira Gluskin, and Richard Nesbitt, who bring extensive real estate investing, capital markets, M&A, and transactional experience.

Our nominees are highly qualified and represent one of the highest concentrations of subject matter expertise amongst any Canadian REIT.

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Their backgrounds and experience include:

- ✓ real estate investment
- ✓ real estate development and operations
- ✓ capital markets and financing
- ✓ corporate governance
- ✓ human resources and compensation
- ✓ capital allocation; financial oversight and audit
- ✓ C-suite leadership; strategic planning and execution
- ✓ experience as trustees or executives of other REITs
- ✓ M&A and real estate transactional expertise
- ✓ ESG; sustainability

By contrast, Sandpiper offers its CEO Mr. Manji, who is also the CEO of our underperforming competitor Artis REIT, making him heavily conflicted. Mr. Manji has a track record of self-dealing dating back to his time as the Chairman and CEO of Amica Mature Lifestyles, to his present-day leadership of Artis REIT. Not only do we have serious doubts about Mr. Manji's ability to act as an independent fiduciary for **ALL** First Capital unitholders, we believe Mr. Manji's supporting cast of nominees were intentionally selected because they lack the necessary experience and expertise to challenge Mr. Manji. **Outside of Mr. Manji, none of Sandpiper and Artis's nominees have public company CEO experience and they have limited real estate experience.**

Unlike Sandpiper and Artis, our Board will act as independent fiduciaries for **ALL** FCR unitholders.

Right Plan + Right Team = Outperformance for Unitholders

To advance their own agenda, Sandpiper and Artis claim that First Capital is underperforming. This simply isn't true. What is true is that FCR was disproportionately affected during the pandemic due to the urban concentration of our portfolio relative to peers. Even though our occupancy and rental rate growth remained strong during the pandemic, headlines about people not being able to congregate or leaving urban centres influenced the market's perception of urban real estate. This negatively impacted our unit price performance during the pandemic relative to the vast majority of REITs that do not own an urban focused portfolio and retail REITs that had limited or no access restrictions.

Of far greater relevance is our performance prior to the pandemic and the recent strong performance of FCR, which reflects the market's confidence in our Optimization Plan and our ability to execute against our plan while providing a healthy cash distribution to unitholders.

The bottom line is: First Capital's units have outperformed the peers and the broader market, analysts have upgraded their ratings, and credit rating agencies have positively revised their outlooks to reflect our sound strategy and promising future.

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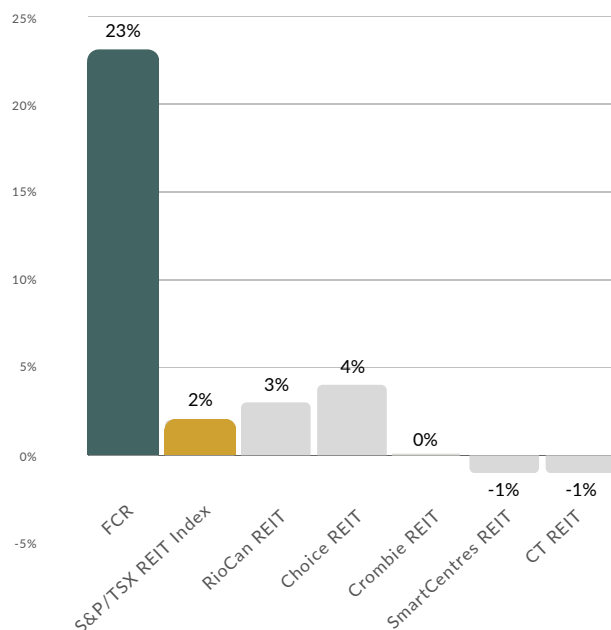
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FCR's Total Return Since the Implementation of the NCIB⁽¹⁾



Note:

(1) Total unitholder returns from May 16, 2022 to February 22, 2023

Source: Bloomberg

Protect your investment and Stop Sandpiper; Vote in Support of the Refreshed Board of First Capital.

In this letter, we provide some of the most compelling facts in support of our refreshed Board. We encourage you to read our Circular issued today in full and visit our website protectyourFCR.ca. The Circular outlines in detail the reasons why you should support the refreshed Board. Together, these reasons and supporting facts demonstrate that our refreshed Board has the right plan at the right time, and we have the right leadership team to execute on it.

Voting is Now Open. Vote Today. Don't Wait.

Voting is now open. Vote your **BLUE** proxy early to ensure it will be counted.

Even if you have never voted before and no matter how many units you own, becoming a voter is fast and easy.

Here's how:

1. To vote FOR, vote the **BLUE** proxy. Follow the instructions on the **BLUE** proxy or VIF.
2. Vote online:
 - a. Registered Unitholders: www.investorvote.com
 - b. Non-Registered Unitholders: www.proxyvote.com
3. Vote by phone:
 - a. Registered Unitholders call toll free at 1-866-732-8683

Don't wait until the voting deadline at 10:00 a.m. (Toronto time) on March 24, 2023.

Questions? Need help voting?

Kingsdale Advisors can help:

Text or Call 1-888-370-3955 or email at contactus@kingsdaleadvisors.com

Sincerely,

Paul C. Douglas
*Chair of the Board
of First Capital REIT*

Leonard Abramsky
Trustee

Ian Clarke
Trustee

Annalisa King
Trustee

Richard Nesbitt
Trustee

Adam Paul
Chief Executive Officer

Sheila Botting
Trustee

Ira Gluskin
Trustee

Al Mawani
Trustee

Dayna Gibbs
Trustee Nominee

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BACKGROUND TO THE SOLICITATION

First Capital Navigates the COVID-19 Pandemic

As Canada's preeminent retail real estate owner, operator and developer, First Capital REIT ("**we**", "**our**", "**First Capital**", "**FCR**" or the "**REIT**") has delivered strong results for its unitholders over the long term. In executing on our strategy of owning high-quality, primarily grocery-anchored, urban real estate, we delivered superior annual net asset value ("**NAV**") per unit growth of approximately 5% and annual funds from operations ("**FFO**") per unit growth of approximately 5% in the 5-years preceding the onset of the COVID-19 pandemic. These are approximately double the growth rates of FCR's closest peers.

The COVID-19 pandemic began in March 2020 and presented challenges for all REITs. While the unit price performance of all REITs was negatively impacted, the market's reaction to FCR was more pronounced given the highly urban and retail-focused nature of our property portfolio and the market's perception of our debt profile. Despite these challenges, our operating performance remained strong throughout the pandemic, with occupancy remaining high and with the portfolio's long-term average, while the business continued to generate successive quarterly growth in net rental rate per square foot.

Throughout the pandemic, the board of trustees (the "**Board**") and management of First Capital took decisive and proactive steps to not only attend to the safety of our tenants, customers, and our employees, but also to manage the REIT's financial position, while advancing strategic initiatives designed to ensure First Capital and its tenants were well positioned for the future. This included the continued execution and completion of a targeted \$1.5 billion disposition program that had commenced in 2019. During 2020 and 2021, as part of this program, we completed the disposition of secondary market and non-core properties having an aggregate value of approximately \$600 million. These dispositions, which were completed at a weighted-average premium of 18% to their IFRS value, had the effect of increasing the quality of our real estate portfolio. At the same time, we continued to enhance the quality of our business through the completion of complementary and strategic major-market property acquisitions and development expenditures having an aggregate value of approximately \$358 million. We also continued to invest in ongoing property capex and leasing costs, and we created significant value through the advancement of our entitlements program. Collectively, these actions prioritized portfolio quality and NAV growth, relative to FFO growth, with the belief that these were fundamentally the best courses of action to position First Capital for long-term value maximization post-pandemic.

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First Capital Exits the COVID-19 Pandemic

With the economic effects of the pandemic clearly subsiding, the Board determined that First Capital was well positioned to close the gap between its IFRS NAV per unit, and the trading price of the units. FCR's operational performance had remained robust during the pandemic and the NAV excluded much of the substantial embedded development density value in the real estate portfolio, yet through what was very evidently a post-pandemic economic recovery phase, a sizable discount to NAV continued to persist. As a result, the Board began to focus on opportunities and strategies to unlock this value. On May 16, 2022, FCR announced that it was commencing a normal course issuer bid (the "**NCIB**") to purchase up to 10% of FCR's public float, reflecting the Board's view that opportunistically repurchasing FCR's units at substantially below FCR's IFRS NAV per unit provided a highly compelling risk-adjusted opportunity for FCR. Under the NCIB, FCR has purchased approximately 6.2 million units for approximately \$95 million at an average price per unit of \$15.14, equating to a 36% discount to FCR's December 31, 2022 IFRS NAV per unit of \$23.48 and a 15% discount to FCR's closing market price on February 22, 2023.

On June 5, 2022, FCR's former Chief Executive Officer and Chair of the Board, Dori Segal, requested a meeting with the Board. Following his departure from First Capital, Mr. Segal has remained a unitholder and the Board accordingly felt it was appropriate to meet with Mr. Segal to hear his views and perspectives on FCR.

On June 14, 2022, Mr. Segal met with the Board and indicated, among other things, that he had been actively acquiring units and that it was his desire to return to the Board as Chair to lead a strategic review.

At various times in recent years the Board, with the benefit of financial and legal advice, has actively considered alternatives to realize and unlock, for the benefit of First Capital's unitholders, the substantial value of our exceptional property portfolio. The alternatives considered by the Board have included transactions to acquire FCR. But with the pronounced deterioration in macro economic conditions in early 2022, the Board was advised by its financial advisor, and was of the view when it engaged with Mr. Segal, that the then current market conditions, and particularly the conditions in the credit and capital markets, were not conducive for maximizing value in large real estate transactions for entities such as FCR. The Board, after considering Mr. Segal's request to return to the Board and his desire for a strategic review, responded to Mr. Segal on June 25, 2022 by noting that it did "not believe that it is in the best interests of FCR or its unitholders that [Mr. Segal] return as Chair, or that, given the current environment, the timing is appropriate to conduct a strategic review."

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Mr. Segal responded to the Board on June 30, 2022 and noted that he strongly disagreed with the Board. Mr. Segal has continued to criticize members of the Board and management and disagree publicly and privately with the strategic direction of FCR. While the Board is always open to maintaining a constructive dialogue with its unitholders, the Board viewed Mr. Segal's agenda as not aligned with the best interests of FCR's unitholders. The Board has therefore prioritized focusing on executing its real estate strategy, including the execution of a well-developed portfolio optimization plan, as described below, to help narrow the gap between our IFRS NAV per unit and our unit price, and desire to pursue Board renewal over engaging further with Mr. Segal.

First Capital Continues to Pursue Board Renewal

At the time Mr. Segal approached the Board, FCR was in the process of executing on its Chair succession plan and ongoing Board renewal process. 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, one new independent trustee was invited to join the Board in 2018, two new independent trustees were invited to join the Board in 2019, and an additional two new independent trustees were invited to join the Board in 2021. Since 2018, seven of the ten trustees at First Capital, including the Chair, have joined the Board as part of ongoing refreshment efforts.

In February 2022, Mr. McDonell approached the Chair of the Corporate Governance Committee to discuss his retirement ahead of the 2023 Annual General Meeting, which Mr. McDonell believed was appropriate given his tenure and First Capital's ongoing Board renewal program. This initiated a deliberate Chair succession process that was overseen by the Corporate Governance Committee and would culminate in the selection by the Board of Paul Douglas as Chair, together with the appointment of Ira Gluskin to fill the resulting vacancy that was created following Mr. McDonell's retirement from the Board in early February 2023.

First Capital Announces the Reinstatement of its Monthly Distribution and the Optimization Plan

With economic effects of the pandemic clearly subsiding, FCR's operational performance remaining strong and its debt metrics demonstrating an improving trend over a number of consecutive quarters, we announced on September 15, 2022 the full reinstatement of our regular monthly distribution to unitholders.

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This fulfilled the promise made by the Board in 2021 when we temporarily reduced our monthly distribution during the pandemic to provide FCR with meaningful financial flexibility, and also to ensure First Capital maintains its REIT status in 2023, and beyond, without placing an undue tax burden on unitholders.

On September 22, 2022, First Capital announced that the Board had approved an enhanced capital allocation and portfolio optimization plan (the “**Optimization Plan**”) to unlock value for all unitholders by driving growth in FFO per unit and at the same time strengthening FCR’s debt metrics with a targeted debt to Adjusted EBITDA ratio of less than 10.0x.

The Optimization Plan was designed to enable us to monetize a subset of specific, low-yielding assets which had met our value enhancing objectives, allowing capital to be redeployed to generate meaningful near-term improvement in various financial and debt metrics. This plan was the product of extensive deliberations by management and the Board following a thorough review of our portfolio, with the benefit of assistance from external financial advisors.

The assets to be monetized under the Optimization Plan are primarily a relatively small subset of those in our development pipeline, which have appreciated in value in recent years through our zoning and entitlement program. Following this initial monetization cycle, we will continue to maintain approximately 75% of our existing pipeline of attractive development opportunities, which will position us to achieve medium- and long-term NAV / unit growth. The Optimization Plan also targets achieving a minimum 4.0% average annual growth rate in FFO per unit⁽¹⁾ from 2021 to 2024.

To achieve this strategic repositioning and portfolio optimization, we determined to undertake a value maximizing sales process that is expected to generate gross proceeds of more than \$1 billion by the end of 2024. We are also in the process of completing the rezoning of approximately 11 million square feet of density on a well-staggered basis over the next one, two and three years, which we anticipate will increase the value of these properties by approximately \$700 million, based on current market density value for these properties.

In addition, the Optimization Plan will significantly strengthen our balance sheet through debt reduction and an improving cost of capital for the long-term, with FCR targeting a debt to Adjusted EBITDA ratio of less than 10.0x.

[1] Funds from Operations, excluding other Gains/(Losses) and Expenses

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On September 28, 2022, we announced the first transaction under the Optimization Plan – the sale of our remaining 50% non-managing interest in the residential component of the mixed-use property located at 1100 King Street West (“**King High Line**”) in Toronto, Ontario for total gross proceeds of \$149 million.

The King High Line transaction is indicative of the type of value surfacing transactions that we have identified under the Optimization Plan. Consistent with the Optimization Plan, we realized our short to medium term objectives for this asset and identified an opportunity to reallocate the proceeds to more productive uses. The transaction was completed at a highly compelling capitalization rate (below 3.0%) and allowed for the recycling of proceeds into more attractive opportunities. In addition, the sale of our interest in King High Line at a premium to IFRS value was accretive to both NAV and FFO per unit while at the same time positively impacting our key debt metrics. A significant component of the remaining properties to be monetized as part of this initial cycle are low-yielding development properties and none are grocery-anchored, multi-tenant properties.

First Capital meets with Ewing Morris

On October 4, 2022, Bernard McDonell and Andrea Stephen met with representatives of Ewing Morris & Co. Investment Partners Ltd. (“**Ewing Morris**”), at their request, to hear their perspectives regarding FCR. Mr. McDonell and Ms. Stephen advised representatives of Ewing Morris that they would confer with the Board regarding the matters raised by Ewing Morris, which included a request for Board representation, and get back to Ewing Morris with the Board’s response. Before First Capital was able to respond to the matters raised in the October 4, 2022 meeting with Ewing Morris, Ewing Morris publicly issued a letter on October 6, 2022, titled “Ewing Morris Releases Open Letter to Fellow First Capital REIT Unitholders: Restore the Value”.

Sandpiper and Artis REIT Surface

On October 6, 2022, following the issuance of the Ewing Morris October 6, 2022 press release, Samir Manji, the Chief Executive Officer of Sandpiper and Artis REIT (“**Artis**”), called Al Mawani, one of First Capital’s trustees. During the course of that phone call, Mr. Manji indicated that Sandpiper had itself been following and amassing a position in First Capital. Mr. Manji indicated that Sandpiper thought highly of First Capital, its properties and assets and FCR’s management team. He further indicated that he had instructed Sandpiper’s counsel to engage with First Capital’s advisors and would like to arrange meeting with members of the Board.

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Sandpiper and Artis Begin to Push for Board Seats

Later in the day on October 7, 2022, counsel to Sandpiper telephoned one of First Capital's advisors and noted that Sandpiper was acting jointly with Artis and had accumulated a position in First Capital that was just below 10%. Counsel to Sandpiper and Artis advised that Sandpiper and Artis were planning to cross the 10% threshold, but first wanted to engage in discussions with First Capital.

On October 8, 2022, counsel to Sandpiper and Artis sent an email to counsel to First Capital and indicated that Mr. Manji and Ben Rodney, the Chairman of Artis, would like to meet with members of First Capital's Board on October 11, 2022.

Sandpiper and Artis Propose First Capital Appoint Three Artis Trustees to the Board

On October 11, 2022, Mr. McDonell, Ms. Stephen and Mr. Paul met with Messrs. Manji and Rodney. During that meeting, Mr. Manji noted that Sandpiper and Artis had a very high regard for Mr. McDonell and Mr. Paul's leadership, that they had deep conviction in the underlying value of First Capital's properties and that it was their desire for First Capital to continue to execute on its real estate strategy and the Optimization Plan. At no time did Mr. Manji or Mr. Rodney raise any concerns or take issue whatsoever with either the Optimization Plan or the recently announced King High Line disposition. Mr. Manji indicated that their "real issue" was obtaining representation on the Board, and he proposed that Mr. Manji become Chair alongside Mr. Rodney and Liz Wigmore, another Artis Trustee.

He proposed that two existing trustees would resign, and the size of the Board would be increased by one Trustee. Mr. Manji confirmed that he would remain as Chief Executive Officer of Artis and Sandpiper while assuming the role of Chair of the Board. He also proposed that First Capital would be given a short period of time to execute the Optimization Plan, after which he wanted to have a path to conduct a strategic review of FCR, including exploring an en-bloc sale of its property portfolio.

While the Board was open to meeting with Sandpiper and Artis, as well as others who came forward, and has continued to remain open to considering value maximizing transactions, the Board was concerned that the interests of these activist unitholders diverged from the rest of First Capital's unitholders – both institutional and retail holders alike – who continued to be supportive of FCR unlocking value in a manner that would maximize the return on their investment, as opposed to providing an adequate short-term return to an activist investor with a low-cost base in its units. The Board considered the proposal put forward by Mr. Manji but remained wary that Mr. Manji's real objective was to take control of the Board as Chair and force First Capital into an ill-timed strategic review and sales process.

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This was of concern to the Board, which was also familiar with Sandpiper's activist attack on Artis and aware that Mr. Manji, upon securing control of the Artis board of trustees, had abruptly pivoted from the strategy he had articulated to unitholders and turned Artis into an investment holding company externally managed by Sandpiper.

The Board and its financial advisor continued to view a strategic review and the proposed timing of such as unlikely to lead to a sale that would allow unitholders to realize the full value of FCR's exceptional property portfolio and were very mindful of the potential harm to FCR and its unitholders that would result from any failed public sales process. Based on Mr. Manji's duplicitous actions at Artis and his track record of self-dealing and related party transactions, the Board was also concerned that Mr. Manji was attempting to install Artis trustees on the First Capital Board who would act in furtherance of Artis and Sandpiper's interests rather than those of First Capital's unitholders. The Board determined to raise these potential conflicts with Mr. Manji and suggest that Mr. Manji work with the Board to identify a mutually acceptable trustee candidate. If such a candidate could be identified, the Board was prepared to consider appointing such person as a representative of Artis and Sandpiper on the Board.

First Capital Responds to Samir Manji

On October 12, 2022, Mr. McDonell sent Messrs. Manji and Rodney the Board's considered response to their proposal. In that response, Mr. McDonell reaffirmed the Board's commitment to continued Board refreshment and indicated it was the desire of the Board to engage in constructive dialogue with Sandpiper and Artis in respect of their proposal and request for unitholder representation. Mr. McDonell noted that:

"The Board has concerns, however, with respect to your request that the Board appoint representatives of an investment vehicle [Sandpiper] and a sector competitor [Artis] that have the stated intention of increasing their stake through continued market purchases, in anticipation of what we understand may be a potential strategic review. The independence of the nominees you have proposed is also a concern given the interrelationships amongst the respective nominees (as well as the relationship and arrangement between the Sandpiper Group and Artis REIT) and their existing roles and commitments at Artis REIT. The Board is also of the view that your proposal to appoint Samir Manji as Chair of the Board in addition to Ben Rodney and Lis Wigmore as trustees would be disproportionate relative to the size of your investment in First Capital and would result in giving effective control to the Sandpiper Group and Artis REIT. The Board is concerned that your proposal is not in the best interests of all of First Capital's unitholders.

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To address the Board's concerns, it is our hope that you will agree to work with the Corporate Governance Committee to identify a mutually acceptable independent nominee who could be immediately appointed to the Board. The Board would be prepared to increase the size of the Board to facilitate the appointment of this mutually agreed nominee, and to otherwise work collaboratively with you on the remaining terms of your proposal. As part of that candidate selection process, if you have independent and unconflicted candidates that you believe might be additive to the current Board and focused on maximizing the long-term value of First Capital REIT for all its unitholders, we welcome the opportunity to consider them."

Mr. Manji contacted Adam Paul on October 13, 2022 to express his dissatisfaction with First Capital's response noting "...Your written response to our first meeting was insulting and ill-advised by any objective measure. If we can come to agreeable terms tonight or tomorrow, our lawyers can work together to finalize shortly thereafter. Otherwise, we'll simply go in a different direction." Rather than address the potential conflicts in a forthright manner, Mr. Manji threatened the Board with a proxy contest.

First Capital Attempts to Re-Engage with Mr. Manji

On October 13, 2022, the Board responded to Mr. Manji noting that the Board was prepared to meet with Mr. Manji and Mr. Rodney again and engage in further constructive dialogue and that it was the Board's hope in that meeting Mr. Manji would be prepared to address the concerns that First Capital had raised.

Mr. Manji Declines to Address Conflicts and Takes a "Different Course"

Later that day on October 13, 2022, Mr. Manji confirmed that based upon the letter response previously provided on October 12, 2022, Sandpiper and Artis would "take a different course". The Board was and has remained prepared to work constructively with Mr. Manji in an attempt to agree upon a mutually acceptable trustee to serve on the Board, but Mr. Manji declined to further engage, and in his words took a "different course". This was unfortunate, but it confirmed the Board's suspicions that Mr. Manji was intent on ensuring he obtained direct and outsized influence on the First Capital Board.

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The Board believes that Mr. Manji's main objectives are not about developing a new real estate strategy for First Capital or Board renewal, but rather about gaining sufficient control over the Board to cause First Capital to pursue a strategic review, which would benefit Artis and drive short-term returns for Sandpiper. The Board is concerned that Mr. Manji's objective of achieving a short-term return conflicts with the Board's objectives of maximizing long-term value for all unitholders.

Sandpiper and Artis Go Quiet

From October 13, 2022 through to December 12, 2022, there was no further engagement or discussions between First Capital and Sandpiper and Artis. At no time did Sandpiper and Artis re-engage to advise the Board that they were prepared to put forward alternative nominees to Mr. Manji, Mr. Rodney and Ms. Wigmore, nor did Sandpiper or Artis raise any issue with the Optimization Plan.

Sandpiper and Artis Deliver their Meeting Requisition and Raise Issues with the Optimization Plan for the First Time

On December 12, 2022, Sandpiper and Artis issued a press release requisitioning a special meeting of First Capital's unitholders for the purposes of nominating four nominees, namely Mr. Manji, Kerry D. Adams, Elizabeth DelBianco and Jacqueline Moss. In the investor presentation that accompanied the December 12, 2022 press release Sandpiper and Artis for the first time took issue with the Optimization Plan and put forward an alternative competing plan (the "**5P Plan**"), which would result in, among other things, higher levels of indebtedness at FCR and a potential strategic review. In reviewing the 5P Plan it was apparent to the Board that Mr. Manji's 5P Plan was being put forward as cover for "change", and that his real objective remained a sale of FCR.

"... FCR's portfolio appears better suited with a private market real estate mindset"
- Sandpiper Group Presentation, December 2022

On December 30, 2022, First Capital publicly announced May 16, 2023 as the date for the requisitioned meeting, with the Board having determined to hold a combined annual and special meeting of unitholders. In selecting the May 16, 2023 date for the requisitioned meeting, the Board carefully considered a number of factors, including the Board's desire to provide unitholders with visibility into the financial and operating performance of FCR through the first quarter of 2023 as well as to ensure unitholders would be afforded a meaningful opportunity to assess the performance of the Optimization Plan and the stewardship of the trustees, including under more normalized business conditions following the peak of the COVID-19 pandemic.

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On January 3, 2023, Sandpiper and Artis delivered correspondence to First Capital threatening litigation with respect to the meeting date unless First Capital confirmed it would not undertake any further asset sales under its Optimization Plan until the annual and special meeting of unitholders.

On January 5, 2023, First Capital responded to Sandpiper and Artis indicating that First Capital was not prepared to provide the requested undertaking and would continue executing on its Optimization Plan through to the meeting. In responding to Sandpiper and Artis, the Board considered the support previously communicated by Sandpiper and Artis for the Optimization Plan, the absence of any new factors or developments relating to the Optimization Plan that had arisen between October 2022 and December 2022, as well as the Board's continuing belief that executing on the Optimization Plan remained in First Capital's unitholders' best interests.

The Court Declines Sandpiper and Artis' Request to Stop First Capital from Executing on the Optimization Plan and Orders an Expedited Meeting

On February 1, 2023, the Ontario Superior Court (Commercial List) (the "**Court**") issued an order in respect of the litigation commenced by Sandpiper and Artis. While the Court required that the meeting date be held as soon as practicable, which the Court expected would be late March or early April 2023, the Court declined to impose any restrictions on our ability to continue to execute on the Optimization Plan as Sandpiper and Artis had sought through the requested undertaking.

On February 3, 2023, the Board called an annual and special meeting of unitholders to be held on March 28, 2023 in accordance with guidance provided by the Court and in agreement with Sandpiper and Artis.

First Capital Announces Strong 2022 Results and Planned Governance Changes

On February 7, 2023, we announced strong fourth quarter 2022 results together with planned governance changes, including the appointment of Paul C. Douglas as the Chair of the Board together with the appointment of Ira Gluskin to the Board following the retirement of Mr. McDonell as Chair of the Board. Mr. Paul reaffirmed FCR's commitment to the Optimization Plan and noted:

"We have proven the resilience of our portfolio and our team's ability to operate well through market cycles and events, as First Capital emerges from the challenges of the last several years with strong fourth quarter and full-year 2022 operational and financial results.

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Among our priorities for the year ahead is the continued execution of our Enhanced Capital Allocation and Portfolio Optimization Plan to further drive FFO per unit while at the same time strengthening our debt metrics.... This Plan is the outcome of a comprehensive and thorough review by Management and the Board on how best to unlock the value we have created in our real estate. We are encouraged that the Plan has been well received by the majority of our unitholders.”

Our results demonstrated continued progress on targeted property dispositions with approximately \$179.3 million of dispositions completed during the fourth quarter, including the King High Line disposition and the sale of a 25% interest in our Yonge & Roselawn development site located in mid-town Toronto. In addition, we confirmed that we were continuing to make progress in our development pipeline by creating a focused cycle of strategic monetization and investment opportunities. Consistent with the objectives of the Optimization Plan, we also announced that we had meaningfully improved our year over year Net Debt to Adjusted EDITDA ratio⁽¹⁾ from 11.2x to 10.2x, and confirmed that we were continuing to target a Net Debt to Adjusted EBITDA ratio of less than 10x.

On February 8, 2023, we held our Q4 2022 Annual Results Conference Call and provided additional commentary on the initial billion-dollar monetization pipeline. Mr. Paul noted that following the two sales in the fourth quarter of 2022, there were approximately 28 assets remaining in the initial monetization pipeline, having an average value of approximately \$30 million. He stated that “most are development sites; none are multi-tenant grocery-anchored centres and no individual asset sale, or even the aggregate of the billion-dollar pool, materially changes the composition of FCR’s primarily grocery-anchored portfolio or its long-term growth trajectory. But they are expected to meaningfully impact the key metrics our [Optimization] Plan is designed to deliver.”

First Capital Engages Sandpiper and Artis in Settlement Discussions

In mid-February First Capital attempted to again engage in constructive settlement discussions with Sandpiper and Artis that the Board believed would be in the best interests of all unitholders and avoid the cost and distraction of a contested unitholder meeting. To that end, on February 23, 2023 First Capital proposed that one of the independent, non-Sandpiper trustee nominees of Sandpiper and Artis immediately be appointed to the Board.

(1) Refer to “Non-IFRS Financial Measures” section of the Circular.

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The Board felt that this was a reasonable and prudent approach to Board refreshment and responsive to Sandpiper and Artis' request for unitholder representation; however, Sandpiper and Artis refused. That Mr. Manji was unwilling to support the appointment of a non-Sandpiper individual was a red flag for the Board as it reinforced the Board's concern that Mr. Manji remained committed to an agenda that was designed to benefit Artis and Sandpiper, and that without Mr. Manji on the Board to effect such an agenda, no settlement would be possible.

First Capital Enters into Support and Cooperation Agreement with Vision and Ewing Morris

On February 23, 2023, First Capital entered into a support and cooperation agreement (the "**Cooperation Agreement**") with Vision Capital Corporation ("**Vision**") and Ewing Morris. We had continued to have periodic discussions with Ewing Morris since their approach to First Capital in October of 2022, and had separately had discussions from time to time with Vision, another unitholder. Under the terms of the Cooperation Agreement, we agreed to appoint Richard Nesbitt, an independent trustee who we had previously considered as part of our ongoing board refreshment process, to the Board and include him in the slate of trustees nominated by First Capital at the upcoming meeting. Mr. Nesbitt has extensive capital markets and financial services expertise, and helps to further strengthen the Board as it transitions out of the pandemic.

Pursuant to the Cooperation Agreement, we agreed that we would include Mr. Nesbitt as a nominee and solicit proxies in favor of and otherwise promote and support the election of Mr. Nesbitt. The Cooperation Agreement also provides that if Mr. Nesbitt ceases to be a director for any reason prior to the one year anniversary of the Cooperation Agreement (the "**Standstill Period**"), and so long as Vision and Ewing Morris have not ceased to beneficially own in the aggregate at least 9,000,000 units, then Vision and Ewing Morris would have the ability to recommend a substitute independent person to serve on the Board, in accordance with the terms of the Cooperation Agreement. Pursuant to the Cooperation Agreement, Vision and Ewing Morris are each subject to certain customary standstill restrictions during the Standstill Period, and voting provisions in respect of the meeting.

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Reasons for Voting in Favour of First Capital's Nominees



CHOOSE:

The Board recommended by First Capital - a refreshed, independent and experienced Board committed to ensuring the success of the Optimization Plan while positioning FCR for future growth and maximizing unitholder value.



NOT:

The conflicted slate of nominees beholden to an opaque self-interested hedge fund and underperforming REIT that threatens the value of your investment.

OUR RECOMMENDED BOARD:

Leonard Abramsky, Trustee

Sheila Botting, Trustee

Ian Clarke, Trustee

Paul Douglas, Chair of the Board

Ira Gluskin, Trustee

Analisa King, Trustee

Aladin (Al) Mawani, Trustee

Adam Paul, (CEO)

Richard Nesbitt, Trustee

Dayna Gibbs, Trustee Nominee

The Board, through the work of the Corporate Governance Committee, has been focused on a strategic approach to refreshment that balances the need for historical continuity and fresh new perspectives. The recommended Board is the result of a process which has identified candidates who represent this balance while bringing significant experience in real estate, retail and capital markets.

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Why Choose Our Recommended Refreshed Board

There are Six Key reasons to choose First Capital's recommended Board:

- 1. Skills and Experience** – FCR's recommended Board possesses the skills, experience and expertise needed to lead First Capital's real estate strategy and maximize unitholder value.
- 2. Execution on the Optimization Plan** – FCR's recommended Board is committed to executing on the Optimization Plan, the best value-maximizing strategy today.
- 3. Focused upon Realizing Full Value** – FCR's recommended Board will continue to responsibly evaluate and pursue any potential value creating opportunities.
- 4. Continuity and Stability** – FCR's recommended Board has critical institutional knowledge which provides the continuity and stability required to protect unitholders' investments while executing on the Optimization Plan.
- 5. Openness to Change, Having Proactively Driven Board Renewal** – FCR's recommended Board has demonstrated its ability to proactively make strategic and governance changes, including through its leadership during the pandemic and ongoing Board renewal.
- 6. Has Made Reasonable Attempts to End Costly and Distracting Proxy Fight** – FCR's recommended Board has made several reasonable attempts to settle with Sandpiper and Artis to end this costly and distracting proxy fight, but Sandpiper and Artis have refused to do so on a reasonable basis.

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1. Skills and Experience

Our recommended Board has the skills and experience needed to lead First Capital's real estate strategy and maximize unitholder value.

The disciplined execution of our real estate strategy by our Board and management team is creating unitholder value today and for the long term. Our recent unit price performance reflects the positive momentum from the Optimization Plan, but this momentum did not happen overnight. First Capital's exceptional portfolio of real estate assets and continued strong operational performance reflects many years of focused and sustained efforts of a Board and management team who have the skills and experience required to successfully manage and optimize our assets.

In addition to a talented and experienced management team, our success is also attributed to the engagement of an experienced and independent Board, which has been thoughtfully refreshed on an ongoing basis. Our trustees leverage their diverse backgrounds to bring a variety of views to the Board and to effectively oversee management's successful execution of the Optimization Plan. The merits of our consistent approach to value creation are reflected in the resilience of FCR throughout the pandemic and the positive momentum across our portfolio and in the performance of our units.

Our trustees have deep expertise and experience across a wide range of key areas, including:

- ✓ real estate investment
- ✓ real estate development and operations
- ✓ capital markets and financing
- ✓ corporate governance
- ✓ human resources, ESG, and Sustainability
- ✓ capital allocation; financial oversight and audit
- ✓ C-suite leadership; strategic planning and execution
- ✓ experience as trustees or executives of other REITs
- ✓ M&A and real estate transactional expertise

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2. Execution of the Optimization Plan

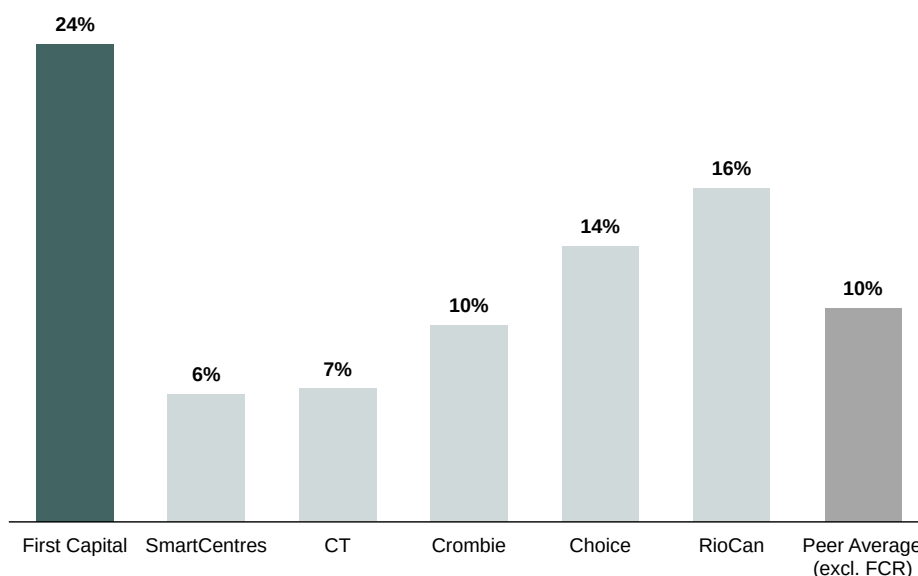
Our recommended Board is committed to executing on the Optimization Plan, the best value-maximizing strategy for First Capital today.

The Optimization Plan represents significant upside opportunity for First Capital's unitholders. The Optimization Plan aims to unlock value through the monetization of targeted assets while maintaining an attractive pipeline of development opportunities and redeploying capital to generate a more meaningful near-term impact, as measured by a continued reduction in FCR's total indebtedness while generating an anticipated multi-year FFO per unit growth rate of at least 4%.

We believe, as do substantially all of the unitholders we have engaged with, that the implementation of the Optimization Plan is the best value-maximizing alternative available to First Capital today.

We are moving forward with the optimization of our portfolio and redeployment of capital, and we are already beginning to see positive progress. Our strong operating results and the execution of the Optimization Plan have contributed to a **21% increase** in the market price of our units since the Optimization Plan was announced, and strong relative total return performance.

First Capital and Larger-cap Retail REIT Peers | Total Unitholder Returns¹



Note: (1) To February 22, 2023 from the announcement of FCR's Optimization Plan on September 22, 2022.
Source: Bloomberg

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Many independent REIT research analysts also see the merits of our Optimization Plan. Here are what several have recently written:

“We believe investors should view this initiative positively, as it should be accretive to cash flow/unit and favourably impact leverage metrics.”

– Jenny Ma, BMO Capital Markets, September 22, 2022.

“...increasing efforts to monetize development density now is well-timed, given the increased pace of zoning entitlements achieved and expected in the near/medium term.”

“... on balance, we believe FCR's disposition plan will have more favourable impacts than Sandpiper's, and see the attempt at changing four out of nine Trustees as excessive.”

– Sam Damiani, TD Securities Inc., September 23, 2022 & February 3, 2023.

“On the whole though, we still agree with FCR pursuing its disclosed “Optimization Plan”. We still believe FFOPU-accretive dispositions above IFRS value (low-cap rate sales; incl. residential density) while simultaneously lowering financial leverage is positive for FCR unit price.”

– Mario Saric, Scotiabank, February 9, 2023

“Overall, we view FCR's announced strategic initiatives as steps in the right direction to enhance growth and support a structurally stronger valuation.”

– Pammi Bir, RBC Capital Markets, September 23, 2022

“Expect investors to like this plan....we expect investors will appreciate the greater clarity into how FCR will approach the next couple of years and its stronger commitment to FFO/u growth within the REIT structure.”

– Tal Woolley, National Bank Financial, September 23, 2022

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Sandpiper and Artis have put forth their 5P Plan. On the surface, this plan may appear similar to our Optimization Plan – but it is not. Unlike the 5P Plan, our Optimization Plan will result in material improvements to First Capital's leverage profile, it will strengthen the REIT's balance sheet, it will enhance the REIT's FFO per unit growth profile, and it will position FCR to continue to pursue opportunities to create and enhance value for unitholders. These outcomes will underpin the resilience and continuity of the current monthly cash distributions as our business continues to further emerge from the effects of the pandemic.

	First Capital Optimization Plan	Sandpiper & Artis 5P Plan
Asset Sales	<ul style="list-style-type: none"> Disposition target of \$1B by end of 2024 of low- and non-yielding assets No sale of multi-tenant, grocery-anchored properties Maintain significant development pipeline (75% of 24 million square feet of development pipeline) 	<ul style="list-style-type: none"> Disposition target of \$400M by end of 2023 Sell low-growth/currently higher yielding assets that it perceives to be less impactful to the REIT's future growth and super urban strategy
Debt Reduction	<ul style="list-style-type: none"> Reduce debt to EBITDA to less than 10x Improve the REIT's cost of capital Maintain investment grade credit ratings 	<ul style="list-style-type: none"> No debt reduction; drive debt to EBITDA higher Continue to increase REIT's cost of capital Risk First Capital's investment grade credit ratings
FFO Growth	<ul style="list-style-type: none"> Increase proportion of higher yielding properties in the REIT's overall portfolio composition leading to higher FFO growth 	<ul style="list-style-type: none"> Increase proportion of low-yielding properties leading to shrinking FFO
Strategic Review	<ul style="list-style-type: none"> Unlock value from the REIT's portfolio to be well-positioned for future opportunities 	<ul style="list-style-type: none"> Short term gains through a strategic review designed to lead to a sale to provide a short-term return to an activist investor with a low-cost base in its units

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Moreover, some of the same independent REIT research analysts have voiced their concerns regarding Sandpiper and Artis' plan.

“...we believe FCR's recently announced strategic initiatives (i.e., its enhanced capital allocation and portfolio optimization plan) are steps in the right direction to support a stronger valuation.

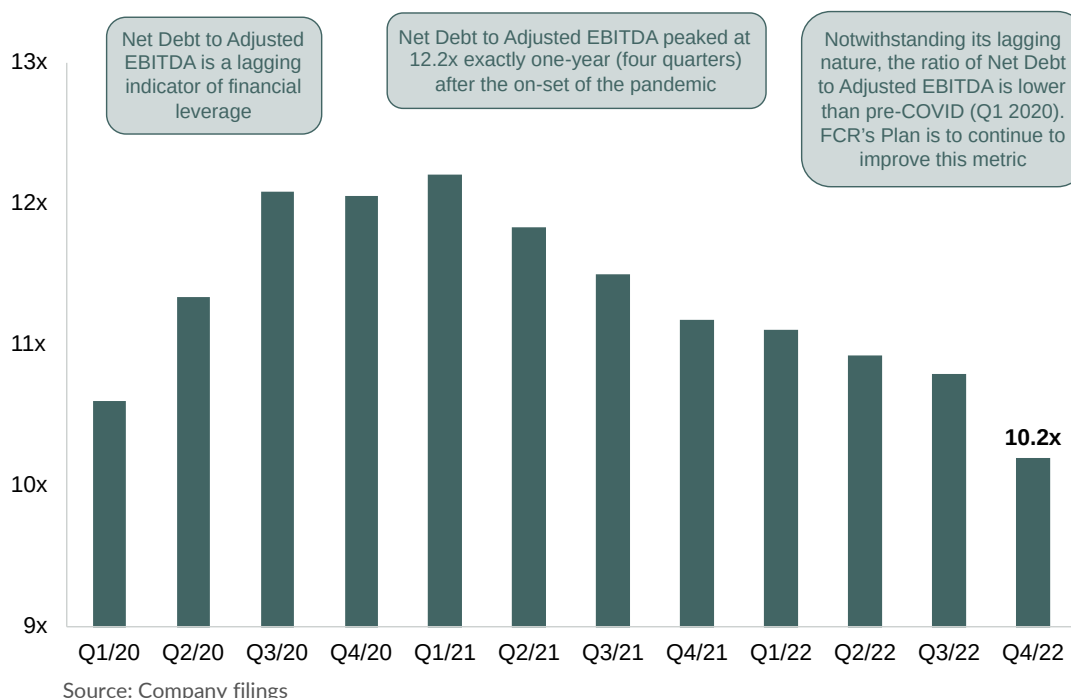
In contrast with [Sandpiper's] plan to maintain leverage, we believe FCR's elevated debt/EBITDA has been among the most prominent issues for investors (as we've stated on multiple occasions) ...”

– Pammi Bir, RBC Capital Markets, December 12, 2022

“With debt/EBITDA at 10.9x and Sandpiper earmarking its \$400 mln disposition plan proceeds to an NCIB, it only leaves ~\$200 mln in incremental debt capacity for development before debt/EBITDA ratios would start to come under scrutiny again.”

– Tal Woolley, National Bank Financial, December 12, 2022.

First Capital's Net Debt to Adjusted EBITDA Multiple



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3. Focused Upon Realizing Full Value

Our recommended Board will continue to responsibly evaluate and pursue potential value-creating opportunities. Our Board has no concealed agenda or conflicts of interest, and it is entirely focused on ensuring that unitholders realize the full value of FCR's property portfolio.

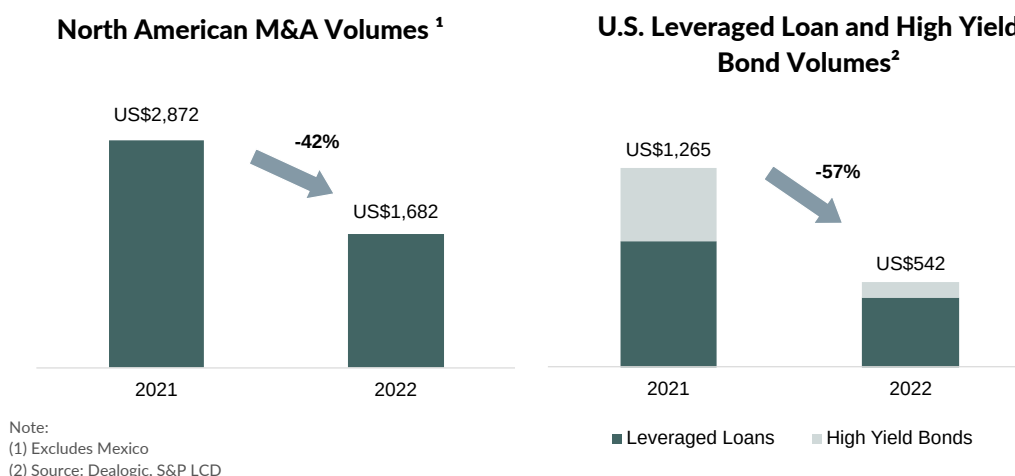
The Board has carefully considered alternatives to the Optimization Plan, including at various points in time value maximizing transactions that contemplated a sale of the entire FCR portfolio or the REIT.

While the Board believes that the execution of the Optimization Plan is the best path to delivering value to unitholders today, the Board has continued to regularly review strategic alternatives with its financial and legal advisors and has carefully considered such opportunities.

- In recent years, the Board has considered various ways to realize and unlock the substantial value of its exceptional property portfolio, including engaging financial and legal advisors with respect to potential entity level or portfolio transaction opportunities.

Whenever First Capital has been approached by potential acquirers or counterparties expressing an interest in transacting with FCR, the Board has thoroughly and thoughtfully considered such opportunities with the benefit of financial and legal advice and with a view to maximizing value for

- Geopolitical and macro economic events through 2022, including impacts related to the Russian invasion of Ukraine beginning in February 2022, inflationary pressures, and significant interest rate increases by the Bank of Canada and the United States Federal Reserve, had a destabilizing impact on both equity capital markets and credit markets over the past twelve-months.
- With macroeconomic conditions deteriorating throughout 2022, the Board was advised by its financial advisor that general market conditions and real estate sector specific factors were very likely to limit the value that could be realized through an entity level or en bloc portfolio sale.



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- First Capital's Board has extensive M&A and transactional experience, and its recommended refreshed Board has collectively facilitated numerous major M&A transactions.
- The Board has, and remains fully committed to ensuring that unitholders' investment in FCR is maximized.

4. Continuity and Stability

Our recommended Board has critical institutional knowledge which provides the continuity and stability required to protect unitholders' investments while executing on the Optimization Plan.

First Capital is on the right track with a Board that is committed to creating value for unitholders. Successful Board constitution strikes the right balance between the institutional knowledge and expertise provided by trustee continuity and the benefit of new perspectives that can come with trustee renewal.

Sandpiper and Artis are relatively recent First Capital unitholders. Their interests may conflict with other unitholders due to their short-term agenda. Artis and Sandpiper are attempting to replace 40% of the Board, including the Chair, despite holding only 9% of the units of FCR. The actions of Sandpiper and Artis and their Board nominees collectively raise a number of "red flags", including conflict-of-interest related concerns, and their actions provide a very serious threat to FCR's positive momentum and the value of unitholders' investment in First Capital. Removing trustees with institutional knowledge and experience with First Capital's properties and real estate strategy will, at best, undermine the significant progress made to date. At worst, the introduction of serious conflicts of interest into the boardroom could set First Capital on a backwards path.

First Capital requires trustees who understand the evolution of our property portfolio, provided guidance and gained the experience related to the challenges of the pandemic, and who have established relationships with a diverse unitholder group. Stability is an important element of operational success. Part of providing the necessary stability is to keep Paul Douglas as our Chair.

Equally, the First Capital Board's commitment to ongoing refreshment is illustrated by the decisions of Bernard McDonnell, our former Chair, and Andrea Stephen to retire from the Board, thereby demonstrating their desire to not only act in the best interest of unitholders but to ensure that unitholders' desire for renewal has been met in a responsible way.

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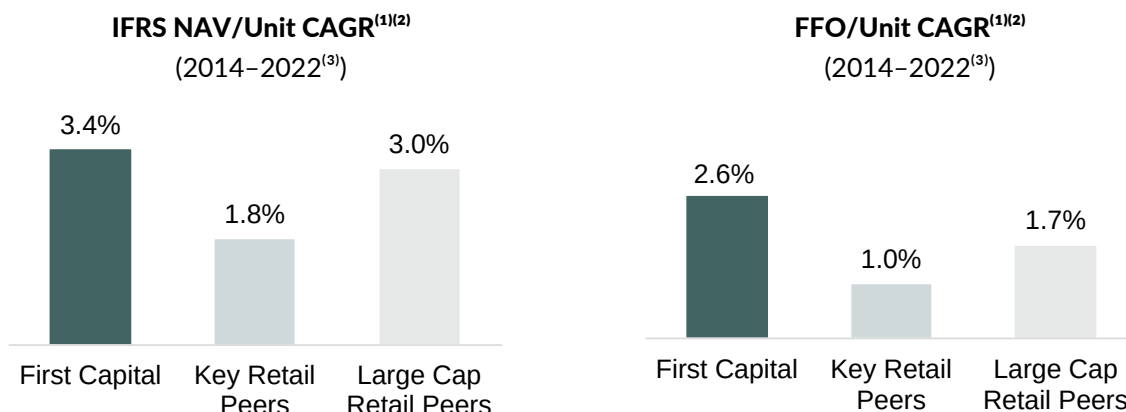
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Our Board has an extensive track record of delivering consistent and strong operational results over the long term. We have delivered an approximately 3% FFO/unit average annual growth rate over the last eight years, despite the significant impacts stemming from the COVID-19 pandemic, while also delivering approximately 3% average rent per square foot growth, which has increased consecutively for the last 26 quarters, and maintaining consistently high occupancy. As we exit the pandemic, Sandpiper and Artis threaten the strong momentum and operational excellence that we have built over the long term.



Notes:

(1) Key Retail Peers include RioCan REIT and SmartCentres REIT

(2) Large Cap Retail Peers include Choice Properties REIT, CT REIT, Crombie REIT, SmartCentres REIT and RioCan REIT

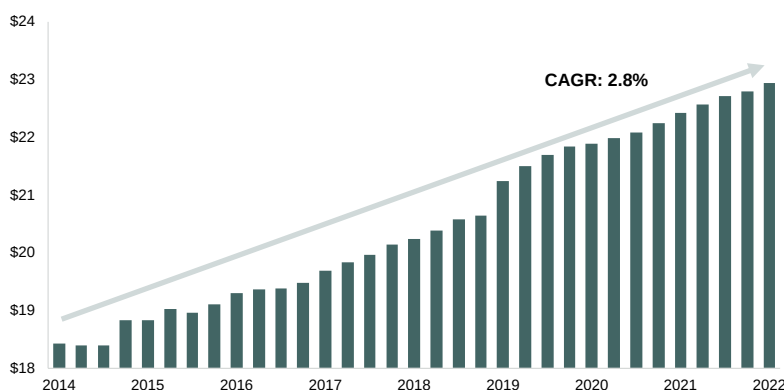
(3) Crombie REIT is measured using Q3/22 figures for IFRS NAV/unit and Capital IQ Consensus for 2022E FFO/unit

Source: Company filings and Capital IQ

At the property level, First Capital's portfolio has delivered a long and steady track record of rent growth. Over the past eight years, portfolio net rent per square foot growth has averaged nearly 3% annually. Notably, the portfolio has delivered uninterrupted growth in net rent for last 26 consecutive quarters, which included roughly two-years that were impacted by the pandemic.

As we look ahead and continue to recover from the effects of the pandemic, Sandpiper and Artis threaten the strong momentum and operational excellence that FCR has built over the long term. This cannot be allowed to happen.

First Capital's Average Rent Per Square Foot (2014 – 2022)



Source: Company Filings

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5. Openness to Change, Having Proactively Driven Board Renewal

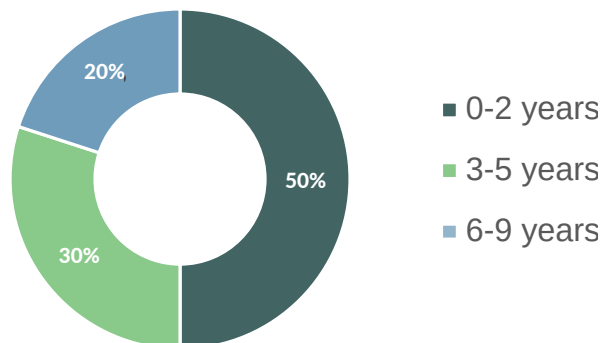
Our recommended Board will continue to responsibly embrace and drive value maximizing change as the steward of unitholders' investments.

First Capital has an independent, experienced and highly qualified Board that has consistently been recognized for its strong corporate governance practices. The Board has overseen the creation of growing and sustainable value amidst a challenging macroeconomic backdrop.

Our strong corporate governance is complemented by our commitment to Board renewal. In 2018, the Board began a board renewal process pursuant to which it considered a number of qualified candidates and their ability to make meaningful contributions to the Board and its stewardship of First Capital's business. This process resulted in the addition of eight new highly accomplished Board members, including our 2023 additions and nominees. First Capital's professional and independent trustees effectively represent the interests of all unitholders and they have been actively engaged in all aspects of the business, including the recovery from the pandemic and the review of potential alternatives to maximize value for unitholders.

As part of First Capital's ongoing Board renewal process in 2023, Ira Gluskin, Richard Nesbitt and Dayna Gibbs, three additional highly qualified individuals, each of whom have real estate investing, capital markets and transactional experience, are being nominated for election to the Board at the meeting. If elected, the trustee nominees proposed by FirstCapital would result in Board composition of 50% of trustees with a tenure of 0-2 years, 30% with a tenure of 3-5 years and 20% of trustees with a tenure of 6-9 years.

First Capital's Recommended Board – Based on Years of Tenure¹



Note: (1) As of February 23, 2023

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As a group, the nominees proposed by First Capital for election at the meeting have extensive experience in business-critical areas, including real estate investment, accounting, finance, legal, governance and human resources. The Board has consistently listened and responded to the feedback of unitholders, and it has taken action when warranted.

6. Attempts to End Costly and Distracting Proxy Fight

Our Board has made reasonable attempts to accommodate Sandpiper and Artis' views and end the proxy fight and remains open to a responsible settlement that is not to the detriment of other unitholders.

The Board has made several attempts to settle with Sandpiper and Artis' but will not agree to the appointment of Samir Manji as a trustee due to the Board's legitimate concerns with the conflicts that arise from his continuing role as the CEO of both Sandpiper and Artis. Sandpiper and Artis want wholesale Board change with new trustees who are beholden to Mr. Manji and will pursue Sandpiper and Artis' self-serving short-term agenda. Unitholders should remember that Mr. Manji initially proposed adding three Artis trustees to the Board and only pivoted to his current slate when confronted with concerns around conflicts. Despite identifying three trustee candidates who are unaffiliated with Sandpiper and Artis, Mr. Manji has been unwilling to agree to a settlement that does not involve his appointment alongside those candidates. The Board believes that the reason for this is that Mr. Manji plans to exert influence on those trustee candidates once on the Board in furtherance of Sandpiper and Artis' agenda and is therefore unwilling to agree to a settlement proposal that does not include him or another of Sandpiper's employees.

Sandpiper and Artis completely ignore the need for any continuity to ensure successful execution of the Optimization Plan because that is not their agenda – Sandpiper and Artis are focused on achieving their objectives rather than maximizing unitholder value for the benefit of all unitholders.

Sandpiper and Artis' demands also ignore the substantial Board refreshment that has recently taken place.

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WHY NOT SANDPIPER AND ARTIS AND THEIR SHORT TERM SELF-INTERESTED AGENDA?

- 1. Do not be fooled by Sandpiper and Artis' governance claims. Their campaign is not about board refreshment or corporate governance. Rather, it is about taking control of the First Capital Board in order to push their short term and self-interested agenda in order to mask Artis' underperformance and Sandpiper's mismanagement.**

Sandpiper and Artis initially demanded three board nominees, all of whom were Artis trustees, and a path to a strategic review. This was all while expressing support for FCR's management and the Optimization Plan.

When confronted with the very clear conflicts in their nominee proposals, Sandpiper and Artis subsequently pivoted to their flawed 5P Plan which demonstrates a lack of understanding of what First Capital unitholders want, the dynamics of the real estate capital markets, and the inherent value of First Capital's property portfolio.

Sandpiper and Artis' "5P Plan" is significantly inferior to the Optimization Plan. It will not help close the gap between First Capital's unit price and its underlying net asset value. First Capital unitholders do not want higher debt or a strategic review that is designed to lead to a sale at a time when credit and capital markets are not conducive to large transactions at a full and fair value. Rather, unitholders want a responsible and independent Board that is committed to maximizing unitholder value for the benefit of all unitholders.

“...Sandpiper's plan to focus dispositions on lower-quality — and therefore higher-yielding — assets would come at the expense of achieving debt/EBITDA reduction targets. Above-average leverage has been a concern since 2019 and the subsequent deleveraging has taken longer than expected, partly due to the pandemic.”

– Sam Damiani, TD Securities Inc., December 13, 2022

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Sandpiper and Artis are focused on pursuing a strategic review to achieve a short-term return on their investment, to the detriment of First Capital's other unitholders. Unitholders should question Sandpiper and Artis' motives, as their interests may not align with those of other First Capital unitholders. Consider the following:

- Sandpiper and Artis initially expressed support for First Capital's real estate strategy, the Optimization Plan and First Capital's management and Board.
- When First Capital declined to agree to the appointment of the three conflicted Artis trustees, rather than engaging in a constructive dialogue around a mutually acceptable trustee nominee, Sandpiper and Artis disengaged and publicly attacked FCR's Optimization Plan in an attempt to drive their false change narrative.
- Sandpiper and Artis seem to believe that they can run First Capital's business better than the current Board, yet Sandpiper has failed to execute on its turnaround plan at Artis and has caused significant value destruction for Artis and its unitholders.
- The Board and management acted prudently and responsibly in managing FCR through the Covid-19 pandemic and as the effects of the pandemic begin to recede, Sandpiper and Artis are attempting to act opportunistically to take control of FCR.

2. Sandpiper's troubling track record of poor performance and poor governance at Artis demonstrates that it's not qualified to lead First Capital.

Sandpiper's history in the real estate sector is troubling at best. Artis is possibly the prime example in this regard. Since Sandpiper first became involved in Artis in April 2018, Artis units have returned a dismal **negative 5%** and they have **underperformed the Total Return of the S&P/TSX REIT Index by a massive 44 percentage points.**

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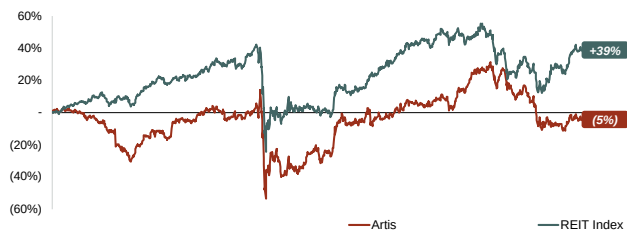
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In December 2020, Samir Manji orchestrated his appointment as CEO of Artis. Since that time, the performance of Artis and its discount to NAV have both deteriorated further and Artis has significantly underperformed its peers and the S&P/TSX REIT Index.

Artis and the TSX Capped REIT Index Total Returns⁽¹⁾



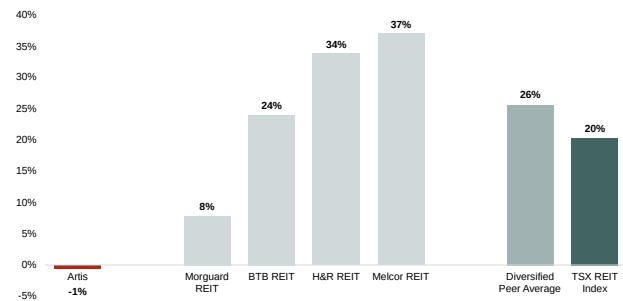
Notes:

(1) Total returns from April 4, 2018 to February 22, 2023

(2) Total returns from December 14, 2020 to February 22, 2023

Source: Bloomberg

Artis' and Diversified REIT Peers Total Returns⁽²⁾



Under Mr. Manji's leadership as CEO of Artis, the price of the units has languished and over time they have traded at a wider and wider discount to Net Asset Value. Today, priced at more than 50% below its stated NAV, Artis units are one of the most heavily discounted across the entire Canadian REIT sector.

Artis' Discount to Net Asset Value Under Samir Manji's (Sandpiper's) Leadership as CEO



Source: Bloomberg, Capital IQ and Company filings

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Sandpiper took control of Artis while citing governance as an issue. But once it gained control of the Artis board, Sandpiper promptly abandoned any semblance of governance and began to exploit Artis to in order to advance Sandpiper's interests.

This very proxy contest is a clear example of Mr. Manji's approach to conflicts and governance. Sandpiper has enlisted Artis as its joint actor in this campaign against First Capital directing Artis to purchase a sizable stake in FCR. Today, Artis' total investment in FCR units has a value that exceeds 20% of equity market capitalization. Through Artis, Mr. Manji pursues this opportunity in his own hedge fund and he was able to do so without any disclosure to Artis' unitholders. Moreover, by Mr. Manji's own admission, he was able to do this absent any discussion with Artis' board of trustees. These actions fly in the face of responsible governance and the appropriate management of conflicts of interest.

You don't need to take our word for it. On May 18, 2021, the Globe & Mail, one of Canada's most respected business journals, covered the Sandpiper-Artis story and the inherent conflicts of interest. Authored by a respected reporter and columnist on capital markets, excerpts from the article relating to Sandpiper and what transpired at Artis included:

"Artis Real Estate Investment Trust is awarding an investment management contract to Sandpiper Group, a private equity firm run by Artis's chief executive officer, even though Sandpiper won an activist campaign against the REIT's former board of directors that centred on alleged conflicts of interest.

Last October, Sandpiper sought to take control of Artis by questioning the independence of a construction and management company allegedly owned by the former CEO's family. The campaign was a success, and earlier this year Artis installed Sandpiper founder Samir Manji as its new CEO. Only a few months into his tenure, Artis is now handing an investment management contract to Sandpiper that will pay the private firm to manage investments in publicly traded real estate companies."

"Artis REIT awards Investment contract to CEO's own private equity firm, blurring the lines between the two businesses" - Tim Kiladze, The Globe & Mail, May 18, 2021.

And more recently, a leading independent REIT research analyst also supported the Globe & Mail's assessment with respect to serious governance issues at Artis and Sandpiper:

"...Sandpiper's involvement with Artis REIT raised serious questions about its commitment to healthy corporate governance. Sandpiper has taken over control of Artis, and we do not view its subsequent actions as transparent or representative of sound corporate governance (to say the least)."

- Mark Rothschild, Canaccord Genuity, January 10, 2023

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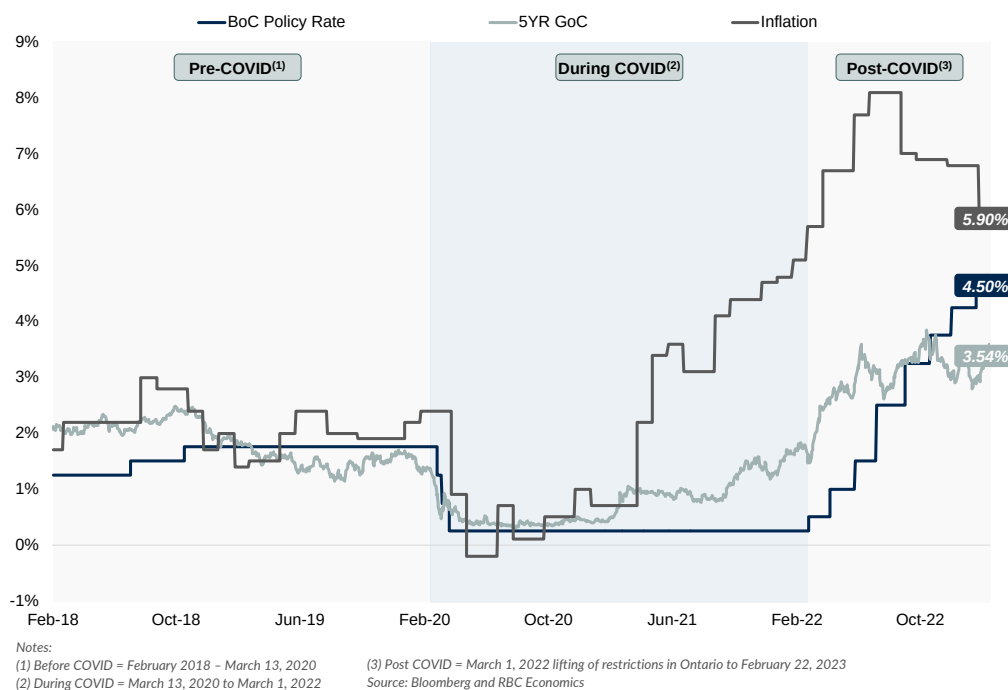
3. A strategic review that is designed to lead to a sale at a time when credit and capital markets are not conducive to large transactions at a full and fair value is not in the best interest of unitholders; Sandpiper and Artis have a short-term strategy that is tailored to their needs at the expense of unitholders realizing the significant value in First Capital's portfolio

Substantially all of the unitholders we have spoken to seem to understand this...except Sandpiper and Artis.

Sandpiper and Artis are focused on positioning the REIT for a sale in order to achieve their objective of generating a short term return. Recent poor performance at Artis and pressure on Sandpiper as well as public criticism place further pressure on Artis to generate returns in the short term.

The macroeconomic environment remains subject to a greater than usual degree of uncertainty. Interest rates have been rising at one, if not the fastest pace on record, and inflation remains high. These forces, along with significant geopolitical uncertainties, have resulted in credit and capital markets conditions that are not supportive of large real estate transactions at a full and fair value. These forces have also adversely impacted listed REIT valuations across property sectors. As such, the FCR Board believes the current environment is not conducive to a sale transaction.

Interest Rates and Inflation Over the Past Five Years (Pre- During- and Post-Pandemic)



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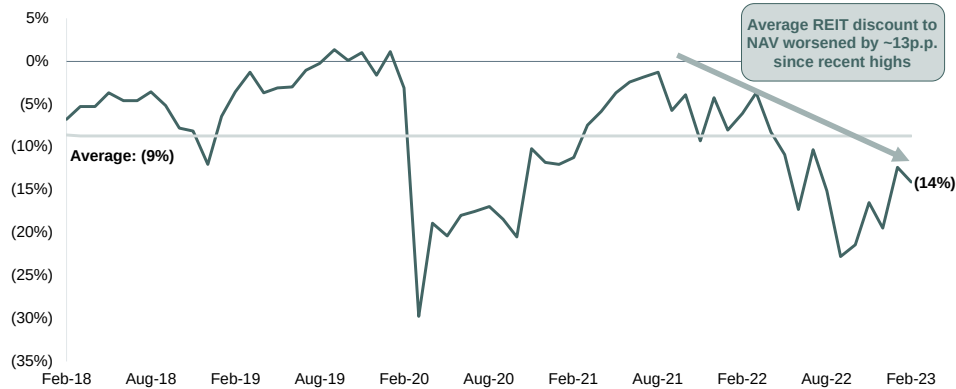
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Premium / (Discount) to NAV for REIT Sector (Last Five Years)



Source: RBC Capital Markets Equity Research

Independent REIT research analysts also agree. Here are several recent comments on REIT sector valuations and the macro environment:

"...the sector is trading at 13% below NAV, well below historical levels (parity) amid limited investor confidence in underlying asset values."

– Pammi Bir, RBC Capital Markets January 30, 2023

"The path forward will likely prove bumpy... Despite the sector's sharp correction last year, multiple factors still weigh on investor sentiment. Central banks remain on a tightening path to tame heated inflation, economic growth seems set to stall, geopolitical tensions have yet to ease, tax/regulatory risks persist, and we're still sleeping with one eye open for new Covid variants. Slower deal flow in private property markets has driven an extended period of price discovery, while the run-up in bond yields could siphon fund flows away from real estate allocations."

– Pammi Bir, RBC Capital Markets January 6, 2023

The Board will continue to carefully consider alternatives that would allow unitholders to realize the full value of their investment in the REIT, but believes the Optimization Plan is currently the best strategy for the REIT to pursue to close the gap between the REIT's unit price and its IFRS NAV per unit.

Sandpiper and Artis do not have the same incentives as other unitholders – their interest lies in shorter term gains. Achieving these objectives would come at the expense of unitholders realizing the full value of their interest in the FCR. Sandpiper and Artis' interest in First Capital should be viewed through this lens as unitholders consider which nominees will best represent their interests on the Board.

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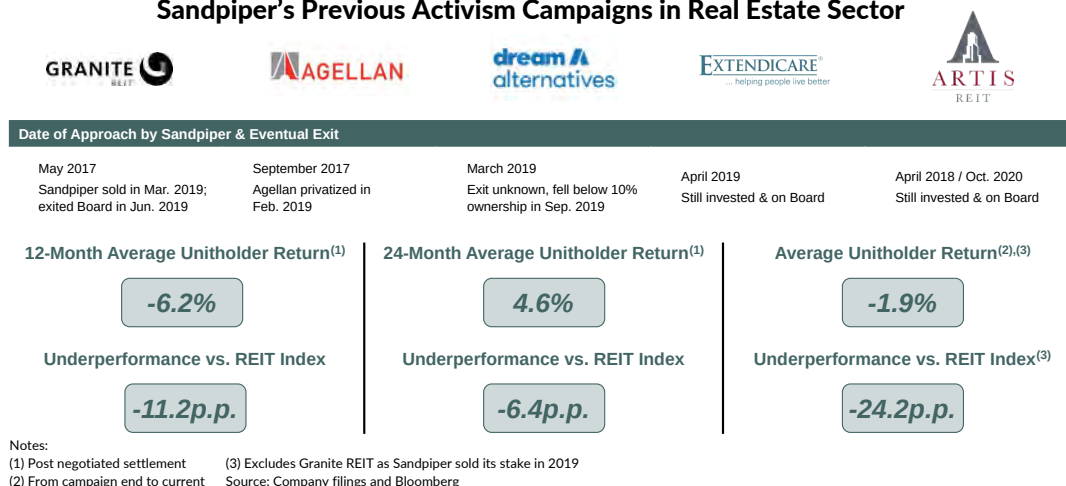


4. Sandpiper activist campaigns have a track record of underperformance

Sandpiper has a dismal track record in the real estate sector.

Sandpiper has been involved in five major activist real estate investments, none of which outperformed the REIT Index in the year following the negotiated settlements between Sandpiper and each target issuer.

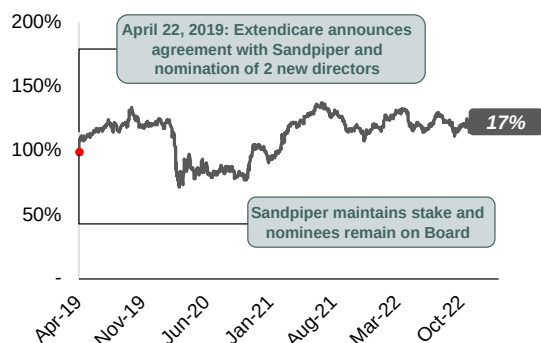
Sandpiper's Previous Activism Campaigns in Real Estate Sector



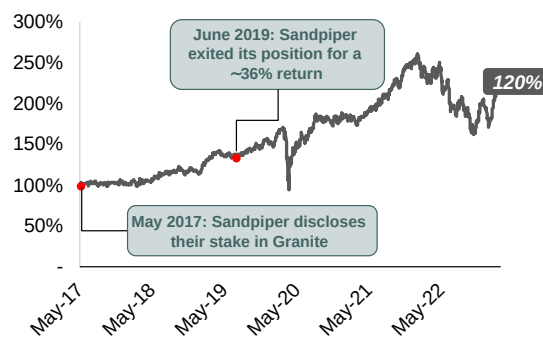
Only one campaign – Granite REIT – provided a substantial return for Sandpiper. Based upon its own disclosures this was 36%, and this was earned over approximately two years. Yet, Sandpiper's short-term focus led to a premature exit from the Granite investment. Sandpiper missed-out on what otherwise could have been significant investment returns – potential further total return upside of 100%, had it stayed invested in Granite for another two years!

In seniors housing, an industry where Mr. Manji has years of experience, his investment and board tenure at Extendicare has yielded only a modest financial return over four years.

Extendicare Total Unitholder Returns Since Negotiated Settlement with Sandpiper⁽¹⁾



Granite Total Unitholder Returns Since Sandpiper Activism Campaign⁽²⁾



Notes: (1) Total return to February 22, 2023, indexed to 100 at April 22, 2019 | (2) Total return to February 22, 2023, indexed to 100 at May 2, 2017 | Source: Bloomberg, Company filings and reports

In short, Sandpiper lacks a credible real estate investment track record. The unit prices of REITs over which Sandpiper gain significant influence have almost universally underperformed.

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5. Under Samir Manji's watch, both Sandpiper and Artis have participated in controversial related party transactions to the detriment of unitholders.

Overview of Artis' "Business Transformation Plan"

On November 30, 2020, Artis' newly reconstituted board of seven trustees, containing Sandpiper's five nominees, commenced a comprehensive review of Artis. The board did not select an independent financial advisor to advise on the review, and instead engaged Sandpiper to lead the review. Sandpiper's CEO, Mr. Manji, became CEO of Artis on December 14, 2020.

On March 10, 2021, Artis, led by Mr. Manji, announced the result of the review and their go-forward vision and strategy: Artis would shift from a diversified REIT to an organization focused on growth in NAV per unit and distributions through value investing in real estate. Artis also announced it would be further strengthening its conflicted relationship with Sandpiper through its intention to engage Sandpiper to provide 'certain advisory services'. Major changes at Artis include investment in securities instead of income producing properties and turning an "internally managed" REIT into what is now essentially an "externally managed" entity.

On March 10, 2021, as a part of its business transformation plan, Artis announced it would engage Sandpiper to provide certain advisory services to Artis, including:

- Identifying, evaluating and recommending to Artis active investments in real estate public securities; and
- Providing advice and assistance to Artis in connection with its active engagement with portfolio companies.

On May 18, 2021, Artis and Sandpiper entered into a formal agreement to support Artis' strategy to acquire meaningful and influential active ownership positions in undervalued publicly listed real estate entities. While this arrangement has been lucrative for Sandpiper and Mr. Manji, Artis' unitholders have seen the investment in their unit price dramatically decline.

"In a news release announcing the new investment contract, Artis said Sandpiper will provide investment services that enable the REIT to make its own investment decisions "upon the recommendation of its chief executive officer" – leaving out that Artis's CEO is also the head of Sandpiper."

"Artis REIT awards Investment contract to CEO's own private equity firm, blurring the lines between the two businesses" – Globe & Mail Tim Kiladze May 18, 2021

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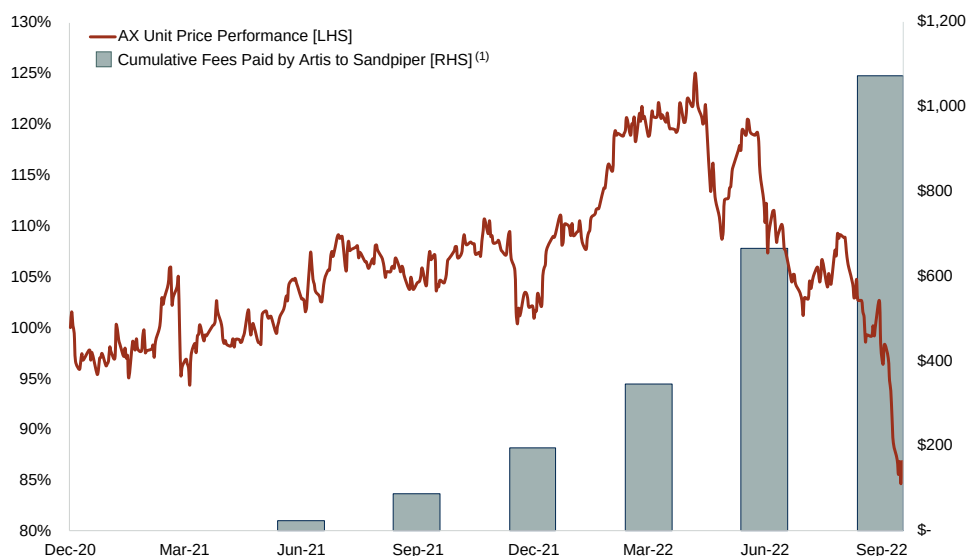
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While Artis' unit price languishes, the fees and compensation continue. In addition to the ~\$1.1 million of cumulative fees Artis has paid Sandpiper over the past 18 months, Mr. Manji also received ~\$2.6 million in total compensation for fiscal year 2021

Artis REIT Unit Price Performance Under Samir Manji's Leadership as CEO versus Cumulative Fees Paid to Sandpiper



Note: (1) Total fees paid by Artis to Sandpiper excludes Samir Manji's salary
Source: Bloomberg, Company filings and reports

Independent REIT research analysts have also commented on the conflicts of interests, the lack of transparency and some of the reasons as to why Artis' unit price has been impacted so adversely:

"Given the financial incentives that may accrue to Sandpiper, as a result of the announced management agreement, it begs the question whether these changes are being made in the best interest of all Artis' unitholders [...] We see the announced externalization of a portion of Artis' management as an additional reason why the company should trade at below intrinsic value on top of a further holding company discount when equities are added to the mix of investments"

– Matt Kornack, National Bank Financial, May 18, 2021

"As expected, Artis provided details on its service agreement with Sandpiper, and **our initial take is that this new arrangement increases the potential for conflicts of interest while providing a financial incentive to pursue equity transactions**"

– Matt Kornack, National Bank Financial, May 18, 2021

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“The agreement creates conflicts of interest between Artis and Sandpiper that the Board will have to manage. We are also disappointed that there is no indication that Artis investors will know Sandpiper's investment track record prior to the AGM. It does not appear that there are any performance fees or carried interest related to investment outperformance.”

– Jonathan Kelcher, TD Securities Inc., May 18, 2021

Even pre-dating Sandpiper, Mr. Manji had a track record of enriching himself at the expense of investors. Under Samir Manji's leadership at Amica Mature Lifestyles Inc. (“Amica”), a seniors housing entity that was publicly listed until 2015, there were numerous related party transactions between the public company and entities controlled by members of the Manji family. These dealings included ownership interests in properties, co-tenancies, loan advances and loans receivable, debt forgiveness and loan modifications, and the payment of mortgage guarantee fees.

6. Meet Sandpiper and Artis' conflicted nominees: Lacking in relevant industry experience or track record and backing Samir's flawed plan.

The Sandpiper and Artis nominees are neither independent nor do they add key capabilities to what the recommended refreshed Board can provide.

After ably representing the interests of unitholders on the Board, Bernard McDonell has retired, and Andrea Stephen will not be standing for re-election. In this context, and as part of its ordinary Board renewal process, our Corporate Governance Committee considered the current composition of the Board and recommended the addition of Ira Gluskin as a new independent trustee. Mr. Gluskin has many years of experience as an industry leader and has real estate and capital markets skills and expertise that will complement the Board.

On February 23, 2023, First Capital appointed Richard Nesbitt to the Board as an additional independent trustee following engagement and discussions with Vision and Ewing Morris and pursuant to the terms of the Cooperation Agreement. Mr. Nesbitt has extensive capital markets, corporate governance, mergers and acquisitions and financial services senior management and operations experience. With Ms. Stephen determining not to stand for re-election, the First Capital Board has nominated Dayna Gibbs, who has extensive real estate industry experience as well as finance, governance and capital markets expertise.

First Capital's Board has moved deliberately and thoughtfully, with the input and support of many of our largest unitholders to propose a slate of trustees that the Board unanimously supports and that appropriately balances a number of considerations, while avoiding abrupt change and disruption to a Board and management team that is effectively creating value for unitholders.

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Change for the sake of change will be damaging as it will result in the loss of skill sets that FCR needs, leaving too few trustees with a good historical perspective and understanding of the REIT.

The Sandpiper and Artis' nominees would serve to impair the continuity and the deliberate and thoughtful refreshment process at the First Capital Board, and thereby take FCR backwards. Here is why each of the Sandpiper and Artis' nominees do not augment the First Capital Board:

Samir Manji	<div>×</div> <div>×</div> <div>×</div>	<ul style="list-style-type: none"> • Mr. Manji's investments tend to underperform the TSX Capped REIT Index over the short-term and medium-term following his activist campaigns • He is the CEO of Artis REIT, which has underperformed under his leadership. Mr. Manji pivoted from the plan he had articulated to unitholders and turned Artis REIT into an investment holding company that was externally managed by his own firm Sandpiper, earning Mr. Manji millions in fees and compensation • In his previous role at SNV Group Ltd., the company filed for bankruptcy protection 9 days following his resignation from the audit committee
Jacqueline Moss	<div>×</div> <div>×</div>	<ul style="list-style-type: none"> • No prior public Named Executive Officer experience • Limited real estate experience • Supports Samir Manji's flawed 5P Plan
Elizabeth DelBianco	<div>×</div> <div>×</div>	<ul style="list-style-type: none"> • No prior Named Executive Officer experience • Limited real estate experience • Supports Samir Manji's flawed 5P Plan
Kerry Adams	<div>×</div> <div>×</div>	<ul style="list-style-type: none"> • No prior Named Executive Officer experience • Supports Samir Manji's flawed 5P Plan

We have taken a deliberate approach in Board recruitment using, among other tools, a highly regarded independent executive search firm and a developed skills matrix which evolves over time to address our needs. Notably, of First Capital's recent additions to the Board, both have extensive expertise in real estate and capital markets, areas which Sandpiper and Artis' trustees are lacking.

As a result, First Capital's trustees are highly qualified and can effectively execute on our long-term strategic objectives.

Full bios of our trustee nominees are available under the *About First Capital REIT* Nominees section of the Circular.

VOTE YOUR BLUE PROXY

Questions? Need help voting?

Contact Kingsdale Advisors:

1 (888) 370-3955 (Toll-free in North America)

1 (416) 867-2272 (Collect outside North America)

Email & Online:

contactus@kingsdaleadvisors.com

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7. Sandpiper and Artis' actions are disingenuous

Sandpiper and Artis have made false, contradictory or deliberately misleading statements about their intentions with respect to First Capital. They purport to want to implement their 5P Plan yet seem more interested in a strategic review.

“From our lens, Sandpiper’s (SP) proposed plan misses the mark. Over the past several years, among the most frequent pushbacks we’ve encountered from investors on FCR is its above average leverage, particularly on debt/EBITDA. Accordingly, as outlined last September, we believe FCR’s strategic plan sets the wheels in motion to support a higher valuation by monetizing value created (much of which is not reflected in the unit price) and materially reducing leverage, while *simultaneously* driving stronger earnings growth and still leaving ample drivers to support long-term NAV upside. Encouraging signs of progress surfaced with Q4 results.

In contrast, SP’s plan to recycle asset sale proceeds principally into unit buybacks and maintain debt levels does little to address investor preference for lower leverage or reduce FCR’s risk profile. Furthermore, 1) we do not view the assets identified to date as sale candidates as the “crown jewels”, but rather typical of FCR’s high quality portfolio, and 2) considering the majority of properties to be sold are low-yielding density plays, we expect minimal impact on its operating metrics, portfolio quality, or platform capabilities.”

- Pammi Bir, RBC Capital Markets, Feb 9, 2023

First Capital’s good faith attempts to constructively engage with Sandpiper and Artis have been met with escalating, changing demands that would put Sandpiper and Artis first, at the expense of other unitholders. Sandpiper and Artis even proposed a moratorium on the disposition of assets and threatened litigation if First Capital did not accede to their desired meeting date – Sandpiper and Artis are focused on Sandpiper and Artis, not what is best for First Capital and its unitholders.

Sandpiper and Artis have made numerous (and often baseless) critiques of First Capital. Their alternative plan fails to present meaningful suggestions as to how First Capital should operate any differently than it does today, other than to endorse higher leverage, to sell fewer assets, and to put Sandpiper and Artis nominees on the Board, with Mr. Manji as chair.

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8. Misleading and inaccurate statements made by Sandpiper and Artis

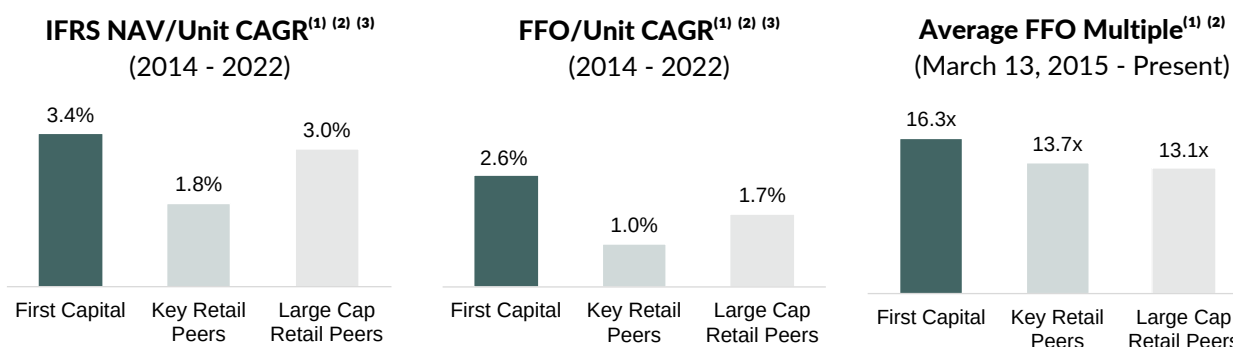
Sandpiper and Artis have manipulated the facts in a transparent attempt to build a false change narrative around First Capital. Sandpiper has focused only on First Capital's total return over a five-year period and ignored other relevant time periods and performance metrics.

Sandpiper and Artis claim that First Capital's performance has lagged its peers. To support this claim, they compare First Capital to a group of issuers (the "dissident issuer group") that they have devised to support their argument. The problem is that the dissident issuer group is comprised of issuers whose portfolio compositions by asset type and geography are materially different from that of First Capital. Included in the dissident issuer group, in addition to the peers that First Capital refers to, are two small-cap, non-comparable REITs, being Slate Grocery REIT, which owns a portfolio in the United States, and Plaza Retail REIT, which owns a portfolio that is concentrated over 50% in Atlantic Canadian secondary markets.

In addition, by only referring to total unitholder return, Sandpiper has ignored other relevant performance metrics, including FFO multiple (i.e., cash flow valuation), IFRS NAV/unit growth and FFO/unit growth. Over both the long term, and since COVID-19, FCR has performed in line with, or superior to, its peer averages, on all of these metrics.

First Capital's Long Term Performance

Since First Capital's current CEO, Adam Paul, assumed leadership in early 2015, FCR has outperformed its closest peers (RioCan and SmartCentres REIT) on the key FFO/unit and NAV/unit Compound Annual Growth Rate ("CAGR") metrics while performance has been approximately in-line with the average metrics for all five of larger-cap retail REIT peers. As a result, the market has typically rewarded First Capital with a significantly higher than peer average FFO multiple. The following three charts demonstrate First Capital's long-term successes, particularly relative to its Key Retail Peers.



Notes:

(1) Key Retail Peers include: RioCan REIT and SmartCentres REIT

(2) Large Cap Retail Peers include: Choice Properties REIT, CT REIT, Crombie REIT, SmartCentres REIT and RioCan REIT

(3) Crombie REIT using consensus for 2022E for FFO/Unit and Q3/22 for IFRS NAV/Unit

Source: Bloomberg, Company filings and reports

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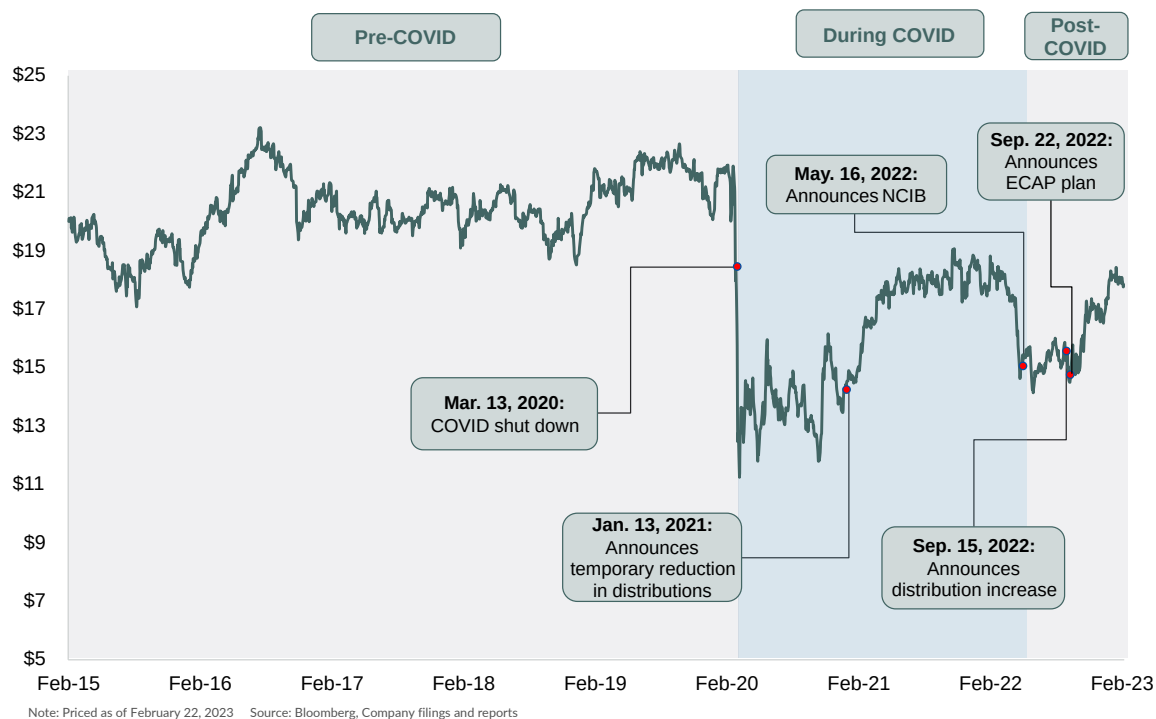
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First Capital's Pre-, During, and Post-COVID Performances

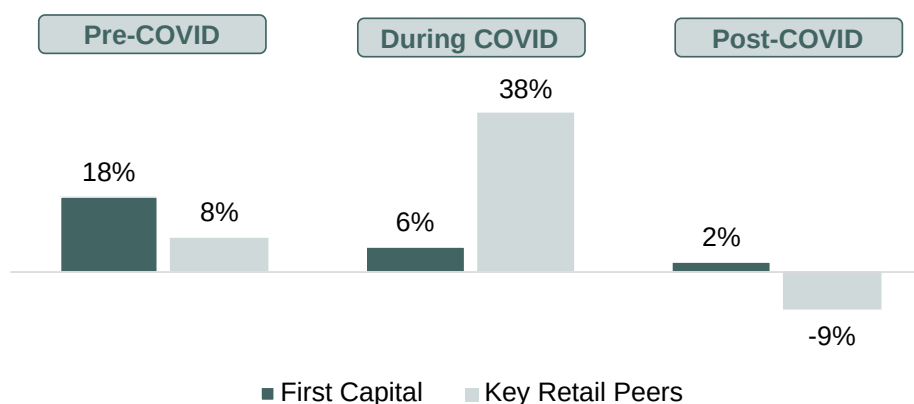
As a predominantly retail REIT, with one of the most urban portfolios among Canadian REITs, there are three distinct time periods that are relevant to First Capital's performance: Pre-COVID, During-COVID, and Post-COVID.

First Capital's Unit Price Since February 2015 (Beginning of Current CEO's Tenure)



First Capital's total return exceeded the average of the Key Retail Peers Pre- and Post-COVID, but not during COVID.

Total Unitholder Returns – Pre-, During-, and Post-COVID^{(1) (2)}



Notes: (1) Pre-COVID = March 13, 2015 to March 13, 2020, During-COVID = March 13, 2020 to March 1, 2022, and Post-COVID = March 1, 2022 to February 22, 2023 | (2) Key Retail Peers include RioCan REIT and SmartCentres REIT | Source: Bloomberg and company filings and reports

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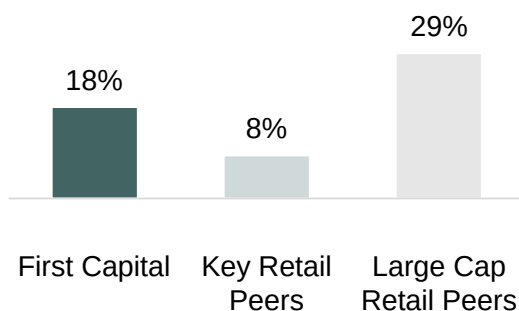
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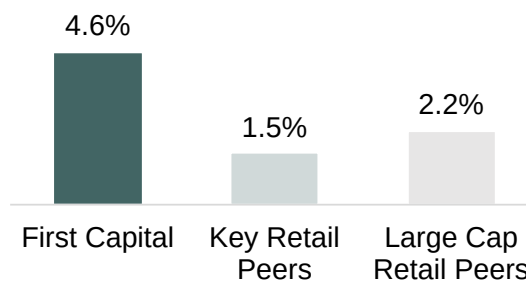
First Capital's "Pre-COVID" Performance

Over the five years pre-COVID, First Capital's total return performance exceeded the average of its Key Retail Peers. With respect to NAV/unit growth and FFO/unit growth, First Capital also outperformed both the broader Large Cap Retail Peers and Key Retail Peer averages.

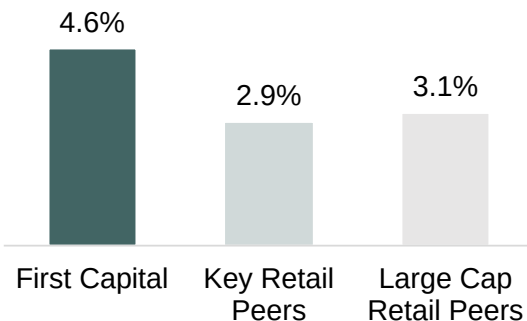
Total Return 5-Years Pre-COVID^{(1) (2)}
(Mar. 13, 2015 - Mar. 13, 2020)



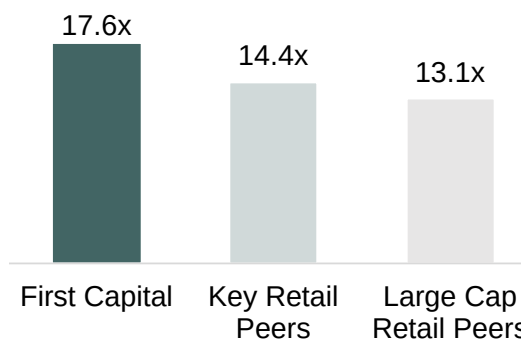
IFRS NAV/UNIT CAGR^{(1) (2) (3)}
(Q1/15 - Q1/20)



FFO/Unit CAGR^{(1) (2) (3)}
(2014A - 2019A)



Average FFO Multiple^{(1) (2)}
(Mar. 13, 2015 - Mar. 13, 2020)



Notes:

(1) Key Retail Peers include RioCan REIT and SmartCentres REIT

(2) Large Cap Retail Peers include Choice Properties REIT, CT REIT, Crombie REIT, SmartCentres REIT and RioCan REIT

(3) Crombie REIT data uses consensus for 2022E for FFO/Unit and Q3/22 IFRS NAV/unit

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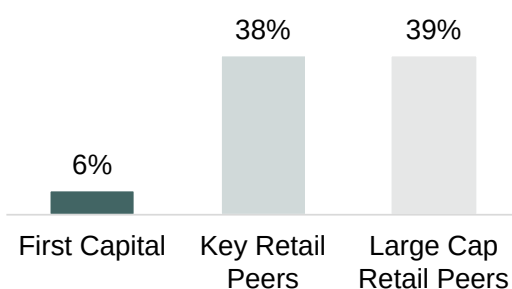


First Capital's "During COVID" Performance

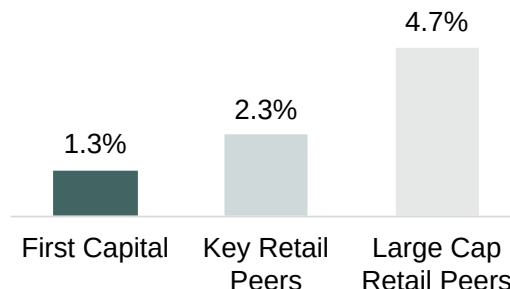
Investor concerns about COVID-related closures, consumer behaviors and urbanization trends were more pronounced for urban real estate. Having one of the most major-market and urban portfolios within the Canadian REIT sector, First Capital's unit price dislocation through the early months of the pandemic was disproportionate relative to the "downdraft" that occurred across the sector more broadly. This adverse unit price impact was inconsistent with the underlying strength of the portfolio operating performance.

Large Cap Retail REITs that were backed by "essential" retailers were less affected by COVID restrictions and shifts in consumer behaviour (Choice Properties REIT/Loblaws; Crombie REIT/Sobeys; and CT REIT/Canadian Tire). These REITs benefitted from stronger investor price support during COVID than did the Key Retail Peer REITs (RioCan REIT and SmartCentres REIT) and First Capital.

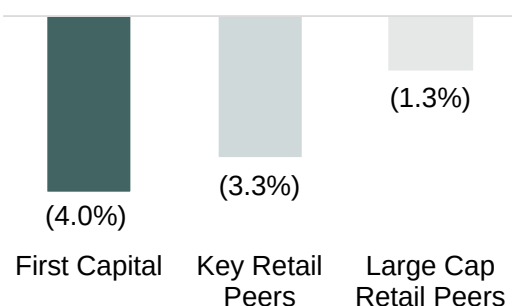
Total Return COVID Performance^{(1) (2)}
(Mar. 13, 2020 - Mar. 1, 2022)



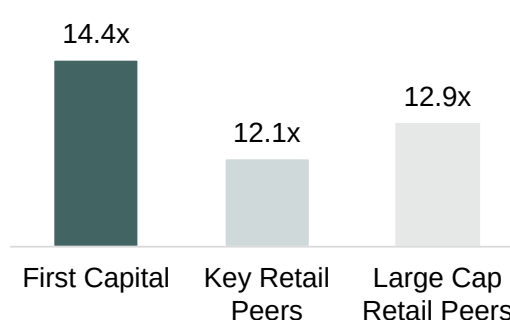
IFRS NAV/Unit^{(1) (2) (3)}
(Q1/20 - Q4/22)⁽³⁾



FFO/Unit CAGR^{(1) (2) (3)}
(2019A - 2021A)



Average FFO Multiple^{(1) (2)}
(Mar. 13, 2020 - Mar. 1, 2022)



Notes:

(1) Key Retail Peers include RioCan REIT and SmartCentres REIT

(2) Large Cap Retail Peers include Choice Properties REIT, CT REIT, Crombie REIT, SmartCentres REIT and RioCan REIT

(3) Crombie REIT data uses consensus for 2022E for FFO/Unit and Q3/22 for IFRS NAV/unit

Source: Bloomberg and company filings and reports

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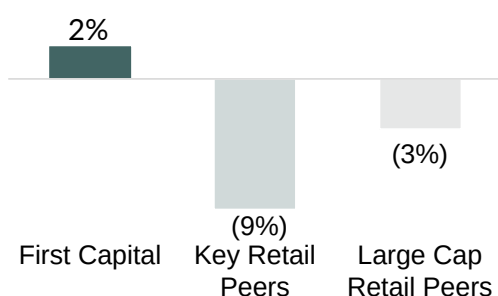
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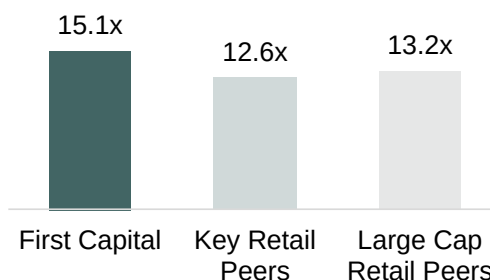
First Capital's "Post-COVID" Performance

On March 1, 2022 the Government of Ontario provided for a significant easing of restrictions related to indoor and outdoor gatherings and more general restrictive public health measures such as proof of vaccination. This marked the end of the pandemic. And with pandemic effects and restrictions easing, the rate of growth in e-commerce penetration substantially decelerated and sales at physical store locations rebounded strongly. Shortly thereafter, First Capital initiated and began to implement a series of deliberate unitholder focused initiatives, initially through the announcement of a normal course issuer bid on May 16, 2022. In this post-COVID environment and with the benefit of these unitholder focused initiatives, First Capital's performance has accelerated and its total return has exceeded the Key Retail Peer and the Large Cap Retail Peer averages.

Total Return Post-COVID Performance^{(1) (2)} (Mar. 1, 2022 - Present)



FFO Multiples^{(1) (2)} (Current)



Notes:

(1) Key Retail Peers include RioCan REIT and SmartCentres REIT

(2) Large Cap Retail Peers include Choice Properties REIT, CT REIT, Crombie REIT, SmartCentres REIT and RioCan REIT

Source: Bloomberg and company filings and reports

First Capital's Recent Performance

Sandpiper and Artis have attempted to take credit for First Capital's strong unit price performance. Sandpiper and Artis insinuate that First Capital's strong unit price performance has been driven by their buying.

This is not true. They should know this based on their own experience. Disclosure from Artis show that it repurchased 8.8 million trust units during the 12-months ended December 15, 2022.

Artis repurchased these units at a weighted average price of \$12.40 per unit. Yet, Artis units trade in the low-\$9 range today.

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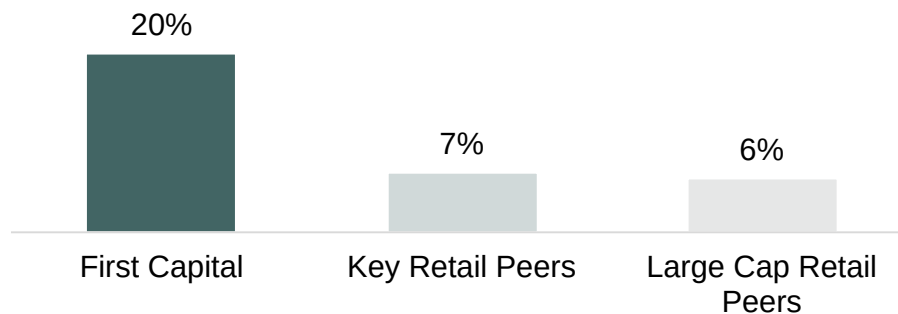


What Sandpiper and Artis clearly ignore are the true drivers of First Capital's recent unit price outperformance. These drivers include the quality of FCR's portfolio, the strong portfolio operating performance through, and post-pandemic, and the initiation and implementation of the deliberate unitholder focused initiatives that are working to unlock value, including the normal course issuer bid, the full reinstatement of the REITs monthly distribution, and the Optimization Plan. Topped by strong year-over-year growth in 2022 FFO per unit, and a significant improvement in First Capital's debt metrics, these are the true drivers of FCR's strong unitholder returns.

Total Return Since First Capital's NCIB Announcement^{(1) (2)}
(May 16, 2022)



Total Return Since First Capital's Distribution Increase Announcement^{(1) (2)}
(September 15, 2022)



Notes:

(1) Key Retail Peers include RioCan REIT and SmartCentres REIT

(2) Large Cap Retail Peers include Choice Properties REIT, CT REIT, Crombie REIT, SmartCentres REIT and RioCan REIT

Source: Bloomberg and company filings and reports

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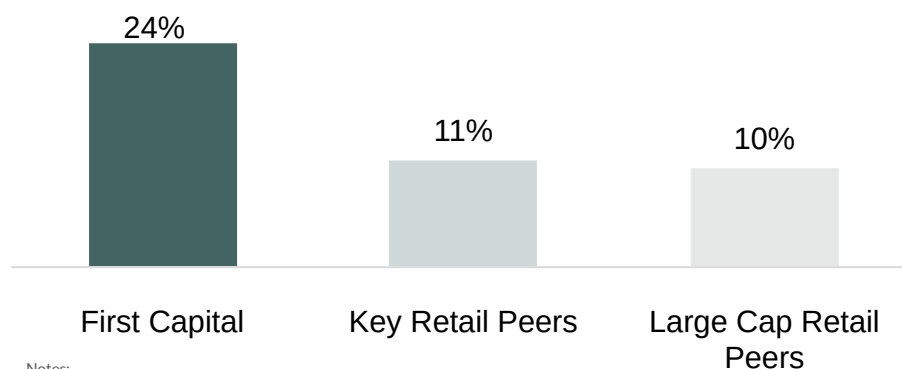
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Total Return Since First Capital's Optimization Plan Announcement^{(1) (2)}
(September 22, 2022)



Notes:

(1) Key Retail Peers include RioCan REIT and SmartCentres REIT

(2) Large Cap Retail Peers include Choice Properties REIT, CT REIT, Crombie REIT, SmartCentres REIT and RioCan REIT

Source: Bloomberg and company filings and reports

Sandpiper and Artis' comparisons and claims about First Capital's performance are intended to mislead. If the Sandpiper and Artis' criticisms of First Capital were valid, they simply wouldn't need to play games like this. The facts would speak for themselves.

Still unsure? Talk to us before you vote.

The question for unitholders is: Who do you trust to be the responsible steward of your investment?

We respect your right to seek additional information before you vote and we caution that there will be misinformation from Sandpiper and Artis. If you have any uncertainty, we urge you to meet with our recently appointed Chair – Paul Douglas. You can arrange a meeting by contacting Kingsdale Advisors at 1-888-370-3955 (toll-free in North America) or 1-416-867-2272 (collect outside North America) or by email at contactus@kingsdaleadvisors.com.

Our recommended refreshed Board welcomes the opportunity to engage with you. We are certain you will be confident in the addition of their leadership.

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VOTE **BLUE** ON YOUR PROXY OR **BLUE** VIF TODAY

IN ORDER TO BE USED AT THE MEETING, YOUR **BLUE** FORM OF PROXY MUST BE SUBMITTED IN ACCORDANCE WITH THE INSTRUCTIONS PROVIDED PRIOR TO **10:00 AM (TORONTO TIME) ON FRIDAY, MARCH 24, 2023**

Registered Unitholders:

You hold a share certificate registered in your name

ONLINE:

Go to www.investorvote.com specified on your **BLUE** proxy and then follow the voting instructions on the screen. You will require a 15 digit Control Number (located on the front of your **BLUE** proxy) to identify yourself to the system.

BY PHONE:

Unitholders who wish to vote by phone can scan the QR code on their Form of Proxy or call toll free at 1.866.732.8683 or 312.588.4290 (outside Canada and the United States). You will require a 15 digit Control Number (located on the front of your **BLUE** proxy) to identify yourself to the system.

BY FAX:

Complete, sign and date your **BLUE** form of proxy and return it by fax to 1.866.249.7775 toll-free (within Canada and the United States only) or 1.416.263.9524 (outside Canada and the United States). On the fax please write: To the Toronto Office of Computershare, Attention: Proxy Department

BY MAIL:

Complete, date and sign your **BLUE** form of proxy and return it to:

Computer share Investor Services Inc.
Attention:
Proxy Department
8th Floor, 100 University Avenue,
Toronto, ON M5J 2Y1

Canadian Non-Registered (Beneficial) Unitholders:

You hold shares through a Canadian bank, broker or other intermediary

ONLINE:

Go to www.proxyvote.com specified on your **BLUE** VIF and then follow the voting instructions on the screen. You will require a 16-digit Control Number (located on the front of your **BLUE** VIF) to identify yourself to the system.

BY PHONE:

Unitholders who wish to vote by phone should call 1.800.474.7493 (English) or 1.800.474.7501 (French). You will require a 16-digit Control Number (located on the front of your **BLUE** VIF) to identify yourself to the system.

BY FAX:

Complete, sign and date your **BLUE** VIF and return it by fax to 905.507.7793 or 514.281.8911.

BY MAIL:

Complete, sign and date your **BLUE** VIF and return it in the postage prepaid envelope provided to the address set out on the envelope.

US Non-Registered (Beneficial) Unitholders:

You hold shares through a U.S. bank, broker or other intermediary

ONLINE:

Go to www.proxyvote.com specified on your **BLUE** VIF and then follow the voting instructions on the screen. You will require a Control Number (located on the front of your **BLUE** VIF/proxy) to identify yourself to the system.

BY PHONE:

Unitholders who wish to vote by phone should call 1.800.454.8683 then follow the voting instructions on your **BLUE** VIF/proxy. You will require a Control Number (located on the front of your **BLUE** VIF/proxy) to identify yourself to the system.

BY FAX:

Complete, sign, and date your **BLUE** VIF/proxy and return it by fax to the fax number(s) listed on your **BLUE** VIF/proxy.

BY MAIL:

Complete, sign, and date your **BLUE** VIF/proxy and return it in the postage prepaid envelope provided to the address set out on the envelope.

Questions? Need help voting?

Contact Kingsdale Advisors at 1 (888) 370-3955





Vote your **BLUE** Proxy
Before Friday, March 24, 2023 at 10am EST

THE RIGHT PLAN. THE RIGHT TEAM.

Protect your investment from a self-serving activist.
Vote your **BLUE** proxy today.

Questions? Need help voting?
Contact Kingsdale Advisors at 1 (888) 370-3955



NOTICE OF 2023 ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting of unitholders (including any postponement(s) or adjournment(s) thereof, the “**Meeting**”) of First Capital Real Estate Investment Trust (“**First Capital REIT**”) will be held on Tuesday, March 28, 2023 at 10:00 a.m. (Toronto time) in a hybrid format at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario, Canada, M5L 1B9 and with the option to participate virtually, via live webcast at <https://web.lumiagm.com/422764535> for the following purposes:

1. to receive the audited consolidated financial statements for the fiscal year ended December 31, 2022, together with the report of the auditors thereon;
2. to elect the Board of Trustees for the ensuing year;
3. to reappoint Ernst & Young LLP as auditors of First Capital REIT for the ensuing year and to authorize the Board of Trustees to fix the remuneration paid to the auditors;
4. to consider, in an advisory, non-binding capacity, the approach to executive compensation disclosed in the accompanying management information circular (the “**Circular**”);
5. to consider, and if thought advisable, pass an ordinary resolution, with or without amendment, in the form set forth on Schedule A to the Circular, reconfirming and approving First Capital REIT’s Amended and Restated Unitholder Rights Plan Agreement (see *Business of the Meeting — Reconfirmation and Approval of Amended and Restated Unitholder Rights Plan Agreement* in the Circular); and
6. to consider such other business that may properly come before the Meeting.

First Capital REIT is holding the Meeting in a hybrid format that will be conducted in person and via live webcast, where all unitholders, regardless of geographic location and level of equity ownership, will have an opportunity to participate at the Meeting and engage with trustees and management of First Capital REIT as well as other unitholders. Only registered unitholders and duly appointed proxyholders (including any non-registered beneficial unitholder who has appointed themselves as proxyholder) will be able to attend, participate and vote at the Meeting, either in person or online, provided that they carefully follow the instructions set out in the accompanying Circular and related proxy materials.

YOUR VOTE IS IMPORTANT

First Capital REIT is soliciting the enclosed **BLUE** form of proxy (a “**BLUE Proxy**”) and/or **BLUE** voting instruction form (a “**BLUE VIF**”). The specific details of the matters proposed to be put before the Meeting are set forth in the accompanying Circular.

First Capital REIT’s Board of Trustees has fixed the close of business on February 24, 2023 as the record date, being the date for the determination of the registered holders of trust units (“**Trust Units**”) or special voting units (“**Special Voting Units**”) of First Capital REIT entitled to receive notice of and vote at the Meeting.

Unitholders are invited to attend the Meeting. Whether or not you plan to attend the Meeting, you are urged to vote using your **BLUE** Proxy well in advance of the proxy voting cut-off at 10:00 a.m. (Toronto time) on March 24, 2023. All **BLUE** Proxies must be received by First Capital REIT’s transfer agent, Computershare Trust Company of Canada, before the proxy cut off. Late proxies may be accepted or rejected by the Chair of the Meeting in his discretion and the Chair of the Meeting is under no obligation to accept or reject any particular late proxy. First Capital REIT or the Chair of the Meeting may waive or extend the proxy cut-off without notice and in his discretion.

Registered unitholders can submit their votes on their **BLUE Proxy** to First Capital REIT's transfer agent by voting over the internet at www.investorvote.com and following the instructions on the web page or call toll free at 1-866-732-8683 or 312-588-4290 (outside Canada and the United States) (you will need your 15-digit control number located on the **BLUE Proxy** to vote online or on the telephone) or by facsimile by sending the completed **BLUE Proxy** to 1-866-249-7775 (toll-free and within Canada and the United States only) or 1-416-263-9524 (outside Canada and the United States).

Non-registered unitholders of First Capital REIT who have received this Notice of Meeting and accompanying materials through an intermediary are required to complete and return the materials in accordance with the instructions provided by such intermediary including a BLUE VIF. An intermediary includes a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds Trust Units on behalf of such non-registered unitholder.

A unitholder who wishes to appoint a person other than the management nominee 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 Circular and on their **BLUE Proxy** or **BLUE VIF**. **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.**

If you have any questions or need assistance completing your **BLUE Proxy**, please contact Kingsdale Advisors at 1-888-370-3955 (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 in a hybrid format that will be conducted in person and via live webcast.

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 virtually 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 Meeting

First Capital REIT believes in providing unitholders with the opportunity to participate in the Meeting in a meaningful way whether unitholders attend the Meeting in person or 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 when attending virtually, as if they were attending the Meeting in person.

Questions received from registered unitholders and proxyholders (including non-registered unitholders who have appointed themselves as proxyholders) which relate to the business of the Meeting or to the affairs of First Capital REIT, whether provided in person or virtually, are expected to be addressed in the question-and-answer section following the Meeting. Questions received virtually 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. 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.

The Circular and **BLUE** Proxy 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.**

Websites Where Meeting Materials are Posted

Our 2022 Annual Report, which includes the management's discussion and analysis and annual audited consolidated financial statements for the fiscal year ended December 31, 2022 can be viewed online at www.protectyourFCR.ca or under our issuer profile on SEDAR at www.sedar.com.

By Order of the Board of Trustees,



Adam E. Paul
President and Chief Executive Officer

February 24, 2023
Toronto, Ontario

UNITHOLDERS Q&A

Q: Why did I receive this package of information?

On March 28, 2023, First Capital Real Estate Investment Trust (“**First Capital REIT**”) will be holding its Annual General Meeting in combination with a Special Meeting (including any postponement(s) or adjournment(s) thereof, the “**Meeting**”) which was requisitioned by the Sandpiper Group (“**Sandpiper**”) and Artis Real Estate Investment Trust (“**Artis**”) on December 12, 2022. As a unitholder as of the close of business on February 24, 2023 (the “**Record Date**”) you are entitled to receive notice of, and to vote at, the Meeting. First Capital REIT is soliciting your proxy, or vote, and providing the accompanying management information circular (the “**Circular**”) in connection with that solicitation.

Q: What is the Circular?

The accompanying Circular is being sent in advance of the Meeting scheduled to take place on March 28, 2023 and provides information regarding the business to be conducted at the Meeting. A **BLUE Form of Proxy** (a “**BLUE Proxy**”) and/or **BLUE Voting Instruction Form** (a “**BLUE VIF**”), as applicable, accompanies the Circular.

Q: What am I being asked to vote on at the Meeting?

At the Meeting, you will be asked to vote on:

1. the election of the trustees of First Capital REIT who will serve until the next annual meeting of unitholders or until their successors are elected or appointed;
2. the reappointment of Ernst & Young LLP as the auditors of First Capital REIT and the authorization of the trustees to fix the remuneration to be paid to the auditors;
3. the non-binding advisory Say-on-Pay resolution regarding First Capital REIT’s approach to executive compensation, as disclosed in the Circular; and
4. an ordinary resolution, with or without amendment, in the form set forth on Schedule A to the Circular, reconfirming and approving First Capital REIT’s Amended and Restated Unitholder Rights Plan Agreement.

Q: Is this a contested election for the trustee nominees to our board of trustees (the “Board”)?

Yes. Sandpiper and Artis, on behalf of themselves and certain funds managed by Sandpiper, are currently seeking to replace four of our Board members. You have an important decision that will directly impact the future value of your investment in First Capital REIT. The ten trustees receiving the most “FOR” votes will be elected at the Meeting. We encourage you to return your **BLUE** Proxy as soon as possible.



Q: How does First Capital REIT's Board recommend I vote at the Meeting?

First Capital REIT's Board unanimously recommends that all unitholders vote on the **BLUE** Proxy:

- **FOR** the election of Paul C. Douglas, Adam E. Paul, Leonard Abramsky, Sheila Botting, Ian Clarke, Dayna Gibbs, Ira Gluskin, Annalisa King, Aladin (Al) Mawani and Richard Nesbitt as trustees of First Capital REIT and **WITHHOLD** with respect to the election of Kerry D. Adams, Elizabeth DelBianco, Jacqueline Moss and Samir Manji;
- **FOR** the reappointment of Ernst & Young LLP as the auditors of First Capital REIT and the authorization of the trustees to fix the remuneration to be paid to the auditors;
- **FOR** the non-binding advisory resolution accepting the approach to executive compensation disclosed in the Circular; and
- **FOR** the ordinary resolution, with or without amendment, in the form set forth on Schedule A to the Circular, reconfirming and approving First Capital REIT's Amended and Restated Rights Plan Agreement.

Q: Why should I support First Capital REIT and its recommended nominees?

Unitholders have a clear choice between the Board recommended by First Capital REIT — an independent, refreshed and experienced Board committed to executing on the Optimization Plan (as defined in the Circular) and maximizing long-term unitholder value — and the conflicted slate of nominees put forward by Sandpiper and Artis who are committed to pursuing a self-serving and value destroying agenda.

First Capital REIT's recommended Board:

- possesses the skills, experience and expertise needed to lead First Capital REIT's real estate strategy and maximize unitholder value, including in the following key areas: real estate investment; real estate development and operations; capital markets and financing; corporate governance; human resources, ESG and sustainability; capital allocation, financial oversight and audit; C-suite leadership, strategic planning and execution; executive and trustee experience at other REITs; and M&A and real estate transactional expertise;
- remains committed to executing on the Optimization Plan (as defined in the Circular), the best value-maximizing strategy today;
- is focused upon realizing full value and will continue to responsibly evaluate and pursue any potential value-creating opportunities;
- has critical institutional knowledge which provides the continuity and stability required to protect unitholders' investments while executing on the Optimization Plan;
- has demonstrated its ability to proactively make strategic and governance changes, including through its leadership during the pandemic and ongoing Board renewal; and
- has made several very reasonable attempts to settle with Sandpiper and Artis to end this costly and distracting proxy fight but Sandpiper and Artis have refused to do so on a reasonable basis.

Protect the value of your investment in First Capital REIT by voting the **BLUE** Proxy for First Capital REIT's nominees.

Q: Why not the recommended nominees of Sandpiper and Artis?

The campaign of Sandpiper and Artis is a threat to First Capital REIT's positive momentum and to the value of your investment for a number of important reasons:

- **Do not be fooled by Sandpiper and Artis' governance claims** — Their campaign is not about Board refreshment or corporate governance. Rather, it is about taking control of the Board in order to push their short term and self-interested agenda in order to mask Artis' underperformance and Sandpiper's mismanagement. Consider the following: Sandpiper and Artis initially expressed support for First Capital REIT's real estate strategy, the Optimization Plan and First Capital REIT's management and

Board. However, when First Capital REIT declined to agree to the appointment of the three conflicted Artis trustees, rather than engaging in a constructive dialogue around a mutually acceptable trustee nominee, Sandpiper and Artis disengaged and publicly attacked First Capital REIT's Optimization Plan in an attempt to drive their false change narrative. Sandpiper and Artis are focused on pursuing a strategic review to achieve a short-term return on their investment to the detriment of First Capital REIT's other unitholders. Unitholders should question Sandpiper and Artis' motives in relation to First Capital as their interests may not align with those of other First Capital REIT unitholders.

- **A track record of value destruction and conflicted interests** — Sandpiper's troubling track record of poor performance and poor governance at Artis demonstrates that it is not qualified to lead First Capital REIT. Since Sandpiper first became involved in Artis in April 2018, Artis units have returned a dismal -5% to unitholders and have significantly underperformed the Total Return of the S&P/TSX REIT Index by more than 44 percentage points. Further, in May 2021 and just months after Samir Manji orchestrated his appointment as CEO of Artis, Sandpiper was awarded an investment management contract from Artis, blurring the lines between businesses and representing a departure from sound corporate governance practice. Sandpiper took control of Artis while citing governance as an issue. But once it gained control of the Artis board, Sandpiper promptly abandoned any semblance of governance and began to exploit Artis to advance Sandpiper's interests.
- **An ill-timed strategic review that is not in the best interest of unitholders** — The strategic review advocated for by Sandpiper and Artis is designed to lead to a sale at a time when credit and capital markets are not conducive for maximizing value in large real estate transactions. This is a short-term strategy tailored to Sandpiper and Artis' needs at the expense of unitholders positioned to realize the significant value in First Capital REIT's portfolio. Substantially all of the unitholders we have spoken to seem to understand this except for Sandpiper and Artis. Sandpiper and Artis do not have the same incentives as other unitholders; achieving their objectives would come at the expense of unitholders realizing the full value of their interest in First Capital REIT. Sandpiper and Artis' interest in First Capital REIT should be viewed through this lens as unitholders consider which nominees will best represent their interests on the Board.
- **Sandpiper activist campaigns have a track record of underperformance** — Sandpiper has been involved in five major activist real estate investments, none of which outperformed the REIT Index in the year following the negotiated settlements between Sandpiper and each target REIT. Sandpiper lacks a credible real estate investment track record, and the unit price of REITs over which Sandpiper gains significant influence have almost universally underperformed.
- **Under Samir Manji's watch, both Sandpiper and Artis have participated in controversial related party transactions to the detriment of unitholders** — Samir Manji has a track record of enriching himself and Sandpiper at the expense of unitholders. First Capital REIT's unitholders expect its Board to put unitholder interests first and to refrain from attempting to extract excessive compensation from First Capital REIT.
- **Meet Sandpiper and Artis' conflicted nominees — Little relevant industry experience or track record, and backing Samir Manji's flawed plan** — The Sandpiper and Artis nominees are neither independent nor do they add key capabilities to what the recommended refreshed Board can provide. First Capital REIT's trustees are highly qualified and can effectively execute on our long-term strategic objectives.
- **Sandpiper and Artis' actions are disingenuous** — The dissidents have made false, contradictory or deliberately misleading statements about their intentions with respect to First Capital REIT. Our good faith attempts to constructively engage with Sandpiper and Artis have been met with escalating, changing demands that would put Sandpiper and Artis first, at the expense of other unitholders. Sandpiper and Artis even proposed a moratorium on the disposition of assets and threatened litigation if First Capital REIT did not accede to their desired meeting date — Sandpiper and Artis are focused on Sandpiper and Artis, not what is best for First Capital REIT and its unitholders. Sandpiper and Artis have made numerous (and often baseless) critiques of First Capital REIT, and their alternative plan for First Capital REIT fails to present meaningful suggestions as to how First Capital REIT should operate any differently than it does today other than to endorse higher leverage, sell fewer assets, and put Sandpiper and Artis nominees on the Board with Samir Manji as chair.

- **Sandpiper and Artis have made misleading and inaccurate statements** — The dissidents have manipulated the facts in a transparent attempt to build a false change narrative around First Capital REIT. These criticisms are not valid and the facts speak for themselves; First Capital REIT has seen its unit price increase driven by momentum stemming from the Board and management's key initiatives, including the execution of the Optimization Plan and the strong results in 2022 driven by First Capital REIT's real estate strategy and post-Covid recovery.

Q: Why was the Board increased to ten trustees?

The Board was increased to ten trustees as part of our ongoing commitment to board renewal and to serve the best interests of our unitholders. The increase allows for the addition of an additional highly-qualified trustee.

Q: Could this Meeting have been avoided?

No. The Board has made reasonable attempts to settle with Sandpiper and Artis to end this costly and distracting proxy fight but Sandpiper and Artis have refused to do so.

The Board has not agreed to the appointment of Samir Manji as a trustee due to the Board's legitimate concerns with the conflicts that arise from his continuing role as the CEO of both Sandpiper and Artis. Sandpiper and Artis want wholesale Board change with new trustees who are beholden to Mr. Manji and will pursue Sandpiper and Artis' self-serving short term agenda. Unitholders should remember that Mr. Manji initially proposed adding three Artis trustees to the Board and only pivoted to his current slate when confronted with concerns around conflicts. Despite identifying three trustee candidates who are unaffiliated with Sandpiper and Artis, the Board believes that Mr. Manji plans to exert influence on those trustee candidates once on the Board in furtherance of Sandpiper and Artis' agenda.

Sandpiper and Artis completely ignore the need for any continuity to ensure successful execution of the Optimization Plan because that is not their agenda — Sandpiper and Artis are focused on achieving their objectives rather than maximizing unitholder value for the benefit of all unitholders.

Sandpiper and Artis' demands also ignore the substantial Board refreshment that has recently taken place.

Q: Who is soliciting my proxy?

The solicitation of proxies by this Circular is made by and on behalf of management of First Capital REIT. First Capital REIT has engaged Kingsdale Advisors as shareholder communications advisor and proxy solicitation agent. You may contact Kingsdale Advisors toll free in North America at 1-888-370-3955, or call collect from outside North America at 416-867-2272, or by email at contactus@kingsdaleadvisors.com.

Q: What proxy or voting instruction form should I use?

Registered unitholders should vote on the **BLUE** Proxy accompanying the Circular.

Non-registered (beneficial) unitholders should vote on the **BLUE** Proxy or **BLUE** VIF, as applicable, provided by their intermediary and follow the instructions provided with such form.

Q: How do I appoint someone else to vote for me?

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

Paul C. Douglas, Chair of the Board, has agreed to act as First Capital REIT proxyholder. In the event that Mr. Douglas cannot act as First Capital REIT proxyholder, Adam E. Paul will serve as First Capital REIT proxyholder and failing him, Neil Downey, being an officer of First Capital REIT, will serve as 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 they see fit.

Every holder has the right to appoint some other person or company of their choice, who need not be a holder, to attend and act on their behalf at the Meeting or any adjournment or postponement thereof. If you wish to appoint a person or company other than First Capital REIT proxyholders noted above, please insert the name of your chosen proxyholder in the space provided on your **BLUE** Proxy or **BLUE** VIF, as applicable. See *Appointment of a third party as proxy* in the Circular for further information and instructions.

Q: When must my units be voted by?

The proxy cut-off is set for 10:00 a.m. (Toronto time) on Friday, March 24, 2023. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice.

Q: Can I revoke my proxy or VIF?

You have the right to change or revoke your vote up until the proxy cut-off.

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 Trust Company of Canada, our Transfer Agent, but it must reach the Transfer Agent no later than 10:00 a.m. (Toronto time) on Friday, March 24, 2023 or 48 hours (excluding Saturdays, Sundays and holidays) before any postponement or adjournment of the Meeting;
- (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 **BLUE** form of proxy or **BLUE** voting instruction form to ensure it is given effect at the Meeting.

Q: If I need assistance revoking my vote, who should I contact?

If you require assistance with revoking your vote, please contact Kingsdale Advisors toll free in North America at 1-888-370-3955, or call collect from outside North America at 416-867-2272, or by email at contactus@kingsdaleadvisors.com.

Q: What if I already voted on the Sandpiper and Artis dissident proxy or VIF, or what if I want to change my vote?

It is not too late to change your vote and support management of First Capital REIT. Simply recast your vote using management's **BLUE** Proxy. The later dated **BLUE** Proxy will supersede the previously voted proxy.

You have the right to change or revoke your vote up until the proxy cut-off. If you have mistakenly voted on the Sandpiper and Artis dissident form of proxy or VIF, you may change your vote by voting on our **BLUE** Proxy. This will revoke and replace your earlier vote. If you require assistance in doing so, please contact Kingsdale Advisors toll free in North America at 1-888-370-3955, or call collect from outside North America at 416-867-2272, or by email at contactus@kingsdaleadvisors.com.

Q: Who will tabulate the votes?

Computershare Trust Company of Canada, First Capital REIT's Transfer Agent, will act as tabulator for the Meeting.

Q: Who is entitled to vote at the Meeting?

Each holder of trust units ("**Trust Units**") and special voting units ("**Special Voting Units**") of First Capital REIT of record at the close of business on the Record Date is entitled to vote on all matters proposed to come before the Meeting, on the basis of one (1) vote for each Trust Unit or Special Voting Unit held, respectively,

Q: How many Trust Units and Special Voting Units are eligible to vote?

As of the close of business on the Record Date, First Capital REIT had outstanding 213,517,512 Trust Units and 60,021 Special Voting Units, representing an aggregate of 213,577,533 units entitled to vote at the Meeting. Only unitholders of record at the close of business on the Record Date are entitled to vote at the Meeting.

Q: How do I vote before the Meeting?

Voting for Registered Unitholders:

- **By Internet:** Go to www.investorvote.com as specified on your **BLUE** Proxy and then follow the voting instructions on the screen. You will require a 15-digit Control Number (located on the front of your **BLUE** Proxy) to identify yourself to the system.
- **By Phone:** Unitholders who wish to vote by phone can scan the QR code on their **BLUE** Proxy or call toll free at 1-866-732-8683 or 312-588-4290 (outside Canada and the United States). You will require a 15-digit Control Number (located on the front of your **BLUE** Proxy) to identify yourself to the system.
- **By Fax:** Complete, sign and date your **BLUE** Proxy and return it by fax to 1-866-249-7775 toll free (within Canada and the United States only) or 1-416-263-9524 (outside Canada and the United States). On the fax please write: To the Toronto Office of Computershare, Attention: Proxy Department.
- **By Mail or Delivery:** Complete, date and sign your **BLUE** Proxy and return it to: Computershare Investor Services Inc. Attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, ON M5J 2Y1.

Voting for Canadian Non-Registered (Beneficial) Unitholders:

- **By Internet:** Go to www.proxyvote.com as specified on your **BLUE** VIF and then follow the voting instructions on the screen. You will require a 16-digit Control Number (located on the front of your **BLUE** VIF) to identify yourself to the system.
- **By Mail or Delivery:** Complete, sign and date your **BLUE** VIF and return it in the postage prepaid envelope provided to the address set out on the envelope.

Voting for United States Non-Registered (Beneficial) Unitholders:

- **By Internet:** Go to www.proxyvote.com as specified on your **BLUE** VIF and then follow the voting instructions on the screen. You will require a Control Number (located on the front of your **BLUE** VIF/Proxy) to identify yourself to the system.
- **By Mail or Delivery:** Complete, sign and date your **BLUE** VIF/Proxy and return it in the postage prepaid envelope provided to the address set out on the envelope.

Q: Why did the Board initially decide to call the Meeting for May 16, 2023, and not earlier as Sandpiper and Artis had requested?

First Capital REIT's Board carefully considered the Meeting date and determined that, in the circumstances, the benefits of a May 16, 2023 Meeting date outweighed those associated with an earlier Meeting date. The Board believed it was in the best interests of unitholders to have an appropriate amount of time to evaluate the performance of First Capital REIT and our Optimization Plan in advance of the Meeting in order to make a considered and informed decision. That said, we respect the decision of the Court and look forward to putting our track record and our Board in front of unitholders at the Meeting on March 28, 2023 and bringing this unnecessary and costly proxy contest to a close so we can move forward with the continued successful implementation of the Optimization Plan.

Q: How do you explain First Capital REIT's performance during the pandemic?

First Capital REIT has delivered strong operating performance before, during and after the pandemic. The pandemic had devastating impacts across the sector and urban REITs were hit particularly hard. Despite this, First Capital REIT strategically navigated this period which allowed us to display strong performance relative to our urban-REIT peers. Coming out of the pandemic, First Capital REIT took quick and decisive action to unlock value in our units including keeping our promise to unitholders to reinstate our distribution in full and we are very proud of that work. First Capital REIT has emerged in an enviable position with a strong plan and the Board and management team to execute that plan.

First Capital REIT has been highly responsive to its unitholders, and we have taken decisive action to enhance total-unitholder return including:

- The implementation of a normal course issuer bid in May 2022 and repurchase of 6.2 million trust units at a weighted average price of \$15.14, equating to a 36% discount to First Capital REIT's December 31, 2022 Net Asset Value per unit of \$23.48, for a total investment of approximately \$95 million and a 15% discount to our closing market price on February 22, 2023.
- Reinstating our monthly cash distribution in full, equating to an annualized rate of approximately \$0.86 per unit fulfilling a commitment made to unitholders during the pandemic.
- Implementation of the Optimization Plan, including execution through the King High Line and Yonge and Roselawn transactions and a focus on near term Funds from Operations¹ per unit growth to balance our already significant long term growth opportunities.
- Building on ongoing strength in leasing activity, First Capital REIT has seen growth in average net rental rate, reaching record highs for 26 consecutive quarters.
- A significant reduction in First Capital REIT's Net Debt to Adjusted EBITDA multiple², to 10.2x as at December 31, 2022 versus 11.2x in Q4 2021 and 10.9x in Q3 2022.

Q: Why is First Capital REIT selling assets in the current market?

The Optimization Plan was designed to enable us to monetize a subset of specific, low yielding asset which had met our value enhancing objectives, allowing capital to be redeployed to generate meaningful near-term improvement in various financial and debt metrics. This plan was the product of extensive deliberations by management and the Board following a thorough review of our portfolio, with the benefit of assistance from external financial advisors. The assets to be monetized are primarily a relatively small subset of those in our development pipeline, which have appreciated in value in recent years through our zoning and entitlement program. The Optimization Plan also targets achieving a minimum 4.0% per annum Funds From Operations ("FFO") per unit growth from 2021 to 2024. Assets will only be sold if doing so makes sense for the long-term. First Capital REIT's plan focuses on ensuring unitholders are getting the best value from all of its assets, including those that might be sold to reallocate capital. First Capital REIT has a credible and executable plan that delivers enhanced earnings growth while at the same time strengthening its balance sheet through debt reduction and an improving cost of capital for the long-term. Management and the board

¹ Refer to "Non-IFRS Financial Measures" section of the Circular.

² Refer to "Non-IFRS Financial Measures" section of the Circular.

unanimously support this plan and are confident that it also enjoys the support of the overwhelming majority of your fellow unitholders. First Capital REIT is excited to continue executing on the Optimization Plan to deliver the plan's benefits to unitholders. First Capital REIT has a track record of achieving strong pricing in tough markets in part due to the very high-quality nature of its assets. For example, from 2020 through 2022, a time period that includes both the pandemic and the rapid rise in interest rates, First Capital REIT sold a total of \$874 million of assets at an average premium to IFRS net asset value ("NAV") equal to approximately 17%.

Q: Are there elements of Sandpiper and Artis' 5P plan that make sense and the Board would adopt?

No. It is important to note that there are key differences between the Optimization Plan and Sandpiper and Artis' 5P plan. Sandpiper and Artis' 5P plan will lead to higher indebtedness while First Capital REIT's strategy will result in material improvements to our leverage profile, strengthen our balance sheet and position us to continue to pursue opportunities to create and enhance value for unitholders. Unitholders are right to question Sandpiper and Artis' plan to maintain debt levels. Maintaining status quo leverage will prevent First Capital REIT from allocating capital towards growth through development and jeopardize First Capital REIT's credit rating. It is clear that Sandpiper and Artis do not understand the business or the perspective of our unitholders on First Capital REIT's leverage. Sandpiper's leadership of Artis became a textbook example of how self-dealing, bad governance, and a compliant board, led to unitholder value destruction. By all accounts, Artis is deeply troubled, and Mr. Manji is the architect of unitholders' misfortune.

Q: Are you making changes to the Board because of Sandpiper and Artis?

No. The changes being made to the Board are part of the Board's ongoing commitment to Board renewal and the result of a deliberate Chair succession process that balances the need for fresh perspectives with important historical continuity. This is part of an intentional process to ensure that First Capital REIT has subject matter expertise on the Board and a variety of perspectives, including fresh ones. In 2018, the Board began a board renewal process pursuant to which it has considered a number of qualified candidates and their ability to make meaningful contributions to the Board and its stewardship of First Capital REIT's business. This process has resulted in the addition of eight new highly accomplished Board members, including our 2023 additions. First Capital REIT's professional and independent trustees effectively represent the interests of all unitholders and have been actively engaged in all aspects of the business, including the recovery from the pandemic and the review of potential alternatives to maximize value for unitholders. First Capital REIT will continue to engage unitholders to gain your perspectives and ideas to ensure that First Capital REIT has a Board that is working in your and all unitholders' interests.

Q: Would the Board consider a Strategic Review or a potential sale?

The Board has carefully considered alternatives to the Optimization Plan, including at various points in time a value maximizing sale transaction of First Capital REIT. While the Board believes that the execution of the Optimization Plan is the best path to delivering value to unitholders today, the Board has continued to regularly review strategic alternatives with its financial and legal advisors and has carefully considered such opportunities. Further, with the rapid change in macroeconomic conditions since early 2022, including in the credit and capital markets that would finance any entire portfolio transaction, the Board was advised by its financial advisor that the current market conditions and related headwinds were very likely to limit the value that could be realized through such a transaction. As a result, the Board remains committed to the Optimization Plan and a focused, disciplined approach to value creation that will benefit all unitholders.

Q: What are the key issues that are going to be discussed at the Meeting?

Fundamentally, there are two competing visions for the future for First Capital REIT. A value optimization plan that is delivering results, or an interruption of the value creation process in pursuit of a short-term agenda with an unknown future and questionable outcomes. As First Capital REIT's 2022 results demonstrate, the Board and the management team at First Capital REIT are strong operators and are delivering on their promises to unitholders. The Board is confident that the overwhelming majority of unitholders will agree that First Capital REIT's Optimization Plan is the right way forward and will see through the agenda of Sandpiper and Artis.

Q: Who should I contact for more information or assistance in voting my units?

Please contact Kingsdale Advisors toll free in North America at 1-888-370-3955, or call collect from outside North America at 416-867-2272, or by email at contactus@kingsdaleadvisors.com if you need assistance with voting your units. They have a team standing by to help you.

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MANAGEMENT INFORMATION CIRCULAR

This management information circular (“**Circular**”) is furnished in connection with the solicitation of proxies by and on behalf of the management of First Capital Real Estate Investment Trust (“**First Capital REIT**”) for use at the annual and special meeting of unitholders (including any postponement(s) or adjournment(s) thereof, the “**Meeting**”) to be held on Tuesday, March 28, 2023 at 10:00 a.m. (Toronto time) in a hybrid format at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario, Canada M5L 1B9 and with the option to participate virtually, via live webcast at <https://web.lumiagm.com/422764535>. The Meeting has been called for the purposes set forth in the Notice of Annual and Special Meeting of Unitholders (the “**Notice of Meeting**”) that accompanies this Circular.

References in this Circular to “we”, “us”, “our” and similar terms, as well as references to “First Capital”, the “FCR” and the “REIT”, refer to First Capital REIT and references to the “Board” refer to our board of trustees. This Circular is dated February 24, 2023. Unless otherwise indicated, the information in this Circular is given as at February 24, 2023 and all dollar references in this Circular are to Canadian dollars.

If you have any questions or need assistance completing your **BLUE** form of proxy (“**BLUE Proxy**”) or **BLUE** voting information form (“**BLUE VIF**”), Kingsdale Advisors (“**Kingsdale**”) at 1-888-370-3955 (toll-free in North America) or 1-416-867-2272 (collect outside North America) or by email at contactus@kingsdaleadvisors.com.

General Proxy Information

This Circular provides the information you need to vote at the Meeting.

- If you are a registered holder of units of First Capital REIT, a **BLUE Proxy** is enclosed that you can use to vote at the Meeting or you may attend in person.
- If you are a non-registered holder and your units are held by an intermediary (such as a broker or financial institution), you may receive either a **BLUE Proxy** or **BLUE VIF** and should follow the instructions provided with such form.

These materials are being sent to both registered and non-registered owners of units. If you are a non-registered owner, and we or our agent have sent these materials directly to you, your name, address and information about your unitholdings have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the units on your behalf. By choosing to send these materials to you directly, we (and not the intermediary holding on your behalf) have assumed responsibility for (i) delivering these materials to you, and (ii) providing you with a **BLUE Proxy** or a **BLUE VIF** so you can vote your units at the Meeting.

The solicitation of proxies will be primarily by mail, but proxies may also be solicited in person, by telephone or other forms of correspondence and by directors, officers, employees or representatives of First Capital REIT. The cost of preparing and mailing this Circular and other materials relating to the Meeting and the cost of soliciting proxies has been or will be borne by us. We intend to arrange for intermediaries to forward the meeting materials to non-registered unitholders and may reimburse the intermediaries for their reasonable fees and disbursements in that regard. We have also engaged Kingsdale to provide the following services in connection with the Meeting: reviewing and making recommendations with respect to this Circular; recommending corporate governance best practices where applicable; liaising with proxy advisory firms; developing and implementing unitholder communication strategies; providing general advice with respect to the Meeting and proxy protocol; reporting and reviewing the tabulation of unitholder proxies and the solicitation of unitholder proxies including contacting unitholders by telephone. In connection with these services, Kingsdale is expected to receive a fee of up to \$100,000.00 in addition to certain out-of-pocket expenses.

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 (“**Trust Units**”) or special voting units (“**Special Voting Units**”) of First Capital REIT as of the close of business on February 24, 2023. 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 Trust Company of Canada (“**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 form of proxy or voting instruction form should I use?

You should vote with a **BLUE** Proxy or a **BLUE** VIF. Disregard any other proxy materials that you have received and remember that 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 (in person or online), as described below.

1. Voting by proxy before the Meeting

You may vote before the Meeting by completing your **BLUE** Proxy or **BLUE** VIF 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”).

Paul C. Douglas, Chair of the Board, has agreed to act as First Capital REIT proxyholder. In the event that Mr. Douglas cannot act as First Capital REIT proxyholder, Adam E. Paul will serve as First Capital REIT proxyholder and failing him, Neil Downey, being an officer of First Capital REIT, will serve as 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.

Every holder has the right to appoint some other person or company of their choice, who need not be a holder, to attend and act on their behalf at the Meeting or any adjournment or postponement thereof. If you wish to appoint a person or company other than First Capital REIT proxyholders whose names are noted above and printed on your BLUE Proxy or BLUE VIF, as applicable, please insert the name of your chosen proxyholder in the space provided in your BLUE Proxy or BLUE VIF, as applicable. See *Appointment of a third party as proxy* below.

Registered Unitholders

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

Internet Voting	You may vote by logging on to the website indicated on the BLUE 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.
Telephone Voting	You may vote by calling the toll-free telephone number 1-866-732-VOTE (8683) or 312-588-4290 (outside Canada and the United States). You will be prompted to provide your 15-digit control number printed on the front of your BLUE Proxy. You may not appoint a person as proxyholder other than First Capital REIT proxyholders named in the BLUE 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.
Fax Voting	You may vote by completing, signing, dating and faxing the BLUE Proxy to 1-866-249-7775 toll-free (within Canada and the United States only) or 1-416-263-9524 (outside Canada and the United States). On the fax, please write: "To the Toronto Office of Computershare. Attention: Proxy Department."
Return Your BLUE Proxy by Mail	<p>You may vote by completing, signing, dating and returning the BLUE Proxy in the postage-paid envelope provided to Computershare, our transfer agent, either in person or by mail or courier, to:</p> <p>Computershare Investor Services Inc. Attention: Proxy Department 8th Floor, 100 University Avenue Toronto, Ontario, M5J 2Y1</p>

BLUE 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 a.m. (Toronto time) on March 24, 2023**, 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 **BLUE** VIF 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. **BLUE** VIFs 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 BLUE VIFs should note that those forms specify mandatory delivery dates which generally occur before the deadline that registered unitholders must deliver completed BLUE Proxies.** You should contact your broker or intermediary for further details.

In some cases, beneficial unitholders may be given a **BLUE** 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 **BLUE** Proxy need not be signed by the unitholder. In this case, the beneficial unitholder who wishes to submit a **BLUE** Proxy should properly complete the **BLUE** 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 **BLUE** Proxy or **BLUE** VIF, please contact, Kingsdale, toll free in North America at 1-888-370-3955, or call collect from outside North America at 416-867-2272, or by email at contactus@kingsdaleadvisors.com.

2. Voting at the Meeting

IN PERSON

Registered Unitholders

If you are a registered unitholder and plan to attend the Meeting and wish to vote in person at the Meeting, do not complete or return the **BLUE** Proxy in advance of the Meeting. Your vote will be taken and counted at the Meeting. **Registered unitholders are encouraged to vote their BLUE Proxy in advance of the Meeting in case they are unable to attend the Meeting in person.**

Non-Registered (Beneficial) Unitholders

If you are a non-registered unitholder and plan to attend the Meeting and vote in person at the Meeting, then you must insert your own name in the space provided on your **BLUE** VIF and return it as your intermediary has instructed. Do not otherwise complete the **BLUE** VIF as your vote will be taken 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 First Capital REIT and our transfer agent, Computershare, do not have a record of the non-registered unitholders of First Capital 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 BLUE VIF or BLUE 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.

ONLINE

Registered unitholders and duly appointed proxyholders will appear on a list of proxyholders prepared by Computershare, who is appointed to review and tabulate proxies for the Meeting. If you are a non-registered unitholder, you will not be able to vote at the Meeting through the live webcast platform unless you have appointed yourself as proxyholder. See *Appointment of a third party as proxy* and *How do I attend and participate at the Meeting?* below.

Only those registered unitholders and duly appointed proxyholders who have a 15 or 16-digit control number, as applicable, will be able to vote by online ballot through the live webcast platform during the Meeting. To do so, using an internet-connected device such as a laptop, computer, tablet or mobile phone running the latest version of Chrome, Safari, Edge or Firefox, please go to <https://web.lumiagm.com/422764535> prior to the start of the Meeting and login using the Meeting ID (“**422-764-535**”), password (“**firstcapital2023**”) (case sensitive) and Control Number (provided on your **BLUE** form of proxy or by your intermediary, as applicable). Once voting has opened, the voting tab will appear and you will be able to input your voting selections. A confirmation message will appear to show your vote has been received.

If you have any doubt about whether your internet-connected device meets the minimum system requirements to attend and vote at the Meeting, you can check your system’s compatibility by visiting <https://www.lumiglobal.com/faq> for additional information.

Appointment of a third party as proxy

The following applies to unitholders who wish to appoint someone as their proxyholder other than First Capital REIT proxyholders named in the **BLUE Proxy** or **BLUE VIF**. 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 First Capital REIT proxyholders as their proxyholder to attend and participate at the Meeting as their proxy and vote their units MUST submit their BLUE Proxy or BLUE VIF, 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 BLUE Proxy or BLUE VIF. 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 BLUE Proxy or BLUE VIF.** To appoint someone other than First Capital REIT proxyholders as proxyholder, insert that person's name in the blank space provided in the **BLUE Proxy** or **BLUE VIF** (if permitted by your intermediary) and follow the instructions for submitting such **BLUE Proxy** or **BLUE VIF**. This must be completed before registering such proxyholder, which is an additional step to be completed once you have submitted your **BLUE Proxy** or **BLUE VIF**.

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 BLUE VIF 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 March 24, 2023. 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 March 24, 2023 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 hybrid format that will be conducted in person and via live webcast on Tuesday, March 28, 2023 at 10:00 a.m. (Toronto time). All unitholders, regardless of geographic location and level of equity ownership, will have an opportunity to participate at the Meeting and engage with trustees and management of First Capital REIT as well as other unitholders.

Only registered unitholders and duly appointed proxyholders (including any non-registered (beneficial) unitholders who have appointed themselves as proxyholders) will be able to attend, participate and vote at the Meeting, either in person or online, provided that they carefully follow the instructions set out in this Circular and the related proxy materials.

IN PERSON

For those who wish to attend the Meeting in person, the Meeting will be held at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario, Canada, M5L 1B9 on March 28, 2023 at 10:00 a.m., unless adjourned or postponed. Please plan to arrive at least 30 minutes before the Meeting starts.

ONLINE

Registered unitholders, duly appointed proxyholders (including non-registered (beneficial) unitholders who have duly appointed themselves as a proxyholder) and 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/422764535>. 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), Meeting ID “**422-764-535**” and Password “**firstcapital2023**” (case sensitive).

OR

- Click “Guest” and then complete the online form.

Registered unitholders: Your control number is located on the **BLUE** 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. If you encounter technical difficulties, please contact Lumi at support@lumiglobal.com.

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 **BLUE** form of proxy or **BLUE** 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 March 24, 2023, 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 **BLUE** form of proxy (or **BLUE** 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 First Capital REIT nominees named in this Circular as trustees and **WITHHOLD** with respect to the election of the dissident nominees (see *Business of the Meeting — Election of Trustees*);
- **FOR** the reappointment of Ernst & Young LLP as the auditors of First Capital REIT and the authorization of the trustees to fix the remuneration to be paid to the auditors (see *Business of the Meeting — Reappointment of Auditor*);
- **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*); and
- **FOR** the ordinary resolution, with or without amendment, in the form set forth on Schedule A to the Circular, reconfirming and approving First Capital REIT's Amended and Restated Unitholder Rights Plan Agreement (see *Business of the Meeting — Reconfirmation and Approval of Amended and Restated Unitholder Rights Plan Agreement*).

Exercise of Discretion

The **BLUE** form of proxy (or **BLUE** voting instruction form, as applicable) confers discretionary authority upon the persons named as proxyholders therein with respect to any amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting or any postponement or adjournment thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the Meeting is routine and whether or not the amendment, variation or other matter that comes before the Meeting is contested. At the date of this Circular, management of First Capital REIT is not aware of any matters to be considered at the Meeting other than matters described in the Notice of Meeting, or any amendments or variations to the matters described in such notice.

If you sign and return the **BLUE** form of proxy or **BLUE** voting instruction form, your Trust Units and/or Special Voting Units, as applicable, will be voted in accordance with your instructions and, with respect to any matter presented at the Meeting, or at any postponement or adjournment thereof, in addition, or as an

amendment or variation to the matters described in the Notice of Meeting, in accordance with the discretionary authority provided therein.

If you sign and return the **BLUE** form of proxy and do not appoint a proxyholder by filling in a name, Paul C. Douglas, representing the management of First Capital REIT, will be appointed to act as your proxyholder. In the event that Mr. Douglas cannot act as First Capital REIT proxyholder, Adam E. Paul will serve as First Capital REIT proxyholder and failing him, Neil Downey, being an officer of First Capital REIT, will serve as First Capital REIT proxyholder.

Late proxies may be accepted or rejected by the Chair of the Meeting in his discretion and the Chair of the Meeting is under no obligation to accept or reject any particular late proxy. First Capital REIT or the Chair of the Meeting may waive or extend the proxy cut-off without notice and in his discretion.

VOTING OF UNITS

As of the close of business on the Record Date, First Capital REIT had outstanding 213,517,512 Trust Units and 60,021 Special Voting Units, representing an aggregate of 213,577,533 units entitled to vote at the Meeting. Each holder of Trust Units and Special Voting Units of record at the close of business on February 24, 2023 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 February 24, 2023 are entitled to vote at the Meeting.

SIGNIFICANT HOLDERS OF VOTING SECURITIES

RBC Dominion Securities Inc., Retail Division (“**RBC DS**”) and RBC Private Counsel (USA) Inc. (“**RBC PC USA**”, and together with RBC DS, the “**RBC DS Managed Accounts Program**”), on behalf of client accounts over which it has discretionary trading authority, had control or direction over approximately 10.03% of the issued and outstanding units of First Capital REIT as of February 10, 2023. For further information, please refer to the Alternative Monthly Report dated February 10, 2023, available on SEDAR at www.sedar.com under our issuer profile.

To the knowledge of our trustees and officers, there is no other person or company who beneficially owns, directly or indirectly, or exercises control or direction over, securities of First Capital REIT carrying 10% or more of the voting rights attached to any class of outstanding voting securities as at the close of business on February 24, 2023, the record date for the Meeting.

BUSINESS OF THE MEETING

Receiving the Financial Statements

Our consolidated annual financial statements for the fiscal year ended December 31, 2022, and the auditors' report thereon, will be presented at the Meeting. Unitholders may find a copy of these documents in our 2022 Annual Report, which is available on our website at www.fcr.ca and on SEDAR at www.sedar.com under our issuer profile.

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**”).

Management of First Capital REIT has nominated ten trustees, nine of whom currently serve on our Board. All nominated trustees are eligible to serve as trustees and have expressed their willingness to do so. Andrea Stephen will not be standing for re-election at the Meeting. The Board would like to thank Ms. Stephen for her significant contributions to First Capital REIT during her tenure.

The trustees nominated by management of First Capital REIT (collectively, the “**First Capital REIT Nominees**”) are:

Paul C. Douglas (Chair)	Dayna Gibbs
Adam E. Paul	Ira Gluskin
Leonard Abramsky	Annalisa King
Sheila Botting	Aladin (Al) W. Mawani
Ian Clarke	Richard Nesbitt

For further information about each of First Capital REIT Nominees and the Support and Cooperation Agreement pursuant to which Mr. Nesbitt has been nominated as a trustee, see *About First Capital REIT Nominees* and *Support and Cooperation Agreement* below.

MANAGEMENT AND THE BOARD UNANIMOUSLY RECOMMEND THAT YOU USE ONLY THE BLUE PROXY TO VOTE FOR THE ELECTION OF FIRST CAPITAL REIT NOMINEES AND WITHHOLD WITH RESPECT TO THE ELECTION OF THE DISSIDENT NOMINEES.

The management representatives designated in the **BLUE** Proxy (or **BLUE VIF**, as applicable) will vote or withhold from voting the units in respect of which they are appointed by proxy in the election of the 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 First Capital REIT Nominees and WITHHOLD with respect to the election of the dissident nominees as provided on the BLUE Proxy.** All nominees who are now trustees have been trustees of First Capital REIT (or directors of First Capital Realty Inc.) since the dates indicated in *About First Capital REIT Nominees* 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 **BLUE** Proxy (or **BLUE VIF**, as applicable) reserve the right to vote for another nominee at their discretion. Each trustee elected will hold office until First Capital REIT's next annual meeting or until his or her successor is elected or appointed.

See *About the First Capital REIT Nominees* below for more information.

HIGHLIGHTS OF THE BOARD OF TRUSTEES

- Highly experienced Board of Trustees, with expertise in all key areas of First Capital REIT's business.
- 9 of 10 trustees are independent (assuming election of First Capital REIT Nominees).
- Women represent 30% of the Board and 33% of the independent trustees of the Board (assuming election of First Capital REIT Nominees).
- Independent Chair of the Board.
- 8 new members in the last 5 years (assuming election of First Capital REIT Nominees).
- Individual and majority voting policy.
- All trustees in 2022 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.

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 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. Due to the fact that there are more trustee nominees than the number of trustees to be elected at the Meeting, the Meeting will not be an “uncontested election” and the majority voting policy will not apply to the Meeting.

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 First Capital 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. First Capital 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.

Advance Notice Provisions

First Capital REIT’s Declaration of Trust includes certain advance notice provisions (the “**Advance Notice Provision**”), which are intended to: (i) facilitate orderly and efficient annual general or, where the need arises, special meetings; (ii) ensure that all voting unitholders receive adequate notice of the Trustee nominations and sufficient information with respect to all nominees; and (iii) allow voting unitholders to register an informed vote. Only persons who are nominated by voting unitholders in accordance with the Advance Notice Provision will be eligible for election as Trustees.

Nominations of persons for election to the Board may be made for any annual meeting of voting unitholders, or for any special meeting of voting unitholders if one of the purposes for which the special meeting was called was the election of Trustees:

- (a) by or at the direction of the Trustees, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more voting unitholders pursuant to a requisition of voting unitholders made in accordance with First Capital REIT’s Declaration of Trust; or
- (c) by any person (a “**Nominating Unitholder**”):
 - A. who, at the close of business on the date of the giving of the notice provided for below and on the record date for notice of such meeting, is entered in First Capital REIT’s register as a holder of one or more voting units carrying the right to vote at such meeting or who beneficially owns voting units that are entitled to be voted at such meeting; and
 - B. who complies with the notice procedures set forth in the Advance Notice Provision.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Unitholder, the Nominating Unitholder must have given timely notice thereof in proper written form to the Trustees. To be timely, a Nominating Unitholder’s notice to the Trustees must be made:

- (a) in the case of an annual meeting of voting unitholders, not less than 30 days prior to the date of the annual meeting of voting unitholders; provided, however, that in the event that the annual meeting of Voting Unitholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Unitholder may be made not later than the close of business on the 10th day following the Notice Date; and
- (b) in the case of a special meeting (which is not also an annual meeting) of voting unitholders called for the purpose of electing Trustees (whether or not called for other purposes), not later than the close of business on the 15th day following the day that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the special meeting of voting unitholders was made.

To be in proper written form, a Nominating Unitholder’s notice to the Trustees must set forth:

- (a) as to each person whom the Nominating Unitholder proposes to nominate for election as a Trustee:
 - A. the name, age, business address and residential address of the person;
 - B. the principal occupation or employment of the person;
 - C. the class or series and number of Trust Units or Special Voting Units which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of voting unitholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and
 - D. any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable securities laws; and
- (b) as to the Nominating Unitholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Unitholder has a right to vote any voting units and any other information relating to such Nominating Unitholder that would be required to be made in a dissident’s proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable securities laws. The Trust may require any proposed nominee to furnish such other information as may be required to be contained in a dissident proxy circular or by applicable law or regulation to determine the independence of the proposed nominee or his or her eligibility to serve as a Trustee.

The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Notwithstanding the foregoing, the Trustees may, in their sole discretion, waive any requirement in the Advance Notice Provision.

Board Committees

The Board has established the following three standing committees:

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

In addition, from time to time the Board has established ad-hoc committees of independent trustees to make recommendations to the Board. See *Our Corporate Governance Practices — Committees of the Board* below.


The current members of these standing committees are indicated in *About First Capital REIT Nominees* below.

About the First Capital REIT Nominees

The Board has determined that ten trustees are to be elected this year. Nine of the ten nominated trustees are independent of First Capital REIT as determined in accordance with applicable securities laws. Paul C. Douglas is independent of First Capital REIT and is the Chair of the Board.

The following profiles present information about First Capital REIT Nominees, including their areas of expertise, their membership on other public entity boards and the number of First Capital 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 First Capital REIT at First Capital REIT's 2022 annual meeting of unitholders held on June 21, 2022 (the "**2022 Meeting**") (with the exception of Ms. Gibbs, Mr. Gluskin and Mr. Nesbitt, who were not trustees at the time of 2022 Meeting), where there were unitholders represented in person or by proxy holding 177,710,813 Trust Units of First Capital REIT, representing 80.85% of First Capital REIT's then issued and outstanding voting units.

	PAUL C. DOUGLAS Age: 70 Toronto, Ontario, Canada Chair of the Board since February 7, 2023 Trustee of First Capital REIT since June 4, 2019 ⁽¹⁾ INDEPENDENT			Areas of Expertise: Strategic insight/leading growth Real estate Retail Board and governance Accounting and tax acumen Corporate finance and capital markets M&A/Transactional Legal Business leadership Human resource management ESG Public policy/corporate relations			
	Principal Occupation						
<p>Mr. Douglas is the Group Head, Canadian Business Banking at TD Bank Group (“TD”). In his current role, he leads the bank in offering a variety of banking products, services and expertise to business banking customers across Canada. On February 7, 2023, Mr. Douglas announced his intention to retire from his role at TD at the end of April 2023.</p> <p>Mr. Douglas has had a distinguished career at TD for over 45 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 also a member of the board of a privately held company, Minto Holdings Inc. He was former Chair of the board of governors of McMaster University. Mr. Douglas is also the former Chair of TD’s Diversity Leadership Council subcommittee on promoting and enhancing a supportive environment for LGBTQ2+ employees and clients.</p>							
Other Public Board Memberships				Public Board Interlocks			
None				None			
Current Board/Committee Membership				2022 Attendance		2022 Attendance (Total)	
Member of the Board ⁽²⁾				14/14	100%	26/26	100%
Member of the Audit Committee				4/4	100%		
Member of the Corporate Governance Committee				8/8	100%		
Equity Beneficially Owned, Controlled or Directed, Directly or Indirectly				Equity Interest Requirements			
Year	Trust Units	DTUs	Total Unit Ownership	Minimum Requirements		Meets Requirements	
As at May 10, 2022	60,000	23,736	83,736	6 x annual retainer		Yes ⁽³⁾	
As at February 24, 2023	60,000	32,964	92,964				
Voting Results of 2022 Annual Meeting							
				Proxy Votes For	Proxy Votes Withheld	Total Proxy Votes Cast	
# of Proxy Votes				174,661,188	2,900,515	177,561,703	
% of Proxy Votes				98.37	1.63	100	

(1) Also includes time spent serving as a director of First Capital Realty Inc.


(2) Mr. Douglas was appointed Chair of the Board effective February 7, 2023.

(3) 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). Mr. Douglas was appointed as Chair of the Board on February 7, 2023, thus increasing his equity interest requirement. See *Equity Ownership Guidelines* for more information.

	ADAM E. PAUL, CPA, CA Age: 48 Toronto, Ontario, Canada Trustee of First Capital REIT since February 16, 2015 ⁽¹⁾ NOT INDEPENDENT (President and Chief Executive Officer of First Capital REIT				Areas of Expertise: Strategic insight/leading growth Real estate Retail Board and governance Accounting and tax acumen Corporate finance and capital markets M&A/Transactional 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 First Capital Realty Inc. 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 and a former director of Real Property Association of Canada (REALpac).								
Other Public Board Memberships					Public Board Interlocks			
None					None			
Current Board/Committee Membership					2022 Attendance		2022 Attendance (Total)	
Member of the Board					14/14	100%	14/14	100%
Equity Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽²⁾						Equity Interest Requirements		
Year	Trust Units	Restricted Trust Units (“RTUs”)	Performance Trust Units (“PTUs”)	Total Unit Ownership	Minimum Requirements		Meets Requirements	
As at May 10, 2022	283,325	171,323	282,050	736,698	6 x annual base salary		Yes	
As at February 24, 2023	328,003	255,251	324,617	907,871				
Voting Results of 2022 Annual Meeting								
					Proxy Votes For	Proxy Votes Withheld	Total Proxy Votes Cast	
# of Proxy Votes					171,697,334	5,864,369	177,561,703	
% of Proxy Votes					96.70	3.30	100	


(1) Also includes time spent serving as a director of First Capital Realty Inc.

(2) 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 \$19.76.

	LEONARD ABRAMSKY Age: 60 Toronto, Ontario, Canada Trustee of First Capital REIT since June 4, 2019 ⁽¹⁾ INDEPENDENT			Areas of Expertise: Strategic insight/leading growth Real estate Retail Board and governance Accounting and tax acumen Corporate finance and capital markets M&A/Transactional Legal 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 United States public retail company which was privatized by Brookfield in 2016.</p> <p>Mr. Abramsky is also a member of the board of a Dream Residential Real Estate Investment Trust. Mr. Abramsky presently serves as 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			
Dream Residential REIT				None			
Current Board/Committee Membership				2022 Attendance		2022 Attendance (Total)	
Member of the Board				14/14	100%	19/19	100%
Member of the Audit Committee ⁽²⁾				2/2	100%		
Member of the Compensation Committee				3/3	100%		
Equity Beneficially Owned, Controlled or Directed, Directly or Indirectly				Equity Interest Requirements			
Year	Trust Units	DTUs	Total Unit Ownership	Minimum Requirements		Meets Requirements	
As at May 10, 2022	53,162	14,158	67,320	6 x annual retainer		Yes	
As at February 24, 2023	73,162	19,543	92,705				
Voting Results of 2022 Annual Meeting							
				Proxy Votes For	Proxy Votes Withheld	Total Proxy Votes Cast	
# of Proxy Votes				174,255,908	3,305,795	177,561,703	
% of Proxy Votes				98.14	1.86	100	

(1) Also includes time spent serving as a director of First Capital Realty Inc.

(2) Mr. Abramsky was appointed as a member of the Audit Committee on June 21, 2022. See *Our Corporate Governance Practices — Committees of the Board* for more information.



SHEILA BOTTING
Age: 64
Burlington, Ontario, Canada
Trustee of First Capital REIT since June 21, 2021
INDEPENDENT

Areas of Expertise:
Strategic insight/leading growth
Real estate
Retail
Board and governance
Accounting and tax acumen
Corporate finance and capital markets
M&A/Transactional
Business leadership
Human resource management
ESG
Public policy/corporate relations

Principal Occupation

Ms. Botting is currently Principal and President, Americas Professional Services and a member of the global executive committee at Avison Young.


Prior to this role, she was previously a Senior Partner and Canadian Real Estate Leader with Deloitte, and a member of the firm’s global real estate executive. She led many substantive global assignments across both public and private sectors working with investors, occupiers, operators, and industry participants across many situations and opportunities. Ms. Botting was also responsible for Deloitte Canada’s corporate real estate and workplace program and led the transformation toward the workplace of the future, earning the firm multiple industry awards.

Prior to Deloitte, Ms. Botting was Executive Managing Director at Cushman & Wakefield, a leading global full real estate services firm, and she was also a global partner. She led the Canadian professional services organization including real estate valuation and advisory services for the industry’s largest investors, operators, owners and corporate occupiers. Cushman & Wakefield acquired Royal LePage Commercial Inc. (a Brookfield entity) in 2006 where she also held a senior executive position. Ms. Botting has earned recognition across the business community including the distinguished awards as Fellow of the Royal Institute of Chartered Surveyors (FRICS) and Fellow of the Canadian Institute of Management Consultants (FCMC), along with numerous other awards.


Other Public Board Memberships				Public Board Interlocks			
None				None			
Current Board/Committee Membership				2022 Attendance		2022 Attendance (Total)	
Member of the Board				14/14	100%	24/24	100%
Member of the Compensation Committee ⁽¹⁾				2/2	100%		
Member of the Corporate Governance Committee				8/8	100%		
Equity Beneficially Owned, Controlled or Directed, Directly or Indirectly				Equity Interest Requirements			
Year	Trust Units	DTUs	Total Unit Ownership	Minimum Requirements		Meets Requirements	
As at May 10, 2022	—	4,903	4,903	6 x annual retainer		Yes, as applicable ⁽²⁾	
As at February 24, 2023	3,300	13,497	16,797				
Voting Results of 2022 Annual Meeting							
				Proxy Votes For	Proxy Votes Withheld	Total Proxy Votes Cast	
# of Proxy Votes				173,159,069	4,402,634	177,561,703	
% of Proxy Votes				97.52	2.48	100	

(1) Ms. Botting was appointed as a member of the Compensation Committee on June 21, 2022. 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). See *Equity Ownership Guidelines* for more information.

	IAN CLARKE, FCPA, FCA, ICD.D Age: 62 Pickering, Ontario, Canada Trustee of First Capital REIT since June 21, 2021 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 Human resource management Public policy/corporate relations					
Principal Occupation							
<p>Mr. Clarke is a corporate director. In addition to serving on the Board of First Capital REIT, he is a director on the boards of Altria Group Inc. and AGF Management Limited. He was Chief Financial Officer of the Greater Toronto Airports Authority (GTAA) from April 2017 to December 2022 and previously served as a GTAA Board member for five years, chairing the Audit Committee for two years. His responsibilities included 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			
AGF Management Limited Altria Group Inc.				None			
Current Board/Committee Membership				2022 Attendance		2022 Attendance (Total)	
Member of the Board				14/14	100%	25/25	100%
Member of the Audit Committee				4/4	100%		
Member of the Corporate Governance Committee				7/7	100%		
Equity Beneficially Owned, Controlled or Directed, Directly or Indirectly				Equity Interest Requirements			
Year	Trust Units	DTUs	Total Unit Ownership	Minimum Requirements		Meets Requirements	
As at May 10, 2022	2,300	5,030	7,300	6 x annual retainer		Yes, as applicable ⁽¹⁾	
As at February 24, 2023	3,600	13,629	17,229				
Voting Results of 2022 Annual Meeting							
				Proxy Votes For	Proxy Votes Withheld	Total Proxy Votes Cast	
# of Proxy Votes				173,872,714	3,688,989	177,561,703	
% of Proxy Votes				97.92	2.08	100	


- (1) 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.

	DAYNA GIBBS Age: 46 Toronto, Ontario, Canada Trustee Nominee INDEPENDENT	Areas of Expertise: Strategic insight/leading growth Real estate Retail Board and governance Accounting and tax acumen Corporate finance and capital markets M&A/Transactional Legal Business leadership ESG Human resource management Public policy/corporate relations					
Principal Occupation							
<p>Prior to its privatization in February 2023, Ms. Gibbs was the Chief Operating Officer of Summit Industrial Income REIT, managing a \$6 Billion portfolio of light industrial buildings and development projects in key-high growth Canadian markets with a focus on ESG and green buildings.</p> <p>Ms. Gibbs has a depth of industry expertise with over two decades of real estate, finance, governance and capital markets experience. Prior to her role at Summit, Ms. Gibbs began her career at RBC Capital Markets, where she held progressively senior roles across sales and trading, risk management and real estate investment banking. Subsequent to RBC Capital Markets, Ms. Gibbs joined Brascan Financial Real Estate Group (Brookfield Financial) and later, BMO Capital Markets where she played a pivotal role in building a successful full-service North American real estate platform. Subsequent to BMO Capital Markets, Ms. Gibbs was a Partner with Blair Franklin Capital Partners, a boutique independently owned investment bank. Her extensive transactional experience spans many complex, high profile and market leading transactions including initial public offerings, portfolio transactions, privatizations, strategic reviews, valuations and fairness opinions, mergers and acquisitions as well as a breadth of debt and equity financings. In addition, Ms. Gibbs is a seasoned governance professional, having served on and chaired numerous committees for public, private, and not-for-profit boards. Ms. Gibbs is currently a board member and member of the ESG Taskforce for the Foundation Board of King’s University College, The University of Western Ontario.</p> <p>Ms. Gibbs holds an Honours Bachelor of Arts degree in Economics from the University of Western Ontario, is a member of the Institute of Corporate Directors (ICD), holds a certificate in Artificial Intelligence from The MIT Sloan School of Management, is a fellow of The Institute of Coaching McLean/Harvard Medical School and is pleased to have been recognized as a recipient of The Top 100 Canadian Professionals Award for 2020 and The Top 100 People in Real Estate Award for 2022.</p>							
Other Public Board Memberships				Public Board Interlocks			
None				None			
Current Board/Committee Membership				2022 Attendance		2022 Attendance (Total)	
Member of the Board				N/A	N/A	N/A	N/A
Equity Beneficially Owned, Controlled or Directed, Directly or Indirectly				Equity Interest Requirements			
Year	Trust Units	DTUs	Total Unit Ownership	Minimum Requirements		Meets Requirements	
As at May 10, 2022	N/A	N/A	N/A	6 x annual retainer		N/A ⁽¹⁾	
As at February 24, 2023	nil	nil	nil				
Voting Results of 2022 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) 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. Gibbs is elected as trustee of First Capital REIT, she will be subject to such requirements. See *Equity Ownership Guidelines* for more information.

	IRA GLUSKIN Age: 80 Toronto, Ontario, Canada Trustee of First Capital REIT since February 7, 2023 INDEPENDENT	Areas of Expertise: Strategic insight/leading growth Real estate Retail Board and governance Accounting and tax acumen Corporate finance and capital markets M&A/Transactional Legal Business leadership Human resource management ESG Public policy/corporate relations				
Principal Occupation						
<p>Mr. Gluskin is the Chief Investment Officer of Irager + Associates Inc., a family office, overseeing strategy and investments. He is also the co-founder of Gluskin Sheff + Associates Inc., one of Canada’s pre-eminent wealth management firms. He served as the firm’s President & Chief Investment Officer until 2009, and as Director and Vice-Chairman until 2013. Prior to co-founding Gluskin Sheff, Mr. Gluskin had worked in the investment industry for 20 years.</p> <p>Mr. Gluskin currently serves on the boards of both Tricon Capital Group and European Residential Real Estate Investment Trust. Currently, he is a member of the Advisory Board of Vision Capital Corporation, and The University of Toronto’s Real Estate Advisory Committee. He is also on the University of Toronto’s Boundless Campaign Executive Committee, the Sinai Health System’s Board of Directors and Investment Committee, and serves on the boards of the Canadian Jewish News, The Jewish Federation of Palm Beach Investment Committee, The Walrus, Capitalize for Kids, and the National Theatre School of Canada.</p> <p>Mr. Gluskin is also the former Chair of the University of Toronto Asset Management Corporation and the former Chair of the Investment Advisory Committee for the Jewish Foundation of Greater Toronto and is currently a member of its Investment Committee.</p> <p>Mr. Gluskin received a Bachelor of Commerce degree from the University of Toronto in 1964. He received an Honorary Doctorate of Laws degree from Wilfrid Laurier University in 2019 and an Honorary Doctorate of Laws, honoris causa, from The University of Toronto in 2022.</p>						
Other Public Board Memberships		Public Board Interlocks				
European Residential Real Estate Investment Trust Tricon Capital Group Inc.		None				
Current Board/Committee Membership		2022 Attendance⁽¹⁾		2022 Attendance (Total)⁽¹⁾		
Member of the Board		N/A		N/A		
Equity Beneficially Owned, Controlled or Directed, Directly or Indirectly		Equity Interest Requirements				
Year	Trust Units	DTUs	Total Unit Ownership	Minimum Requirements		Meets Requirements
As at May 10, 2022	N/A	N/A	N/A	6 x annual retainer		Yes
As at February 24, 2023	135,000	nil	135,000			
Voting Results of 2022 Annual Meeting⁽¹⁾						
				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) Mr. Gluskin was appointed as a trustee on February 7, 2023; accordingly, Mr. Gluskin did not attend any Board or committee meetings in 2022.

	ANNALISA KING Age: 55 Vancouver, British Columbia, Canada Trustee of First Capital REIT since November 9, 2016 ⁽¹⁾ INDEPENDENT			Areas of Expertise: Strategic insight/leading growth Real Estate Retail Board and governance Accounting and tax acumen Corporate finance and capital markets M&A/Transactional Legal Business leadership Human resource management ESG Public policy/corporate relations			
	Principal Occupation						
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 and the Chair of the Audit Committee of both Saputo Inc. and The North West Company Inc. She also serves as a director of McArthurGlen Designer Outlet Centre (a joint venture between McArthurGlen Group and the Vancouver Airport Authority).							
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.							
Other Public Board Memberships				Public Board Interlocks			
Saputo Inc. The North West Company Inc.				None			
Current Board/Committee Membership				2022 Attendance		2022 Attendance (Total)	
Member of the Board				14/14	100%	26/26	100%
Member of the Audit Committee				4/4	100%		
Chair of the Corporate Governance Committee				8/8	100%		
Equity Beneficially Owned, Controlled or Directed, Directly or Indirectly				Equity Interest Requirements			
Year	Trust Units	DTUs	Total Unit Ownership	Minimum Requirements		Meets Requirements	
As at May 10, 2022	17,661	42,530	60,191	6 x annual retainer		Yes	
As at February 24, 2023	17,661	52,886	70,547				
Voting Results of 2022 Annual Meeting							
				Proxy Votes For	Proxy Votes Withheld	Total Proxy Votes Cast	
# of Proxy Votes				171,606,905	5,954,798	177,561,703	
% of Proxy Votes				96.65	3.35	100	

(1) Also includes time spent serving as a director of First Capital Realty Inc.

	ALADIN (AL) W. MAWANI, CPA, CA Age: 71 Thornhill, Ontario, Canada Trustee of First Capital REIT since May 29, 2018 ⁽¹⁾ INDEPENDENT			Areas of Expertise: Strategic insight/leading growth Real estate Retail Board and governance Accounting and tax acumen Corporate finance and capital markets M&A/Transactional Legal Business leadership Human resource management Public policy/corporate relations		
Principal Occupation						
<p>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 an independent member of the board of trustees of Granite Real Estate Investment Trust (“Granite”) and an independent director of Extendicare Inc. (“Extendicare”). 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. He was Chair of the compensation, governance and nominating committee of the board of Granite from June 2017 to January 1, 2021.</p> <p>Previously, Mr. Mawani served as the independent lead trustee and Chair of the audit committee of Boardwalk Real Estate Investment Trust. He was also an independent member of the board and Chair of the audit committee of each of SmartCentres Real Estate Investment Trust (“SmartCentres”), Slate Office Real Estate Investment Trust, IPC US Real Estate Investment Trust, and 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. In addition, he spent 23 years at Oxford Properties Group, Inc., including over 11 years as Chief Financial Officer.</p> <p>Mr. Mawani is a Chartered Professional Accountant, Chartered Accountant and has earned Master of Business Administration and Master of Laws degrees. He holds the GCB.D designation for completing the ESG Designation Program offered by Competent Boards.</p>						
Other Public Board Memberships				Public Board Interlocks		
Granite Real Estate Investment Trust Extendicare Inc.				None		
Current Board/Committee Membership				2022 Attendance		2022 Attendance (Total)
Member of the Board Chair of the Audit Committee Member of the Compensation Committee				14/14 4/4 3/3	100% 100% 100%	21/21 100%
Equity Beneficially Owned, Controlled or Directed, Directly or Indirectly				Equity Interest Requirements		
Year	Trust Units	DTUs	Total Unit Ownership	Minimum Requirements		Meets Requirements
As at May 10, 2022	17,500	33,843	51,343	6 x annual retainer		Yes
As at February 24, 2023	18,500	44,403	62,903			
Voting Results of 2022 Annual Meeting						
				Proxy Votes For	Proxy Votes Withheld	Total Proxy Votes Cast
# of Proxy Votes				171,748,829	5,812,874	177,561,703
% of Proxy Votes				96.73	3.27	100

(1) Also includes time spent serving as a director of First Capital Realty Inc.

	RICHARD NESBITT Age: 67 London, United Kingdom Trustee of First Capital REIT since February 23, 2023 INDEPENDENT	Areas of Expertise: Strategic insight/leading growth Real estate Board and governance Accounting and tax acumen Corporate finance and capital markets M&A/Transactional Business leadership ESG Human resource management Public policy/corporate relations
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Principal Occupation

Mr. Nesbitt is Vice Chair of the Board of Trustees of OPTrust Pension Fund, Chair of the Audit Committee and Board member (Advisory) of Kruger Inc. and a member of the Advisory Board of Vision Capital Corporation. He is an Adjunct Professor at the Rotman School of Management (University of Toronto), Chair of The Inclusion Initiative, a research institute at the London School of Economics, United Kingdom (“LSE”) and a former Visiting Professor at the LSE. Mr. Nesbitt is also a co-founder and Managing Partner at KalNes Capital Partners, a private family office which makes various software, technology, and financial investments.

Mr. Nesbitt has more than 30 years’ experience in financial services and most recently served as President and CEO of the Global Risk Institute (retired). He was the Chief Operating Officer of CIBC and Chief Executive Officer of CIBC World Markets, retiring in September 2014 after a 20-year career in securities, including CIBC Wood Gundy. From 2004 to 2008, Mr. Nesbitt was the Chief Executive Officer of the Toronto Stock Exchange Group.

Mr. Nesbitt was awarded the 2019 Lifetime Achievement Award from Rotman School of Management. He has an M.Sc. from the London School of Economics, an MBA from Rotman School of Management and an HBA from the Ivey Business School, University of Western Ontario.

Other Public Board Memberships				Public Board Interlocks			
None				None			
Current Board/Committee Membership				2022 Attendance		2022 Attendance (Total)	
Member of the Board				N/A	N/A	N/A	N/A
Equity Beneficially Owned, Controlled or Directed, Directly or Indirectly				Equity Interest Requirements			
Year	Trust Units	DTUs	Total Unit Ownership	Minimum Requirements		Meets Requirements	
As at May 10, 2022	N/A	N/A	N/A	6 x annual retainer		Yes, as applicable ⁽¹⁾	
As at February 24, 2023	nil	nil	nil				
Voting Results of 2022 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) 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). Mr. Nesbitt was appointed as trustee of First Capital REIT on February 23, 2023 and is required to meet his respective Ownership Requirements by February 23, 2028. See *Equity Ownership Guidelines* for more information.

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.

M&A/Transactional — Extensive M&A and transactional experience and have collectively facilitated numerous major M&A transactions.

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 First Capital REIT Nominees. 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	M&A/ Transactional	Legal	Business Leadership	Human Resource Management	ESG	Public Policy/ Corporate Relations
Paul C. Douglas	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Adam E. Paul	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Leonard Abramsky . .	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sheila Botting	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
Ian Clarke	✓	✓	✓	✓	✓	✓		✓	✓	✓		✓
Dayna Gibbs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ira Gluskin	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Annalisa King	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Al Mawani	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Richard Nesbitt	✓	✓		✓	✓	✓	✓		✓	✓	✓	✓

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

As at February 24, 2023, the trustees and executive officers (as defined in National Instrument 51-102 — *Continuous Disclosure Obligations*) of First Capital REIT, as a group, beneficially owned, or exercised control or direction over, an aggregate of 790,017 Trust Units representing approximately 0.37% of the aggregate issued and outstanding Trust Units and Special Voting Units and 3,624,716 vested stock options granted under the Stock Option Plan (as defined herein) (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 3,624,716 Trust Units and would hold approximately 2.03% of the aggregate issued and outstanding Trust Units and Special Voting Units as at February 24, 2023.

Additional Disclosure Relating to Trustees

As of the date hereof, to the knowledge of First Capital 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 First Capital 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.

Support and Cooperation Agreement

Richard Nesbitt is being nominated for election to the Board in accordance with the terms of a support and cooperation agreement (the “**Support and Cooperation Agreement**”) dated February 23, 2023 entered into by and among First Capital REIT, Vision Capital Corporation and Ewing Morris & Co. Investment Partners Ltd. For more information, please see *Background to the Solicitation* above and refer to the Support and Cooperation Agreement, which is available on SEDAR at www.sedar.com under our issuer profile.

Reappointment of Auditor

The auditor of First Capital REIT is Ernst & Young LLP (“E&Y”), Chartered Professional Accountants, Chartered Accountants, Licensed Public Accountants, located in Toronto, Ontario. E&Y was first appointed as our auditor effective September 25, 2012.

Following its evaluation of E&Y’s performance during 2022, the Audit Committee recommended to the Board that E&Y be reappointed as the auditor of First Capital REIT for 2023 and the Board accepted such recommendation. Unitholders are being asked to approve the reappointment of E&Y as auditor of First Capital REIT for the ensuing year and to authorize the trustees to fix the remuneration of the auditor. If E&Y is re-appointed as auditor, they will serve until the end of the next annual meeting of unitholders and their remuneration for 2023 will be set and approved by the Audit Committee.

For the year ended December 31, 2022, E&Y was paid \$1,017,500 for audit services and \$236,800 for audit-related services. All non-audit services provided by E&Y are subject to pre-approval by our Audit Committee. Additional information regarding the compensation of E&Y is contained in our Annual Information Form for the year ended December 31, 2022 under the heading “External Auditor Services Fees”. Our Annual Information Form may be found on our website at www.fcr.ca and on SEDAR at www.sedar.com under our issuer profile.

**The Board unanimously recommends that you use the
BLUE Proxy
to vote “FOR” the reappointment of E&Y as First Capital REIT’s auditor and the authorization of the
Board, upon the recommendation of the Audit Committee, to fix the auditor’s remuneration.**

The management representatives designated in the **BLUE Proxy** (or **BLUE VIF**) 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 First Capital REIT to hold office until First Capital 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 **BLUE Proxy** (or **BLUE VIF**, as applicable). **In the absence of such instructions, such units will be voted FOR the reappointment of E&Y as auditor of First Capital REIT to hold office until First Capital 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 First Capital 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 2022 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 First Capital 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 First Capital REIT, that the unitholders accept the approach to executive compensation disclosed in the Circular delivered in advance of the 2023 annual and special 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. First Capital 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 80% 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 First Capital 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, First Capital 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. First Capital 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.

**The Board unanimously recommends that you use the
BLUE Proxy
to vote "FOR" the non-binding advisory resolution to accept the approach to executive compensation
disclosed in this Circular.**

The management representatives designated in the **BLUE Proxy** (or **BLUE VIF**, 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 First Capital Realty Inc. 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 on SEDAR at www.sedar.com.

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

<u>YEAR</u>	<u>Votes For</u>	<u>Percentage For</u>	<u>Votes Against</u>	<u>Percentage Against</u>	<u>Outcome</u>
2022	155,302,885	87.46%	22,258,818	12.54%	Carried

In 2022, 87% of unitholders supported our executive compensation, which has increased by 4% from our 2021 say-on-pay resolution. Although more than 73% of our unitholders supported our 2020 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. First Capital REIT's approach to compensation was reviewed in the context of those concerns and several changes were made to its executive compensation policies and practices which are outlined in this Circular.

**The Board unanimously recommends that you use the
BLUE Proxy
to vote "FOR" the non-binding advisory Say-on-Pay resolution regarding First Capital REIT's approach
to executive compensation.**

Reconfirmation and Approval of the Amended and Restated Unitholder Rights Plan Agreement

First Capital REIT adopted a Unitholder Rights Plan Agreement (the “**Current Rights Plan**”) dated as of September 29, 2020, between First Capital REIT and Computershare Investor Services Inc. The Current Rights Plan was approved by unitholders at First Capital REIT’s annual and special meeting of unitholders held on September 29, 2020.

By its terms, the Current Rights Plan must be reconfirmed and approved by First Capital REIT’s Independent Unitholders (as defined in the Current Rights Plan) every three (3) years at the annual meeting of First Capital REIT’s unitholders. As such, at the Meeting, unitholders will be asked to approve an ordinary resolution reconfirming and approving the A&R Rights Plan (the “**A&R Rights Plan**”), the full text of which is set forth on Schedule C hereto. Except for certain changes that are of an administrative or housekeeping nature, the A&R Rights Plan is in substantially the same form as the Current Rights Plan. A blackline comparison of the A&R Rights Plan to the Current Rights Plan is attached as Schedule D hereto.

If the ordinary resolution reconfirming and approving the A&R Rights Plan is not passed at the Meeting, the Current Rights Plan will terminate on the close of business on March 28, 2023, the date of the Meeting. However, if the ordinary resolution reconfirming and approving the A&R Rights Plan is passed at the Meeting, the A&R Rights Plan will take effect on the close of business of March 28, 2023, replacing the Current Rights Plan, and the A&R Rights Plan will require reconfirmation by First Capital REIT’s unitholders at the 2026 annual meeting of unitholders (or any adjournment(s) or postponement(s) thereof) and thereafter at such annual meeting (or any postponement(s) or adjournment(s) thereof) to be held, *mutatis mutandis*, every three (3) years thereafter. See *Business of the Meeting — Reconfirmation and Approval of the Amended and Restated Unitholder Rights Plan Agreement — Unitholder Approval* below.

The following is a brief summary of the purpose of the Current Rights Plan and the A&R Rights Plan. A summary of the principal terms of the A&R Rights Plan, which are substantially the same as the principal terms of the Current Rights Plan, is included as Schedule B hereto, which summary is qualified in its entirety by reference to the actual provisions of the A&R Rights Plan and the Current Rights Plan. A copy of the Current Rights Plan is available under First Capital REIT’s issuer profile on SEDAR at www.sedar.com. The full text of the A&R Rights Plan is set forth on Schedule C hereto, and a blackline comparison of the A&R Rights Plan to the Current Rights Plan is attached as Schedule D hereto. If the A&R Rights Plan is reconfirmed and approved at the Meeting, the A&R Rights Plan will be filed and available on First Capital REIT’s issuer profile on SEDAR at www.sedar.com following the Meeting.

Purpose of the Current and Amended and Restated Unitholder Rights Plan Agreements

A rights plan is a common mechanism used by public entities to encourage the fair and equal treatment of all unitholders in the event of a take-over initiative. Rights plans have been adopted and reconfirmed by a number of publicly held corporations and real estate investment trusts in Canada. The terms of the Current Rights Plan and the A&R Rights Plan are substantially similar to those plans.

Under a rights plan, rights to purchase units are issued to all unitholders. Initially, the rights are not exercisable. However, if a person or group proceeds with a take-over bid for 20% or more of the target company’s units that does not meet the “permitted bid” criteria contained in the rights plan and the rights plan is triggered, the rights (other than those owned by the person or group making the bid) become exercisable for units at half the market price at the time of exercise, causing substantial dilution and making the take-over bid uneconomical.

The Board believes the Current Rights Plan encourages and, if the A&R Rights Plan is reconfirmed and approved at the Meeting, the A&R Rights Plan will continue to encourage persons seeking to acquire control of First Capital REIT to do so by means of public take-over bids available to all unitholders and that the Current Rights Plan deters and, if the A&R Rights Plan is reconfirmed and approved at the Meeting, the A&R Rights Plan will continue to deter acquisitions by means that may deny some unitholders the opportunity to share in the premium that an acquiror is likely to pay upon an acquisition of control. By motivating would-be acquirors to make public take-over bids, unitholders will have the best opportunity of being assured that they will participate on an equal basis, regardless of the size of their holdings, in any acquisition of control of First Capital REIT.

The Board believes that the Current Rights Plan does not and, if the A&R Rights Plan is reconfirmed and approved at the Meeting, the A&R Rights Plan will not adversely limit the opportunity for unitholders to dispose of their units through a take-over bid for First Capital REIT which provides fair value to all unitholders. First Capital REIT's trustees will continue to be obligated to consider fully and fairly any bona fide take-over bid for the units and to discharge their responsibilities with a view to the best interests of the unitholders.

Recommendation of the Board of Trustees

In recommending the reconfirmation and approval of the A&R Rights Plan, the Board considered the appropriateness of continuing the operation of a unitholder rights plan and concluded, for the reasons discussed above, that it is in the best interests of First Capital REIT and its unitholders to do so.

The complete text of the applicable ordinary resolution reconfirming and approving the A&R Rights Plan that unitholders will be asked to consider at the Meeting is set forth on Schedule A hereto.

<p style="text-align: center;">The Board unanimously recommends that you use the BLUE Proxy to vote "FOR" the ordinary resolution reconfirming and approving the A&R Rights Plan.</p>
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Unitholder Approval

To be effective, the ordinary resolution reconfirming and approving the A&R Rights Plan must be approved by the affirmative vote of a majority of the Independent Unitholders (as defined in the Current Rights Plan and the A&R Rights Plan) present or represented by proxy at the Meeting. As of the date of this Circular, the trustees are not aware of any unitholders whose votes would be required to be excluded.

Unless a unitholder specifies in its proxy that the units represented by such proxy are to be voted against the ordinary resolution reconfirming and approving the A&R Rights Plan, the persons named in the proxy shall vote the units FOR the ordinary resolution reconfirming and approving the A&R Rights Plan.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Named Executive Officers in 2022

This section discusses our compensation program and the key compensation decisions for our named executive officer (“NEOs”) in 2022. The titles listed below and throughout this section of the Circular apply to 2022 and, except as otherwise noted below, reflect the title the named executive officer held on December 31, 2022:

Adam E. Paul	President and Chief Executive Officer
Jordan Robins	Executive Vice President and Chief Operating Officer
Neil Downey	Executive Vice President, Enterprise Strategies and Chief Financial Officer
Carmine Francella	Senior Vice President, Real Estate Services
Alison Harnick	Senior Vice President, General Counsel and Corporate Secretary


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 First Capital REIT’s performance and creating value for its unitholders.
- Structured to align executive compensation with the long-term financial performance of First Capital 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.
- First Capital REIT has a compensation claw-back policy for the executive leadership team.
- Vesting timeframe of “at-risk” compensation is designed to expose a material portion of executive compensation to the risks associated with First Capital REIT’s business, including property development and stabilization timelines and financing strategy.
- Stock Option Plan was terminated in 2021. Prior to its termination, trustees were not eligible to participate.
- PTUs have a performance factor multiplier from 0% to 200% of target.
- Bonus payment to the President and CEO and other NEOs is not guaranteed.
- Say-on-Pay vote.


Named Executive Officers

The following presents basic biographical information for each of First Capital REIT's Named Executive Officers.

	ADAM E. PAUL President and Chief Executive Officer	
Toronto Ontario, Canada	Service: 8 years	Mr. Paul joined First Capital Realty Inc. 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 First Capital Realty Inc. in February 2015, Mr. Paul was a senior executive at 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, and a former director of Real Property Association of Canada (REALpac).
Industry Experience: >15 years	Age: 48	

	JORDAN ROBINS Executive Vice President and Chief Operating Officer	
Toronto, Ontario, Canada	Service: 7 years	Mr. Robins joined First Capital Realty Inc. in 2016. As Chief Operating Officer, he is responsible for overseeing various aspects of First Capital REIT's activities, including 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.
Industry Experience: >20 years	Age: 52	

	NEIL DOWNEY Executive Vice President, Enterprise Strategies and Chief Financial Officer	
	<p>Toronto Ontario, Canada</p> <p>Service: 2 years</p> <p>Industry Experience: >25 years</p> <p>Age: 52</p>	<p>Mr. Downey joined First Capital Realty Inc. in 2021. As Executive Vice President, Enterprise Strategies and Chief Financial Officer, he is responsible for managing First Capital REIT's financial reporting, accounting, treasury, taxation, investor relations, internal audit and information systems and technology. With 25 years of capital markets and real estate industry experience, Mr. Downey has significant breadth and depth of public company experience. Previously, he was Managing Director and Associate Director of Canadian Research at RBC Capital Markets. Mr. Downey is a Chartered Professional Accountant (CPA), Chartered Accountant (CPA, CA) and a Chartered Financial Analyst (CFA).</p>
	CARMINE FRANCELLA Senior Vice President, Real Estate Services	
	<p>Toronto, Ontario, Canada</p> <p>Service: 7 years</p> <p>Industry Experience: >25 years</p> <p>Age: 58</p>	<p>Mr. Francella joined First Capital Realty Inc. in 2016. As the Senior Vice President, Real Estate Services, he is responsible for overseeing all the leasing activities and property operations of the organization. Mr. Francella brings over 25 years of experience leading teams that focus on lease negotiations, store development, market analysis 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	
	Toronto Ontario, Canada Service: 6 years Industry Experience: 6 years Age: 43	Ms. Harnick joined First Capital Realty Inc. in 2017. As Senior Vice President, General Counsel and Corporate Secretary, she is responsible for overseeing corporate legal strategy and related execution, governance, ESG, Board matters and strategic corporate communications. Ms. Harnick is also the founding Co-Chair of First Capital REIT's charitable foundation. Previously, Ms. Harnick practiced law at Torys LLP, with a focus on corporate and securities laws. She also has a broad range of experience in governance, shareholder engagement and compliance matters. Ms. Harnick serves as a director and Vice President of Women General Counsel Canada.

Compensation Program Changes and 2022 Compensation Outcomes

Compensation Program Changes

In 2021, 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 2020 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 First Capital REIT's issued and outstanding units, particularly those known to have voted against the say-on-pay resolution at the 2020 annual and special meeting, to better understand their concerns. Of these, unitholders representing approximately 10% of First Capital 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 First Capital 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 First Capital REIT's long-term executive compensation policies and practices. As a result, we received increasingly favourable voting results on our say-on-pay votes from our unitholders at 83% and 87% in 2021 and 2022, respectively.

Performance Trust Units ("PTUs")

- In 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 progress, specifically focused on reducing greenhouse gas emissions.

Stock Option Plan Discontinued

- Stock options were discontinued after 2021 (no further grants were made after 2021).
- Prior to discontinuing the Stock Option Plan, it was amended to clarify that Trustees were not eligible to participate (they had not participated since 2014).

2022 Compensation Outcomes Summary

The performance of First Capital REIT's NEOs is assessed based on predetermined criteria that is established in connection with budgeting and forecasting at the end of the prior the fiscal year and approved by the Compensation Committee in early 2022. In 2022, the Compensation Committee found that the management team performed well, surpassing many of the financial goals set for the 2022 fiscal year on which NEOs short-term performance is assessed. Additionally, unitholder-focused initiatives implemented by management in 2022 had a positive impact on First Capital REIT's unit price relative to its peers, with First Capital's total return since March 1, 2022 outperforming its key retail peers, large cap retail peers and its closest urban peer as outlined in the *Reasons for Voting in Favour of First Capital's Nominees*.

The Compensation Committee reviewed NEO 2022 base salaries, target bonuses and annual Long-Term Incentive Plan ("LTIP") grants with a view to creating further alignment with unitholders' interests, taking into account the impact of the pandemic on First Capital REIT's results, which included the decision made in 2021 to freeze and not increase base salaries of the NEOs or other members of the executive leadership team. Additionally, the performance trust units (PTUs) granted to NEOs in 2020 will vest in 2023 at a rate of 50% because the total unitholder return metric was not achieved and the CEO's base salary was not increased for 2023.

Below is a summary of the 2022 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		
	2021	2022	% change
Adam Paul	850,000	900,000	5.88%
Jordan Robins	510,000	550,000	7.84%
Neil Downey	500,000	515,000	3.00%
Carmine Francella	350,000	375,000	7.14%
Alison Harnick	320,000	345,000	7.81%

Short Term Incentives

The table below sets forth details regarding 2022 short-term incentives targets and the 2022 and 2021 total award for each NEO:

Name	Base Salary (\$) ⁽¹⁾	STIP Target as percentage of base salary (%) ⁽²⁾	2022 STIP Target before Stretch (\$)	2021 STIP Award		2022 STIP Award		
				Actual Bonus (\$)	Percentage of Target bonus ⁽³⁾ (%)	Actual Bonus (\$)	Percentage of Target bonus (%)	Percentage of Stretch bonus (%)
Adam Paul	900,000	125	1,125,000	1,162,900	109.4	956,300	85.0	73.3
Jordan Robins	550,000	100	550,000	547,700	107.4	537,900	97.8	88.9
Neil Downey	515,000	100	515,000	542,000	108.4	490,800	95.3	86.6
Carmine Francella	375,000	75	281,250	279,300	106.4	280,100	99.6	87.9
Alison Harnick	345,000	50	172,500	173,400	108.4	178,200	103.3	93.9

(1) Base salary is the base salary paid to each NEO in 2022.

(2) Target is based on the business plan approved by the Board in Q4 2021 and does not incorporate annual stretch goals which, if achieved, results in an annual incentive bonus awarded in excess of the target as a percentage of base salary. See — *Short Term Incentives — Annual Incentive Cash Bonuses — Approach to Annual Incentive Cash Bonuses*.

(3) Percentage of target bonus represented by 2021 STIP awards were calculated using the actual base salaries for each NEO from 2021. See — *Base Salary*.

The Compensation Committee followed a well-established and thorough vetting process whereby NEOs were assessed according to predetermined corporate and individual goals. For 2022, the Compensation Committee continued the use of stretch goals for certain financial metrics that surpassed targets budgeted at the beginning of the fiscal year. Certain of these stretch goals were achieved causing short-term incentive bonuses for one NEO to marginally exceed target. No NEOs achieved their full stretch bonus potential in 2022, with an average achievement of approximately 86% of full stretch bonus. See *Elements of Compensation — Short Term Incentives*.

Long-Term Incentives

First Capital REIT updated its LTIP in 2021. First Capital REIT's long-term incentives were awarded in the form of PTUs and RTUs in the first quarter of 2022. With the discontinuation of stock option grants in 2022, the LTIP awards were made as follows: 50% as PTU grants and 50% as RTU grants. See *Elements of Compensation — Long-Term Incentives*.

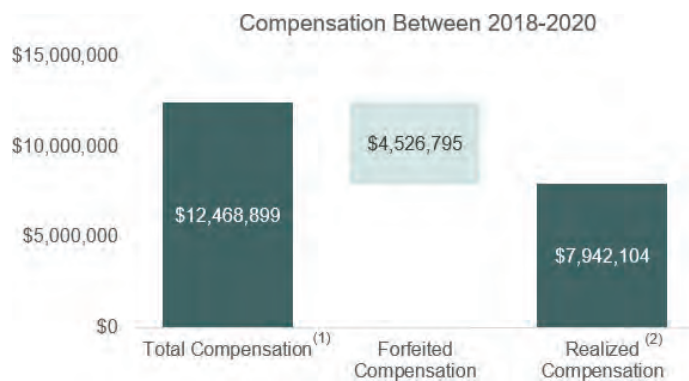
2022 RTU and PTU Grants

The following table outlines the RTUs and PTUs granted in the first quarter of 2022 to each of First Capital REIT's NEOs:

<u>Name</u>	<u>RTUs Granted</u>	<u>PTUs Granted</u>	<u>Unit-Based Awards (\$)⁽¹⁾</u>	<u>Vesting Date</u>
Adam E. Paul	84,592	84,592	2,800,000	February 28, 2025
Jordan Robins	30,211	30,211	1,000,000	February 28, 2025
Neil Downey	24,924	24,924	825,000	February 28, 2025
Carmine Francella	11,329	11,329	375,000	February 28, 2025
Alison Harnick	9,819	9,819	325,000	February 28, 2025

(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 ten trading days ending on the trading day immediately prior to the date of grant. See *Summary Compensation Table for NEOs*.

First Capital REIT's LTIP has been carefully designed to ensure alignment between NEO pay and unitholder returns. The following chart illustrates First Capital REIT's track record of aligning our President and Chief Executive Officer's pay to First Capital REIT's performance. The crystalized value of equity compensation awarded from 2018 to 2020 resulted in the forfeiture of approximately \$4.5 million (or 36%) of the CEO's reported compensation for that period through the performance-based payment adjustment factor applied when the awarded PTUs vested. First Capital REIT's other NEOs are subject to the same performance-based adjustments and their reported compensation for 2018 – 2020 was similarly impacted over the same period in line with unit performance.



(1) Total compensation as reported in the Summary Compensation Table for NEOs in this Circular. Includes salary, bonus paid, grant value of unit-based awards and option-based awards and all other compensation.

(2) Realized compensation includes salary, bonus paid, crystalized value of unit-based awards in the year of grant, gains realized from

exercise of stock options and all other compensation. The unit-based awards amounts for 2018, 2019 and 2020 (included in realized compensation value) represent the dollar value of the PTUs redeemed upon vesting in 2021, 2022 and 2023. None of the unit-based awards granted in 2021 or 2022 had vested as of the date of this circular.

2022 Stock Option Grants

No stock options were awarded in 2022.

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 First Capital 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. She also serves as a director of Enwave Energy Corp. and as an advisory committee member of Fitzrovia Real Estate Inc. 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 Imobiliaros, a Brazilian public real estate company, Pension Real Estate Association, Canada's Walk of Fame, and was previously a member of National Association of Real Estate Investment Trust's Investor Committee. Ms. Stephen will not stand for re-election at the Meeting and, as such, a new Chair will be appointed.

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 with over 35 years of experience in the commercial real estate industry. He also serves on the board of trustees of Dream Residential REIT as an independent trustee, Chair of the governance, compensation and environmental committee, and as a member of the audit committee. 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

Members:

- Andrea Stephen (Chair)
- Leonard Abramsky
- Sheila Botting
- Al Mawani

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 First Capital REIT or its affiliates or is (or will be) eligible to participate in its executive compensation programs.

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 as 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.

Ms. Botting is Principal and President, Americas Professional Services and a member of the global executive committee at Avison Young. She was previously a Senior Partner and Canadian Real Estate Leader with Deloitte, and a member of the firm’s global real estate executive. Prior to Deloitte, Ms. Botting was Executive Managing Director at Cushman & Wakefield, a leading global full real estate services firm, and she was also a global partner. She led the Canadian professional services organization including real estate valuation and advisory services for the industry’s largest investors, operators, owners and corporate occupiers. Cushman & Wakefield acquired Royal LePage Commercial Inc. (a Brookfield entity) in 2006 where she also held a senior executive position. Ms. Botting has earned recognition across the business community including the distinguished awards as Fellow of the Royal Institute of Chartered Surveyors (FRICS) and Fellow of the Canadian Institute of Management Consultants (FCMC), along with numerous other awards.

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 an independent member of the board of trustees of Granite Real Estate Investment Trust and also an independent 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. He was Chair of the compensation, governance & nominating committee of the board of Granite from June 2017 to January 1, 2021.

Previously, Mr. Mawani served as the independent lead trustee of Boardwalk Real Estate Investment Trust. He was also independent trustee of each of SmartCentres Real Estate Investment Trust, Slate Office Real Estate Investment Trust and IPC US Real Estate Investment Trust, and also served as independent 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.

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 First Capital REIT’s leadership team receives PTUs that are subject to First

Capital 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
	Base Salary & Other Compensation	Annual Incentive Bonus	Equity Compensation	At-Risk Compensation (%)
Adam E. Paul				
2022	21%	20%	59%	79%
2021	19%	25%	56%	81%
2020	20%	16%	64%	80%
Jordan Robins				
2022	28%	25%	47%	72%
2021	29%	28%	43%	71%
2020	29%	20%	51%	71%
Neil Downey				
2022	30%	26%	44%	70%
2021	30%	29%	41%	70%
2020	N/A	N/A	N/A	N/A
Carmine Francella				
2022	39%	26%	35%	61%
2021	40%	28%	32%	60%
2020	45%	15%	40%	55%
Alison Harnick				
2022	44%	20%	36%	56%
2021	45%	21%	34%	55%
2020	42%	14%	44%	58%

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 (145% for the President and Chief Executive Officer, 110% for the Executive Vice President and Chief Operating Officer, 110% for the Executive Vice President, Enterprise Strategies and Chief Financial Officer, 85% for the Senior Vice President, Real Estate Services and 55% for the Senior Vice President, General Counsel and Corporate Secretary), in each case inclusive of stretch goals which vary year to year in accordance with the Compensation Committee's analysis and oversight of annual performance metrics.
- 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 (as defined herein), 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 (as defined herein) for one year following him ceasing to hold the office of President and Chief Executive Officer of First Capital 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 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:

- generally consistent structure of compensation policies across roles and regions within the organization, all with a significant overall performance component;
- 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
- 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, at the discretion of the Corporate Governance Committee, a financial restatement trigger will permit the recoupment of incentive awards that have been paid or have vested and to cancel unvested mid- and long-term incentive awards for all executives in excess of the amount that would have been received under the restated financial statements and not only executives that were involved in making the error.

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 2022 and 2021, Hugessen received aggregate fees of \$24,500 and \$130,000 respectively for services performed relating to determining compensation for First Capital REIT’s trustees and executive officers. Hugessen did not provide any services to First Capital REIT or any of its trustees, other than in addition to compensation services for in respect of the trustees and executive officers. To assist the Compensation Committee in its review of compensation policies, practices and levels, the Compensation Committee has determined to retain an independent compensation consultant in 2023.

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 First Capital REIT’s long-term, performance-based compensation program.

2022 Compensation Peer Group

The Compensation Peer Group was determined in consultation with First Capital 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 is consistent with our 2021 pay peer group. 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 2022 and is set out below:

2022 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. 2020 peer group.

To ensure that executive pay programs are competitive, First Capital REIT assesses compensation levels compared to the marketplace on an annual basis. The Compensation Committee reviewed benchmarking reports with respect to 2022 compensation where the executive compensation for First Capital 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. First Capital 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 First Capital 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.

2022 Performance Peer Group

Pursuant to the Amended and Restated RTU Plan, First Capital 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 2022 PTU grants. Equity compensation grants made in 2022 were made pursuant to First Capital REIT's amended RTU Plan (as defined herein).

The 2022 Performance Peer Group is set out below:

2022 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 were longer part of First Capital REIT's equity compensation program and that portion of compensation was 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 First Capital 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 First Capital 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 First Capital 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 First Capital 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 2022. A more detailed description of each element of compensation can be found below the table, including 2022 compensation decisions.

Fixed Compensation**1. Base Salary**

Cash, paid bi-weekly

- 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)

- To motivate and reward individual executives for the direct contribution they make to First Capital REIT and to the overall achievement of First Capital 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 *Executive Compensation — Short-term Incentives*.

3. Long-Term Incentives**Restricted Trust Units**

RTUs awarded in Q1 with three-year vesting criteria

- 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

Performance Trust Units

PTUs awarded in Q1 with pre-set performance-based vesting criteria

- To assist in recruitment of key executives
- 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

Other Compensation**4. Other Benefits****Medical and Dental Benefits**

Fully funded by First Capital REIT; executives responsible for co-payments. REIT also contributes to RRSPs for members of executive leadership team

- 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

- 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 2021 was comprised of stock options. Stock options were no longer part of the compensation mix as of January 1, 2022 and there will be no further grants of stock options.

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 2021 and 2022.

<u>Named Executive Officer</u>	<u>Base Salary</u>		
	<u>2021</u>	<u>2022</u>	<u>% change</u>
Adam Paul	850,000	900,000	5.88%
Jordan Robins	510,000	550,000	7.84%
Neil Downey	500,000	515,000	3.00%
Carmine Francella	350,000	375,000	7.14%
Alison Harnick	320,000	345,000	7.81%

Executive Compensation is determined relative to positions with relatively equivalent responsibilities and scope within a peer comparator group. As a result of the global pandemic, the Compensation Committee made the decision to implement a base salary freeze NEOs for 2021. In 2022, the Compensation Committee resumed review of base salary increases for NEOs.

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 First Capital 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 First Capital REIT's business plan. Award opportunities vary based on the individual's position and contributions to First Capital REIT's overall performance.

EXECUTIVE COMPENSATION PROCESS REVIEW HIGHLIGHTS

Setting Objectives (Q4)

- Board strategy session and approval of First Capital 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 early the following fiscal year

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.

For 2022, the bonus levels for Named Executive Officers and the weightings were as follows:

Position	Annual Cash Bonus as % of Base Salary (Threshold/Target/Stretch) ⁽¹⁾	Allocation %
President & CEO	62.5 / 125 / 145	70 corporate / 30 individual
Executive Vice President & COO	50 / 100 / 110	40 corporate / 60 individual
Executive Vice President & CFO	50 / 100 / 110	40 corporate / 60 individual
Senior Vice President Real Estate Services	37.5 / 75 / 85	40 corporate / 60 individual
Senior Vice President, General Counsel	25 / 50 / 55	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 First Capital REIT's annual business plan for the following year. Early in the following fiscal year, annual corporate and individual NEO performance targets are approved by the Compensation Committee, on the recommendation of management, based on First Capital REIT's annual business plan. Annual performance objectives for First Capital REIT's executives are specific, measurable goals designed to align the interest of executives with First Capital 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. In 2020, the Compensation Committee determined that stretch goals should be added to annual performance measurement. These stretch goals are intentionally set above budgeted targets to attract rewards exceeding the targeted bonus level if achieved. While these goals are not expected to be achieved, they are viewed as important sources of motivation and achievement.

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, 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

EXECUTIVE COMPENSATION PROCESS REVIEW HIGHLIGHTS

Assessing Annual Achievements (Q1)

- Corporate and NEO performance for the prior year is reviewed, internally audited and measured against 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

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.

2022 Annual Performance and Incentive Bonus Compensation Outcomes

The following table below sets forth details regarding the annual incentive bonus target and 2022 and 2021 total award for each NEO:

Name	Base Salary (\$) ⁽¹⁾	STIP Target as percentage of base salary (%) ⁽²⁾	2022 STIP Target before Stretch (\$)	2021 STIP Award		2022 STIP Award		
				Actual Bonus (\$)	Percentage of Target bonus ⁽³⁾ (%)	Actual Bonus (\$)	Percentage of Target bonus (%)	Percentage of Stretch bonus (%)
Adam Paul	900,000	125	1,125,000	1,162,900	109.4	956,300	85.0	73.3
Jordan Robins	550,000	100	550,000	547,700	107.4	537,900	97.8	88.9
Neil Downey	515,000	100	515,000	542,000	108.4	490,800	95.3	86.6
Carmine Francella	375,000	75	281,250	279,300	106.4	280,100	99.6	87.9
Alison Harnick	345,000	50	172,500	173,400	108.4	178,200	103.3	93.9

(1) Base salary is the base salary paid to each NEO in 2022.

(2) Target is based on the business plan approved by the Board in Q4 2021 and does not incorporate annual stretch goals which, if achieved, results in an annual incentive bonus awarded in excess of the target as a percentage of base salary. See — *Short Term Incentives — Annual Incentive Cash Bonuses — Approach to Annual Incentive Cash Bonuses*.

(3) Percentage of target bonus represented by 2021 STIP awards were calculated using the actual base salaries for each NEO from 2021. See — *Base Salary*.

Annual Incentive Bonus — Corporate Performance Goals

The corporate goals for 2022 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 2022 scorecard, the corporate goals were weighted 35%, 35% and 30% respectively.

The following is a summary of the annual corporate goals for 2022 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 2022 as a result of the pandemic or any other unanticipated economic or geopolitical events. The achievement of certain of the corporate stretch goals with respect to financial growth metrics reflected the strong performance of First Capital REIT despite macroeconomic and geopolitical factors that impacted equity capital markets and credit markets throughout the year.

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

Performance Goal	Weight	Outcome & Analysis	Bonus
Achieve target FFO ⁽¹⁾ \$ per unit threshold of \$1.094, target of \$1.128; stretch of \$1.162 ⁽²⁾	7.5%	\$1.195 per unit (exceeded stretch)	11.25%
Achieve increase in NAV ⁽¹⁾ \$ per unit threshold of \$24.50; target of \$25.00; stretch of \$25.50	7.5%	\$23.48 (below threshold)	0%
Total SP NOI ⁽¹⁾ growth (excl. LTFs) threshold of 2.90%; target of 3.20%; stretch of 3.50%	7.5%	4.5% (exceeded stretch)	11.25%
Achieve lease renewal lift threshold of 7.5%; target of 8.0%; stretch of 8.5%	7.5%	9.5% lift (exceeded stretch)	11.25%
Achieve year end occupancy threshold of 95.2%; target 95.8%; stretch 96.4%	5%	95.8% (target achieved)	5%

Bonus Achievement Subtotal: 38.75% 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 First Capital REIT’s management discussion and analysis for the three months and year ended December 31, 2022. 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.

(ii) Performance Goals for ESG Initiatives (35% of corporate goals)

Performance Goal	Weight	Analysis	Bonus
Establish science-based targets for 2030 & 2050 with submission to SBTi for verification by year-end	10%	Completed by year-end (target achieved)	10%
TCFD Initiatives:		Completed by year-end (target achieved)	5%
(i) Incorporate climate risks and opportunities into 2023 Business Plan . . .	3%		
(ii) Incorporate climate change considerations (per TCFD recommendations) into forecast budgeting assessment project . . .	2%		
Increase employee awareness and understanding of ESG with achievement of an average score of 80% on ESG continuing education quiz . . .	5%	Average score 96.4% (target achieved)	5%
ED&I training for all employees	5%	Completed by year-end (target achieved)	5%
ED&I — expand FCR “Everyone is Welcome” campaign roll-out by Q3 2022	5%	Completed (target achieved)	5%
FCR Thriving Neighbourhoods Initiative: employees to use designated annual volunteer day threshold of 55%; target 65%; stretch 75%	5%	82% employees used designated volunteer day (exceeded stretch)	5%

Bonus Achievement Subtotal: 35% out of 35%

(iii) Performance Goals for Specific Strategic Initiatives (30% of corporate goals)

Performance Goal	Weight	Analysis	Bonus
Stabilization of DBRS and S&P credit ratings through balance sheet initiatives	15%	Achieved ⁽¹⁾	15%
Average rental rate of threshold \$22.50; target \$22.75; stretch \$23.00	5%	\$22.95 (between target and stretch)	7%
Debt to EBITDA threshold of 10.8x; target of 10.5x; stretch of 10.2x	5%	10.2x (stretch achieved)	7.5%
Debt to assets threshold of 42.5%; target 42.2%; stretch 41.9%	5%	44.0% (below threshold)	0%

Bonus Achievement Subtotal: 29.5% out of 30%

CORPORATE SCORECARD COMPONENT TOTAL: 103.25% out of 125% (inclusive of stretch metrics)

- (1) In Q2 2022, S&P Global revised its outlook on FCR’s credit rating, to “stable” from “negative”, while affirming its ‘BBB-’ issuer credit rating and its ‘BBB-’ issue level rating on FCR’s debt. Also in June, DBRS completed its normal course annual review and confirmed FCR’s “BBB” rating with a Stable Trend.

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 First Capital REIT's incentive formula has unintended results. For 2022, with input from the CEO, the Compensation Committee determined to adjust the CEO's bonus downwards instead of awarding a short term incentive bonus that reflected the actual achievement which exceeded 100% of target to better align with total unitholder return in previous years, despite First Capital outperforming in 2022 and 2023 to date. Additionally, in 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 (excluding the CEO whose bonus was adjusted downwards to 67% of his bonus eligibility) instead of the stated individual achievement levels, which for certain NEOs was materially higher. No adjustments were made to the substance of the individual performance goals for 2021 or 2020 as a result of the pandemic and the Committee did not vary the threshold, mid, target or stretch levels or weightings applicable to such goals.

In 2022, the Compensation Committee continued to include stretch goals to annual performance measurement. These stretch goals are intentionally set above budgeted targets to attract rewards exceeding the targeted bonus level if achieved. While these goals are not expected to be achieved, they are viewed as important sources of motivation and achievement.

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 30%)

Performance Goal	2022 Analysis
<ul style="list-style-type: none">• Pursue strategic opportunities with a view to achieving First Capital REIT's 2022 business plan and enhancing investment returns	Target performance was achieved on identified initiatives
<ul style="list-style-type: none">• Drive culture and employee engagement internally and effectively communicate First Capital REIT's strategy externally	Target based on employee engagement survey results, successful return to office, select media interviews and conference panels
<ul style="list-style-type: none">• Support ESG initiatives to ensure achievement of FCR's ESG roadmap including SBTi validation of net zero targets	Target based on support of ESG metrics including, carbon reduction program (SBTi validation), inaugural Tenant Collaboration Forum on Climate Initiatives, TCFD alignment, ED&I participation, ESG education
<ul style="list-style-type: none">• Pursue and oversee key investment activities with a view to achieving First Capital REIT's 2022 strategic objectives, including maintaining investment grade credit ratings	Target based on maintenance and improvement of credit ratings, implementation of Optimization Plan, including monetization of density through ongoing entitlements/zoning approvals
<ul style="list-style-type: none">• Maintain a strong investor relations program, including regular outreach to top unitholders	Target based on execution of investor relations program, including meetings with over 80 investors

INDIVIDUAL SCORECARD ACHIEVEMENT: 33.7% out of 30%
TOTAL SCORECARD ACHIEVEMENT (including Corporate Scorecard weighted at 70%): 106.0%

The Compensation Committee was of the view that Mr. Paul demonstrated exceptional leadership in 2022, leading to the achievement of many corporate stretch goals especially considering the significant challenges posed by macroeconomic volatility and geopolitical events, and the implementation of First Capital's Optimization Plan (and its success demonstrated by increased FFO growth and enhanced total

unitholder returns). Mr. Paul achieved 106% of his pre-determined target performance metrics; however, to demonstrate alignment with unitholder returns in previous years, the Compensation Committee (with the input of Mr. Paul) awarded Mr. Paul 73.3% of his eligible stretch bonus which is the equivalent of 85.0% of his eligible target bonus. In the prior year, he received 94.4% of his eligible stretch bonus which was the equivalent of 109.4% of his eligible target bonus.

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

Performance Goal	2022 Analysis
Financial Growth	Between target and stretch based on predetermined goals
<ul style="list-style-type: none"> Total property occupancy, lease renewal lift, average rental rate 	
Strategic Initiatives	Target based on sales above IFRS and key strategic partnerships
<ul style="list-style-type: none"> Realization of density values, secure strategic partnerships 	
Construction & Development	Target based on predetermined entitlement submission goals and development goals at specific properties
<ul style="list-style-type: none"> Entitlement submissions and secured entitlements Commencement of major renovation/redevelopment on key site 	
Leasing	Between below threshold and target based on predetermined leasing goals
<ul style="list-style-type: none"> Achieve specific milestones on key leasing assignments 	
Asset Strategy	Target based on achievement
<ul style="list-style-type: none"> Complete and implement NOI variance reconciliation plan 	
CEO assessment as to overall performance	Target

INDIVIDUAL SCORECARD ACHIEVEMENT: 56.45% out of 60%
TOTAL SCORECARD ACHIEVEMENT (including Corporate Scorecard weighted at 40%): 97.8%

Mr. Robins received 88.9% of his eligible stretch bonus which is the equivalent to 97.8% of his eligible target bonus. In the prior year, he received 97.6% of his eligible stretch bonus which was the equivalent of 107.4% of his eligible target bonus.

***Neil Downey, Executive Vice President, Enterprise Strategies & Chief Financial Officer
(individual objectives weighted 60%)***

Performance Goal	2022 Analysis
Financial Objectives	
<ul style="list-style-type: none"> AFFO (less distributions) target of \$120 million 	Exceeded target
<ul style="list-style-type: none"> NAV \$ per unit target of \$25.00 	Below threshold
Culture	
<ul style="list-style-type: none"> Execute specified departmental engagement initiatives to promote employee engagement 	Target based on successful implementation of initiatives
Investor Relations and Financial Management	Target based on predetermined milestones with respect to each category identified
<ul style="list-style-type: none"> Enhance REIT's communication and relationship with stakeholders — evolve MD&A and IR presentation; meet with target equity and debt investors Stabilize DBRS and S&P credit ratings through balance sheet initiatives Maintain appropriate capital structure and access to capital 	
CEO assessment as to overall performance	Target

INDIVIDUAL SCORECARD ACHIEVEMENT: 54% out of 60%
TOTAL SCORECARD ACHIEVEMENT (including Corporate Scorecard weighted at 40%): 95.3%

Mr. Downey received 86.6% of his eligible stretch bonus which is the equivalent to 95.3% of his eligible target bonus. In the prior year, he received 98.5% of his eligible stretch bonus which was the equivalent of 108.4% of his eligible target bonus.

***Carmine Francella, Senior Vice President, Real Estate Services
(individual objectives weighted 60%)***

Performance Goal	2022 Analysis
Financial Growth	
• Occupancy	Between target and stretch predetermined goals for occupancy, renewal lift and national a/r
• Lease renewal lift	
• National accounts receivable debit balance	
Innovation	
• Deal cycle and enhancements to software platform	Between mid and target for predetermined goals relating to deal cycle timelines and portfolio management tool
• Implementation of portfolio management tool	
• Automation of budget site plans	Below threshold for budget site plans automation
Deals and Possession Dates	
• Total deals	Achieved stretch for total deals (over 700)
• National tenant review	Achieved target for national tenant review
• Possession Dates	Achieved target for possession dates
Project Leasing (Top 10 Files)	Between mid and target based on successful leasing of 8 predetermined spaces
COO assessment as to overall performance	Target

INDIVIDUAL SCORECARD ACHIEVEMENT: 58.3% out of 60%
TOTAL SCORECARD ACHIEVEMENT (including Corporate Scorecard weighted at 40%): 99.6%

Mr. Francella received 87.9% of his eligible stretch bonus which is the equivalent to 99.6% of his eligible target bonus. In the prior year, he received 95.3% of his eligible stretch bonus which was the equivalent of 106.4% of his eligible target bonus.

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

Performance Goal	2022 Analysis
Leasing, Property Management & Construction Support	
• Occupancy	Target
• Possession dates	Target
• National accounts receivable debit balance	Stretch
• Lease renewal lift	Stretch
• Deal cycle	Mid
• Total deals	Stretch
ESG Initiatives	
• Incorporate climate risks and opportunities into 2023 business plan as per TCFD task force initiative	Target
Strategic Initiatives / Transactions	
• Planning and execution of special projects and transactions	Target
Culture	
• Leverage Technology — lease abstraction software RFP	Target
• Thriving Neighbourhoods Foundation initiatives and oversight of auditing requirements	Target

INDIVIDUAL SCORECARD ACHIEVEMENT: 62% out of 60%
TOTAL SCORECARD ACHIEVEMENT (including Corporate Scorecard weighted at 40%): 103.3%

Ms. Harnick received 93.9% of her eligible stretch bonus which is the equivalent to 103.3% of her eligible target bonus. In the prior year, she received 98.5% of her eligible stretch bonus which was the equivalent of 108.4% of her eligible target 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 2022, First Capital REIT awarded NEOs long-term incentives in the form of RTUs and PTUs, the values of which are directly linked to the market value of the Trust Units. LTIP grants are generally made in the first quarter during the open trading window, following the announcement of First Capital REIT's year-end financial results in accordance with First Capital 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 First Capital 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 2022.

Equity Compensation Plans

The Compensation Committee administers our equity compensation plans. These plans have two components, (i) PTUs; and (ii) RTUs granted pursuant to our Amended and Restated Restricted Trust Unit Plan (the "**RTU Plan**"), and stock options granted pursuant to our Stock Option Plan (until its discontinuation in 2022), each of which reward management based on increases in the value of the Trust Units. The equity compensation grants made to NEOs in 2022 were awarded based on a mix of 50% PTUs and 50% RTUs.

RTU Plan Recent Amendments

In 2016, First Capital REIT created and began to issue PSUs (now 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

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 First Capital 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*

performance of the Trust Units against the S&P/TSX Capped REIT Index and the Performance Peer Group (see *Executive Compensation — Compensation Program Changes — Performance Trust Units*) as well as three-year FFO targets and greenhouse gas emissions reduction targets. As a result, PTUs more deeply align the long-term interests of First Capital REIT's key executives with the long-term interests of its unitholders.

On December 30, 2019, pursuant to the Arrangement effecting First Capital 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 RSU and 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 made on March 1, 2021. The full text of the 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.

On June 21, 2022, unitholders approved the increase of the maximum number of Trust Units approved for issuance under the RTU Plan from 2,430,554 to 3,430,554 Trust Units, which represented approximately 1.6% of the issued and outstanding Trust Units as at May 12, 2022 being the date of the management information circular relating to the June 21, 2022 meeting.

Below is a summary of First Capital REIT's new performance vesting criteria, which are applicable to the 2022 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 based on pre-determined 3-year compound annual growth rate, and (ii) accomplishment of First Capital REIT's predetermined greenhouse gas (GHG) emissions reduction targets over a three-year period (“Supplemental Metrics Multiplier”). The previously disclosed ESG metric for PTU performance assessment, the achievement of First Capital REIT's ESG roadmap, was further refined to GHG emissions reduction targets given the quantitative measurability of this metric.
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 x Relative TUR Multiplier) + (0.25 x Supplemental Metrics Multiplier)

Updated PTU Performance Vesting Conditions

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 volume weighted average trading price (“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.
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Stock Option Plan Recent Amendments

The Stock Option Plan was amended on March 1, 2021 to remove trustees as eligible participants. Trustees had not been granted stock options since 2014. Starting in 2022, stock options were no longer part of First Capital REIT’s equity-based compensation. The last grant of stock options was on March 1, 2021. For a summary of the amendments to the LTIP design see *Long-Term Incentives — Equity Compensation Plans* above. The full text of the 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.

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 First Capital 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.

Stock Option Plan

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”). First Capital 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 First Capital 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.

2022 Stock Option Grants

No stock options were granted during fiscal 2022.

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 First Capital REIT is 10% of the then issued and outstanding Trust Units.

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

The following table sets out the number of Trust Units previously issued under the Stock Option Plan:

As at December 31, 2022	Number of Trust Units	
	Number	As % of Outstanding
Maximum number of Trust Units approved for issuance under the Stock Option Plan	19,740,000	9.10%
Number of stock options previously granted under the Stock Option Plan but not yet exercised ⁽¹⁾	6,274,974	2.89%
Number of Trust Units that remain available for future grants of stock options under the Stock Option Plan	6,747,737	3.11%

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

Annual Burn Rate under the Stock Option Plan as of December 31, 2022

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
2022	—	N/A	216,840,199
2021	643,600	0.29%	219,547,298
2020	1,803,548	0.82%	219,419,356

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 First Capital 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.

From 2022 onward, stock options are no longer part of executive or trustee compensation.

Restricted Trust Unit Plan

	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 First Capital 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 First Capital 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 First Capital 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 First Capital REIT on such vesting date.
Payout	<p>First Capital REIT may elect to settle vested RTUs by delivering Trust Units issued from treasury, cash or Trust Units purchased in the open market. If First Capital 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 First Capital REIT elects to settle RTUs by delivering cash, the amount of cash will be equal to the 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 First Capital 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 First Capital 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 First Capital 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 First Capital 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 First Capital 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. For PTUs granted up to and including 2020, the performance adjustment factor is from a minimum of 50% to a maximum of 150%. For PTUs granted beginning in 2021, new performance adjustment criteria will be applied with a performance adjustment factor from a minimum of 0% to a maximum of 200%. 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 First Capital REIT's fiscal year in the year of the grant; or (ii) such other time period that the Compensation Committee may determine.
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.

Performance Trust Units (PTUs)

Payout	<p>First Capital 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 First Capital 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 First Capital 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	<p>If the employment of a participant ceases for any other reason or if the Chair of the Board ceases to be a trustee of First Capital 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.</p>
Assignment	<p>PTUs are not assignable or transferable other than by will or the laws of descent and distribution.</p>
2022 and 2021 PTU Grants — Performance Adjustment Criteria	
Payout Range for PTUs	<p>PTUs will vest based on a Performance Adjustment Factor ranging from 0% – 200% (and will be fully at-risk)</p>
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 • FFO, as adjusted for one-time gains, losses and expenses based on pre-determined 3-year compound annual growth rate, and (ii) accomplishment of First Capital REIT's predetermined greenhouse gas emissions reduction targets over a three-year period (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:
Relative TUR Performance Measurement Period	<p>Performance Adjustment Factor (%) = $(0.75 \times \text{Relative TUR Multiplier}) + (0.25 \times \text{Supplemental Metrics Multiplier})$</p> <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 <p>55% three-year cumulative Relative TUR for the performance period.</p>

2020 PTU Grants — Performance Adjustment Criteria

Payout Range for PTUs	PTUs will vest based on a Performance Adjustment Factor ranging from 50% – 150%.	
	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 above — 2021 PTU Grants.	
Performance Measurement Criteria	The type, number and weighting of performance measures used for the PTUs will be determined at the sole discretion of the Compensation Committee.	
	The 2020 PTU grants were made on the following basis:	
	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%
	(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 First Capital REIT competes for capital.	
	On the applicable vesting date, a minimum of 50% and a maximum of 150% performance adjustment factor will be applied to the PTUs granted 2020 (a performance adjustment factor below 50% or above 150% is not applicable).	
	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.	
	The Committee may apply additional adjustments to the Adjustment Factor in circumstances where the outcome is inconsistent with the intent of the Plan.	

2022 RTU and PTU Grants

The following table outlines the RTUs and PTUs granted in the first quarter of 2022 to each of First Capital REIT's NEOs:

<u>Name</u>	<u>Annual Grant of RTUs</u>	<u>PTUs Granted</u>	<u>Vesting Date</u>
Adam E. Paul	84,592	84,592	February 25, 2025
Jordan Robins	30,211	30,211	February 25, 2025
Neil Downey	24,924	24,924	February 25, 2025
Carminc Francella	11,329	11,329	February 25, 2025
Alison Harnick	9,819	9,819	February 25, 2025

2020 RTU Payout

On February 28, 2020, 69,217 RTUs were granted at \$21.02 (equal to the five-day volume weighted average trading price of the Trust Units on the TSX for the five trading days preceding February 28, 2020) to the NEOs. The 2020 RTUs will vest on February 28, 2023 and will be settled in Trust Units issued from treasury, less applicable withholdings. Since February 28, 2020, 8,438 RTU distribution equivalents were accumulated resulting in a total of 77,655 RTUs to vest on February 28, 2023, with an estimated value of \$1,386,142 using the TSX closing price of \$17.85 as of February 22, 2023.

2020 PTU Results and Payout

The 2020 PTU grants will vest on February 28, 2023 for the performance period of January 1, 2020 to December 31, 2022. 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 will be lost. The difference between grant value and realized value on vesting demonstrates strong alignment between First Capital REIT's long-term executive compensation and unitholder returns which were negatively impacted in 2022 due to the global pandemic. These PTUs will be settled in Trust Units issued from treasury, less applicable withholdings. For illustrative purposes, the table below reflects an estimate of the results and payouts to occur on February 28, 2023.

2020 PTU RESULTS AND PAYOUT								
Named Executive Officer	PTUs Granted February 28, 2020 #	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	61,836	1,300,000	7,539	50%	34,688	34,688	619,181	(680,819)
Jordan Robins	20,215	425,000	2,465	50%	11,340	11,340	202,419	(222,581)
Neil Downey	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Carmine Francella . .	7,729	162,500	942	50%	4,336	4,336	77,398	(85,102)
Alison Harnick	6,540	137,500	797	50%	3,669	3,669	65,492	(72,008)

(1) Market price at time of grant was \$21.02.

(2) Estimated realized payout value reflected using the TSX closing price of \$17.85 as of February 22, 2023.

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 First Capital REIT is 10% of the then issued and outstanding Trust Units.

Under no circumstances may more than 10% of First Capital REIT's total issued and outstanding securities be issued within a one-year period or be issuable at any time to insiders of First Capital REIT under the RTU Plan and all of First Capital 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, 2022	Number of Trust Units	
	Number	As % of Outstanding
Maximum number of Trust Units approved for issuance under the RTU Plan	3,680,554	1.70%
Number of RTUs and PTUs previously granted under the RTU Plan but not yet redeemed ⁽¹⁾	1,078,249	0.50%
Number of Trust Units that remain available for future grants of RTUs and PTUs under the RTU Plan	1,173,698	0.54%

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

Annual Burn Rate under the RTU Plan as of December 31, 2022

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
2022	460,187	0.21%	216,840,199
2021	354,670	0.16%	219,547,298
2020	295,208	0.13%	219,419,356

(1) 176,737 PTUs were granted in 2022, 145,934 PTUs were granted in 2021 and 130,568 PTUs were granted in 2020. The performance adjustment factor for the PTUs granted in 2020 grants was between 50% and 150%. The performance adjustment factor for PTUs granted in 2021 and 2022 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 First Capital Realty Inc. was implemented in 2016 in order to attract, retain and motivate employees of First Capital Realty Inc. and its affiliates to invest in Common Shares of First Capital Realty Inc. in a convenient and systematic manner, so as to encourage continued employee interest in the operation, growth and development of First Capital Realty Inc., as well as to provide an additional investment savings opportunity to employees. First Capital Realty Inc. converted into a REIT effective December 30, 2019 and, as a result, a new Employee Unit Purchase Plan for First Capital 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.

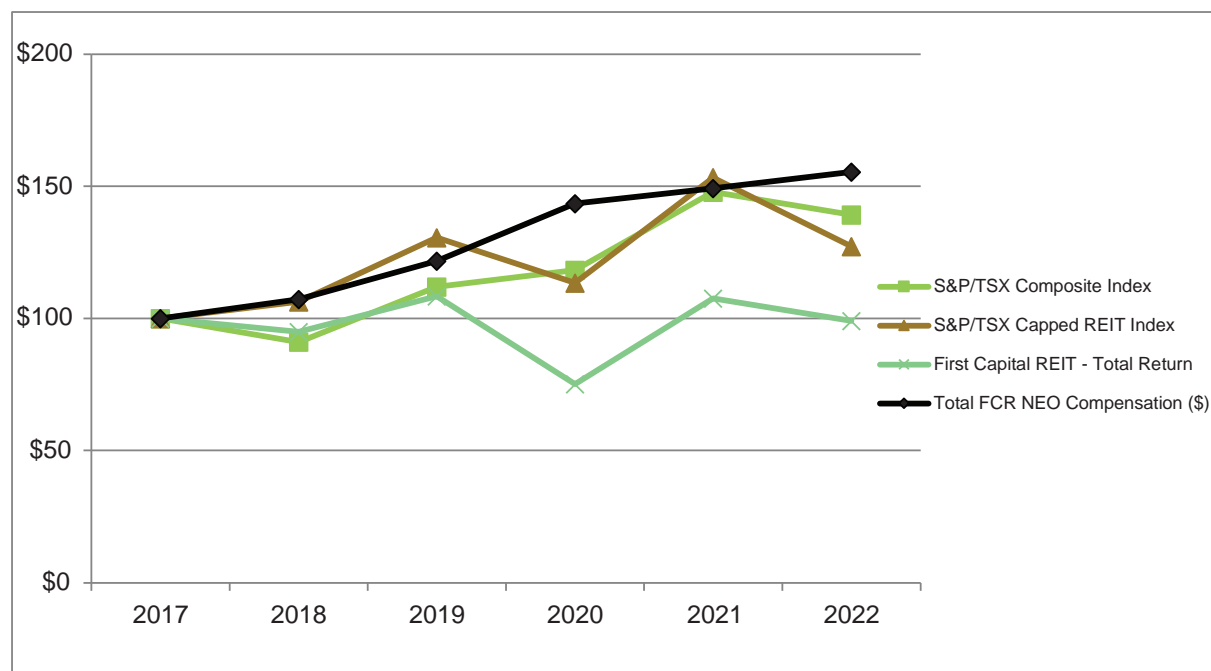
Form of award	First Capital REIT contributes one hundred percent of the participant's contributions, up to a maximum contribution for each participant for each calendar year of \$1,500.
Who participates	All regular permanent full-time employees of First Capital REIT or an affiliate having completed at least three months of continuous service are eligible participants, excluding any member of First Capital REIT's executive leadership team.
Administration	The EUPP is administered by First Capital REIT. First Capital 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 First Capital 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	<p>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.</p> <p>First Capital 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.</p>
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 First Capital 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 First Capital 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 First Capital REIT with executives responsible for co-payments under the benefits plan. First Capital 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 First Capital REIT's cumulative total unitholder return on a \$100 investment in Common Shares of First Capital Realty Inc. on December 31, 2017, 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 First Capital 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)**

	2017	2018	2019	2020	2021	2022
FCR — Total Return	\$100	\$ 95	\$108	\$ 75	\$108	\$ 99
S&P/TSX Capped REIT Index [®]	\$100	\$106	\$131	\$113	\$153	\$127
S&P/TSX Composite Index [®]	\$100	\$ 91	\$112	\$118	\$148	\$139
Total FCR NEO Compensation	\$100	\$107	\$122	\$143	\$149	\$155

Sources: TSX; Bloomberg

Based on the timing and structure of First Capital REIT's compensation plans and review process, executive compensation levels are determined when the actual performance of First Capital REIT in the prior year is known. As a result, First Capital REIT's 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 First Capital REIT's executive compensation levels and see *CEO Compensation Look-Back Table* below for an illustration of First Capital REIT's strong pay for performance alignment resulting from the value of long-term incentive compensation upon vesting.

Analysis of the total compensation trend for First Capital REIT's NEOs from time to time, for the five years ended December 31, 2022, demonstrates that the total compensation for these individuals as a group: (i) increased in 2018 despite the slightly negative total return of the Common Shares of First Capital Realty Inc. 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; (ii) increased in 2019 at a faster pace than the positive total return of the Common Shares of First Capital Realty Inc. and of the Trust Units of First Capital REIT in 2019, reflecting First Capital 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; (iii) increased in 2020 at a faster pace than the total return of the Trust Units of First Capital REIT partly due to the additional RTUs awarded as in recognition of additional work related to First Capital 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; (iv) increased in 2021, but at a slower pace than the total return of the Trust Units of First Capital REIT in 2021, as the Trust Units rebounded in 2021; and (v) slightly increased in 2022 at a faster pace than the total return of the Trust Units of First Capital REIT partly due to the reinstatement of modest salary increases of the NEOs base salaries following the salary freeze in the previous year.

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 First Capital Realty Inc. and given the structure of First Capital Realty Inc.'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 First Capital Realty Inc.'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 2023, Mr. Paul did not receive a merit salary increase.

Cost of Management Ratio

The following information is for First Capital REIT's NEOs from time to time and represents the total compensation as presented in the Summary Compensation Table for NEOs in each year for the five-year period from January 1, 2018 through December 31, 2022, presented as a percentage of each of FFO and revenues.

	<u>2018</u>	<u>2019</u>	<u>2020⁽¹⁾</u>	<u>2021</u>	<u>2022</u>
Total NEO compensation (\$millions)⁽²⁾	8.4	9.4	9.9	10.6	11.0
FFO (\$millions)	303	285	222	251	263
As a % of FFO	2.8%	3.3%	4.4%	4.2%	4.2%
Revenues (\$millions)	738	756	680	684	714
As a % of revenues	1.14%	1.24%	1.45%	1.55%	1.54%

(1) Total NEO compensation for 2018, 2019 and 2020 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.

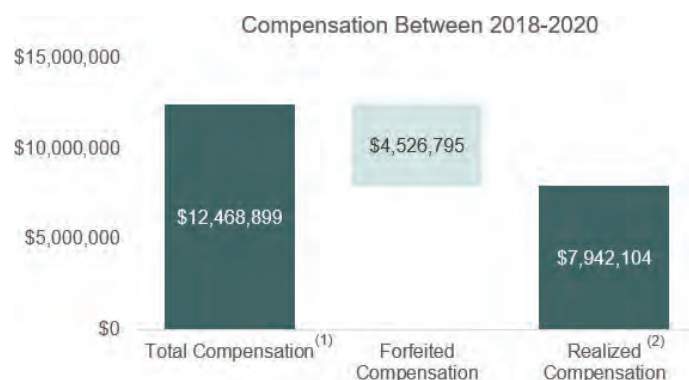
CEO Compensation Look-Back Table

The following table provides a summary of compensation earned by the CEO over the last five years. In 2022, the CEO's salary increased very modestly due to the LTIP grant made in the first quarter which will vest at an amount to be adjusted based on First Capital REIT's performance in accordance with the RTU Plan. See also *Executive Compensation — Summary Compensation Table for NEOs* below.

Name	2018 (\$)	2019 (\$)	2020 (\$)	2021 (\$)	2022 (\$)
Adam E. Paul President and Chief Executive Officer					
Salary	800,000	800,000	850,000	850,000	900,000
Unit Based Awards ⁽¹⁾	1,300,000	1,666,666	2,150,000	1,950,000	2,800,000
Option Based Awards ⁽²⁾	650,000	833,333	650,000	650,000	—
Annual Incentive Plan	926,000	972,000	717,000	1,162,900	956,300
All Other Compensation	48,800	55,600	49,500	57,700	59,700
Total Compensation	3,724,800	4,327,599	4,416,500	4,670,600	4,716,000

- (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 \$19.98 for 2018, \$21.02 for 2019, \$21.02 for 2020 for the annual grants of PTUs and RTUs) and for the for the ten trading days ending on the trading day immediately prior to the date of grant (which was \$15.26 in 2021 and \$16.55 in 2022 for the annual grant of PTUs and RTUs). In 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 First Capital 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. In 2022, no stock options were granted and allocation was 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 grant, March 6, 2019 in respect of 2019 grant, February 28, 2020 in respect of the 2020 grant and March 1, 2021 in respect of the 2021 grant. The 2018, 2019, 2020 and 2021 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 grant, \$21.14 for the 2019 grant \$21.24 for the 2020 grant and \$15.53 for the 2021 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/distribution 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/distribution 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 4.30%. 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 4.30%. The weighted average assumptions used to determine the Black-Scholes value of \$1.73 per option for 2021 were as follows: risk-free interest rate of 1.10%, expected unit price volatility of 22.00%, expected option life of 7.3 years, and distribution yield of 4.70%.

First Capital REIT's LTIP has been carefully designed to ensure alignment between NEO pay and unitholder returns. The following chart illustrates First Capital REIT's track record of aligning our President and Chief Executive Officer's pay to First Capital REIT's performance. The crystalized value of equity compensation awarded from 2018 to 2020 resulted in the forfeiture of approximately \$4.5 million (or 36%) of the CEO's reported compensation for that period through the performance-based payment adjustment factor applied when the awarded PTUs vested. First Capital REIT's other NEOs are subject to the same performance-based adjustments and their reported compensation for 2018 – 2020 was similarly impacted over the same period in line with unit performance.



- (1) Total compensation as reported in the Summary Compensation Table for NEOs in this Circular. Includes salary, bonus paid, grant value of unit-based awards and option-based awards and all other compensation.

- (2) Realized compensation includes salary, bonus paid, crystalized value of unit-based awards in the year of grant, gains realized from exercise of stock options and all other compensation. The unit-based awards amounts for 2018, 2019 and 2020 (included in realized compensation value) represent the dollar value of the PTUs redeemed upon vesting in 2021, 2022 and 2023. None of the unit-based awards granted in 2021 or 2022 had vested as of the date of this circular.

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/realizable compensation value. The table illustrates First Capital REIT's track record of aligning CEO's pay to First Capital REIT's performance. Over the previous five-year period, the current value of \$100 invested by a shareholder of First Capital Realty Inc. or a unitholder of First Capital REIT was significantly greater than the current value of \$100 in compensation awarded to the CEO except in 2022, being the first instance where the CEO's value performed higher due to the relative outperformance of First Capital REIT's total return profile compared to its peers and the S&P/TSX Capped REIT Index. 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⁾
	(\$)	(\$)	(\$)	(\$)		(\$)	(\$)
2018	3,789,800	3,724,800	2,350,771	—	12/31/17 to 12/31/22	63	99
2019	4,355,599	4,327,599	2,642,908	—	12/31/18 to 12/31/22	61	104
2020	4,712,000	4,416,500	1,616,500	1,331,925	12/31/19 to 12/31/22	67	91
2021	4,732,500	4,670,600	2,070,600	2,594,336	12/31/20 to 12/31/22	100	132
2022	4,884,700	4,716,000	1,916,000	3,347,156	12/31/21 to 12/31/22	112	92
					Average	\$ 81	\$104

- (1) Total target compensation includes salary, target bonus, grant value of unit-based awards and option-based awards and all other compensation. For 2022, total target compensation incorporates stretch metrics.
- (2) Total compensation as reported in the Summary Compensation Table for NEOs 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, crystalized value of unit-based awards in the year of grant, gains realized from exercise of stock options and all other compensation. The unit-based awards amounts for 2018, 2019 and 2020 (included in realized compensation value) represent the dollar value of the PTUs redeemed upon vesting in 2021, 2022 and 2023. None of the unit-based awards granted in 2021 or 2022 had vested as of the date of this circular.
- (4) The unit based awards amounts for 2018 and 2019 (included in realized compensation value) represent the dollar value of PTUs redeemed upon vesting on March 2, 2021 and March 7, 2022 based on the ten-day VWAP (which was \$15.41 on March 2, 2021 and \$16.55 on March 7, 2022), including re-invested dividends/distributions up to the date of redemption multiplied by the PSUs/PTUs performance factor which was 50% for the PTUs redeemed on March 2, 2021 and March 7, 2022. None of the unit-based awards granted in 2020, 2021 and 2022 were vested as at December 31, 2022.
- (5) As at December 31, 2022, only the stock options awarded in March 2021 were in-the-money. Mr. Paul has not exercised any stock options since he joined First Capital Realty Inc. 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 2020, 2021 and 2022 (included in realizable compensation value) has been calculated based on the closing price on December 31, 2022 (\$16.81) and applying a performance factor of 50% for PTUs granted in 2020 (as this will be the performance factor to be applied upon vesting on February 28, 2023) and the fair value determinations used at year end for the respective PTUs granted in 2021 and 2022 (which was \$20.54 for the PTUs granted in 2021 and \$21.87 for the PTUs granted in 2022) assuming a performance factor of 100%. The fair value is calculated using the Monte-Carlo simulation model as well as a market adjustment factor based on the total Unitholder return of First Capital's Trust Units relative to the S&P/TSX Capped REIT Index and relative to a customized index of publicly-listed peers. Distributions up to December 31, 2022 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, 2022 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, 2022 of a \$100 investment made in Common Shares of First Capital Realty Inc. or Units of First Capital 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 2022, 2021 and 2020, 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 (\$)		Pension Value (\$)	All Other Compensation ⁽⁴⁾ (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans ⁽³⁾			
Adam E. Paul President and Chief Executive Officer	2022	900,000	2,800,000	N/A	956,300	N/A	N/A	59,700	4,716,000
	2021	850,000	1,950,000	650,000	1,162,900	N/A	N/A	57,700	4,670,600
	2020	850,000	2,150,000	650,000	717,000	N/A	N/A	49,500	4,416,500
Jordan Robins Executive Vice President and Chief Operating Officer	2022	550,000	1,000,000	N/A	537,900	N/A	N/A	53,400	2,141,300
	2021	510,000	637,500	212,500	547,700	N/A	N/A	51,800	1,959,500
	2020	510,000	762,500	212,500	382,500	N/A	N/A	43,700	1,911,200
Neil Downey Executive Vice President, Enterprise Strategies and Chief Financial Officer	2022	515,000	825,000	N/A	490,800	N/A	N/A	54,000	1,884,800
	2021	500,000	750,000	N/A	542,000	N/A	N/A	50,600	1,842,600
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Carmine Francella . . . Senior Vice President, Real Estate Services	2022	375,000	375,000	N/A	280,100	N/A	N/A	53,400	1,083,500
	2021	350,000	243,750	81,250	279,300	N/A	N/A	51,600	1,005,900
	2020	350,000	268,750	81,250	131,250	N/A	N/A	43,700	875,000
Alison Harnick Senior Vice President, General Counsel and Corporate Secretary	2022	345,000	325,000	N/A	178,200	N/A	N/A	53,400	901,600
	2021	320,000	206,250	68,750	173,400	N/A	N/A	51,300	819,700
	2020	320,000	306,250	68,750	120,000	N/A	N/A	43,500	858,600

- (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 \$21.02 for 2020) and for the ten trading days ending on the trading day immediately prior to the date of the grant (which was \$15.26 for 2021 and \$16.55 for 2022) for all NEOs multiplied by the number of RTUs or PTUs granted. In 2020 all NEOs received unit-based awards in the form of PTUs. In 2022, stock options were not granted in 2022 and allocation of equity-based awards were 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 28, 2020 in respect of 2020 grants and March 1, 2021 in respect of 2021 grants. The 2020 and 2021 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 \$21.24 for the 2020 grants and \$15.53 for the 2021 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/distribution yield. 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 4.30%. The weighted average assumptions used to determine the Black-Scholes value of \$1.73 per option for 2021 were as follows: risk-free interest rate of 1.10%, expected unit price volatility of 22.00%, expected option life of 7.3 years, and distribution yield of 4.70%.
- (3) First Capital REIT does not provide non-equity long-term incentives to its executives.
- (4) These amounts represent First Capital REIT's contributions to RRSPs on behalf of the NEOs, car allowances, group life insurance and other benefits.

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 First Capital REIT as at December 31, 2022.

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	18.41	November 3, 2024				
	285,000	18.40	June 8, 2025				
	467,000	19.60	February 19, 2026				
	411,872	20.07	March 17, 2027	480,786	421,157	7,079,653	N/A
	557,748	20.03	March 2, 2028				
	619,072	21.14	March 6, 2029				
	854,139	21.24	February 28, 2030				
Jordan Robins	375,614	15.53	March 1, 2031				
	145,000	20.24	April 11, 2026				
	128,967	20.07	March 17, 2027				
	150,163	20.03	March 2, 2028	157,180	146,021	2,454,609	N/A
	174,578	21.14	March 6, 2029				
Neil Downey	279,238	21.24	February 28, 2030				
	122,797	15.53	March 1, 2031				
Carminé Francella . .	N/A	N/A	N/A	N/A	108,453	1,823,088	N/A
Alison Harnick.	47,000	19.60	February 19, 2026				
	42,474	20.07	March 17, 2027				
	68,646	20.03	March 2, 2028	60,098	54,201	911,118	N/A
	59,431	21.14	March 6, 2029				
	106,767	21.24	February 28, 2030				
Alison Harnick.	46,952	15.53	March 1, 2031				
	25,742	20.03	March 2, 2028				
	50,764	21.14	March 6, 2029	50,852	50,435	847,805	N/A
	90,342	21.24	February 28, 2030				
	39,728	15.53	March 1, 2031				

(1) Value represents the difference between the closing price of the Trust Units on the TSX on December 31, 2022, \$16.81 and the exercise price of the applicable option, multiplied by the number of such stock options.

(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 2020, 2021 and 2022, all NEOs received unit-based awards in the form of PTUs and RTUs.

NEO	2023		2024		2025	
	RTUs	PTUs	RTUs	PTUs	RTUs	PTUs
Adam E. Paul	44,825	68,819	44,815	89,630	86,535	86,535
Jordan Robins	17,759	22,498	14,651	29,302	30,905	30,905
Neil Downey	—	—	57,459	—	25,497	25,497
Carmine Francella	5,603	8,602	5,613	11,204	11,589	11,589
Alison Harnick	8,847	7,279	4,740	9,480	10,044	10,044
Total	77,034	107,198	127,278	139,616	164,570	164,570

(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, 2022, \$16.81. 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 2022

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 2022, as well as the value of non-equity incentive plan compensation earned during 2022.

Name	Option-Based Awards — Value Vested During 2022 ⁽¹⁾ (\$)	Option-Based Awards — Value Realized Upon Exercise During 2022 ⁽²⁾ (\$)	Unit-Based Awards — Value Vested During 2022 ⁽³⁾ RTUs (\$)	Unit-Based Awards — Value Vested During 2022 ⁽³⁾ PTUs (\$)	Non-Equity Incentive Plan Compensation — Value Earned During 2022 (\$)
Adam E. Paul	—	—	—	815,300	956,300
Jordan Robins	—	—	—	229,900	537,900
Neil Downey	N/A	N/A	—	—	490,800
Carmine Francella	—	—	—	78,300	280,100
Alison Harnick	—	—	—	66,900	178,200

(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 2022.

(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, 2022, only the stock options awarded in March 2021 were in-the-money.

(3) Value represents the number of unit-based awards that vested in 2022 multiplied by the Market Price (as defined in the RTU Plan) on the trading day immediately prior to the applicable vesting date.

Termination Benefits

Mr. Paul, the President and Chief Executive Officer of First Capital REIT, has an employment contract with First Capital REIT pursuant to which he is paid an annual base salary, is entitled to receive a bonus under First Capital REIT's annual incentive cash bonus plan and is eligible to participate in First Capital REIT's long-term incentive programs based on his performance and commensurate with awards to other members of First Capital REIT's executive leadership team as determined by the Board. His employment contract also provides that if his employment is terminated without cause, or if he resigns for "good reason" (defined below), he will be paid an amount equivalent to 24 months' base salary and bonus (plus a pro-rated bonus at target for the year in which termination of his employment occurs) and will be entitled to a continuation of benefits and perquisites for a period of 24 months, and all RTUs, PTUs (performance adjustment factor determined in the sole and absolute discretion of the Board for PTUs) and stock options will vest immediately with RTUs and PTUs being redeemed as soon as practicable following the termination date 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 a one-year post-termination non-competition obligation and a two-year post-termination non-solicitation obligation in respect of customers and employees, as well as intellectual property and confidentiality obligations. If he breaches any of these obligations, First Capital 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 base salary by First Capital REIT; (b) any action by First Capital 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 First Capital REIT to make any payments to Mr. Paul when due; (d) Mr. Paul ceasing to be a member of First Capital REIT's Board; (e) any breach by First Capital REIT of any of its material obligations under Mr. Paul's employment contract; (f) the relocation of the principal office at which Mr. Paul's services are performed by more than 50 kilometres; (g) a material adverse change in Mr. Paul's title, role, responsibilities or reporting relationship; and (h) 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 First Capital REIT pursuant to which he is paid an annual base salary, is entitled to receive a bonus under First Capital REIT's annual incentive cash bonus plan and is eligible to participate in First Capital REIT's long-term incentive programs based on his performance and commensurate with awards to other members of First Capital REIT's executive leadership team as determined by the Board. His employment contract also provides that if his employment is terminated without cause, or if he resigns for "good reason" (defined below), he will be paid an amount equivalent to 24 months' base salary and bonus (plus a pro-rated bonus at target for the year in which termination of his employment occurs) and will be entitled to a continuation of benefits and perquisites for a period of 24 months, and all DTUs, RTUs, PTUs (performance adjustment factor determined in the sole and absolute discretion of the Board for PTUs) and stock options will vest immediately with RTUs and PTUs being redeemed as soon as practicable following the termination date 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 a one-year post-termination non-competition obligation and a two-year post-termination non-solicitation obligation in respect of customers and employees, as well as intellectual property and confidentiality obligations. If he breaches any of these obligations, First Capital REIT is entitled to injunctive relief and any further legal relief as may be applicable.

Mr. Downey, the Executive Vice President, Enterprise Strategies and Chief Financial Officer of First Capital REIT, has an employment contract with First Capital REIT pursuant to which he is paid an annual base salary, is entitled to receive a bonus under First Capital REIT's annual incentive cash bonus plan and is eligible to participate in First Capital REIT's long-term incentive programs based on his performance and commensurate with awards to other members of First Capital REIT's executive leadership team as determined by the Board. His employment contract also provides that if his employment is terminated without cause, or if he resigns for "good reason" (defined below), he will be paid an amount equivalent to 24 months' base salary and bonus (plus a pro-rated bonus at target for the year in which termination of his employment occurs) and will be entitled to a continuation of benefits and perquisites for a period of 24 months, and all DTUs, RTUs, PTUs (performance adjustment factor determined in the sole and absolute discretion of the Board for PTUs) will vest immediately with RTUs and PTUs being redeemed as soon as practicable following the termination date. Mr. Downey is subject to a one-year post-termination non-competition obligation and a two-year post-termination non-solicitation obligation in respect of customers and employees, as well as intellectual property and confidentiality obligations. If he breaches any of these obligations, First Capital REIT is entitled to injunctive relief and any further legal relief as may be applicable.

Mr. Francella, the Senior Vice President, Real Estate Services of First Capital REIT, has an employment contract with First Capital REIT pursuant to which he is paid an annual base salary, is entitled to receive a bonus under First Capital REIT's annual incentive cash bonus plan and is eligible to participate in First Capital REIT's long-term incentive programs based on his performance and commensurate with awards to other members of First Capital REIT's executive leadership team as determined by the Board. His employment contract also provides that if his employment is terminated without cause, or if he resigns for "good reason" (defined below), he will be paid an amount equivalent to 18 months' base salary and bonus (plus a pro-rated bonus at target for the year in which termination of his employment occurs) and will be entitled to a continuation of benefits and perquisites for a period of 18 months, and all DTUs, RTUs, PTUs (performance adjustment factor determined in the sole and absolute discretion of the Board for PTUs) and stock options will vest immediately with RTUs and PTUs being redeemed as soon as practicable following the termination date 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 an 18-month post-termination non-solicitation obligation in respect of customers and a two-year post-termination non-solicitation obligation in respect of employees, as well as intellectual property and confidentiality obligations. If he breaches any of these obligations, First Capital 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 First Capital REIT pursuant to which she is paid an annual base salary, is entitled to receive a bonus under First Capital REIT's annual incentive cash bonus plan and is eligible to participate in First Capital REIT's long-term incentive programs based on her performance and commensurate with awards to other members of First Capital REIT's executive leadership team as determined by the Board. Her employment contract also provides that if her employment is terminated without cause, or if she resigns for "good reason" (defined below), she will be paid an amount equivalent to 18 months' base salary and bonus (plus a pro-rated bonus at target for the year in which termination of his employment occurs) and will be entitled to a continuation of benefits and perquisites for a period of 18 months, and all DTUs, RTUs, PTUs (performance adjustment factor determined in the sole and absolute discretion of the Board for PTUs) and stock options will vest immediately with RTUs and PTUs being redeemed as soon as practicable following the termination date 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 a two-year post-termination non-solicitation obligation in respect of customers and employees, as well as intellectual property and confidentiality obligations. If she breaches any of these obligations, First Capital REIT is entitled to injunctive relief and any further legal relief as may be applicable.

Under the terms of Mr. Robins', Mr. Downey's, Mr. Francella's and Ms. Harnick's employment contracts, "good reason" means: (a) a reduction of his or her base salary by First Capital REIT; (b) any action by First Capital 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 he or she participates in; (c) any failure by First Capital REIT to make any payments to him or her when due; (d) any breach by First Capital REIT of any of its material obligations under his or her employment contract; (e) the relocation of the principal office at which his or her services are performed by more than 50 kilometres; (f) a material adverse change in his or her 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 Payments

The following tables present the termination payments that would be paid by First Capital REIT if a termination of the NEOs discussed under *Executive Compensation — Termination Benefits* above occurs at any time. These amounts are determined pursuant to each NEO's employment contract. For more information regarding the circumstances, including termination, that trigger payments and the provision of benefits to certain of First Capital REIT's NEOs, please see *Executive Compensation — Termination Benefits* above.

Adam E. Paul

Name	Termination Without Cause, Resignation for Good Reason⁽¹⁾, Death or Disability	Change of Control	Death or Retirement
Adam E. Paul, President and Chief Executive Officer	<p>\$11,502,881 comprised of:</p> <ul style="list-style-type: none"> • \$1,800,000 (2 x base salary) • \$2,119,200 (2 x average bonus paid to employee for two most recently completed fiscal years) • \$25,000 (2 x annual cost of benefit plans premiums for employee) • \$94,400 (cost of perquisites for 24 months, including RRSP contributions and car allowance) • \$7,097,653 (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) • \$384,628 (the in the money amount as at December 31, 2022 of all stock options which were unvested on December 31, 2022) <p>In addition to the above payment, Mr. Paul is entitled to any bonus awarded but not yet paid in respect of the fiscal year preceding the termination date and a prorated bonus at target for the year in which termination of employment occurs.</p>	<p>\$384,628 (the in the money amount as at December 31, 2022 of all stock options which were unvested on December 31, 2022)</p>	<p>In case of death \$7,079,653 (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 Benefits* for the definition of “good reason”.

Jordan Robins

Name	Termination Without Cause, Resignation for Good Reason ⁽¹⁾ , Death or Disability	Change of Control	Death or Retirement
Jordan Robins, Executive Vice President and Chief Operating Officer	<p>\$4,872,753 comprised of:</p> <ul style="list-style-type: none"> • \$1,100,000 (2 x base salary) • \$1,085,600 (2 x average bonus paid to employee calculated at target (in effect at the termination date)) • \$24,400 (cost of benefit plans premiums for 24 months) • \$82,400 (cost of perquisites for 24 months, including RRSP contributions and car allowance) • \$2,454,609 (dollar value of accelerated PTUs — all PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment) • \$125,744 (the in the money amount as at December 31, 2022 of all stock options which were unvested on December 31, 2022) <p>In addition to the above payment, Mr. Robins is entitled to any bonus awarded but not yet paid in respect of the fiscal year preceding the termination date and a prorated bonus at target for the year in which termination of employment occurs.</p>	<p>\$125,744 (the in the money amount as at December 31, 2022 of all stock options which were unvested on December 31, 2022)</p>	<p>In case of death \$2,454,609 (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 Benefits* for the definition of “good reason”.

Neil Downey

Name	Termination Without Cause, Resignation for Good Reason ⁽¹⁾ , Death or Disability	Change of Control	Death or Retirement
Neil Downey, Executive Vice President, Enterprise Strategies and Chief Financial Officer	<p>\$3,993,888 comprised of:</p> <ul style="list-style-type: none"> • \$1,030,000 (2 x base salary) • \$1,032,800 (2 x average bonus paid to employee for two most recently completed fiscal years) • \$25,600 (cost of benefit plans premiums for 24 months) • \$82,400 (cost of perquisites for 24 months, including RRSP contributions and car allowance) • \$1,823,088 (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>In addition to the above payment, Mr. Downey is entitled to any bonus awarded but not yet paid in respect of the fiscal year preceding the termination date; and a prorated bonus at target for the year in which termination of employment occurs.</p>	Nil.	<p>In case of death \$1,823,088 (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. Downey continued to be actively employed by First Capital REIT.</p>

(1) See *Executive Compensation — Termination Benefits* for the definition of “good reason”.

Carmine Francella

Name	Termination Without Cause, Resignation for Good Reason⁽¹⁾, Death or Disability	Change of Control	Death or Retirement
Carmine Francella, Senior Vice President, Real Estate Services	<p>\$1,959,547 comprised of:</p> <ul style="list-style-type: none"> • \$562,500 (1.5 x base salary) • \$419,550 (1.5 x bonus paid to employee calculated at target in the year of termination (in effect at the termination date)) • \$18,300 (cost of benefit plans premiums for 18 months) • \$61,800 (cost of perquisites for 18 months, including RRSP contributions and car allowance) • \$911,118 (dollar value of accelerated PTUs — all PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment) • \$48,079 (the in the money amount as at December 31, 2022 of all stock options which were unvested on December 31, 2022) <p>In addition to the above payment, Mr. Francella is entitled to any bonus awarded but not yet paid in respect of the fiscal year preceding the termination date; and a prorated bonus at target for the year in which termination of employment occurs.</p>	<p>\$48,079 (the in the money amount as at December 31, 2022 of all stock options which were unvested on December 31, 2022)</p>	<p>In case of death \$911,188 (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 Benefits* for the definition of “good reason”.

Alison Harnick

Name	Termination Without Cause, Resignation for Good Reason⁽¹⁾, Death or Disability	Change of Control	Death or Retirement
Alison Harnick, Senior Vice President, General Counsel and Corporate Secretary	<p>\$1,687,987 comprised of:</p> <ul style="list-style-type: none"> • \$517,500 (1.5 x base salary) • \$263,700 (1.5 x bonus paid to employee calculated at target in the year of termination (in effect at the termination date)) • \$18,300 (cost of benefit plans premiums for 18 months) • \$61,800 (cost of perquisites for 18 months, including RRSP contributions and car allowance) • \$847,805 (dollar value of accelerated PTUs — all PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment) • \$40,681 (the in the money amount as at December 31, 2022 of all stock options which were unvested on December 31, 2022) <p>In addition to the above payment, Ms. Harnick is entitled to any bonus awarded but not yet paid in respect of the fiscal year preceding the termination date; and a prorated bonus at target for the year in which termination of employment occurs.</p>	<p>\$40,681 (the in the money amount as at December 31, 2022 of all stock options which were unvested on December 31, 2022)</p>	<p>In case of death \$847,805 (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 Benefits* for the definition of “good reason”.

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 First Capital REIT's unitholders;
2. to attract, retain and motivate trustees who will contribute to the success of First Capital 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

- 85% of fees were paid in DTUs.
- All trustees in 2022 met or exceeded equity ownership requirements, as applicable.
- First Capital 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. The structure of the trustee compensation program was changed in 2016 from an annual base retainer plus meeting fees to 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 2022, 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 committee chairs and trustees that are members of two or more committees.

2022 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 First Capital 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 is the same as our 2020 and 2021 pay peer group and did not change for 2022. The Compensation Peer Group for 2022 is set out below:

2022 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. 2020 peer group.

To ensure that trustee pay programs are competitive, First Capital REIT assesses compensation levels compared to the marketplace on an annual basis. The Compensation Committee reviewed benchmarking reports with respect to 2021 trustee compensation compared with the Compensation Peer Group and, with the input from First Capital REIT's external compensation consultant, approved an increased compensation for trustees which was more aligned with First Capital REIT's peers. Due to the negative impact of COVID-19 on First Capital REIT's business starting in March 2020, the Compensation Committee delayed the implementation of this increase until 2021. The Compensation Committee conducted an annual review and made no changes to trustees' compensation for 2022.

The following table sets out the fees our outside trustees (i.e., all trustees other than Mr. Paul) were entitled to receive in 2022. For a summary of the compensation earned by Mr. Paul for the year ended December 31, 2022, see *Executive Compensation — Summary Compensation Table for NEOs*.

TRUSTEE FEES	FEE AMOUNT
Annual Retainer – Board Chair	\$275,000
Annual Retainer – Outside Trustees	Total of \$165,000 – 40% in cash + 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 First Capital REIT (i.e., all trustees other than Mr. Paul) in 2022, based on the fee schedule. Of total compensation payable to outside trustees in 2022, 85% was paid in the form of DTUs. For a summary of the compensation earned by Mr. Paul for the year ended December 31, 2022, see *Executive Compensation — Summary Compensation Table for NEOs*.

OUTSIDE TRUSTEE ⁽¹⁾	ANNUAL CASH RETAINER (\$)	ANNUAL DTU RETAINER (\$)	COMMITTEE CHAIR FEES (\$)	COMMITTEE MEMBER FEES (\$)	TOTAL COMPENSATION (\$)	PERCENTAGE OF TOTAL COMPENSATION	
						CASH	DTUs ⁽²⁾
Leonard Abramsky	66,000	99,000	—	5,000	170,000	42%	58%
Sheila Botting	65,500	98,250	—	3,750	167,500	0%	100%
Ian Clarke	65,500	98,250	—	3,750	167,500	0%	100%
Paul C. Douglas	66,000	99,000	—	5,000	170,000	0%	100%
Ira Gluskin ⁽³⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Annalisa King	66,000	99,000	15,000	—	180,000	0%	100%
Al Mawani	66,000	99,000	25,000	—	190,000	0%	100%
Bernard McDonell	151,724	123,276	—	—	275,000	55%	45%
Richard Nesbitt ⁽⁴⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Andrea Stephen ⁽⁵⁾	66,000	99,000	15,000	—	180,000	27%	73%
Total	612,724	814,776	55,000	17,500	1,500,000	15%	85%

(1) Mr. McDonell has retired as Chair and will not stand for re-election at the Meeting.

(2) In 2022, 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 \$99,000 per year, but the majority of the trustees had elected to receive more than the minimum requirement. Ms. Botting and King and Messrs. Clarke, Douglas and Mawani elected to receive 100% of their compensation in DTUs.

(3) Mr. Gluskin was appointed to the Board on February 7, 2023.

(4) Mr. Nesbitt was appointed to the Board on February 23, 2023.

(5) Ms. Stephen will not stand for re-election at the Meeting.

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, 2022. 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		OVERALL	
Bernard McDonell	14/14	100%	N/A	N/A	3/3	100%	N/A	N/A	17/17	100%
Adam E. Paul	14/14	100%	N/A	N/A	N/A	N/A	N/A	N/A	14/14	100%
Leonard Abramsky	14/14	100%	2/2 ⁽¹⁾	100%	3/3	100%	N/A	N/A	19/19	100%
Sheila Botting	14/14	100%	N/A	100%	2/2 ⁽²⁾	100%	8/8	100%	24/24	100%
Ian Clarke	14/14	100%	4/4	100%	N/A	N/A	7/7 ⁽³⁾	100%	25/25	100%
Paul C. Douglas	14/14	100%	4/4	100%	N/A	N/A	8/8	100%	26/26	100%
Ira Gluskin ⁽⁴⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Annalisa King	14/14	100%	4/4	100%	N/A	N/A	8/8	100%	26/26	100%
Al Mawani	14/14	100%	4/4	100%	3/3	100%	N/A	N/A	21/21	100%
Richard Nesbitt ⁽⁵⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Andrea Stephen	14/14	100%	N/A	N/A	3/3	100%	8/8	100%	25/25	100%
OVERALL ATTENDANCE RECORD	100%		100%		100%		100%		100%	

(1) Mr. Abramsky joined the Audit Committee on June 21, 2022.

(2) Ms. Botting joined the Compensation Committee on June 21, 2022.

- (3) Mr. Clarke joined the Corporate Governance Committee on June 21, 2022.
- (4) Mr. Gluskin was appointed to the Board on February 7, 2023.
- (5) Mr. Nesbitt was appointed to the Board on February 23, 2023.

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 First Capital 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	<p>If a non-employee trustee ceases, for any reason except as a result of death, to be a trustee of First Capital REIT or any subsidiary of First Capital REIT, the DTUs held by such non-employee trustee will be credited upon the earlier of (i) First Capital 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, First Capital REIT will redeem all DTUs held by the non-employee trustee within 90 days of the death.</p>
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 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 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.

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:

- any one participant is 5% of the then issued and outstanding Trust Units; and
- insiders of First Capital REIT is 10% of the then issued and outstanding Trust Units.

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

	Number of Trust Units	
	Number	As % of Outstanding
As at December 31, 2022		
Maximum number of Trust Units approved for issuance under the DTU Plan . . .	1,115,000	0.51%
Number of DTUs previously granted under the DTU Plan but not yet redeemed	399,913	0.18%
Number of Trust Units that remain available for future grants of DTUs under the DTU Plan	209,821	0.10%

Annual Burn Rate under the DTU Plan as of December 31, 2022

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
2022	76,544	0.04%	216,840,199
2021	64,654	0.03%	219,547,298
2020	59,090	0.03%	219,419,356

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 2022, valued as of the grant dates. It includes all of the DTUs that vested as of the grant date and DTUs granted as dividend/distribution equivalents in 2022.
- *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, 2022. DTUs are not paid out until the trustee ceases to be a member of the Board. The DTUs were valued at \$16.81 the closing price of the Trust Units on the TSX on December 31, 2022.

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) (\$)
Leonard Abramsky	107,438	325,828
Sheila Botting	169,183	225,052
Ian Clarke	171,549	227,254
Paul C. Douglas	184,178	549,603
Ira Gluskin ⁽²⁾	N/A	N/A
Annalisa King	204,440	881,567
Al Mawani	209,805	740,077
Bernard McDonell	201,157	2,546,816
Richard Nesbitt ⁽³⁾	N/A	N/A
Andrea Stephen	167,580	1,226,340

(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 2022, in each case valued as of the grant dates.

(2) Mr. Gluskin was appointed to the Board on February 7, 2023.

(3) Mr. Nesbitt was appointed to the Board on February 23, 2023.

EQUITY COMPENSATION PLAN INFORMATION

The table below provides information as at December 31, 2022 regarding Trust Units that may be issued under First Capital 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	6,274,974	\$19.76	6,747,737
DTU Plan	399,913	N/A	209,821
RTU Plan (including PTUs)	1,078,249	N/A	1,173,698
Equity compensation plans not approved by security holders			
Total	7,753,136	N/A	8,131,256

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 First Capital 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 First Capital REIT Nominees (nine out of ten) are independent. Mr. Paul, the President and Chief Executive Officer of First Capital REIT is not considered independent. The independent trustees are Ms. Botting, Ms. Gibbs and King and Messrs. Abramsky, Clarke, Douglas, Gluskin, Mawani and Nesbitt. Ms. Stephen will not stand for re-election. The new nominee, Ms. Gibbs is also independent.

Mandate of the Board of Trustees

The Board has adopted a formal written mandate (the "**Board Mandate**") which reflects First Capital 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 C to this Circular and is also available on our website at 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 First Capital REIT's needs and legal and regulatory developments.

HIGHLIGHTS OF CORPORATE GOVERNANCE

- Entirely independent Audit, Compensation and Corporate Governance committees.
- 30% of trustees are women and 20% are 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.
- 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, Chief Executive Officer and Chief Financial Officer.

The Board supervises the conduct of the affairs of First Capital REIT directly and through its committees. In so doing, the Board endeavours to act always in the best interest of First Capital REIT. In addition, the Board recognizes the importance of enhancing value for all unitholders. In carrying out its responsibilities, the Board appoints executives of First Capital 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 2022, the Board held a total of 14 formal 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, environmental and climate 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 First Capital 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 and Corporate Governance 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 First Capital REIT

beneficially owned, directly or indirectly, or over which control or direction was exercised, by the trustees as at the close of business on February 24, 2023.

Ten 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 ten trustees proposed for election to the Board, three, or 30%, of such trustees are women and two, or 20%, are visible minorities. Mr. Paul is currently considered a non-independent trustee. The nine remaining trustees are considered independent and three, or 33%, of the independent trustees are women and two, or 22%, 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. First Capital 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.

First Capital 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 disabilities¹ 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.

FCR 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. FCR 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 FCR as members of senior management.

Over the course of 2022, FCR 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

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.

who elected to participate and may not be entirely representative of the designated groups at the Board and senior management level.

FCR has three trustee nominees that have identified as women, representing 30% of the Board and two trustee nominees that have identified as visible minorities, representing 20% of the Board. No trustee nominee has identified as an aboriginal person or a person with disabilities.

FCR's senior people managers represent approximately 16% of its total employee base and is comprised of 59 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: 28 women, representing approximately 47% senior employees and 11 individuals who have identified as visible minorities, representing approximately 19% of senior employees. No member of this group of senior employees has identified as an aboriginal person or as a person with disabilities. FCR 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, 2022, the following are statistics derived from our operations which we believe demonstrate our positive record with respect to gender diversity:

- women represented approximately 62% of our workforce (including full-time, part-time and contract employees);
- 2 out of 6, or 33%, of executives on our executive leadership team were women. 1 out of 5, or 20%, of our NEOs were women. Executive officer and director positions in respect of our major subsidiaries are drawn from the same executive leadership team;
- 28 out of 59, or 47%, of senior people managers were women; and
- 63% 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 and senior leadership teams, 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 First Capital REIT's business, each trustee is required to provide First Capital 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 First Capital 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 and an additional two new independent trustees were appointed in 2021. In February 2022, Mr. McDonell approached the Chair of the Corporate Governance Committee to discuss his retirement ahead of the 2023 Annual General Meeting, which Mr. McDonell believed was appropriate given his tenure and First Capital REIT's ongoing Board renewal program. This initiated a deliberate Chair succession process that was overseen by the Corporate Governance Committee and would culminate in the selection by the Board of Mr. Douglas as Chair, together with the appointment of Mr. Gluskin to fill the resulting vacancy that was created following Mr. McDonell's retirement from the Board in early February 2023. The selection of Mr. Gluskin was the result of a trustee search conducted by the Corporate Governance Committee during the course of which the Corporate Governance Committee identified the relevant skills and knowledge needed on the Board and conducted a review of candidates and established a short-list of candidates from a larger group composed of candidates, including candidates identified by First Capital REIT's current board members and Spencer Stuart & Associates (Canada) Ltd. Each member of the Corporate Governance Committee, the Chair of the Board and First Capital REIT's Chief Executive Officer reviewed and met with the top candidates. After careful consideration and deliberation, the Board also engaged Tom Long Consulting Inc. to assist with the Board renewal program culminating in the selection of Ms. Gibbs, an independent trustee, who will stand for election at the Meeting.

Pursuant to the Support and Cooperation Agreement, First Capital REIT appointed Richard Nesbitt, an independent trustee, who had previously been considered as part of First Capital REIT's board refreshment process, to the Board effective February 23, 2023. Mr. Nesbitt will stand for election at the Meeting. Further information on each of the Board nominees is set out in the *Election of Trustees* section of this Circular.

With the announced retirements of Mr. McDonell and Ms. Stephen from the Board, Messrs. Gluskin and Nesbitt and Ms. Gibbs are new nominees standing for election at the Meeting. Mr. McDonell served as a member of the Board since 2007, as Lead Independent director since 2011, and as Chair of the Board from 2019. Ms. Stephen served as a member of the Board since 2012 and as Chair of the Compensation Committee from 2019.

The Board would like to thank Mr. McDonell and Ms. Stephen for their significant contributions to First Capital REIT during their tenures.

In connection with the Board refreshment process, which continued through 2023, the Board engaged Tom Long Consulting Inc. to assist with the search process. Total compensation paid to Tom Long Consulting Inc. for services rendered through to February 24, 2023, was \$59,325.

Retirement Policy and Term Limits

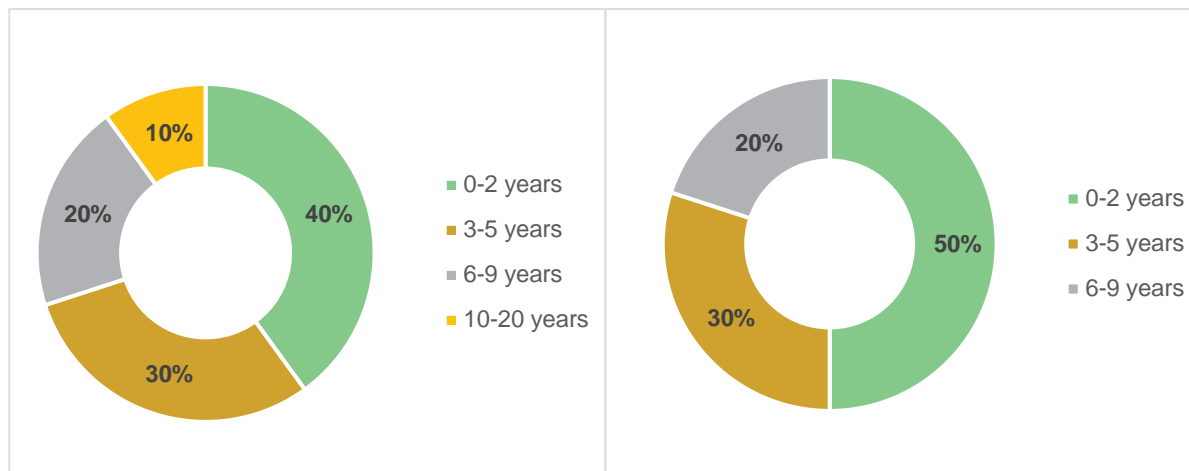
The Board has not adopted a mandatory retirement policy or term limits for trustees. It believes that such arbitrary limits are not the most effective means of ensuring Board renewal and could result in a loss of trustees who have developed, over time, valuable insight into our strategy, business and 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 charts below reflect the tenure of our Board as of February 24, 2023 and following the Meeting (subject to the election of all First Capital REIT Nominees):

Board Tenure as of February 24, 2023

**Board Tenure following the Meeting
(subject to the election of all First Capital REIT
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. Douglas has been the Chair of the Board since February 2023. As Chair of the Board, Mr. Douglas 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 First Capital 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. Douglas held the position of independent trustee from June 2019 until his appointment as Chair of the Board in February 2023.

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 First Capital 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 First Capital REIT’s trustees for the year ended December 31, 2022 are set out under *Executive Compensation — Board Meetings Held and Attendance*.

Committees of the Board

The Board has established the following three standing committees:

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

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

	Board Committee Membership		
	Audit ⁽¹⁾	Compensation ⁽²⁾	Corporate Governance ⁽³⁾
Non-Independent Trustees			
Adam Paul			
Independent Trustees ⁽⁴⁾			
Leonard Abramsky	X	X	
Sheila Botting		X	X
Ian Clarke	X		X
Paul C. Douglas	X		X
Annalisa King	X		Chair
Al Mawani	Chair	X	
Andrea Stephen ⁽⁵⁾		Chair	X

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

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

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

(4) As of the date of this Circular, Ira Gluskin and Richard Nesbitt do not serve on the Audit, Compensation or Corporate Governance Committees of the Board.

(5) Ms. Stephen will not be standing for re-election at the Meeting.

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 five trustees — Al Mawani (Chair), Leonard Abramsky, Ian Clarke, Paul C. Douglas and Annalisa King — all of whom are “independent” and all are “financially literate” as such terms are 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 First Capital REIT’s financial statements;
- First Capital REIT’s compliance with legal and regulatory requirements related to financial reporting;
- the internal audit function of First Capital REIT;
- the qualifications, independence and performance of First Capital 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.

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

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 the heading "Audit Committee" in First Capital REIT's Annual Information Form dated February 24, 2023, which is available under our issuer profile on SEDAR at www.sedar.com.

Compensation Committee

The Compensation Committee is currently composed of three 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 five 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 regular reviews of environmental, social, governance programs and activities;

- 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.

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 REIT 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, an ESG Task Force and a Task Force on Climate-Related Financial Disclosures (TCFD) Working Group.

Governance

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 regularly receives updates and presentations on ESG matters, annually at a minimum, from the FCR ESG team, and reviews environmental risks quarterly. We also engage external experts to provide climate-related education to the Board. Since 2020, the Board and Management team has received several educational opportunities with respect to ESG matters, including presentations from the Canadian Climate Law Initiative to improve climate knowledge, the Canada Green Building Council, EY Canada and from First Capital REIT's Vice President, ESG.

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 REIT's 5-year ESG Roadmap, which is available on our website.

The Senior Vice President (SVP), General Counsel and Corporate Secretary is the highest-level management position responsible for operational level ESG management at First Capital REIT. The SVP, General Counsel and Corporate Secretary is a member of the Executive Leadership Team and reports directly to the President & Chief Executive Officer (CEO).

Since 2010, First Capital REIT has maintained a full-time senior leadership position responsible for the oversight of its ESG program. The Vice President, ESG reports to the SVP, General Counsel and Corporate Secretary. This leadership role is responsible for directing sustainability reporting initiatives and driving continuous ESG engagement and improvement at First Capital REIT. This role is supported by a Manager, Energy & Sustainability and an ESG Programs Coordinator.

Ongoing oversight of ESG and climate-related issues is carried out by the ESG Task Force, co-chaired by First Capital REIT's Chief Operating Officer and Vice President, ESG and attended by Executive and Senior leadership representatives from all areas of the business. The Task Force 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.

Strategy

Evolving stakeholder expectations are driving the agenda to proactively assess and future-proof our portfolio. In 2020, the ESG Task Force developed a 5-year ESG Roadmap to advance and expand our ESG efforts and accountabilities across the organization. The ESG Roadmap identifies initiatives that have direct alignment with our business priorities, strategically prioritizes our activities over a defined period to ensure success, and allocates responsibilities for executing activities. Our 2020-2024 ESG Roadmap can be found on our website.

In 2021, we performed a climate scenario analysis to assess the magnitude of the financial impacts associated with climate-related risks and opportunities. Climate-related risks and opportunities were considered over medium- and long-term time horizons, in 2035 and 2050, respectively. The horizons were defined to allow for significant time for climate-related risks and opportunities to manifest and to consider First Capital REIT's long-term growth strategy and building lifecycles. Following this, in 2022 we developed a climate action plan with the objective to reduce the impact of physical and transitional climate-related risks to our business and assets, and to position us favourably to capture climate-related opportunities in the future. Climate-related initiatives have been incorporated into the performance metrics for all employees in 2022 as well as the long-term incentive performance adjustment factor for members of the executive team that receive PTUs as part of their compensation. Additional details on climate scenario planning and considerations may be found in our ESG Report on First Capital REIT's website at www.fcr.ca/esg.

Risk Management

In 2021, First Capital REIT convened a TCFD Working Group, made up of executive and senior leadership team members from across business functions, to undertake a facilitated process of conducting a scenario analysis to assess the potential impacts of climate-related risks and opportunities on our business and portfolio. The objectives were to build foundational knowledge as it relates to the interconnectedness of GHG emissions reductions, climate risk management and scenario analysis, to assess the magnitude of climate-related risks and opportunities in two possible climate futures, and to evaluate the risks and opportunities that could potentially impact First Capital REIT's business and financial performance. Detailed information regarding the assessment of physical climate risks for our national portfolio may be found in our ESG report on our website.

First Capital REIT enterprise risk management dashboard is updated regularly and presented to the Board quarterly. It identifies all material risks to First Capital REIT (climate change is among them) and includes 1) a heat map that plots the individual risks probability and impact rating and 2) a risk prioritization and mitigation report that prioritizes the risk rating from high to low depending on the rating value (Probability x Impact). The risk prioritization exercise occurs annually or when a significant event occurs that impacts multiple risks. On a quarterly basis, input from various levels of management participate to reassess, and validate for risk trending, potential increases or decrease of risk prioritization, based on events that may have occurred through the quarter. The CEO and CFO review the quarterly Risk Management Report prior to submission to the Governance Committee and the Board.

Metrics and Targets

Our commitment to advance ESG initiatives and address climate-related issues is embedded across the business and is a key metric in our annual Corporate Objectives. The performance against these ESG accountabilities is linked to the remuneration and performance evaluation of all employees, including NEOs, aiming to incentivise progress against our ESG commitments.

In 2022, 35% of the Corporate Objectives portion of First Capital REIT's bonus metrics were aligned with specific ESG-related initiatives, including third-party validation of our science-based GHG reduction target and increasing employee awareness and understanding of ESG through in-house training. In addition to short-term incentive compensation linked to annual ESG metrics, since 2021, 12.5% of the performance adjustment factor for First Capital REIT's long-term incentive program was linked directly to its greenhouse gas emissions reduction goals over the three-year vesting period for PTUs granted to the executive leadership team.

Also in 2022, First Capital REIT set a 2030 GHG reduction target that has been validated and approved by the Science Based Targets initiative (SBTi). First Capital REIT's science-based emissions reduction target is to achieve a reduction of 46% in Scope 1 & 2 emissions by 2030. As part of our GHG reduction plan, we have also committed to reduce our Scope 3 emissions by 28% by 2030, and we have set a long-term emissions reduction target of reaching net-zero by 2050. First Capital REIT's targets are consistent with the primary goal of the Paris Agreement — to limit the rise in global temperature this century to 1.5 degrees Celsius.

To reach these ambitious goals, we are actively working on asset level GHG reduction action plans that include operational efficiency, retrofit initiatives, tenant engagement, enhancing construction standards, capital expenditures, and renewable energy generation.

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. First Capital REIT is committed to transparency and ensuring that our sustainability reporting is accurate, meaningful and accessible to all stakeholders. First Capital 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 2022 ESG report included several disclosures recommended by the SASB. First Capital REIT also responds annually to the Global Real Estate Sustainability Benchmark (GRESB) survey and the Carbon Disclosure Project's (CDP) Climate Change questionnaire.

First Capital REIT has been tracking and reporting on our GHG emissions since 2010, as well as conducting limited assurance. Further details on our GHG emissions can be found in our ESG report.

ESG Priorities and Progress

1. Environmental

- Reduce our carbon emissions and energy use:
 - 14% reduction in absolute greenhouse gas (GHG) emissions over 5 years (2017-2021).
 - 2030 GHG emissions reduction target of 46% reduction (2019 base year) approved by Science Based Target Initiative (SBTi), with long term goal of reaching net-zero by 2050, or sooner.
 - Hosted our inaugural Collaboration for Climate Action Forum, bringing together major national retail tenants and prominent retail property owners for a solutions-focused discussion around the decarbonization of retail buildings in Canada.
- Promote sustainable transportation:
 - Over 99% of our portfolio within a 5-minute walk of public transit.
 - Average Walk Score for our portfolio is 71 (very walkable).
 - Over 250 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; 80% of portfolio certified as of December 31, 2022.
 - Approximately 20% of our portfolio (126 projects) is certified to LEED as of December 31, 2022.
 - First Canadian Retail REIT to achieve the WELL Health-Safety Rating for Facility Operations & Management from the International WELL Building Institute (IWBI) at 35 of our buildings totalling 7.1 million square feet.
- 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.
 - Became the first Canadian REIT to be a signatory in support of the Task Force on Climate-Related Financial Disclosures (TCFD) while establishing a concrete plan to align and improve upon our own disclosures.
 - Formed an FCR TCFD Working Group made up of senior leaders from across business functions. The Working Group performed a climate scenario analysis to assess the magnitude of the financial impacts associated with climate-related risks and opportunities.

2. Social

- Foster an 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.
 - Established employee-led Equity, Diversity and Inclusion (ED&I) Council and launched the *Building an FCR for Everyone 2021-2023 ED&I Action Plan*.
- Be one of the best places to work:
 - Named one of Canada's 2022 Greenest Employers by Mediacorp Canada and the Globe and Mail.
 - Recognized by the Globe and Mail as one of the Greater Toronto's Top Employers for 2022, 2021 and 2020.
 - Named one of Canada's Top Small and Medium Employers for 2022, 2021 and 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.
 - 87% employee engagement score in our 2022 employee pulse survey.
- Be a good corporate citizen in the communities in which we operate:
 - Long-standing support of public arts, now with 31 installations across our portfolio.
 - Launched the FCR Thriving Neighbourhoods Foundation in 2020 and have since raised over \$600,000 in donations through employee-led charitable giving and volunteer programs focused on community support.
 - In 2020/2021 raised over \$404,000 to fight food insecurity, including \$388,000 donated to Second Harvest and \$66,000 to food banks.
 - In 2022 raised over \$196,000 for Kids Help Phone through multiple staff led initiatives and FCR Thriving Neighbourhoods Foundation's 2022 Commercial Real Estate Softball Classic baseball tournament.
 - In 2022, 82% of First Capital REIT staff utilized their volunteer day to support local charities in our communities.

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 ESG Report on First Capital REIT's website at www.fcr.ca/esg.

Enterprise Risk Management (ERM)

The Board of Trustees oversees the ERM activities of First Capital 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 First Capital REIT. First Capital 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 First Capital REIT is facing, please refer to our annual information form dated February 24, 2023 and the management's discussion and analysis for the year ended December 31, 2022, which are available under our issuer profile on SEDAR at www.sedar.com.

First Capital REIT completes an update to the information technology risk assessment at a minimum annually, and provides training to employees on relevant cyber topics periodically. In addition, the cyber training program delivery was reassessed in 2022 and a new training program/platform was implemented for 2023. The Board is briefed quarterly on information security matters and a working group comprised of members of the executive management team and the Board of Trustees completed a cyber security protocol planning exercise with input from external consultants during 2022. First Capital REIT intends to prepare and deploy a Cyber Incident Readiness Playbook and conduct additional table top exercises in 2023. To the knowledge of First Capital REIT, it has never experienced any material information security breaches. First Capital REIT renewed its information security insurance coverage in 2022.

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 First Capital REIT's internal controls over financial reporting and information systems.

First Capital 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
 - Any other occurrences that require external disclosure.

First Capital 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 First Capital 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 First Capital 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 First Capital 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 First Capital 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 First Capital 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 First Capital 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 First Capital REIT with a value equal to six times his annual retainer (consisting of his annual cash retainer and DTU grant).
- Each member of First Capital REIT's executive leadership team is required to accumulate, over time from grants under First Capital 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 First Capital 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 First Capital REIT acquired pursuant to First Capital 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.

<u>Title</u>	<u>Salary Multiple</u>
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 First Capital REIT for any reason (including,

for greater certainty and without limitation, retirement, resignation, and termination with or without cause), other than (i) following a change of control (as defined in his employment agreement) or (ii) 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 (including nominee trustees) as at the close of business on February 22, 2023.

Name and Title	Type	Holdings ⁽¹⁾		Multiple	Minimum Requirements			Comparison
		Number ⁽²⁾	Value ⁽³⁾ (S)		Value ⁽⁴⁾ (S)	Deadline	Meets Requirements	Holdings vs. Minimum Requirements
Paul C. Douglas Chair of the Board	DTUs	32,964	\$ 588,407	6 times annual retainer	1,650,000 ⁽⁵⁾	February 7, 2028	Yes	101% +\$9,407
	Trust Units	60,000	\$ 1,071,000					
	Total	92,964	\$ 1,659,407					
Adam E. Paul President and Chief Executive Officer and Trustee	PTUs	324,617	\$ 5,794,413	6 times annual salary	5,400,000	N/A ⁽⁶⁾	Yes	300% +\$10,805,497
	RTUs	255,251	\$ 4,556,231					
	Trust Units	328,003	\$ 5,854,853					
	Total	907,871	\$16,205,497					
Jordan Robins Executive Vice President and Chief Operating Officer	PTUs	111,107	\$ 1,983,260	3 times annual salary	1,650,000	N/A ⁽⁶⁾	Yes	299% +\$3,285,507
	RTUs	90,559	\$ 1,616,478					
	Trust Units	74,833	\$ 1,335,769					
	Total	276,499	\$ 4,935,507					
Neil Downey Executive Vice President, Enterprise Strategies and Chief Financial Officer	PTUs	48,582	\$ 867,189	3 times annual salary	1,545,000	N/A ⁽⁶⁾	Yes	224% +\$1,919,132
	RTUs	106,506	\$ 1,901,132					
	Trust Units	38,981	\$ 695,811					
	Total	194,069	\$ 3,464,132					
Carmine Francella Senior Vice President, Real Estate Services	PTUs	42,742	\$ 762,945	1.5 times annual salary	562,500	N/A ⁽⁶⁾	Yes	279% +\$1,007,818
	RTUs	34,083	\$ 608,383					
	Trust Units	11,148	\$ 198,992					
	Total	87,973	\$ 1,570,318					
Alison Harnick Senior Vice President, General Counsel and Corporate Secretary	PTUs	36,033	\$ 643,189	1.5 times annual salary	517,500	N/A ⁽⁶⁾	Yes	250% +\$777,946
	RTUs	32,835	\$ 586,105					
	Trust Units	3,706	\$ 66,152					
	Total	72,574	\$ 1,295,446					
Leonard Abramsky Trustee	DTUs	19,543	\$ 648,842	6 times annual retainer	990,000 ⁽⁷⁾	June 4, 2024	Yes	167% +\$664,784
	Trust Units	73,162	\$ 1,305,942					
	Total	92,705	\$ 1,654,784					
Sheila Botting Trustee	DTUs	13,497	\$ 240,921	6 times annual retainer	990,000 ⁽⁷⁾	June 22, 2025	Yes as applicable ⁽⁸⁾	30% -\$690,174 ⁽⁸⁾
	Trust Units	3,300	\$ 58,905					
	Total	16,797	\$ 299,826					
Ian Clarke Trustee	DTUs	13,629	\$ 243,278	6 times annual retainer	990,000 ⁽⁷⁾	June 22, 2025	Yes as applicable ⁽⁸⁾	31% -\$682,462 ⁽⁸⁾
	Trust Units	3,600	\$ 64,260					
	Total	17,229	\$ 307,538					
Dayna Gibbs Trustee Nominee	DTUs	nil	nil	6 times annual retainer	990,000 ⁽⁷⁾	N/A ⁽⁸⁾	Yes as applicable ⁽⁸⁾	0% -\$990,000
	Trust Units	nil	nil					
	Total	nil	nil					
Ira Gluskin Trustee	DTUs	nil	nil	6 times annual retainer	990,000 ⁽⁷⁾	February 7, 2028	Yes	243% +\$1,419,750
	Trust Units	135,000	\$ 2,409,750					
	Total	135,000	\$ 2,409,750					
Annalisa King Trustee	DTUs	52,886	\$ 944,015	6 times annual retainer	990,000 ⁽⁷⁾	Nov. 9, 2021	Yes as applicable	127% +\$269,264
	Trust Units	17,661	\$ 315,249					
	Total	70,547	\$ 1,259,264					
Al Mawani Trustee	DTUs	44,403	\$ 792,593	6 times annual retainer	990,000 ⁽⁷⁾	May 29, 2023	Yes as applicable ⁽⁷⁾	113% +\$132,818
	Trust Units	18,500	\$ 330,225					
	Total	62,903	\$ 1,122,818					

Name and Title	Holdings ⁽¹⁾			Minimum Requirements				Comparison
	Type	Number ⁽²⁾	Value ⁽³⁾ (S)	Multiple	Value ⁽⁴⁾ (S)	Deadline	Meets Requirements	Holdings vs. Minimum Requirements
Richard Nesbitt Trustee	DTUs	nil	nil	6 times	990,000 ⁽⁷⁾	February 23, 2028	Yes as applicable ⁽⁸⁾	0%
	Trust Units	nil	nil	annual				-\$990,000
	Total	nil	nil	retainer				

- (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 February 22, 2023 (\$17.85).
- (4) Values are based on 2022 salary or annual retainer, as applicable.
- (5) In 2022, Paul C. Douglas' annual retainer was \$165,000 and accordingly, his minimum unit Ownership Requirement for the year totaled \$990,000. Mr. Douglas was appointed as Chair of the Board on February 7, 2023, thus increasing his annual retainer to \$275,000 and minimum unit Ownership Requirement to \$1,650,000. He is required to meet his unit Ownership Requirements by February 7, 2028.
- (6) Officers of First Capital 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.
- (7) 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).
- (8) Ms. Botting and Mr. Clarke were elected as trustees of First Capital REIT on June 22, 2021 and are required to meet their respective unit Ownership Requirements by June 22, 2026. Mr. Nesbitt was appointed as trustee of First Capital REIT on February 23, 2023 and is required to meet his respective Ownership Requirements by February 23, 2028. Ms. Gibbs is a trustee nominee and will be required to meet her unit Ownership Requirements within five years of her election.

Hedging

No trustee, officer or employee of First Capital REIT or its affiliates, or any other person (or their associates) in a special relationship with First Capital 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 First Capital 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 First Capital 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 First Capital 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 First Capital 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 First Capital 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 2022, First Capital REIT organized the following presentations for its trustees:

Educational Presentations	Presented/ Hosted By	Date	Audience
Draft Legislation re Interest Deductibility	First Capital REIT	May 2, 2022	Audit Committee
FCR Thriving Neighbourhoods Foundation	First Capital REIT	July 27, 2022	Independent Trustees
Climate Considerations in FCR Business Planning	First Capital REIT	December 5, 2022	Independent Trustees

In addition to participating in the internal educational presentations listed above, Board members also participated in conferences, seminars and courses during 2022 presented or hosted by persons other than First Capital REIT, including the following:

Educational Presentations	Presented/ Hosted By	Date	Attended By
Omicron: What's Next?	BMO	January 20, 2022	Ian Clarke
Workplace Trends and Transformation	CoreNet Canada	January 26, 2022	Sheila Botting (Keynote)
Ready. Reset. Go. Changing the Nature of the Workplace	Avison Yong Global Webinar	January 27, 2022	Sheila Botting (Keynote)
DEI in Commercial Real Estate	Pension Real Estate Association (PREA)	February 2, 2022	Andrea Stephen
Private Equity Outlook	McCarthy Tétrault LLP	February 3, 2022	Al Mawani
Moving Beyond Digital: why digitizing isn't the same as transforming	PWC	February 10, 2022	Ian Clarke
Black History Month Panel	KMPG & GTAA	February 10, 2022	Ian Clarke
Reshaping the Future: The Opportunity	Mercer	February 16, 2022	Ian Clarke

<u>Educational Presentations</u>	<u>Presented/ Hosted By</u>	<u>Date</u>	<u>Attended By</u>
Squeeze			
Five Priorities for CEOs in the Next Normal. What Matters Most?	McKinsey Live Webinar	February 17, 2022	Ian Clarke
Admiral James Stavridis on the Russia-Ukraine Crisis	CIBC	March 1, 2022	Ian Clarke
Real Capital Conference	Informa PLC	March 1 & 2, 2022	Andrea Stephen
Economic Update	CIBC	March 9, 2022	Al Mawani
GPC ESG Conference — Climate Governance	Governance Professionals of Canada	March 8, 2022	Annalisa King
Board Oversight of Corporate Strategy	Institute of Corporate Directors	March 11, June 22, September 13, 2022	Annalisa King
GTAA Board of Directors Education Session: Fort Lauderdale-Hollywood International Airport Governance Structure	Michael Udine, Broward County, Mayor; Dr. Barbara Sharief, Former Mayor and Broward County Commissioner; Mark Gale, CEO/Director Aviation FLL	March 23, 2022	Ian Clarke
Russia/Ukraine the Threat of a Global Cyberwar	CIBC	March 30, 2022	Ian Clarke
Complexities of Measuring ESG	Kenan Institute	March 30, 2022	Al Mawani
Strategies for Advancing DEI in the REIT Industry	NAREIT	March 30, 2022	Andrea Stephen
Why Pearson Matters Roundtable	GTAA Partners	March 31, 2022	Ian Clarke
COVID Driven Lifestyle Changes: The Impact on Personal Risk	FEI	April 5, 2022	Ian Clarke
CIBC Real Estate Conference	CIBC	April 5, 2022	Andrea Stephen
Annual Real Estate Conference	CIBC Capital Markets	April 5, 2022	Al Mawani
2021 Q1 Financial Reporting Update	PWC	April 7, 2022	Al Mawani
Putin's Invasion: What it means for Russia, China and the West	CIBC	April 12, 2022	Ian Clarke
Leading your Climate Change Action Plan	Institute of Corporate Directors	April 13, 2022	Ian Clarke
Circular Economy Roundtable: Enabling the Ecosystem	CIBC	April 13, 2022	Ian Clarke

Educational Presentations	Presented/ Hosted By	Date	Attended By
Managing Intangible Risks	CPA Ontario	April 21, 2022	Al Mawani
CREW/Multi-Chapter Event: Gender and Cultural Differences in Negotiation	CREW New York Multi Chapter	April 21, 2022	Sheila Botting
Executive Team Exclusive Leadership Training #1	Corporate Education Group (Facilitator: Nyah Edwards)	May 6, 2022	Ian Clarke
Developing Leaders Conference	Chicago Avison Yong	May 18-19, 2022	Shelia Botting
GTAA Board of Directors Education Session: Setting the Stage for the 2022 Board Retreat	GTAA	May 19, 2022	Ian Clarke
Age of Algorithms: What is AI in the Metaverse	KPMG	May 19, 2022	Annalisa King
Executive Team Exclusive Leadership Training #2	Corporate Education Group (Facilitator: Nyah Edwards)	May 25, 2022	Ian Clarke
War by Other Means	FEI	May 25, 2022	Ian Clarke
Commercial Real Estate-After COVID-19	Rotman School of Management	June 1, 2022	Al Mawani
Emerging Trends in Executive Compensation	Hugessen	June 1, 2022	Andrea Stephen
Annual General Meeting & Principal Conference	Avison Young	June 6-9, 2022	Sheila Botting
TSX60: Proxy Review & Emerging Compensation Topics	Hugessen Consulting	June 22, 2022	Al Mawani
2022 Proxy Season Review	Hugessen Consulting	June 22, 2022	Andrea Stephen
TSX60 Webinar: 2022 Proxy Review	Hugessen Consulting	June 22, 2022	Leonard Abramsky
Emerging Compensation Trends	Institute of Corporate Directors	June 28, 2022	Andrea Stephen
Proposed Cybersecurity Bill C-26- What Board Members need to Know	Institute of Corporate Directors	June 29, 2022	Al Mawani
Canada Proposed Cybersecurity Bill: Key Insights	Institute of Corporate Directors & PWC	June 29, 2022	Andrea Stephen
Ethics Conference	CPA Ontario	July 14, 2022	Andrea Stephen
The Path — Your Journey Through	NVision	July & August 2022	Annalisa King

Educational Presentations	Presented/ Hosted By	Date	Attended By
Indigenous Canada			
Executive Team Exclusive Leadership Training #3	Corporate Education Group (Facilitator: Nyah Edwards)	July 20, 2022	Ian Clarke
Executive Team Exclusive Leadership Training #4- (Final Module)	Corporate Education Group (Facilitator: Nyah Edwards)	August 17, 2022	Ian Clarke
Kevin Metnick Security Awareness Training	Avison Young	August 19, 2022	Sheila Botting
Workplace Harassment and Violence Prevention	Canada	August 19, 2022	Sheila Botting
GTAA Board of Directors Education Session: Engaging in Public/Private Partnership Processes	GTAA/Deloitte	September 14, 2022	Ian Clarke
Indigenous Canada and Reconciliation	BC Museum of Anthropology	September 19, 2022	Annalisa King
GTA Canadian Audit Committee Network	E&Y	September 21, 2022	Al Mawani
What Public Company Directors Need to Know about the Universal Proxy Rules	Spencer Stuart	September 28, 2022	Andrea Stephen
Q3 Financial Reporting Update	PWC	September 29, 2022	Al Mawani
Veritas Housing Conference	Veritas Research	September 29, 2022	Sheila Botting
ESG Designation Program leading to GCB.D (Global Competent Boards Designation)	Competent Boards	October 2021 – April 2022	Al Mawani
ESG & ESG Disclosure Training	E&Y	October 5, 2022	Annalisa King
City Talk: Office to Housing Conversations	Canadian Urban Institute	October 10, 2022	Sheila Botting
Office Market and Tenants Panel	NAIOP Toronto	October 13, 2022	Sheila Botting
PCD Workshop #1 — Development Pathway Introduction	GTAA, Arup, Merchant Aviation & Ricondo	October 15, 2022	Ian Clarke
Board Strategy Session #1 — Vision Strategic Pillars	GTAA & IBM	October 18, 2022	Ian Clarke
PCD Workshop #2 — Airside and Landside Capacity	GTAA, Arup, Merchant Aviation & Ricondo	October 18, 2022	Ian Clarke

Educational Presentations	Presented/ Hosted By	Date	Attended By
Surviving & Thriving: a Business Balancing Act with Mark Carney	CPA Ontario	October 18, 2022	Andrea Stephen
Pay for Performance	Equilar	October 19, 2022	Andrea Stephen
PCD Workshop #3 — Detailed Options Discussion	GTAA, Arup, Merchant Aviation & Ricondo	October 20, 2022	Ian Clarke
Board Strategy Session #2 — Strategic Pillars, Foundational Elements & Initiatives	GTAA, IBM	October 26, 2022	Ian Clarke
CoreNet Conference Chicago	Corenet Global	November 1 – 3, 2022	Sheila Botting
Equity, Sustainability and Governance in Real Estate	Rotman School of Management	November 2, 2022	Al Mawani
Real Estate Industry Audit Committee Forum 2022	Canadian Public Accountability Board (CPAB)	November 7, 2022	Al Mawani
University of Waterloo Planning Luncheon	Fasken LLP	November 8, 2022	Sheila Botting
RealPac CEO Summit	RealPac Canada	November 13 – 14, 2022	Sheila Botting
2022 Diversity Disclosure Practices	Institute of Corporate Directors & Oslers	November 18, 2022	Andrea Stephen
Annual Disclosure and Governance Seminar	McCarthy Tétrault LLP	November 22, 2022	Al Mawani
Evolving Risk Landscape for Audit Committees	Deloitte	November 22, 2022	Al Mawani
Toronto Real Estate Forum	Informa	November 29 – December 1, 2022	Sheila Botting
Toronto Real Estate Forum	Informa	November 29 – December 1, 2022	Leonard Abramsky
Americas Workplace and Office Webinar	Royal Institute of Chartered Surveyors	December 2022	Sheila Botting
Board Oversight for Path to Net Zero	Institute of Corporate Directors	December 7, 2022	Andrea Stephen

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.

First Capital 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

Further to the Code, First Capital REIT adopted a Supplier Code of Conduct and Ethics (the “**Supplier Code**”) to ensure that suppliers have a clear understanding of how First Capital 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 First Capital 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. First Capital 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 First Capital 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 First Capital 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 First Capital REIT;

- sets out the obligations of First Capital REIT's employees, officers and trustees to preserve the confidentiality of undisclosed material information; and
- articulates the prohibitions applicable generally to First Capital 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 First Capital 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 First Capital 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.

INDEBTEDNESS OF TRUSTEES AND EXECUTIVE OFFICERS

None of our current or former trustees, executive officers or employees or those of any of our subsidiaries had any indebtedness outstanding to First Capital REIT or any of our subsidiaries during the year ended December 31, 2022 or as at the date hereof. Additionally, First Capital REIT has not provided any guarantee, support agreement, letter of credit or other similar arrangement or undertaking in respect of any indebtedness of any such person to any other person or entity.

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 \$150,000 deductible or, in the case of securities claims, a \$250,000 deductible. The aggregate annualized premiums amount to approximately \$245,000 in respect of the 2023 policy year. This insurance does not provide coverage for losses arising from the breach of fiduciary responsibilities under statutory or common law.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of First Capital REIT, except as disclosed 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 First Capital REIT, or any person beneficially owning, directly or indirectly, more than 10% of First Capital REIT's voting securities or any associate or affiliate thereof since the beginning of 2022.

FORWARD-LOOKING STATEMENT AND INFORMATION ADVISORY

Certain statements contained in this Circular constitute forward-looking statements and information within the meaning of applicable Canadian and United States securities laws, including but not limited to statements made with respect to the Meeting matters under consideration, including the election of trustees, the anticipated execution and impact of the Optimization Plan, potential alternatives to the Optimization Plan and the anticipated benefits of the Optimization Plan such as unlocking value for all unitholders, driving growth in FFO per unit and strengthening First Capital REIT's debt metrics. Other statements concerning First Capital REIT's objectives and strategies and management's beliefs, plans, estimates and intentions also constitute forward-looking statements. Forward-looking statements can generally be identified by the expressions "anticipate", "believe", "plan", "estimate", "project", "expect", "intend", "outlook", "objective", "may", "will", "should", "continue" and variations of these and similar expressions. The forward-looking statements are not historical facts but, rather, reflect First Capital REIT's current expectations regarding future results or events and are based on information currently available to management.

Factors that could cause actual results or events to differ materially from those expressed, implied or projected by forward-looking statements, in addition to those factors referenced above, include, but are not limited to: general economic conditions; real property ownership; tenant financial difficulties, defaults and bankruptcies; the relative illiquidity of real property; increases in operating costs, property taxes and income taxes; First Capital REIT's ability to maintain occupancy and to lease or re-lease space at current or anticipated rents; the availability and cost of equity and debt capital to finance First Capital REIT's business, including the repayment of existing indebtedness as well as development, intensification and acquisition activities; changes in interest rates and credit spreads; organizational structure; changes to credit ratings; the availability of a new competitive supply of retail properties which may become available either through construction, lease or sublease; First Capital REIT's ability to: execute on the Optimization Plan, including with respect to dispositions, capitalize on competitive advantages, optimize portfolio assets and accelerate value delivered to its investors and stakeholders, remain ahead of changing market conditions, surface unrecognized value, reach its demographic targets and ensure First Capital REIT retains its best in class position; unexpected costs or liabilities related to acquisitions, development and construction; geographic and tenant concentration; residential development, sales and leasing; compliance with financial covenants; changes in governmental regulation; environmental liability and compliance costs; unexpected costs or liabilities relating to dispositions; challenges associated with the integration of acquisitions into First Capital REIT; uninsured losses and First Capital REIT's ability to obtain insurance coverage at a reasonable cost; risks in

joint ventures; unitholder activism; investments subject to credit and market risk; loss of key personnel; the ability of tenants to maintain necessary licenses, certificates and accreditations and risks and uncertainties related to the effects of the pandemic on First Capital REIT, including the length, spread and severity of the pandemic, the nature and extent of the measures taken by all levels of government to mitigate against the severity and spread of the virus, the impact of the virus and government authorities' and public health officials' responses thereto on: our tenants' ability to pay rent in full or at all, domestic and global credit and capital markets, our ability to access capital on favourable terms or at all, the health and safety of our employees and our tenants' personnel and domestic and global supply chains, among other risks related to the pandemic.

For details on certain material factors or assumptions that First Capital REIT identified and were applied by management in drawing conclusions or making forecasts or projections set out in the forward-looking statements and information and on the risks, uncertainties, contingencies and other factors that may cause actual results to differ materially from those expressed or implied by the forward-looking information, please refer to First Capital REIT's management and discussion analysis for the three and twelve months ended December 31, 2022 and 2021 and its current annual information form.

Forward-looking statements and information are not, and cannot be, a guarantee of future results or events. Forward-looking statements and information are based on, among other things, opinions, assumptions, estimates and analyses that, while considered to be reasonable by us at the date the forward-looking information is provided, inherently are subject to significant risks, uncertainties, contingencies and other factors that may cause actual results and events to be materially different from those expressed or implied by the forward-looking information. Readers, therefore, should not place undue reliance on any such forward-looking statements or information. Further, forward-looking statements and information speak only as of the date on which such statement is made or the information is provided. First Capital REIT undertakes no obligation to publicly update any such statement or to reflect new information or the occurrence of future events or circumstances, except as required by applicable securities law. All forward-looking statements and information in the Circular is made as of February 24, 2023 and are qualified by this cautionary note.

NON-IFRS FINANCIAL PERFORMANCE MEASURES

First Capital REIT prepares and releases unaudited interim and audited annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). As a complement to results provided in accordance with IFRS, First Capital REIT discloses certain non-IFRS financial measures in this Circular, including but not limited to Funds from Operations and Net Debt to Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization multiple. Since these non-IFRS measures do not have standardized meanings prescribed by IFRS, they may not be comparable to similar measures reported by other issuers. First Capital REIT uses and presents the above non-IFRS measures as management believes they are commonly accepted and meaningful financial measures of operating performance. Reconciliations of certain non-IFRS measures to their nearest IFRS measures are included below. These non-IFRS measures should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS as measures of First Capital REIT's operating performance.

For full definitions of these measures, please refer to the "Non-IFRS Financial Measures" section in First Capital REIT's management's discussion and analysis for the year ended December 31, 2022, a copy of which has been filed on SEDAR under First Capital REIT's issuer profile at www.sedar.com.

Funds from Operations ("FFO")

FFO is a recognized measure that is widely used by the real estate industry, particularly by publicly traded entities that own and operate income-producing properties. First Capital REIT calculates FFO in accordance with the recommendations of the Real Property Association of Canada ("REALPAC") as published in its most recent guidance on "Funds from Operations and Adjusted Funds From Operations for IFRS" dated January 2022. Management considers FFO a meaningful additional financial measure of operating performance, as it excludes fair value gains and losses on investment properties as well as certain other items included in First Capital REIT's net income that may not be the most appropriate determinants of the long-term operating performance of First Capital REIT, such as investment property selling costs; tax on gains or losses on disposals of properties; deferred income taxes; distributions on exchangeable units; fair

value gains or losses on exchangeable units; fair value gains or losses on unit-based compensation; and any gains, losses or transaction costs recognized in business combinations. FFO provides a perspective on the financial performance of First Capital REIT that is not immediately apparent from net income determined in accordance with IFRS.

Net Debt

Net debt is a measure used by management in the computation of certain debt metrics, providing information with respect to certain financial ratios used in assessing First Capital REIT's debt profile. Net debt is calculated as the sum of principal amounts outstanding on credit facilities and mortgages, bank indebtedness and the par value of senior unsecured debentures reduced by the cash balances at the end of the period on a proportionate basis.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA")

Adjusted EBITDA is a measure used by management in the computation of certain debt metrics. Adjusted EBITDA is calculated as net income, adding back income tax expense, interest expense and amortization and excluding the increase or decrease in the fair value of investment properties, fair value gains or losses on Exchangeable Units, fair value gains or losses on unit-based compensation and other non-cash or non-recurring items on a proportionate basis. First Capital REIT also adjusts for incremental leasing costs, which is a recognized adjustment to FFO, in accordance with the recommendations of REALPAC. Management believes Adjusted EBITDA is useful in assessing First Capital REIT's ability to service its debt, finance capital expenditures and provide for distributions to its Unitholders.

A reconciliation from net income (loss) attributable to Unitholders to FFO can be found in the table below:

(\$ millions)	Three months ended December 31		Year ended December 31	
	2022	2021	2022	2021
Net income (loss) attributable to Unitholders	\$42.4	\$ 28.6	\$(160.0)	\$ 460.1
Add (deduct):				
(Increase) decrease in value of investment properties ⁽¹⁾	\$31.2	\$(25.8)	\$ 410.5	\$(181.5)
(Increase) decrease in value of hotel property ⁽¹⁾	\$(6.9)	\$ 2.2	\$ (6.9)	\$ 1.1
Adjustment for equity accounted joint ventures ⁽²⁾	\$ 0.8	\$ 0.4	\$ 2.7	\$ 2.5
Adjustment for capitalized interest related to equity accounted joint ventures ⁽²⁾	\$ 0.8	\$ —	\$ 3.0	\$ —
Incremental leasing costs ⁽³⁾	\$ 1.8	\$ 1.4	\$ 6.6	\$ 5.9
Amortization expense ⁽⁴⁾	\$ 0.1	\$ 0.5	\$ 0.5	\$ 1.9
Transaction costs ⁽⁵⁾	\$ —	\$ —	\$ 0.6	\$ —
Increase (decrease) in value of Exchangeable Units ⁽⁶⁾	\$ 0.1	\$ 0.1	\$ (0.3)	\$ 0.5
Increase (decrease) in value of unit-based compensation ⁽⁷⁾	\$ 4.4	\$ 2.5	\$ (5.3)	\$ 9.3
Gain on Option ⁽⁸⁾	\$ —	\$ —	\$ —	\$ (80.8)
Investment property selling costs ⁽¹⁾	\$ 0.1	\$ 3.1	\$ 4.4	\$ 7.1
Deferred income taxes (recovery) ⁽¹⁾	\$ 5.8	\$ 47.8	\$ 7.3	\$ 24.8
FFO	<u>\$80.5</u>	<u>\$ 60.8</u>	<u>\$ 263.2</u>	<u>\$ 251.0</u>

(1) At FCR's proportionate interest.

(2) Adjustment related to FCR's equity accounted joint ventures in accordance with the recommendations of REALPAC.

(3) Adjustment to capitalize incremental leasing costs in accordance with the recommendations of REALPAC.

(4) Adjustment to exclude hotel property amortization in accordance with the recommendations of REALPAC.

(5) Adjustment to exclude transaction costs incurred as part of a business combination in accordance with the recommendations of REALPAC.

- (6) Adjustment to exclude distributions and fair value adjustments on Exchangeable Units in accordance with the recommendations of REALPAC.
- (7) Adjustment to exclude fair value adjustments on unit-based compensation plans in accordance with the recommendations of REALPAC.
- (8) Adjustment to exclude the gain on option in accordance with the recommendations of REALPAC.

Net Debt to Adjusted EBITDA multiple

The following table reconciles Net Debt to Total Debt for the years ended December 31, 2022 and 2021:

As at	December 31, 2022	December 31, 2021
Liabilities (principal amounts outstanding)		
Bank indebtedness	\$ 1,594	\$ 2,476
Mortgages ⁽¹⁾	1,235,767	1,216,872
Credit facilities ⁽¹⁾	1,098,235	893,958
Senior unsecured debentures	1,900,000	2,350,000
Total Debt ⁽¹⁾	\$4,235,596	\$4,463,306
Cash and cash equivalents ⁽¹⁾	(39,827)	(37,512)
Net Debt ⁽¹⁾⁽²⁾	\$4,195,769	\$4,425,794

- (1) At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of First Capital REIT's MD&A for the year ended December 31, 2022.
- (2) Net Debt is a non-IFRS measure that is calculated as the sum of total debt including principal amounts outstanding on credit facilities and mortgages, bank indebtedness and the par value of senior unsecured debentures reduced by the cash balances at the end of the period on a proportionate basis.
- (3) Equity market capitalization is the market value of FCR's units outstanding at a point in time. The measure is not defined by IFRS, does not have a standard definition and, as such, may not be comparable to similar measures disclosed by other issuers.

The following table reconciles First Capital's net income (loss) to Adjusted EBITDA for the three months and years ended December 31, 2022 and 2021:

	Three months ended December 31		Year ended December 31	
	2022	2021	2022	2021
Net income (loss) attributable to Unitholders	\$ 42,372	\$ 28,629	\$ (159,997)	\$ 460,131
Add (deduct) ⁽¹⁾ :				
Deferred income tax expense (recovery)	5,849	47,773	7,287	24,782
Interest Expense	39,637	37,941	152,930	154,013
Amortization expense	2,100	1,850	8,364	8,473
(Increase) decrease in value of investment properties	31,184	(25,833)	410,474	(181,490)
(Increase) decrease in value of hotel property	(6,908)	2,161	(6,908)	1,122
Increase (decrease) in value of Exchangeable Units	102	140	(321)	548
Increase (decrease) in value of unit-based compensation	4,386	2,528	(5,250)	9,286
Incremental leasing costs	1,764	1,448	6,626	5,859
Abandoned transaction (costs) recovery	122	146	(2,770)	248
Other non-cash and/or non-recurring items	(12,658)	6,696	2,590	(87,303)
Adjusted EBITDA ⁽¹⁾	\$107,950	\$103,479	\$ 413,025	\$ 395,669

- (1) At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of First Capital REIT's MD&A for the year ended December 31, 2022.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

Additional information related to First Capital REIT is available under First Capital REIT's profile on SEDAR at www.sedar.com and on First Capital REIT's website, www.fcr.ca. Financial information about First Capital REIT is provided in our consolidated comparative financial statements and management's discussion and analysis of financial and operation results for the year ended December 31, 2022.

First Capital REIT will provide to any person or company, upon request, a copy of:

- its latest Annual Information Form, together with a copy of any document, or pertinent pages of any document, incorporated therein by reference;
- its consolidated annual financial statements for the year ended December 31, 2022, together with the report of its auditors thereon, any interim financial statements filed subsequently and management's discussion and analysis of financial and operating results; and
- its Management Information Circular for its last Annual Meeting of Unitholders.

Written requests for a copy of the foregoing documents should be directed to 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 First Capital REIT can also be found at www.fcr.ca.

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

**ORDINARY RESOLUTION RECONFIRMING AND APPROVING
THE AMENDED AND RESTATED UNITHOLDER RIGHTS PLAN AGREEMENT**

“BE IT RESOLVED THAT:

1. The Amended and Restated Unitholder Rights Plan Agreement to be dated as of March 28, 2023 between First Capital REIT and Computershare Investor Services Inc., is hereby reconfirmed and approved; and
2. Any two of the Trustees or officers of First Capital REIT, be and are hereby authorized and empowered to execute or cause to be executed in the name and on behalf of First Capital REIT or to deliver or cause to be delivered all such documents, agreements and instruments and do or cause to be done all such acts and things as they shall determine to be necessary or desirable in order to carry out the intent of the resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.”

SCHEDULE B

FIRST CAPITAL REAL ESTATE INVESTMENT TRUST

SUMMARY OF PRINCIPAL TERMS OF AMENDED AND RESTATED UNITHOLDER RIGHTS PLAN AGREEMENT

This summary is qualified in its entirety by reference to the full text of the Amended and Restated Unitholder Rights Plan Agreement (the “**A&R Rights Plan**”) to be dated as of March 28, 2023 between First Capital Real Estate Investment Trust (the “**Trust**”) and Computershare Investor Services Inc. A copy of the A&R Rights Plan is attached as Schedule C to the management information circular dated February 24, 2023 to which this Schedule is attached.

The below summary reflects the terms of the A&R Rights Plan, established in accordance with National Instrument 62-104 — *Take-Over Bids and Issuer Bids*.

General. Each Right entitles the registered holder to purchase from the Trust, upon the occurrence of a Flip-in Event, and pursuant to the terms set out in the A&R Rights Plan, the number of Trust Units that have, at the date of the Flip-in Event, a Market Price equal to twice the Exercise Price, for an amount in cash equal to the Exercise Price. The Rights are not exercisable until the Separation Time. If the A&R Rights Plan is approved, the Rights will expire, in accordance with the terms of the A&R Rights Plan, on the termination of the Trust’s annual meeting in 2026, unless terminated or redeemed before that time.

Flip-in Event. A Flip-in Event means a transaction that causes a person to become an Acquiring Person. On the occurrence of a Flip-in Event, any Rights beneficially owned by an Acquiring Person (including any affiliate or associate thereof or any person acting jointly or in concert with the Acquiring Person) will become void and any such holder will not have any right to exercise Rights under the A&R Rights Plan.

Acquiring Person. An “Acquiring Person” is, generally, a person who beneficially owns 20% or more of the outstanding Trust Units or the Trust. Under the A&R Rights Plan, there are various exceptions, including: (i) the Trust and any subsidiary of the Trust, (ii) a person who acquired 20% or more of the outstanding Trust Units through a Permitted Bid or a Competing Permitted Bid, or as a result of the Trust acquiring or redeeming Trust Units, (iii) a person who acquired 20% or more of the outstanding Trust Units (but does not thereafter beneficially own a number of Units that is more than 25% of the Trust Units outstanding immediately prior to the acquisition) pursuant to an acquisition transaction described in a securities exchange take-over bid circular issued by the Trust or in a management proxy circular in respect of a merger pursuant to which the Trust acquires all or substantially all of the assets of another real estate investment trust in exchange for Trust Units on terms approved by the Trustees, or by way of private placement, (iv) a person who beneficially owned 20% or more of the outstanding Trust Units at the Record Time, provided however, that this exception will not apply in the event such Person shall, after the Record Time, become the beneficial owner of an additional 1% or more of the Trust Units of the Trust other than through one or any combination of Voting Unit Reductions, Permitted Bid Acquisitions, Exempt Acquisitions, Pro Rata Acquisitions or Convertible Security Acquisitions, and (v) an underwriter or selling group member during the course of a public distribution.

Beneficial Ownership. A person is deemed to be the beneficial owner of Trust Units in circumstances where that person or any of its affiliates or associates (i) is the owner of Trust Units at law or in equity or (ii) has the right to acquire Trust Units within 60 days, and includes any Trust Units beneficially owned by any other person acting jointly or in concert with such person. Under the A&R Rights Plan, there are various exceptions, including where:

- (a) a holder of Trust Units has agreed to deposit or tender Trust Units to a Take-Over Bid made by such person pursuant to a Permitted Lock-up Agreement; or
- (b) such person, or any of its affiliates or associates or any persons with which any of them is acting jointly or in concert, is an investment or fund manager holding securities that are in non-discretionary accounts held on behalf of a client by a broker or dealer registered under applicable laws, a trust company acting as trustee or administrator, an administrator or trustee of a registered pension fund or plan established by statute to manage investment funds for employee benefit plans,

pension plans and/or insurance plans or a crown agent or agency, provided that such person is not making or has not announced a current intention to make a Take-Over Bid alone or jointly or in concert with any other person.

Permitted Bid. A Flip-in Event will not occur if a Take-Over Bid is structured as a Permitted Bid. A Permitted Bid is a Take-Over Bid made by means of a Take-Over Bid circular that also complies with the following provisions:

- (a) the Take-Over Bid is made to all registered unitholders, wherever resident, other than the person making the bid;
- (b) the Take-Over Bid contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, irrevocable and unqualified conditions that:
 - (i) no Trust Units will be taken up or paid for pursuant to the Take-Over Bid (A) before the close of business on a date that is not less than 105 days following the date of the Take-Over Bid or such shorter period that a take-over bid (that is not exempt from the general take-over bid requirements of NI 62-104) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104 and (B) unless, at the close of business on such date, the Trust Units deposited or tendered pursuant to the Take-Over Bid and not withdrawn constitute more than 50% of the Trust Units outstanding which are held by independent unitholders;
 - (ii) unless the Take-Over Bid is withdrawn, Trust Units may be deposited pursuant to the Take-Over Bid at any time during the period described in subsection (b)(i)(A) above;
 - (iii) any Trust Units deposited pursuant to the Take-Over Bid may be withdrawn until taken up and paid for; and
 - (iv) if the requirement in clause (b)(i)(B) is satisfied, the person making the bid will make a public announcement of that fact and the Take-Over Bid will remain open for deposits and tenders of Trust Units for not less than 10 days from the date of such public announcement.

Trading of Rights. Until the Separation Time, the Rights will be evidenced by Unit certificates. The A&R Rights Plan provides that until the Separation Time, the Rights will be transferred only with the associated Trust Units. Until the Separation Time, or earlier termination or expiration of the Rights, each new Unit certificate issued after the Record Time will display a legend incorporating the terms of the A&R Rights Plan by reference. As soon as practicable following the Separation Time, separate certificates evidencing the Rights ("**Rights Certificates**") will be mailed to registered unitholders as of the close of business at the Separation Time, and thereafter the Rights Certificate alone will evidence the Rights.

Separation Time. The Rights will separate and trade apart from the Trust Units after the Separation Time. The Separation Time means the close of business on the tenth Business Day after the earliest of (i) the first date of a public announcement of facts indicating that a person has become an Acquiring Person, (ii) the commencement of, or first public announcement of the intent of any person to commence, a Take-Over Bid other than a Permitted Bid or a Competing Permitted Bid and (iii) the date upon which a Permitted Bid ceases to be a Permitted Bid or a Competing Permitted Bid, as applicable.

Waiver. Without the consent of unitholders, or, if applicable, holders of Rights, the Trustees may waive a Flip-in Event that would occur by reason of a Take-Over Bid made by means of a take-over bid circular to all unitholders provided that, if the Trustees waive such Flip-in Event, they will be deemed to have waived any other Flip-in Event occurring by reason of a Take-Over Bid made by means of a take-over bid circular to all unitholders which is made prior to the expiry of any Take-Over Bid in respect of which a waiver has been granted by the Trustees. The Trustees may also waive the application of the Flip-in Event provisions to a Flip-in Event triggered by inadvertence.

Power to Amend. The Trustees may make amendments to the A&R Rights Plan without the approval of the holders of Rights to cure ambiguities or correct provisions which may be inconsistent or defective, to correct clerical or typographical errors, or to preserve the validity of the A&R Rights Plan in the event of any change in applicable legislation. In other circumstances, amendments may require approval of the unitholders or, in certain circumstances, the holders of Rights.

SCHEDULE C

FIRST CAPITAL REAL ESTATE INVESTMENT TRUST

AMENDED AND RESTATED UNITHOLDER RIGHTS PLAN AGREEMENT

FIRST CAPITAL REAL ESTATE INVESTMENT TRUST

- and -

COMPUTERSHARE INVESTOR SERVICES INC.

as Rights Agent

AMENDED AND RESTATED UNITHOLDER RIGHTS PLAN AGREEMENT

Entered into as of September 29, 2020 and amended and restated as of March 28, 2023

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THIS AMENDED AND RESTATED UNITHOLDER RIGHTS PLAN AGREEMENT (this “**Agreement**”) was entered into as of September 29, 2020, and amended and restated as of March 28, 2023, and is between: **FIRST CAPITAL REAL ESTATE INVESTMENT TRUST**, a trust created under the laws of Ontario (the “**Trust**”) and **COMPUTERSHARE INVESTOR SERVICES INC.**, a company incorporated under the laws of Canada, as Rights Agent (the “**Rights Agent**”, which term will include any successor Rights Agent hereunder).

WHEREAS the Board of Trustees has determined that it was advisable and in the best interests of the Trust to implement a unitholder rights plan by adopting a unitholder rights plan agreement dated September 20, 2020 (the “**Original Agreement**”);

AND WHEREAS the Board of Trustees authorized the Trust to seek the consent and approval of the holders of the Units, in accordance with the terms of the Original Agreement, to amend and restate the Original Agreement, substantially in the form and on the terms provided for in this Rights Plan (as hereinafter defined), which consent and approval was obtained by the affirmative vote of a majority of the votes cast by the holders of Units (other than any such holders who did not qualify as an Independent Unitholders (as hereinafter defined) with respect to all Units Beneficially Owned (as hereinafter defined) by such holder) at an annual and special meeting of unitholders of the Trust held on March 28, 2023, which resolution was duly passed at such meeting;

AND WHEREAS the Board of Trustees has determined that it is advisable and in the best interests of the Trust to implement an amended and restated unitholder rights plan agreement as contemplated herein. This Agreement will take effect on the Effective Date (as hereinafter defined) to prevent, to the extent possible, a creeping take-over of the Trust and to ensure, to the extent possible, that all unitholders of the Trust are treated fairly in connection with any Take-Over Bid (as hereinafter defined) and to ensure that the Board of Trustees is provided with sufficient time to identify, develop and negotiate value-enhancing alternatives, as appropriate to any unsolicited Take-Over Bids;

AND WHEREAS the Original Agreement is hereby amended and restated as provided in this Rights Plan and reconfirmed in accordance with the terms hereof;

AND WHEREAS in order to implement the Rights Plan, the Board of Trustees authorized the issuance of:

- (a) one right (a “**Right**”) in respect of each Unit (as hereinafter defined) outstanding at the close of business (Toronto time) on the Effective Date (the “**Record Time**”), such distribution to be made to unitholders of record at the Record Time;
- (b) one Right in respect of each Unit issued after the Record Time and prior to the earlier of the Separation Time (as hereinafter defined) and the Expiration Time (as hereinafter defined); and
- (c) Rights Certificates (as hereinafter defined) to holder of Rights pursuant to the terms and subject to the conditions set forth herein;

AND WHEREAS each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Trust pursuant to the terms and subject to the conditions set forth herein;

AND WHEREAS the Trustees desire to reappoint the Rights Agent to act on behalf of the Trust in connection with the issuance, transfer, exchange and replacement of Rights Certificates, the exercise of Rights and other matters referred to herein;

NOW THEREFORE in consideration of the premises and the respective agreements set forth herein, the parties hereby agree as follows:

ARTICLE 1
CERTAIN DEFINITIONS

1.1 Certain Definitions

For purposes of this Agreement, the following terms have the meanings indicated:

1.1.1 “**Acquiring Person**” means any Person who is the Beneficial Owner of 20% or more of the then outstanding Units of the Trust; provided, however, that the term “**Acquiring Person**” does not include:

1.1.1.1 the Trust and any Subsidiary of the Trust;

1.1.1.2 any Person who becomes the Beneficial Owner of 20% or more of the outstanding Units of the Trust as a result of one or any combination of:

- (A) a Voting Unit Reduction;
- (B) a Permitted Bid Acquisition;
- (C) an Exempt Acquisition;
- (D) a Pro Rata Acquisition; or
- (E) a Convertible Security Acquisition;

provided, however, that if a Person will become the Beneficial Owner of 20% or more of the Units of the Trust then outstanding by reason of any one or a combination of:

- (F) Voting Unit Reductions;
- (G) Permitted Bid Acquisitions;
- (H) Exempt Acquisitions;
- (I) Pro Rata Acquisitions; or
- (J) Convertible Security Acquisitions;

and, after such Voting Unit Reductions, Permitted Bid Acquisitions, Exempt Acquisitions, Pro Rata Acquisitions or Convertible Security Acquisitions becomes the Beneficial Owner of an additional 1% or more of the Units of the Trust other than pursuant to Voting Unit Reductions, Permitted Bid Acquisitions, Exempt Acquisitions, Pro Rata Acquisitions or Convertible Security Acquisitions, then as of the date such Person becomes the Beneficial Owner of such additional Units, such Person will become an “Acquiring Person”;

1.1.1.3 any Person (a “**Grandfathered Person**”) who is the Beneficial Owner of 20% or more of the outstanding Units of the Trust determined as at the Record Time provided, however, that this exemption shall not be, and shall cease to be, applicable to a Grandfathered Person in the event that such Grandfathered Person shall, after the Record Time, become the Beneficial Owner of an additional 1% or more of the Units of the Trust other than through one or any combination of Voting Unit Reductions, Permitted Bid Acquisitions, Exempt Acquisitions, Pro Rata Acquisitions or Convertible Security Acquisitions, and provided, further, that a Person shall cease to be a Grandfathered Person in the event such Person ceases to Beneficially Own 20% or more of the outstanding Units after the Record Time; and

1.1.1.4 an underwriter or member of a banking or selling group that acquires 20% or more of the Units from the Trust acting in that capacity in connection with a distribution of securities.

- 1.1.2 “**Affiliate**”, when used to indicate a relationship with a specified Person, means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person.
- 1.1.3 “**Agreement**” has the meaning ascribed thereto in the preamble to this Agreement.
- 1.1.4 “**Associate**” of a specified Person means any Person to whom such specified Person is married or with whom such specified Person is living in a conjugal relationship outside marriage, or a child of such specified Person, or any relative of such specified Person, such spouse or other person who has the same home as such specified Person;
- 1.1.5 A Person will be deemed the “**Beneficial Owner**”, and to have “**Beneficial Ownership**” of, and to “**Beneficially Own**”:
- 1.1.5.1 any securities as to which such Person or any of such Person’s Affiliates or Associates is the owner at law or in equity;
 - 1.1.5.2 any securities as to which such Person or any of such Person’s Affiliates or Associates has the right to acquire (where such right is exercisable within a period of 60 days thereafter and whether or not on the happening of any contingency) pursuant to any agreement, arrangement, pledge or understanding, whether or not in writing (other than customary agreements with and between underwriters and banking group or selling group members with respect to a distribution of securities and other than pledges of securities in the ordinary course of business); and
 - 1.1.5.3 any securities which are Beneficially Owned within the meaning of sections 1.1.4.1 or 1.1.4.2 above by any other Person with which such Person is acting jointly or in concert;

provided, however, that a Person will not be deemed the “Beneficial Owner”, or to have “Beneficial Ownership” of, or to “Beneficially Own”, any security because:
 - 1.1.5.4 the holder of such security has agreed to deposit or tender such security to a Take-Over Bid made by such Person or any of such Person’s Affiliates or Associates or any other Person referred to in section 1.1.4.3 pursuant to a Permitted Lock-Up Agreement of such Person or such security has been deposited or tendered pursuant to a Take-Over Bid made by such Person or any of such Person’s Affiliates or Associates or any other Person referred to in section 1.1.4.3, until such deposited or tendered security has been accepted unconditionally for payment or taken up and paid for, whichever occurs first;
 - 1.1.5.5 such Person or any of such Person’s Affiliates or Associates or any other Person referred to in section 1.1.4.3 holds such security provided that:
 - (A) the ordinary business of any such Person (the “**Investment Manager**”) includes the management or administration of investment funds for others and such security is held by the Investment Manager in the ordinary course of its business in the performance of the Investment Manager’s duties for the account of any other Person (a “**Client**”) including a non-discretionary account held on behalf of a Client by a broker or dealer registered under applicable laws;
 - (B) such Person (the “**Trust Company**”) is licensed to carry on the business of a trust company under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons or in relation to other accounts and holds such security in the ordinary course of such duties for the estate of any deceased or incompetent Persons or for such other accounts;
 - (C) such Person (the “**Plan Trustee**”) is the administrator or trustee of one or more pension funds or plans (a “**Plan**”) registered under applicable laws and holds such security for the purposes of its activity as administrator or trustee;

- (D) such Person is established by statute for purposes that include, and the ordinary business or activity of that Person (the “**Statutory Body**”) includes, the management of investment funds for employee benefit plans, pension plans, insurance plans (other than plans administered by insurance companies) or various public bodies;
- (E) such Person is a Crown agent or agency; or
- (F) such Person is a Plan;

provided, in any of the above cases, that the Investment Manager, the Trust Company, the Plan Trustee, the Statutory Body, Crown agent or agency or Plan, as the case may be, is not making or has not announced a current intention to make a Take-Over Bid alone or by acting jointly or in concert with any other Person, other than pursuant to a Permitted Bid, an Offer to Acquire Units or other securities pursuant to a distribution by the Trust or by means of ordinary market transactions (including pre-arranged trades entered into in the ordinary course of business of that Person) executed through the facilities of a stock exchange or organized over-the-counter market;

1.1.5.6 such Person or any of such Person’s Affiliates or Associates or any other Person referred to in section 1.1.4.3 is a Client of the same Investment Manager as another Person for whose account the Investment Manager holds such security, or because such Person has an account at the same Trust Company as another Person on whose account the Trust Company holds such security, or because such Person is a Plan and has a Plan Trustee who is also a Plan Trustee for another Plan on whose account the Plan Trustee holds such security;

1.1.5.7 such Person is:

- (A) a Client of an Investment Manager and such security is owned at law or in equity by the Investment Manager;
- (B) an estate of a deceased or incompetent Person or other account of a Trust Company and such security is owned at law or in equity by the Trust Company; or
- (C) a Plan and such security is owned at law or in equity by the Plan Trustee; or

1.1.5.8 such Person is the registered holder of securities as a result of carrying on the business of, or acting as, a nominee of a securities depository.

For purposes of this Agreement, in determining the percentage of the outstanding Units with respect to which a Person is or is deemed to be the Beneficial Owner, any unissued Units as to which such Person is deemed the Beneficial Owner will be deemed outstanding.

1.1.6 “**Business Day**” means any day other than a Saturday, Sunday or a day that is treated as a holiday at the Trust’s principal executive offices in Toronto, Canada.

1.1.7 “**close of business**” on any given date means the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the office of the transfer agent for the Units in the City of Toronto (or, after the Separation Time, the offices of the Rights Agent in the City of Toronto) becomes closed to the public; provided, however, that for the purposes of the definitions of “Competing Permitted Bid” and “Permitted Bid”, “close of business” on any day means 11:59 p.m. (local time at the place of deposit) on such date (or, if such date is not a Business Day, 11:59 p.m. (local time at the place of deposit) on the next succeeding Business Day.

1.1.8 “**Competing Permitted Bid**” means a Take-Over Bid that is made by means of a Take-Over Bid circular and which also complies with the following additional provisions:

- 1.1.8.1 is made after a Permitted Bid or another Competing Permitted Bid has been made and prior to the expiry, termination or withdrawal of such previous Permitted Bid or Competing Permitted Bid;
- 1.1.8.2 satisfies all components of the definition of a Permitted Bid provided that it is not required to satisfy the requirement set forth in paragraph 1.1.21.2(A) thereof; and

1.1.8.3 contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, an irrevocable and unqualified condition that no Units and/or Convertible Securities shall be taken up or paid for pursuant to such Take-Over Bid prior to the close of business on the last day of the minimum initial deposit period that such Take-Over Bid must remain open for deposits of securities thereunder pursuant to NI 62-104 after the date of the Take-Over Bid constituting the Competing Permitted Bid;

provided, however, that a Competing Permitted Bid will cease to be a Competing Permitted Bid at any time when such bid ceases to meet any of the requirements of this definition, and provided that, at such time, any acquisitions of securities made pursuant to such Competing Permitted Bid, including any acquisition of securities made prior to such time, will cease to be a Permitted Bid Acquisition.

1.1.9 “**Convertible Security**” means, with respect to any security, a security convertible into or exchangeable for the first-mentioned security.

1.1.10 “**Convertible Security Acquisitions**” means the exercise of Convertible Securities received by such Person pursuant to a Permitted Bid Acquisition, Exempt Acquisition or Pro Rata Acquisition.

1.1.11 “**Exempt Acquisition**” means an acquisition by a Person of Units and/or Convertible Securities (i) in respect of which the Trustees of the Trust have waived the application of section 3.1 pursuant to section 5.1.2 or 5.1.5 or (ii) which was made pursuant to any distribution reinvestment plan of the Trust or pursuant to the receipt or exercise of rights issued by the Trust to all holders of Units to subscribe for or purchase Units or Convertible Securities, provided that such rights are acquired directly from the Trust and not from any other Person, or (iii) pursuant to a distribution by the Trust of Units or Convertible Securities (and the conversion or exchange of such securities) (A) to the public pursuant to a prospectus or similar document (provided that such Person does not thereby Beneficially Own a greater percentage of the Units or Convertible Securities so offered than the percentage of Units or Convertible Securities beneficially owned by the Person immediately prior to the receipt or exercise of rights or prior to that distribution), or (B) by way of private placement or other distribution made by the Trust that is exempt from the prospectus requirements of applicable law (other than a Pro Rata Acquisition) provided that (x) all necessary stock exchange approvals for such private placement or other distribution made by the Trust that is exempt from the prospectus requirements of applicable law have been obtained and such private placement or other distribution that is exempt from the prospectus requirements of applicable law complies with the terms and conditions of such approvals and (y) such Person does not become the Beneficial Owner of more than 25% of the Units of the Trust outstanding immediately prior to the completion of such private placement or other distribution that is exempt from the prospectus requirements of applicable law, and in making this determination, the Units or Convertible Securities to be issued to such Person shall be deemed to be held by such Person but shall not be included in the aggregate number of outstanding Units immediately prior to the completion of such private placement or (iv) pursuant to an amalgamation, merger, arrangement or other statutory procedure requiring shareholder approval.

1.1.12 “**Effective Date**” means March 28, 2023.

1.1.13 “**Exercise Price**” means, as of any date, the price at which a holder may purchase the securities issuable upon exercise of one whole Right, and until adjustment thereof in accordance with the terms hereof, the Exercise Price will be an amount equal to three times the Market Price.

1.1.14 “**Expiration Time**” means the earlier of:

1.1.14.1 the Termination Time; and

1.1.14.2 the termination of the annual meeting of unitholders of the Trust held in 2026;

provided, however, that if the resolution referred to in section 5.19 is approved by Independent Unitholders in accordance with section 5.19 at or prior to such annual meeting or at or prior to any subsequent annual meeting, “**Expiration Time**” means the earlier of (i) the Termination Time and (ii) the termination of the annual meeting of unitholders of the Trust in the year that is three years after the year in which such approval occurs.

- 1.1.15 A **“Flip-in Event”** means a transaction or event as a result of which any Person will become an Acquiring Person provided, however, that a Flip-in Event will be deemed to occur at the close of business on the 10th Business Day (or such later day as the Trustees may determine) after the Unit Acquisition Date.
- 1.1.16 **“Independent Unitholders”** means holders of Units excluding:
- 1.1.16.1 any Acquiring Person;
 - 1.1.16.2 any Offeror, but excluding such Person if the Take-Over Bid so announced or made by such Person has been withdrawn or has terminated or expired and excluding any such Person who at the relevant time is deemed not to Beneficially Own Units pursuant to section 1.1.4.5;
 - 1.1.16.3 any Person acting jointly or in concert with such Acquiring Person or Offeror;
 - 1.1.16.4 any Affiliate or Associate of such Acquiring Person or Offeror; or
 - 1.1.16.5 any Person who is a trustee or administrator of any employee benefit plan, unit purchase plan, deferred profit sharing plan or any similar plan or trust for the benefit of employees of the Trust, unless the beneficiaries of the plan or trust direct the manner in which the Units are to be voted or direct whether the Units are to be tendered to a Take-Over Bid.
- 1.1.17 **“Market Price”** for any securities on any date of determination means the average of the daily Closing Prices Per Security of such securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in section 2.3 hereof will have caused the price used to determine the Closing Price Per Security on any Trading Day not to be fully comparable with the price used to determine the Closing Price Per Security on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each such price so used will be appropriately adjusted in a manner analogous to the applicable adjustment provided for in section 2.3 hereof in order to make it fully comparable with the price per security used to determine the Closing Price Per Security on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The **“Closing Price Per Security”** of any securities on any date will be:
- 1.1.17.1 the closing board lot sale price or, if such price is not available, the average of the closing bid and asked prices, for each security as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on The Toronto Stock Exchange;
 - 1.1.17.2 if the securities are not listed or admitted to trading on The Toronto Stock Exchange, the average of the high bid and low asked prices for each security in the over-the-counter market if such prices are regularly published in a bona fide newspaper or business or financial publication of regular or paid circulation; or
 - 1.1.17.3 if the securities are not listed or admitted to trading on The Toronto Stock Exchange or if on any such date the prices are not published as contemplated in section 1.1.16.2, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities selected in good faith by the Trustees;
- provided, however, that if on any such date the Closing Price Per Security cannot be determined in accordance with the foregoing, the Closing Price Per Security of such securities on such date will mean the fair value per share or unit of such securities on such date as determined in good faith by a recognized investment dealer or investment banker with respect to the fair value per share or unit of such securities.
- 1.1.18 **“NI 62-104”** means National Instrument 62-104 — *Take-Over Bids and Issuer Bids* (referred to as *Regulation 62-104 respecting Take-Over Bids and Issuer Bids in Québec*) and any comparable or successor laws, instruments or rules thereto.

1.1.19 **“Offer to Acquire”** includes:

1.1.19.1 an offer to purchase, or a solicitation of an offer to sell, Units; and

1.1.19.2 an acceptance of an offer to sell Units, whether or not such offer to sell has been solicited;

or any combination thereof, and the Person accepting an offer to sell will be deemed to be making an offer to acquire to the Person that made the offer to sell.

1.1.20 **“Offeror”** means a person who has announced a current intention to make, or who is making, a Take-Over Bid.

1.1.21 **“Offeror’s Securities”** means Units Beneficially Owned on the date of an Offer to Acquire by any Person who is making a Take-Over Bid and by such Person’s Affiliates and Associates and by any Person acting jointly or in concert with such Person or such Person’s Affiliates and Associates.

1.1.22 **“Original Agreement”** has the meaning ascribed thereto in the recitals to this Agreement.

1.1.23 **“Permitted Bid”** means a Take-Over Bid made by a Person by means of a Take-Over Bid circular and which also complies with the following additional provisions:

1.1.23.1 the Take-Over-Bid is made to all holders of Units other than the Offeror;

1.1.23.2 the Take-Over Bid contains, and the take-up and payment for securities tendered or deposited thereunder are subject to, an irrevocable and unqualified conditions that no securities shall be taken up or paid for pursuant to the Take-Over Bid:

- (A) prior to the close of business on the date which is not less than 105 days following the date of the Take-Over Bid, or such shorter minimum period that a Take-Over Bid (that is not exempt from any of the requirements of Division 5 (Bid Mechanics) of NI 62-104) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104; and
- (B) unless, at the close of business on such date in (A), more than 50% of the then outstanding Units held by Independent Unitholders have been deposited or tendered pursuant to the Take-Over Bid and have not been withdrawn;

1.1.23.2.1 the Take-Over Bid contains an irrevocable and unqualified provision that securities may be deposited pursuant to such Take-Over Bid at any time described in paragraph 1.1.21.2(A) of this definition and during any extension of such Take-Over Bid and any securities deposited pursuant to the Take-Over Bid may be withdrawn until taken up and paid for; and

1.1.23.2.2 the Take-Over Bid contains an irrevocable and unqualified provision that if the requirement set forth in paragraph 1.1.21.2(B) of this definition is satisfied and such securities are taken up by the Offeror, the Offeror will make a public announcement of that fact and the Take-Over Bid will remain open for deposits and tenders of Units and/or Convertible Securities for not less than 10 days from the date of such public announcement,

provided, however, that a Take-Over Bid that qualified as a Permitted Bid ceases to be a Permitted Bid at any time and as soon as such time when such Take-Over Bid ceases to meet any or all of the provisions of this definition, and provided that, at such time, any acquisitions of securities made pursuant to such Permitted Bid, including any acquisition of securities made prior to such time, will cease to be a Permitted Bid Acquisition. The term “Permitted Bid” shall include a Competing Permitted Bid.

1.1.24 **“Permitted Bid Acquisition”** means a Unit acquisition made pursuant to a Permitted Bid or Competing Permitted Bid.

1.1.25 **“Permitted Lock-Up Agreement”** means an agreement between an Offeror or any Affiliate or Associate of the Offeror or any other Person acting jointly or in concert with the Offeror and a Person who is not

an Affiliate or Associate of the Offeror or a Person acting jointly or in concert with the Offeror (the “**Locked-up Person**”), the terms of which are publicly disclosed not later than (i) the date the Lock-up Bid (as defined below) is publicly announced or, (ii) if the Lock-up Bid has been made prior to the date on which such agreement is entered into, forthwith and in any event not later than the date following the date of such agreement, pursuant to which each Locked-up Person agrees to deposit or tender Units held by it to the Offeror’s Take-Over Bid or to any Take-Over Bid made by any Affiliate or Associate of the Offeror or any Person acting jointly or in concert with the Offeror (the “**Lock-up Bid**”) where the agreement:

1.1.25.1 permits the Locked-up Person to withdraw the Units in order to tender or deposit the Units to another Take-Over Bid, or to support another transaction, that provides for a consideration for each Unit that is higher than the consideration contained in or proposed to be contained in the Lock-up Bid; or

1.1.25.2 (A) permits the Locked-up Person to withdraw the Units in order to tender or deposit the Units to another Take-Over Bid, or to support another transaction, that provides for a consideration for each Unit that exceeds by as much as or more than a specified amount (the “**Specified Amount**”) the consideration for each Unit contained in or proposed to be contained in the Lock-up Bid and (B) does not by its terms provide for a Specified Amount that is greater than 7% over the consideration for each Unit contained in or proposed to be contained in the Lock-up Bid;

and for greater certainty, the Permitted Lock-up Agreement may contain a right of first refusal or require a period of delay to give the Offeror an opportunity to at least match a higher consideration in another Take-Over Bid or transaction or other similar limitation on a Locked-up Person’s right to withdraw Units from the Permitted Lock-Up Agreement and not tender such Units to the Take-Over Bid to which the Locked-up Person has agreed to deposit or tender, so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Units in sufficient time to tender to the other Take-Over Bid or participate in the other transaction; but

1.1.25.3 does not provide for any “break-up fees”, “top up fees”, penalties, expense reimbursement or other amounts that exceed in the aggregate the greater of (A) the cash equivalent of 2.5% of the consideration payable under the Take-Over Bid to the Locked-up Person and (B) 50% of the amount by which the consideration payable under another Take-Over Bid or transaction to a Locked-up Person exceeds the consideration that that Locked-up Person would have received under the Lock-up Bid to be paid by a Locked-up Person pursuant to the Permitted Lock-up Agreement if the Locked-up Person fails to deposit or tender Units to the Lock-up Bid or withdraws Units in order to tender to another Take-Over Bid or participate in another transaction.

1.1.26 “**Person**” means any individual, firm, partnership, association, trust, trustee, personal representative, estate, body corporate, corporation, unincorporated organization, syndicate, government or government agency or instrumentality, or other entity.

1.1.27 “**Pro Rata Acquisition**” means a Unit dividend, Unit split or other event pursuant to which such Person receives or acquires Units on the same proportionate basis as all other holders of Units.

1.1.28 “**Securities Act (Ontario)**” means the *Securities Act*, R.S.O. 1990, c. S5, as amended, and the regulations thereunder, and any comparable or successor laws or regulations thereto.

1.1.29 “**Separation Time**” means the close of business on the 10th Business Day after the earliest of:

1.1.29.1 the Unit Acquisition Date;

1.1.29.2 the date of the commencement of, or first public announcement of the intent of any Person (other than the Trust or any Subsidiary of the Trust) to commence, a Take-Over Bid (other than a Take-Over Bid which is a Permitted Bid or a Competing Permitted Bid), provided that, if any Take-Over Bid referred to in this section 1.1.27.2 expires, is cancelled, terminated or

otherwise withdrawn prior to the Separation Time, such Take-Over Bid will be deemed, for purposes of this section 1.1.27, never to have been made; and

1.1.29.3 the date upon which a Permitted Bid or a Competing Permitted Bid ceases to be a Permitted Bid or a Competing Permitted Bid, as applicable;

or such later date as may be determined by the Trustees acting in good faith.

1.1.30 “**Subsidiary**” of any specified Person means any corporation or other Person controlled by that specified Person.

1.1.31 “**Take-Over Bid**” means an Offer to Acquire Units or securities convertible into Units, where the Units subject to the Offer to Acquire, together with the Units into which the securities subject to the Offer to Acquire are convertible, and the Offeror’s Securities, constitute in the aggregate 20% or more of the outstanding Units at the date of the Offer to Acquire.

1.1.32 “**Termination Time**” means the time at which the right to exercise Rights will terminate pursuant to section 5.1 or 5.19 hereof.

1.1.33 “**Trading Day**”, when used with respect to any securities, means a day on which the principal securities exchange on which such securities are listed or admitted to trading is open for the transaction of business or, if the securities are not listed or admitted to trading on any Canadian securities exchange, a Business Day.

1.1.34 “**Trust**” has the meaning ascribed thereto in the preamble to this Agreement.

1.1.35 “**Trustees**” means the trustees of the Trust elected or appointed from time to time.

1.1.36 “**Units of the Trust**” and “**Units**” means the units in the Trust.

1.1.37 “**Unit Acquisition Date**” means the first date of public announcement (which, for purposes of this definition, includes, without limitation, a report filed pursuant to section 5.2 of NI 62-104) by the Trust or an Acquiring Person of facts indicating that a Person has become an Acquiring Person.

1.1.38 “**Voting Unit Reduction**” means an acquisition or redemption by the Trust of Units of the Trust which, by reducing the number of Units outstanding, increases the proportionate number of Units Beneficially Owned by such Person to 20% or more of the Units of the Trust then outstanding;

1.2 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

1.3 Control

1.3.1 For the purpose of this Agreement:

1.3.1.1 a Person controls a body corporate if securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are Beneficially Owned by that Person and the votes attached to those securities are sufficient, if exercised, to elect the majority of the directors of the body corporate;

1.3.1.2 a Person controls an unincorporated Person (other than a limited partnership) if more than 50% of the ownership interests into which the unincorporated Person is divided are Beneficially Owned by that Person; and

1.3.1.3 the general partner of a limited partnership controls the limited partnership;

and “control”, “controlled by” and “under common control” will be interpreted accordingly.

1.3.2 A Person who controls another Person is deemed to control any Person that is controlled by that other Person and so on.

1.4 Acting Jointly or in Concert

For the purpose of this Agreement, a Person is acting jointly or in concert with another Person if the first Person has any agreement, arrangement or understanding (whether formal or informal and whether or not in writing) with the other Person, any Associate or Affiliate of such other Person, or any other Person acting jointly or in concert with such other Person, to acquire or offer to acquire any Units (other than customary (x) agreements with and between underwriters and banking group or selling group members with respect to a public offering or distribution of securities and (y) pursuant to a pledge of securities in the ordinary course of business).

1.5 Determination of Percentage Ownership of Units

For the purpose of this Agreement, the percentage of votes attached to the Units Beneficially Owned by any Person will be and will be deemed to be the product determined by the formula:

$$100 \times A/B$$

where:

A = the aggregate number of votes for the election of all Trustees generally attaching to the Units Beneficially Owned by that Person; and

B = the aggregate number of votes for the election of all Trustees generally attaching to all outstanding Units.

Where any Person is deemed to beneficially own unissued Units, such Units will be deemed to be outstanding for the purpose of both A and B in the formula above.

ARTICLE 2 THE RIGHTS

2.1 Legend of Unit Certificates

Certificates for the Units issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time will evidence one Right for each Unit represented thereby and, commencing as soon as reasonably practicable after the Record Time, will have impressed on, printed on, written or otherwise affixed to them the following legend:

“Until the Separation Time (as defined in the Rights Agreement referred to below), this certificate also evidences and entitles the holder hereof to certain Rights as set forth in a Unitholder Rights Plan Agreement entered into as of September 29, 2020, as amended and restated as of March 28, 2023, and as may be further amended, restated or supplemented from time to time (the “**Rights Agreement**”), between the Trust and Computershare Investor Services Inc., as Rights Agent, the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive office of the Trust. In certain circumstances, as set forth in the Rights Agreement, such Rights may be amended, redeemed, may expire, may become void (if, in certain cases, they are “Beneficially Owned” by an “Acquiring Person”, as such terms are defined in the Rights Agreement, or a transferee thereof) or may be evidenced by separate certificates and may no longer be evidenced by this certificate. The Trust will mail or arrange for the mailing of a copy of the Rights Agreement to the holder of this certificate without charge within five days after the receipt of a written request therefore.”

The registration on the books of the Trust of Units that are issued and outstanding at the Record Time will evidence one Right for each Unit evidenced thereby notwithstanding the absence of the foregoing legend until the close of business on the earlier of the Separation Time and the Expiration Time.

2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights

2.2.1 Subject to adjustment as herein set forth, each Right will entitle the holder thereof, after the Separation Time, to purchase, for the Exercise Price, one Unit.

2.2.2 Until the Separation Time:

- 2.2.2.1 no Right may be exercised; and
 - 2.2.2.2 each unitholder will be entitled to one Right for each Unit held and each Right will be transferable only together with, and will be transferred by a transfer of, such associated Unit.
- 2.2.3 After the Separation Time and prior to the Expiration Time, the Rights: (i) may be exercised; and (ii) will be transferable independent of Units. Promptly following the Separation Time, the Trust will prepare and the Rights Agent will mail to each holder of record of Units as of the Separation Time (other than an Acquiring Person and, in respect of any Rights Beneficially Owned by such Acquiring Person which are not held of record by such Acquiring Person, the holder of record of such Rights) at such holder's address as shown by the records of the Trust (the Trust hereby agreeing to furnish copies of such records to the Rights Agent for this purpose): (A) a certificate (a "**Rights Certificate**") in substantially the form of Exhibit A hereto with registration particulars appropriately completed, representing the number of Rights held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Trust may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage, and (B) a disclosure statement describing the Rights provided by the Trust.
- 2.2.4 Rights may be exercised in whole or in part on any Business Day (or on any other day which, in the city at which an Election to Exercise (as hereinafter defined) is duly submitted to the Rights Agent in accordance with this Agreement, is not a Saturday, Sunday or a day that is treated as a holiday in such city) after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent (at its principal office in the City of Toronto, Canada or at any other office of the Rights Agent in the cities designated from time to time for that purpose by the Trust), the Rights Certificate evidencing such Rights together with an Election to Exercise (an "**Election to Exercise**"), substantially in the form attached to the Rights Certificate duly completed, accompanied by payment by certified cheque, banker's draft or money order payable to the order of the Trust, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Units in a name other than that of the holder of the Rights being exercised.
- 2.2.5 Upon receipt of a Rights Certificate, with an Election to Exercise accompanied by payment as set forth in section 2.2.4 above, the Rights Agent will thereupon promptly:
- 2.2.5.1 requisition from the transfer agent or any co-transfer agent of the Unit certificates for the number of Units to be purchased (the Trust hereby irrevocably authorizing its transfer agent to comply with all such requisitions);
 - 2.2.5.2 after receipt of the Unit certificates, deliver the same to or upon the order of the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder; and
 - 2.2.5.3 when appropriate deliver payment to or to the order of the registered holder of the Rights Certificate representing the amount of overpayment as set forth in section 2.2.4.
- 2.2.6 In case the holder of any Rights exercises less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.
- 2.2.7 The Trust covenants and agrees that it will:
- 2.2.7.1 take all such action as may be necessary and within its power to ensure that all Units delivered upon exercise of Rights will, at the time of delivery of the certificates for such Units (subject to

payment of the Exercise Price), be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable;

- 2.2.7.2 take all such action as may be necessary and within its power to comply with any applicable requirements of the *Securities Act* (Ontario) and the regulations thereunder, and the securities laws of other jurisdictions in Canada and the rules and regulations thereunder or any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and the issuance of any Units upon exercise of Rights;
- 2.2.7.3 use reasonable efforts to cause all Units issued upon exercise of Rights to be listed on the principal exchanges or traded in the over-the-counter markets on which the Units were traded immediately prior to the Unit Acquisition Date; and
- 2.2.7.4 pay when due and payable any and all federal and provincial transfer taxes (for greater certainty not including any income taxes of the holder or exercising holder or any liability of the Trust to withhold tax) and charges which may be payable in respect of the original issuance or delivery of the Rights Certificates or certificates for Units, provided that neither the Trust nor the Rights Agent will be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Units in a name other than that of the holder of the Rights being transferred or exercised.

2.3 Adjustments to Exercise Price; Number of Rights

The Exercise Price, the number and kind of Units subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this section 2.3.

2.3.1 In the event the Trust will at any time after the Record Time and prior to the Expiration Time:

- 2.3.1.1 declare or pay a distribution on the Units payable in Units (or other securities exchangeable for or convertible into or giving a right to acquire Units) other than pursuant to any mandatory or optional Unit distribution program;
- 2.3.1.2 subdivide or change the then outstanding Units into a greater number of Units;
- 2.3.1.3 combine or change the then outstanding Units into a smaller number of Units; or
- 2.3.1.4 issue any Units (or other securities exchangeable for or convertible into or giving a right to acquire Units) in respect of, in lieu of or in exchange for existing Units in a reclassification, amalgamation, merger, arrangement or consolidation;

the Exercise Price and the number of Rights outstanding, or, if the payment or effective date therefor will occur after the Separation Time, the securities purchasable upon exercise of Rights will be adjusted in the manner set forth below. If the Exercise Price and number of Rights outstanding are to be adjusted (i) the Exercise Price in effect after such adjustment will be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of Units (or other capital stock) (the “**Expansion Factor**”) that a holder of one Unit immediately prior to such distribution, subdivision, change, combination or issuance would hold thereafter as a result thereof and (ii) each Right held prior to such adjustment will become that number of Rights equal to the Expansion Factor, and the adjusted number of Rights will be deemed to be allocated among the Units with respect to which the original Rights were associated (if they remain outstanding) and the Units issued in respect of such distribution, subdivision, change, combination or issuance, so that each such Unit will have exactly one Right associated with it. If the securities purchasable upon exercise of Rights are to be adjusted, the securities purchasable upon exercise of each Right after such adjustment will be the number of securities that a holder of the securities purchasable upon exercise of one Right immediately prior to such distribution, subdivision, change, combination or issuance would hold thereafter as a result thereof. If after the Record Time and prior to the Expiration Time the Trust will issue any securities other than Units in a transaction of a type described in sections 2.3.1.1 and 2.3.1.4, such securities will be treated herein as nearly equivalent to Units as may be practicable and appropriate under the circumstances and the Trust and the Rights Agent agree to amend this Agreement in order to effect, and will not consolidate

with, amalgamate with or into or enter into an arrangement with, any other Person unless such Person agrees to be bound by the terms of an amendment effecting such treatment. If an event occurs which would require an adjustment under both this 2.3.1.1 and section 2.3.1.4 hereof, the adjustment provided for in this section 2.3 will be in addition to, and will be made prior to, any adjustment required pursuant to section 3.1 hereof.

In the event the Trust will at any time after the Record Time and prior to the Separation Time issue any Units otherwise than in a transaction referred to in the preceding section, each such Unit so issued will automatically have one new Right associated with it, which Right will be evidenced by the certificate representing such Unit.

- 2.3.2 In the event the Trust will at any time after the Record Time and prior to the Expiration Time fix a record date for the making of a distribution to all holders of Units of rights or warrants entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Units (or securities convertible into or exchangeable for or carrying a right to purchase or subscribe for Units) at a price per Unit (or, if a security convertible into or exchangeable for or carrying a right to purchase or subscribe for Units, having a conversion, exchange or exercise price (including the price required to be paid to purchase such convertible or exchangeable security or right per unit)) less than 95% of the Market Price per Unit on such record date, the Exercise Price will be adjusted in the manner set forth below. The Exercise Price in effect after such record date will equal the Exercise Price in effect immediately prior to such record date multiplied by a fraction, of which the numerator will be the number of Units outstanding on such record date plus the number of Units which the aggregate offering price of the total number of Units so to be offered (and/or the aggregate initial conversion, exchange or exercise price of the convertible or exchangeable securities or rights so to be offered (including the price required to be paid to purchase such convertible or exchangeable securities or rights)) would purchase at such Market Price and of which the denominator will be the number of Units outstanding on such record date plus the number of additional Units to be offered for subscription or purchase (or into which the convertible or exchangeable securities or rights so to be offered are initially convertible, exchangeable or exercisable). In case such subscription price may be paid in a consideration part or all of which will be in a form other than cash, the value of such consideration will be as determined by an independent financial advisor retained by the Trustees of the Trust whose determination will be described in a statement filed with the Rights Agent and will be binding on the Rights Agent and the holders of Rights. Such adjustment will be made successively whenever such a record date is fixed. For purposes of this section 2.3.2, the granting of the right to purchase Units (whether from treasury securities or otherwise) pursuant to any distribution or interest reinvestment plan and/or any Unit purchase plan providing for the reinvestment of distributions or interest payable on securities of the Trust and/or the investment of periodic optional payments and/or employee benefit or similar plans (so long as such right to purchase is in no case evidenced by the delivery of rights or warrants) will not be deemed to constitute an issue of rights or warrants by the Trust; provided, however, that in the case of any distribution reinvestment plan, the right to purchase Units is at a price per Unit of not less than 90% of the current Market Price per Unit (determined as provided in such plans) of the Units.
- 2.3.3 In the event the Trust will at any time after the Record Time and prior to the Expiration Time fix a record date for the making of a distribution to all holders of Units of evidence of indebtedness or assets (other than a regular periodic cash distribution or a distribution paid in Units or other than a distribution paid following the approval by the holders of Units of the liquidation of the Trust) or rights or warrants (excluding those referred to in section 2.3.2), the Exercise Price will be adjusted in the manner set forth below. The Exercise Price in effect after such record date will equal the Exercise Price in effect immediately prior to such record date less the fair market value of the portion of the assets, evidences of indebtedness, rights or warrants so to be distributed applicable to each of the securities purchasable upon exercise of one Right (such determination to be described in a statement filed with the Rights Agent and the holders of the Rights). Such adjustment will be made successively whenever such a record date is fixed.

2.3.4 Each adjustment made pursuant to this section 2.3 will be made as of:

2.3.4.1 the payment or effective date for the applicable distribution, subdivision, change, combination or issuance, in the case of an adjustment made pursuant to section 2.3.1 above; and

2.3.4.2 the record date for the applicable distribution, in the case of an adjustment made pursuant to section 2.3.2 or 2.3.3 above subject to readjustment to reverse the same if such distribution will not be made.

2.3.5 In the event the Trust will at any time after the Record Time and prior to the Expiration Time issue any securities (other than Units), or rights or warrants to subscribe for or purchase any such securities, or securities convertible into or exchangeable for any such securities, in a transaction referred to in section 2.3.1.1 or 2.3.1.4 above, or if the Trust will take any other action (other than the issue of Units) which might have a negative effect on the holders of Rights, if the Trustees acting in good faith determine that the adjustments contemplated by sections 2.3.1, 2.3.2 and 2.3.3 above are not applicable or will not appropriately protect the interests of the holders of Rights, the Trust may determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, if the adjustments contemplated by sections 2.3.1, 2.3.2 and 2.3.3 above are applicable, notwithstanding such sections, the adjustments so determined by the Trust, rather than the adjustments contemplated by sections 2.3.1, 2.3.2 and 2.3.3 above, will be made. Any such adjustments will be subject to the prior approval of the holders of Units or Rights, as applicable, obtained in the manner set out in section 5.4.5. The Trust and the Rights Agent will amend this Agreement as appropriate to provide for such adjustments.

2.3.6 Each adjustment to the Exercise Price made pursuant to this section 2.3 will be calculated to the nearest cent. Whenever an adjustment to the Exercise Price is made pursuant to this section 2.3, the Trust will:

2.3.6.1 promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment; and

2.3.6.2 promptly file with the Rights Agent and with each transfer agent for the Units a copy of such certificate and mail a brief summary thereof to each holder of Rights.

2.3.7 Irrespective of any adjustment or change in the securities purchasable upon exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the securities so purchasable which were expressed in the initial Rights Certificates issued hereunder.

2.4 Date on Which Exercise is Effective

Each person in whose name any certificate for Units is issued upon the exercise of Rights will for all purposes be deemed to have become the holder of record of the Units represented thereby on, and such certificate will be dated, the date upon which the Rights Certificate evidencing such Rights was duly surrendered (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the transfer books of the Trust are closed, such person will be deemed to have become the record holder of such Units on, and such certificate will be dated, the next succeeding Business Day on which the transfer books of the Trust are open.

2.5 Execution, Authentication, Delivery and Dating of Rights Certificates

2.5.1 The Rights Certificates will be executed on behalf of the Trust by any two of any Trustee or officer of the Trust. The signature of any of these individuals on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the Trustees or proper officers of the Trust will bind the Trust, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the countersignature and delivery of such Rights Certificates. Promptly after the Trust learns of the Separation Time, the Trust will provide written notice to the Rights Agent of such Separation Time and will deliver Rights Certificates executed by the Trust to the Rights Agent for countersignature, and the Rights Agent will countersign

(manually or by facsimile signature in a manner satisfactory to the Trust) and mail such Rights Certificates to the holders of the Rights pursuant to section 2.2.3 hereof. No Rights Certificate will be valid for any purpose until countersigned by the Rights Agent as aforesaid.

2.5.2 The certification of the Rights Agent on the Rights Certificate issued hereunder will not be construed as a representation of warranty by the Rights Agent as to the validity of this Agreement or the Rights Certificate (except the due certification thereof) and the Rights Agent will in no way be liable or answerable for the use made of the Rights Certificate or of the consideration therefor except as otherwise specified herein.

2.5.3 Each Rights Certificate will be dated the date of countersignature thereof.

2.6 Registration, Registration of Transfer and Exchange

2.6.1 The Trust will cause to be kept a register (the “**Rights Register**”) in which, subject to such reasonable regulations as it may prescribe, the Trust will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed “Rights Registrar” for the purpose of maintaining the Rights Register for the Trust and registering Rights and transfers of Rights as herein provided. In the event that the Rights Agent will cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times.

After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of section 2.6.3 below, the Trust will execute, and the Rights Agent will countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder’s instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered.

2.6.2 All Rights issued upon any registration of transfer or exchange of Rights Certificates will be the valid obligations of the Trust, and such Rights will be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.

2.6.3 Every Rights Certificate surrendered for registration of transfer or exchange will be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Trust or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder’s attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this section 2.6 the Trust may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates

2.7.1 If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Trust will execute and the Rights Agent will countersign and deliver in exchange therefore a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.

2.7.2 If there will be delivered to the Trust and the Rights Agent prior to the Expiration Time (i) evidence to their satisfaction of the destruction, loss or theft of any Rights Certificate and (ii) such security or indemnity as may be required by them in their sole discretion to save each of them and any of their agents harmless, then, in the absence of notice to the Trust or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Trust will execute and upon its request the Rights Agent will countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.

2.7.3 As a condition to the issuance of any new Rights Certificate under this section 2.7, the Trust may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Rights Agent) connected therewith.

2.7.4 Every new Rights Certificate issued pursuant to this section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate will evidence an original additional contractual obligation of the Trust, whether or not the destroyed, lost or stolen Rights Certificate will be at any time enforceable by anyone, and will be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued hereunder.

2.7.5 The Rights Agent will place a stop transfer notation on the Rights Register with respect to any destroyed, lost or stolen Rights Certificate for which a replacement Rights Certificate is issued pursuant to this section 2.7.

2.8 Persons Deemed Owners

The Trust, the Rights Agent and any agent of the Trust or the Rights Agent may deem and treat the Person in whose name a Rights Certificate (or, prior to the Separation Time, the associated Unit certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever. As used in this Agreement, unless the context otherwise requires, the term “holder” of any Rights will mean the registered holder of such Rights (or, prior to the Separation Time, the associated Units).

2.9 Delivery and Cancellation of Certificates

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange will, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, will be promptly cancelled by the Rights Agent. The Trust may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Trust may have acquired in any manner whatsoever, and all Rights Certificates so delivered will be promptly cancelled by the Rights Agent. No Rights Certificate will be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this section 2.9, except as expressly permitted by this Agreement. The Rights Agent will destroy all cancelled Rights Certificates and upon written request by the Trust deliver a certificate of destruction to the Trust.

2.10 Agreement of Rights Holders

Every holder of Rights, by accepting the same, consents and agrees with the Trust and the Rights Agent and with every other holder of Rights that:

2.10.1 it will be bound by and subject to the provisions of this Agreement, as amended from time to time in accordance with the terms hereof, in respect of all Rights held;

2.10.2 prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Unit;

2.10.3 after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided herein;

2.10.4 prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Unit certificate) for registration of transfer, the Trust, the Rights Agent and any agent of the Trust or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Unit certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated Unit certificate made by anyone other than the Trust or the Rights Agent) for all purposes whatsoever, and neither the Trust nor the Rights Agent will be affected by any notice to the contrary;

2.10.5 such holder of Rights has waived its right to receive any fractional Rights or any fractional Units upon exercise of a Right (except as provided herein);

2.10.6 without the approval of any holder of Rights and upon the sole authority of the Trustees of the Trust acting in good faith, this Agreement may be supplemented or amended from time to time as provided herein except where such an amendment may affect the duties of the Rights Agent, which amendment will require the consent of the Rights Agent; and

- 2.10.7 notwithstanding anything in this Agreement to the contrary, neither the Trust nor the Rights Agent will have any liability to any holder of a Right or any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation.

ARTICLE 3

ADJUSTMENTS TO THE RIGHTS IN THE EVENT OF CERTAIN TRANSACTIONS

3.1 Flip-in Event

- 3.1.1 Subject to sections 5.1.2 and 5.1.5 hereof, in the event that prior to the Expiration Time a Flip-in Event occurs, the Trust will take such action as will be necessary to ensure and provide, within 10 Business Days or such longer period as may be required to satisfy the requirements of the securities acts or comparable legislation of each of the provinces of Canada, and, if applicable, and the securities laws or comparable legislation of the United States, that, except as provided below, each Right will thereafter constitute the right to purchase from the Trust, upon exercise thereof in accordance with the terms hereof, that number of Units of the Trust having an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in section 2.3 in the event that after such date of consummation or occurrence an event of a type analogous to any of the events described in section 2.3 will have occurred with respect to such Units).

- 3.1.2 Notwithstanding the foregoing or any other provisions of this Agreement, upon the occurrence of any Flip-in Event, any Rights that are or were Beneficially Owned on or after the earlier of the Separation Time or the Unit Acquisition Date by:

- 3.1.2.1 an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person); or
- 3.1.2.2 a transferee, direct or indirect, of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person) in a transfer made after the date hereof, whether or not for consideration, that the Trustees of the Trust acting in good faith have determined is part of a plan, arrangement or scheme of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person) that has the purpose or effect of avoiding section 3.1.2.1.

will become void and any holder of such Rights (including transferees) will thereafter have no right to exercise such Rights under any provision of this Agreement.

- 3.1.3 Any Rights Certificate that represents Rights Beneficially Owned by a Person described in either sections 3.1.2.1 or 3.1.2.2 or transferred to any nominee of any such Person, and any Rights Certificate issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, will contain the following legend:

“The Rights represented by this Rights Certificate were Beneficially Owned by a Person who was an Acquiring Person or who was an Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Rights Agreement) or who was acting jointly or in concert with any of them. This Rights Certificate and the Rights represented hereby will become void in the circumstances specified in section 3.1.2 of the Rights Agreement.”

The Rights Agent will not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but will be required to impose such legend only if instructed in

writing to do so by the Trust or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not an Acquiring Person or an Affiliate or Associate thereof.

ARTICLE 4 THE RIGHTS AGENT

4.1 General

- 4.1.1 The Trust hereby appoints the Rights Agent to act as agent for the Trust and the holders of Rights in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Trust may from time to time appoint such co-rights agents as it may deem necessary or desirable, subject to the prior written approval of the Rights Agent. In the event the Trust appoints one or more co-rights agents, the respective duties of the Rights Agent and co-rights agents will be as the Trust may determine with the written approval of the Rights Agent and such co-rights agents. The Trust agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements incurred in the execution and administration of this Agreement and the exercise and performance of its duties hereunder (including the reasonable fees and other disbursements of any expert retained by the Rights Agent with the approval of the Trust, such approval not to be unreasonably withheld). The Trust also agrees to indemnify the Rights Agent, its officers, directors and employees for, and to hold it harmless against, any loss, liability, or expense, incurred without negligence, bad faith or wilful misconduct on the part of the Rights Agent, for anything done, suffered or omitted by the Rights Agent in connection with the acceptance, execution and administration of this Agreement and the exercise and performance of its duties hereunder, including the costs and expenses of defending against any claim of liability, which right to indemnification will survive the termination of this Agreement or the resignation or removal of the Rights Agent.
- 4.1.2 The Rights Agent will be protected and will incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any certificate for Units, Rights Certificate, certificate for other securities of the Trust, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper person or persons.
- 4.1.3 The Trust shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and at any time, upon request, shall provide to the Rights Agent an incumbency certificate with respect to the then current officers of the Corporation, provided that failure to inform the Rights Agent of any such events, or any defect therein, shall not affect the validity of any action taken hereunder in relation to such events

4.2 Merger, Amalgamation or Consolidation or Change of Name of Rights Agent

- 4.2.1 Any corporation into which the Rights Agent or any successor Rights Agent may be merged or amalgamated or with which it may be consolidated, or any corporation resulting from any merger, amalgamation or consolidation to which the Rights Agent or any successor Rights Agent is a party, or any corporation succeeding to the unitholder or stockholder services business of the Rights Agent or any successor Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of section 4.4 hereof. In case, at the time such successor Rights Agent succeeds to the agency created by this Agreement, any of the Rights Certificates have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates have not been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.

- 4.2.2 In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates will have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Rights Certificates will not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.

4.3 Duties of Rights Agent

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Trust and the holders of Rights Certificates, by their acceptance thereof, will be bound:

- 4.3.1 The Rights Agent may consult with legal counsel (who may be legal counsel for the Trust), and the opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion; the Rights Agent may also, with the approval of the Trust (such approval not be unreasonably withheld), consult with such other experts as the Rights Agent will consider necessary or appropriate to properly carry out the duties and obligations imposed under this Agreement and the Rights Agent will be entitled to act and rely in good faith on the advice of any such expert.
- 4.3.2 Whenever in the performance of its duties under this Agreement the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Trust prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by a person believed by the Rights Agent to be the President or any Vice President or Trustee of the Trust and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.
- 4.3.3 The Rights Agent will be liable hereunder only for its own negligence, bad faith or wilful misconduct.
- 4.3.4 The Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Units or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Trust only.
- 4.3.5 The Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any Unit certificate or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Trust of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to section 3.1.2 hereof) or any adjustment required under the provisions of section 2.3 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by section 2.3 describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization of any Units to be issued pursuant to this Agreement or any Rights or as to whether any Units will, when issued, be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable.
- 4.3.6 The Trust agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.
- 4.3.7 The Rights Agent is hereby authorized and directed to accept instructions in writing with respect to the performance of its duties hereunder from any person believed by the Rights Agent to be the President

or any Vice President or Trustee of the Trust, and to apply to such persons for advice or instructions in connection with its duties, and it will not be liable for any action taken or suffered by it in good faith in reliance upon instructions of any such person; it is understood that instructions to the Rights Agent will, except where circumstances make it impracticable or the Rights Agent otherwise agrees, be given in writing and, where not in writing, such instructions will be confirmed in writing as soon as reasonably possible after the giving of such instructions.

- 4.3.8 The Rights Agent and any unitholder or stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in Units, Rights or other securities of the Trust or become pecuniarily interested in any transaction in which the Trust may be interested, or contract with or lend money to the Trust or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein will preclude the Rights Agent from acting in any other capacity for the Trust or for any other legal entity.
- 4.3.9 The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, omission, default, neglect or misconduct of any such attorneys or agents or for any loss to the Trust resulting from any such act, omission, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

4.4 Change of Rights Agent

The Rights Agent may resign and be discharged from its duties under this Agreement upon 30 days' notice (or such lesser notice as is acceptable to the Trust) in writing mailed to the Trust and to each transfer agent of Units by registered or certified mail, and to the holders of the Rights in accordance with section 5.9. The Trust may remove the Rights Agent upon 30 days' notice in writing given to the Rights Agent and to each transfer agent of the Units (by personal delivery or registered or certified mail). If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Trust will appoint a successor to the Rights Agent. If the Trust fails to make such appointment within a period of 30 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent, then the resigning Rights Agent or any holder of any Rights may apply to any court of competent jurisdiction for the appointment of a new Rights Agent at the Trust's expense. Any successor Rights Agent, whether appointed by the Trust or by such court, will be a corporation incorporated under the laws of Canada or a province thereof authorized to carry on the business of a trust company in the Province of Ontario. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent will, upon payment of all its outstanding fees and expenses, deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute at the expense of the Trust and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Trust will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Units, and mail a notice thereof in writing to the holders of the Rights. Failure to give any notice provided for in this section 4.4, however, or any defect therein, will not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

4.5 Compliance with Anti-Money Laundering and Anti-Terrorist Legislation

The Rights Agent shall retain the right not to act and shall not be liable for refusing to act if, due to lack of information or for any other reason whatsoever, the Rights Agent reasonably determines that such an act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Rights Agent reasonably determine at any time that its acting under this Agreement has resulted in it being in noncompliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Trust, provided that (i) the Rights Agent's written notice shall describe the circumstances of such non-compliance and (ii) that if such circumstances are rectified to the Rights Agent's satisfaction within such 10-day period, then such resignation shall not be effective.

4.6 Privacy Provision

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individual's personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Trust will, prior to transferring or causing to be transferred personal information to the rights Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Rights Agent will use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws.

4.7 Fiduciary Duties of the Trustees

Nothing contained herein shall be construed to suggest or imply that the Board of Trustees shall not be entitled to recommend that holders of the voting Units and/or Convertible Securities reject or accept any Take-Over Bid or take any other action including the commencement, prosecution, defence or settlement of any litigation and the solicitation of additional or alternative Take-Over Bids or other proposals to unitholders that the trustees believe are necessary or appropriate in the exercise of their fiduciary duties.

4.8 Liability

Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Rights Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

ARTICLE 5 MISCELLANEOUS

5.1 Redemption and Termination

- 5.1.1 The Trustees of the Trust acting in good faith may, at their option, at any time prior to the occurrence of a Flip-in Event as to which the application of section 3.1 has not been waived pursuant to the provisions of this section 5.1, with the prior consent of the holders of Units or the holders of Rights given in accordance with section 5.1.6 or 5.1.7, respectively, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.0001 per Right appropriately adjusted in a manner analogous to the applicable adjustment provided for in section 2.3 in the event that an event of the type analogous to any of the events described in section 2.3 will have occurred (such redemption price being herein referred to as the "**Redemption Price**").
- 5.1.2 The Trustees of the Trust may in respect of any Flip-in Event waive the application of section 3.1 to that Flip-in Event, provided that both of the following conditions are satisfied:
 - 5.1.2.1 the Trustees have determined that the Acquiring Person became an Acquiring Person by inadvertence and without any intent or knowledge that it would become an Acquiring Person; and
 - 5.1.2.2 such Acquiring Person has reduced its Beneficial Ownership of Units such that at the time of waiver pursuant to this section 5.1.2 it is no longer an Acquiring Person.
- 5.1.3 The Rights will become void and be of no further effect, without any further formality, on the date that a Person who has made a Permitted Bid or a Take-Over Bid in respect of which the Trustees have waived or are deemed to have waived the application of section 3.1 pursuant to section 5.1.5 takes up and pays for the Units pursuant to the Permitted Bid or Take-Over Bid, as applicable.
- 5.1.4 At any time before the occurrence of a Flip-In Event as to which the application of section 3.1 has not been waived pursuant to this section 5.1, if a Flip-In Event would occur by reason of an acquisition of Units otherwise than pursuant to a Take-Over Bid made by means of a Take-Over Bid circular to all holders of record of Units (wherever resident) as registered on the books of the Trust and otherwise

than in the circumstances set forth in section 5.1.3, the Trustees, with the prior consent of the holders of Units given in accordance with section 5.1.6, may determine to waive the application of section 3.1 to that Flip-In Event. If the Trustees propose such a waiver, the Trustees will extend the Separation Time to a date after but not more than 10 Business Days following the meeting of unitholders called to approve such waiver.

- 5.1.5 At any time before the occurrence of a Flip-in Event as to which the application of section 3.1 has not been waived pursuant to this section 5.1, the Trustees may determine, on prior written notice to the Rights Agent, to waive the application of section 5.1 to a Flip-in Event that would occur by reason of a Take-Over Bid made by means of a take-over bid circular to all holders of record of Units (wherever resident) provided that, if the Trustees waive the application of section 3.1 to such a Flip-in Event, the Trustees will be deemed to have waived the application of section 3.1 to any other Flip-in Event occurring by reason of any Take-Over Bid made by means of a take-over bid circular to all holders of record of Units (wherever resident), which is made prior to the expiry of any Take-Over Bid in respect of which a waiver is, or is deemed to have been, granted under this section.
- 5.1.6 If a redemption of Rights pursuant to section 5.1.1 or a waiver of a Flip-in Event pursuant to section 5.1.4 is proposed at any time before the Separation Time, that redemption or waiver must be submitted for approval to the holders of Units. Their approval will be deemed to have been given if the redemption or waiver is approved by the affirmative vote of a majority of the votes cast by Independent Unitholders represented in person or by proxy at a meeting of holders of the Units duly called and held in accordance with applicable laws and the Trust's Declaration of Trust.
- 5.1.7 If a redemption of Rights pursuant to section 5.1.1 is proposed at any time after the Separation Time, that redemption must be submitted for approval to the holders of Rights. Their approval will be deemed to have been given if the redemption is approved by a majority of the votes cast by the holders of Rights represented in person or by proxy at and entitled to vote at a meeting of holders of Rights. For the purpose of this agreement, each outstanding Right (other than Rights that are Beneficially Owned by any Person referred to in sections 1.1.15.1 to 1.1.15.5 inclusive of the definition of Independent Unitholders) will be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting will be those, as nearly as may be, which are provided in the Trust's Declaration of Trust with respect to meetings of unitholders of the Trust.
- 5.1.8 If the Trustees of the Trust elect to redeem the Rights under section 5.1.1 and that redemption is approved by the holders of Units or the holders of Rights in accordance with section 5.1.6 or 5.1.7, as applicable, the right to exercise the Rights will thereupon terminate, without further action and without notice, and the only right thereafter of the holders of Rights will be to receive the Redemption Price.
- 5.1.9 Within 10 Business Days after the holders of Units or the holders of Rights have approved a redemption of the Rights in accordance with section 5.1.6 or 5.1.7, as applicable, the Trust will give notice of redemption to the holders of the Rights by mailing the notice to each such holder at its last address as it appears on the register of the Rights Agent or, before the Separation Time, on the register of the Transfer Agent for the Units. Any notice which is mailed in the manner provided will be deemed given, whether or not the holder receives the notice. Each such notice of redemption must state the method by which the payment of the Redemption Price will be made. The Trust may not redeem, acquire or purchase for value any Rights at any time in any manner other than as specifically set forth in this section 5.1 or in connection with the purchase of Units before the Separation Time.
- 5.1.10 Where a Take-Over Bid that is not a Permitted Bid or a Competing Permitted Bid is withdrawn or otherwise terminated after the Separation Time has occurred and before the occurrence of a Flip-in Event, the Trustees may elect to redeem all the outstanding Rights at the Redemption Price by giving notice as contemplated by section 5.1.9. On such redemption, all the provisions of this Agreement will continue to apply as if the Separation Time had not occurred and as if Rights Certificates had not been mailed to each holder of record of Units as of the Separation Time and for all purposes of this Agreement the Separation Time will be deemed not to have occurred.

5.2 Expiration

No Person will have any rights pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in section 4.1.1 of this Agreement.

5.3 Issuance of New Rights Certificates

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Trust may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by its Trustees to reflect any adjustment or change in the number of or kind or class of shares or units purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

5.4 Supplements and Amendments

- 5.4.1 The Trust may make amendments to this Agreement from time to time in order to correct any clerical or typographical error which the Trustees acting in good faith consider are required to maintain the validity of this Agreement as a result of any change in applicable law or regulations or the decision of any court of regulatory authority.
- 5.4.2 The Trust may not supplement or amend Article 4 without the written concurrence of the Rights Agent.
- 5.4.3 At any time before the Separation Time, the Trust, with the prior approval of the holders of Units, may amend, vary or rescind any of the provisions of this Agreement (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Such approval will be deemed to have been given if the proposed amendment, variation or rescission is approved by the affirmative vote of a majority of the votes cast by Independent Unitholders represented in person or by proxy at a meeting of holders of the Units duly called and held in accordance with applicable laws and the Trust's Declaration of Trust.
- 5.4.4 At any time on or after the Separation Time, the Trust, with the prior approval of the holders of Rights, may amend, vary or rescind any provision of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Such approval will be deemed to have been given if the proposed amendment, variation or rescission is approved by a majority of the votes cast by the holders of Rights represented in person or by proxy at a meeting of holders of Rights and, with necessary modifications, in accordance with the procedures specified in section 5.1.7.
- 5.4.5 Any amendments made by the Trust to this Agreement pursuant to section 5.4.1 which are required to maintain the validity of this Agreement:
 - 5.4.5.1 if made before the Separation Time, must be submitted to the unitholders of the Trust at the next meeting of unitholders and the unitholders, by resolution passed by a majority of the votes cast by Independent Unitholders who vote in respect of such amendment, may confirm or reject such amendment; or
 - 5.4.5.2 if made after the Separation Time, must be submitted to the holders of Rights at a meeting to be called for on a date not later than immediately after the next meeting of unitholders of the Trust and the holders of Rights, by resolution passed by a majority of the votes cast by the holders of Rights who vote in respect of such amendment, and in accordance with the procedures specified in section 5.1.7, may confirm or reject such amendment.

Any such amendment will be effective from the date of the resolution of the Trustees adopting such amendment until it is confirmed or rejected or until it ceases to be effective (as described in this section) and, where such amendment is confirmed, it continues in effect in the form so confirmed. If such amendment is rejected by the unitholders or the holders of Rights or is not submitted to the unitholders or holders of Rights as required, then such amendment will cease to be effective from and after the termination of the meeting at which it was rejected or to which it should have been but was not submitted or from and after the date of the meeting of holders of Rights that should have been that

was not held, and no subsequent resolution of the Trustees to amend any provision of this Agreement substantially to the same effect will be effective until confirmed by the unitholders or holders of Rights, as the case may be.

The Trust shall give notice in writing to the Rights Agent of any supplement, amendment, deletion, variation or rescission to this Agreement pursuant to section 5.4 within five Business Days of the date of any such supplement, amendment, deletion, variation or rescission, provided that failure to give such notice, or any defect therein, shall not affect the validity of any such supplement, amendment, deletion, variation or rescission.

5.5 Fractional Rights and Fractional Units

- 5.5.1 The Trust will not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights. After the Separation Time, there will be paid to the registered holders of the Rights Certificates with regard to which fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the Market Price of a whole Right in lieu of such fractional Rights as of the date such fractional Rights would otherwise be issuable.
- 5.5.2 The Trust will not be required to issue fractional Units upon exercise of the Rights or to distribute certificates which evidence fractional Units. In lieu of issuing fractional Units, the Trust will pay to the registered holder of Rights Certificates at the time such Rights are exercised as herein provided, an amount in cash equal to the same fraction of the Market Price of one Unit at the date of such exercise.
- 5.5.3 The Rights Agent shall have no obligation to make any payments in lieu of issuing fractions of Rights or Units pursuant to paragraph (a) or (b), respectively, unless and until the Trust shall have provided to the Rights Agent the amount of cash to be paid in lieu of issuing such fractional Rights or Units, as the case may be.

5.6 Rights of Action

Subject to the terms of this Agreement, rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights; and any holder of any Rights, without the consent of the Rights Agent or of the holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against the Trust to enforce, or otherwise act in respect of, such holder's right to exercise such holder's Rights, or Rights to which it is entitled, in the manner provided in this Agreement and in such holder's Rights Certificate. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

5.7 Holder of Rights Not Deemed a Unitholder

No holder, as such, of any Rights will be entitled to vote, receive distributions or be deemed for any purpose the holder of Units or any other securities which may at any time be issuable on the exercise of Rights, nor will anything contained herein or in any Rights Certificate be construed to confer upon the holder of any Rights, as such, any of the rights of a unitholder of the Trust or any right to vote for the election of Trustees or upon any matter submitted to unitholders at any meeting thereof, or to give or withhold consent to any Trust action, or to receive notice of meetings or other actions affecting unitholders (except as provided herein), or to receive distributions or subscription rights or otherwise, until such Rights, or Rights to which such holder is entitled, have been exercised in accordance with the provisions hereof.

5.8 Notice of Proposed Actions

In case the Trust proposes after the Separation Time and prior to the Expiration Time (i) to effect or permit (in cases where the Trust's permission is required) any Flip-in Event or (ii) to effect the liquidation, dissolution or winding-up of the Trust or the sale of all or substantially all its assets, then, in each such case, the Trust will give to each holder of a Right, in accordance with section 5.9 hereof, a notice of such proposed action, which

will specify the date on which such event is to take place, and such notice will be so given at least 10 Business Days prior to the date of taking of such proposed action by the Trust.

5.9 Notices

Notices or demands to be given or made in connection with this Agreement by the Rights Agent or by the holder of any Rights to or on the Trust will be sufficiently given or made if delivered or sent by mail, postage prepaid or by fax (with, in the case of fax, an original copy of the notice or demand sent by first class mail, postage prepaid, to the Trust following the giving of the notice or demand by fax), addressed (until another address is filed in writing with the Rights Agent) as follows:

First Capital Real Estate Investment Trust
King Liberty Village
85 Hanna Avenue, Suite 400
Toronto, Ontario
M6K 3S3

Attention: Chief Executive Officer
Telephone: 416-216-2092
Fax: 416-941-1655

Notices or demands to be given or made in connection with this Agreement by the Trust or by the holder of any Rights to or on the Rights Agent will be sufficiently given or made if delivered or sent by mail, postage prepaid, or by fax (with, in the case of fax, an original copy of the notice or demand sent by first class mail, postage prepaid, to the Rights Agent following the giving of the notice or demand by fax), addressed (until another address is filed in writing with the Trust) as follows:

Computershare Investor Services Inc.
100 University Avenue
9th Floor, North Tower
Toronto, Ontario
M5J 2Y1

Attention: General Manager, Client Services
Fax: 416-981-9800

Notices or demands to be given or made in connection with this Agreement by the Trust or the Rights Agent to or on the holder of any Rights will be sufficiently given or made if delivered or sent by first class mail, postage prepaid, or fax (with, in the case of fax, an original copy of the notice or demand sent by first class mail, postage prepaid, to such holder following the giving of the notice or demand by fax), addressed to such holder at the address of such holder as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of the Trust for the Units.

If mail service is or is threatened to be interrupted at a time when the Trust or the Rights Agent wishes to give a notice or demand hereunder to or on the holders of the Rights, the Trust or the Rights Agent may, notwithstanding the foregoing provisions of this section 5.9, give such notice by means of publication once in each of two successive weeks in the business section of The National Post or The Globe & Mail or in such other publication or publications as may be designated by the Trust and notice so published will be deemed to have been given on the date on which the first publication of such notice in any such publication has taken place.

5.10 Costs of Enforcement

The Trust agrees that if the Trust or any other Person the securities of which are purchasable upon exercise of Rights fails to fulfil any of its obligations pursuant to this Agreement, then the Trust or such Person will reimburse the holder of any Rights for the costs and expenses (including legal fees) incurred by such holder in actions to enforce his rights pursuant to any Rights or this Agreement.

5.11 Successors

All the covenants and provisions of this Agreement by or for the benefit of the Trust or the Rights Agent will bind and enure to the benefit of their respective successors and assigns hereunder.

5.12 Benefits of this Agreement

Nothing in this Agreement will be construed to give to any Person other than the Trust, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement; but this Agreement will be for the sole and exclusive benefit of the Trust, the Rights Agent and the holders of the Rights.

5.13 Descriptive Headings

Descriptive headings appear herein for convenience only and will not control or affect the meaning or construction of any of the provisions hereof.

5.14 Governing Law

This Agreement and each Right issued hereunder will be deemed to be a contract made under the laws of the Province of Ontario and for all purposes will be governed by and construed in accordance with the laws of such Province applicable to contracts to be made and performed entirely within such Province.

5.15 Language

Les parties aux présentes ont exigé que la présente convention ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en langue anglaise. The parties hereto have required that this Agreement and all documents and notices related thereto and/or resulting therefrom be drawn up in the English language.

5.16 Counterparts

This Agreement may be executed in any number of counterparts and each of such counterparts will for all purposes be deemed to be an original, and all such counterparts will together constitute but one and the same instrument.

5.17 Severability

If any term or provision hereof or the application thereof to any circumstance is, in any jurisdiction and to any extent, invalid or unenforceable, such term or provision will be ineffective as to such jurisdiction to the extent of such validity or unenforceability without invalidating or rendering unenforceable the remaining terms and provisions hereof or the application of such term or provision to circumstances other than those as to which it is held invalid or unenforceable.

5.18 Effective Date

Upon being confirmed and approved by a resolution passed by a majority of the votes cast by Independent Unitholders who vote in respect of confirmation and approval of this Agreement at the Trust's 2023 annual meeting of unitholders or at any adjournment or postponement thereof, this Agreement shall be effective and in full force and effect in accordance with its terms from and after such confirmation and approval, and amends, restates and replaces in its entirety the Original Agreement.

5.19 Unitholder Review

This Agreement must be reconfirmed and approved by a resolution of a majority of the votes cast by Independent Unitholders who vote in respect of such confirmation and approval at the 2026 annual meeting of the unitholders of the Trust (or an adjournment or postponement thereof) and thereafter at such a meeting to be held, *mutatis mutandis*, every three years thereafter. If this Agreement is not so reconfirmed and approved or is not presented for reconfirmation and approval at any such meeting (or at any postponement or adjournment thereof), this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the close of business on the date which is the earlier of the date of termination of

the meeting called to consider the reconfirmation and approval of this Agreement and the date of termination of the annual meeting of the unitholders in the applicable year; provided, that termination shall not occur if a Flip-in Event has occurred (other than a Flip-in Event in respect of which the application of section 3.1 has been waived pursuant to section 5.1), prior to the date upon which this Agreement would otherwise terminate pursuant to this section 5.19.

5.20 Regulatory Approvals

Any obligation of the Trust or action or event contemplated by this Agreement will be subject to the receipt of any requisite approval or consent from any governmental or regulatory authority. In addition, the Trust may not make any amendment to this Agreement without the prior written consent of The Toronto Stock Exchange.

5.21 Declaration as to Non-Canadian Holders

If in the opinion of the Trustees of the Trust (who may rely upon the advice of counsel) any action or event contemplated by this Agreement would require compliance with the securities laws or comparable legislation of a jurisdiction outside Canada, the Trustees acting in good faith may take such actions as they may deem appropriate to ensure that such compliance is not required, including without limitation establishing procedures for the issuance to an appropriate Canadian resident acting as a fiduciary (a “**Fiduciary**”) of Rights or securities issuable on exercise of Rights, the holding thereof in trust for the Person entitled thereto (but reserving to the Fiduciary or to the Trust, as the Trust may determine, absolute instrument discretion with respect thereto) and the sale thereof and remittance of the proceeds of such sale, if any, to the persons entitled thereto. In no event will the Trust or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to persons who are citizens, residents or nationals of any jurisdiction other than Canada or the United States and any province or territory thereof in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

5.22 Determinations and Actions by the Trustees

All actions, calculations, interpretations and determinations (including all omissions with respect to the foregoing) which are done or made by the Trustees in connection with this Agreement, in good faith, will not subject any Trustee to any liability whatsoever to the holders of the Rights.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

FIRST CAPITAL REAL ESTATE INVESTMENT TRUST

By: _____
Trustee

COMPUTERSHARE INVESTOR SERVICES INC.

By: _____
Authorized Signatory

By: _____
Authorized Signatory

EXHIBIT A
FORM OF RIGHTS CERTIFICATE

Certificate No.	Rights
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THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF FIRST CAPITAL REAL ESTATE INVESTMENT TRUST, ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT. IN CERTAIN CIRCUMSTANCES (SPECIFIED IN SECTION 3.1.2 OF THE RIGHTS AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR TRANSFEREES OF AN ACQUIRING PERSON OR ITS AFFILIATES OR ASSOCIATES (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT) OR ANY PERSON ACTING JOINTLY OR IN CONCERT WITH ANY OF THEM, MAY BECOME VOID.

RIGHTS CERTIFICATE

This certifies that _____, or registered assigns, is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of Unitholder Rights Plan Agreement, entered into as of September 29, 2020, as amended and restated as of March 28, 2023, and as may be further amended and restated from time to time (the “**Rights Agreement**”) between First Capital Real Estate Investment Trust, a trust created under the laws of Ontario (the “**Trust**”), and Computershare Investor Services Inc., a company incorporated under the laws of Canada, as Rights Agent (the “**Rights Agent**”), which term will include any successor Rights Agent under the Rights Agreement, to purchase from the Trust at any time after the Separation Time (as such term is defined in the Rights Agreement) and prior to the Termination Time (as such term is defined in the Rights Agreement), one fully paid unit of the Trust (a “**Unit**”) at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate together with the Form of Election to Exercise duly executed to the Rights Agent at its principal office in the City of Toronto and in such other cities as may be designated by the Trust from time to time. The Exercise Price will initially be \$50.00 per Right and will be subject to adjustment in certain events as provided in the Rights Agreement.

In certain circumstances described in the Rights Agreement, the number of Units which each Right entitles the registered holder thereof to purchase will be adjusted as provided in the Rights Agreement.

This Rights Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, the Trust and the holders of the Rights Certificates. Copies of the Rights Agreement are on file at the principal executive offices of the Trust and are available upon written request.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate will be exercised in part, the registered holder will be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Certificate may be redeemed by the Trust at a redemption price of \$0.0001 per Right, subject to adjustment in certain events, under certain circumstances at its option.

No fractional Unit will be issued upon the exercise of any Rights evidenced hereby, but in lieu thereof a cash payment will be made, as provided in the Rights Agreement.

No holder of this Rights Certificate, as such, will be entitled to vote or receive distributions or be deemed for any purpose the holder of Units or of any other securities which may at any time be issuable upon the exercise hereof, nor will anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a unitholder of the Trust or any right to vote for the election of Trustees

or upon any matter submitted to unitholders at any meeting thereof, or to give or withhold consent to any action, or to receive notice of meetings or other actions affecting unitholders (except as provided in the Rights Agreement), or to receive distributions or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate will have been exercised as provided in the Rights Agreement.

Signature must be guaranteed by a Canadian schedule I chartered bank, a licensed trust company in Canada, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP).

This Rights Certificate will not be valid or obligatory for any purpose until it will have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Trust.

Date: _____

**FIRST CAPITAL REAL ESTATE
INVESTMENT TRUST**

By: _____ By: _____

Countersigned:

**COMPUTERSHRE INVESTOR SERVICES
INC.**

By: _____

Authorized Signature

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Rights represented by this Rights Certificate.)

FOR VALUE RECEIVED

hereby sells, assigns and transfers to

(Please print name and address of transferee) the Rights represented by this Rights Certificate, together with all right, title and interest therein, and hereby irrevocably constitutes and appoints as attorney, to transfer the within Rights on the books of the Trust, with full power and substitution.

Dated

Signature
Guaranteed:

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian schedule I chartered bank, a licensed trust company in Canada, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP).

(To be completed if true)

The undersigned hereby represents, for the benefit of all holders of Rights and Units, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or by any Person acting jointly or in concert with any of the foregoing (all capitalized terms are used as defined in the Rights Agreement).

Dated: _____ Signature: _____

(To be attached to each Rights Certificate)
FORM OF ELECTION TO EXERCISE

TO: First Capital Real Estate Investment Trust

The undersigned hereby irrevocably elects to exercise whole Rights represented by the attached Rights Certificate to purchase the Units (or other securities or property) issuable upon the exercise of such Rights and requests that certificates for such units (or other securities or title to such property) be issued in the name of:

(Name)
(Street)
(City and Province)
(Postal Code)
SOCIAL INSURANCE NUMBER

If such number of Rights will not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights will be registered in the name of and delivered to:

(Name) _____
(Street) _____
(City and Province) _____
(Postal Code) _____
SOCIAL INSURANCE NUMBER _____

Dated

Signature Guaranteed:

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian schedule I chartered bank, a licensed trust company in Canada, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). (To be completed if true)

The undersigned hereby represents, for the benefit of all holders of Rights and Units, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or by any Person acting jointly or in concert with any of the foregoing (all capitalized terms are used as defined in the Rights Agreement).

Dated: _____ Signature: _____

NOTICE

In the event the certification set forth above in the Form of Election to Exercise is not completed upon exercise of the Right(s) evidenced hereby or in the event that the certification set forth above in the Form of Assignment is not completed upon the assignment of the Right(s) evidenced hereby, the Trust will deem the Beneficial Owner of the Right(s) evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement) and, in the case of an assignment, will affix a legend to that effect on any Rights Certificates issued in exchange for this Rights Certificate.

SCHEDULE D

FIRST CAPITAL REAL ESTATE INVESTMENT TRUST

**COMPARISON OF AMENDED AND RESTATED UNITHOLDER RIGHTS PLAN AGREEMENT
TO CURRENT UNITHOLDER RIGHTS PLAN AGREEMENT**

FIRST CAPITAL REAL ESTATE INVESTMENT TRUST

-and-

COMPUTERSHARE INVESTOR SERVICES INC.

as Rights Agent

AMENDED AND RESTATED UNITHOLDER RIGHTS PLAN AGREEMENT

~~Dated~~ Entered into as of September 29, 2020 and amended and restated as of March 28, 2023

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THIS AMENDED AND RESTATED UNITHOLDER RIGHTS PLAN AGREEMENT ~~dated (this “Agreement”)~~ was entered into as of September 29, 2020, and amended and restated as of March 28, 2023, and is between: **FIRST CAPITAL REAL ESTATE INVESTMENT TRUST**, a trust created under the laws of Ontario (the “Trust”) and **COMPUTERSHARE INVESTOR SERVICES INC.**, a company incorporated under the laws of Canada, as Rights Agent (the “Rights Agent”, which term will include any successor Rights Agent hereunder).

WHEREAS the Board of Trustees has determined that it ~~is~~ was advisable and in the best interests of the Trust to implement a unitholder rights plan by adopting ~~this a~~ unitholder rights plan agreement ~~as provided herein (the “Rights Plan”). The Rights Plan dated September 20, 2020 (the “Original Agreement”);~~

AND WHEREAS the Board of Trustees authorized the Trust to seek the consent and approval of the holders of the Units, in accordance with the terms of the Original Agreement, to amend and restate the Original Agreement, substantially in the form and on the terms provided for in this Rights Plan (as hereinafter defined), which consent and approval was obtained by the affirmative vote of a majority of the votes cast by the holders of Units (other than any such holders who did not qualify as an Independent Unitholders (as hereinafter defined) with respect to all Units Beneficially Owned (as hereinafter defined) by such holder) at an annual and special meeting of unitholders of the REIT held on March 28, 2023, which resolution was duly passed at such meeting;

AND WHEREAS the Board of Trustees has determined that it is advisable and in the best interests of the Trust to implement an amended and restated unitholder rights plan agreement as contemplated herein. This Agreement will take effect on the Effective Date (as hereinafter defined) to prevent, to the extent possible, a creeping take-over of the Trust and to ensure, to the extent possible, that all unitholders of the Trust are treated fairly in connection with any Take-Over Bid (as hereinafter defined) and to ensure that the Board of Trustees is provided with sufficient time to identify, develop and negotiate value-enhancing alternatives, as appropriate to any unsolicited Take-Over Bids;

AND WHEREAS the Original Agreement is hereby amended and restated as provided in this Rights Plan and reconfirmed in accordance with the terms hereof;

AND WHEREAS in order to implement the Rights Plan, the Board of Trustees ~~has~~ authorized the issuance of:

- (a) one right (a “**Right**”) in respect of each Unit (as hereinafter defined) outstanding at the close of business (Toronto time) on the Effective Date (the “**Record Time**”), such distribution to be made to unitholders of record at the Record Time;
- (b) one Right in respect of each Unit issued after the Record Time and prior to the earlier of the Separation Time (as hereinafter defined) and the Expiration Time (as hereinafter defined); and
- (c) Rights Certificates (as hereinafter defined) to holder of Rights pursuant to the terms and subject to the conditions set forth herein;

AND WHEREAS each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Trust pursuant to the terms and subject to the conditions set forth herein;

AND WHEREAS the Trustees ~~appointed~~ desire to reappoint the Rights Agent to act on behalf of the Trust in connection with the issuance, transfer, exchange and replacement of Rights Certificates, the exercise of Rights and other matters referred to herein;

NOW THEREFORE in consideration of the premises and the respective agreements set forth herein, the parties hereby agree as follows:

ARTICLE 1 CERTAIN DEFINITIONS

1.1 Certain Definitions

For purposes of this Agreement, the following terms have the meanings indicated:

1.1.1 “**Acquiring Person**” means any Person who is the Beneficial Owner of 20% or more of the then outstanding Units of the Trust; provided, however, that the term “**Acquiring Person**” does not include:

1.1.1.1 the Trust and any Subsidiary of the Trust;

1.1.1.2 any Person who becomes the Beneficial Owner of 20% or more of the outstanding Units of the Trust as a result of one or any combination of:

- (A) a Voting Unit Reduction;
- (B) a Permitted Bid Acquisition;
- (C) an Exempt Acquisition;
- (D) a Pro Rata Acquisition; or
- (E) a Convertible Security Acquisition;

provided, however, that if a Person will become the Beneficial Owner of 20% or more of the Units of the Trust then outstanding by reason of any one or a combination of:

- (F) Voting Unit Reductions;
- (G) Permitted Bid Acquisitions;
- (H) Exempt Acquisitions;
- (I) Pro Rata Acquisitions; or
- (J) Convertible Security Acquisitions;

and, after such Voting Unit Reductions, Permitted Bid Acquisitions, Exempt Acquisitions, Pro Rata Acquisitions or Convertible Security Acquisitions becomes the Beneficial Owner of an additional 1% or more of the Units of the Trust other than pursuant to Voting Unit Reductions, Permitted Bid Acquisitions, Exempt Acquisitions, Pro Rata Acquisitions or Convertible Security Acquisitions, then as of the date such Person becomes the Beneficial Owner of such additional Units, such Person will become an “Acquiring Person”;

1.1.1.3 any Person (a “**Grandfathered Person**”) who is the Beneficial Owner of 20% or more of the outstanding Units of the Trust determined as at the Record Time provided, however, that this exemption shall not be, and shall cease to be, applicable to a Grandfathered Person in the event that such Grandfathered Person shall, after the Record Time, become the Beneficial Owner of an additional 1% or more of the Units of the Trust other than through one or any combination of Voting Unit Reductions, Permitted Bid Acquisitions, Exempt Acquisitions, Pro Rata Acquisitions or Convertible Security Acquisitions, and provided, further, that a Person shall cease to be a Grandfathered Person in the event such Person ceases to Beneficially Own 20% or more of the outstanding Units after the Record Time; and

1.1.1.4 an underwriter or member of a banking or selling group that acquires 20% or more of the Units from the Trust acting in that capacity in connection with a distribution of securities.

1.1.2 “**Affiliate**”, when used to indicate a relationship with a specified Person, means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person.

1.1.3 “Agreement” has the meaning ascribed thereto in the preamble to this Agreement.

1.1.4 ~~1.1.3~~ “**Associate**” of a specified Person means any Person to whom such specified Person is married or with whom such specified Person is living in a conjugal relationship outside marriage, or a child of such specified Person, or any relative of such specified Person, such spouse or other person who has the same home as such specified Person;

1.1.5 ~~1.1.4~~ A Person will be deemed the “**Beneficial Owner**”, and to have “**Beneficial Ownership**” of, and to “**Beneficially Own**”:

1.1.5.1 ~~4.4.4.1~~ any securities as to which such Person or any of such Person’s Affiliates or Associates is the owner at law or in equity;

1.1.5.2 ~~4.4.4.2~~ any securities as to which such Person or any of such Person’s Affiliates or Associates has the right to acquire (where such right is exercisable within a period of 60 days thereafter and whether or not on the happening of any contingency) pursuant to any agreement, arrangement, pledge or understanding, whether or not in writing (other than customary agreements with and between underwriters and banking group or selling group members with respect to a distribution of securities and other than pledges of securities in the ordinary course of business); and

1.1.5.3 ~~4.4.4.3~~ any securities which are Beneficially Owned within the meaning of sections 1.1.4.1 or 1.1.4.2 above by any other Person with which such Person is acting jointly or in concert;

provided, however, that a Person will not be deemed the “**Beneficial Owner**”, or to have “**Beneficial Ownership**” of, or to “**Beneficially Own**”, any security because:

1.1.5.4 ~~4.4.4.4~~ the holder of such security has agreed to deposit or tender such security to a Take-Over Bid made by such Person or any of such Person’s Affiliates or Associates or any other Person referred to in section 1.1.4.3 pursuant to a Permitted Lock-Up Agreement of such Person or such security has been deposited or tendered pursuant to a Take-Over Bid made by such Person or any of such Person’s Affiliates or Associates or any other Person referred to in section 1.1.4.3, until such deposited or tendered security has been accepted unconditionally for payment or taken up and paid for, whichever occurs first;

1.1.5.5 ~~4.4.4.5~~ such Person or any of such Person’s Affiliates or Associates or any other Person referred to in section 1.1.4.3 holds such security provided that:

- (A) the ordinary business of any such Person (the “**Investment Manager**”) includes the management or administration of investment funds for others and such security is held by the Investment Manager in the ordinary course of its business in the performance of the Investment Manager’s duties for the account of any other Person (a “**Client**”) including a non-discretionary account held on behalf of a Client by a broker or dealer registered under applicable laws;
- (B) such Person (the “**Trust Company**”) is licensed to carry on the business of a trust company under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons or in relation to other accounts and holds such security in the ordinary course of such duties for the estate of any deceased or incompetent Persons or for such other accounts;
- (C) such Person (the “**Plan Trustee**”) is the administrator or trustee of one or more pension funds or plans (a “**Plan**”) registered under applicable laws and holds such security for the purposes of its activity as administrator or trustee;
- (D) such Person is established by statute for purposes that include, and the ordinary business or activity of that Person (the “**Statutory Body**”) includes, the management of investment funds for employee benefit plans, pension plans, insurance plans (other than plans administered by insurance companies) or various public bodies;
- (E) such Person is a Crown agent or agency; or
- (F) such Person is a Plan;

provided, in any of the above cases, that the Investment Manager, the Trust Company, the Plan Trustee, the Statutory Body, Crown agent or agency or Plan, as the case may be, is not making or has not announced a current intention to make a Take-Over Bid alone or by acting jointly or in concert with any other Person, other than pursuant to a Permitted Bid, an Offer to Acquire Units or other securities pursuant to a distribution by the Trust or by means of ordinary market transactions (including pre-arranged trades entered into in the ordinary course of business of that Person) executed through the facilities of a stock exchange or organized over-the-counter market;

1.1.5.6 ~~4.4.4.6~~ such Person or any of such Person's Affiliates or Associates or any other Person referred to in section 1.1.4.3 is a Client of the same Investment Manager as another Person for whose account the Investment Manager holds such security, or because such Person has an account at the same Trust Company as another Person on whose account the Trust Company holds such security, or because such Person is a Plan and has a Plan Trustee who is also a Plan Trustee for another Plan on whose account the Plan Trustee holds such security;

1.1.5.7 ~~4.4.4.7~~ such Person is:

- (A) a Client of an Investment Manager and such security is owned at law or in equity by the Investment Manager;
- (B) an estate of a deceased or incompetent Person or other account of a Trust Company and such security is owned at law or in equity by the Trust Company; or
- (C) a Plan and such security is owned at law or in equity by the Plan Trustee; or

1.1.5.8 ~~4.4.4.8~~ such Person is the registered holder of securities as a result of carrying on the business of, or acting as, a nominee of a securities depository.

For purposes of this Agreement, in determining the percentage of the outstanding Units with respect to which a Person is or is deemed to be the Beneficial Owner, any unissued Units as to which such Person is deemed the Beneficial Owner will be deemed outstanding.

1.1.6 ~~1.1.5~~ **"Business Day"** means any day other than a Saturday, Sunday or a day that is treated as a holiday at the Trust's principal executive offices in Toronto, Canada.

1.1.7 ~~1.1.6~~ **"close of business"** on any given date means the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the office of the transfer agent for the Units in the City of Toronto (or, after the Separation Time, the offices of the Rights Agent in the City of Toronto) becomes closed to the public; provided, however, that for the purposes of the definitions of "Competing Permitted Bid" and "Permitted Bid", "close of business" on any day means 11:59 p.m. (local time at the place of deposit) on such date (or, if such date is not a Business Day, 11:59 p.m. (local time at the place of deposit) on the next succeeding Business Day.

1.1.8 ~~1.1.7~~ **"Competing Permitted Bid"** means a Take-Over Bid that is made by means of a Take-Over Bid circular and which also complies with the following additional provisions:

1.1.8.1 ~~7.7.7.1~~ is made after a Permitted Bid or another Competing Permitted Bid has been made and prior to the expiry, termination or withdrawal of such previous Permitted Bid or Competing Permitted Bid;

1.1.8.2 ~~7.7.7.2~~ satisfies all components of the definition of a Permitted Bid provided that it is not required to satisfy the requirement set forth in **Section-paragraph 1.1.21.2(A)** thereof; and

1.1.8.3 ~~7.7.7.3~~ contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, an irrevocable and unqualified condition that no Units and/or Convertible Securities shall be taken up or paid for pursuant to such Take-Over Bid prior to the close of business on the last day of the minimum initial deposit period that such Take-Over Bid must remain open for deposits of securities thereunder pursuant to NI 62-104 after the date of the Take-Over Bid constituting the Competing Permitted Bid;

provided, however, that a Competing Permitted Bid will cease to be a Competing Permitted Bid at any time when such bid ceases to meet any of the requirements of this definition, and provided that, at such time, any acquisitions of securities made pursuant to such Competing Permitted Bid, including any acquisition of securities made prior to such time, will cease to be a Permitted Bid Acquisition.

1.1.9 ~~1.1.8~~ **“Convertible Security”** means, with respect to any security, a security convertible into or exchangeable for the first-mentioned security.

1.1.10 ~~1.1.9~~ **“Convertible Security Acquisitions”** means the exercise of Convertible Securities received by such Person pursuant to a Permitted Bid Acquisition, Exempt Acquisition or Pro Rata Acquisition.

1.1.11 ~~1.1.10~~ **“Exempt Acquisition”** means an acquisition by a Person of Units and/or Convertible Securities (i) in respect of which the Trustees of the Trust have waived the application of section 3.1 pursuant to section 5.1.2 or 5.1.5 or (ii) which was made pursuant to any distribution reinvestment plan of the Trust or pursuant to the receipt or exercise of rights issued by the Trust to all holders of Units to subscribe for or purchase Units or Convertible Securities, provided that such rights are acquired directly from the Trust and not from any other Person, or (iii) pursuant to a distribution by the Trust of Units or Convertible Securities (and the conversion or exchange of such securities) (A) to the public pursuant to a prospectus or similar document (provided that such Person does not thereby Beneficially Own a greater percentage of the Units or Convertible Securities so offered than the percentage of Units or Convertible Securities beneficially owned by the Person immediately prior to the receipt or exercise of rights or prior to that distribution), or (B) by way of private placement or other distribution made by the Trust that is exempt from the prospectus requirements of applicable law (other than a Pro Rata Acquisition) provided that (x) all necessary stock exchange approvals for such private placement or other distribution made by the Trust that is exempt from the prospectus requirements of applicable law have been obtained and such private placement or other distribution that is exempt from the prospectus requirements of applicable law complies with the terms and conditions of such approvals and (y) such Person does not become the Beneficial Owner of more than 25% of the Units of the Trust outstanding immediately prior to the completion of such private placement or other distribution that is exempt from the prospectus requirements of applicable law, and in making this determination, the Units or Convertible Securities to be issued to such Person shall be deemed to be held by such Person but shall not be included in the aggregate number of outstanding Units immediately prior to the completion of such private placement or (iv) pursuant to an amalgamation, merger, arrangement or other statutory procedure requiring shareholder approval.

1.1.12 ~~1.1.11~~ **“Effective Date”** means ~~September 29~~ March 28, 2020-2023.

1.1.13 ~~1.1.12~~ **“Exercise Price”** means, as of any date, the price at which a holder may purchase the securities issuable upon exercise of one whole Right, and until adjustment thereof in accordance with the terms hereof, the Exercise Price will be an amount equal to three times the Market Price.

1.1.14 ~~1.1.13~~ **“Expiration Time”** means the earlier of:

1.1.14.1 ~~13.13.13.1~~ the Termination Time; and

1.1.14.2 ~~13.13.13.2~~ the termination of the annual meeting of unitholders of the Trust held in ~~2023~~ 2026;

provided, however, that if the resolution referred to in section 5.19 is approved by Independent Unitholders in accordance with section 5.19 at or prior to such annual meeting or at or prior to any subsequent annual meeting, **“Expiration Time”** means the earlier of (i) the Termination Time and (ii) the termination of the annual meeting of unitholders of the Trust in the year that is three years after the year in which such approval occurs.

1.1.15 ~~1.1.14~~ **“Flip-in Event”** means a transaction or event as a result of which any Person will become an Acquiring Person provided, however, that a Flip-in Event will be deemed to occur at the close of business on the 10th Business Day (or such later day as the Trustees may determine) after the Unit Acquisition Date.

1.1.16 ~~1.1.15~~ “Independent Unitholders” means holders of Units excluding:

1.1.16.1 ~~15.15.15.1~~ any Acquiring Person;

1.1.16.2 ~~15.15.15.2~~ any Offeror, but excluding such Person if the Take-Over Bid so announced or made by such Person has been withdrawn or has terminated or expired and excluding any such Person who at the relevant time is deemed not to Beneficially Own Units pursuant to section 1.1.4.5;

1.1.16.3 ~~15.15.15.3~~ any Person acting jointly or in concert with such Acquiring Person or Offeror;

1.1.16.4 ~~15.15.15.4~~ any Affiliate or Associate of such Acquiring Person or Offeror; or

1.1.16.5 ~~15.15.15.5~~ any Person who is a trustee or administrator of any employee benefit plan, unit purchase plan, deferred profit sharing plan or any similar plan or trust for the benefit of employees of the Trust, unless the beneficiaries of the plan or trust direct the manner in which the Units are to be voted or direct whether the Units are to be tendered to a Take-Over Bid.

1.1.17 ~~1.1.16~~ “Market Price” for any securities on any date of determination means the average of the daily Closing Prices Per Security of such securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in section 2.3 hereof will have caused the price used to determine the Closing Price Per Security on any Trading Day not to be fully comparable with the price used to determine the Closing Price Per Security on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each such price so used will be appropriately adjusted in a manner analogous to the applicable adjustment provided for in section 2.3 hereof in order to make it fully comparable with the price per security used to determine the Closing Price Per Security on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The “Closing Price Per Security” of any securities on any date will be:

1.1.17.1 ~~16.16.16.1~~ the closing board lot sale price or, if such price is not available, the average of the closing bid and asked prices, for each security as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on The Toronto Stock Exchange;

1.1.17.2 ~~16.16.16.2~~ if the securities are not listed or admitted to trading on The Toronto Stock Exchange, the average of the high bid and low asked prices for each security in the over-the-counter market if such prices are regularly published in a bona fide newspaper or business or financial publication of regular or paid circulation; or

1.1.17.3 ~~16.16.16.3~~ if the securities are not listed or admitted to trading on The Toronto Stock Exchange or if on any such date the prices are not published as contemplated in section 1.1.16.2, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities selected in good faith by the Trustees;

provided, however, that if on any such date the Closing Price Per Security cannot be determined in accordance with the foregoing, the Closing Price Per Security of such securities on such date will mean the fair value per share or unit of such securities on such date as determined in good faith by a recognized investment dealer or investment banker with respect to the fair value per share or unit of such securities.

1.1.18 ~~1.1.17~~ “NI 62-104” means National Instrument 62-104 — *Take-Over Bids and Issuer Bids* (referred to as *Regulation 62-104 respecting Take-Over Bids and Issuer Bids in Quebec* ~~Quebec~~) and any comparable or successor laws, instruments or rules thereto.

1.1.19 ~~1.1.18~~ “Offer to Acquire” includes:

1.1.19.1 ~~18.18.18.1~~ an offer to purchase, or a solicitation of an offer to sell, Units; and

1.1.19.2 ~~18.18.18.2~~ an acceptance of an offer to sell Units, whether or not such offer to sell has been solicited;

or any combination thereof, and the Person accepting an offer to sell will be deemed to be making an offer to acquire to the Person that made the offer to sell.

1.1.20 ~~1.1.19~~ “**Offeror**” means a person who has announced a current intention to make, or who is making, a Take-Over Bid.

1.1.21 ~~1.1.20~~ “**Offeror’s Securities**” means Units Beneficially Owned on the date of an Offer to Acquire by any Person who is making a Take-Over Bid and by such Person’s Affiliates and Associates and by any Person acting jointly or in concert with such Person or such Person’s Affiliates and Associates.

1.1.22 “Original Agreement” has the meaning ascribed thereto in the recitals to this Agreement.

1.1.23 ~~1.1.24~~ “**Permitted Bid**” means a Take-Over Bid made by a Person by means of a Take-Over Bid circular and which also complies with the following additional provisions:

1.1.23.1 ~~1.1.24.1~~ the Take-Over-Bid is made to all holders of Units other than the Offeror;

1.1.23.2 ~~1.1.24.2~~ the Take-Over Bid contains, and the take-up and payment for securities tendered or deposited thereunder are subject to, an irrevocable and unqualified conditions that no securities shall be taken up or paid for pursuant to the Take-Over Bid:

- (A) prior to the close of business on the date which is not less than 105 days following the date of the Take-Over Bid, or such shorter minimum period that a Take-Over Bid (that is not exempt from any of the requirements of Division 5 (Bid Mechanics) of NI 62-104) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104; and
- (B) unless, at the close of business on such date in (A), more than 50% of the then outstanding Units held by Independent Unitholders have been deposited or tendered pursuant to the Take-Over Bid and have not been withdrawn;

1.1.23.2.1 ~~1.1.24.2.1~~ the Take-Over Bid contains an irrevocable and unqualified provision that securities may be deposited pursuant to such Take-Over Bid at any time described in paragraph 1.1.21.2(A) of this definition and during any extension of such Take-Over Bid and any securities deposited pursuant to the Take-Over Bid may be withdrawn until taken up and paid for; and

1.1.23.2.2 ~~1.1.24.2.2~~ the Take-Over Bid contains an irrevocable and unqualified provision that if the requirement set forth in ~~Section-paragraph~~ 1.1.21.2(B) of this definition is satisfied and such securities are taken up by the Offeror, the Offeror will make a public announcement of that fact and the Take-Over Bid will remain open for deposits and tenders of Units and/or Convertible Securities for not less than 10 days from the date of such public announcement,

provided, however, that a Take-Over Bid that qualified as a Permitted Bid ceases to be a Permitted Bid at any time and as soon as such time when such Take-Over Bid ceases to meet any or all of the provisions of this definition, and provided that, at such time, any acquisitions of securities made pursuant to such Permitted Bid, including any acquisition of securities made prior to such time, will cease to be a Permitted Bid Acquisition. The term “Permitted Bid” shall include a Competing Permitted Bid.

1.1.24 ~~1.1.22~~ “**Permitted Bid Acquisition**” means a Unit acquisition made pursuant to a Permitted Bid or Competing Permitted Bid.

1.1.25 ~~1.1.23~~ “**Permitted Lock-Up Agreement**” means an agreement between an Offeror or any Affiliate or Associate of the Offeror or any other Person acting jointly or in concert with the Offeror and a Person who is not an Affiliate or Associate of the Offeror or a Person acting jointly or in concert with the Offeror (the “**Locked-up Person**”), the terms of which are publicly disclosed not later than (i) the date the Lock-up Bid (as defined below) is publicly announced or, (ii) if the Lock-up Bid has been made prior to the date on which such agreement is entered into, forthwith and in any event not later than the date following the date of such agreement, pursuant to which each Locked-up Person agrees to deposit

or tender Units held by it to the Offeror's Take-Over Bid or to any Take-Over Bid made by any Affiliate or Associate of the Offeror or any Person acting jointly or in concert with the Offeror (the "**Lock-up Bid**") where the agreement:

1.1.25.1 ~~23.23.23.1~~ permits the Locked-up Person to withdraw the Units in order to tender or deposit the Units to another Take-Over Bid, or to support another transaction, that provides for a consideration for each Unit that is higher than the consideration contained in or proposed to be contained in the Lock-up Bid; or

1.1.25.2 ~~23.23.23.2~~ (A) permits the Locked-up Person to withdraw the Units in order to tender or deposit the Units to another Take-Over Bid, or to support another transaction, that provides for a consideration for each Unit that exceeds by as much as or more than a specified amount (the "**Specified Amount**") the consideration for each Unit contained in or proposed to be contained in the Lock-up Bid and (B) does not by its terms provide for a Specified Amount that is greater than 7% over the consideration for each Unit contained in or proposed to be contained in the Lock-up Bid;

and for greater certainty, the Permitted Lock-up Agreement may contain a right of first refusal or require a period of delay to give the Offeror an opportunity to at least match a higher consideration in another ~~Take-Over~~ **Take-Over** Bid or transaction or other similar limitation on a Locked-up Person's right to withdraw Units from the Permitted Lock-Up Agreement and not tender such Units to the Take-Over Bid to which the Locked-up Person has agreed to deposit or tender, so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Units in sufficient time to tender to the other Take-Over Bid or participate in the other transaction; but

1.1.25.3 ~~23.23.23.3~~ does not provide for any "break-up fees", "top up fees", penalties, expense reimbursement or other amounts that exceed in the aggregate the greater of (A) the cash equivalent of 2.5% of the consideration payable under the Take-Over Bid to the Locked-up Person and (B) 50% of the amount by which the consideration payable under another Take-Over Bid or transaction to a Locked-up Person exceeds the consideration that that Locked-up Person would have received under the Lock-up Bid to be paid by a Locked-up Person pursuant to the Permitted Lock-up Agreement if the Locked-up Person fails to deposit or tender Units to the Lock-up Bid or withdraws Units in order to tender to another Take-Over Bid or participate in another transaction.

1.1.26 ~~1.1.24~~ "**Person**" means any individual, firm, partnership, association, trust, trustee, personal representative, estate, body corporate, corporation, unincorporated organization, syndicate, government or government agency or instrumentality, or other entity.

1.1.27 ~~1.1.25~~ "**Pro Rata Acquisition**" means a Unit dividend, Unit split or other event pursuant to which such Person receives or acquires Units on the same proportionate basis as all other holders of Units.

1.1.28 ~~1.1.26~~ "**Securities Act (Ontario)**" means the *Securities Act*, R.S.O. 1990, c. S5, as amended, and the regulations thereunder, and any comparable or successor laws or regulations thereto.

1.1.29 ~~1.1.27~~ "**Separation Time**" means the close of business on the 10th Business Day after the earliest of:

1.1.29.1 ~~27.27.27.1~~ the Unit Acquisition Date;

1.1.29.2 ~~27.27.27.2~~ the date of the commencement of, or first public announcement of the intent of any Person (other than the Trust or any Subsidiary of the Trust) to commence, a Take-Over Bid (other than a Take-Over Bid which is a Permitted Bid or a Competing Permitted Bid), provided that, if any Take-Over Bid referred to in this section 1.1.29.2 expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-Over Bid will be deemed, for purposes of this section 1.1.29, never to have been made; and

1.1.29.3 ~~27.27.27.3~~ the date upon which a Permitted Bid or a Competing Permitted Bid ceases to be a Permitted Bid or a Competing Permitted Bid, as applicable;

or such later date as may be determined by the Trustees acting in good faith.

1.1.30 ~~1.1.28~~ “**Subsidiary**” of any specified Person means any corporation or other Person controlled by that specified Person.

1.1.31 ~~1.1.29~~ “**Take-Over Bid**” means an Offer to Acquire Units or securities convertible into Units, where the Units subject to the Offer to Acquire, together with the Units into which the securities subject to the Offer to Acquire are convertible, and the Offeror’s Securities, constitute in the aggregate 20% or more of the outstanding Units at the date of the Offer to Acquire.

1.1.32 ~~1.1.30~~ “**Termination Time**” means the time at which the right to exercise Rights will terminate pursuant to section 5.1 or 5.19 hereof.

1.1.33 ~~1.1.31~~ “**Trading Day**”, when used with respect to any securities, means a day on which the principal securities exchange on which such securities are listed or admitted to trading is open for the transaction of business or, if the securities are not listed or admitted to trading on any Canadian securities exchange, a Business Day.

1.1.34 “Trust” has the meaning ascribed thereto in the preamble to this Agreement.

1.1.35 ~~1.1.32~~ “**Trustees**” means the trustees of the Trust elected or appointed from time to time.

1.1.36 ~~1.1.33~~ “**Units of the Trust**” and “**Units**” means the units in the Trust.

1.1.37 ~~1.1.34~~ “**Unit Acquisition Date**” means the first date of public announcement (which, for purposes of this definition, includes, without limitation, a report filed pursuant to section 5.2 of NI 62-104) by the Trust or an Acquiring Person of facts indicating that a Person has become an Acquiring Person.

1.1.38 ~~1.1.35~~ “**Voting Unit Reduction**” means an acquisition or redemption by the Trust of Units of the Trust which, by reducing the number of Units outstanding, increases the proportionate number of Units Beneficially Owned by such Person to 20% or more of the Units of the Trust then outstanding;

1.2 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

1.3 Control

1.3.1 For the purpose of this Agreement:

1.3.1.1 a Person controls a body corporate if securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are Beneficially Owned by that Person and the votes attached to those securities are sufficient, if exercised, to elect the majority of the directors of the body corporate;

1.3.1.2 a Person controls an unincorporated Person (other than a limited partnership) if more than 50% of the ownership interests into which the unincorporated Person is divided are Beneficially Owned by that Person; and

1.3.1.3 the general partner of a limited partnership controls the limited partnership;

and “control”, “controlled by” and “under common control” will be interpreted accordingly.

1.3.2 A Person who controls another Person is deemed to control any Person that is controlled by that other Person and so on.

1.4 Acting Jointly or in Concert

For the purpose of this Agreement, a Person is acting jointly or in concert with another Person if the first Person has any agreement, arrangement or understanding (whether formal or informal and whether or not in writing) with the other Person, any Associate or Affiliate of such other Person, or any other Person acting jointly or in concert with such other Person, to acquire or offer to acquire any Units (other than customary (x) agreements with and between underwriters and banking group or selling group members with respect to a public offering or distribution of securities and (y) pursuant to a pledge of securities in the ordinary course of business).

1.5 Determination of Percentage Ownership of Units

For the purpose of this Agreement, the percentage of votes attached to the Units Beneficially Owned by any Person will be and will be deemed to be the product determined by the formula:

$$100 \times A/B$$

where:

A= the aggregate number of votes for the election of all Trustees generally attaching to the Units Beneficially Owned by that Person; and

B = the aggregate number of votes for the election of all Trustees generally attaching to all outstanding Units.

Where any Person is deemed to beneficially own unissued Units, such Units will be deemed to be outstanding for the purpose of both A and B in the formula above.

ARTICLE 2 THE RIGHTS

2.1 Legend of Unit Certificates

Certificates for the Units issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time will evidence one Right for each Unit represented thereby and, commencing as soon as reasonably practicable after the Record Time, will have impressed on, printed on, written or otherwise affixed to them the following legend:

“Until the Separation Time (as defined in the Rights Agreement referred to below), this certificate also evidences and entitles the holder hereof to certain Rights as set forth in a Unitholder Rights Plan Agreement entered into as of September 29, 2020, as amended and restated as of March 28, 2023, and as may be further amended, restated or supplemented from time to time, ~~dated as of September 29, 2020~~ (the “Rights Agreement”), between the Trust and Computershare Investor Services Inc., as Rights Agent, the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive office of the Trust. In certain circumstances, as set forth in the Rights Agreement, such Rights may be amended, redeemed, may expire, may become void (if, in certain cases, they are “Beneficially Owned” by an “Acquiring Person”, as such terms are defined in the Rights Agreement, or a transferee thereof) or may be evidenced by separate certificates and may no longer be evidenced by this certificate. The Trust will mail or arrange for the mailing of a copy of the Rights Agreement to the holder of this certificate without charge within five days after the receipt of a written request therefore.”

The registration on the books of the Trust of Units that are issued and outstanding at the Record Time will evidence one Right for each Unit evidenced thereby notwithstanding the absence of the foregoing legend until the close of business on the earlier of the Separation Time and the Expiration Time.

2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights

2.2.1 Subject to adjustment as herein set forth, each Right will entitle the holder thereof, after the Separation Time, to purchase, for the Exercise Price, one Unit.

2.2.2 Until the Separation Time:

2.2.2.1 no Right may be exercised; and

2.2.2.2 each unitholder will be entitled to one Right for each Unit held and each Right will be transferable only together with, and will be transferred by a transfer of, such associated Unit.

2.2.3 After the Separation Time and prior to the Expiration Time, the Rights: (i) may be exercised; and (ii) will be transferable independent of Units. Promptly following the Separation Time, the Trust will prepare and the Rights Agent will mail to each holder of record of Units as of the Separation Time (other than an Acquiring Person and, in respect of any Rights Beneficially Owned by such Acquiring

Person which are not held of record by such Acquiring Person, the holder of record of such Rights) at such holder's address as shown by the records of the Trust (the Trust hereby agreeing to furnish copies of such records to the Rights Agent for this purpose): (A) a certificate (a "**Rights Certificate**") in substantially the form of Exhibit A hereto with registration particulars appropriately completed, representing the number of Rights held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Trust may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage, and (B) a disclosure statement describing the Rights provided by the Trust.

- 2.2.4 Rights may be exercised in whole or in part on any Business Day (or on any other day which, in the city at which an Election to Exercise (as hereinafter defined) is duly submitted to the Rights Agent in accordance with this Agreement, is not a Saturday, Sunday or a day that is treated as a holiday in such city) after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent (at its principal office in the City of Toronto, Canada or at any other office of the Rights Agent in the cities designated from time to time for that purpose by the Trust), the Rights Certificate evidencing such Rights together with an Election to Exercise (an "**Election to Exercise**"), substantially in the form attached to the Rights Certificate duly completed, accompanied by payment by certified cheque, banker's draft or money order payable to the order of the Trust, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Units in a name other than that of the holder of the Rights being exercised.
- 2.2.5 Upon receipt of a Rights Certificate, with an Election to Exercise accompanied by payment as set forth in section 2.2.4 above, the Rights Agent will thereupon promptly:
 - 2.2.5.1 requisition from the transfer agent or any co-transfer agent of the Unit certificates for the number of Units to be purchased (the Trust hereby irrevocably authorizing its transfer agent to comply with all such requisitions);
 - 2.2.5.2 after receipt of the Unit certificates, deliver the same to or upon the order of the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder; and
 - 2.2.5.3 when appropriate deliver payment to or to the order of the registered holder of the Rights Certificate representing the amount of overpayment as set forth in section 2.2.4.
- 2.2.6 In case the holder of any Rights exercises less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.
- 2.2.7 The Trust covenants and agrees that it will:
 - 2.2.7.1 take all such action as may be necessary and within its power to ensure that all Units delivered upon exercise of Rights will, at the time of delivery of the certificates for such Units (subject to payment of the Exercise Price), be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable;
 - 2.2.7.2 take all such action as may be necessary and within its power to comply with any applicable requirements of the *Securities Act* (Ontario) and the regulations thereunder, and the securities laws of other jurisdictions in Canada and the rules and regulations thereunder or any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and the issuance of any Units upon exercise of Rights;

- 2.2.7.3 use reasonable efforts to cause all Units issued upon exercise of Rights to be listed on the principal exchanges or traded in the over-the-counter markets on which the Units were traded immediately prior to the Unit Acquisition Date; and
- 2.2.7.4 pay when due and payable any and all federal and provincial transfer taxes (for greater certainty not including any income taxes of the holder or exercising holder or any liability of the Trust to withhold tax) and charges which may be payable in respect of the original issuance or delivery of the Rights Certificates or certificates for Units, provided that neither the Trust nor the Rights Agent will be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Units in a name other than that of the holder of the Rights being transferred or exercised.

2.3 Adjustments to Exercise Price; Number of Rights

The Exercise Price, the number and kind of Units subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this section 2.3.

2.3.1 In the event the Trust will at any time after the Record Time and prior to the Expiration Time:

- 2.3.1.1 declare or pay a distribution on the Units payable in Units (or other securities exchangeable for or convertible into or giving a right to acquire Units) other than pursuant to any mandatory or optional Unit distribution program;
- 2.3.1.2 subdivide or change the then outstanding Units into a greater number of Units;
- 2.3.1.3 combine or change the then outstanding Units into a smaller number of Units; or
- 2.3.1.4 issue any Units (or other securities exchangeable for or convertible into or giving a right to acquire Units) in respect of, in lieu of or in exchange for existing Units in a reclassification, amalgamation, merger, arrangement or consolidation;

the Exercise Price and the number of Rights outstanding, or, if the payment or effective date therefor will occur after the Separation Time, the securities purchasable upon exercise of Rights will be adjusted in the manner set forth below. If the Exercise Price and number of Rights outstanding are to be adjusted (i) the Exercise Price in effect after such adjustment will be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of Units (or other capital stock) (the “**Expansion Factor**”) that a holder of one Unit immediately prior to such distribution, subdivision, change, combination or issuance would hold thereafter as a result thereof and (ii) each Right held prior to such adjustment will become that number of Rights equal to the Expansion Factor; and the adjusted number of Rights will be deemed to be allocated among the Units with respect to which the original Rights were associated (if they remain outstanding) and the Units issued in respect of such distribution, subdivision, change, combination or issuance, so that each such Unit will have exactly one Right associated with it. If the securities purchasable upon exercise of Rights are to be adjusted, the securities purchasable upon exercise of each Right after such adjustment will be the number of securities that a holder of the securities purchasable upon exercise of one Right immediately prior to such distribution, subdivision, change, combination or issuance would hold thereafter as a result thereof. If after the Record Time and prior to the Expiration Time the Trust will issue any securities other than Units in a transaction of a type described in sections 2.3.1.1 and 2.3.1.4, such securities will be treated herein as nearly equivalent to Units as may be practicable and appropriate under the circumstances and the Trust and the Rights Agent agree to amend this Agreement in order to effect, and will not consolidate with, amalgamate with or into or enter into an arrangement with, any other Person unless such Person agrees to be bound by the terms of an amendment effecting such treatment. If an event occurs which would require an adjustment under both this 2.3.1.1 and section 2.3.1.4 hereof, the adjustment provided for in this section 2.3 will be in addition to, and will be made prior to, any adjustment required pursuant to section 3.1 hereof.

In the event the Trust will at any time after the Record Time and prior to the Separation Time issue any Units otherwise than in a transaction referred to in the preceding section, each such Unit so issued will

automatically have one new Right associated with it, which Right will be evidenced by the certificate representing such Unit.

- 2.3.2 In the event the Trust will at any time after the Record Time and prior to the Expiration Time fix a record date for the making of a distribution to all holders of Units of rights or warrants entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Units (or securities convertible into or exchangeable for or carrying a right to purchase or subscribe for Units) at a price per Unit (or, if a security convertible into or exchangeable for or carrying a right to purchase or subscribe for Units, having a conversion, exchange or exercise price (including the price required to be paid to purchase such convertible or exchangeable security or right per unit)) less than 95% of the Market Price per Unit on such record date, the Exercise Price will be adjusted in the manner set forth below. The Exercise Price in effect after such record date will equal the Exercise Price in effect immediately prior to such record date multiplied by a fraction, of which the numerator will be the number of Units outstanding on such record date plus the number of Units which the aggregate offering price of the total number of Units so to be offered (and/or the aggregate initial conversion, exchange or exercise price of the convertible or exchangeable securities or rights so to be offered (including the price required to be paid to purchase such convertible or exchangeable securities or rights)) would purchase at such Market Price and of which the denominator will be the number of Units outstanding on such record date plus the number of additional Units to be offered for subscription or purchase (or into which the convertible or exchangeable securities or rights so to be offered are initially convertible, exchangeable or exercisable). In case such subscription price may be paid in a consideration part or all of which will be in a form other than cash, the value of such consideration will be as determined by an independent financial advisor retained by the Trustees of the Trust whose determination will be described in a statement filed with the Rights Agent and will be binding on the Rights Agent and the holders of Rights. Such adjustment will be made successively whenever such a record date is fixed. For purposes of this section 2.3.2, the granting of the right to purchase Units (whether from treasury securities or otherwise) pursuant to any distribution or interest reinvestment plan and/or any Unit purchase plan providing for the reinvestment of distributions or interest payable on securities of the Trust and/or the investment of periodic optional payments and/or employee benefit or similar plans (so long as such right to purchase is in no case evidenced by the delivery of rights or warrants) will not be deemed to constitute an issue of rights or warrants by the Trust; provided, however, that in the case of any distribution reinvestment plan, the right to purchase Units is at a price per Unit of not less than 90% of the current Market Price per Unit (determined as provided in such plans) of the Units.
- 2.3.3 In the event the Trust will at any time after the Record Time and prior to the Expiration Time fix a record date for the making of a distribution to all holders of Units of evidence of indebtedness or assets (other than a regular periodic cash distribution or a distribution paid in Units or other than a distribution paid following the approval by the holders of Units of the liquidation of the Trust) or rights or warrants (excluding those referred to in section 2.3.2), the Exercise Price will be adjusted in the manner set forth below. The Exercise Price in effect after such record date will equal the Exercise Price in effect immediately prior to such record date less the fair market value of the portion of the assets, evidences of indebtedness, rights or warrants so to be distributed applicable to each of the securities purchasable upon exercise of one Right (such determination to be described in a statement filed with the Rights Agent and the holders of the Rights). Such adjustment will be made successively whenever such a record date is fixed.
- 2.3.4 Each adjustment made pursuant to this section 2.3 will be made as of:
- 2.3.4.1 the payment or effective date for the applicable distribution, subdivision, change, combination or issuance, in the case of an adjustment made pursuant to section 2.3.1 above; and
 - 2.3.4.2 the record date for the applicable distribution, in the case of an adjustment made pursuant to section 2.3.2 or 2.3.3 above subject to readjustment to reverse the same if such distribution will not be made.
- 2.3.5 In the event the Trust will at any time after the Record Time and prior to the Expiration Time issue any securities (other than Units), or rights or warrants to subscribe for or purchase any such securities, or

securities convertible into or exchangeable for any such securities, in a transaction referred to in section 2.3.1.1 or 2.3.1.4 above, or if the Trust will take any other action (other than the issue of Units) which might have a negative effect on the holders of Rights, if the Trustees acting in good faith determine that the adjustments contemplated by sections 2.3.1, 2.3.2 and 2.3.3 above are not applicable or will not appropriately protect the interests of the holders of Rights, the Trust may determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, if the adjustments contemplated by sections 2.3.1, 2.3.2 and 2.3.3 above are applicable, notwithstanding such sections, the adjustments so determined by the Trust, rather than the adjustments contemplated by sections 2.3.1, 2.3.2 and 2.3.3 above, will be made. Any such adjustments will be subject to the prior approval of the holders of Units or Rights, as applicable, obtained in the manner set out in section 5.4.5. The Trust and the Rights Agent will amend this Agreement as appropriate to provide for such adjustments.

- 2.3.6 Each adjustment to the Exercise Price made pursuant to this section 2.3 will be calculated to the nearest cent. Whenever an adjustment to the Exercise Price is made pursuant to this section 2.3, the Trust will:
- 2.3.6.1 promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment; and
 - 2.3.6.2 promptly file with the Rights Agent and with each transfer agent for the Units a copy of such certificate and mail a brief summary thereof to each holder of Rights.
- 2.3.7 Irrespective of any adjustment or change in the securities purchasable upon exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the securities so purchasable which were expressed in the initial Rights Certificates issued hereunder.

2.4 Date on Which Exercise is Effective

Each person in whose name any certificate for Units is issued upon the exercise of Rights will for all purposes be deemed to have become the holder of record of the Units represented thereby on, and such certificate will be dated, the date upon which the Rights Certificate evidencing such Rights was duly surrendered (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the transfer books of the Trust are closed, such person will be deemed to have become the record holder of such Units on, and such certificate will be dated, the next succeeding Business Day on which the transfer books of the Trust are open.

2.5 Execution, Authentication, Delivery and Dating of Rights Certificates

- 2.5.1 The Rights Certificates will be executed on behalf of the Trust by any two of any Trustee or officer of the Trust. The signature of any of these individuals on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the Trustees or proper officers of the Trust will bind the Trust, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the countersignature and delivery of such Rights Certificates. Promptly after the Trust learns of the Separation Time, the Trust will provide written notice to the Rights Agent of such Separation Time and will deliver Rights Certificates executed by the Trust to the Rights Agent for countersignature, and the Rights Agent will countersign (manually or by facsimile signature in a manner satisfactory to the Trust) and mail such Rights Certificates to the holders of the Rights pursuant to section 2.2.3 hereof. No Rights Certificate will be valid for any purpose until countersigned by the Rights Agent as aforesaid.
- 2.5.2 The certification of the Rights Agent on the Rights Certificate issued hereunder will not be construed as a representation of warranty by the Rights Agent as to the validity of this Agreement or the Rights Certificate (except the due certification thereof) and the Rights Agent will in no way be liable or answerable for the use made of the Rights Certificate or of the consideration therefor except as otherwise specified herein.
- 2.5.3 Each Rights Certificate will be dated the date of countersignature thereof.

2.6 Registration, Registration of Transfer and Exchange

- 2.6.1 The Trust will cause to be kept a register (the “**Rights Register**”) in which, subject to such reasonable regulations as it may prescribe, the Trust will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed “Rights Registrar” for the purpose of maintaining the Rights Register for the Trust and registering Rights and transfers of Rights as herein provided. In the event that the Rights Agent will cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times.

After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of section 2.6.3 below, the Trust will execute, and the Rights Agent will countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder’s instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered.

- 2.6.2 All Rights issued upon any registration of transfer or exchange of Rights Certificates will be the valid obligations of the Trust, and such Rights will be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.
- 2.6.3 Every Rights Certificate surrendered for registration of transfer or exchange will be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Trust or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder’s attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this section 2.6 the Trust may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates

- 2.7.1 If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Trust will execute and the Rights Agent will countersign and deliver in exchange therefore a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.
- 2.7.2 If there will be delivered to the Trust and the Rights Agent prior to the Expiration Time (i) evidence to their satisfaction of the destruction, loss or theft of any Rights Certificate and (ii) such security or indemnity as may be required by them in their sole discretion to save each of them and any of their agents harmless, then, in the absence of notice to the Trust or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Trust will execute and upon its request the Rights Agent will countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.
- 2.7.3 As a condition to the issuance of any new Rights Certificate under this section 2.7, the Trust may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Rights Agent) connected therewith.
- 2.7.4 Every new Rights Certificate issued pursuant to this section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate will evidence an original additional contractual obligation of the Trust, whether or not the destroyed, lost or stolen Rights Certificate will be at any time enforceable by anyone, and will be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued hereunder.
- 2.7.5 The Rights Agent will place a stop transfer notation on the Rights Register with respect to any destroyed, lost or stolen Rights Certificate for which a replacement Rights Certificate is issued pursuant to this section 2.7.

2.8 Persons Deemed Owners

The Trust, the Rights Agent and any agent of the Trust or the Rights Agent may deem and treat the Person in whose name a Rights Certificate (or, prior to the Separation Time, the associated Unit certificate) is registered

as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever. As used in this Agreement, unless the context otherwise requires, the term “holder” of any Rights will mean the registered holder of such Rights (or, prior to the Separation Time, the associated Units).

2.9 Delivery and Cancellation of Certificates

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange will, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, will be promptly cancelled by the Rights Agent. The Trust may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Trust may have acquired in any manner whatsoever, and all Rights Certificates so delivered will be promptly cancelled by the Rights Agent. No Rights Certificate will be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this section 2.9, except as expressly permitted by this Agreement. The Rights Agent will destroy all cancelled Rights Certificates and upon written request by the Trust deliver a certificate of destruction to the Trust.

2.10 Agreement of Rights Holders

Every holder of Rights, by accepting the same, consents and agrees with the Trust and the Rights Agent and with every other holder of Rights that:

- 2.10.1 it will be bound by and subject to the provisions of this Agreement, as amended from time to time in accordance with the terms hereof, in respect of all Rights held;
- 2.10.2 prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Unit;
- 2.10.3 after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided herein;
- 2.10.4 prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Unit certificate) for registration of transfer, the Trust, the Rights Agent and any agent of the Trust or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Unit certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated Unit certificate made by anyone other than the Trust or the Rights Agent) for all purposes whatsoever, and neither the Trust nor the Rights Agent will be affected by any notice to the contrary;
- 2.10.5 such holder of Rights has waived its right to receive any fractional Rights or any fractional Units upon exercise of a Right (except as provided herein);
- 2.10.6 without the approval of any holder of Rights and upon the sole authority of the Trustees of the Trust acting in good faith, this Agreement may be supplemented or amended from time to time as provided herein except where such an amendment may affect the duties of the Rights Agent, which amendment will require the consent of the Rights Agent; and
- 2.10.7 notwithstanding anything in this Agreement to the contrary, neither the Trust nor the Rights Agent will have any liability to any holder of a Right or any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation.

ARTICLE 3
ADJUSTMENTS TO THE RIGHTS IN
THE EVENT OF CERTAIN TRANSACTIONS

3.1 Flip-in Event

3.1.1 Subject to sections 5.1.2 and 5.1.5 hereof, in the event that prior to the Expiration Time a Flip-in Event occurs, the Trust will take such action as will be necessary to ensure and provide, within 10 Business Days or such longer period as may be required to satisfy the requirements of the securities acts or comparable legislation of each of the provinces of Canada, and, if applicable, and the securities laws or comparable legislation of the United States, that, except as provided below, each Right will thereafter constitute the right to purchase from the Trust, upon exercise thereof in accordance with the terms hereof, that number of Units of the Trust having an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in section 2.3 in the event that after such date of consummation or occurrence an event of a type analogous to any of the events described in section 2.3 will have occurred with respect to such Units).

3.1.2 Notwithstanding the foregoing or any other provisions of this Agreement, upon the occurrence of any Flip-in Event, any Rights that are or were Beneficially Owned on or after the earlier of the Separation Time or the Unit Acquisition Date by:

3.1.2.1 an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person); or

3.1.2.2 a transferee, direct or indirect, of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person) in a transfer made after the date hereof, whether or not for consideration, that the Trustees of the Trust acting in good faith have determined is part of a plan, arrangement or scheme of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person) that has the purpose or effect of avoiding section 3.1.2.1.

will become void and any holder of such Rights (including transferees) will thereafter have no right to exercise such Rights under any provision of this Agreement.

3.1.3 Any Rights Certificate that represents Rights Beneficially Owned by a Person described in either sections 3.1.2.1 or 3.1.2.2 or transferred to any nominee of any such Person, and any Rights Certificate issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, will contain the following legend:

“The Rights represented by this Rights Certificate were Beneficially Owned by a Person who was an Acquiring Person or who was an Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Rights Agreement) or who was acting jointly or in concert with any of them. This Rights Certificate and the Rights represented hereby will become void in the circumstances specified in section 3.1.2 of the Rights Agreement.”

The Rights Agent will not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but will be required to impose such legend only if instructed in writing to do so by the Trust or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not an Acquiring Person or an Affiliate or Associate thereof.

ARTICLE 4
THE RIGHTS AGENT

4.1 General

- 4.1.1 The Trust hereby appoints the Rights Agent to act as agent for the Trust and the holders of Rights in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Trust may from time to time appoint such co-rights agents as it may deem necessary or desirable, subject to the prior written approval of the Rights Agent. In the event the Trust appoints one or more co-rights agents, the respective duties of the Rights Agent and co-rights agents will be as the Trust may determine with the written approval of the Rights Agent and such co-rights agents. The Trust agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements incurred in the execution and administration of this Agreement and the exercise and performance of its duties hereunder (including the reasonable fees and other disbursements of any expert retained by the Rights Agent with the approval of the Trust, such approval not to be unreasonably withheld). The Trust also agrees to indemnify the Rights Agent, its officers, directors and employees for, and to hold it harmless against, any loss, liability, or expense, incurred without negligence, bad faith or wilful misconduct on the part of the Rights Agent, for anything done, suffered or omitted by the Rights Agent in connection with the acceptance, execution and administration of this Agreement and the exercise and performance of its duties hereunder, including the costs and expenses of defending against any claim of liability, which right to indemnification will survive the termination of this Agreement or the resignation or removal of the Rights Agent.
- 4.1.2 The Rights Agent will be protected and will incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any certificate for Units, Rights Certificate, certificate for other securities of the Trust, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper person or persons.
- 4.1.3 The Trust shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and at any time, upon request, shall provide to the Rights Agent an incumbency certificate with respect to the then current officers of the Corporation, provided that failure to inform the Rights Agent of any such events, or any defect therein, shall not affect the validity of any action taken hereunder in relation to such events

4.2 Merger, Amalgamation or Consolidation or Change of Name of Rights Agent

- 4.2.1 Any corporation into which the Rights Agent or any successor Rights Agent may be merged or amalgamated or with which it may be consolidated, or any corporation resulting from any merger, amalgamation or consolidation to which the Rights Agent or any successor Rights Agent is a party, or any corporation succeeding to the unitholder or stockholder services business of the Rights Agent or any successor Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of section 4.4 hereof. In case, at the time such successor Rights Agent succeeds to the agency created by this Agreement, any of the Rights Certificates have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates have not been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.
- 4.2.2 In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates will have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at

that time any of the Rights Certificates will not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.

4.3 Duties of Rights Agent

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Trust and the holders of Rights Certificates, by their acceptance thereof, will be bound:

- 4.3.1 The Rights Agent may consult with legal counsel (who may be legal counsel for the Trust), and the opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion; the Rights Agent may also, with the approval of the Trust (such approval not be unreasonably withheld), consult with such other experts as the Rights Agent will consider necessary or appropriate to properly carry out the duties and obligations imposed under this Agreement and the Rights Agent will be entitled to act and rely in good faith on the advice of any such expert.
- 4.3.2 Whenever in the performance of its duties under this Agreement the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Trust prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by a person believed by the Rights Agent to be the President or any Vice President or Trustee of the Trust and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.
- 4.3.3 The Rights Agent will be liable hereunder only for its own negligence, bad faith or wilful misconduct.
- 4.3.4 The Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Units or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Trust only.
- 4.3.5 The Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any Unit certificate or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Trust of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to section 3.1.2 hereof) or any adjustment required under the provisions of section 2.3 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by section 2.3 describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization of any Units to be issued pursuant to this Agreement or any Rights or as to whether any Units will, when issued, be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable.
- 4.3.6 The Trust agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.
- 4.3.7 The Rights Agent is hereby authorized and directed to accept instructions in writing with respect to the performance of its duties hereunder from any person believed by the Rights Agent to be the President or any Vice President or Trustee of the Trust, and to apply to such persons for advice or instructions in connection with its duties, and it will not be liable for any action taken or suffered by it in good faith in reliance upon instructions of any such person; it is understood that instructions to the Rights Agent

will, except where circumstances make it impracticable or the Rights Agent otherwise agrees, be given in writing and, where not in writing, such instructions will be confirmed in writing as soon as reasonably possible after the giving of such instructions.

- 4.3.8 The Rights Agent and any unitholder or stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in Units, Rights or other securities of the Trust or become pecuniarily interested in any transaction in which the Trust may be interested, or contract with or lend money to the Trust or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein will preclude the Rights Agent from acting in any other capacity for the Trust or for any other legal entity.
- 4.3.9 The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, omission, default, neglect or misconduct of any such attorneys or agents or for any loss to the Trust resulting from any such act, omission, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

4.4 Change of Rights Agent

The Rights Agent may resign and be discharged from its duties under this Agreement upon 30 days' notice (or such lesser notice as is acceptable to the Trust) in writing mailed to the Trust and to each transfer agent of Units by registered or certified mail, and to the holders of the Rights in accordance with section 5.9. The Trust may remove the Rights Agent upon 30 days' notice in writing given to the Rights Agent and to each transfer agent of the Units (by personal delivery or registered or certified mail). If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Trust will appoint a successor to the Rights Agent. If the Trust fails to make such appointment within a period of 30 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent, then the resigning Rights Agent or any holder of any Rights may apply to any court of competent jurisdiction for the appointment of a new Rights Agent at the Trust's expense. Any successor Rights Agent, whether appointed by the Trust or by such court, will be a corporation incorporated under the laws of Canada or a province thereof authorized to carry on the business of a trust company in the Province of Ontario. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent will, upon payment of all its outstanding fees and expenses, deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute at the expense of the Trust and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Trust will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Units, and mail a notice thereof in writing to the holders of the Rights. Failure to give any notice provided for in this section 4.4, however, or any defect therein, will not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

4.5 Compliance with Anti-Money Laundering and Anti-Terrorist Legislation

The Rights Agent shall retain the right not to act and shall not be liable for refusing to act if, due to lack of information or for any other reason whatsoever, the Rights Agent reasonably determines that such an act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Rights Agent reasonably determine at any time that its acting under this Agreement has resulted in it being in noncompliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Trust, provided that (i) the Rights Agent's written notice shall describe the circumstances of such non-compliance and (ii) that if such circumstances are rectified to the Rights Agent's satisfaction within such 10-day period, then such resignation shall not be effective.

4.6 Privacy Provision

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individual's personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would

contravene, or cause the other to contravene, applicable Privacy Laws. The Trust will, prior to transferring or causing to be transferred personal information to the rights Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Rights Agent will use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws.

4.7 Fiduciary Duties of the Trustees

Nothing contained herein shall be construed to suggest or imply that the Board of Trustees shall not be entitled to recommend that holders of the voting Units and/or Convertible Securities reject or accept any Take-Over Bid or take any other action including the commencement, prosecution, defence or settlement of any litigation and the solicitation of additional or alternative Take-Over Bids or other proposals to unitholders that the trustees believe are necessary or appropriate in the exercise of their fiduciary duties.

4.8 Liability

Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Rights Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

ARTICLE 5 MISCELLANEOUS

5.1 Redemption and Termination

- 5.1.1 The Trustees of the Trust acting in good faith may, at their option, at any time prior to the occurrence of a Flip-in Event as to which the application of section 3.1 has not been waived pursuant to the provisions of this section 5.1, with the prior consent of the holders of Units or the holders of Rights given in accordance with section 5.1.6 or 5.1.7, respectively, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.0001 per Right appropriately adjusted in a manner analogous to the applicable adjustment provided for in section 2.3 in the event that an event of the type analogous to any of the events described in section 2.3 will have occurred (such redemption price being herein referred to as the “**Redemption Price**”).
- 5.1.2 The Trustees of the Trust may in respect of any Flip-in Event waive the application of section 3.1 to that Flip-in Event, provided that both of the following conditions are satisfied:
 - 5.1.2.1 the Trustees have determined that the Acquiring Person became an Acquiring Person by inadvertence and without any intent or knowledge that it would become an Acquiring Person; and
 - 5.1.2.2 such Acquiring Person has reduced its Beneficial Ownership of Units such that at the time of waiver pursuant to this section 5.1.2 it is no longer an Acquiring Person.
- 5.1.3 The Rights will become void and be of no further effect, without any further formality, on the date that a Person who has made a Permitted Bid or a Take-Over Bid in respect of which the Trustees have waived or are deemed to have waived the application of section 3.1 pursuant to section 5.1.5 takes up and pays for the Units pursuant to the Permitted Bid or Take-Over Bid, as applicable.
- 5.1.4 At any time before the occurrence of a Flip-In Event as to which the application of section 3.1 has not been waived pursuant to this section 5.1, if a Flip-In Event would occur by reason of an acquisition of Units otherwise than pursuant to a Take-Over Bid made by means of a Take-Over Bid circular to all holders of record of Units (wherever resident) as registered on the books of the Trust and otherwise than in the circumstances set forth in section 5.1.3, the Trustees, with the prior consent of the holders of Units given in accordance with section 5.1.6, may determine to waive the application of section 3.1 to that Flip-In Event. If the Trustees propose such a waiver, the Trustees will extend the Separation Time to a date after but not more than 10 Business Days following the meeting of unitholders called to approve such waiver.

- 5.1.5 At any time before the occurrence of a Flip-in Event as to which the application of section 3.1 has not been waived pursuant to this section 5.1, the Trustees may determine, on prior written notice to the Rights Agent, to waive the application of section 5.1 to a Flip-in Event that would occur by reason of a Take-Over Bid made by means of a take-over bid circular to all holders of record of Units (wherever resident) provided that, if the Trustees waive the application of section 3.1 to such a Flip-in Event, the Trustees will be deemed to have waived the application of section 3.1 to any other Flip-in Event occurring by reason of any Take-Over Bid made by means of a take-over bid circular to all holders of record of Units (wherever resident), which is made prior to the expiry of any Take-Over Bid in respect of which a waiver is, or is deemed to have been, granted under this section.
- 5.1.6 If a redemption of Rights pursuant to section 5.1.1 or a waiver of a Flip-in Event pursuant to section 5.1.4 is proposed at any time before the Separation Time, that redemption or waiver must be submitted for approval to the holders of Units. Their approval will be deemed to have been given if the redemption or waiver is approved by the affirmative vote of a majority of the votes cast by Independent Unitholders represented in person or by proxy at a meeting of holders of the Units duly called and held in accordance with applicable laws and the Trust's Declaration of Trust.
- 5.1.7 If a redemption of Rights pursuant to section 5.1.1 is proposed at any time after the Separation Time, that redemption must be submitted for approval to the holders of Rights. Their approval will be deemed to have been given if the redemption is approved by a majority of the votes cast by the holders of Rights represented in person or by proxy at and entitled to vote at a meeting of holders of Rights. For the purpose of this agreement, each outstanding Right (other than Rights that are Beneficially Owned by any Person referred to in sections 1.1.15.1 to 1.1.15.5 inclusive of the definition of Independent Unitholders) will be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting will be those, as nearly as may be, which are provided in the Trust's Declaration of Trust with respect to meetings of unitholders of the Trust.
- 5.1.8 If the Trustees of the Trust elect to redeem the Rights under section 5.1.1 and that redemption is approved by the holders of Units or the holders of Rights in accordance with section 5.1.6 or 5.1.7, as applicable, the right to exercise the Rights will thereupon terminate, without further action and without notice, and the only right thereafter of the holders of Rights will be to receive the Redemption Price.
- 5.1.9 Within 10 Business Days after the holders of Units or the holders of Rights have approved a redemption of the Rights in accordance with section 5.1.6 or 5.1.7, as applicable, the Trust will give notice of redemption to the holders of the Rights by mailing the notice to each such holder at its last address as it appears on the register of the Rights Agent or, before the Separation Time, on the register of the Transfer Agent for the Units. Any notice which is mailed in the manner provided will be deemed given, whether or not the holder receives the notice. Each such notice of redemption must state the method by which the payment of the Redemption Price will be made. The Trust may not redeem, acquire or purchase for value any Rights at any time in any manner other than as specifically set forth in this section 5.1 or in connection with the purchase of Units before the Separation Time.
- 5.1.10 Where a Take-Over Bid that is not a [Permitted Bid or a Competing](#) Permitted Bid is withdrawn or otherwise terminated after the Separation Time has occurred and before the occurrence of a Flip-in Event, the Trustees may elect to redeem all the outstanding Rights at the Redemption Price by giving notice as contemplated by section 5.1.9. On such redemption, all the provisions of this Agreement will continue to apply as if the Separation Time had not occurred and as if Rights Certificates had not been mailed to each holder of record of Units as of the Separation Time and for all purposes of this Agreement the Separation Time will be deemed not to have occurred.

5.2 Expiration

No Person will have any rights pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in section 4.1.1 of this Agreement.

5.3 Issuance of New Rights Certificates

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Trust may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by its Trustees to

reflect any adjustment or change in the number of or kind or class of shares or units purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

5.4 Supplements and Amendments

- 5.4.1 The Trust may make amendments to this Agreement from time to time in order to correct any clerical or typographical error which the Trustees acting in good faith consider are required to maintain the validity of this Agreement as a result of any change in applicable law or regulations or the decision of any court of regulatory authority.
- 5.4.2 The Trust may not supplement or amend Article 4 without the written concurrence of the Rights Agent.
- 5.4.3 At any time before the Separation Time, the Trust, with the prior approval of the holders of Units, may amend, vary or rescind any of the provisions of this Agreement (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Such approval will be deemed to have been given if the proposed amendment, variation or rescission is approved by the affirmative vote of a majority of the votes cast by Independent Unitholders represented in person or by proxy at a meeting of holders of the Units duly called and held in accordance with applicable laws and the Trust's Declaration of Trust.
- 5.4.4 At any time on or after the Separation Time, the Trust, with the prior approval of the holders of Rights, may amend, vary or rescind any provision of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Such approval will be deemed to have been given if the proposed amendment, variation or rescission is approved by a majority of the votes cast by the holders of Rights represented in person or by proxy at a meeting of holders of Rights and, with necessary modifications, in accordance with the procedures specified in section 5.1.7.
- 5.4.5 Any amendments made by the Trust to this Agreement pursuant to section 5.4.1 which are required to maintain the validity of this Agreement:
 - 5.4.5.1 if made before the Separation Time, must be submitted to the unitholders of the Trust at the next meeting of unitholders and the unitholders, by resolution passed by a majority of the votes cast by Independent Unitholders who vote in respect of such amendment, may confirm or reject such amendment; or
 - 5.4.5.2 if made after the Separation Time, must be submitted to the holders of Rights at a meeting to be called for on a date not later than immediately after the next meeting of unitholders of the Trust and the holders of Rights, by resolution passed by a majority of the votes cast by the holders of Rights who vote in respect of such amendment, and in accordance with the procedures specified in section 5.1.7, may confirm or reject such amendment.

Any such amendment will be effective from the date of the resolution of the Trustees adopting such amendment until it is confirmed or rejected or until it ceases to be effective (as described in this section) and, where such amendment is confirmed, it continues in effect in the form so confirmed. If such amendment is rejected by the unitholders or the holders of Rights or is not submitted to the unitholders or holders of Rights as required, then such amendment will cease to be effective from and after the termination of the meeting at which it was rejected or to which it should have been but was not submitted or from and after the date of the meeting of holders of Rights that should have been that was not held, and no subsequent resolution of the Trustees to amend any provision of this Agreement substantially to the same effect will be effective until confirmed by the unitholders or holders of Rights, as the case may be.

The Trust shall give notice in writing to the Rights Agent of any supplement, amendment, deletion, variation or rescission to this Agreement pursuant to **Section section** 5.4 within five Business Days of the date of any such supplement, amendment, deletion, variation or rescission, provided that failure to give such notice, or any defect therein, shall not affect the validity of any such supplement, amendment, deletion, variation or rescission.

5.5 Fractional Rights and Fractional Units

- 5.5.1 The Trust will not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights. After the Separation Time, there will be paid to the registered holders of the Rights Certificates with regard to which fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the Market Price of a whole Right in lieu of such fractional Rights as of the date such fractional Rights would otherwise be issuable.
- 5.5.2 The Trust will not be required to issue fractional Units upon exercise of the Rights or to distribute certificates which evidence fractional Units. In lieu of issuing fractional Units, the Trust will pay to the registered holder of Rights Certificates at the time such Rights are exercised as herein provided, an amount in cash equal to the same fraction of the Market Price of one Unit at the date of such exercise.
- 5.5.3 The Rights Agent shall have no obligation to make any payments in lieu of issuing fractions of Rights or Units pursuant to paragraph (a) or (b), respectively, unless and until the Trust shall have provided to the Rights Agent the amount of cash to be paid in lieu of issuing such fractional Rights or Units, as the case may be.

5.6 Rights of Action

Subject to the terms of this Agreement, rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights; and any holder of any Rights, without the consent of the Rights Agent or of the holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against the Trust to enforce, or otherwise act in respect of, such holder's right to exercise such holder's Rights, or Rights to which it is entitled, in the manner provided in this Agreement and in such holder's Rights Certificate. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

5.7 Holder of Rights Not Deemed a Unitholder

No holder, as such, of any Rights will be entitled to vote, receive distributions or be deemed for any purpose the holder of Units or any other securities which may at any time be issuable on the exercise of Rights, nor will anything contained herein or in any Rights Certificate be construed to confer upon the holder of any Rights, as such, any of the rights of a unitholder of the Trust or any right to vote for the election of Trustees or upon any matter submitted to unitholders at any meeting thereof, or to give or withhold consent to any Trust action, or to receive notice of meetings or other actions affecting unitholders (except as provided herein), or to receive distributions or subscription rights or otherwise, until such Rights, or Rights to which such holder is entitled, have been exercised in accordance with the provisions hereof.

5.8 Notice of Proposed Actions

In case the Trust proposes after the Separation Time and prior to the Expiration Time (i) to effect or permit (in cases where the Trust's permission is required) any Flip-in Event or (ii) to effect the liquidation, dissolution or winding-up of the Trust or the sale of all or substantially all its assets, then, in each such case, the Trust will give to each holder of a Right, in accordance with section 5.9 hereof, a notice of such proposed action, which will specify the date on which such event is to take place, and such notice will be so given at least 10 Business Days prior to the date of taking of such proposed action by the Trust.

5.9 Notices

Notices or demands to be given or made in connection with this Agreement by the Rights Agent or by the holder of any Rights to or on the Trust will be sufficiently given or made if delivered or sent by mail, postage prepaid or by fax (with, in the case of fax, an original copy of the notice or demand sent by first class mail, postage prepaid, to the Trust following the giving of the notice or demand by fax), addressed (until another address is filed in writing with the Rights Agent) as follows:

First Capital Real Estate Investment Trust
King Liberty Village
85 Hanna Avenue, Suite 400
Toronto, Ontario
M6K 3S3

Attention: Chief Executive Officer
Telephone: 416-216-2092
Fax: 416-941-1655

Notices or demands to be given or made in connection with this Agreement by the Trust or by the holder of any Rights to or on the Rights Agent will be sufficiently given or made if delivered or sent by mail, postage prepaid, or by fax (with, in the case of fax, an original copy of the notice or demand sent by first class mail, postage prepaid, to the Rights Agent following the giving of the notice or demand by fax), addressed (until another address is filed in writing with the Trust) as follows:

Computershare Investor Services Inc.
100 University Avenue
9th Floor, North Tower
Toronto, Ontario
M5J 2Y1

Attention: General Manager, Client Services
Fax: 416-981-9800

Notices or demands to be given or made in connection with this Agreement by the Trust or the Rights Agent to or on the holder of any Rights will be sufficiently given or made if delivered or sent by first class mail, postage prepaid, or fax (with, in the case of fax, an original copy of the notice or demand sent by first class mail, postage prepaid, to such holder following the giving of the notice or demand by fax), addressed to such holder at the address of such holder as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of the Trust for the Units.

If mail service is or is threatened to be interrupted at a time when the Trust or the Rights Agent wishes to give a notice or demand hereunder to or on the holders of the Rights, the Trust or the Rights Agent may, notwithstanding the foregoing provisions of this section 5.9, give such notice by means of publication once in each of two successive weeks in the business section of The National Post or The Globe & Mail or in such other publication or publications as may be designated by the Trust and notice so published will be deemed to have been given on the date on which the first publication of such notice in any such publication has taken place.

5.10 Costs of Enforcement

The Trust agrees that if the Trust or any other Person the securities of which are purchasable upon exercise of Rights fails to fulfil any of its obligations pursuant to this Agreement, then the Trust or such Person will reimburse the holder of any Rights for the costs and expenses (including legal fees) incurred by such holder in actions to enforce his rights pursuant to any Rights or this Agreement.

5.11 Successors

All the covenants and provisions of this Agreement by or for the benefit of the Trust or the Rights Agent will bind and enure to the benefit of their respective successors and assigns hereunder.

5.12 Benefits of this Agreement

Nothing in this Agreement will be construed to give to any Person other than the Trust, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement; but this Agreement will be for the sole and exclusive benefit of the Trust, the Rights Agent and the holders of the Rights.

5.13 Descriptive Headings

Descriptive headings appear herein for convenience only and will not control or affect the meaning or construction of any of the provisions hereof.

5.14 Governing Law

This Agreement and each Right issued hereunder will be deemed to be a contract made under the laws of the Province of Ontario and for all purposes will be governed by and construed in accordance with the laws of such Province applicable to contracts to be made and performed entirely within such Province.

5.15 Language

Les parties aux présentes ont exigé que la présente convention ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en langue anglaise. The parties hereto have required that this Agreement and all documents and notices related thereto and/or resulting therefrom be drawn up in the English language.

5.16 Counterparts

This Agreement may be executed in any number of counterparts and each of such counterparts will for all purposes be deemed to be an original, and all such counterparts will together constitute but one and the same instrument.

5.17 Severability

If any term or provision hereof or the application thereof to any circumstance is, in any jurisdiction and to any extent, invalid or unenforceable, such term or provision will be ineffective as to such jurisdiction to the extent of such validity or unenforceability without invalidating or rendering unenforceable the remaining terms and provisions hereof or the application of such term or provision to circumstances other than those as to which it is held invalid or unenforceable.

5.18 Effective Date

Upon being confirmed and approved by a resolution passed by a majority of the votes cast by Independent Unitholders who vote in respect of confirmation and approval of this Agreement at the Trust's ~~2020~~ **2023** annual meeting of unitholders or at any adjournment or postponement thereof, this Agreement shall be effective and in full force and effect in accordance with its terms from and after such confirmation and approval, and amends, restates and replaces in its entirety the Original Agreement.

5.19 Unitholder Review

This Agreement must be reconfirmed and approved by a resolution of a majority of the votes cast by Independent Unitholders who vote in respect of such confirmation and approval at ~~a~~ the 2026 annual meeting of the unitholders of the Trust ~~to be held not later than September 29, 2023~~ (or an adjournment or postponement thereof) and thereafter at such a meeting to be held, *mutatis mutandis*, every three years thereafter. If this Agreement is not so reconfirmed and approved or is not presented for reconfirmation and approval at any such meeting (or at any postponement or adjournment thereof), this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the close of business on the date which is the earlier of the date of termination of the meeting called to consider the reconfirmation and approval of this Agreement and the date of termination of the annual meeting of the unitholders in the applicable year; provided, that termination shall not occur if a Flip-in Event has occurred (other than a Flip-in Event in respect of which the application of section 3.1 has been waived pursuant to section 5.1), prior to the date upon which this Agreement would otherwise terminate pursuant to this ~~Section~~ section 5.19.

5.20 Regulatory Approvals

Any obligation of the Trust or action or event contemplated by this Agreement will be subject to the receipt of any requisite approval or consent from any governmental or regulatory authority. In addition, the Trust may not make any amendment to this Agreement without the prior written consent of The Toronto Stock Exchange.

5.21 Declaration as to Non-Canadian Holders

If in the opinion of the Trustees of the Trust (who may rely upon the advice of counsel) any action or event contemplated by this Agreement would require compliance with the securities laws or comparable legislation of a jurisdiction outside Canada, the Trustees acting in good faith may take such actions as they may deem appropriate to ensure that such compliance is not required, including without limitation establishing procedures for the issuance to an appropriate Canadian resident acting as a fiduciary (a “**Fiduciary**”) of Rights or securities issuable on exercise of Rights, the holding thereof in trust for the Person entitled thereto (but reserving to the Fiduciary or to the Fiduciary and the Trust, as the Trust may determine, absolute instrument discretion with respect thereto) and the sale thereof and remittance of the proceeds of such sale, if any, to the persons entitled thereto. In no event will the Trust or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to persons who are citizens, residents or nationals of any jurisdiction other than Canada or the United States and any province or territory thereof in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

5.22 Determinations and Actions by the Trustees

All actions, calculations, interpretations and determinations (including all omissions with respect to the foregoing) which are done or made by the Trustees in connection with this Agreement, in good faith, will not subject any Trustee to any liability whatsoever to the holders of the Rights.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

**FIRST CAPITAL REAL ESTATE
INVESTMENT TRUST**

By: _____
Trustee

**COMPUTERSHARE INVESTOR SERVICES
INC.**

By: _____
Authorized Signatory

By: _____
Authorized Signatory

EXHIBIT A
FORM OF RIGHTS CERTIFICATE

Certificate No.	Rights
-----------------	--------

THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF FIRST CAPITAL REAL ESTATE INVESTMENT TRUST, ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT. IN CERTAIN CIRCUMSTANCES (SPECIFIED IN SECTION 3.1.2 OF THE RIGHTS AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR TRANSFEREES OF AN ACQUIRING PERSON OR ITS AFFILIATES OR ASSOCIATES (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT) OR ANY PERSON ACTING JOINTLY OR IN CONCERT WITH ANY OF THEM, MAY BECOME VOID.

RIGHTS CERTIFICATE

This certifies that _____, or registered assigns, is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of Unitholder Rights Plan Agreement, entered into as of September 29, 2020, as amended and restated as of March 28, 2023, and as may be further amended and restated from time to time, ~~dated as of September 29, 2020~~ (the “**Rights Agreement**”) between First Capital Real Estate Investment Trust, a trust created under the laws of Ontario (the “**Trust**”), and Computershare Investor Services Inc., a company incorporated under the laws of Canada, as Rights Agent (the “**Rights Agent**”), which term will include any successor Rights Agent under the Rights Agreement, to purchase from the Trust at any time after the Separation Time (as such term is defined in the Rights Agreement) and prior to the Termination Time (as such term is defined in the Rights Agreement), one fully paid unit of the Trust (a “**Unit**”) at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate together with the Form of Election to Exercise duly executed to the Rights Agent at its principal office in the City of Toronto and in such other cities as may be designated by the Trust from time to time. The Exercise Price will initially be \$50.00 per Right and will be subject to adjustment in certain events as provided in the Rights Agreement.

In certain circumstances described in the Rights Agreement, the number of Units which each Right entitles the registered holder thereof to purchase will be adjusted as provided in the Rights Agreement.

This Rights Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, the Trust and the holders of the Rights Certificates. Copies of the Rights Agreement are on file at the principal executive offices of the Trust and are available upon written request.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate will be exercised in part, the registered holder will be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Certificate may be redeemed by the Trust at a redemption price of \$0.0001 per Right, subject to adjustment in certain events, under certain circumstances at its option.

No fractional Unit will be issued upon the exercise of any Rights evidenced hereby, but in lieu thereof a cash payment will be made, as provided in the Rights Agreement.

No holder of this Rights Certificate, as such, will be entitled to vote or receive distributions or be deemed for any purpose the holder of Units or of any other securities which may at any time be issuable upon the exercise hereof, nor will anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a unitholder of the Trust or any right to vote for the election of Trustees or upon any matter submitted to unitholders at any meeting thereof, or to give or withhold consent to any

action, or to receive notice of meetings or other actions affecting unitholders (except as provided in the Rights Agreement), or to receive distributions or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate will have been exercised as provided in the Rights Agreement.

Signature must be guaranteed by a Canadian schedule I chartered bank, a licensed trust company in Canada, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP).

This Rights Certificate will not be valid or obligatory for any purpose until it will have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Trust.

Date: _____

**FIRST CAPITAL REAL ESTATE
INVESTMENT TRUST**

By: _____

By: _____

Countersigned:

COMPUTERSHRE INVESTOR SERVICES INC.

By: _____

Authorized Signature

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Rights represented by this Rights Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers to _____ (Please print name and address of transferee) the Rights represented by this Rights Certificate, together with all right, title and interest therein, and hereby irrevocably constitutes and appoints _____ as attorney, to transfer the within Rights on the books of the Trust, with full power and substitution.

Dated

Signature
Guaranteed:

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian schedule I chartered bank, a licensed trust company in Canada, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP).

(To be completed if true)

The undersigned hereby represents, for the benefit of all holders of Rights and Units, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or by any Person acting jointly or in concert with any of the foregoing (all capitalized terms are used as defined in the Rights Agreement).

Dated: _____

Signature: _____

(To be attached to each Rights Certificate)
FORM OF ELECTION TO EXERCISE

TO: First Capital Real Estate Investment Trust

The undersigned hereby irrevocably elects to exercise whole Rights represented by the attached Rights Certificate to purchase the Units (or other securities or property) issuable upon the exercise of such Rights and requests that certificates for such units (or other securities or title to such property) be issued in the name of:

(Name)
(Street)
(City and Province)
(Postal Code)
SOCIAL INSURANCE NUMBER

If such number of Rights will not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights will be registered in the name of and delivered to:

(Name) _____
(Street)
(City and Province)
(Postal Code)
SOCIAL INSURANCE NUMBER

Dated

Signature Guaranteed:

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian schedule I chartered bank, a licensed trust company in Canada, a member of the Securities Transfer Association Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). (To be completed if true)

The undersigned hereby represents, for the benefit of all holders of Rights and Units, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or by any Person acting jointly or in concert with any of the foregoing (all capitalized terms are used as defined in the Rights Agreement).

Dated: _____

Signature: _____

NOTICE

In the event the certification set forth above in the Form of Election to Exercise is not completed upon exercise of the Right(s) evidenced hereby or in the event that the certification set forth above in the Form of Assignment is not completed upon the assignment of the Right(s) evidenced hereby, the Trust will deem the Beneficial Owner of the Right(s) evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement) and, in the case of an assignment, will affix a legend to that effect on any Rights Certificates issued in exchange for this Rights Certificate.

SCHEDULE E

FIRST CAPITAL REAL ESTATE INVESTMENT TRUST

MANDATE OF THE BOARD OF TRUSTEES

Please see attached.



First Capital Real Estate Investment Trust

Mandate of the Board of Trustees

December 30, 2019

Last Revised: November 3, 2020

Last Reviewed: November 1, 2022

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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 they are 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 their 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 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, as appropriate, 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.

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 their 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 they are 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 their 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

North American Toll Free Phone:

 **1.888.370.3955**

E-mail: contactus@kingsdaleadvisors.com

Fax: 416.867.2271

Toll-Free Fax: 1.866.545.5580

Outside North America, Banks and Brokers

Call Collect: 416.867.2272



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