



FIRST  
CAPITAL

MANAGEMENT INFORMATION CIRCULAR & NOTICE OF  
ANNUAL AND SPECIAL MEETING OF UNITHOLDERS  
TO BE HELD ON APRIL 2, 2024

FEBRUARY 29, 2024



# A Letter to Unitholders

## Discipline | Stability | Growth

**Dear Fellow Unitholder,**

As we reflect on the last year, I am pleased with the operational and financial performance that we have delivered including earnings growth and an even stronger balance sheet. We continued to successfully re-balance the REIT's best-in-class real estate portfolio by increasing our focus on core grocery anchored retail properties that deliver stable and growing NOI, while at the same time maintaining a deep pipeline of high quality development assets that provides us with significant future growth opportunities in addition to an attractive source of capital from those we choose to monetize. To date, we have completed or have under firm agreement, approximately \$633 million of dispositions under our portfolio optimization plan, with a cumulative yield of less than 3% and an average premium to IFRS carrying value of 21%. We also delivered strong operating performance in 2023, including through leasing renewal spreads of 12.1%, FFO per unit, excluding other gains (losses) and (expenses), of \$1.18, and an improved Net Debt to Adjusted EBITDA ratio of 9.9x.<sup>(1)</sup>

We are proud of our performance and believe that we are well equipped to continue to capitalize on our strengths as a leader in acquiring, developing, owning, and operating grocery anchored open air shopping centres. Our key objectives are to deliver stability and growth in FFO per unit, to deliver NAV growth, and to deliver distribution growth.

We plan to do this through actively managing our real estate portfolio to achieve the optimal mix of stable NOI generating properties and those that don't contribute to FFO yet which are mainly development assets. We will grow our core grocery anchored portfolio through both acquisitions and our development program, continue to create future development assets through our entitlements

program, selectively develop mixed-used projects, and selectively monetize low and no yield properties to reallocate the proceeds in ways that increase unitholder value. Our real estate portfolio has substantial embedded value and we remain confident that we can unlock further value for our unitholders by successfully executing our strategy.

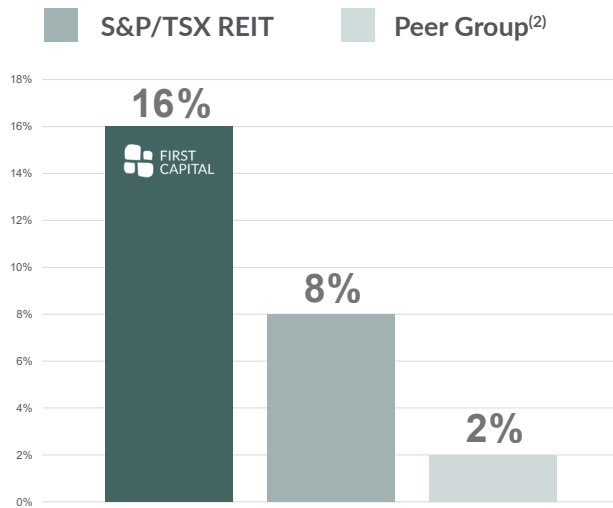
### Key Objectives

- 1 FFO per unit growth
- 2 NAV growth
- 3 Distribution growth

Over the course of the last several years, the REIT has undertaken significant Board renewal, including the appointment of seven new, highly qualified and independent trustees to our ten-member Board. As part of our succession planning and approach to Board renewal, last year I became the Chair of the REIT's Board and we added three new independent trustees with extensive real estate, financial and capital markets expertise. This Board renewal has appropriately balanced new perspectives with the benefits that come from the continuity of trustees who deeply understand our real estate portfolio and business. Our Board and management team have worked hard to deliver strong and growing cash flows and to enhance and maximize the value of your investment in the REIT.

<sup>(1)</sup>Refer to "Non-IFRS Financial Performance Measures" section of the Circular.

#### Total Returns Since Announcing The Optimization Plan<sup>(1)</sup>



<sup>(1)</sup>Total unitholder returns (assuming reinvested distributions) from September 22, 2022 to February 26, 2024

<sup>(2)</sup>Peer set includes Choice Properties REIT, Crombie REIT, CT REIT, RioCan REIT and Smart Centres REIT.

I would like to close by thanking the Board for its commitment and dedication and express my appreciation for the senior leadership team and the entire First Capital team, who continue to drive our real estate strategy and strong operational and financial performance.

Finally, on behalf of the Board and the Executive Leadership Team, we wish to extend our sincere gratitude to our unitholders for your continued support and confidence in the REIT and our real estate strategy. I hope you can participate in our upcoming annual and special meeting of unitholders on April 2, 2024, the details of which are contained in the REIT's accompanying management information circular.

Sincerely,

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





## NOTICE OF 2024 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, April 2, 2024 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/417939013> for the following purposes:

1. to receive the audited consolidated financial statements for the fiscal year ended December 31, 2023, 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 deemed advisable, pass an ordinary resolution, the full text of which is attached as Appendix A to the accompanying Circular approving the proposed amendments to the REIT’s DTU Plan (as defined herein) including, but not limited to, the increase of the maximum number of trust units of the REIT available for issuance under the DTU Plan by an additional 500,000 trust units, as more particularly described in the accompanying Circular (see “*Business of the Meeting – Amendments to the DTU Plan*”);
6. to consider, and if deemed advisable, pass an ordinary resolution, the full text of which is attached as Appendix B to the accompanying Circular approving the proposed amendments to the REIT’s RTU Plan (as defined herein) including, but not limited to, the increase of the maximum number of trust units of the REIT available for issuance under the RTU Plan by an additional 600,000 trust units, as more particularly described in the accompanying Circular (see “*Business of the Meeting – Amendments to the RTU Plan*”); and
7. 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's Board of Trustees has fixed the close of business on February 26, 2024 as the record date, being the date for the determination of the registered holders of trust units ("**Trust Units**") of First Capital REIT entitled to receive notice of and vote at the Meeting. If you are a registered holder of Trust Units of First Capital REIT at the close of business on February 26, 2024, you are entitled to receive notice of, attend and vote your Trust Units at the Meeting, or any postponement(s) or adjournment(s) thereof.

Unitholders are invited to attend the Meeting. Whether or not you plan to attend the Meeting, you are urged to vote your Trust Units using the enclosed form of proxy well in advance of the proxy cut off at 10:00 a.m. (Toronto time) on March 27, 2024. You can vote by proxy (or voting instruction form, as applicable) if you are unable to attend the Meeting. All 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 their discretion.

**Non-registered unitholders of First Capital REIT who have received this Notice of 2024 Annual and Special 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 voting instruction form.** 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 units on behalf of such non-registered unitholder.

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

Unitholders may contact Kingsdale Advisors, First Capital REIT's strategic advisor by telephone at 1-888-823-4343 (toll-free in North America) or 437-561-5010 (text and call enabled outside North America), or by email at [contactus@kingsdaleadvisors.com](mailto: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. The vast majority of unitholders of First Capital REIT vote by proxy using the methods described in the Circular and the hybrid format of the Meeting does not otherwise alter the proxy voting process, but rather the Meeting format itself.

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 any difficulties accessing the Meeting during the check-in, you may attend the Meeting by clicking "Guest" and completing the online form. The virtual platform is fully supported across Internet browsers and devices (desktops, laptops, tablets, and smartphones) running the most updated version of applicable software and plugins. First Capital REIT Unitholders (or their proxyholders) should ensure that they have a strong Internet connection if they intend to attend and/or participate in the Meeting virtually. Participants should allow plenty of time to log in and ensure that they can hear streaming audio prior to the start of the Meeting. Technical support can also be accessed at: [support-ca@lumiglobal.com](mailto:support-ca@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 as they would be at a meeting of unitholders that was being held in person. To ensure fairness for all attendees and in the event there is insufficient time to address all questions, the Chair of the Meeting will decide on the amount of time allocated to each question and may limit or consolidate questions or decline to answer 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.

### **Websites Where Meeting Materials are Posted**

Our Meeting materials can be viewed online on our website at <https://fcr.ca/investors/unitholders/> or under our issuer profile on the System for Electronic Data Analysis and Retrieval + ("SEDAR+") at [www.sedarplus.ca](http://www.sedarplus.ca).

### **How to Obtain a Paper Copy of the Meeting Materials**

Beneficial unitholders may request that paper copies of the Meeting materials be mailed to them at no cost. Requests may be made up to one year from the date that the Circular was filed on SEDAR+ by going to [www.proxyvote.com](http://www.proxyvote.com) and entering the 16-digit control number located on your voting instruction form and following the instructions provided. Alternatively, you may submit a request by calling 1-877-907-7643. Requests should be received by March 18, 2024 (i.e., at least seven business days in advance of the



date and time set out in your voting instruction form as a voting deadline) if you would like to receive the Meeting materials in advance of the voting deadline and Meeting date.

Registered unitholders may request that paper copies of the Meeting materials be mailed to you at no cost. Requests by registered unitholders may be made up to one year from the date that the Circular was filed on SEDAR+ by calling First Capital REIT at 1-866-404-4114. Requests should be received by March 18, 2024 (i.e., at least seven business days in advance of the date and time set out in your proxy form as a voting deadline) if you would like to receive the Meeting materials in advance of the voting deadline and Meeting date.

By Order of the Board of Trustees,

A handwritten signature in black ink, appearing to read "Adam Paul", written in a cursive style.

Adam E. Paul  
President and Chief Executive Officer

February 29, 2024  
Toronto, Ontario

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## MANAGEMENT INFORMATION CIRCULAR

### Basis of Presentation

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

We are sending you this Circular because you owned Trust Units of First Capital REIT as at the close of business on February 26, 2024 (the “**Record Date**”). As a unitholder of record, you are entitled to receive notice of, to attend and to vote at our 2024 annual and special meeting of unitholders (including any postponement(s) or adjournment(s) thereof, the (“**Meeting**”)) to be held on Tuesday, April 2, 2024 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/417939013>.

In this Circular, references to “*we*”, “*us*”, “*our*” and similar terms, as well as the “*REIT*” and the “*Trust*” refer to First Capital REIT. References to the “*Board*” refer to our board of trustees. References to “*You*” and “*your*” refer to the REIT’s unitholders.

The information in this Circular is provided as of February 26, 2024, unless indicated otherwise.

**This Circular is furnished in connection with the solicitation of proxies by and on behalf of management of First Capital REIT for use at the Meeting. The Meeting has been called for the purposes set out in the Notice of Annual and Special Meeting of Unitholders (the “Notice”) that accompanies this Circular.** This Circular includes important information about the items of business we will be covering at the Meeting. It also provides detailed information about the nominated trustees, our governance practices and how we compensate our trustees and executives.

See the discussion below for information about who is entitled to vote and how to vote. First Capital REIT has retained Kingsdale Advisors (“**Kingsdale**”) as its strategic unitholder advisor and proxy solicitation agent to assist in the solicitation of unitholder proxies. In connection with these services, the REIT estimates Kingsdale’s fees will be \$45,000 plus out-of-pocket expenses. The REIT will bear all costs associated with this Circular, the Notice and the form of proxy (or voting instruction form, as applicable), as well as the costs of the solicitation of proxies (or voting instructions). Although the solicitation will be primarily by mail, officers and employees of the REIT may also directly solicit proxies or voting instructions (but not for additional compensation) personally, by telephone or facsimile or by other means of electronic transmission. Banks, brokerage houses and other custodians and nominees or fiduciaries will be requested to forward proxy solicitation materials to their principals and to obtain authorizations for the execution of proxies, and will be reimbursed for their reasonable expenses in doing so.



## **Voting Information**

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

### ***Who can attend the Meeting and vote?***

You have the right to vote on each matter put to a vote at the Meeting if you owned any Trust Units of First Capital REIT as of the close of business on February 26, 2024. Each Trust 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 does it mean if I receive more than one Notice, form of proxy or voting instruction form?***

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

### ***How do I vote?***

First Capital REIT unitholders may vote by proxy before the Meeting or vote at the Meeting (in person or online), as described below.

#### **1. Voting by proxy before the Meeting**

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

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

Paul C. Douglas, Chair of the Board, has agreed to act as the First Capital REIT proxyholder. In the event that Mr. Douglas cannot act as the First Capital REIT proxyholder, Adam E. Paul will serve as the First Capital REIT proxyholder and failing him, Neil Downey, being an officer of First Capital REIT, will serve as the First Capital REIT proxyholder. Proxyholders must vote your units according to your instructions, including on any ballot that may be called. If there are changes to the items of business or new items properly come before the Meeting, a proxyholder can vote as they see fit.

Every unitholder has the right to appoint some other person or entity of their choice as proxyholder to attend and act on their behalf at the Meeting. This person or entity does not need to be a unitholder. See “Appointment of a third party as proxy” below.

### ***Registered Unitholders***

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

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

Proxies, whether submitted through the internet or by telephone or mail, as described above, must be deposited with our transfer agent, Computershare by no later than **10:00 a.m. (Toronto time) on March 27, 2024**, 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 their discretion.

If a registered 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 registered unitholder by completing an online ballot will be counted and the submitted proxy will be disregarded.

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

### ***Non-Registered (Beneficial) Unitholders***

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

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



Non-Registered (Beneficial) unitholders who do not object to their name being made known to the REIT may be contacted by Kingsdale Advisors to assist with conveniently voting their Trust Units directly by telephone. First Capital REIT may also utilize the Broadridge QuickVote™ service to assist such unitholders with voting their Trust Units. Any voting instructions provided by a unitholder will be recorded and such unitholder will receive a letter from Broadridge (on behalf of the unitholder's Intermediary) as confirmation that their voting instructions have been accepted.

Unitholders may contact Kingsdale Advisors, the First Capital REIT's strategic advisor, by telephone at 1-888-823-4343 (toll-free in North America) or 437-561-5010 (text and call enabled outside North America), or by email at [contactus@kingsdaleadvisors.com](mailto: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 form of proxy in advance of the Meeting. Your vote will be taken and counted at the Meeting. **Registered unitholders are encouraged to vote their form of 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 voting instruction form and return it as your intermediary has instructed. Do not otherwise complete the voting instruction form 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 the 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 voting instruction form or the form of proxy sent to you and must follow all of the applicable instructions, including the deadline, provided by your intermediary. See “Appointment of a third party as proxy” and “How do I attend and participate at the Meeting?” below.**

### **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/417939013> prior to the start of the Meeting and login using the Meeting ID (“417-939-013”), password (“firstcapital2024”) (case sensitive) and Control Number (provided on your form of proxy or 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 a person or entity as their proxyholder other than the First Capital REIT proxyholders named in the form of proxy or voting instruction form. This includes non-registered unitholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

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

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

**If you are a non-registered unitholder and wish to vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary AND register yourself as your proxyholder, as described below.** By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary. In some cases, your intermediary may send you additional documentation that must be completed in order for you (or such other person) to vote at the Meeting. Please also see further instructions below under the heading “How do I attend and participate at the Meeting?”.

**If you are a non-registered unitholder located in the United States and wish to vote at the Meeting or, if permitted, appoint a third party as your proxyholder,** in addition to the steps described below under “How do I attend and participate at the Meeting?”, you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to Computershare. Requests for registration from non-registered unitholders located in the United States that wish to vote at the Meeting or, if permitted, appoint a third party as their

proxyholder must be sent by e-mail or by courier to: [uslegalproxy@computershare.com](mailto: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 27, 2024. 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 27, 2024 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, April 2, 2024 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 April 2, 2024 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/417939013>. 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 "**417-939-013**" and Password "**firstcapital2024**" (case sensitive).

### **OR**

- Click "Guest" and then complete the online form.

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

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

If you attend the Meeting online, it is important that you are connected to the internet at all times during the Meeting in order to vote when voting commences during the Meeting. It is your responsibility to ensure



connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedure. If you encounter technical difficulties, please contact Lumi at [support@lumiglobal.com](mailto: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(s) or postponement(s) 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(s) or postponement(s) of the Meeting; or
- (c) in any other manner permitted by law.

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

#### **Non-Registered (Beneficial) Unitholders**

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

### ***What is the voting deadline?***

**If voting by proxy, your proxy must be received by 10:00 a.m. (Toronto time) on March 27, 2024**, 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 their discretion without notice.

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

#### **Voting Recommendations**

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

- **FOR** the election of each of the First Capital REIT nominees named in this Circular as trustees (see *Business of the Meeting – Election of Trustees*);
- **FOR** the reappointment of Ernst & Young LLP as the auditors of 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*);
- **FOR** the amendments to the DTU Plan as disclosed in this Circular (see *Business of the Meeting – Amendments to the DTU Plan*); and
- **FOR** the amendments to the RTU Plan as disclosed in this Circular (see *Business of the Meeting – Amendments to the RTU Plan*).

### **Exercise of Discretion**

The form of proxy (or 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 form of proxy or voting instruction form, your Trust Units 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 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 the 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 their 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 their discretion.

### **VOTING OF UNITS**

As of the close of business on the Record Date, First Capital REIT had outstanding 212,184,309 Trust Units entitled to vote at the Meeting. Each holder of Trust Units of record at the close of business on February 26, 2024 is entitled to vote on all matters proposed to come before the Meeting on the basis of one vote for each Trust Unit held. 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 26, 2024 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.sedarplus.ca](http://www.sedarplus.ca) under our issuer profile.

RBC Global Asset Management Inc. ("**RBC GAM**"), on behalf of its funds and client accounts over which it has discretionary authority, had control or direction over approximately 10.39% of the issued and outstanding units of First Capital REIT as of October 10, 2023. For further information, please refer to the Alternative Monthly report dated October 10, 2023, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) 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 the REIT carrying 10% or more of the voting rights attached to any class of outstanding voting securities as at the close of business on February 26, 2024, the record date for the Meeting.

Unitholders may contact Kingsdale Advisors, the First Capital REIT's strategic advisor, by telephone at 1-888-823-4343 (toll-free in North America) or 437-561-5010 (text and call enabled outside North America), or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).



## BUSINESS OF THE MEETING

### Receiving the Financial Statements

Our consolidated annual financial statements for the fiscal year ended December 31, 2023, and the auditors' report thereon, will be presented at the Meeting. Unitholders may find a copy of these documents in our 2023 Annual Report, which is available on our website at [www.fcr.ca](http://www.fcr.ca) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) 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**”). Ten trustees have been nominated, all of whom currently serve on our Board. All ten nominated trustees are eligible to serve as trustees and have expressed their willingness to do so.

The nominated trustees are:

Paul C. Douglas	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 the First Capital REIT Nominees, see *About the First Capital REIT Nominees* below.

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

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

See *About the Nominated Trustees* below for more information.

#### HIGHLIGHTS OF THE BOARD OF TRUSTEES

- Highly experienced Board of Trustees, with expertise in all key areas of the REIT's business.
- 9 of 10 trustees are independent (assuming re-election of nominees).
- Women represent 30% of the Board and 33% of the independent trustees of the Board (assuming re-election of nominees).
- Independent Chair of the Board.
- 7 new members in the last 5 years (assuming re-election of the nominees).
- Non-executive trustees are subject to term limits (10 years) to promote balance, new perspectives and continuity on the Board.
- Individual and majority voting policy.
- All trustees in 2023 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 their resignation to the Chair of the Board following the applicable meeting or to each member of the Governance and Sustainability 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 Governance and Sustainability Committee for consideration. An “uncontested election” means an election where the number of nominees for trustees is equal to the number of trustees to be elected.

The Governance and Sustainability 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 Governance and Sustainability Committee shall recommend that the Board accept the resignation absent exceptional circumstances that would warrant the applicable trustee to continue to serve on the Board.

The Board shall act on the Governance and Sustainability 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 Governance and Sustainability Committee’s recommendation absent exceptional circumstances. If a resignation is accepted, the Board may, subject to applicable law and the REIT’s declaration of trust, appoint a new trustee to fill any vacancy created by the resignation, reduce the size of the Board or call a meeting of unitholders to appoint a replacement. A resignation will be effective upon its acceptance by the Board. The REIT will promptly issue a news release announcing the Board’s decision. If the Board determines not to accept a resignation, the news release will fully state the reasons for that decision.

### ***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 10<sup>th</sup> 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 15<sup>th</sup> 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 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 Chair 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 and Risk Committee
- Governance and Sustainability Committee; and
- People and Compensation 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 committees are indicated in *About the Nominated Trustees* below.

## **About the Nominated Trustees**


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 the nominated trustees, 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 their responsibilities as a member of the Board (see *Skills Matrix* below). With respect to private company interlocks, Mr. Gluskin and Mr. Abramsky are both members of the Investment Advisory Committee of the Jewish Foundation of Greater Toronto and Mr. Gluskin and Mr. Nesbitt are both members of the Advisory Board of Vision Capital Corporation. No other private company interlocks have been identified between the nominated trustees and the named executive officers.

For additional information regarding the equity holdings and ownership requirements for the nominated trustees, see *Our Corporate Governance Practices – Equity Ownership Guidelines – Current Trustee and Executive Unit Ownership*.

The following profiles also provide the proxy voting results received by each current trustee of the REIT at the REIT's 2023 annual meeting of unitholders held on April 11, 2023 (the "**2023 Annual Meeting**"), where there were unitholders represented in person or by proxy holding 164,328,086 Trust Units of the REIT, representing 76.94% of the REIT's then issued and outstanding voting units.




	<p><b>PAUL C. DOUGLAS</b></p> <p>Age: 71</p> <p>Toronto, Ontario, Canada</p> <p>Chair of the Board since February 7, 2023</p> <p>Trustee of the REIT since June 4, 2019<sup>(1)</sup></p> <p><b>INDEPENDENT</b></p>	<p><b><u>Skills Matrix – Five Key Skills</u></b></p> <p>Corporate Governance / Risk Management</p> <p>Business Leadership / Strategy</p> <p>Real Estate Investment / Operations</p> <p>Capital Markets</p> <p>Accounting / Financial Reporting</p>																
<p><b>Principal Occupation</b></p> <p>Mr. Douglas is the Chair of Canadian Business Banking and Special Advisor to the CEO at TD Bank Group (“<b>TD</b>”) and a Non-Executive Director of TD Global Finance Unlimited Company.</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. A proud supporter of TD’s commitment to diversity in both the workplace and our communities, he was former Chair of TD’s Diversity Leadership Council subcommittee on promoting and enhancing a supportive environment for LGBTQ2+ employees and clients.</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, where he completed both his undergraduate and MBA degrees. In 2023, he received a Doctor of Laws, <i>honoris causa</i>, from McMaster University.</p>																		
<p><b>Other Public Board Memberships</b></p> <p>None</p>		<p><b>Public Board Interlocks</b></p> <p>None</p>																
<p><b>Current Board/Committee Membership</b></p> <p>Chair of the Board<sup>(2)</sup></p> <p>Member of the Audit and Risk Committee<sup>(3)</sup></p> <p>Member of the Governance and Sustainability Committee</p>		<table><tr><th colspan="2">2023 Attendance</th><th colspan="2">2023 Attendance (Total)</th></tr><tr><td>13/13</td><td>100%</td><td rowspan="3">18/18</td><td rowspan="3">100%</td></tr><tr><td>1/1</td><td>100%</td></tr><tr><td>4/4</td><td>100%</td></tr></table>	2023 Attendance		2023 Attendance (Total)		13/13	100%	18/18	100%	1/1	100%	4/4	100%				
2023 Attendance		2023 Attendance (Total)																
13/13	100%	18/18	100%															
1/1	100%																	
4/4	100%																	
<p><b>FCR Equity Ownership</b></p> <table><tr><th>Year</th><th>Trust Units</th><th>DTUs</th><th>Total Unit Ownership</th></tr><tr><td>As at February 24, 2023</td><td>60,000</td><td>32,964</td><td>92,964</td></tr><tr><td>As at February 26, 2024</td><td>75,000</td><td>53,612</td><td>128,612</td></tr></table>		Year	Trust Units	DTUs	Total Unit Ownership	As at February 24, 2023	60,000	32,964	92,964	As at February 26, 2024	75,000	53,612	128,612	<p><b>Equity Interest Requirements</b></p> <table><tr><th>Minimum Requirements</th><th>Meets Requirements</th></tr><tr><td>6 x annual retainer</td><td>Yes</td></tr></table>	Minimum Requirements	Meets Requirements	6 x annual retainer	Yes
Year	Trust Units	DTUs	Total Unit Ownership															
As at February 24, 2023	60,000	32,964	92,964															
As at February 26, 2024	75,000	53,612	128,612															
Minimum Requirements	Meets Requirements																	
6 x annual retainer	Yes																	
<p><b>Voting Results of 2023 Annual Meeting</b></p> <table><tr><th></th><th>Votes For</th><th>Votes Withheld</th><th>Total Votes Cast</th></tr><tr><td># of Votes</td><td>174,661,188</td><td>2,900,515</td><td>177,561,703</td></tr><tr><td>% of Votes</td><td>98.37</td><td>1.63</td><td>100</td></tr></table>					Votes For	Votes Withheld	Total Votes Cast	# of Votes	174,661,188	2,900,515	177,561,703	% of Votes	98.37	1.63	100			
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% of Votes	98.37	1.63	100															

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


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

(3) Mr. Douglas ceased to be a member of the Audit and Risk Committee on April 21, 2023.


	<p><b>ADAM E. PAUL, CPA, CA</b></p> <p>Age: 49</p> <p>Toronto, Ontario, Canada</p> <p>Trustee of the REIT since February 16, 2015<sup>(1)</sup></p> <p><b>NOT INDEPENDENT</b> <b>(President and Chief Executive Officer of the REIT)</b></p>	<p><b><u>Skills Matrix – Five Key Skills</u></b></p> <p>Corporate Governance / Risk Management</p> <p>Business Leadership / Strategy</p> <p>Real Estate Investment / Operations</p> <p>Capital Markets</p> <p>Accounting / Financial Reporting</p>					
<p><b>Principal Occupation</b></p>							
<p>As President and Chief Executive Officer, Mr. Paul is responsible for the overall leadership, strategy, operations and performance of First Capital REIT. Prior to joining the Company in February 2015, Mr. Paul was a senior executive at Canadian Real Estate Investment Trust (“CREIT”) (now Choice Properties Real Estate Investment Trust) where he had direct responsibility for various aspects of CREIT’s business. Mr. Paul is a Chartered Professional Accountant, Chartered Accountant and a former director of Real Property Association of Canada (REALpac).</p>							
<p><b>Other Public Board Memberships</b></p>				<p><b>Public Board Interlocks</b></p>			
<p>None</p>				<p>None</p>			
<p><b>Current Board/Committee Membership</b></p>				<p><b>2023 Attendance</b></p>		<p><b>2023 Attendance (Total)</b></p>	
<p>Member of the Board</p>				<p>13/13</p>	<p>100%</p>	<p>13/13</p>	<p>100%</p>
<p><b>FCR Equity Ownership<sup>(2)</sup></b></p>				<p><b>Equity Interest Requirements</b></p>			
<p><b>Year</b></p>	<p><b>Trust Units</b></p>	<p><b>RTUs</b></p>	<p><b>Total Unit Ownership</b></p>	<p><b>Minimum Requirements</b></p>		<p><b>Meets Requirements</b></p>	
<p>As at February 24, 2023</p>	<p>328,003</p>	<p>255,251</p>	<p>583,254</p>	<p>6 x annual base salary</p>		<p>Yes</p>	
<p>As at February 26, 2024</p>	<p>390,128</p>	<p>222,656</p>	<p>612,784</p>				
<p><b>Voting Results of 2023 Annual Meeting</b></p>							
				<p><b>Votes For</b></p>	<p><b>Votes Withheld</b></p>	<p><b>Total Votes Cast</b></p>	
<p><b># of Votes</b></p>				<p>160,182,740</p>	<p>3,707,110</p>	<p>164,328,086</p>	
<p><b>% of Votes</b></p>				<p>97.74</p>	<p>2.26</p>	<p>100</p>	

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

(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 and 268,158 unvested performance trust units. See *Outstanding Unit-Based Awards and Option-Based Awards* for more information.


	<b>LEONARD ABRAMSKY</b>			<b><u>Skills Matrix – Five Key Skills</u></b>		
	Age: 61 Toronto, Ontario, Canada Trustee of the REIT since June 4, 2019 <sup>(1)</sup> <b>INDEPENDENT</b>			Business Leadership / Strategy Real Estate Investment / Operations Capital Markets Accounting / Financial Reporting Compensation / HR		
<b>Principal Occupation</b>						
<p>Mr. Abramsky is a real estate investor and advisor. He has 40 years of experience in the commercial real estate industry. Mr. Abramsky is currently the President of The Dunloe Group Inc., a Toronto-based real estate investment company. In his current role, he actively oversees investments in private equity, real estate assets and private debt.</p> <p>Along with founding The Dunloe Group Inc., Mr. Abramsky was Managing Partner of Brookfield Financial Corp. (“BFIN”). From 2005 to 2018, he held positions of increasing responsibility with BFIN in a number of areas including the active trading and financing of all forms of commercial property (with a particular focus on retail assets) and overseeing the global expansion of the firm to 9 countries and 15 offices. During this time, he also served on the board of directors of Rouse Properties Inc., a US public retail company which was privatized by Brookfield in 2016.</p> <p>Mr. Abramsky also serves as a Trustee and Chair of the Governance, Compensation and Environmental Committee of Dream Residential Real Estate Investment Trust and as a Trustee and member of the Investment Committee of H&amp;R Real Estate Investment Trust. Mr. Abramsky presently serves as Past 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>						
<b>Other Public Board Memberships</b>				<b>Public Board Interlocks</b>		
Dream Residential Real Estate Investment Trust H&R Real Estate Investment Trust				None		
<b>Current Board/Committee Membership</b>				<b>2023 Attendance</b>		<b>2023 Attendance (Total)</b>
Member of the Board				13/13	100%	20/20      100%
Member of the Audit and Risk Committee				4/4	100%	
Member of the People and Compensation Committee				3/3	100%	
<b>FCR Equity Ownership</b>				<b>Equity Interest Requirements</b>		
<b>Year</b>	<b>Trust Units</b>	<b>DTUs</b>	<b>Total Unit Ownership</b>	<b>Minimum Requirements</b>		<b>Meets Requirements</b>
As at February 24, 2023	73,162	19,543	92,705	6 x annual retainer		Yes
As at February 26, 2024	83,162	27,863	111,025			
<b>Voting Results of 2023 Annual Meeting</b>						
				<b>Votes For</b>	<b>Votes Withheld</b>	<b>Total Votes Cast</b>
<b># of Votes</b>				159,989,927	3,899,923	164,328,086
<b>% of Votes</b>				97.62	2.38	100

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

	<p><b>SHEILA BOTTING</b></p> <p>Age: 65</p> <p>Burlington, Ontario, Canada</p> <p>Trustee of the REIT since June 22, 2021</p> <p><b>INDEPENDENT</b></p>	<p><b>Skills Matrix – Five Key Skills</b></p> <p>Corporate Governance / Risk Management</p> <p>Business Leadership / Strategy</p> <p>Real Estate Investment / Operations</p> <p>Environmental &amp; Climate / Social</p> <p>Compensation / HR</p>				
<p><b>Principal Occupation</b></p> <p>Ms. Botting is currently Principal and President, Americas Professional Services and a member of the Avison Young’s Global Real Estate Executive Leadership team. In her current role, Sheila is responsible for providing leadership and driving growth of core technical services across the Americas. She also serves as an Advisory Board Member to MBI Brands.</p> <p>Ms. Botting was previously a Senior Partner and Canadian Real Estate Leader with Deloitte LLP, 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 requirements. Ms. Botting was also responsible for Deloitte Canada’s corporate real estate and workplace program and led the firm’s transformation toward the workplace of the future, earning multiple industry awards.</p> <p>Prior to Deloitte, Ms. Botting was Executive Managing Director at Cushman &amp; Wakefield Canada, a leading global full real estate services firm, where 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 &amp; Wakefield acquired Royal LePage Commercial Inc. (a Brookfield entity) in 2006 where she also held an executive role. 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.</p>						
<p><b>Other Public Board Memberships</b></p>		<p><b>Public Board Interlocks</b></p>				
<p>None</p>		<p>None</p>				
<p><b>Current Board/Committee Membership</b></p>		<p><b>2023 Attendance<sup>(1)</sup></b></p>		<p><b>2023 Attendance (Total)</b></p>		
<p>Member of the Board</p>		<p>13/13</p>	<p>100%</p>	<p>19/20</p>	<p>95%</p>	
<p>Member of the Governance and Sustainability Committee</p>		<p>4/4</p>	<p>100%</p>			
<p>Member of the People and Compensation Committee</p>		<p>2/3</p>	<p>67%</p>			
<p><b>FCR Equity Ownership</b></p>				<p><b>Equity Interest Requirements</b></p>		
<p><b>Year</b></p>	<p><b>Trust Units</b></p>	<p><b>DTUs</b></p>	<p><b>Total Unit Ownership</b></p>	<p><b>Minimum Requirements</b></p>	<p><b>Meets Requirements</b></p>	
<p>As at February 24, 2023</p>	<p>3,300</p>	<p>13,497</p>	<p>16,797</p>	<p>6 x annual retainer</p>	<p>Yes, as applicable<sup>(2)</sup></p>	
<p>As at February 26, 2024</p>	<p>13,200</p>	<p>26,313</p>	<p>39,513</p>			
<p><b>Voting Results of 2023 Annual Meeting</b></p>						
				<p><b>Votes For</b></p>	<p><b>Votes Withheld</b></p>	<p><b>Total Votes Cast</b></p>
<p><b># of Votes</b></p>				<p>163,464,857</p>	<p>424,933</p>	<p>164,328,086</p>
<p><b>% of Votes</b></p>				<p>99.74</p>	<p>0.26</p>	<p>100</p>

(1) Ms. Botting was unable to attend one committee meeting due to COVID-19 illness in 2023.

(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.


	<p><b>IAN CLARKE, FCPA, FCA, ICD.D</b></p> <p>Age: 63</p> <p>Pickering, Ontario, Canada</p> <p>Trustee of the REIT since June 22, 2021</p> <p><b>INDEPENDENT</b></p>	<p><b><u>Skills Matrix – Five Key Skills</u></b></p> <p>Corporate Governance / Risk Management</p> <p>Business Leadership / Strategy</p> <p>Capital Markets</p> <p>Accounting / Financial Reporting</p> <p>Compensation / HR</p>				
<b>Principal Occupation</b>						
<p>Mr. Clarke is a corporate director. In addition to serving on the Board of First Capital REIT, he serves as a Board member of Altria Group Inc. and as a Board member and Chair of the Audit Committee of AGF Management Limited. He is also a Board member and Chair of the Audit, Finance and Risk Management Committee of the Canadian Olympic Committee. Mr. Clarke 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>Mr. Clarke is a financial professional with over 30 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. He was the Chief Financial Officer, Business Development at Maple Leaf Sports &amp; 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>						
<b>Other Public Board Memberships</b>		<b>Public Board Interlocks</b>				
AGF Management Limited Altria Group Inc.		None				
<b>Current Board/Committee Membership</b>		<b>2023 Attendance</b>		<b>2023 Attendance (Total)</b>		
Member of the Board		13/13	100%	22/22	100%	
Chair of the Audit and Risk Committee <sup>(1)</sup>		4/4	100%			
Member of the Governance and Sustainability Committee <sup>(2)</sup>		3/3	100%			
Member of the People and Compensation Committee <sup>(2)</sup>		2/2	100%			
<b>FCR Equity Ownership</b>				<b>Equity Interest Requirements</b>		
<b>Year</b>	<b>Trust Units</b>	<b>DTUs</b>	<b>Total Unit Ownership</b>	<b>Minimum Requirements</b>	<b>Meets Requirements</b>	
As at February 24, 2023	3,600	13,629	17,229	6 x annual retainer	Yes, as applicable <sup>(3)</sup>	
As at February 26, 2024	9,750	26,785	36,535			
<b>Voting Results of 2023 Annual Meeting</b>						
				<b>Votes For</b>	<b>Votes Withheld</b>	<b>Total Votes Cast</b>
<b># of Votes</b>				163,420,028	469,822	164,328,086
<b>% of Votes</b>				99.71	0.29	100

(1) Mr. Clarke has been a member of the Audit and Risk Committee since June 21, 2021 and was appointed as Chair of the Audit and Risk Committee effective October 1, 2023.


(2) Effective April 21, 2023, Mr. Clarke was appointed to the People and Compensation Committee and was no longer a member of the Governance and Sustainability Committee.

(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). See *Equity Ownership Guidelines* for more information.




	<b>DAYNA GIBBS</b>  Age: 47  Toronto, Ontario, Canada  Trustee of First Capital REIT since April 11, 2023  <b>INDEPENDENT</b>	<b>Skills Matrix – Five Key Skills</b>  Corporate Governance / Risk Management Business Leadership / Strategy Real Estate Investment / Operations Capital Markets Accounting / Financial Reporting					
<b>Principal Occupation</b>							
<p>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. Prior to its privatization in February 2023, Ms. Gibbs was Chief Operating Officer of Summit Industrial Income REIT ("Summit") and she previously served as a Trustee and Chair of the Corporate Governance and Nominating Committee of Agellan Commercial REIT.</p> <p>Ms. Gibbs has a depth of industry expertise with over two decades of real estate, finance, governance and capital markets experience. 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. She then 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. Ms. Gibbs was a Partner with Blair Franklin Capital Partners, a boutique independently owned investment bank.</p> <p>Ms. Gibbs holds an Honours Bachelor of Arts degree in Economics from the University of Western Ontario and is a member of the Institute of Corporate Directors (ICD). She holds a certificate in Artificial Intelligence from The MIT Sloan School of Management and is a Fellow of The Institute of Coaching McLean/Harvard Medical School. Ms. Gibbs was 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>							
<b>Other Public Board Memberships</b>				<b>Public Board Interlocks</b>			
None				None			
<b>Current Board/Committee Membership<sup>(1)</sup></b>				<b>2023 Attendance</b>		<b>2023 Attendance (Total)</b>	
Member of the Board				4/4	100%	8/8	100%
Member of the Audit and Risk Committee				3/3	100%		
Member of the Governance and Sustainability Committee				1/1	100%		
<b>FCR Equity Ownership</b>				<b>Equity Interest Requirements</b>			
<b>Year</b>	<b>Trust Units</b>	<b>DTUs</b>	<b>Total Unit Ownership</b>	<b>Minimum Requirements</b>		<b>Meets Requirements</b>	
As at February 24, 2023	nil	nil	nil	6 x annual retainer		Yes, as applicable <sup>(2)</sup>	
As at February 26, 2024	10,000	8,733	18,733				
<b>Voting Results of 2023 Annual Meeting</b>							
				<b>Votes For</b>	<b>Votes Withheld</b>	<b>Total Votes Cast</b>	
<b># of Votes</b>				163,679,303	210,547	164,328,086	
<b>% of Votes</b>				99.87	0.13	100	

- (1) Ms. Gibbs was initially elected to the Board on April 11, 2023. Effective April 21, 2023, Ms. Gibbs was appointed as a member of the Audit and Risk Committee and the Governance and Sustainability Committee.
- (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.

	<p><b>IRA GLUSKIN</b></p> <p>Age: 81</p> <p>Toronto, Ontario, Canada</p> <p>Trustee of the REIT since February 7, 2023</p> <p><b>INDEPENDENT</b></p>	<p><b><u>Skills Matrix – Five Key Skills</u></b></p> <p>Business Leadership / Strategy</p> <p>Real Estate Investment / Operations</p> <p>Capital Markets</p> <p>Accounting / Financial Reporting</p> <p>Compensation / HR</p>				
<p><b>Principal Occupation</b></p> <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 &amp; 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 Tricon Capital Group and European Residential Real Estate Investment Trust. He is a member of the Advisory Board of Vision Capital Corporation and The University of Toronto’s Real Estate Advisory Committee. Mr. Gluskin 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. He is a member of the Investment Committee of the Jewish Foundation of Greater Toronto and was former Chair of its Investment Advisory Committee. Mr. Gluskin is the former Chair of the University of Toronto Asset Management Corporation and a former member of the Advisory Board of Ewing Morris &amp; Co. Investment Partners Ltd.</p> <p>Mr. Gluskin received a Bachelor of Commerce degree from the University of Toronto in 1964. He received an Honorary Doctor of Laws from Wilfred Laurier University in 2019 and a Doctor of Laws, <i>honoris causa</i>, from The University of Toronto in 2022.</p>						
<p><b>Other Public Board Memberships</b></p>		<p><b>Public Board Interlocks</b></p>				
<p>European Residential Real Estate Investment Trust</p> <p>Tricon Capital Group Inc.</p>		<p>None</p>				
<p><b>Current Board/Committee Membership<sup>(1)</sup></b></p>		<p><b>2023 Attendance</b></p>	<p><b>2023 Attendance (Total)</b></p>			
<p>Member of the Board</p> <p>Member of the Audit and Risk Committee</p> <p>Member of the People and Compensation Committee</p>		<p>10/10</p> <p>3/3</p> <p>2/2</p>	<p>100%</p> <p>100%</p> <p>100%</p>	<p>15/15</p> <p>100%</p>		
<p><b>FCR Equity Ownership</b></p>				<p><b>Equity Interest Requirements</b></p>		
<p><b>Year</b></p>	<p><b>Trust Units</b></p>	<p><b>DTUs</b></p>	<p><b>Total Unit Ownership</b></p>	<p><b>Minimum Requirements</b></p>	<p><b>Meets Requirements</b></p>	
<p>As at February 24, 2023</p>	<p>135,000</p>	<p>nil</p>	<p>135,000</p>	<p>6 x annual retainer</p>	<p>Yes</p>	
<p>As at February 26, 2024</p>	<p>185,000</p>	<p>10,704</p>	<p>195,704</p>			
<p><b>Voting Results of 2023 Annual Meeting</b></p>						
				<p><b>Votes For</b></p>	<p><b>Votes Withheld</b></p>	<p><b>Total Votes Cast</b></p>
<p><b># of Votes</b></p>				<p>163,503,269</p>	<p>386,581</p>	<p>164,328,086</p>
<p><b>% of Votes</b></p>				<p>99.76</p>	<p>0.24</p>	<p>100</p>

(1) Mr. Gluskin was initially appointed to the Board on February 7, 2023. Effective April 21, 2023, Mr. Gluskin was appointed as a member of the Audit and Risk Committee and the People and Compensation Committee.

	<b>ANNALISA KING</b>  Age: 56  Vancouver, British Columbia, Canada  Trustee of the REIT since November 9, 2016 <sup>(1)</sup>  <b>INDEPENDENT</b>	<b>Skills Matrix – Five Key Skills</b>  Corporate Governance / Risk Management Business Leadership / Strategy Real Estate Investment / Operations Accounting / Financial Reporting Compensation / HR					
<b>Principal Occupation</b>							
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 Chair of the Audit Committee of both Saputo Inc. and The North West Company Inc. and a Director of McArthurGlen Designer Outlet Centre (a joint venture between McArthurGlen Group and the Vancouver Airport Authority).							
Ms. King was previously the Chief Financial Officer and Chief Information Officer 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.							
<b>Other Public Board Memberships</b>				<b>Public Board Interlocks</b>			
Saputo Inc. The North West Company Inc.				None			
<b>Current Board/Committee Membership</b>				<b>2023 Attendance</b>		<b>2023 Attendance (Total)</b>	
Member of the Board				13/13	100%	20/20	100%
Member of the Audit and Risk Committee <sup>(2)</sup>				1/1	100%		
Member of the Governance and Sustainability Committee <sup>(2)</sup>				4/4	100%		
Chair of the People and Compensation Committee <sup>(2)</sup>				2/2	100%		
<b>FCR Equity Ownership</b>				<b>Equity Interest Requirements</b>			
<b>Year</b>	<b>Trust Units</b>	<b>DTUs</b>	<b>Total Unit Ownership</b>	<b>Minimum Requirements</b>		<b>Meets Requirements</b>	
As at February 24, 2023	17,661	52,886	70,547	6 x annual retainer		Yes	
As at February 26, 2024	14,621	68,753	83,374				
<b>Voting Results of 2023 Annual Meeting</b>							
				<b>Votes For</b>	<b>Votes Withheld</b>	<b>Total Votes Cast</b>	
<b># of Votes</b>				156,986,942	6,902,908	164,328,086	
<b>% of Votes</b>				95.79	4.21	100	


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

(2) Effective April 21, 2023, Ms. King was appointed as Chair of the People and Compensation Committee and was no longer a member of the Audit and Risk Committee. Ms. King remained as a member of the Governance and Sustainability Committee after her service as the committee chair.

	<b>ALADIN (AL) W. MAWANI, CPA, CA</b>  Age: 72  Toronto, Ontario, Canada  Trustee of the REIT since May 29, 2018 <sup>(1)</sup>  <b>INDEPENDENT</b>	<b>Skills Matrix – Five Key Skills</b>  Corporate Governance / Risk Management  Business Leadership / Strategy  Real Estate Investment / Operations  Environmental & Climate / Social  Accounting / Financial Reporting					
<b>Principal Occupation</b>							
<p>Mr. Mawani is a Principal of Exponent Capital Partners Inc., a private equity investor and real estate advisory firm. He has over 40 years of experience in the commercial real estate industry and is an independent Trustee of Granite Real Estate Investment Trust (“<b>Granite</b>”) and an Independent Director of Extendicare Inc. (“<b>Extendicare</b>”). He is a member of the Audit Committee of both boards and serves as Chair of the Investment Committee and as a 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 and Trustee and Chair of the Audit Committee of each of SmartCentres Real Estate Investment Trust (“<b>SmartCentres</b>”). 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 and Chartered Accountant and holds a Master of Business Administration from the University of Toronto and a Master of Laws from Osgoode Hall Law School. He holds ESG-focused GCB.D designation from Competent Boards and completed the Institute of Corporate Directors’ multi-module course on Board Oversight of Climate Change.</p>							
<b>Other Public Board Memberships</b>				<b>Public Board Interlocks</b>			
Granite Real Estate Investment Trust Extendicare Inc.				None			
<b>Current Board/Committee Membership</b>				<b>2023 Attendance</b>		<b>2023 Attendance (Total)</b>	
Member of the Board				13/13	100%	19/19	100%
Member of the Audit and Risk Committee <sup>(2)</sup>				4/4	100%		
Chair of the Governance and Sustainability Committee <sup>(2)</sup>				1/1	100%		
Member of the People and Compensation Committee <sup>(2)</sup>				1/1	100%		
<b>FCR Equity Ownership</b>				<b>Equity Interest Requirements</b>			
<b>Year</b>	<b>Trust Units</b>	<b>DTUs</b>	<b>Total Unit Ownership</b>	<b>Minimum Requirements</b>		<b>Meets Requirements</b>	
As at February 24, 2023	18,500	44,403	62,903	6 x annual retainer		Yes	
As at February 26, 2024	25,500	56,316	81,816				
<b>Voting Results of 2023 Annual Meeting</b>							
				<b>Votes For</b>		<b>Votes Withheld</b>	<b>Total Votes Cast</b>
<b># of Votes</b>				159,541,498		4,348,352	164,328,086
<b>% of Votes</b>				97.35		2.65	100

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

(2) Effective April 21, 2023, Mr. Mawani was appointed as Chair of the Governance and Sustainability Committee and was no longer a member of the People and Compensation Committee. Mr. Mawani remained as a member of the Audit and Risk Committee after his service as the committee chair.

	<b>RICHARD NESBITT</b>  Age: 68  London, United Kingdom  Trustee of First Capital REIT since February 23, 2023  <b>INDEPENDENT</b>	<b>Skills Matrix – Five Key Skills</b>  Corporate Governance / Risk Management Business Leadership / Strategy Environmental & Climate / Social Capital Markets Compensation / HR					
<b>Principal Occupation</b>							
<p>Mr. Nesbitt is Vice Chair of the Board and Chair of the Investment Committee of OPTrust Pension Fund 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) and a Visiting Professor at the London School of Economics, United Kingdom, where he also serves as Chair of the Inclusion Initiative, a research institute.</p> <p>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 Chief Executive Officer of CIBC World Markets and Chief Operating Officer of CIBC from 2008 to his retirement in 2014. From 2004 to 2008, Mr. Nesbitt was the Chief Executive Officer of the Toronto Stock Exchange Group after having joined as President in 2001.</p> <p>Mr. Nesbitt holds an MSc in Accounting and Finance from LSE, an MBA from Rotman School of Management and an HBA from Ivey Business School, University of Western Ontario. He was awarded the 2019 Lifetime Achievement Award from Rotman School of Management. In 2022, Mr. Nesbitt completed the Institute of Corporate Directors’ multi-module course on Board Oversight of Climate Change. His book (with Michael King) is titled “The Technological Revolution in Financial Services” (UTP 2020) and he published a book (with Barbara Annis) titled “Results at the Top” on the issue of men’s responsibility for gender diversity to improve their organizations (Wiley 2017).</p>							
<b>Other Public Board Memberships</b>				<b>Public Board Interlocks</b>			
None				None			
<b>Current Board/Committee Membership</b>				<b>2023 Attendance</b>		<b>2023 Attendance (Total)</b>	
Member of the Board				7/7	100%	11/11	100%
Member of the Audit and Risk Committee <sup>(1)</sup>				3/3	100%		
Member of the Governance and Sustainability Committee <sup>(1)</sup>				1/1	100%		
<b>FCR Equity Ownership</b>				<b>Equity Interest Requirements</b>			
<b>Year</b>	<b>Trust Units</b>	<b>DTUs</b>	<b>Total Unit Ownership</b>	<b>Minimum Requirements</b>		<b>Meets Requirements</b>	
As at February 24, 2023	nil	nil	nil	6 x annual retainer		Yes, as applicable <sup>(2)</sup>	
As at February 26, 2024	nil	10,211	10,211				
<b>Voting Results of 2023 Annual Meeting</b>							
				<b>Votes For</b>		<b>Votes Withheld</b>	<b>Total Votes Cast</b>
<b># of Votes</b>				163,604,037		285,813	164,328,086
<b>% of Votes</b>				99.83		0.17	100

(1) Mr. Nesbitt was initially appointed to the Board on February 23, 2023. Effective April 21, 2023, Mr. Nesbitt was appointed as a member of the Audit and Risk Committee and the Governance and Sustainability Committee.

(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). 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***

Each of First Capital's REIT Nominees has a wealth of experience in leadership, governance and strategic planning in addition to possessing the necessary level of financial literacy which is required for each Trustee of First Capital. Collectively, they possess the skills and expertise that enable the Board to carry out its responsibilities.

The following skills matrix, reviewed annually, is used to assess the Board's overall strengths. The matrix assists in the Board's regular evaluation process, which balances the need for experience and knowledge of the REIT's business with the benefits of board renewal and diversity. Although the Nominees have a breadth of experience in many areas, the skills matrix lists seven important qualifications determined by the Board and highlights five key skills for each trustee nominee. This is not intended to be an exhaustive list of each Trustee Nominee's skills.

<b>Skills</b>	<b>Douglas</b>	<b>Paul</b>	<b>Abramsky</b>	<b>Botting</b>	<b>Clarke</b>	<b>Gibbs</b>	<b>Gluskin</b>	<b>King</b>	<b>Mawani</b>	<b>Nesbitt</b>
Corporate Governance / Risk Management	✓	✓		✓	✓	✓		✓	✓	✓
Business Leadership / Strategy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Real Estate Investment / Operations	✓	✓	✓	✓		✓	✓	✓	✓	
Environmental & Climate / Social				✓					✓	✓
Capital Markets	✓	✓	✓		✓	✓	✓			✓
Accounting / Financial Reporting	✓	✓	✓		✓	✓	✓	✓	✓	
Compensation / HR			✓	✓	✓		✓	✓		✓

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

As at February 26, 2024, the trustees and executive officers (as defined in National Instrument 51-102 — *Continuous Disclosure Obligations*) of the REIT, as a group, beneficially owned, or exercised control or direction over, an aggregate of 1,000,377 Trust Units representing approximately 0.47% of the aggregate issued and outstanding Trust Units and 4,363,246 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 4,363,246 Trust Units and the group would hold approximately 2.48% of the aggregate issued and outstanding Trust Units as at February 26, 2024.

## ***Additional Disclosure Relating to Trustees***

As of the date hereof, to the knowledge of the REIT and based upon information provided to it by the nominees for election to the Board of Trustees which has not been independently verified by the REIT, no such nominee is or has been in the previous 10 years: (a) a director, chief executive officer or chief financial officer of any company that was subject to an order that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer, or was subject to an order that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; (b) a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (c) bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual. For the purposes of this paragraph, "order" means a cease trade order, an order similar to a cease trade order

or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

### **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 2023, the Audit and Risk Committee recommended to the Board that E&Y be reappointed as the auditor of the REIT for 2024 and the Board accepted such recommendation. Unitholders are being asked to approve the reappointment of E&Y as auditor of the REIT for the ensuing year and to authorize the trustees to fix the remuneration of the auditor. If E&Y is reappointed as auditor, they will serve until the end of the next annual meeting of unitholders and their remuneration for 2024 will be set and approved by the Audit and Risk Committee.

For the year ended December 31, 2023, E&Y was paid \$1,061,840 for audit services and \$260,850 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, 2023 under the heading “External Auditor Services Fees”. Our Annual Information Form may be found on our website at [www.fcr.ca](http://www.fcr.ca) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) under our issuer profile.

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

The management representatives designated in the form of proxy (or voting instruction form) will vote for or withhold from voting the units in respect of which they are appointed by proxy in respect of the reappointment of E&Y as auditor of 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 proxy (or voting instruction form, as applicable). **In the absence of such instructions, such units will be voted FOR the reappointment of E&Y as auditor of 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 the REIT’s executive officers with the long-term interests of unitholders. The Board also believes that unitholders should have the opportunity to fully understand the objectives, philosophy and principles used in its approach to executive compensation decisions and to have an advisory vote on the approach to executive compensation. Detailed disclosure of the compensation program for 2023 can be found under the heading “Executive Compensation” below.

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

**“Resolved, on an advisory basis and not to diminish the role and responsibilities of the Board of Trustees of the REIT, that the unitholders accept the approach to executive compensation disclosed in the Circular delivered in advance of the 2024 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. The REIT will disclose the voting results of the Say-on-Pay Resolution as a part of its report on voting results for the Meeting. In addition, in the event that the Say-on-Pay Resolution does not receive sufficient support of at least 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 People and Compensation Committee will review the REIT's approach to compensation in the context of those concerns. Unitholders who have voted against the Say-on-Pay Resolution will be encouraged to contact the People and Compensation Committee to discuss their specific concerns.

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

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

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

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

First Capital REIT and the Company have given the opportunity to its unitholders/shareholders to vote on Say-on-Pay since 2018 and the voting results on this matter have been included in the reports of voting results filed publicly under First Capital REIT's issuer profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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

YEAR	Votes For	Percentage For	Votes Against	Percentage Against	Outcome
2023	110,242,810	67.27%	53,632,143	32.73%	Carried

In 2023, 67% of unitholders supported our approach to executive compensation (as compared to the 87% of units voted in favour at the REIT's annual and special meeting of unitholders held on June 21, 2022). In response to this result, the People and Compensation Committee initiated a comprehensive review of the REIT's approach to executive compensation. Among other things, our People and Compensation Committee: (i) engaged an independent executive compensation consultant to review our peer groups and compensation programs and structures with the aim to ensure that they are aligned with unitholder interests; (ii) conducted an extensive unitholder outreach program, particularly with those known to have voted against the say-on-pay resolution, led by the Chair of the Board and the Chair of the People and

Compensation Committee focusing specifically on executive compensation; and (iii) analyzed the feedback with respect to the REIT's pay practices to identify areas for improvement. See *Executive Compensation – Compensation Discussion and Analysis – Compensation Program Changes and 2023 Compensation Outcomes* for further details on the comprehensive review and outcome, including the changes the REIT has made to our executive pay program taking into account feedback from unitholders following our Say-on-Pay vote at the 2023 Annual Meeting.

## **Amendments to the DTU Plan**

### ***Objective***

The REIT has established the Deferred Trust Unit Plan (as amended from time to time, the “**DTU Plan**”), which is available to non-employee trustees of the REIT (the “**DTU Participants**”). The purpose of the DTU Plan is to promote a greater alignment of interests between the non-employee trustees of the REIT and the unitholders of the REIT.

### ***Background***

As further discussed under “*Trustees’ Deferred Trust Unit Plan*”, the former deferred share unit plan (“**DSU Plan**”) was replaced by the 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.

### ***DTU Plan Recent Amendments***

The DTU Plan was amended and restated on March 1, 2021 to change the definition of “market price” from a five-day VWAP to a ten-day VWAP to minimize the impact of market volatility and for consistency with the RTU Plan. At the annual and special meeting of unitholders of First Capital REIT held on June 21, 2022, unitholders approved the increase of the maximum number of Trust Units approved for issuance under the DTU Plan from 815,000 to 1,115,000 Trust Units.

### ***Proposed Amendments to the DTU Plan***

The REIT is asking unitholders to consider and, if deemed advisable, to pass the ordinary resolution set forth in Appendix A attached to this Circular and thereby approve the proposed amendments to the DTU Plan as described below. The Board has approved, on the recommendation of the People and Compensation Committee and subject to unitholder approval, and is recommending that unitholders approve, certain amendments to the REIT's DTU Plan including, but not limited, to:

- (i) increasing the maximum number of Trust Units issuable thereunder by 500,000 Trust Units from an aggregate amount of 1,115,000 Trust Units to an aggregate of 1,615,000 Trust Units;
- (ii) modifications to the amendment provision of the DTU Plan to clarify that the People and Compensation Committee of the REIT may amend or modify any outstanding DTU award to the extent that the People and Compensation Committee has the authority under the DTU Plan as so modified or amended from time to time to grant the DTU as so modified or amended from time to time; and
- (iii) certain other modifications which are of an administrative or housekeeping nature, including, but not limited, to, clarifying that there is no obligation for uniformity of treatment of participants under the DTU Plan.

An increase in the number of Trust Units available for issuance under the DTU Plan will (i) allow the REIT to continue to grant awards under the DTU Plan to promote the alignment of interests between the trustees

of the REIT and the unitholders of the REIT; and (ii) permit a continuation of the REIT's market competitiveness in its compensation practices to enable the REIT to continue to attract, retain and motivate trustees whose contributions are important to the future success of the REIT. The proposed amendments to the DTU Plan have been recommended to the Board by the People and Compensation Committee based on advice from its external compensation consultant.

The DTU Plan, as amended, will be referred to as the **"Third Amended and Restated DTU Plan"**. The Toronto Stock Exchange (the **"TSX"**) has conditionally approved the Third Amended and Restated DTU Plan. This discussion is qualified in its entirety by the full text of the Third Amended and Restated DTU Plan (including the blackline reflecting the proposed amendments), which Third Amended and Restated DTU Plan will be substantially in the form attached to this Circular as Appendix C.

### ***Approval Required***

The text of the proposed ordinary resolution approving the above amendments to the DTU Plan is set forth in Appendix A attached to this Circular. To be effective, the resolution must be passed by the majority of votes cast by unitholders present or represented by proxy at the Meeting.

**Unless a unitholder has specified in the enclosed form of the proxy that the Trust Units represented by such proxy are to be voted against the resolutions set out in Appendix A approving all amendments to the DTU Plan (the "DTU Plan Resolution"), the persons in the enclosed form of proxy intend to vote FOR the DTU Plan Resolution. Where no choice is specified by a unitholder, the proxy will confer discretionary authority and will be voted FOR the DTU Plan Resolution.**

### **Amendments to the RTU Plan**

#### ***Objective***

The REIT has established the Restricted Trust Unit Plan (as amended from time to time, the **"RTU Plan"**), which is available to all employees of the REIT (and its respective Affiliates) (the **"RTU Participants"**). The purposes of the RTU Plan are to: (i) foster long-term retention of key employees of the REIT and its Affiliates by enabling them to participate in the growth and development of the REIT by providing such persons with the opportunity, through Restricted Trust Units (**"RTUs"**) and/or Performance Trust Units (**"PTUs"**), to build a meaningful personal investment in the REIT; and (ii) demonstrably align the long-term interests of key employees with the long-term interests of the REIT's unitholders.

#### ***Background***

As further discussed under *"Equity Compensation Plans"*, in 2016, the 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 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 the REIT's key executives with the long-term interests of its unitholders.

On December 30, 2019, pursuant to the Arrangement effecting the REIT conversion, the former restricted share unit plan 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 are governed by the terms of the RTU Plan.



### ***RTU Plan Recent Amendments***

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 People and 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. At the annual meeting of unitholders of First Capital REIT held 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 3,680,554 Trust Units.

### ***Proposed Amendments to the RTU Plan***

The REIT is asking unitholders to consider and, if deemed advisable, to pass the ordinary resolution set forth in Appendix B attached to this Circular and thereby approve the proposed amendment to the RTU Plan as described below. The Board has approved, on the recommendation of the People and Compensation Committee and subject to unitholder approval, and is recommending that unitholders approve, certain amendments to the REIT's RTU Plan including, but not limited, to:

- (i) increasing the maximum number of Trust Units issuable thereunder by 600,000 Trust Units from an aggregate amount of 3,680,554 Trust Units to an aggregate of 4,280,554 Trust Units;
- (ii) modifications to the amendment provision of the RTU Plan to clarify that the People and Compensation Committee of the REIT may amend or modify any outstanding RTU award to the extent that the People and Compensation Committee has the authority under the RTU Plan as so modified or amended from time to time to grant the RTU as so modified or amended from time to time; and
- (iii) certain other modifications which are of an administrative or housekeeping nature, including, but not limited, to: (a) changes to reflect recent developments in applicable employment law, including certain updates to defined terms and the consequences on termination of employment of a RTU Participant under the RTU Plan; (b) the addition of an automatic ten (10) business day extension provision in the event the "Expiry Date" of a RTU or PTU award would otherwise fall during a REIT imposed black-out period; (c) additional provisions addressing the treatment of fractional Trust Units as against the reserve of the RTU Plan and in the context of vesting and/or the redemption of Trust Units; (d) stipulating that unless provided otherwise in an applicable grant agreement, the "Expiry Date" of RTU or PTU awards will be the tenth (10<sup>th</sup>) anniversary of the grant date; (e) stipulating that unless provided otherwise in an applicable grant agreement, RTU or PTU awards will be redeemed through the issuance of Trust Units either from treasury or through open-market purchases; and (f) clarifying that there is no obligation for uniformity of treatment of RTU Participants under the RTU Plan.

The amendments being proposed to the REIT's RTU Plan will permit the REIT to continue to grant awards under the RTU Plan to incentivize management and promote the alignment of interests between employees of the REIT and the unitholders of the REIT. The Board believes that the ability to grant awards under the RTU Plan is a key component of the REIT's total compensation program. In addition, the amendments being proposed will allow RTU and PTU awards to have a redemption date that extends beyond December 31<sup>st</sup> of the third calendar year following the year in respect of which an RTU or PTU is granted, which was the previous limit provided for in the RTU Plan. The Board believes that extending the redemption date of RTU and PTU awards will promote greater alignment of interest between the recipients of such awards and the REIT by permitting the holders thereof to continue to hold such awards and thereby maintain greater long-term equity ownership in the REIT.

In furtherance of the foregoing, modifications have been proposed to the RTU Plan to ensure that the extension of the redemption date remains in compliance with the relevant salary deferral rules under the *Income Tax Act* (Canada). The proposed modifications to the amendment provision of the RTU Plan

described above will also permit the People and Compensation Committee to make modifications to existing RTU or PTU awards to extend the redemption date beyond the current outside date provided under the RTU Plan thereby promoting further alignment of interest with respect to not only prospective RTU or PTU awards, but also through conforming the terms of existing RTU or PTU awards. The Board believes the foregoing amendments are responsive to feedback from unitholders and reflect a desire on the part of the Board to further promote alignment in interest between the REIT's management and unitholders. The proposed amendments to the RTU Plan have been recommended to the Board by the People and Compensation Committee based on advice from its external compensation consultant.

The RTU Plan, as amended, will be referred to as the “**Third Amended and Restated RTU Plan**”. The TSX has conditionally approved the Third Amended and Restated RTU Plan. This discussion is qualified in its entirety by the full text of the Third Amended and Restated RTU Plan (including the blackline reflecting the proposed amendments), which Third Amended and Restated RTU Plan will be substantially in the form attached to this Circular as Appendix D.

***Approval Required***

The text of the proposed ordinary resolution approving the above amendments to the RTU Plan is set forth in Appendix B attached to this Circular. To be effective, the resolution must be passed by the majority of votes cast by unitholders present or represented by proxy at the Meeting.

**Unless a unitholder has specified in the enclosed form of the proxy that the Trust Units represented by such proxy are to be voted against the resolutions set out in Appendix B approving all amendments to the RTU Plan (the “RTU Plan Resolution”), the persons in the enclosed form of proxy intend to vote FOR the RTU Plan Resolution. Where no choice is specified by a unitholder, the proxy will confer discretionary authority and will be voted FOR the RTU Plan Resolution.**

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

#### *Named Executive Officers in 2023*

This section discusses our compensation program and the key compensation decisions for our named executive officer (“**NEOs**”) in 2023. The titles listed below and throughout this section of the Circular apply to 2023 and, except as otherwise noted below, reflect the title the named executive officer held on December 31, 2023:

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 the REIT’s performance and creating value for its unitholders.
- Structured to align executive compensation with the long-term financial performance of the REIT, with the long-term performance of its Trust Units and, ultimately, to align the long-term interests of the executives with those of our unitholders.
- The President and CEO, the members of the executive leadership team and all trustees are subject to equity ownership requirements.
- Equity ownership requirements continue to apply to the President and CEO for a period of one year following him ceasing to hold the office of President and CEO, subject to limited exceptions.
- The REIT has a compensation claw-back policy for the executive leadership team and trustees.
- Vesting timeframe of “at-risk” compensation is designed to expose a material portion of executive compensation to the risks associated with the REIT’s business, including property development and stabilization timelines and financing strategy.
- 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.

	<b>ADAM E. PAUL</b> <b>President and Chief Executive Officer</b>	
<p>Toronto Ontario, Canada</p> <p>Service: 9 years</p> <p>Industry Experience: &gt;15 years</p> <p>Age: 49</p>	<p>Mr. Paul joined the Company in 2015. As President and Chief Executive Officer, he is responsible for the overall leadership, strategy, operations and performance of First Capital REIT. Prior to joining the Company in February 2015, Mr. Paul was a senior executive at Canadian Real Estate Investment Trust ("CREIT") (now Choice Properties Real Estate Investment Trust) where he had direct responsibility for various aspects of CREIT's business. Mr. Paul is a Chartered Professional Accountant, Chartered Accountant, and a former director of Real Property Association of Canada (REALpac).</p>	

	<b>JORDAN ROBINS</b> <b>Executive Vice President and Chief Operating Officer</b>	
<p>Toronto, Ontario, Canada</p> <p>Service: 8 years</p> <p>Industry Experience: &gt;20 years</p> <p>Age: 53</p>	<p>Mr. Robins joined the Company in 2016. As Chief Operating Officer, he is responsible for overseeing various aspects of First Capital REIT's activities, including acquisitions, dispositions, development, design and construction. Previously, he was the Senior Vice President, Planning and Development of RioCan Real Estate Investment Trust. Mr. Robins brings over 20 years of extensive experience and a proven track record in many facets of retail real estate to First Capital REIT including development, leasing and acquisitions.</p>	

	<b>NEIL DOWNEY</b> <b>Executive Vice President, Enterprise Strategies and Chief Financial Officer</b>	
<p>Toronto Ontario, Canada</p> <p>Service: 3 years</p> <p>Industry Experience: &gt;25 years</p> <p>Age: 53</p>	<p>Mr. Downey joined First Capital REIT in 2021. As Executive Vice President, Enterprise Strategies and Chief Financial Officer, he is responsible for managing the 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, Chartered Accountant and a Chartered Financial Analyst.</p>	

	<b>CARMINE FRANCELLA</b> <b>Senior Vice President, Real Estate Services</b>	
	<p>Toronto, Ontario, Canada</p> <p>Service: 8 years</p> <p>Industry Experience: &gt;25 years</p> <p>Age: 59</p>	<p>Mr. Francella joined the Company 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 &amp; Development.</p>

	<b>ALISON HARNICK</b> <b>Senior Vice President, General Counsel and Corporate Secretary</b>	
	<p>Toronto Ontario, Canada</p> <p>Service: 7 years</p> <p>Industry Experience: 7 years</p> <p>Age: 44</p>	<p>Ms. Harnick joined the Company 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 was the founding Co-Chair of the 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 Vice Chair of the Board and Treasurer of Women General Counsel Canada.</p>



## Compensation Program Changes and 2023 Compensation Outcomes

### ***Unitholder Consultation & Compensation Program Changes***

In 2023 and continuing into 2024, we have reviewed and made changes to our executive pay program, taking into account feedback from unitholders following our 2023 Say-on-Pay vote at the 2023 Annual Meeting. In response to the 67% Say-on-Pay voting result, our People and Compensation Committee Chair, together with the Chair of the Board and other independent members of the Board, reached out to a significant number of our unitholders (representing approximately 40% of the REIT's issued and outstanding units) and particularly those known to have voted against the Say-on-Pay resolution at the 2023 Annual Meeting, to better understand their concerns. Of these, unitholders representing approximately 29% of the REIT's issued and outstanding units responded and engaged in meaningful discussions with the People and Compensation Committee Chair and Chair of the Board. Noting that we made several changes to our LTIP program in 2021 and discontinued awarding stock options starting in 2022, no significant executive compensation design issues were identified. Through unitholder engagement, we gained tremendous value in aspects of the compensation programs to adjust, clarify and simplify, further solidifying alignment with our unitholders. Valuable insight was also gained into areas that could benefit from improved disclosure, which is reflected in our Compensation Discussion & Analysis. While the feedback received was varied, the following is a summary of the predominant views on key compensation matters:

- Compensation design: was well-accepted by unitholders; no major design flaws were identified. LTIP design changes implemented in 2021 were also well received.
- ESG performance components: there was an emphasis on achieving the right balance of weighting and ensuring that quantitative metrics are predominant.
- STIP components: there was a focus on the complexity of the program design and an emphasis on streamlining the number of performance components.

The People and Compensation Committee then reviewed the REIT's approach to executive compensation in the context of those concerns and, with input from its external compensation consultants, made the following changes to the REIT's executive compensation policies and practices in response to unitholder feedback:

#### Incentive Design & ESG Metrics

Effective 2024, the STIP corporate performance objectives of the REIT will be simplified with fewer metrics and a lower weighting of ESG components which will be reduced to 20% of performance objectives from 30% with financial performance metrics having an 80% weighting. Additionally, within ESG performance factors, there will continue to be a significant emphasis on quantitative climate-related metrics, which will account for approximately 75% of the 20% ESG performance factor in the STIP.

Effective 2024, PTU performance criteria will no longer include an ESG metric which will be shifted entirely to the STIP in the form of annual greenhouse gas emissions reduction targets to meet the REIT's 2030 and 2050 net-zero commitments, validated by the Science Based Target Initiative (SBTi). Due to the quantified and well-established ESG roadmap including annual GHG targets, it was evident that a long-term ESG component to support directional progress was no longer necessary. See *ESG & Climate Governance – Metrics & Targets*. This results in an adjustment of the PTU performance factors to an allocation of 80% weighting on relative total unitholder return and 20% on FFO performance. This has been effected to better reflect that FFO, though having annual targets that comprise a portion of STIP performance, is largely a 3-year target, thus reflecting longer-term performance as well. Additional disclosure clarifying that the three-year performance period carries the highest weighting in respect of assessing relative total unitholder return is provided in this Circular.

## Peer groups

During 2023 and 2024, the People and Compensation Committee engaged its external compensation consultants to conduct a peer group review as a follow-up to the extensive review conducted in 2020. The 2023/2024 review process found that some peers in the REIT's broad peer group were no longer in the size screening range, resulting in lower relative positioning of the REIT, and thus became less relevant as comparators. In addition, the REIT's broad peer group has been narrowed to create a more appropriate industry-based group with the removal of asset management companies. See *Compensation Discussion and Analysis – 2023 and 2024 Compensation Peer Groups* for additional details.

## Governance Changes

Each year, the People and Compensation Committee, together with the Governance and Sustainability Committee and the Board, look to further improve the REIT's compensation governance as well as overall governance practices. In addition to responding to unitholder feedback relating to the 2023 Say-on-Pay result, the following changes were also implemented:

- Effective 2023, unvested PTUs have been excluded from being counted towards executive ownership requirements as they were previously included in the calculation on a 100% achievement basis.
- Amended the REIT's Compensation Claw-Back Policy to permit recoupment of incentive awards, under certain circumstances, without the requirement of a financial restatement. See *Compensation Discussion and Analysis – Compensation Claw-Back Policy* for details.
- To further strengthen the alignment of the NEOs and senior management, the proposed amendments to the RTU Plan would enable NEOs and executive management to retain vested RTUs and PTUs beyond their vesting date, instead of requiring the automatic settlement of such vested RTUs and PTUs and potentially triggering the sale of some or all of the underlying Trust Units in order to satisfy tax withholding obligations.
- Adopted term limits which provide that non-executive trustees may serve on the Board for ten (10) years from their initial election or appointment to the Board after which the independent trustee may not be nominated for re-election. See *Our Corporate Governance Practices – About the Board - Retirement Policy and Term Limits*.

The changes made in 2023 are in addition to the changes we made in 2021 to our executive pay program, which took into account feedback from unitholders following our 2020 Say-on-Pay vote. Following the 2021 Say-on-Pay vote, unitholders expressed a desire to see an expanded range of the PTUs' performance multiplier to make PTUs fully "at-risk". To be responsive to unitholder feedback, we made the following changes in 2021 to our executive compensation program:

## Performance Trust Units ("PTUs")

- PTUs' performance factor multiplier was expanded to 0% - 200% of target from 50% - 150%; PTUs are fully "at-risk" from a performance conditioning perspective.
- Total unitholder return is assessed relative to a custom peer group and the S&P/TSX Capped REIT Index on a range around median basis.
- Additional performance metrics added: (i) FFO, as adjusted for other gains, losses and expenses, and (ii) ESG progress, specifically focused on reducing greenhouse gas emissions. This climate measure has now been removed from the PTU performance metrics as discussed further above.

## 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).

## 2023 Compensation Outcomes Summary

The performance of the REIT's NEOs is assessed based on predetermined criteria that are established in connection with budgeting and forecasting at the end of the prior fiscal year and approved by the People and Compensation Committee in early 2023. In 2023, the People and Compensation Committee found that the management team performed well, achieving the majority of the financial goals set for the 2023 fiscal year on which NEOs short-term performance is assessed and noted that corporate objective targets were set more aggressively in 2023 than in previous years. Additionally, unitholder-focused initiatives implemented by management in 2023 had a positive impact on the REIT's unit price relative to its peers, with First Capital's total return performing well against its key retail peers and large cap retail peers in 2023 and outperforming its peers leading into 2024. Since announcing the Enhanced Capital Allocation & Portfolio Optimization Plan (the "**Optimization Plan**") in September 2022, the REIT's unit price has consistently performed well among its peers.

The People and Compensation Committee reviewed NEO 2023 base salaries, target bonuses and annual Long-Term Incentive Plan ("**LTIP**") grants with a view to creating further alignment with unitholders' interests. In 2023, the base salaries for the top three NEOs remained the same from 2022, with a 13% base salary increase for the Senior Vice President, Real Estate Services due to his expanded role in 2023 as a result of the elimination of an executive position, reducing the size of the executive leadership team.

From 2022 to 2024 (inclusive), there has been no change to the overall target compensation for the REIT's top three NEOs, which includes base salary, short-term incentive targets, and LTIP awards.

Below is a summary of the 2023 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		
	2022	2023	% change
Adam Paul	900,000	900,000	0%
Jordan Robins	550,000	550,000	0%
Neil Downey	515,000	515,000	0%
Carmine Francella	375,000	425,000	13.33%
Alison Harnick	345,000	355,000	2.90%

### Short Term Incentives

The table below sets forth details regarding 2023 short-term incentives targets and the 2023 and 2022 total award for each NEO:

Name	Base Salary (\$) <sup>(1)</sup>	STIP Target as percentage of base salary (%) <sup>(2)</sup>	2023 STIP Target before Stretch (\$)	2022 STIP Award		2023 STIP Award		Percent- age of Stretch bonus (%)
				Actual Bonus (\$)	Percent age of Target bonus <sup>(3)</sup> (%)	Actual Bonus (\$)	Percent- age of Target bonus (%)	
Adam Paul	900,000	125	1,125,000	956,300	85.0	1,061,370	94.3	73.7
Jordan Robins	550,000	100	550,000	537,900	97.8	540,485	98.3	81.9
Neil Downey	515,000	100	515,000	490,800	95.3	491,928	95.5	79.6
Carmine Francella	425,000	75	318,750	280,100	99.6	319,228 <sup>(4)</sup>	100.1	79.1
Alison Harnick	355,000	60	213,000	178,200	103.3	212,276 <sup>(5)</sup>	99.7	85.4

(1) Base salary is the base salary paid to each NEO in 2023.

- (2) Target is based on the business plan approved by the Board in Q4 2022 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 2022 STIP awards were calculated using the actual base salaries for each NEO from 2022. See – *Base Salary*.
- (4) Excludes \$25,000 awarded by the People and Compensation Committee in 2023 to recognize the expansion of Mr. Francella's role to include oversight of operations as part of the newly combined Real Estate Services Group that merged leasing and operations.
- (5) Excludes \$50,000 awarded by the People and Compensation Committee in 2023 to recognize the expansion of Ms. Harnick's role to include oversight of ESG strategies and programs and for involvement and management of activist-related events and proxy contest.

The People and Compensation Committee followed a well-established and thorough vetting process whereby NEOs were assessed according to predetermined corporate and individual goals. For 2023, the People and 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 2023, with an average achievement of approximately 80% of full stretch bonus. See *Elements of Compensation – Short Term Incentives*.

#### Long-Term Incentives

The REIT's long-term incentives were awarded in the form of PTUs and RTUs in the first quarter of 2023. 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*.

#### *2023 RTU and PTU Grants*

The following table outlines the RTUs and PTUs granted in the first quarter of 2023 to each of the Company's NEOs:

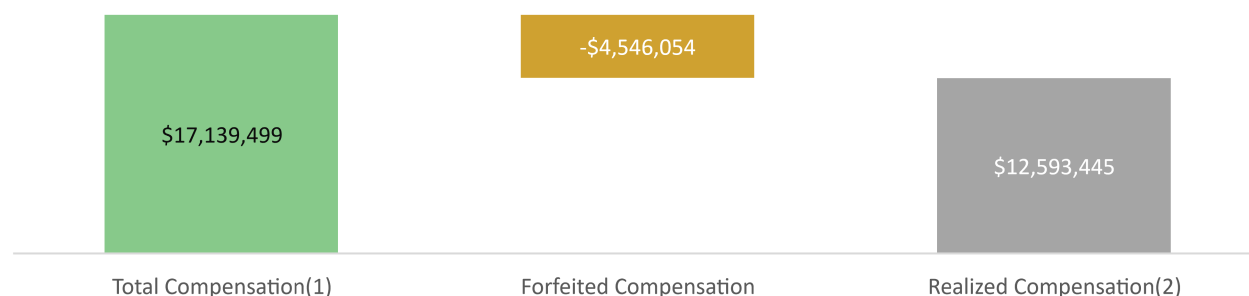
Name	RTUs Granted	PTUs Granted	Unit-Based Awards (\$) <sup>(1)</sup>	Vesting Date
Adam E. Paul	77,651	77,651	2,800,000	February 28, 2026
Jordan Robins	27,732	27,732	1,000,000	February 28, 2026
Neil Downey	22,879	22,879	825,000	February 28, 2026
Carmine Francella	11,093	11,093	400,000	February 28, 2026
Alison Harnick	9,013	9,013	325,000	February 28, 2026

- (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*.

#### *LTIP Effectiveness*

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 2021 resulted in the forfeiture of approximately \$4.5 million (or 27%) 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 – 2021 was similarly impacted over the same period in line with unit performance.

## CEO Compensation Between 2018 - 2021



(1) Total compensation as reported in the Summary Compensation Table of the 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 amounts of the unit-based awards for 2018, 2019 and 2020 (included in realized compensation value) represent the dollar value of the RTUs and PTUs upon vesting, as applicable, in 2021, 2022 and 2023. The amounts of the unit-based awards for 2021 (also included in realized compensation value) represent the dollar value of the RTUs and PTUs vesting on March 1, 2024 with an estimated realized payout value based on the TSX closing price of \$15.34 on December 29, 2023. The crystalized value of equity compensation for the three-year period 2018-2020, results in the forfeiture of approximately \$4.5 million (or 36%) of the CEO's reported compensation for that period. None of the unit-based awards granted in 2021, 2022 or 2023 had vested as of the date of this Circular.

### 2023 Stock Option Grants

No stock options were awarded in 2023.

## Compensation Governance

### Composition and Mandate of the People and Compensation Committee

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

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

#### Members:

- Annalisa King (Chair)
- Leonard Abramsky
- Sheila Botting
- Ian Clarke
- Ira Gluskin

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

Annalisa King was appointed as Chair of the People and Compensation Committee in April 2023 and also serves on the Governance and Sustainability Committee. She is a corporate director and currently is the Chair of the Board of Vancouver Airport Authority. In addition, she serves on the boards of Saputo Inc., The North West Company Inc. and McArthurGlen Designer Outlet Centre (a joint venture between McArthurGlen Group and Vancouver Airport Authority). Previously, she was Chief Financial Officer, Chief Information Officer and Senior Vice President of Best Buy Canada Ltd. Prior to joining Best Buy Canada Ltd., Ms. King was the Senior Vice President of Business Transformation for Maple Leaf Foods in Toronto and prior to that, Vice President of Finance. Earlier in her career, she 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.

Leonard Abramsky is a real estate investor and advisor with 40 years of experience in the commercial real estate industry. He currently serves as a Trustee, Chair of the Governance, Compensation and Environmental Committee and as a member of the Audit Committee of Dream Residential Real Estate Investment Trust. Mr. Abramsky also serves as a Trustee and member of the Investment Committee of H&R Real Estate Investment Trust. Mr. Abramsky is currently the President of The Dunloe Group Inc., a Toronto-based real estate investment company. In his current role, he actively oversees investments in private equity, real estate assets and private debt. Along with founding The Dunloe Group Inc., Mr. Abramsky was Managing Partner of Brookfield Financial Corp. (“BFIN”). From 2005 to 2018, he held positions of increasing responsibility with BFIN in a number of areas including the active trading and financing of all forms of commercial property (with a particular focus on retail assets) and overseeing the global expansion of the firm to 9 countries and 15 offices. During this time, he also served on the board of directors of Rouse Properties Inc., a US public retail company which was privatized by Brookfield in 2016.

Mr. Abramsky presently serves as Past 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.

Sheila Botting is Principal and President, Americas Professional Services and a member of the Global Executive Leadership team at Avison Young and currently serves as an Advisory Board member to MBI Brands. She was previously a Senior Partner and Canadian Real Estate Leader with Deloitte LLP and a member of the firm’s Global Real Estate Executive. Ms. Botting was also responsible for Deloitte Canada’s corporate real estate and workplace program and led the firm’s transformation toward the workplace of the future, earning multiple industry awards. Prior to Deloitte, Ms. Botting was Executive Managing Director at Cushman & Wakefield Canada, a leading global full real estate services firm where 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 an executive role. 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.

Ian Clarke is a corporate director and currently serves as a Board member of Altria Group Inc., a Board member and Chair of the Audit Committee of AGF Management Limited, and a Board member and Chair of the Audit, Finance and Risk Management Committee of the Canadian Olympic Committee. He was Chief Financial Officer of the Greater Toronto Airports Authority (“GTAA”) from April 2017 to December 2022 where his responsibilities included commercial and business partnerships, new business development and corporate strategy. Mr. Clarke was also a GTAA Board member for five years and served as Chair of the Audit Committee for two years. He is a financial professional with over 30 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.

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.

Ira Gluskin is the Chief Investment Officer of Irager + Associates Inc., a multi-family investment office overseeing strategy and investments. He is the co-founder of Gluskin Sheff + Associates Inc., one of Canada’s pre-eminent wealth management firms and served as President & Chief Investment Officer as well as a Director and Vice-Chair. Prior to co-founding Gluskin Sheff + Associates, Mr. Gluskin had worked in the investment industry for 20 years. He currently serves on the Boards of Tricon Capital Group and European Residential Real Estate Investment Trust. Mr. Gluskin currently 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, the Board of the Canadian Jewish News, The Jewish Federation of Palm Beach County Investment Committee, The Walrus Magazine, Capitalize for Kids and the National Theatre School of Canada. Mr. Gluskin is also the former member of the Advisory Board of Ewing Morris & Co. Investment Partners Ltd., 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.

Mr. Gluskin holds a Bachelor of Commerce degree from the University of Toronto. He received an Honorary Doctor of Laws from Wilfrid Laurier University in 2019 and a Doctor of Laws, honoris causa, from the University of Toronto in 2022.

### **Executive Compensation Philosophy**

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

Four core principles underlie our executive compensation programs:

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

#### **1. Pay for Performance**

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

#### **Fixed and At-Risk Compensation**

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

Named Executive Officer	PAY COMPONENTS (as % of Total Compensation Earned)			
	Fixed	At-Risk		Total
	Base Salary & Other Compensation	Annual Incentive Bonus	Equity Compensation	At-Risk Compensation (%)
<b>Adam E. Paul</b>				
2023	20%	22%	58%	80%
2022	21%	20%	59%	79%
2021	19%	25%	56%	81%
<b>Jordan Robins</b>				
2023	28%	25%	47%	72%
2022	28%	25%	47%	72%
2021	29%	28%	43%	71%
<b>Neil Downey</b>				
2023	30%	26%	44%	70%
2022	30%	26%	44%	70%
2021	30%	29%	41%	70%
<b>Carmine Francella</b>				
2023	39%	28%	33%	61%
2022	39%	26%	35%	61%
2021	40%	28%	32%	60%
<b>Alison Harnick</b>				
2023	41%	26%	33%	59%
2022	44%	20%	36%	56%
2021	45%	21%	34%	55%

## 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 People and 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 People and 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:

- Since 2018, a non-binding, advisory vote (Say-on-Pay) is made available annually to provide investors with the opportunity to either endorse or not endorse the REIT's approach to its executive compensation programs and policies.
- The People and 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 and long-term incentive targets are referenced to the business plan and 3-year forecast reviewed in detail, at least annually, by the Board with respect to capital allocation and leverage metrics.
- Short-term incentive compensation (annual incentive cash bonus) is capped as a percentage of base salary that varies depending on the weighting of annual stretch goals (goals set above business plan targets) in accordance with the People and Compensation Committee's analysis and oversight of annual performance metrics. See – *Short Term Incentives – Annual Incentive Cash Bonuses – Approach to Annual Incentive Cash Bonuses*.
- Short-term and long-term incentives are based on a mix of corporate and individual performance measures (i.e., the President and Chief Executive Officer's short-term incentive award is weighted 70% corporate and 30% individual).
- 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.
- Financial performance, including Net Asset Value, is derived from audited annual results and related disclosures approved by the Audit and Risk Committee and the Board.
- 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. These Ownership Requirements are aimed to be best-in-class conditions and are benchmarked against industry peers.
- 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 the REIT for any reason, subject to certain exceptions, as described below and under *Our Corporate Governance Practices – Equity Ownership Guidelines*. This serves to align the longer-term interests of the President and Chief Executive Officer with the longer-term interests of our unitholders.
- An annual review of our compensation practices and targets is undertaken by the People and Compensation Committee to ensure continued appropriateness.
- Adjustments can be made by the People and Compensation Committee where the application of the policies has unintended results.
- We have a formal compensation "claw-back" policy as described under *Compensation Discussion and Analysis – Compensation Claw-Back Policy* which applies to all of our trustees and members of our executive leadership team.

- We have a formal anti-hedging policy as described under *Our Corporate Governance Practices – Hedging* which applies to, among others, all of our trustees, officers and employees.

Other elements of our executive compensation plans and practices which the Board and the People and 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 and entirely based on pre-determined objectives that are aligned with the Board-approved business plan.

As a result of these and other practices, the Board and the People and 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 People and 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 Governance and Sustainability Committee, a financial restatement trigger will permit the recoupment of incentive awards that have been paid or have vested and to cancel unvested long-term incentive awards for all executives and trustees in excess of the amount that would have been received under the restated financial statements and not only executives or trustees whose actions resulted in the financial restatement.

In addition, the Governance and Sustainability Committee may, in its discretion, recoup all or any part of paid or vested incentive awards and/or cancel unvested incentive awards received by an executive where the executive has knowingly engaged in serious misconduct that would justify their termination for cause and which is materially detrimental to the REIT, in which case, such recoupment would apply to the most recently completed financial year.

#### ***Compensation Consultant and Executive Compensation-Related Fees***

In establishing appropriate compensation policies, practices and levels, the People and 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 People and Compensation Committee in fulfilling its duties, the committee periodically retains the services of independent compensation consultants. In December 2019, the People and Compensation Committee retained Hugessen Consulting (“**Hugessen**”) to provide ongoing independent executive compensation advice to the 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 2021 and 2022, Hugessen received aggregate fees of \$55,000 and \$21,700 respectively for services performed relating to determining compensation for the REIT’s trustees

and executive officers. In 2023 and including January 2024, Hugessen received aggregate fees of \$92,000 for services performed relating to peer group analysis, executive and trustee compensation benchmarking, and incentive plan design review. Hugessen did not provide any services to the REIT or any of its trustees, other than compensation services with respect to the trustees and executive officers.

### Executive Compensation Benchmarking

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

### 2023 and 2024 Compensation Peer Groups

During 2023 and 2024, the People and Compensation Committee, in consultation with the external compensation consultant, conducted a Compensation Peer Group refresh review as a follow-up to the extensive review previously conducted in 2020. The Compensation Peer Group was determined in consultation with the REIT’s external compensation consultant based on several factors, including annual revenues, total assets, market capitalization, enterprise value, funds from operations, characteristics of assets, geography of operations and corporate ownership structure. Specifically, scoping criteria of 0.5x to 2x total enterprise value was applied. The review process conducted in 2023 and 2024 found that some peers had fallen outside of the size screening range, resulting in lower relative positioning of the REIT, and thus became less relevant as comparators.

The REIT uses both a broad compensation peer group and a tighter industry-focused comparator group which provides the People and Compensation Committee with more insight and data when conducting their diligence around executive compensation. The People and Compensation Committee places more weight on the smaller industry-focused group during its review. The Compensation Peer Group consists of a broad group of similar-sized organizations across a related industry scope. For 2024, the broad peer group has been narrowed to create a more appropriate industry-based group with the removal of asset management companies. A subset of the broad group, comprised of Canadian publicly traded REITs, is then further analyzed. The Compensation Peer Group and subgroup remained the same from 2023 to 2022.

2023 Compensation Peer Group	
Allied Properties REIT <sup>(1)</sup>	FirstService Corporation
Canadian Apartment REIT <sup>(1)</sup>	H&R REIT <sup>(1)</sup>
Chartwell Retirement Residences <sup>(1)(2)</sup>	IGM Financial Inc.
Choice Properties REIT <sup>(1)</sup>	Metro Inc.
CI Financial Corp.	RioCan REIT <sup>(1)</sup>
Colliers International Group Inc.	SmartCentres REIT <sup>(1)</sup>
Dollarama Inc.	Stantec Inc.
Empire Company Limited	WSP Global Inc.

(1) Canadian REIT Subgroup.

(2) Additional peer vs. 2020 peer group.

Following the conclusion of the Compensation Peer Group review conducted in 2024, the 2024 Compensation Peer Group no longer includes Dollarama Inc., WSP Global Inc., Metro Inc., IGM Financial Inc. and CI Financial Corp. The subgroup for 2024 remains consistent with our 2023 pay peer group, but for the addition of Granite Real Estate Investment Trust. These changes are reflected in the table below.

2024 Compensation Peer Group	
Allied Properties REIT <sup>(1)</sup> Canadian Apartment REIT <sup>(1)</sup> Chartwell Retirement Residences <sup>(1)</sup> Choice Properties REIT <sup>(1)</sup> Colliers International Group Inc. Empire Company Limited	FirstService Corporation Granite Real Estate Investment Trust <sup>(1)(2)</sup> H&R REIT <sup>(1)</sup> RioCan REIT <sup>(1)</sup> SmartCentres REIT <sup>(1)</sup> Stantec Inc.

(1) Canadian REIT Subgroup.

(2) Additional peer vs. 2023 peer group.

To ensure that executive pay programs are competitive, the REIT assesses compensation levels compared to the marketplace on an annual basis. The People and Compensation Committee reviewed benchmarking reports with respect to 2023 compensation where the executive compensation for the REIT was compared with the Compensation Peer Group. The comparator group and other market analysis were used to ensure that executive compensation was substantially in line. The REIT generally establishes target total direct compensation at the median of the Compensation Peer Group, consistent with its compensation philosophy. Compensation for an executive may be set above or below median to reflect the strategic importance of the role within the REIT, market conditions, as well as individual performance and potential. Although market data is considered when making compensation decisions, the People and Compensation Committee also relies on its own experience, information and deliberations to determine individual compensation arrangements.

### 2023 Performance Peer Group

Pursuant to the RTU Plan, the REIT's PTUs are subject to performance vesting conditions, one of which is relative total unitholder return ("TUR"), weighted at 75%. Over the applicable period, TUR 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 People and Compensation Committee, with input from its external compensation consultant, approved the following Performance Peer Group for 2023 PTU grants, which has been unchanged since 2021. Equity compensation grants made in 2023 were made pursuant to the REIT's amended RTU Plan (as defined herein).

The 2023 Performance Peer Group is set out below:

2023 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 no longer part of the REIT's equity compensation program and that portion of compensation was replaced with grants of RTUs.

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

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

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

The following table provides a summary description of the key objective and purpose of each component of executive compensation for 2023. A more detailed description of each element of compensation can be found below the table, including 2023 compensation decisions.

Compensation Component & Form	Summary of Program Objectives
<b>Fixed Compensation</b>	
<b>1. Base Salary</b>	
Cash, paid bi-weekly	<ul style="list-style-type: none"> <li>• 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</li> <li>• To align with the executive's scope of responsibility and individual performance</li> <li>• To attract and retain key talent</li> </ul>
<b>At-Risk Compensation</b>	
<b>2. Short-Term Incentive</b>	
<b>Annual Incentive Cash Bonus</b> Cash, paid in February of the following year (if awarded based on measurable criteria)	<ul style="list-style-type: none"> <li>• To motivate and reward individual executives for the direct contribution they make to First Capital REIT and to the overall achievement of the REIT's annual business plan</li> <li>• To retain key talent</li> <li>• Entirely at-risk – there is no assurance that a bonus will be paid</li> </ul> For more information, see <i>Executive Compensation – Short-term Incentives</i> .



Compensation Component & Form	Summary of Program Objectives
<b>3. Long-Term Incentives</b>	
<b>Restricted Trust Units</b> RTUs awarded in Q1 with three-year vesting criteria	<ul style="list-style-type: none"> <li>• An equity-based incentive to foster retention of key executives and long-term accumulation of Trust Units</li> <li>• To align long-term unitholder interests with key executives</li> <li>• To assist in recruitment of key executives</li> </ul>
<b>Performance Trust Units</b> PTUs awarded in Q1 with pre-set performance-based vesting criteria	<ul style="list-style-type: none"> <li>• An equity-based incentive to foster retention of key executives and long-term accumulation of Trust Units</li> <li>• To provide a forward-looking performance-based component to executive compensation</li> <li>• To align long-term unitholder interests with key executives</li> <li>• To assist in recruitment of key executives</li> </ul>
<b>Other Compensation</b>	
<b>4. Other Benefits</b>	
<b>Medical and Dental Benefits</b> Fully funded by the REIT; executives responsible for co-payments. REIT also contributes to RRSPs for members of executive leadership team	<ul style="list-style-type: none"> <li>• To provide competitive benefits to protect the well-being of key executives</li> <li>• To attract and retain executives</li> </ul>
<b>Indirect Compensation</b> Wellness expense benefit; life insurance coverage and car allowance	<ul style="list-style-type: none"> <li>• To provide competitive benefits to support the well-being of key executives</li> <li>• To attract and retain executives</li> </ul>

### **Base Salary**

The People and 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 2022 and 2023.

Named Executive Officer	Base Salary		
	2022	2023	% change
Adam Paul	900,000	900,000	0%
Jordan Robins	550,000	550,000	0%
Neil Downey	515,000	515,000	0%
Carmine Francella	375,000	425,000	13.33%
Alison Harnick	345,000	355,000	2.90%

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 People and Compensation Committee made the decision to implement a base salary freeze NEOs for 2021 with increases resuming for NEOs in 2022. In 2023, the base salaries for the top three NEOs remained the same from 2022 with a 13% base salary increase for the Senior Vice President, Real Estate Services due to his expanded role in 2023 as a result of the elimination of an executive position, reducing the size of the executive leadership team.

## Short-Term Incentives

### Annual Incentive Cash Bonus

#### Approach to Annual Incentive Cash Bonus

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

Annual cash bonus awards are calculated by the People and 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 2023, the bonus levels for NEOs and the weightings were as follows:

Position	Annual Cash Bonus as % of Base Salary (Threshold/Target/Stretch) <sup>(1)</sup>	Allocation %
President & CEO	55 / 125 / 160	70 corporate / 30 individual
Executive Vice President & COO	25 / 100 / 120	40 corporate / 60 individual
Executive Vice President & CFO	30 / 100 / 120	40 corporate / 60 individual
Senior Vice President, Real Estate Services	35 / 75 / 95	40 corporate / 60 individual
Senior Vice President, General Counsel	20 / 60 / 70	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.

### EXECUTIVE COMPENSATION PROCESS REVIEW HIGHLIGHTS

#### Setting Objectives (Q4)

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

### *Setting Annual Objectives*

The Board holds a meeting in the fourth quarter of every year to review, discuss and approve the REIT's annual business plan for the following year. Early in the following fiscal year, annual corporate and individual NEO performance targets are approved by the People and Compensation Committee, on the recommendation of management, based on the REIT's annual business plan. Annual performance objectives for the REIT's executives are specific, measurable goals designed to align the interest of executives with the REIT's business objectives as well as each executive's ability to attain these objectives. The annual incentive cash bonus awards are based on actual achievements relative to these established performance measurement targets, as reviewed and approved by the People and Compensation Committee. In 2020, the Compensation Committee (as it was then known) 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 People and 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 People and Compensation 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 People and Compensation Committee to assess his achievements against his individual predetermined performance goals and corporate goals. The People and Compensation Committee then reviews the assessments and considers the CEO's recommendations based on each NEO's accomplishments. If the People and Compensation Committee determines that a bonus is warranted, it approves the annual cash incentive bonus awards for each of the NEOs.

The People and Compensation Committee may, in its judgment, vary incentive awards payable to executives, to reward exceptional performance or for other reasons determined by the People and Compensation Committee. In 2023, the People and Compensation Committee awarded \$25,000 to Mr. Francella due to his expanded role and \$50,000 to Ms. Harnick in recognition of her expanded role and involvement and management of activist-related events and proxy contest.

#### **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 People and 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 People and Compensation Committee.
- CEO meets with People and Compensation Committee to assess his achievements against his predetermined individual performance goals and corporate goals.
- Based on the assessments, the People and Compensation Committee considers the performance of each NEO, including the CEO.
- If the People and Compensation Committee determines that a bonus is warranted, it approves an annual cash incentive bonus award for each NEO, including the CEO.

## 2023 Annual Performance and Incentive Bonus Compensation Outcomes

The following table below sets forth details regarding the annual incentive bonus target and 2023 and 2022 total award for each NEO:

Name	Base Salary (\$) <sup>(1)</sup>	STIP Target as percentage of base salary (%) <sup>(2)</sup>	2023 STIP Target before Stretch (\$)	2022 STIP Award		2023 STIP Award		
				Actual Bonus (\$)	Percent-age of Target bonus <sup>(3)</sup> (%)	Actual Bonus (\$)	Percent-age of Target bonus (%)	Percent-age of Stretch bonus (%)
Adam Paul	900,000	125	1,125,000	956,300	85.0	1,061,370	94.3	73.7
Jordan Robins	550,000	100	550,000	537,900	97.8	540,485	98.3	81.9
Neil Downey	515,000	100	515,000	490,800	95.3	491,928	95.5	79.6
Carmine Francella	425,000	75	318,750	280,100	99.6	319,228 <sup>(4)</sup>	100.1	79.1
Alison Harnick	355,000	60	213,000	178,200	103.3	212,276 <sup>(5)</sup>	99.7	85.4

(1) Base salary is the base salary paid to each NEO in 2023.

(2) Target is based on the business plan approved by the Board in Q4 2022 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 2022 STIP awards were calculated using the actual base salaries for each NEO from 2022. See – *Base Salary*.

(4) Excludes \$25,000 awarded by the People and Compensation Committee in 2023 to recognize the expansion of Mr. Francella's role to include oversight of operations as part of the newly combined Real Estate Services Group that merged leasing and operations.

(5) Excludes \$50,000 awarded by the People and Compensation Committee in 2023 to recognize the expansion of Ms. Harnick's role to include oversight of ESG strategies and programs and for involvement and management of activist-related events and proxy contest.

### Annual Incentive Bonus – Corporate Performance Goals

The corporate goals for 2023 were comprised of: (i) performance goals for financial growth and specific strategic initiatives and (ii) performance goals for ESG initiatives. For the purposes of the 2023 scorecard, the corporate goals were weighted 70% (financial/strategic) and 30% ESG initiatives.

The following is a summary of the annual corporate goals for 2023 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 2023 as a result of any 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 the REIT despite macro economic and geopolitical factors that impacted equity capital markets and credit markets throughout the year.

#### (i) Performance Goals for Financial Growth/Strategic Initiatives (70% of corporate goals)

Performance Goal	Weight	Outcome & Analysis	Bonus
Achieve target FFO <sup>(1)(2)</sup> \$ per unit threshold of \$1.195, target of \$1.225; stretch of \$1.255 <sup>(2)</sup>	7.5%	\$1.214 per unit <sup>(2)</sup> (between threshold and target)	6.16%
Achieve increase in NAV <sup>(1)</sup> \$ per unit threshold of \$24.00; target of \$24.75; stretch of \$25.50	5%	\$21.95 (below threshold)	0%
Total SP NOI <sup>(1)</sup> growth (excl. LTFs) threshold of 2.60%; target of 2.90%; stretch of 3.20%	7.5%	2.2% (below threshold)	0%
Achieve lease renewal lift threshold of 7.5%; target of 8.5%; stretch of 9.5%	7.5%	12.1% lift (exceeded stretch)	11.25%
Achieve year end occupancy threshold of 95.5%; target 95.8%; stretch 96.1%	7.5%	96.2% (exceeded stretch)	11.25%

Cumulative execution of strategic dispositions under the \$1B plan <sup>(3)</sup> for the calendar year threshold of \$400M; target of \$500M; stretch of \$600M	15%	\$453.5M (between threshold and target)	11.51%
Average rental rate threshold of \$23.50; target of \$23.75; stretch of \$24.00	5%	\$23.34 (below threshold)	0%
Debt to EBITDA <sup>(4)</sup> threshold of 10.1x; target of 9.9x; stretch of 9.7x	10%	9.8x (between target and stretch)	13.0%
Debt to assets threshold of 43.5%; target of 43.2%; stretch of 42.9%	5%	45.05% (below threshold)	0%

**Bonus Achievement Subtotal: 53.17% out of 70%**

- (1) FFO, NAV and NOI are measures of operating performance not defined by International Financial Reporting Standards ("IFRS"). These non-IFRS measures are further defined and discussed in the REIT's management discussion and analysis for the three months and year ended December 31, 2023. Since these non-IFRS measures do not have standard meanings prescribed by IFRS, they may not be comparable to similar measures reported by other issuers and should not be considered as an alternative to net income, cash flow from operating activities or any other measure prescribed under IFRS.
- (2) Excludes all costs associated with proxy and meeting-related matters (which exceed the amount for an uncontested annual unitholders' meeting) of \$6.9M or \$0.032 per unit.
- (3) Includes closed or firm transactions entered into in 2023.
- (4) Excludes \$6.9M of costs related to unitholder activism.

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

Performance Goal	Weight	Analysis	Bonus
Completion of GHG reduction plans for each asset threshold of 65%; target of 80%; stretch of 95%	10%	95.3% (exceeded stretch)	15%
Establishment of Tenant Climate Collaboration Forum working groups	7.5%	Achieved by year-end (target achieved)	7.5%
Increase employee awareness and understanding of Climate Change considerations for FCR with achievement of an average score of 80% on Climate-focused education quizzes	2.5%	Average score 88.0% (target achieved)	2.5%
Identify vacant or excluded from inventory spaces in the portfolio that could be offered to charitable groups for housing or community-related activities	5%	Pilot project implemented (exceeded stretch)	7.5%
ED&I training for all employees ( <i>Pride at Work, Four Seasons of Reconciliation</i> ) target 80% completion	2.5%	Achieved (target achieved)	2.5%
FCR Thriving Neighbourhoods Initiative: employees to use designated annual volunteer day threshold of 75%; target 80%; stretch 85%	2.5%	93% employees used designated volunteer day (exceeded stretch)	3.75%

**Bonus Achievement Subtotal: 38.75% out of 30%**

**CORPORATE SCORECARD COMPONENT TOTAL: 91.92% out of 143.75% (inclusive of stretch metrics)**

## Annual Incentive Bonus – Individual Performance Goals

In administering the annual incentive bonus plan, the People and Compensation Committee may, in its judgment, vary incentive awards payable to executives if the application of the REIT's incentive formula has unintended results. For 2023, the People and Compensation Committee reinstated awarding full short-term incentive bonus amounts after having imposed downward adjustments in 2020 and 2022. In 2022, as recommended by the CEO, the People and 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. Additionally, in 2020, to more closely align the NEOs with unitholders, management recommended, and the People and 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 2020 or 2021 as a result of the pandemic and the People and Committee did not vary the threshold, mid, target or stretch levels or weightings applicable to such goals.

In 2023, the People and 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 People and 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	2023 Analysis
<ul style="list-style-type: none"> <li>Pursue strategic opportunities with a view to achieving the REIT's 2023 business plan and enhancing investment returns, including debt reduction in line with the Optimization Plan</li> <li>Drive culture and employee engagement internally and effectively communicate the REIT's strategy externally</li> <li>Support ESG initiatives to ensure achievement of FCR's ESG roadmap including GHG emissions reduction planning and implementation towards achieving SBTi-validated net zero targets</li> <li>Pursue and oversee key investment activities with a view to achieving the REIT's 2023 strategic objectives, including dispositions in line with the Optimization Plan</li> <li>Maintain a strong investor relations program, including regular outreach to top unitholders</li> </ul>	<p>Target performance was achieved including Debt to EBITDA at year-end of 9.8x (exceeded target)</p> <p>Target based on communication of Optimization Plan which has been widely accepted and endorsed by analysts, investors and employees</p> <p>Target based achievement of asset plans mapping GHG emissions (exceeded stretch) and 5-year (publicly available) ESG roadmap remaining on track</p> <p>Target based on firm or closed disposition transactions; executed strategic acquisitions</p> <p>Target based on execution of investor relations program and execution of Investor Day (while held in 2024, significant work was undertaken in 2023)</p>

**INDIVIDUAL SCORECARD ACHIEVEMENT: 30% out of 30%**  
**TOTAL SCORECARD ACHIEVEMENT (including Corporate Scorecard weighted at 70%): 94.34%**

The People and Compensation Committee was of the view that Mr. Paul demonstrated exceptional leadership in 2023, leading to the achievement of many corporate stretch goals especially considering the significant challenges posed by macroeconomic volatility and geopolitical events, and the continued execution of First Capital's Optimization Plan (and its success demonstrated by increased FFO growth, debt reduction and enhanced total unitholder returns). The stretch corporate goals were set above budgeted targets set in the REIT's business plan. Mr. Paul received 73.7% of his eligible stretch bonus which is the equivalent to 94.3% of his eligible target bonus. In the prior year, Mr. Paul achieved 106% of his pre-determined target performance metrics; however, to demonstrate alignment with unitholder returns in previous years, the People and 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.

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

Performance Goal	2023 Analysis
Financial Growth	Exceeded stretch based on predetermined goals
▪ Total property occupancy, lease renewal lift	
Strategic Initiatives	Between threshold and target based on disposition value
▪ Dispositions under Optimization Plan	
Construction & Development	Target based on predetermined goals except below threshold on severance objective
▪ Entitlement submissions, zoning approvals, severance, permits	
Leasing	Target based on achievement
▪ Finalize remerchandising plans and optimization plans for specific properties	
Asset Strategy	Target based on achievement
▪ Implement automation technology	
CEO assessment as to overall performance	Target

**INDIVIDUAL SCORECARD ACHIEVEMENT: 61.51% out of 60%**  
**TOTAL SCORECARD ACHIEVEMENT (including Corporate Scorecard weighted at 40%): 98.27%**

Mr. Robins received 81.9% of his eligible stretch bonus which is the equivalent to 98.3% of his eligible target bonus. In the prior year, he received 88.9% of his eligible stretch bonus which was the equivalent of 97.8% of his eligible target bonus.



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

Performance Goal	2023 Analysis
<b>Financial Objectives</b> <ul style="list-style-type: none"> <li>AFFO (ex-OGLE<sup>(1)</sup>) target of \$210 million</li> <li>Net debt/Total Assets target of 43.2%</li> </ul>	<p>Exceeded target</p> <p>Below threshold</p>
<b>Culture</b> <ul style="list-style-type: none"> <li>Execute on department-wide initiative</li> </ul>	Achieved
<b>Investor Relations and Financial Management</b> <ul style="list-style-type: none"> <li>Enhance REIT's communication and relationship with stakeholders – evolve MD&amp;A and IR presentation; meet with target equity and debt investors</li> <li>Maintain investment grade credit ratings</li> <li>Maintain appropriate capital structure and access to capital at competitive costs</li> </ul>	<p>Target based on predetermined milestones with respect to each category identified</p> <p>Achieved</p> <p>Achieved</p>
<b>Information Technology Management</b> <ul style="list-style-type: none"> <li>Support the Chief Information Officer and IT team with implementation of data strategy products and automation projects</li> </ul>	Achieved
CEO assessment as to overall performance	Target
<b>INDIVIDUAL SCORECARD ACHIEVEMENT: 58.75% out of 60%</b>	
<b>TOTAL SCORECARD ACHIEVEMENT (including Corporate Scorecard weighted at 40%): 95.52%</b>	

(1) Excluding OGLE amounts (which are not forecast) and prior to costs related to activism

Mr. Downey received 79.6% of his eligible stretch bonus which is the equivalent to 95.5% of his eligible target bonus. In the prior year, he received 86.6% of his eligible stretch bonus which was the equivalent of 95.3% of his eligible target bonus.

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

Performance Goal	2023 Analysis
<b>Financial Growth</b> <ul style="list-style-type: none"> <li>Occupancy</li> <li>Lease renewal lift</li> <li>National accounts receivable debit balance</li> <li>Operating cost control</li> </ul>	<p>Stretch</p> <p>Stretch</p> <p>Stretch</p> <p>Stretch</p>
<b>Innovation</b> <ul style="list-style-type: none"> <li>Enhancements to deal cycle and portfolio management software</li> <li>Tender refreshment</li> <li>Automation of transfer process</li> <li>Portfolio alignment</li> </ul>	<p>Target based on predetermined goals relating to software enhancements</p> <p>Between threshold and target (mid) for tender refreshment</p> <p>Target based on predetermined goals relating to portfolio alignment and transfer process</p>
<b>Deals and Possession</b> <ul style="list-style-type: none"> <li>Total deals</li> <li>Total Possessions</li> </ul>	Between target and stretch based on predetermined goals for total deals and possessions

Project Leasing	Below threshold results on 2 out of 7 spaces
▪ Predetermined goals for 7 specific spaces	Between mid and target results on 5 out of 7 spaces
CEO assessment as to overall performance	Target
<b>INDIVIDUAL SCORECARD ACHIEVEMENT: 63.38% out of 60%</b>	
<b>TOTAL SCORECARD ACHIEVEMENT (including Corporate Scorecard weighted at 40%): 100.14%</b>	

Mr. Francella received 79.1% of his eligible stretch bonus which is the equivalent to 100.1% of his eligible target bonus. In the prior year, he received 87.9% of his eligible stretch bonus which was the equivalent of 99.6% 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	Stretch
▪ Total possessions	Between threshold and target
▪ National accounts receivable debit balance	Stretch
▪ Lease renewal lift	Stretch
▪ Total deals	Stretch
ESG Initiatives	
▪ Implement Tenant Collaboration Forum working groups	Achieved
▪ Complete asset level GHG emissions reduction plans	
Strategic Initiatives / Transactions	
▪ Planning and execution of special projects and transactions	Achieved
Culture	
▪ Leverage Technology – integration of lease abstraction software and upgrade of subsidiary governance software	Achieved
▪ Oversight of Thriving Neighbourhoods Foundation	Achieved
CEO assessment as to overall performance	Target
<b>INDIVIDUAL SCORECARD ACHIEVEMENT: 62.90% out of 60%</b>	
<b>TOTAL SCORECARD ACHIEVEMENT (including Corporate Scorecard weighted at 40%): 99.66%</b>	

Ms. Harnick received 85.4% of her eligible stretch bonus which is the equivalent to 99.7% of her eligible target bonus. In the prior year, she received 93.9% of her eligible stretch bonus which was the equivalent of 103.3% 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 People and Compensation Committee as part of its regular review of compensation. Generally, the People and Compensation Committee makes RTU and PTU grants with a view to providing competitive total target compensation packages. For 2023, the 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 the REIT's year-end financial results in accordance with the REIT's Disclosure and Insider Trading Policy.

In administering the equity compensation plans, the People and Compensation Committee may, in its judgment, vary incentive awards payable to executives if the application of the REIT's formula has unintended results, to reward exceptional performance or for other reasons determined by the People and Compensation Committee. There were no adjustments made to any equity compensation awards payable in 2023.

## **Equity Compensation Plans**

The People and Compensation Committee administers our equity compensation plans. Currently, the REIT has one active management equity compensation plan, the RTU Plan, pursuant to which grants are made of (i) PTUs; and (ii) RTUs. Prior to its discontinuation in 2022, stock options were granted pursuant to our Stock Option Plan. The equity compensation grants made to NEOs in 2023 were awarded based on a mix of 50% PTUs and 50% RTUs.

All of the REIT's active equity compensation plans have a double trigger requirement for accelerated vesting to occur. Upon the expiration or exercise of all remaining options historically granted under the terminated Stock Option Plan, all outstanding equity compensation will be subject to a double trigger for accelerated vesting.

### **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.
- In 2023, the People and Compensation Committee engaged 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 People and Compensation Committee for the award of long-term incentives for NEOs (other than the CEO) with reference to the long-term performance of the REIT in the prior fiscal year as well as pay mix and base salary for the current year based on each NEO's assessment and competitive market data.
- People and 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.
- People and Compensation Committee approves compensation for the fiscal year (retroactive to January 1<sup>st</sup>) for each NEO as well as long-term incentive awards which are generally granted in Q1.
- For more information see *Elements of Compensation – Base Salary; – Short Term Incentives; and – Long-Term Incentives*.

### RTU Plan Recent Amendments

In 2016, the REIT created and began to issue PSUs (now PTUs) to the members of the executive leadership team as an alternative to time-based RSUs (now RTUs) pursuant to an amended RSU (now RTU) Plan. PTUs are adjusted by a performance factor at the time of vesting that is based on the relative performance of the Trust Units against the S&P/TSX Capped REIT Index and the Performance Peer Group (see *Executive Compensation – Compensation Program Changes – Performance Trust Units*) as well as three-year FFO targets and greenhouse gas emissions reduction targets. Starting in 2024, the performance factor will no longer include ESG or climate-related targets. As a result, the performance multiplier will rely solely on relative total unitholder return and FFO per unit targets thus strengthening alignment of the long-term interests of the REIT's key executives with the long-term interests of its unitholders.

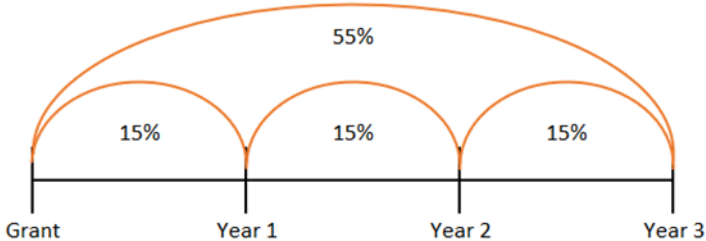
On December 30, 2019, pursuant to the Arrangement effecting the REIT conversion, the former restricted share unit plan was replaced by the RTU Plan to provide for the issuance of Trust Units (among other housekeeping changes) and in connection therewith, each outstanding RSU and PSU was exchanged for 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 are 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 People and 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. At the annual meeting of unitholders of First Capital REIT held 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 3,680,554 Trust Units.

Subject to unitholders passing the RTU Plan Resolution at the Meeting, the maximum number of Trust Units approved for issuance under the RTU Plan will increase from 3,680,554 to 4,280,554 Trust Units, which represents approximately 2.0% of the issued and outstanding Trust Units as of the date hereof.

Below is a summary of the REIT's performance vesting criteria, which are applicable to the 2023 PTU grants:

Updated PTU Performance Vesting Conditions	
<b>Payout Range for PTUs</b>	<ul style="list-style-type: none"> <li>PTUs will vest based on a Performance Adjustment Factor ranging from 0% - 200% (and will be fully at-risk)</li> </ul>
<b>Performance Measurement Criteria</b>	<ul style="list-style-type: none"> <li>Total unitholder return (TUR) assessed relative to (i) the Performance Peer Group and (ii) the S&amp;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</li> <li>(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 the REIT's predetermined greenhouse gas (GHG) emissions reduction targets over a three-year period ("Supplemental Metrics Multiplier").</li> </ul>
<b>Performance Adjustment Factor Calculation</b>	<ul style="list-style-type: none"> <li>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) </li> </ul>

<b>Relative TUR Performance Measurement Period</b>	<ul style="list-style-type: none"> <li>The Relative TUR Multiplier will be calculated over a three-year performance period with reference to both the three-year cumulative Relative TUR and, to a lesser degree, the annual 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"> <li>55% three-year cumulative Relative TUR for the performance period</li> <li>15% annual Relative TUR for year 1 of the performance period;</li> <li>15% annual Relative TUR for year 2 of the performance period; and</li> <li>15% annual Relative TUR for year 3 of the performance period.</li> </ul> </li> </ul>
<p><b>Relative TUR Performance Measurement Period (cont’d)</b></p> <p>First Capital REIT’s blended discrete and cumulative approach (‘umbrella’) to measure relative TUR is unique amongst peers. This measurement approach provides a long-term lens through the 55% weighting on the cumulative 3-year TUR period and at the same time helps to minimize the endpoint bias of a cumulative approach.</p> <p style="text-align: center;"><b>FCR Approach</b></p> 	

#### *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 the 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 recently Amended and Restated Stock Option Plan was publicly filed on March 4, 2021 and is available on SEDAR+ under First Capital REIT’s issuer profile at [www.sedarplus.ca](http://www.sedarplus.ca).

The previous amendments to each of the RTU Plan and Stock Option Plan described herein did not require unitholder approval, unless otherwise specified.

#### *Equity Compensation Key Features*

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

<b>Stock Option Plan (Terminated in 2022)</b>	
<b>Form of award</b>	Options to buy Trust Units whereby each stock option represents the right to purchase from the REIT one Trust Unit in consideration for payment of the exercise price described below.
<b>Who participates</b>	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 People and Compensation Committee to grant stock options primarily to members of the executive leadership team. Trustees are not eligible participants.
<b>Administration</b>	The Board has delegated to the People and 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.

<b>Determination of Option Grants</b>	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.
<b>Vesting</b>	Stock options typically vest in equal annual amounts over a five-year period commencing on the first anniversary of the grant date. The People and Compensation Committee determines the time at which stock options vest when making a grant. Subsequent to the time of granting stock options, the People and Compensation Committee may, in its discretion, permit an option holder to exercise any or all of such holder's unvested stock options then outstanding.
<b>Exercise Price</b>	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.
<b>Term</b>	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.
<b>Payout</b>	Value is based on the difference between the market price of a Trust Unit when the options are exercised and the exercise price.  An option holder may elect to surrender their options in exchange for an amount equal to the aggregate market price of the underlying Trust Units, minus (i) the aggregate exercise price of options being surrendered, and (ii) any applicable withholding taxes (together, the "Net Surrender Consideration"). The REIT shall satisfy the payment of such Net Surrender Consideration by issuing to the option holder such number of Trust Units with an aggregate market value equal to the Net Surrender Consideration.
<b>Cessation of Employment</b>	Unless otherwise determined by the People and Compensation Committee or set forth in an option holder's employment agreement, stock options cease to be exercisable if an option holder ceases to be an officer, employee or consultant of the REIT or one of its affiliates. At the time of granting stock options, the People and 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.
<b>Assignment</b>	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 People and Compensation Committee and any applicable regulatory approval.
<b>Change of Control</b>	All issued and outstanding stock options vest immediately upon a change of control in accordance with the terms of the Stock Option Plan.
<b>Termination of Stock Option Plan</b>	The Stock Option Plan was effectively terminated in 2022 with no stock options to be granted from 2022 onward. Stock options awarded prior to termination are outstanding until exercised, cancelled or expired.

### *2023 Stock Option Grants*

No stock options were granted during fiscal 2023.

### *Limits*

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

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

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

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

As at December 31, 2023	Number of Trust Units	
	Number	As % of Outstanding
Maximum number of Trust Units approved for issuance under the Stock Option Plan	19,740,000	9.28%
Number of stock options previously granted under the Stock Option Plan but not yet exercised <sup>(1)</sup>	5,621,357	2.64%
Number of Trust Units that remain available for future grants of stock options under the Stock Option Plan	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>

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

(2) Under the terms of the Stock Option Plan, there are still 8,054,972 Trust Units (3.79% of Trust Units outstanding) reserved for future grants of stock options. However, the Stock Option Plan has been terminated and therefore there will be no future grants of stock options or issuances of Trust Units in respect of the Trust Units that are noted as being reserved.

#### *Annual Burn Rate under the Stock Option Plan as of December 31, 2023*

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
2023	-	N/A	212,628,401
2022	-	N/A	216,840,199
2021	643,600	0.29%	219,547,298

#### *Amending, Suspending or Terminating the Stock Option Plan*

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

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

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



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

### **Restricted Trust Unit Plan**

The following is a summary of the RTU Plan as at the date of this Circular and is qualified in its entirety by the full text of the RTU Plan.

Please see “*Business of the Meeting – Amendments to the RTU Plan*” for a description of the proposed amendments to the RTU Plan, which have not been reflected in the below. The full text of the proposed Third Amended and Restated DTU Plan can be found attached hereto as Appendix D.

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

<b>Performance Trust Units (PTUs)</b>	
<b>Form of award</b>	Each PTU granted under the RTU Plan represents the right of a participant to receive, on a deferred basis and at the option of the REIT, an award of one Trust Unit issued from treasury or purchased on the open market, or the equivalent cash value or a combination thereof, subject to a performance adjustment factor.
<b>Who participates</b>	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 People and Compensation Committee that only the REIT's executive leadership team will receive PTU grants. New participants may be eligible to participate at the time of hire or promotion subject to the approval of the People and Compensation Committee.
<b>Administration</b>	The Board has delegated to the People and 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.
<b>Determination of PTU Grants</b>	The number of PTUs granted to a participant will be established at the sole discretion of the People and Compensation Committee. Grants will generally be considered on an annual basis. A grant of PTUs with specific terms and conditions attached will be evidenced by a grant agreement, signed on behalf of the REIT and acknowledged (signed) by the participant. The terms and conditions of the grant agreement will set out the applicable performance adjustment factor. When cash distributions are paid on Trust Units, additional PTUs are credited to a participant in respect of the PTUs credited to the participant's account as of the record date for payment of distributions. The number of additional PTUs (including fractional PTUs) to be credited to the participant on a distribution payment date is determined by multiplying the aggregate number of PTUs held on the applicable distribution record date by the amount of distributions paid by the REIT on each Trust Unit, and dividing the result by the market price per Trust Unit on the distribution payment date. Such additional PTUs will also be subject to the performance adjustment factor on vesting.
<b>Performance Adjustment Factor</b>	The performance adjustment factor used to determine PTU vesting is dependent on the REIT's performance relative to the standard(s) determined at the grant date. Performance standards and associated adjustment factors are determined at the sole discretion of the People and Compensation Committee. For PTUs granted up to and including 2021, the performance adjustment factor was from a minimum of 50% to a maximum of 150%. For PTUs granted beginning in 2021, new performance criteria are 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> .
<b>Performance Period</b>	PTUs are subject to a performance period over which performance is measured to determine the number of PTUs which will vest and may reflect: (i) a three-year period beginning with the start of the REIT's fiscal year in the year of the grant; or (ii) such other time period that the People and Compensation Committee may determine.
<b>Vesting Period</b>	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 People and 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.
<b>Payout</b>	<p>The REIT may elect to settle vested PTUs by delivering Trust Units issued from treasury, cash or Trust Units purchased in the open market. The redemption date may not be later than December 31 of the third calendar year following the year in respect of which the PTUs were granted.</p> <p>If the REIT elects to settle PTUs with Trust Units purchased in the open market, it will provide funds to an independent custodian to purchase Trust Units in the open market. These open market Trust Units will be held in an employee benefit plan trust and will be delivered to participants in settlement of vested PTUs.</p> <p>If the REIT elects to settle PTUs by delivering cash, the amount of cash will be equal to the weighted average trading price of the Trust Units on the TSX for the ten trading days ending on the last trading day preceding the vesting date multiplied by the number of PTUs being settled.</p>

<b>Cessation of Employment</b>	If the employment of a participant ceases for any other reason or if the Chair of the Board ceases to be a trustee of the REIT, the participant will forfeit all rights, title and interest with respect to all PTUs which have not vested on or prior to the participant's termination date, unless otherwise set forth in the participant's PTU grant agreement or employment agreement, or unless otherwise expressly determined by the People and Compensation Committee in writing.
<b>Assignment</b>	PTUs are not assignable or transferable other than by will or the laws of descent and distribution.
<b>2023, 2022 and 2021 PTU Grants – Performance Adjustment Criteria</b>	
<b>Payout Range for PTUs</b>	PTUs will vest based on a Performance Adjustment Factor ranging from 0% - 200% (and will be fully at-risk)
<b>Performance Measurement Criteria</b>	<ul style="list-style-type: none"> <li>Total unitholder return (TUR) assessed relative to (i) the Performance Peer Group and (ii) the S&amp;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</li> <li>FFO, as adjusted for one-time gains, losses and expenses based on pre-determined 3-year compound annual growth rate, and (ii) accomplishment of the REIT's predetermined greenhouse gas emissions reduction targets over a three-year period (Supplemental Metrics Multiplier)</li> </ul>
<b>Performance Adjustment Factor Calculation</b>	<ul style="list-style-type: none"> <li>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:   <math display="block">\text{Performance Adjustment Factor (\%)} = (0.75 \times \text{Relative TUR Multiplier}) + (0.25 \times \text{Supplemental Metrics Multiplier})</math> </li> </ul>
<b>Relative TUR Performance Measurement Period</b>	<ul style="list-style-type: none"> <li>The Relative TUR Multiplier will be calculated over a three-year performance period with reference to both the three-year cumulative Relative TUR and an annual 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"> <li>55% three-year cumulative Relative TUR for the performance period;</li> <li>15% annual Relative TUR for year 1 of the performance period;</li> <li>15% annual Relative TUR for year 2 of the performance period; and</li> <li>15% annual Relative TUR for year 3 of the performance period.</li> </ul> </li> </ul>

### 2023 RTU and PTU Grants

The following table outlines the RTUs and PTUs granted during fiscal 2023 to each of the REIT's NEOs:

Name	RTUs Granted	PTUs Granted	Vesting Date
Adam E. Paul	77,651	77,651	February 28, 2026
Jordan Robins	27,732	27,732	February 28, 2026
Neil Downey	22,879	22,879	February 28, 2026
Carmine Francella	11,093	11,093	February 28, 2026
Alison Harnick	9,013	9,013	February 28, 2026

#### ○ RTU Vesting

On January 4, 2021, a one-time grant of 54,348 RTUs was awarded at \$13.80 (equal to the five-day volume weighted average trading price of the Trust Units on the TSX for the five trading days preceding December 31, 2020) to Neil Downey upon his appointment as Executive Vice President, Enterprise Strategies and Chief

Financial Officer. On March 1, 2021, 66,334 RTUs were granted at \$15.26 (equal to the ten-day volume weighted average trading price of the Trust Units on the TSX for the ten trading days preceding February 26, 2021) to the remaining NEOs. The first tranche of 2021 RTUs vested on January 4, 2024 and the second will vest on March 1, 2024, respectively. If the proposed amendments to the RTU Plan are approved by unitholders, the vested RTUs will be held in RTU form until redeemed by the NEOs, in cash or Trust Units, in accordance with the terms of the RTU Plan. Alternatively, the vested RTUs will be redeemed no later than December 31, 2024. Since granted in 2021, 15,475 RTU distribution equivalents were accumulated resulting in a total of 136,157 RTUs vesting in 2024, with an estimated value of \$2,088,648 using the TSX closing price of \$15.34 on December 29, 2023.

○ *PTU Results and Vesting*

The 2021 PTU grants will vest on March 1, 2024 for the performance period of December 31, 2020 to December 31, 2023. During this period, the Relative TUR, ESG and FFO performance factors exceeded target, resulting in a payout of 127% in accordance with the terms of the RTU Plan. If the proposed amendments to the RTU Plan are approved by unitholders, the vested PTUs will be held in PTU form until redeemed by the NEOs in cash or Trust Units, in accordance with the terms of the RTU Plan. Alternatively, the vested PTUs will be redeemed no later than December 31, 2024. For illustrative purposes, the table below reflects the results and estimated value using the TSX closing price of \$15.34 on December 29, 2023.

2021 PTU RESULTS AND PAYOUT								
Named Executive Officer	PTUs Granted March 1, 2021 #	Value of PTUs at Time of Grant \$( <sup>1</sup> )	PTUs Held on Vesting Date (distributions reinvested) #	Performance Factor %	PTUs Gained #	PTUs Vested #	Payout Value Realized \$( <sup>2</sup> )	Change in Value Since Grant (\$)
Adam E. Paul	85,169	1,300,000	10,751	127%	25,899	121,819	1,868,703	+568,703
Jordan Robins	27,844	425,000	3,515	127%	8,467	39,826	610,931	+185,931
Neil Downey	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Carmine Francella	10,646	162,500	1,343	127%	3,238	15,227	233,582	+71,082
Alison Harnick	9,008	137,500	1,045	127%	2,715	12,768	195,861	+58,361

(1) Market price at time of grant was \$15.26.

(2) Estimated realized payout value reflected using the TSX closing price of \$15.34 on December 29, 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 the REIT is 10% of the then issued and outstanding Trust Units.

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

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

As at December 31, 2023	Number of Trust Units	
	Number	As % of Outstanding
Maximum number of Trust Units approved for issuance under the RTU Plan	3,680,554	1.73%
Number of RTUs and PTUs previously granted under the RTU Plan but not yet redeemed <sup>(1)</sup>	1,254,947	0.59%
Number of Trust Units that remain available for future grants of RTUs and PTUs under the RTU Plan	776,548	0.37%

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

#### *Annual Burn Rate under the RTU Plan as of December 31, 2023*

<i>Fiscal Year</i>	Number of RTUs and PTUs <sup>(1)</sup> 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
2023	426,842	0.20%	212,628,401
2022	460,187	0.21%	216,840,199
2021	354,670	0.16%	219,547,298

(1) 153,914 PTUs were granted in 2023, 176,737 PTUs were granted in 2022, and 145,934 PTUs were granted in 2021. The performance adjustment factor for the PTUs granted in 2021, 2022 and 2023 is between 0% and 200%.

#### *Amending, Suspending or Terminating the RTU Plan*

The People and 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;
- 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 (including, without limitation, the rules, regulation and policies of the TSX).

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;
- relate to early termination; and
- are necessary to suspend or terminate the RTU Plan.

**Unitholders are being asked to, among other things, approve certain amendments to the RTU Plan at the Meeting – see "Business of the Meeting – Amendments to the RTU Plan".**

### ***Employee Unit Purchase Plan***

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

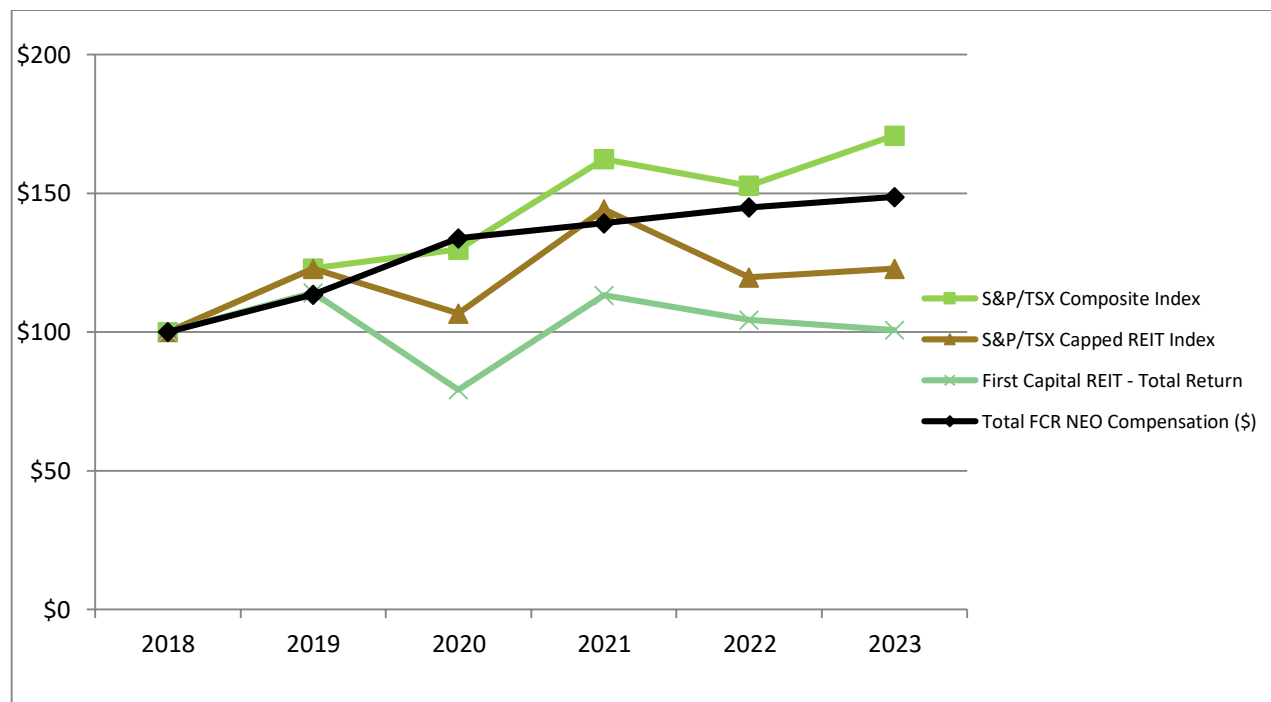
<b>Employee Unit Purchase Plan</b>	
<b>Form of award</b>	The REIT contributes one hundred percent of the participant’s contributions, up to a maximum contribution for each participant for each calendar year of \$1,500.
<b>Who participates</b>	All regular permanent full-time employees of the REIT or an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

### ***Benefits***

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

## Performance Graph

The graph below shows a comparison over the same period of the yearly change in the REIT's cumulative total unitholder return on a \$100 investment in Common Shares of the Company on December 31, 2018, assuming reinvestment of dividends/distributions with (i) the cumulative total returns of the S&P/TSX Composite Index®, (ii) the S&P/TSX Capped Real Estate Investment Trust Index®, and (iii) the yearly change in total compensation for the REIT's NEOs from time to time assuming compensation of \$100 in the year preceding the comparison period.



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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
FCR – Total Return	\$100	\$114	\$79	\$113	\$104	\$101
S&P/TSX Capped REIT Index®	\$100	\$123	\$107	\$144	\$120	\$123
S&P/TSX Composite Index®	\$100	\$123	\$130	\$162	\$153	\$171
Total FCR NEO Compensation	\$100	\$114	\$134	\$139	\$145	\$149

Sources: TSX; Bloomberg

Based on the timing and structure of the REIT's compensation plans and review process, executive compensation levels are determined when the actual performance of the REIT in the prior year is known. As a result, REIT performance is reflected (i) in the annual incentive cash bonus amounts in the same year (since these are made in respect of the prior year) and (ii) in the long-term incentive equity grants in the following year (since these are made in respect of the year in which they are granted). This causes executive compensation impacts to partially lag our performance. Moreover, for the purposes of the analysis below, total compensation is valued only on the date of grant or payment, as applicable, and does not reflect the fact that a substantial portion of the NEOs' past compensation has been in the form of stock options, RTUs and PTUs that have a value that is directly tied to the trading price of the Trust Units and fluctuates with unitholder returns. See *Executive Compensation – Compensation Discussion and Analysis* for a discussion of the factors considered in the determination of the REIT's executive compensation levels and see *CEO*



*Compensation Look-Back Table* below for an illustration of the 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 the REIT's NEOs from time to time, for the five years ended December 31, 2023, demonstrates that the total compensation for these individuals as a group: (i) increased in 2019 in line with the positive total return of the Common Shares of the Company and of the Trust Units of the REIT in 2019; (ii) increased in 2020 at a faster pace than the total return of the Trust Units of the REIT partly due to the additional RTUs awarded as in recognition of additional work related to the REIT conversion in 2019 which amounted to 7% of additional LTIP value for the CEO granted prior to the global pandemic and, more significantly, due to the sharp decline in stock price in 2020 as a result of the negative impact of the pandemic, the onset of which occurred following the implementation of certain 2020 compensation components, including base salary and incentive targets; (iii) increased in 2021, but at a slower pace than the total return of the Trust Units of the REIT in 2021, as the Trust Units rebounded in 2021 as the impact of the pandemic began to subside and NEO's incentive awards were reduced to demonstrate additional alignment with unitholders as a result of the impact of the pandemic on the total return of the Trust Units of the REIT in the prior year; (iv) 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 and includes the reduction in Mr. Paul's annual incentive award from his achieved 106% to 85% of his target to again demonstrate further alignment with unitholder returns in previous years; and (v) slightly increased in 2023 partly due to the reinstatement of awarding the full annual incentive amount achieved to the NEOs and includes a salary freeze for the top three NEOs.

Mr. Paul's original compensation package was determined at the time of his hire in 2015 and was initially set below the then current market median for comparable roles at peer companies given that Mr. Paul was new to this role and to the Company and given the structure of the Company's senior management team. His compensation package was originally set with the understanding that his total compensation opportunity would increase over time to reflect the market median in the Company's compensation comparator group. Mr. Paul's increase in total compensation reflects this gradual alignment with the market median as well as his performance over time. In 2023 and for 2024, Mr. Paul did not receive a merit salary increase.

#### Cost of Management Ratio

The following information is for the REIT's NEOs from time to time and represents the total compensation as presented in the Summary Compensation Table in each year for the five-year period from January 1, 2019 through December 31, 2023, presented as a percentage of each of FFO and revenues.

	2019 <sup>(1)</sup>	2020 <sup>(1)</sup>	2021	2022	2023
<b>Total NEO compensation (\$millions)<sup>(2)</sup></b>	9.4	9.9	10.6	10.7	11.0
<b>FFO (\$millions)</b>	285	222	251	263	244
<b>As a % of FFO</b>	3.3%	4.4%	4.2%	4.1%	4.5%
<b>Revenues (\$millions)</b>	756	680	684	714	708
<b>As a % of revenues</b>	1.24%	1.45%	1.55%	1.50%	1.55%

(1) Total NEO compensation for 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. See also *Executive Compensation – Summary Compensation Table for NEOs* below.

Name	2019 (\$)	2020 (\$)	2021 (\$)	2022 (\$)	2023 (\$)
Adam E. Paul President and Chief Executive Officer					
Salary	800,000	850,000	850,000	900,000	900,000
Unit Based Awards <sup>(1)</sup>	1,666,666	2,150,000	1,950,000	2,800,000	2,800,000
Option Based Awards <sup>(2)</sup>	833,333	650,000	650,000	-	-
Annual Incentive Plan	972,000	717,000	1,162,900	956,300	1,061,400
All Other Compensation	55,600	49,500	57,700	59,700	62,100
Total Compensation	4,327,599	4,416,500	4,670,600	4,716,000	4,823,500

- (1) The amount represents the dollar value of PTUs and RTUs granted, based on the weighted average closing price of the Trust Units on the TSX for the five trading days ending on the trading day immediately prior to the date of grant (which was \$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, \$16.55 in 2022 and \$18.03 in 2023) for the annual grant of PTUs and RTUs). In 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 were in stock options. In 2020, additional RTUs were awarded as in recognition of additional work related to the REIT conversion in 2019 which amounted to 7% of additional LTIP value for the CEO. The allocation of equity-based awards in 2021 was the same as in 2020 (50% in PTUs, 25% in RTUs and 25% in stock options) and there were no special grants. In 2022 and 2023, 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 6, 2019 in respect of the 2019 grant, February 28, 2020 in respect of the 2020 grant and March 1, 2021 in respect of the 2021 grant. The 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 \$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 \$1.35 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%.

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 the REIT's track record of aligning CEO's pay to the REIT's performance. Over the previous five-year period, the current value of \$100 invested by a shareholder of the Company or a unitholder of the REIT was significantly greater than the current value of \$100 in compensation awarded to the CEO except in 2022, being the first instance where the CEO's value performed higher due to the relative outperformance of First Capital'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 <sup>(1)</sup> (\$)	Total Compensation as Reported in the Summary Compensation Table <sup>(2)</sup> (\$)	Realized Compensation Value <sup>(3) (4) (5)</sup> (\$)	Realizable Compensation Value <sup>(6)</sup> (\$)	Period	Value of \$100 for the CEO (realized and realizable compensation) <sup>(7)</sup> (\$)	Value of \$100 for the Unitholders <sup>(8)</sup> (\$)
2019	4,355,599	4,327,599	2,642,908	-	12/31/18 to 12/31/23	61	101
2020	4,712,000	4,416,500	2,948,425	-	12/31/19 to 12/31/23	67	88
2021	4,562,500	4,670,600	2,070,600	2,580,743	12/31/20 to 12/31/23	100	127
2022	4,875,000	4,716,000	1,916,000	3,082,782	12/31/21 to 12/31/23	106	89
2023	4,875,000	4,823,500	2,023,500	2,444,883	12/31/22 to 12/31/23	93	96
Average						\$85	\$100

- (1) Total target compensation includes salary, target bonus, grant value of unit-based awards and option-based awards and all other compensation.
- (2) Total compensation as reported in the Summary Compensation Table includes salary, bonus paid, grant value of unit-based awards and option-based awards and all other compensation.
- (3) Realized compensation includes salary, bonus paid, 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 2019 and 2020 (included in realized compensation value) represent the dollar value of the RTUs and PTUs redeemed upon vesting in 2022 and 2023. None of the unit-based awards granted in 2021, 2022 or 2023 had vested as of the date of this circular.
- (4) The unit-based awards amounts for 2019 and 2020 (included in realized compensation value) represent the dollar value of PTUs redeemed upon vesting on March 7, 2022 and February 28, 2023 based on the ten-day VWAP (which was \$16.55 on March 7, 2022 and \$17.92 on February 23, 2023), including re-invested dividends/distributions up to the date of redemption multiplied by the PSUs/PTUs performance factor which was 50% for both years. None of the unit-based awards granted in 2021, 2022 and 2023 were vested as at December 31, 2023.
- (5) As at December 31, 2023, none of the stock options were in-the-money. Mr. Paul has not exercised any stock options since he joined the Company in 2015.
- (6) Realizable compensation is equal to the current value of unvested unit-based awards. The current value for the unvested PTUs and RTUs granted in 2021, 2022 and 2023 (included in realizable compensation value) has been calculated based on the closing price on December 29, 2023 (\$15.34) and applying a performance factor of 127% for the PTUs granted in 2021 (as this will be the performance factor to be applied upon vesting on March 1, 2024) and the fair value determinations used at year end for the respective PTUs granted in 2022 and 2023 (which was \$18.32 for the PTUs granted in 2022 and \$14.65 for the PTUs granted in 2023) 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, 2023 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, 2023 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, 2023 of a \$100 investment made in Common Shares of the Company or Units of the REIT on the first day of the period indicated, assuming reinvestment of dividends/distributions.

## Summary Compensation Table for NEOs

The following table provides a summary of compensation earned by our NEOs in respect of 2023, 2022 and 2021, as determined in accordance with applicable securities laws.

Name and Principal Position	Year	Salary (\$)	Unit-Based Awards <sup>(1)</sup> (\$)	Option-Based Awards <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation <sup>(4)</sup> (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans <sup>(3)</sup>			
Adam E. Paul President and Chief Executive Officer	2023	900,000	2,800,000	N/A	1,061,400	N/A	N/A	62,100	4,823,500
	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
Jordan Robins Executive Vice President and Chief Operating Officer	2023	550,000	1,000,000	N/A	540,500	N/A	N/A	55,500	2,146,000
	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
Neil Downey Executive Vice President, Enterprise Strategies and Chief Financial Officer	2023	515,000	825,000	N/A	491,900	N/A	N/A	56,200	1,888,100
	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
Carmine Francella Senior Vice President, Real Estate Services	2023	425,000	400,000	N/A	344,200 <sup>(5)</sup>	N/A	N/A	55,800	1,225,000
	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
Alison Harnick Senior Vice President, General Counsel and Corporate Secretary	2023	355,000	325,000	N/A	262,300 <sup>(6)</sup>	N/A	N/A	55,500	997,800
	2022	345,000	325,000	68,750	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

(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 the grant (which was \$15.26 for 2021, \$16.55 for 2022 and \$18.03 for 2023) for all NEOs multiplied by the number of RTUs or PTUs granted. Starting in 2022, stock options were no longer granted 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 March 1, 2021 in respect of 2021 grants. The 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 \$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 distribution yield. 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) The REIT does not provide non-equity long-term incentives to its executives.

(4) These amounts represent REIT contributions to RRSPs on behalf of the NEOs, car allowances, group life insurance and other benefits.

(5) Includes \$25,000 awarded by the People and Compensation Committee in 2023 to recognize the expansion of Mr. Francella's role to include oversight of operations as part of the newly combined Real Estate Services Group that merged leasing and operations.

(6) Includes \$50,000 awarded by the People and Compensation Committee in 2023 to recognize the expansion of Ms. Harnick's role to include oversight of ESG strategies and programs and involvement and management of activist-related events and proxy contest.

## 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, 2023.

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 (\$) <sup>(1)</sup>	Number of Units or Units of Units That Have Not Vested (#) <sup>(2)</sup>	Market or Payout Value of Unit-Based Awards That Have Not Vested (\$) <sup>(3)</sup>	Market or Payout Value of Vested Unit-Based Awards Not Paid Out or Distributed (\$)
Adam E. Paul	240,000 285,000 467,000 411,872 557,748 619,072 854,139 375,614	18.41 18.40 19.60 20.07 20.03 21.14 21.24 15.53	November 3, 2024 June 8, 2025 February 19, 2026 March 17, 2027 March 2, 2028 March 6, 2029 February 28, 2030 March 1, 2031	0	488,791	7,498,060	N/A
Jordan Robins	145,000 128,967 150,163 174,578 279,238 122,797	20.24 20.07 20.03 21.14 21.24 15.53	April 11, 2026 March 17, 2027 March 2, 2028 March 6, 2029 February 28, 2030 March 1, 2031	0	170,260	2,611,786	N/A
Neil Downey	N/A	N/A	N/A	N/A	162,944	2,499,556	N/A
Carmine Francella	47,000 42,474 68,646 59,431 106,767 46,952	19.60 20.07 20.03 21.14 21.24 15.53	February 19, 2026 March 17, 2027 March 2, 2028 March 6, 2029 February 28, 2030 March 1, 2031	0	65,646	1,007,009	N/A
Alison Harnick	25,742 50,764 90,342 39,728	20.03 21.14 21.24 15.53	March 2, 2028 March 6, 2029 February 28, 2030 March 1, 2031	0	55,266	847,779	N/A

(1) Value represents the difference between the closing price of the Trust Units on the TSX on December 29, 2023, \$15.34 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 2021, 2022 and 2023, all NEOs received unit-based awards in the form of PTUs and RTUs.

NEO	2024		2025		2026	
	RTUs	PTUs	RTUs	PTUs	RTUs	PTUs
Adam E. Paul	47,524	95,049	91,586	91,586	81,523	81,523
Jordan Robins	15,537	31,074	32,709	32,709	29,115	29,115
Neil Downey	60,933	-	26,985	26,985	24,020	24,020
Carmine Francella	5,941	11,881	12,266	12,266	11,646	11,646
Alison Harnick	5,027	10,053	10,631	10,631	9,463	9,463
Total	134,961	148,057	174,177	174,177	155,768	155,768

(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 29, 2023, \$15.34. 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 2023

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 2023, as well as the value of non-equity incentive plan compensation earned during 2023.

Name	Option-Based Awards – Value Vested During 2023 <sup>(1)</sup> (\$)	Option-Based Awards – Value Realized Upon Exercise During 2023 <sup>(2)</sup> (\$)	Unit-Based Awards – Value Vested During 2023 <sup>(3)</sup> RTUs (\$)	Unit-Based Awards – Value Vested During 2023 <sup>(3)</sup> PTUs (\$)	Non-Equity Incentive Plan Compensation – Value Earned During 2023 (\$)
Adam E. Paul	-	-	809,927	621,730	1,061,370
Jordan Robins	-	-	320,884	203,252	540,485
Neil Downey	N/A	N/A	N/A	N/A	491,928
Carmine Francella	-	-	101,232	77,716	344,228
Alison Harnick	-	-	159,860	65,761	262,276

- (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 2023.
- (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, 2023, none of the stock options were in-the-money.
- (3) Value represents the number of unit-based awards that vested in 2023 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 her 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.

All of the REIT's active equity compensation plans have a double trigger requirement for accelerated vesting to occur. Upon the expiration or exercise of all remaining options historically granted under the terminated Stock Option Plan, all outstanding equity compensation will be subject to a double trigger for accelerated vesting.



## Adam E. Paul

Name	Termination Without Cause, Resignation for Good Reason <sup>(1)</sup> , Death or Disability	Change of Control	Death or Retirement
Adam E. Paul, President and Chief Executive Officer	<p>\$11,439,960 comprised of:</p> <ul style="list-style-type: none"> <li>\$1,800,000 (2 x base salary)</li> <li>\$2,017,700 (2 x average bonus paid to employee for two most recently completed fiscal years)</li> <li>\$26,600 (2 x annual cost of benefit plans premiums for employee)</li> <li>\$97,600 (cost of perquisites for 24 months, including RRSP contributions and car allowance)</li> <li>\$7,498,060 (dollar value of all accelerated RTUs and PTUs – all RTUs and PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment)</li> <li>\$0<sup>(2)</sup> (the in-the-money amount as at December 31, 2023 of all stock options which were unvested on December 31, 2023)</li> </ul> <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>	\$0 <sup>(2)</sup> (the in-the-money amount as at December 31, 2023 of all stock options which were unvested on December 31, 2023)	<p>In case of death \$7,498,060 (dollar value of accelerated RTUs and PTUs – all RTUs and PTUs (and related distribution units) are accelerated and vest immediately prior to the date of death).</p> <p>In case of retirement, RTUs and 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”.

(2) As at December 31, 2023, none of the stock options were in-the-money.

## Jordan Robins

Name	Termination Without Cause, Resignation for Good Reason <sup>(1)</sup> , Death or Disability	Change of Control	Death or Retirement
Jordan Robins, Executive Vice President and Chief Operating Officer	<p>\$4,901,186 comprised of:</p> <ul style="list-style-type: none"> <li>\$1,100,000 (2 x base salary)</li> <li>\$1,078,400 (2 x average bonus paid to employee calculated at target (in effect at the termination date))</li> <li>\$25,400 (cost of benefit plans premiums for 24 months)</li> <li>\$85,600 (cost of perquisites for 24 months, including RRSP contributions and car allowance)</li> <li>\$2,611,786 (dollar value of accelerated RTUs and PTUs – all RTUs and PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment)</li> <li>\$0<sup>(2)</sup> (the in-the-money amount as at December 31, 2023 of all stock options which were unvested on December 31, 2023)</li> </ul> <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>	\$0 <sup>(2)</sup> (the in-the-money amount as at December 31, 2023 of all stock options which were unvested on December 31, 2023)	<p>In case of death \$2,611,786 (dollar value of accelerated RTUs and PTUs – all RTUs and PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment).</p> <p>In case of retirement, RTUs and 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”.

(2) As at December 31, 2023, none of the stock options were in-the-money.

## Neil Downey

Name	Termination Without Cause, Resignation for Good Reason <sup>(1)</sup> , Death or Disability	Change of Control	Death or Retirement
Neil Downey, Executive Vice President, Enterprise Strategies and Chief Financial Officer	<p>\$4,624,656 comprised of:</p> <ul style="list-style-type: none"> <li>\$1,030,000 (2 x base salary)</li> <li>\$982,700 (2 x average bonus paid to employee for two most recently completed fiscal years)</li> <li>\$26,800 (cost of benefit plans premiums for 24 months)</li> <li>\$85,600 (cost of perquisites for 24 months, including RRSP contributions and car allowance)</li> <li>\$2,499,556 (dollar value of accelerated RTUs and PTUs – all RTUs and PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment)</li> </ul> <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 \$2,499,556 (dollar value of accelerated RTUs and PTUs – all RTUs and PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment).</p> <p>In case of retirement, RTUs and 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 <sup>(1)</sup> , Death or Disability	Change of Control	Death or Retirement
Carmine Francella, Senior Vice President, Real Estate Services	<p>\$2,206,334 comprised of:</p> <ul style="list-style-type: none"> <li>\$637,500 (1.5 x base salary)</li> <li>\$478,125 (1.5 x bonus paid to employee calculated at target in the year of termination (in effect at the termination date))</li> <li>\$19,500 (cost of benefit plans premiums for 18 months)</li> <li>\$64,200 (cost of perquisites for 18 months, including RRSP contributions and car allowance)</li> <li>\$1,007,009 (dollar value of accelerated RTUs and PTUs – all RTUs and PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment)</li> <li>\$0<sup>(2)</sup> (the in-the-money amount as at December 31, 2023 of all stock options which were unvested on December 31, 2023)</li> </ul> <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>	\$0 <sup>(2)</sup> (the in-the-money amount as at December 31, 2023 of all stock options which were unvested on December 31, 2023)	<p>In case of death \$1,007,009 (dollar value of accelerated RTUs and PTUs – all RTUs and PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment).</p> <p>In case of retirement, RTUs and 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”.

(2) As at December 31, 2023, none of the stock options were in-the-money.

## Alison Harnick

Name	Termination Without Cause, Resignation for Good Reason <sup>(1)</sup> , Death or Disability	Change of Control	Death or Retirement
Alison Harnick, Senior Vice President, General Counsel and Corporate Secretary	<p>\$1,783,029 comprised of:</p> <ul style="list-style-type: none"> <li>• \$532,500 (1.5 x base salary)</li> <li>• \$319,500 (1.5 x bonus paid to employee calculated at target in the year of termination (in effect at the termination date))</li> <li>• \$19,050 (cost of benefit plans premiums for 18 months)</li> <li>• \$64,200 (cost of perquisites for 18 months, including RRSP contributions and car allowance)</li> <li>• \$847,779 (dollar value of accelerated RTUs and PTUs – all RTUs and PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment)</li> <li>• \$0<sup>(2)</sup> (the in-the-money amount as at December 31, 2023 of all stock options which were unvested on December 31, 2023)</li> </ul> <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>	\$0 <sup>(2)</sup> (the in-the-money amount as at December 31, 2023 of all stock options which were unvested on December 31, 2023)	<p>In case of death \$847,779 (dollar value of accelerated RTUs and PTUs – all RTUs and PTUs (and related distribution units) are accelerated and vest immediately prior to the date of termination of employment).</p> <p>In case of retirement, RTUs and 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 the REIT's unitholders;
2. to attract, retain and motivate trustees who will contribute to the success of the REIT;
3. to provide fair and competitive compensation that takes into account the time commitment, risks and responsibilities of trustees; and
4. to provide the types of compensation and the amounts paid to directors and trustees of comparable publicly-traded Canadian entities.

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 sitting on two or more committees, 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 People and 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.

#### *2023 Compensation Peer Group*

The People and Compensation Committee considers the compensation of trustees of a group of peer REITs when reviewing the adequacy and form of our trustees' compensation. The REITs in the comparator group for trustee compensation are set out in the table below. This is the same as the executive compensation comparator group which was determined in consultation with the REIT's external compensation consultant based on several factors, including annual revenues, total assets, market capitalization, enterprise value, funds from operations, characteristics of assets, geography of operations and corporate ownership structure. Specifically scoping criteria of 0.5x to 2x total enterprise value was applied. In 2023, the People and Compensation Committee, in consultation with the external compensation consultant, conducted a Compensation Peer Group refresh review as a follow-up to the last review conducted in 2020. The review process conducted in 2023 and 2024 found that some peers had fallen outside of the size screening range resulting in lower relative positioning of the REIT, and thus became less relevant as comparators.

The REIT uses both a broad compensation peer group and a tighter industry-focused comparator group which provides the People and Compensation Committee with more insight and data when conducting their diligence around executive compensation. The People and Compensation Committee places more weight

#### HIGHLIGHTS OF TRUSTEE COMPENSATION

- 86% of fees were paid in DTUs in 2023 (92% for the current Board only).
- All trustees in 2023 met or exceeded equity ownership requirements, as applicable.
- The REIT has a compensation claw-back policy for senior management and trustees.
- Fixed annual retainer structure for trustee compensation.
- Trustees are not eligible participants in the Stock Option Plan.

on the smaller industry-focused group during its review. The Compensation Peer Group consists of a broad group of similar-sized organizations across a related industry scope. For 2024, the broad peer group has been narrowed to create a more appropriate industry-based group with the removal of asset management companies. A subset of the broad group, comprised of Canadian publicly traded REITs, is then further analyzed. The Compensation Peer Group and subgroup remained the same from 2023 to 2022.

2023 Compensation Peer Group	
Allied Properties REIT <sup>(1)</sup>	FirstService Corporation
Canadian Apartment REIT <sup>(1)</sup>	Granite REIT <sup>(1)(2)</sup>
Chartwell Retirement Residences <sup>(1)(2)</sup>	H&R REIT <sup>(1)</sup>
Choice Properties REIT <sup>(1)</sup>	RioCan REIT <sup>(1)</sup>
Colliers International Group Inc.	SmartCentres REIT <sup>(1)</sup>
Empire Company Limited	Stantec Inc.

(1) Canadian REIT Subgroup.

(2) Additional REIT peer vs. 2020 peer group.

Following the conclusion of the Compensation Peer Group review conducted in 2024, the Compensation Peer Group no longer includes Dollarama Inc., WSP Global Inc., Metro Inc., IGM Financial Inc. and CI Financial Corp. The subgroup for 2024 remains consistent with our 2023 pay peer group, but for the addition of Granite Real Estate Investment Trust. These changes are reflected in the table below.

2024 Compensation Peer Group	
Allied Properties REIT <sup>(1)</sup>	FirstService Corporation
Canadian Apartment REIT <sup>(1)</sup>	Granite Real Estate Investment Trust <sup>(1)(2)</sup>
Chartwell Retirement Residences <sup>(1)</sup>	H&R REIT <sup>(1)</sup>
Choice Properties REIT <sup>(1)</sup>	RioCan REIT <sup>(1)</sup>
Colliers International Group Inc.	SmartCentres REIT <sup>(1)</sup>
Empire Company Limited	Stantec Inc.

(1) Canadian REIT Subgroup.

(2) Additional peer vs. 2023 peer group.

To ensure that trustee pay programs are competitive, the REIT assesses compensation levels compared to the marketplace on an annual basis. The People and Compensation Committee reviewed benchmarking reports with respect to 2021 trustee compensation compared with the Compensation Peer Group and, with the input from the REIT's external compensation consultant, approved an increased compensation for trustees which was more aligned with the REIT's peers. Due to the negative impact of COVID-19 on the REIT's business starting in March 2020, the People and Compensation Committee delayed the implementation of this increase until 2021. The People and Compensation Committee conducted annual reviews and made no changes to trustees' compensation for 2022, 2023 and 2024.

The following table sets out the fees our outside trustees (i.e., all trustees other than Mr. Paul) were entitled to receive in 2023. For a summary of the compensation earned by Mr. Paul for the year ended December 31, 2023, 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 and Risk Committee Chair	\$25,000
Annual Retainer – People and Compensation Committee Chair	\$15,000
Annual Retainer – Governance and Sustainability Committee Chair	\$15,000

### *Trustee Compensation Table*

The table below shows fees earned by each outside trustee of the REIT (i.e., all trustees other than Mr. Paul) in 2023, based on the fee schedule. Of total compensation payable to outside trustees in 2023, 92% was paid in the form of DTUs. No option-based awards, non-equity incentive plan compensation or pension was earned by trustees during the financial year ended December 31, 2023. For a summary of the compensation earned by Mr. Paul for the year ended December 31, 2023, see *Executive Compensation – Summary Compensation Table for NEOs*.

Outside Trustee <sup>(1)</sup>	Annual Cash Retainer (\$)	Annual DTU Retainer (\$)	Committee Chair Fees (\$)	Committee Member Fees (\$)	All Other Compensation (\$)	Total Compensation (\$)	Allocation of Trustee Fees	
							Cash	DTUs <sup>(2)</sup>
Leonard Abramsky	66,000	99,000	-	5,000	-	170,000	40%	60%
Sheila Botting	66,000	99,000	-	5,000	-	170,000	0%	100%
Ian Clarke <sup>(3)</sup>	66,000	99,000	6,250	3,750	-	175,000	0%	100%
Paul C. Douglas <sup>(4)</sup>	105,478	158,217	-	514	-	264,208	0%	100%
Dayna Gibbs <sup>(5)</sup>	47,687	71,530	-	3,613	-	122,830	0%	100%
Ira Gluskin <sup>(6)</sup>	59,217	88,825	-	3,014	-	151,056	0%	100%
Annalisa King	66,000	99,000	15,000	-	-	180,000	0%	100%
Al Mawani <sup>(7)</sup>	66,000	99,000	22,500	-	-	187,500	30%	70%
Richard Nesbitt <sup>(8)</sup>	56,283	84,425	-	3,236	-	143,944	0%	100%
Bernard McDonell	11,306	16,958	-	-	-	28,264	55%	45%
Andrea Stephen	18,495	27,742	4,203	-	-	50,440	27%	73%
<b>Total</b>	<b>628,465</b>	<b>942,697</b>	<b>47,953</b>	<b>24,127</b>	<b>-</b>	<b>1,643,241</b>	<b>14%</b>	<b>86%</b>

(1) Mr. McDonell retired from the Board on February 7, 2023 and Ms. Stephen retired from the Board effective April 11, 2023.

(2) In 2023, 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. Mses. Botting, Gibbs and King and Messrs. Clarke, Douglas, Gluskin and Nesbitt elected to receive 100% of their compensation in DTUs.

(3) Mr. Clarke was appointed as Chair of the Audit and Risk Committee effective October 1, 2023.

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

(5) Ms. Gibbs was elected to the Board on April 11, 2023.

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

(7) Mr. Mawani was appointed as Chair of the Governance and Sustainability Committee effective October 1, 2023.

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

### *Board Meetings Held and Attendance*

The table below provides a summary of the attendance of the nominated trustees at Board and committee meetings held during the year ended December 31, 2023. 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; however, it is recognized that trustees may experience conflicts with other commitments, unforeseen circumstances or personal emergencies.

At every Board and committee meeting, an *in camera* meeting of the independent trustees is scheduled to provide the opportunity for open discussion among the trustees without the presence of management. A portion of *in camera* meetings may include members of management, external auditors, external advisors

or consultants, as requested by the Board and/or committees. The independent trustees met *in camera* at each of the Board and committee meetings held in 2023.

SUMMARY OF ATTENDANCE AT BOARD AND COMMITTEE MEETINGS										
TRUSTEE	BOARD MEETINGS		AUDIT AND RISK COMMITTEE MEETINGS		PEOPLE AND COMPENSATION COMMITTEE MEETINGS		GOVERNANCE AND SUSTAINABILITY COMMITTEE MEETINGS		OVERALL	
Paul C. Douglas <sup>(1)</sup>	13/13	100%	1/1	100%	N/A	N/A	4/4	100%	18/18	100%
Adam E. Paul	13/13	100%	N/A	N/A	N/A	N/A	N/A	N/A	13/13	100%
Leonard Abramsky	13/13	100%	4/4	100%	3/3	100%	N/A	N/A	20/20	100%
Sheila Botting <sup>(2)</sup>	13/13	100%	N/A	100%	2/3	67%	4/4	100%	19/20	95%
Ian Clarke <sup>(3)</sup>	13/13	100%	4/4	100%	2/2	100%	3/3	100%	22/22	100%
Dayna Gibbs <sup>(4)</sup>	4/4	100%	3/3	100%	N/A	N/A	1/1	100%	8/8	100%
Ira Gluskin <sup>(5)</sup>	10/10	100%	3/3	100%	2/2	100%	N/A	N/A	15/15	100%
Annalisa King <sup>(6)</sup>	13/13	100%	1/1	100%	2/2	100%	4/4	100%	20/20	100%
Al Mawani <sup>(7)</sup>	13/13	100%	4/4	100%	1/1	100%	1/1	100%	19/19	100%
Richard Nesbitt <sup>(8)</sup>	7/7	100%	3/3	100%	N/A	N/A	1/1	100%	11/11	100%
Bernard McDonell <sup>(9)</sup>	3/3	100%	N/A	N/A	N/A	N/A	N/A	N/A	3/3	100%
Andrea Stephen	9/9	100%	N/A	N/A	1/1	100%	3/3	100%	13/13	100%
<b>OVERALL ATTENDANCE RECORD</b>	<b>100%</b>		<b>100%</b>		<b>96%</b>		<b>100%</b>		<b>99%</b>	

- (1) Mr. Douglas was appointed Chair of the Board effective February 7, 2023. He ceased to be member of the Audit and Risk Committee on April 21, 2023.
- (2) Ms. Botting was unable to attend one committee meeting due to COVID-19 illness in 2023.
- (3) Effective April 21, 2023, Mr. Clarke was appointed to the People and Compensation Committee and was no longer a member of the Governance and Sustainability Committee.
- (4) Ms. Gibbs was initially elected to the Board on April 11, 2023. Effective April 21, 2023, Ms. Gibbs was appointed as a member of the Audit and Risk Committee and the Governance and Sustainability Committee.
- (5) Mr. Gluskin was initially appointed to the Board on February 7, 2023. Effective April 21, 2023, Mr. Gluskin was appointed as a member of the Audit and Risk Committee and the People and Compensation Committee.
- (6) Effective April 21, 2023, Ms. King was appointed as Chair of the People and Compensation Committee and was no longer a member of the Audit and Risk Committee.
- (7) Effective April 21, 2023, Mr. Mawani was appointed as Chair of the Governance and Sustainability Committee and was no longer a member of the People and Compensation Committee.
- (8) Mr. Nesbitt was initially appointed to the Board on February 23, 2023. Effective April 21, 2023, Mr. Nesbitt was appointed as a member of the Audit and Risk Committee and the Governance and Sustainability Committee.
- (9) Mr. McDonell retired from the Board on February 7, 2023.
- (10) Ms. Stephen retired from the Board effective April 11, 2023.

### ***Trustees' Deferred Trust Unit Plan***

The following is a summary of the DTU Plan as at the date of this Circular and is qualified in its entirety by the full text of the DTU Plan. Please see “*Business of the Meeting – Amendments to the DTU Plan*” for a description of the proposed amendments to the DTU Plan, which have not been reflected in the below. The full text of the proposed Third Amended and Restated DTU Plan (including the blackline reflecting the proposed amendments) can be found attached hereto as Appendix C.

### ***Overview***

Pursuant to the Arrangement effecting the First Capital REIT conversion, the former DSU Plan was replaced by the DTU Plan, effective December 30, 2019, to provide for the issuance of Trust Units (among other

housekeeping changes) and in connection therewith, each outstanding DSU was exchanged for one 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 People and Compensation Committee responsibility for administering the DTU Plan. The DTU Plan was implemented in order to align the long-term interests of the non-employee trustees with the long-term interests of the REIT's unitholders.

<b>Deferred Trust Units (DTUs)</b>	
<b>Form of award</b>	<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 the cash portion of their 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>
<b>Who participates</b>	All non-employee trustees.
<b>Cessation as an Outside Trustee</b>	If a non-employee trustee ceases, for any reason except as a result of death, to be a trustee of the REIT or any subsidiary of the REIT, the DTUs held by such non-employee trustee will be credited upon the earlier of (i) the REIT's receipt of notice by the trustee of an intention to redeem such DTUs and (ii) December 15 of the first calendar year commencing after the date that the non-employee trustee retires from or otherwise ceases to hold such positions. Such credited DTUs shall be redeemed within seven days of the date the DTUs are credited. In the event of death of a non-employee trustee, the REIT will redeem all DTUs held by the non-employee trustee within 90 days of the death.
<b>Payout</b>	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.
<b>Assignment</b>	DTUs are not assignable or transferable other than by will or the laws of descent and distribution.

### *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 the REIT is 10% of the then issued and outstanding Trust Units.

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

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



As at December 31, 2023	Number of Trust Units	
	Number	As % of Outstanding
Maximum number of Trust Units approved for issuance under the DTU Plan	1,115,000	0.52%
Number of DTUs previously granted under the DTU Plan but not yet redeemed	448,083	0.21%
Number of Trust Units that remain available for future grants of DTUs under the DTU Plan	83,893	0.04%

*Annual Burn Rate under the DTU Plan as of December 31, 2023*

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
2023	102,298	0.05%	212,628,401
2022	76,544	0.04%	216,840,199
2021	64,654	0.03%	219,547,298

*Amending, Suspending or Terminating the DTU Plan*

The People and 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;
- 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 (including, without limitation, the rules, regulation and policies of the TSX).

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

- are administrative or "housekeeping" in nature;
- relate to early termination; and
- are necessary to suspend or terminate the DTU Plan.

**Unitholders are being asked to, among other things, approve certain amendments to the DTU Plan at the Meeting – see "Business of the Meeting – Amendments to 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 2023, 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 2023.
- *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, 2023. DTUs are not paid out until the trustee ceases to be a member of the Board. The DTUs were valued at \$15.34 the closing price of the Trust Units on the TSX on December 31, 2023.
- No option-based awards or non-equity incentive plan compensation was earned by trustees during the financial year ended December 31, 2023.

Name	Unit-Based Awards (DTUs)	
	Value Vested during the Year <sup>(1)</sup> (\$)	Market or Payout Value of Vested Unit-Based Awards Not Paid Out or Distributed (DTUs Outstanding) (\$)
Leonard Abramsky	120,602	423,721
Sheila Botting	185,618	400,420
Ian Clarke	190,733	407,614
Paul C. Douglas	298,745	815,582
Dayna Gibbs	124,658	133,182
Ira Gluskin	154,043	163,141
Annalisa King	230,299	1,045,237
Al Mawani	173,716	855,987
Richard Nesbitt	146,625	155,670
Bernard McDonell	146,890	2,473,038
Andrea Stephen <sup>(2)</sup>	74,531	-

(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 2023, in each case valued as of the grant dates.

(2) Ms. Stephen did not hold any DTUs on December 31, 2023.

## EQUITY COMPENSATION PLAN INFORMATION

The table below provides information as at December 31, 2023 regarding Trust Units that may be issued under the REIT's equity compensation plans.

	Number of securities to be issued upon exercise of outstanding stock options / redemption of outstanding units	Weighted-average exercise price of outstanding stock options/ units	Number of securities remaining available for future issuance under equity compensation plans (excluding securities which may be issued in connection with outstanding stock options / units)
<b>Equity compensation plans approved by security holders</b>			
Stock Option Plan	5,621,357	\$19.79	8,054,972
DTU Plan	448,083	N/A	83,893
RTU Plan (including PTUs)	1,254,947	N/A	776,548
<b>Equity compensation plans not approved by security holders</b>	--	--	--
Total	7,324,387	\$19.79	8,915,413

## 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 Governance and Sustainability Committee and the Board periodically review the various components of our overall approach to corporate governance, including corporate governance practices and procedures, to ensure that they adequately address the guidelines set forth in National Policy 58-201 – *Corporate Governance Guidelines* and other significant corporate governance matters. The following is a description of our corporate governance practices taking into account the requirements of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

### About the Board

#### *Independence of the Board*

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

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

The Board has reviewed the independence of each trustee and determined that the majority of the First Capital REIT Nominees (nine out of ten) are independent. Mr. Paul, the President and Chief Executive Officer of the REIT is not considered independent. The independent trustees are Mses. Botting, Gibbs and King and Messrs. Abramsky, Clarke, Douglas, Gluskin, Mawani and Nesbitt.

#### *Mandate of the Board of Trustees*

The Board has adopted a formal written mandate (the "**Board Mandate**") which reflects the REIT's commitment to high standards of corporate governance, to assist the Board in supervising the management of our business and affairs as required under applicable law and stock exchange rules and requirements. A copy of the Board Mandate is attached as Appendix E to this Circular and is also available on our website at [www.fcr.ca](http://www.fcr.ca). The Governance and Sustainability Committee reviews the Board Mandate annually, or more

#### HIGHLIGHTS OF CORPORATE GOVERNANCE

- Entirely independent Audit and Risk, People and Compensation and Governance and Sustainability committees.
- 30% of trustees are women and 20% visible minorities.
- Term limit for non-executive trustees.
- Significant equity ownership requirements benchmarked against industry peers with an aim to be best-in-class.
- Equity ownership requirements continue to apply to the President and Chief Executive Officer for a period of one year following him ceasing to hold the office of President and Chief Executive Officer, subject to certain exceptions.
- Compensation claw-back policy for executives and trustees triggered by financial restatement or serious misconduct.
- Anti-hedging policy.
- Succession planning for the President and Chief Executive Officer and other executives undertaken by the Board and the People and Compensation Committee annually.
- All committees have a written charter.
- Board Diversity Policy.
- Board Conflicts of Interest Policy.

often if warranted, and recommends to the Board such changes as it deems necessary and appropriate in light of the REIT's needs and legal and regulatory developments.

The Board supervises the conduct of the affairs of the REIT directly and through its committees. In so doing, the Board endeavours to act always in the best interest of the REIT. In addition, the Board recognizes the importance of enhancing value for all unitholders. In carrying out its responsibilities, the Board appoints executives of the REIT and meets with them on a regular basis to receive and consider reports on our business. The Board holds regularly scheduled meetings, with additional meetings being held as required to consider particular issues or conduct specific reviews between regularly scheduled meetings whenever appropriate. During 2023, the Board held a total of 13 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 the REIT's objectives.

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

### ***Position Descriptions***

The Board has adopted position descriptions for the Chair of the Board, the Committee Chairs (Audit and Risk Committee, People and Compensation Committee and Governance and Sustainability 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 Governance and Sustainability Committee on an annual basis.

### ***Board Succession and Renewal***

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

### ***Board Composition***

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

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

The names of our proposed trustees, together with their municipality and country of residence, year first elected or appointed as a trustee, principal occupation, other principal directorships and committee memberships, if applicable, are set out under *Business of the Meeting – Election of Trustees*. Also indicated for each proposed trustee is the number of Trust Units, DTUs and other securities of the REIT beneficially owned, directly or indirectly, or over which control or direction was exercised, by the trustees as at the close of business on February 26, 2024.

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

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

The Board has not adopted specific formal targets for board representation of women, Aboriginal peoples (being Indian, Inuit, Métis), persons with disabilities<sup>(1)</sup> 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 Governance and Sustainability

(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.

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.

The Governance and Sustainability Committee has been focused on ensuring that these diversity aspirations are well-integrated into its Board recruitment process. For example, over the past several trustee recruiting cycles, the Governance and Sustainability Committee has mandated its external recruitment consultants to prioritize the REIT's diversity policy and ensure that diverse candidates represented a significant portion of the candidates considered and presented to the committee. In 2022/2023 specifically, the Governance and Sustainability Committee engaged Tom Long Consulting to assist with a Board candidate search and, as part of that mandate, diverse candidates were required to be highlighted in a separate list from non-diverse candidates and prioritized to the extent possible given the particular skillsets that were sought. To the satisfaction of the Governance and Sustainability Committee, the results of mandating two candidates' lists more than doubled the number of diverse candidates than non-diverse candidates. Similarly, during the previous board recruitment process, Spencer Stewart, an external recruitment consultant, was mandated to provide a diverse candidate list, and the Governance and Sustainability Committee specifically requested in subsequent rounds to focus on ethnic diversity as well as persons with diverse abilities, which ultimately increased the number of candidates and led to two Board nominations of diverse candidates. The Governance and Sustainability Committee will continue to incorporate best practices and innovative approaches to its recruitment efforts to ensure that a significant number of diverse candidates are presented for consideration. The increased integration of the REIT's diversity aspirations as part of the trustee recruitment process has resulted in 60% of new trustees appointed to the Board over the past five years identifying as women or visible minorities.

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 2023, 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 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 17% of its total employee base and is comprised of 63 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 44% senior employees and 15 individuals who have identified as visible minorities, representing approximately 24% 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](http://www.fcr.ca). As at December 31, 2023, the following are statistics derived from our operations which we believe demonstrate our positive record with respect to gender diversity:

- women represented approximately 60% 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 63, or 44%, of senior people managers were women; and
- 65% 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 Governance and Sustainability Committee at the earliest possible time. In addition, given the nature of the REIT's business, each trustee is required to provide the REIT with a list of properties located in Canada in which they may have an ownership interest, directly or indirectly, with the exception of their principal residence, or properties owned for personal use. If a trustee is considering acquiring any property other than a principal residence or properties owned for personal use, he/she shall disclose such intention to the REIT's CEO on a confidential basis and obtain consent to proceed. If consent is not provided, the matter shall be referred to the Governance and Sustainability Committee for consideration at the request of the trustee and/or the CEO.

### ***Recruitment of Trustees***

The Governance and Sustainability 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 Governance and Sustainability 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 addition, Mr. Douglas was appointed as Chair in February 2023 following the retirement of Mr. McDonell. Ms. Stephen also announced her intention to retire from the Board and did not stand for re-election at the 2023 Annual Meeting. Mr. Nesbitt and Mr. Gluskin, each independent trustees, were appointed to the Board in February 2023 and subsequently re-elected to the Board by unitholders at the 2023 Annual Meeting. Ms. Gibbs, an independent trustee, was recommended to the Board as a prospective trustee and stood for election at the 2023 Annual Meeting, where she was elected to the Board by unitholders to fill the vacancy created as a result of Ms. Stephen's retirement.



As part of its regular evaluation process, the Governance and Sustainability Committee considers from time to time the relevant skills and knowledge needed on the Board and reviews prospective candidates (including candidates identified by the REIT's current board members).

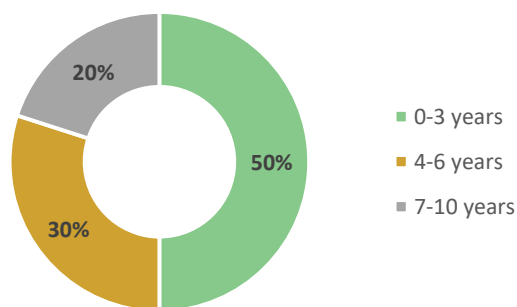
Further information on each of the Board nominees is set out in the *"Election of Trustees"* section of this Circular.

### ***Retirement Policy and Term Limits***

In 2023, the Governance and Sustainability Committee and the Board considered the adoption of term limits as a measure to facilitate Board refreshment. In 2024, the Board adopted term limits which provide that non-executive trustees may serve on the Board for ten (10) years from their initial election or appointment to the Board after which the independent trustee may not be nominated for re-election. Exceptions may be made by the Board, upon the recommendation of the Governance and Sustainability Committee, to waive such limit for a trustee under extraordinary circumstances. The Board has not adopted a mandatory retirement policy for trustees.

### ***Board Tenure***

The chart below reflects the tenure of our Board as of February 26, 2024:



### ***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 the REIT. The Board Mandate includes a position description of the Chair, which sets out his duties and responsibilities.

In addition, the Board Mandate provides that the Board will in each year, if the Chair is not an "independent trustee", elect from among its independent members a Lead Trustee. Mr. Douglas held the position of independent trustee from June 2019 until his appointment as Chair of the Board in February 2023.

The Governance and Sustainability 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 Governance and Sustainability 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 Governance and Sustainability Committee and the Chair of the Board are each available as a forum for addressing the concerns of individual trustees. Individual trustees are also free to engage outside advisors, at the expense of the REIT, with Governance and Sustainability Committee authorization.

### **Attendance**

Each trustee is expected to attend all meetings of the Board and of committees on which they sit; however it is recognized that trustees may experience conflicts with other commitments, unforeseen circumstances or personal emergencies. The attendance records of the REIT's trustees for the year ended December 31, 2023 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 and Risk Committee (six members);
- People and Compensation Committee (five members); and
- Governance and Sustainability Committee (six members).

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

	Board Committee Membership		
	Audit and Risk <sup>(1)</sup>	People and Compensation <sup>(2)</sup>	Governance and Sustainability <sup>(3)</sup>
<b>Non-Independent Trustees</b>			
Adam Paul			
<b>Independent Trustees</b>			
Leonard Abramsky	X	X	
Sheila Botting		X	X
Ian Clarke	Chair	X	
Paul C. Douglas			X
Dayna Gibbs	X		X
Ira Gluskin	X	X	
Annalisa King		Chair	X
Al Mawani	X		Chair
Richard Nesbitt	X		X

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

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

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

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

### **Audit and Risk Committee**

The Audit and Risk Committee is currently composed of six trustees – Ian Clarke, FCPA, FCA (Chair), Leonard Abramsky, Dayna Gibbs, Ira Gluskin, Al Mawani, CPA, CA, and Richard Nesbitt – all of whom are “independent” and all are “financially literate” as such terms are defined in NI 52-110. Both Mr. Clarke and Mr. Mawani are designated as “audit financial experts” under the criteria established by Glass Lewis.

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

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

The Audit and Risk 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 and Risk 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 the REIT's Annual Information Form dated February 16, 2024, which is available under our issuer profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

#### ***People and Compensation Committee***

The People and Compensation Committee is currently composed of five trustees, all of whom are "independent".

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

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

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

#### ***Governance and Sustainability Committee***

The Governance and Sustainability Committee is currently composed of six trustees, all of whom are "independent".

The Governance and Sustainability 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);
- assisting 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 Governance and Sustainability Committee and their trends, mitigations and impacts;
- related party transactions and other matters involving actual or potential conflicts of interest;
- environmental, sustainability and climate-related matters; and
- any additional matters delegated to the Governance and Sustainability 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 and Sustainability 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 corporate 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 and a new 2025-2030 ESG Roadmap is currently under development by the ESG Task Force.

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 FCR'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 2023 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 the REIT's website at [www.fcr.ca/esg](http://www.fcr.ca/esg).

### *Risk Management*

In 2021, FCR 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 FCR'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.

The FCR enterprise risk management dashboard is updated regularly and presented to the Board quarterly. It identifies all material risks to FCR (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 2023, 30% of the Corporate Objectives portion of the REIT's bonus metrics were aligned with specific ESG-related initiatives, including a goal to complete GHG reduction plans for at least 80% of our assets (by GLA) and increasing employee awareness and understanding of climate change considerations for the REIT through mandatory training. In addition to short-term incentive compensation linked to annual ESG metrics, since 2021, 12.5% of the performance adjustment factor for the 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.

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 targets, in 2023, the REIT set a goal to create asset level net-zero plans for at least 80% of its properties. To accomplish this, the REIT was an early adopter of a first-of-its-kind decarbonization planning software to create proactive, multi-decade decarbonization pathways for its assets with speed, scale and cost-effectiveness. These plans provide powerful insights and will aid First Capital in refining its plan to achieve its 2030 GHG reduction goals.

## *ESG Reporting*

We have in place robust capabilities to measure and report on our progress and to continually assess and improve our environmental programs each year. The REIT is committed to transparency and ensuring that our sustainability reporting is accurate, meaningful and accessible to all stakeholders. The REIT published its first corporate responsibility and sustainability report in 2009. Since 2010, we have had a third-party conduct assurance on selected sustainability indicators, including greenhouse gas emissions and energy use. We have used the Global Reporting Initiative (GRI) framework for corporate responsibility reporting since 2011. In addition to GRI, we include disclosures aligned with the Sustainability Accounting Standards Board (SASB), the United Nations Sustainable Development Goals (UNSDGs), and the Task Force on Climate-related Financial Disclosures (TCFD). The REIT also responds annually to the Global Real Estate Sustainability Benchmark (GRESB) survey and the Carbon Disclosure Project's (CDP) Climate Change questionnaire.

FCR 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:
  - GHG emissions reduction target approved by Science Based Target Initiative (SBTi): 46% reduction in Scope 1 & 2 emissions by 2030 (2019 base year), with long term goal of reaching net-zero by 2050, or sooner.
  - 9% reduction in Scope 1 & 2 GHG emissions since 2019 base year (2019-2022).
  - Hosted our inaugural Collaboration for Climate Action Forum in November 2022, and launched an ongoing Working Group in 2023, 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 84 (very walkable).
  - Over 300 electric vehicle charging stations; FCR supports the expansion of EV infrastructure in Canada and will continue to increase our network of EV charging stations at our properties.
- Achieve green building certifications:
  - Achieve Building Owners and Managers Association's Building Environmental Standards (BOMA BEST) certification at all applicable properties; 81% of portfolio certified as of December 31, 2023.
  - Approximately 20% of our portfolio (129 projects) is certified to LEED as of December 31, 2023.
  - 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.
  - Recognized as a top 30 Canadian company in Sustainalytics "Road to Net Zero" ranking.

## 2. Social

- Foster an engaged and diverse workforce:
  - Strong gender diversity metrics achieved through all levels of the organization; 55% of management positions are held by females.
  - 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:
  - Recognized by the Globe and Mail as one of the Greater Toronto's Top Employers for the fourth time in five years (2020-2022 & 2024).
  - Named one of Canada's 2022 Greenest Employers by Mediacorp Canada and the Globe and Mail.
  - Named one of Canada's Top Small and Medium Employers for three consecutive years (2020-2022).
  - Selected for inclusion in "The Career Directory" for 2021 & 2022 as one of Canada's Best Employers for Recent Graduates.
  - 82% employee engagement score in 2023.
- Be a good corporate citizen in the communities in which we operate:

- Launched the FCR Thriving Neighbourhoods Foundation in 2020 and have since raised over \$925,000 in donations through employee-led charitable giving to fight food insecurity (Second Harvest, food banks) and mental health initiatives (Kids Help Phone).
- In September 2023, held FCR Thriving Neighbourhoods Foundation's 2023 Commercial Real Estate Softball Classic tournament and raised over \$220,000 for Kids Help Phone (included in the total \$925,000 raised since 2020).
- In 2023, 93% of FCR staff utilized their volunteer day to support local charities in our communities.
- Long-standing support of public arts, now with 32 installations across our portfolio.

### 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 the REIT's website at [www.fcr.ca/esg](http://www.fcr.ca/esg).

### Enterprise Risk Management (ERM)

The Board of Trustees oversees the ERM activities of the REIT. Management reports to the Audit and Risk Committee and to the Board at least quarterly on ERM activities which consists of updates on existing key risks, changes in risk prioritization as identified, changes in risk trending quarter over quarter and identification and evaluation of emerging risks that may have a potential impact on the business of the REIT. The REIT's business is subject to certain risks including strategic, financial, operational, economic, regulatory, information security, environmental, reputational and other risks. For a detailed description of the risks that the REIT is facing, please refer to our annual information form dated February 16, 2024 and the management's discussion and analysis for the year ended December 31, 2023, which are available under our issuer profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The REIT completes an update to the information technology risk assessment at a minimum annually and has developed a cyber security program that focuses on protective measures that are a combination of preventative and detective in nature, and continues to evolve and further strengthen its security posture in response to the everchanging threat landscape. In 2023, the REIT implemented a new cyber training platform/program and completed two phishing campaigns in addition to a series of cyber training programs for employees throughout the year. The REIT expects to launch additional training and phishing campaigns in 2024. 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 will be completing tabletop exercises in 2024 utilizing a Cyber Incident Readiness Playbook. To the knowledge of the REIT, the REIT has never experienced any material information security breaches. The REIT renewed its cyber and technology insurance coverage in 2023.



## **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 and Risk Committee evaluates the integrity and effectiveness of the REIT's internal controls over financial reporting and information systems.

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

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

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

## **Executive Compensation and Succession Planning**

The People and 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 People and 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 People and Compensation Committee also annually reviews the adequacy and form of trustees' compensation.

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

## **Equity Ownership Guidelines**

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

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

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

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

The value of DTUs, RTUs, vested PTUs and Trust Units count towards meeting the Ownership Requirement. Unexercised stock options and unvested PTUs do not count toward the unit Ownership Requirement. The value of DTUs, RTUs, vested PTUs and Trust Units is deemed to be the market value at the relevant time.

#### ***CEO Equity Retention Requirements***

The Equity Ownership Policy provides that the President and Chief Executive Officer continues to be subject to the applicable equity Ownership Requirements for a period of one year following the date he ceases to hold the office of President and Chief Executive Officer of the REIT 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, DTUs (vested immediate upon grant), RTUs (vested and unvested) and PTUs (vested) by the applicable NEOs, trustees as at the close of business on February 26, 2024.

Holdings <sup>(1)</sup>				Minimum Requirements				Comparison
Name and Title	Type	Number <sup>(2)</sup>	Value <sup>(3)</sup> (\$)	Multiple	Value <sup>(4)</sup> (\$)	Deadline	Meets Requirement	Holdings vs. Minimum Requirements
Paul C. Douglas Chair of the Board	DTUs	53,612	\$849,750	6 x annual retainer	1,650,000 <sup>(5)</sup>	February 7, 2028	Yes	124%
	Trust Units	75,000	\$1,188,750					+\$388,500
	Total	128,612	\$2,038,500					7.4 x annual retainer
Adam E. Paul President and Chief Executive Officer and Trustee	RTUs	222,656	\$3,529,098	6 x annual salary	5,400,000	N/A <sup>(6)</sup>	Yes	180%
	Trust Units	390,128	\$6,183,529					+\$4,312,627
	Total	612,784	\$9,712,627					10.8 x annual salary

Holdings <sup>(1)</sup>				Minimum Requirements				Comparison
Jordan Robins Executive Vice President and Chief Operating Officer	RTUs	78,071	\$1,237,425	3 x annual salary	1,650,000	N/A <sup>(6)</sup>	Yes	174%
	Trust Units	103,240	\$1,636,354					+\$1,223,779
	Total	181,311	\$2,873,779					5.2 x annual salary
Neil Downey Executive Vice President, Enterprise Strategies and Chief Financial Officer	RTUs	112,965	\$1,790,495	3 x annual salary	1,545,000	N/A <sup>(6)</sup>	Yes	176%
	Trust Units	58,481	\$926,924					+\$1,172,419
	Total	171,446	\$2,717,419					5.3 x annual salary
Carmine Francella Senior Vice President, Real Estate Services	RTUs	30,127	\$477,513	1.5 x annual salary	637,500	N/A <sup>(6)</sup>	Yes	184%
	Trust Units	19,105	\$302,814					+\$355,327
	Total	49,232	\$780,327					1.8 x annual salary
Alison Harnick Senior Vice President, General Counsel and Corporate Secretary	RTUs	25,351	\$401,813	1.5 x annual salary	532,500	N/A <sup>(6)</sup>	Yes	106%
	Trust Units	10,143	\$160,767					+\$207,580
	Total	35,494	\$562,580					1.6 x annual salary
Leonard Abramsky Trustee	DTUs	27,863	\$441,628	6 x annual retainer	990,000 <sup>(7)</sup>	June 4, 2024	Yes	178%
	Trust Units	83,162	\$1,318,118					+\$769,746
	Total	111,025	\$1,759,746					10.7 x annual retainer
Sheila Botting Trustee	DTUs	26,313	\$417,061	6 x annual retainer	990,000 <sup>(7)</sup>	June 22, 2026	Yes as applicable <sup>(8)</sup>	63%
	Trust Units	13,200	\$209,220					(\$363,719) <sup>(8)</sup>
	Total	39,513	\$626,281					3.8 x annual retainer
Ian Clarke Trustee	DTUs	26,785	\$424,542	6 x annual retainer	990,000 <sup>(7)</sup>	June 22, 2026	Yes as applicable <sup>(8)</sup>	58%
	Trust Units	9,750	\$154,538					(\$410,920) <sup>(8)</sup>
	Total	36,535	\$579,080					3.5 x annual retainer
Dayna Gibbs Trustee	DTUs	8,733	\$138,418	6 x annual retainer	990,000 <sup>(7)</sup>	April 11, 2028	Yes as applicable <sup>(8)</sup>	30%
	Trust Units	10,000	\$158,500					(\$693,082) <sup>(8)</sup>
	Total	18,733	\$296,918					1.8 x annual retainer
Ira Gluskin Trustee	DTUs	10,704	\$169,658	6 x annual retainer	990,000 <sup>(7)</sup>	February 7, 2028	Yes	313%
	Trust Units	185,000	\$2,932,250					+\$2,111,908
	Total	195,704	\$3,101,908					18.8 x annual retainer
Annalisa King Trustee	DTUs	68,753	\$1,089,735	6 x annual retainer	990,000 <sup>(7)</sup>	Nov. 9, 2021	Yes	133%
	Trust Units	14,621	\$231,743					+\$331,478
	Total	83,374	\$1,321,478					8.0 x annual retainer
Al Mawani Trustee	DTUs	56,316	\$892,609	6 x annual retainer	990,000 <sup>(7)</sup>	May 29, 2023	Yes	131%
	Trust Units	25,500	\$404,175					+\$306,784
	Total	81,816	\$1,296,784					7.9 x annual retainer
Richard Nesbitt Trustee	DTUs	10,211	\$161,844	6 x annual retainer	990,000 <sup>(7)</sup>	February 23, 2028	Yes as applicable <sup>(8)</sup>	16%
	Trust Units	Nil	nil					(\$828,156) <sup>(8)</sup>
	Total	10,211	\$161,844					<1.0 x annual retainer

(1) Includes RTUs, DTUs, vested PTUs and Trust Units owned, controlled or directed, directly or indirectly by such person. For calculation purposes, RTUs are considered as vested.

(2) For RTUs, DTUs and vested PTUs, includes accrued dividends and distributions.

(3) Values are based on the closing price of the Trust Units on February 26, 2024 (\$15.85).

(4) Values are based on 2023 salary or annual retainer, as applicable.

- (5) In 2022, Mr. Douglas' annual retainer was \$165,000 and accordingly, his minimum unit ownership requirement of six times the annual retainer was \$990,000. Mr. Douglas was appointed as Chair of the Board on February 7, 2023 thus increasing his annual retainer to \$275,000 resulting in a minimum ownership requirement value of \$1,650,000.
- (6) Officers of the REIT are required to acquire over time from grants under the RTU Plan and thereafter maintain RTUs, PTUs and Trust Units acquired (on an after-tax basis) through the vesting thereof with a value equal to the prescribed Salary Multiple.
- (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 the REIT on June 22, 2021 and are required to meet their respective unit ownership requirements by June 22, 2026. Mr. Nesbitt was appointed as a trustee of the REIT on February 23, 2023 and is required to meet his unit ownership requirement by February 23, 2028. Ms. Gibbs was elected as a trustee of the REIT on April 11, 2023 and is required to meet her Unit Ownership Requirement by April 11, 2028.

### **Hedging**

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

### **Board Evaluation**

The Governance and Sustainability 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 Governance and Sustainability 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 Governance and Sustainability Committee reviews and assesses the Board's mandate, the charter of each committee and the position description of the Chair of the Board. The Governance and Sustainability 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 Governance and Sustainability 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 Governance and Sustainability Committee periodically reviews the effectiveness of this process and recommends changes to the process where applicable.

### **Orientation and Continuing Education**

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

Upon appointment or election to the Board, each new trustee receives a package and is referred to convenient online sources containing up-to-date information on the REIT's corporate and organizational structure, recent filings and financial information, corporate governance documents and important policies. A formal orientation session is given to new trustees to familiarize them with the REIT, its business, industry, the executive leadership team and the contribution individual trustees are expected to make. Trustees are encouraged to attend meetings of Committees they are not members of. Most trustees attend meetings of the Audit and Risk Committee.

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

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

During 2023, the REIT organized the following presentations for its trustees:

<b>Educational Presentations</b>	<b>Presented/ Hosted By</b>	<b>Date</b>	<b>Audience</b>
Cybersecurity and Internet-Related Risks	First Capital REIT	July 31, 2023	Audit and Risk Committee (full Board in attendance)
FCR Board Property Tour (Toronto)	First Capital REIT	August 1, 2023	Board
Directors' and Officers' Insurance and Liability Refresher	Marsh Canada	October 30, 2023	Governance and Sustainability Committee
FCR Net Zero Transition Planning & Climate Change Initiatives	First Capital REIT	October 30, 2023	Governance and Sustainability Committee
Real Estate & Capital Markets Perspectives	RBC	November 17, 2023	Independent Trustees

In addition to participating in the internal educational presentations listed above, Board members also participated in conferences, seminars and courses during 2023 presented or hosted by persons other than the REIT, including the following:

<b>Educational Presentations</b>	<b>Presented/ Hosted By</b>	<b>Date</b>	<b>Attended By</b>
Generating Income with Alternatives - Trends to Watch in 2023	Scotiabank	January 17, 2023	Ira Gluskin
Board Oversight of Strategy - Instructor	Institute of Corporate Directors	February 14, June 1, September 20, 2023	Annalisa King
Security Awareness Training	Avison Young	Spring 2023	Sheila Botting
Dialogue on Decarbonization	KPMG	March 8, 2023	Annalisa King
Black Box of Governance	Rotman School of Management	March 22, 2023	Al Mawani
Navigating Rising Expectations for Canadian Boards	Institute of Corporate Directors	March 27, 2023	Annalisa King
CREW Network (Commercial Real Estate Women) Professional Development	Toronto CREW	April 18, 2023	Sheila Botting
Canadian Public Company Spin-Offs	McCarthy Tétrault LLP	April 19, 2023	Al Mawani
Canadian Property Tax Association Annual Conference Professional Development	Canadian Property Tax Association	May 5, 2023	Sheila Botting
The Berkshire Hathaway Annual Shareholders Meeting + Q&A Sessions	Warren Buffett and Charlie Munger	May 5-6, 2023	Ira Gluskin
Private Equity Outlook: Behind the Curtain in 2023	Canadian Club Toronto	May 11, 2023	Dayna Gibbs
Canada Land & Development Conference	Informa Connect	May 30, 2023	Sheila Botting

TLOMA Facilities SIG Event - Ready. Reset. Go.	The Law Office Management Association (TLOMA) Toronto	June 6, 2023	Sheila Botting
TSX60 Board Governance & ESG	Hugessen Consulting	June 6, 2023	Dayna Gibbs
ICD National Conference	Institute of Corporate Directors	June 13-14, 2023	Annalisa King
Generative AI: What Boards Need to Know	National Association of Corporate Directors	June 16, 2023	Annalisa King
Audit Committee Forum – Real Estate Sector	Canadian Public Accountability Board (CPAB)	June 20, 2023	Al Mawani
Trends and Insights from the 2023 Proxy Season: TSX60 Executive Compensation	Hugessen Consulting	June 22, 2023	Leonard Abramsky Dayna Gibbs
Governing AI Opportunities, Risks, and What's Next	Nasdaq Center for Board Excellence	June 22, 2023	Al Mawani
What Audit Committees Need to Know for Q2 023	E&Y	June 28, 2023	Al Mawani
The Pandemic's Lasting Impact on Real Estate	McKinsey Global Institute	July 13, 2023	Al Mawani
Audit Committee Forum – Real Estate Sector	Canadian Public Accountability Board	September 11, 2023	Al Mawani
Annual Financial & Regulatory Reporting Update	PWC	September 18, 2023	Al Mawani
M&A and Activism Preparedness: Considerations for Directors	National Association of Corporate Directors	September 21, 2023	Annalisa King
Indigenous Ownership & Canada's Economic Future	Canadian Club Toronto	September 28, 2023	Dayna Gibbs
The Future of Sustainability Reporting with ISSB Standards	Institute of Corporate Directors	September 28, 2023	Annalisa King
Climate Adaptation Strategies and Board's Role	Institute of Corporate Directors	October 11, 2023	Annalisa King
Blockchain and Other Leading Technologies	CPA Ontario	October 12, 2023	Ian Clarke
Internet Security	Avison Young	October 13, 2023	Sheila Botting
Rise of Bitcoin to the Collapse of FTX	CPA Ontario	October 17, 2023	Ian Clarke
Awakening Canada's Sleeping Economic Giant – Presentation by Goldy Hyder, President & CEO, Business Council of Canada	Canadian Club Toronto	October 18, 2023	Dayna Gibbs
10 <sup>th</sup> Annual C4K Investors Conference - Table Sponsor	C4K Annual Investors Conference	October 18-19, 2023	Ira Gluskin
Leading with ESG	CPA Ontario	November 2, 2023	Ian Clarke
University of Waterloo Planning School Annual Conference	Fasken LLP	November 7, 2023	Sheila Botting
Presentation by The Honourable Peter Bethlenfalvy, Ontario's Minister of Finance	Canadian Club Toronto	November 7, 2023	Dayna Gibbs
AI Disruption in the Job Market: Navigating Future Skills and Relevance	London School of Economics and Political Science	November 8, 2023	Richard Nesbitt
Learn with your Peers: 2023 Blue Ribbon Report on Board Culture	National Association of Corporate Directors	November 14, 2023	Annalisa King
Shareholder Activism in Canada	Goodmans LLP	November 14, 2023	Al Mawani
Toronto Real Estate Forum 2023	Informa Connect	November 29-30, 2023	Leonard Abramsky Sheila Botting Al Mawani
The Psychology of Risk Blind Spots	Institute of Corporate Directors	November 29, 2023	Al Mawani
Canadian Cybersecurity Trends	Blake, Cassels & Graydon LLP	December 15, 2023	Dayna Gibbs

## 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 and Risk Committee is responsible for reviewing the procedures set out in the Ethics Reporting Policy.

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

In 2024, the Board adopted a Human Rights Policy affirming the REIT’s commitment to respecting all human rights and recognizing the organization’s responsibility to establish a standard of expected conduct in its business functions. The Human Rights Policy supplements and supports the standards of conduct expected of all employees, officers, trustees or directors of the REIT and its subsidiaries, through the Code and all relevant policies and procedures. This expectation extends to our contractors, suppliers, consultants, agents and other third parties as supported by the REIT’s Supplier Code of Conduct and Ethics.

A copy of First Capital REIT’s Code and Human Right Policy can be found on our website at [www.fcr.ca](http://www.fcr.ca).

### *Supplier Code of Conduct and Ethics*

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

The Supplier Code sets out procedures for reporting violations and possible violations of the Supplier Code. The REIT has retained the services of an independent third party to provide a confidential, anonymous communication channel to enable suppliers to report any activity or omission or suspected activity or

omission that may constitute a violation of the Supplier Code. Through the third party, anonymous reports may be submitted online, through a toll-free number and by mail. A copy of the Supplier Code can be found on our website at [www.fcr.ca](http://www.fcr.ca).

### **Related Party Transactions and Conflicts of Interest**

In the case of any transaction or agreement in respect of which a trustee or executive officer of the REIT has a material interest, the trustee or officer is required to disclose their interest. Where applicable, they are also generally required to exclude themselves from any deliberations or votes relating to such transaction or agreement.

The Governance and Sustainability 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 and Risk Committee or independent trustees acting without involvement of the “interested” member of the Board or management. Any member of the Governance and Sustainability Committee who is a party to or has a potential conflict of interest in a proposed transaction, or who has a material interest in any related party transaction or in a party to a related party transaction, must abstain from any vote on that transaction.

### **Disclosure and Insider Trading Policy**

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

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

A copy of the Disclosure and Insider Trading Policy can be found on our website at [www.fcr.ca](http://www.fcr.ca).

### **Unitholder/Investor Communications and Feedback**

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

- quarterly conference calls open to investors, industry analysts and media representatives in conjunction with the release of the REIT’s financial results;
- regular presentations to or meetings with industry analysts and with institutional investors, including through our investor day; 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, 2023 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 \$225,000 in respect of the 2024 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 2023.

#### **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 and the items of business 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 the 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, including macro-economic factors; 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; repayment of indebtedness and the availability of debt and equity to finance the 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; unexpected costs or liabilities related to dispositions; geographic and tenant concentration; residential development, sales and leasing; challenges associated with the integration of acquisitions into First Capital REIT; compliance with financial covenants; changes in government regulation; environmental liability and compliance costs; uninsured losses and First Capital REIT's ability to obtain insurance coverage at a reasonable cost; First Capital REIT's ability to attract and recruit Board trustees in the future; 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; climate change; natural disasters; health emergencies, cybersecurity; distributions which are not guaranteed; limitation on Non-Resident ownership; dependence on FCR LP and the Company; unpredictability and volatility of Trust Unit price; taxation matters; nature of the Trust Units; redemption rights; dilution; status of the mutual fund trust/mutual fund corporation; and maintaining the REIT status.

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, 2023 and 2022 (the "**Annual 2023 MD&A**"), our current annual information form and First Capital REIT's public filings, which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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 26, 2024 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 refers to certain non-IFRS financial measures in this Circular, including but not limited to: Funds from Operations ("**FFO**"), Net Operating Income ("**NOI**"), Same Property NOI, Net Asset Value ("**NAV**"), Net Debt, Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("**Adjusted EBITDA**") and Net Debt to Adjusted EBITDA Ratio. These non-IFRS measures do not have standardized meanings prescribed under IFRS and therefore 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 in the real estate industry and provide useful supplemental information to both management and investors. 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's operating performance.

For further information on these non-IFRS measures, please refer to “Non-IFRS Financial Measures” in our Annual 2023 MD&A available under First Capital REIT’s issuer profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). See also “Non-IFRS Reconciliations and Financial Measures” in First Capital’s Annual 2023 MD&A for a reconciliation of such non-IFRS measures.

#### **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.sedarplus.ca](http://www.sedarplus.ca) and on First Capital REIT’s website, [www.fcr.ca](http://www.fcr.ca). Financial information about First Capital REIT is provided in our consolidated comparative financial statements and Annual 2023 MD&A.

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, 2023, 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](http://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

## **APPENDIX A**

### **RESOLUTION OF THE UNITHOLDERS OF FIRST CAPITAL REAL ESTATE INVESTMENT TRUST**

#### **THIRD AMENDED AND RESTATED DEFERRED TRUST UNIT PLAN**

**The following is the text of the ordinary resolution that unitholders are being asked to approve at the Meeting:**

**BE IT RESOLVED THAT:**

1. The third amended and restated deferred unit plan (the “**DTU Plan**”) of First Capital Real Estate Investment Trust (“**First Capital REIT**”), in substantially the form attached as Appendix C to the management information circular dated February 29, 2024, be and the same is hereby authorized and approved with such amendments to be effective as of the date hereof, including the increase in the number of trust units (“**Trust Units**”) available for issuance under the DTU Plan by an additional 500,000 Trust Units from 1,115,000 to 1,615,000 Trust Units.; and
2. Any trustee or officer of First Capital REIT, be and is 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.

## **APPENDIX B**

### **RESOLUTION OF THE UNITHOLDERS OF FIRST CAPITAL REAL ESTATE INVESTMENT TRUST**

#### **THIRD AMENDED AND RESTATED RESTRICTED TRUST UNIT PLAN**

**The following is the text of the ordinary resolution that unitholders are being asked to approve at the Meeting:**

**BE IT RESOLVED THAT:**

1. The third amended and restated restricted unit plan (the “**RTU Plan**”) of First Capital Real Estate Investment Trust (“**First Capital REIT**”), in substantially the form attached as Appendix D to the management information circular dated February 29, 2024, be and the same is hereby authorized and approved with such amendments to be effective as of the date hereof, including the increase in the number of trust units (“**Trust Units**”) available for issuance under the RTU Plan by an additional 600,000 Trust Units from 3,680,554 to 4,280,554 Trust Units.; and
2. Any trustee or officer of First Capital REIT, be and is 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.

**APPENDIX C**

**FIRST CAPITAL REAL ESTATE INVESTMENT TRUST**

**THIRD AMENDED AND RESTATED DEFERRED TRUST UNIT PLAN**

Please see attached.

**FIRST CAPITAL REAL ESTATE INVESTMENT TRUST**

**THIRD AMENDED AND RESTATED**

**DEFERRED TRUST UNIT PLAN**

**First Capital Real Estate Investment Trust  
Third Amended and Restated  
Deferred Trust Unit Plan**

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## **Section 1      General Provisions**

### **1.1      Purpose**

The purpose of the First Capital Real Estate Investment Trust Deferred Trust Unit Plan is to promote a greater alignment of interests between trustees of the REIT and the unitholders of the REIT.

### **1.2      Definitions**

As used in the Plan, the following terms have the following meanings:

- (a)      **“Applicable Withholding Taxes”** means any and all taxes and other source deductions or other amounts that the REIT is required by law to withhold from any amounts to be paid or credited hereunder;
- (b)      **“Board”** means the Board of Trustees of the REIT;
- (c)      **“Business Day”** means any day, other than a Saturday or a Sunday, on which the Toronto Stock Exchange is open for trading;
- (d)      **“Code”** means the United States Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder;
- (e)      **“Committee”** means the Compensation Committee of the Board, as the same may be renamed or constituted from time to time;
- (f)      **“Conversion Date”** means, with respect to any fiscal quarter, the date used to determine the Market Price of a REIT Unit for the purposes of determining the number of Deferred Trust Units to be granted in respect of that fiscal quarter to an Eligible Trustee; which shall be the date approved by the Committee which shall be, unless otherwise determined by the Committee, the first Business Day of the fiscal quarter in respect of which the Deferred Trust Unit is granted, but which shall not be earlier than the first Business Day or later than the last Business Day of the fiscal quarter in respect of which the election is made;
- (g)      **“Deferred Trust Unit”** means a right granted by the REIT to an Eligible Trustee to receive, on a deferred basis, a REIT Unit issued from treasury on the terms contained herein;
- (h)      **“Effective Date”** has the meaning ascribed to it in Section 3.10;
- (i)      **“Eligible Trustee”** means each non-employee trustee of the REIT;
- (j)      **“Filing Date”** has the meaning set out in Section 2.2(a);
- (k)      **“Market Price”** means the weighted average trading price of REIT Units on the Toronto Stock Exchange (or, if such REIT Units are not then listed and posted for

trading on the Toronto Stock Exchange, on such other stock exchange in Canada on which REIT Units are listed and posted for trading as may be selected for such purpose by the Committee) for the ten Business Days on which REIT Units traded on such exchange preceding the applicable date; provided that, in the event that REIT Units are not listed and posted for trading on any stock exchange, at the applicable date, the Market Price in respect thereof shall be the fair market value of a REIT Unit as determined by the Committee in its sole discretion;

- (l) **“Participant”** means an Eligible Trustee who has made an election to receive Deferred Trust Units;
- (m) **“Payment Designation Date”** has the meaning set out in Section 2.1(a)(i);
- (n) **“Plan”** means this First Capital Real Estate Investment Trust Third Amended and Restated Deferred Trust Unit Plan, as amended from time to time;
- (o) **“REIT”** means First Capital Real Estate Investment Trust;
- (p) **“REIT Unit”** means a trust unit of the REIT (other than a special voting unit of the REIT);
- (q) **“Trustee’s Remuneration”** means all compensation, in whatever form, provided to an Eligible Trustee by the REIT in respect of the services provided to the REIT by the Eligible Trustee in any fiscal year;
- (r) **“Units”** means the REIT Units and the special voting units of the REIT; and
- (s) **“US Participant”** means each Participant who is a United States citizen or resident.

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.

### **1.3 Administration**

Subject to the Committee reporting to the Board on all matters relating to this Plan and obtaining approval of the Board for those matters required by the Committee’s mandate, this Plan will be administered by the Committee which has the sole and absolute discretion to: (i) interpret and administer the Plan; (ii) establish, amend and rescind any rules and regulations relating to the Plan; and (iii) make any other determinations that the Committee deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems, in its sole and absolute discretion, necessary or desirable. Any decision of the Committee with respect to the administration and interpretation of the Plan shall be conclusive and binding on the Eligible Trustee. The Board may establish policies respecting minimum ownership of REIT Units of the REIT by Eligible Trustees and the ability to elect Deferred Trust Units to satisfy any such policy.

## **1.4 Governing Law**

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

## **1.5 REIT Units Reserved for Issuance**

The REIT hereby reserves 1,615,000 REIT Units for issuance under this Plan, provided that REIT Units reserved for issuance pursuant to Deferred Trust Units which are cancelled or terminated without having been settled will again be available for issuance under this Plan.

The maximum number of REIT Units available for issuance under this Plan (i) to any one participant is 5% of the then issued and outstanding Units and (ii) to insiders of the REIT is 10% of the then issued and outstanding Units. Under no circumstances may more than 10% of the REIT's total issued and outstanding Units be issued within a one year period or be issuable at any time to insiders of the REIT under the Plan and all of the REIT's other security based compensation arrangements.

The terms “**security based compensation arrangement**” and “**insider**” have the meanings attributed thereto in the TSX Company Manual.

## **Section 2 Election Under the Plan**

### **2.1 Payment and Deferral of Trustee's Remuneration**

Subject to such rules, approvals and conditions as the Committee may impose, an Eligible Trustee may elect to receive the Trustee's Remuneration, in whole or in part, in the form of Deferred Trust Units or cash.

- (a) *Method of Electing for Trustee's Remuneration.* To elect a form of payment of a Trustee's Remuneration, the Eligible Trustee shall complete and deliver to the Chief Financial Officer of the REIT, or other officer of the REIT designated by the Committee, a written election by no later than the last day of the fiscal year preceding the fiscal year respecting which the Trustee's Remuneration becomes payable. The Eligible Trustee's written election shall, subject to any minimum amount that may be required by the Committee, designate the portion or percentage of the Trustee's Remuneration for the applicable fiscal quarter that is to be deferred into Deferred Trust Units and the portion or percentage to be paid in cash. In the absence of a designation to the contrary, the Eligible Trustee's election for the latest fiscal quarter with respect to the portion or percentage of the Trustee's Remuneration that is to be deferred into Deferred Trust Units and paid in cash shall continue to apply to all subsequent Trustee's Remuneration payments until the Eligible Trustee submits another written election in accordance with this Section. An Eligible Trustee shall only file one election in respect of the Trustee's Remuneration payable in any fiscal quarter and the election shall be irrevocable for that fiscal quarter. If no election is made, and no prior election remains effective, the Eligible Trustee shall be deemed to have elected to defer any minimum amount

that may be required by the Committee into Deferred Trust Units and to receive the balance of the Trustee's Remuneration for the applicable fiscal quarter in cash.

- (i) Notwithstanding Section 2.1(a) of the Plan, with respect to US Participants, the written deferral election required under such section shall be made no later than the last day of the calendar year preceding the year in respect of which the Trustee's Remuneration is earned and such written election shall designate the date on which the REIT shall make any payments pursuant to Section 2.2(c) of the Plan (the "**Payment Designation Date**").
  - (ii) With respect to US Participants, the Payment Designation Date shall be treated as the Filing Date for purposes of Section 2.2(c).
- (b) *Payment of Trustee's Remuneration.* The portion or percentage of the Trustee's Remuneration shall be paid in cash or granted as Deferred Trust Units, as elected by the Participant, on the Business Day following the last day of each fiscal quarter for which the Trustee's Remuneration is payable.
- (c) *Deferred Trust Units.* Deferred Trust Units elected by a Participant pursuant to the Plan shall be credited to an account maintained for the Participant by the REIT. The number of Deferred Trust Units to be granted on the date prescribed by Section 2.1(b) shall be, in the case of cash compensation, determined by dividing the amount of the Trustee's Remuneration to be deferred into Deferred Trust Units on such date by the Market Price per REIT Unit on the Conversion Date (rounded down to the nearest whole Deferred Trust Unit) and, in the case of compensation in the form of REIT Units, the number of REIT Units to be deferred into Deferred Trust Units on such date.
- (d) *Distributions.* When cash distributions are paid on REIT Units, further Deferred Trust Units will automatically be granted to a Participant in respect of Deferred Trust Units credited to the Participant's account as of the record date for payment of distributions. The number of such additional Deferred Trust Units (rounded down to the nearest whole Deferred Trust Unit) to be granted on a distribution payment date shall be determined by multiplying the aggregate number of Deferred Trust Units held on the applicable distribution record date by the amount of distributions paid by the REIT on each REIT Unit, and dividing the result by the Market Price per REIT Unit on the distribution payment date.
- (e) *No Acceleration for US Participants.* The acceleration of the time or schedule of any payment due under the Plan to any US Participant is prohibited except as provided in regulations and administrative guidance promulgated under Section 409A of the Code.

## **2.2 Termination of Service**

- (a) *Termination of Service.* A Participant who has retired from all positions as a trustee of the REIT and any subsidiary of the REIT, or who, except as a result of death, has otherwise ceased for any reason to hold any such positions with the REIT and any

such subsidiaries, may settle the Deferred Trust Units credited to the Participant's account by filing with the Chief Financial Officer of the REIT, or other officer of the REIT designated by the Committee, a notice of settlement of the Deferred Trust Units in the prescribed form on or before December 15 of the first calendar year commencing after the date the Participant retires from or otherwise ceases to hold such positions. If the Participant fails to file a notice of settlement of the Deferred Trust Units on or before such December 15, the Participant shall be deemed to have filed with the Chief Financial Officer of the REIT a notice of settlement on December 15. The date on which a notice of settlement is filed or deemed to be filed with the Chief Financial Officer of the REIT is the "**Filing Date**". The notice of settlement filed by the Participant shall specify the number of Deferred Trust Units to be settled and if such number is not so specified, it shall be deemed to be all the Deferred Trust Units credited to the Participant's account.

- (b) *Death of Eligible Trustee.* In the event of the death of a Participant, the REIT shall, settle all Deferred Trust Units credited to the Participant's account.
- (c) *Settlement.* Within the earlier of 7 Business Days following the Filing Date or 90 days following the Participant's death, as applicable, and subject to Section 3.7, the REIT shall settle the Deferred Trust Units required to be settled pursuant to Section 2.2(a) or (b) by issuing from treasury one REIT Unit for each full Deferred Trust Unit to be settled.
- (d) *Fractional Units.* Where the number of Deferred Trust Units would result in the delivery of fractional REIT Units, the number of REIT Units to be issued shall be rounded down to the next whole number of REIT Units. No fractional REIT Units may be delivered.

## **Section 3      General**

### **3.1      Capital Adjustments**

In the event of any in specie distribution, consolidation or subdivision of securities, combination or exchange of securities, merger, spin-off or other distribution (other than normal cash distributions) of the REIT's assets to unitholders, or any other change in the capital of the REIT affecting REIT Units, the Committee will make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change, with respect to (i) the number or kind of securities on which the Deferred Trust Units are based; and (ii) the number of Deferred Trust Units; provided, however, that no substitution or adjustment will obligate the REIT to issue or sell fractional securities. Notwithstanding anything in this Plan to the contrary, all substitutions or adjustments made pursuant to this Section 3.1 shall be made in compliance with paragraph 7(1.4)(c) of the Income Tax Act (Canada) and/or with Code Section 409A and Treasury Regulation Section 1.409A-1(b)(5), to the extent applicable.

### **3.2 Non-Exclusivity**

Nothing contained herein will prevent the Board from adopting other additional compensation arrangements for the benefit of Eligible Trustees, subject to any required regulatory or unitholder approval.

### **3.3 Unfunded Plan**

To the extent any individual holds any rights under the Plan, such rights (unless otherwise determined by the Committee) shall be no greater than the rights of an unsecured general creditor of the REIT.

### **3.4 Successors and Assigns**

The Plan shall be binding on all successors and assigns of the REIT and each Eligible Trustee, including without limitation, the legal representatives of each Eligible Trustee, or any receiver or trustee in bankruptcy or representative of the REIT or an Eligible Trustee.

### **3.5 Transferability of Awards**

Rights respecting Deferred Trust Units shall not be transferable or assignable other than by will or the laws of descent and distribution.

### **3.6 Amendment and Termination**

- (a) The Board may amend, suspend or terminate this Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX), if any, that require the approval of unitholders or any governmental or regulatory body. The Committee may make any types of amendments to the Plan without seeking unitholder approval except the following types of amendments which will require unitholder approval:
  - (i) amendments to the number of REIT Units issuable under the Plan, including an increase to a fixed maximum number of REIT Units or a change from a fixed maximum number of REIT Units to a fixed maximum percentage;
  - (ii) any amendment expanding the categories of Eligible Trustee which would have the potential of broadening or increasing insider participation;
  - (iii) any amendment permitting transfer or assignment of a Deferred Trust Unit, except by testate or intestate succession;
  - (iv) any amendment to remove or exceed the insider participation limit;
  - (v) any amendment to this amendment provision; and

- (vi) amendments required to be approved by unitholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).
- (b) No amendment, suspension or termination may materially adversely affect any Deferred Trust Units, or any rights pursuant thereto, granted previously to any Participant without the consent of that Participant.
- (c) If this Plan is terminated, the provisions of this Plan and any administrative guidelines, and other rules adopted by the Committee and in force at the time of this Plan, will continue in effect as long as a Deferred Trust Unit or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the Plan, the Committee may make any amendments to the Plan or the Deferred Trust Units it would be entitled to make if the Plan were still in effect.
- (d) With the consent of the Participant affected thereby, the Committee may amend or modify any outstanding Deferred Trust Unit in any manner to the extent that the Committee has the authority under the Plan as so modified or amended from time to time to grant the award as so modified or amended.

Notwithstanding any other provision under this Plan, there is no obligation for uniformity of Participants in the Plan.

### **3.7 Tax Consequences**

It is the responsibility of the Participant to complete and file any tax returns which may be required under Canadian, U.S. or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan.

Notwithstanding any other provision contained herein, a Participant shall be solely responsible for all Applicable Withholding Taxes resulting from his or her receipt of Deferred Trust Units, REIT Units or other property pursuant to this Plan. In connection with the issuance of REIT Units pursuant to this Plan, the Participant shall:

- (a) pay to the REIT an amount as necessary so as to ensure that the REIT is in compliance with the applicable provisions of any federal, provincial, local or other law relating to the Applicable Withholding Taxes in connection with such issuance;
- (b) with the prior approval of the REIT, elect to have the REIT withhold the Applicable Withholding Taxes from any remuneration or other amount otherwise payable by the REIT to the Participant;
- (c) authorize the REIT to sell, on behalf of the Participant, in the market on such terms and at such time or times as the REIT determines a portion of the REIT Units issued hereunder to realize cash proceeds to be used to satisfy the Applicable Withholding Taxes; or

- (d) make other arrangements acceptable to the REIT to fund the Applicable Withholding Taxes.

### **3.8 US Participants**

Compensation payable under the Plan to US Participants is intended not to be subject to U.S. federal income tax under Section 409A of the Code and the Plan shall be construed, interpreted and administered in compliance with such intent. The Committee is hereby authorized to amend the Plan or any award under the Plan to achieve this result.

### **3.9 No Liability**

The REIT shall not be liable to any Participant for any loss resulting from a decline in the market value of any REIT Units.

### **3.10 Effective Date**

This Plan was effective on December 30, 2019 and was amended and restated on March 1, 2021, June 21, 2022 and [●], 2024. This Plan, as amended and restated, shall govern all Trust Units granted on and after March 1, 2021. All deferred share units (and related dividend share units) granted by First Capital Realty Inc. under the former First Capital Realty Inc. Directors Deferred Share Unit Plan prior to December 30, 2019 will be governed by the terms of this Plan as of December 30, 2019.



**FIRST CAPITAL REAL ESTATE INVESTMENT TRUST**

**THIRD AMENDED AND RESTATED**

**DEFERRED TRUST UNIT PLAN**

**First Capital Real Estate Investment Trust**  
**Third Amended and Restated**  
**Deferred Trust Unit Plan**

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## Section 1 General Provisions

### 1.1 Purpose

The purpose of the First Capital Real Estate Investment Trust Deferred Trust Unit Plan is to promote a greater alignment of interests between trustees of the REIT and the unitholders of the REIT.

### 1.2 Definitions

As used in the Plan, the following terms have the following meanings:

- (a) **“Applicable Withholding Taxes”** means any and all taxes and other source deductions or other amounts that the REIT is required by law to withhold from any amounts to be paid or credited hereunder;
- (b) **“Board”** means the Board of Trustees of the REIT;
- (c) **“Business Day”** means any day, other than a Saturday or a Sunday, on which the Toronto Stock Exchange is open for trading;
- (d) **“Code”** means the United States Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder;
- (e) **“Committee”** means the Compensation Committee of the Board, as the same may be renamed or constituted from time to time;
- (f) **“Conversion Date”** means, with respect to any fiscal quarter, the date used to determine the Market Price of a REIT Unit for the purposes of determining the number of Deferred Trust Units to be granted in respect of that fiscal quarter to an Eligible Trustee; which shall be the date approved by the Committee which shall be, unless otherwise determined by the Committee, the first Business Day of the fiscal quarter in respect of which the Deferred Trust Unit is granted, but which shall not be earlier than the first Business Day or later than the last Business Day of the fiscal quarter in respect of which the election is made;
- (g) **“Deferred Trust Unit”** means a right granted by the REIT to an Eligible Trustee to receive, on a deferred basis, a REIT Unit issued from treasury on the terms contained herein;
- (h) **“Effective Date”** has the meaning ascribed to it in Section 3.10;
- (i) ~~“Effective Time” has the meaning ascribed to it in the Plan of Arrangement;~~
- (i) ~~(j)~~ **“Eligible Trustee”** means each non-employee trustee of the REIT;
- (j) ~~(k)~~ **“Filing Date”** has the meaning set out in Section 2.2(a);

- (k) ~~(+)~~ **“Market Price”** means the weighted average trading price of REIT Units on the Toronto Stock Exchange (or, if such REIT Units are not then listed and posted for trading on the Toronto Stock Exchange, on such other stock exchange in Canada on which REIT Units are listed and posted for trading as may be selected for such purpose by the Committee) for the ten Business Days on which REIT Units traded on such exchange preceding the applicable date; provided that, in the event that REIT Units are not listed and posted for trading on any stock exchange, at the applicable date, the Market Price in respect thereof shall be the fair market value of a REIT Unit as determined by the Committee in its sole discretion;
- (l) ~~(m)~~ **“Participant”** means an Eligible Trustee who has made an election to receive Deferred Trust Units;
- (m) ~~(n)~~ **“Payment Designation Date”** has the meaning set out in Section 2.1(a)(i);
- (n) ~~(o)~~ **“Plan”** means ~~the~~this First Capital Real Estate Investment Trust Third Amended and Restated Deferred Trust Unit Plan, as amended from time to time;
- ~~(p) **“Plan of Arrangement”** means the plan of arrangement involving First Capital Realty Inc. under Section 182 of the *Business Corporations Act* (Ontario) pursuant to which, among other things, the REIT was established;~~
- (o) ~~(q)~~ **“REIT”** means First Capital Real Estate Investment Trust;
- (p) ~~(r)~~ **“REIT Unit”** means a trust unit of the REIT (other than a special voting unit of the REIT);
- (q) ~~(s)~~ **“Trustee’s Remuneration”** means all compensation, in whatever form, provided to an Eligible Trustee by the REIT in respect of the services provided to the REIT by the Eligible Trustee in any fiscal year;
- (r) ~~(t)~~ **“Units”** means the REIT Units and the special voting units of the REIT; and
- (s) ~~(u)~~ **“US Participant”** means each Participant who is a United States citizen or resident.

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.

### 1.3 Administration

Subject to the Committee reporting to the Board on all matters relating to this Plan and obtaining approval of the Board for those matters required by the Committee’s mandate, this Plan will be administered by the Committee which has the sole and absolute discretion to: (i) interpret and administer the Plan; (ii) establish, amend and rescind any rules and regulations relating to the Plan; and (iii) make any other determinations that the Committee deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply

any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems, in its sole and absolute discretion, necessary or desirable. Any decision of the Committee with respect to the administration and interpretation of the Plan shall be conclusive and binding on the Eligible Trustee. The Board may establish policies respecting minimum ownership of REIT Units of the REIT by Eligible Trustees and the ability to elect Deferred Trust Units to satisfy any such policy.

#### **1.4 Governing Law**

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

#### **1.5 REIT Units Reserved for Issuance**

The REIT hereby reserves ~~1,115,000~~1,615,000 REIT Units for issuance under this Plan, provided that REIT Units reserved for issuance pursuant to Deferred Trust Units which are cancelled or terminated without having been settled will again be available for issuance under this Plan.

The maximum number of REIT Units available for issuance under this Plan (i) to any one participant is 5% of the then issued and outstanding Units and (ii) to insiders of the REIT is 10% of the then issued and outstanding Units. Under no circumstances may more than 10% of the REIT's total issued and outstanding Units be issued within a one year period or be issuable at any time to insiders of the REIT under the Plan and all of the REIT's other security based compensation arrangements.

The terms "security based compensation arrangement" and "insider" have the meanings attributed thereto in the TSX Company Manual.

### **Section 2 Election Under the Plan**

#### **2.1 Payment and Deferral of Trustee's Remuneration**

Subject to such rules, approvals and conditions as the Committee may impose, an Eligible Trustee may elect to receive the Trustee's Remuneration, in whole or in part, in the form of Deferred Trust Units or cash.

- (a) *Method of Electing for Trustee's Remuneration.* To elect a form of payment of a Trustee's Remuneration, the Eligible Trustee shall complete and deliver to the Chief Financial Officer of the REIT, or other officer of the REIT designated by the Committee, a written election by no later than the last day of the fiscal year preceding the fiscal year respecting which the Trustee's Remuneration becomes payable. The Eligible Trustee's written election shall, subject to any minimum amount that may be required by the Committee, designate the portion or percentage of the Trustee's Remuneration for the applicable fiscal quarter that is to be deferred into Deferred Trust Units and the portion or percentage to be paid in cash. In the absence of a designation to the contrary, the Eligible Trustee's election for the latest fiscal quarter with respect to the portion or percentage of the

Trustee's Remuneration that is to be deferred into Deferred Trust Units and paid in cash shall continue to apply to all subsequent Trustee's Remuneration payments until the Eligible Trustee submits another written election in accordance with this Section. An Eligible Trustee shall only file one election in respect of the Trustee's Remuneration payable in any fiscal quarter and the election shall be irrevocable for that fiscal quarter. If no election is made, and no prior election remains effective, the Eligible Trustee shall be deemed to have elected to defer any minimum amount that may be required by the Committee into Deferred Trust Units and to receive the balance of the Trustee's Remuneration for the applicable fiscal quarter in cash.

- (i) Notwithstanding Section 2.1(a) of the Plan, with respect to US Participants, the written deferral election required under such section shall be made no later than the last day of the calendar year preceding the year in respect of which the Trustee's Remuneration is earned and such written election shall designate the date on which the REIT shall make any payments pursuant to Section 2.2(c) of the Plan (the "**Payment Designation Date**").
  - (ii) With respect to US Participants, the Payment Designation Date shall be treated as the Filing Date for purposes of Section 2.2(c).
- (b) *Payment of Trustee's Remuneration.* The portion or percentage of the Trustee's Remuneration shall be paid in cash or granted as Deferred Trust Units, as elected by the Participant, on the Business Day following the last day of each fiscal quarter for which the Trustee's Remuneration is payable.
- (c) *Deferred Trust Units.* Deferred Trust Units elected by a Participant pursuant to the Plan shall be credited to an account maintained for the Participant by the REIT. The number of Deferred Trust Units to be granted on the date prescribed by Section ~~2.1(b)~~2.1(b) shall be, in the case of cash compensation, determined by dividing the amount of the Trustee's Remuneration to be deferred into Deferred Trust Units on such date by the Market Price per REIT Unit on the Conversion Date (rounded down to the nearest whole Deferred Trust Unit) and, in the case of compensation in the form of REIT Units, the number of REIT Units to be deferred into Deferred Trust Units on such date.
- (d) *Distributions.* When cash distributions are paid on REIT Units, further Deferred Trust Units will automatically be granted to a Participant in respect of Deferred Trust Units credited to the Participant's account as of the record date for payment of distributions. The number of such additional Deferred Trust Units (rounded down to the nearest whole Deferred Trust Unit) to be granted on a distribution payment date shall be determined by multiplying the aggregate number of Deferred Trust Units held on the applicable distribution record date by the amount of distributions paid by the REIT on each REIT Unit, and dividing the result by the Market Price per REIT Unit on the distribution payment date.

- (e) *No Acceleration for US Participants.* The acceleration of the time or schedule of any payment due under the Plan to any US Participant is prohibited except as provided in regulations and administrative guidance promulgated under Section 409A of the Code.

## 2.2 Termination of Service

- (a) *Termination of Service.* A Participant who has retired from all positions as a trustee of the REIT and any subsidiary of the REIT, or who, except as a result of death, has otherwise ceased for any reason to hold any such positions with the REIT and any such subsidiaries, may settle the Deferred Trust Units credited to the Participant's account by filing with the Chief Financial Officer of the REIT, or other officer of the REIT designated by the Committee, a notice of settlement of the Deferred Trust Units in the prescribed form on or before December 15 of the first calendar year commencing after the date the Participant retires from or otherwise ceases to hold such positions. If the Participant fails to file a notice of settlement of the Deferred Trust Units on or before such December 15, the Participant shall be deemed to have filed with the Chief Financial Officer of the REIT a notice of settlement on ~~such~~ December 15. The date on which a notice of settlement is filed or deemed to be filed with the Chief Financial Officer of the REIT is the "**Filing Date**". The notice of settlement filed by the Participant shall specify the number of Deferred Trust Units to be settled and if such number is not so specified, it shall be deemed to be all the Deferred Trust Units credited to the Participant's account.
- (b) *Death of Eligible Trustee.* In the event of the death of a Participant, the REIT shall, settle all Deferred Trust Units credited to the Participant's account.
- (c) *Settlement.* Within the earlier of 7 Business Days following the Filing Date or 90 days following the Participant's death, as applicable, and subject to Section 3.7, the REIT shall settle the Deferred Trust Units required to be settled pursuant to Section ~~2.2(a)~~2.2(a) or (b) by issuing from treasury one REIT Unit for each full Deferred Trust Unit to be settled.
- (d) *Fractional Units.* Where the number of Deferred Trust Units would result in the delivery of fractional REIT Units, the number of REIT Units to be issued shall be rounded down to the next whole number of REIT Units. No fractional REIT Units may be delivered.

## Section 3 General

### 3.1 Capital Adjustments

In the event of any in specie distribution, consolidation or subdivision of securities, combination or exchange of securities, merger, spin-off or other distribution (other than normal cash distributions) of the REIT's assets to unitholders, or any other change in the capital of the REIT affecting REIT Units, the Committee will make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change, with respect to (i)

the number or kind of securities on which the Deferred Trust Units are based; and (ii) the number of Deferred Trust Units; provided, however, that no substitution or adjustment will obligate the REIT to issue or sell fractional securities. Notwithstanding anything in this Plan to the contrary, all substitutions or adjustments made pursuant to this Section 3.1 shall be made in compliance with paragraph 7(1.4)(c) of the Income Tax Act (Canada) and/or with Code Section 409A and Treasury Regulation Section 1.409A-1(b)(5), to the extent applicable.

### **3.2 Non-Exclusivity**

Nothing contained herein will prevent the Board from adopting other additional compensation arrangements for the benefit of Eligible Trustees, subject to any required regulatory or unitholder approval.

### **3.3 Unfunded Plan**

To the extent any individual holds any rights under the Plan, such rights (unless otherwise determined by the Committee) shall be no greater than the rights of an unsecured general creditor of the REIT.

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The Plan shall be binding on all successors and assigns of the REIT and each Eligible Trustee, including without limitation, the legal representatives of each Eligible Trustee, or any receiver or trustee in bankruptcy or representative of the REIT or an Eligible Trustee.

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Rights respecting Deferred Trust Units shall not be transferable or assignable other than by will or the laws of descent and distribution.

### **3.6 Amendment and Termination**

- (a) The Board may amend, suspend or terminate this Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX), if any, that require the approval of unitholders or any governmental or regulatory body. The Committee may make any types of amendments to the Plan without seeking unitholder approval except the following types of amendments which will require unitholder approval:
  - (i) amendments to the number of REIT Units issuable under the Plan, including an increase to a fixed maximum number of REIT Units or a change from a fixed maximum number of REIT Units to a fixed maximum percentage;
  - (ii) any amendment expanding the categories of Eligible Trustee which would have the potential of broadening or increasing insider participation;



- (iii) any amendment permitting transfer or assignment of a Deferred Trust Unit, except by testate or intestate succession;
  - (iv) any amendment to remove or exceed the insider participation limit;
  - (v) any amendment to this amendment provision; and
  - (vi) amendments required to be approved by unitholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).
- (b) No amendment, suspension or termination may materially adversely affect any Deferred Trust Units, or any rights pursuant thereto, granted previously to any Participant without the consent of that Participant.
  - (c) If this Plan is terminated, the provisions of this Plan and any administrative guidelines, and other rules adopted by the Committee and in force at the time of this Plan, will continue in effect as long as a Deferred Trust Unit or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the Plan, the Committee may make any amendments to the Plan or the Deferred Trust Units it would be entitled to make if the Plan were still in effect.
  - (d) With the consent of the Participant affected thereby, the Committee may amend or modify any outstanding Deferred Trust Unit in any manner to the extent that the Committee ~~would have had~~has the authority ~~to initially~~under the Plan as so modified or amended from time to time to grant the award as so modified or amended.

Notwithstanding any other provision under this Plan, there is no obligation for uniformity of Participants in the Plan.

### **3.7 Tax Consequences**

It is the responsibility of the Participant to complete and file any tax returns which may be required under Canadian, U.S. or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan.

Notwithstanding any other provision contained herein, a Participant shall be solely responsible for all Applicable Withholding Taxes resulting from his or her receipt of Deferred Trust Units, REIT Units or other property pursuant to this Plan. In connection with the issuance of REIT Units pursuant to this Plan, the Participant shall:

- (a) pay to the REIT an amount as necessary so as to ensure that the REIT is in compliance with the applicable provisions of any federal, provincial, local or other law relating to the Applicable Withholding Taxes in connection with such issuance;

- (b) with the prior approval of the REIT, elect to have the REIT withhold the Applicable Withholding Taxes from any remuneration or other amount otherwise payable by the REIT to the Participant;
- (c) authorize the REIT to sell, on behalf of the Participant, in the market on such terms and at such time or times as the REIT determines a portion of the REIT Units issued hereunder to realize cash proceeds to be used to satisfy the Applicable Withholding Taxes; or
- (d) make other arrangements acceptable to the REIT to fund the Applicable Withholding Taxes.

### **3.8 US Participants**

Compensation payable under the Plan to US Participants is intended not to be subject to U.S. federal income tax under Section 409A of the Code and the Plan shall be construed, interpreted and administered in compliance with such intent. The Committee is hereby authorized to amend the Plan or any award under the Plan to achieve this result.

### **3.9 No Liability**

The REIT shall not be liable to any Participant for any loss resulting from a decline in the market value of any REIT Units.

### **3.10 Effective Date**

This Plan was effective on December 30, 2019 and was amended and restated on March 1, 2021-~~and on~~, June 21, 2022 ~~and~~ June 1, 2024. This Plan, as amended and restated, shall govern all Trust Units granted on and after ~~June 21~~ March 1, 2022 ~~2021~~. All deferred share units (and related dividend share units) granted by First Capital Realty Inc. under the former First Capital Realty Inc. Directors Deferred Share Unit Plan prior to December 30, 2019 will be governed by the terms of this Plan as of December 30, 2019.

**APPENDIX D**

**FIRST CAPITAL REAL ESTATE INVESTMENT TRUST**

**THIRD AMENDED AND RESTATED RESTRICTED TRUST UNIT PLAN**

Please see attached.

**FIRST CAPITAL REAL ESTATE INVESTMENT TRUST**

**THIRD AMENDED AND RESTATED**

**RESTRICTED TRUST UNIT PLAN**

**FIRST CAPITAL REAL ESTATE INVESTMENT TRUST**  
**Third Amended and Restated**  
**Restricted Trust Unit Plan**

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# **FIRST CAPITAL REAL ESTATE INVESTMENT TRUST RESTRICTED TRUST UNIT PLAN**

## **Section 1 Interpretation and Administrative Provisions**

### **1.1 Purposes**

The purposes of the Plan are to (i) foster long-term retention of key employees of the REIT and its Affiliates by enabling them to participate in the growth and development of the REIT by providing such persons with the opportunity, through Restricted Trust Units and/or Performance Trust Units, to build a meaningful personal investment in the REIT, and (ii) demonstrably align the long-term interests of key employees with the long-term interests of the REIT's unitholders.

### **1.2 Definitions**

For the purposes of the Plan, the following terms have the following meanings:

**“Actively Employed”** or **“Active Employment”** means the period during which a Participant is employed and actively performing employment duties for the REIT or an Affiliate. “Actively Employed” or “Active Employment” shall be deemed to include (i) any period of vacation, disability, or other leave permitted by legislation, and (ii) any period constituting the minimum notice of termination period that is required to be provided to an employee pursuant to applicable employment standards legislation (if any). For certainty, “Actively Employed” or “Active Employment” shall be deemed to exclude any other period that follows or ought to have followed, as applicable, the later of (i) the end of the minimum notice of termination period that is required to be provided to an employee pursuant to applicable employment standards legislation (if any), or (ii) the Participant's last day of performing work for the REIT or an Affiliate (including any period of vacation, disability, or other leave permitted by legislation) whether that period arises from a contractual or common law right;

**“Adjustment Factor”** means the multiple used to determine the number of Performance Trust Units and related Distribution Trust Units that will vest based on the achievement of the applicable Performance Vesting Conditions, as described in the PTU Agreement or as otherwise determined pursuant to this Plan;

**“Affiliate”** means any entity which is an “affiliate” of the REIT for the purposes of National Instrument 45-106 — *Prospectus Exemptions*, as amended from time to time, including, for greater certainty, FCR Management Sub-Trust, First Capital Asset Management LP and First Capital Realty Inc.;

**“Applicable Withholding Taxes”** means any and all taxes and other source deductions or other amounts which the REIT or any Affiliate is required by law to withhold from any amounts to be paid or credited hereunder;

**“Award”** means a Restricted Trust Unit or Performance Trust Unit granted under this Plan;

**“Black-out Period”** has the meaning set out in the REIT’s Disclosure and Insider Trading Policy dated December 30, 2019, as modified, replaced or amended from time to time, but, for greater certainty, does not include a period in which trading in the REIT Units is restricted due to a cease trade order or other restriction imposed by any person other than the REIT;

**“Board”** means the Board of Trustees of the REIT;

**“CEO”** means the Chief Executive Officer of the REIT;

**“Change of Control”** means:

- (i) an offer to purchase outstanding voting units of the REIT that is accepted and completed in respect of a sufficient number of holders of such units to constitute the offeror (together with such other persons as may be considered to be “acting jointly or in concert” with the offeror within the meaning given to such term in Section 91 of the *Securities Act* (Ontario)) a unitholder of the REIT entitled to exercise more than 50% of the voting rights attached to the outstanding voting units (provided that prior to the offer, the offeror and such other persons (collectively, the “Control Group”) were not entitled to exercise more than 50% of the voting rights attached to the outstanding voting units);
- (ii) a consolidation, merger or amalgamation of the REIT with or into any other entity whereby the voting unitholders of the REIT immediately prior to the consolidation, merger or amalgamation receive securities entitled to exercise less than 50% of the voting rights attaching to the voting units of the consolidated, merged or amalgamated entity;
- (iii) a sale whereby all or substantially all of the REIT’s undertakings and assets become the property of any other entity (other than an entity which was an Affiliate of the REIT immediately prior to the sale);
- (iv) a formal bid or tender offer for the voting units of the REIT being completed which results in the offeror and its Affiliates beneficially owning in the aggregate, directly or indirectly, 50% or more of the voting units of the REIT then outstanding; or
- (v) any transaction or series of related transactions determined by the Committee to be substantially similar to any of the transactions noted above;

**“Code”** means the United States Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder;

**“Committee”** means the Compensation Committee of the Board as the same may be renamed or constituted from time to time;

**“Distribution Trust Units”** has the meaning set out in Section 2.1(b);

**“Early Vesting Date”** has the meaning set out in the applicable RTU Agreement or PTU Agreement;

**“Eligible Person”** means any employee of the REIT (including the CEO) and its Affiliates;

**“Expiry Date”** has the meaning set out in Section 2.2(b);

**“Grant Date”** means the date on which a Restricted Trust Unit or Performance Trust Unit is granted by the Committee;

**“Market Price”** means the weighted average trading price of REIT Units on the Toronto Stock Exchange (or, if such units are not then listed and posted for trading on the Toronto Stock Exchange, on such other stock exchange in Canada on which REIT Units are listed and posted for trading as may be selected for such purpose by the Committee) for the ten trading days on which REIT Units traded on such exchange preceding the applicable date; provided that, in the event that REIT Units are not listed and posted for trading on any stock exchange at the applicable date, the Market Price in respect thereof shall be the fair market value of a REIT Unit as determined by the Committee in its sole discretion;

**“Participant”** means each Eligible Person who participates in the Plan;

**“Performance Period”** means, with respect to Performance Trust Units, the period specified in the PTU Agreement for the achievement of any applicable Performance Vesting Conditions as a condition to vesting;

**“Performance Trust Unit”** means a right granted to a Participant to receive, on the basis set out in the Plan, a REIT Unit or, if a PTU Agreement so provides and the Participant so elects, the cash equivalent thereof (or any combination thereof) that generally becomes vested, if at all, subject to the attainment of Performance Vesting Conditions;

**“Performance Vesting Conditions”** means such performance-related conditions in respect of the vesting of Performance Trust Units determined by the Committee at the Grant Date, which may include but are not limited to, financial or operational performance of the REIT, total unitholder return or individual performance criteria, which are measured over the Performance Period;

**“Plan”** means this First Capital Real Estate Investment Trust Third Amended and Restated Restricted Trust Unit Plan, as amended or restated from time to time;

**“PTU Agreement”** has the meaning set out in Section 2.1(f);

**“Redemption Date”** has the meaning set out in Section 2.2(a);

**“REIT”** means First Capital Real Estate Investment Trust;



**“REIT Unit”** means a trust unit of the REIT (other than a special voting unit of the REIT);

**“Restricted Trust Unit”** means a right granted to a Participant to receive, on the basis set out in the Plan, a REIT Unit or, if a RTU Agreement so provides and the Participant so elects, the cash equivalent thereof (or any combination thereof) on the terms contained herein;

**“RTU Agreement”** has the meaning set out in Section 2.1(c);

**“Termination Date”** means the Participant’s last day of Active Employment for any reason whatsoever, but in any case without regard to whether the Participant’s employment with the REIT or an Affiliate is terminated with or without cause, with or without notice, lawfully or unlawfully or with or without any adequate compensation in lieu of notice. For clarity, for the purposes of this definition and the Plan, a Participant’s employment with the REIT or an Affiliate shall be considered to have terminated on the last day of the Participant’s Active Employment with the REIT or an Affiliate as the case may be, whether such day is selected by agreement with the Participant, or unilaterally by the Participant or the REIT or Affiliate, and whether with or without advance notice to the Participant;

**“Trust Unit”** means either a Restricted Trust Unit, Performance Trust Unit or Distribution Trust Unit as the context requires;

**“Trust Unit Account”** means the notional account maintained for the Participant;

**“Units”** means the REIT Units and the special voting units of the REIT;

**“U.S. Participant”** means each Participant who is a United States citizen or resident;

**“Vested Fractional Trust Unit”** has the meaning set out in Section 2.2(a); and

**“Vesting Date”** with respect to Restricted Trust Units, has the meaning set out in Section 2.1(d) and, with respect to Performance Trust Units, has the meaning set out in Section 2.1(g).

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.

### **1.3 Administration**

Subject to the Committee reporting to the Board on all matters relating to this Plan and obtaining approval of the Board for those matters required by the Committee’s mandate, this Plan will be administered by the Committee which has the sole and absolute discretion to: (i) interpret and administer the Plan; (ii) establish, amend and rescind any rules and regulations relating to the Plan; (iii) determine the Vesting Date, Performance Period, Performance Vesting Conditions, vesting schedule, limitations, conditions and restrictions applicable to Awards; (iv)

set and amend the Performance Vesting Conditions; and (v) make any other determinations that the Committee deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan, in the manner and to the extent the Committee deems, in its sole and absolute discretion, necessary or desirable. Any decision of the Committee with respect to the administration and interpretation of the Plan shall be conclusive and binding on the Participants. The Board may establish policies respecting minimum ownership of REIT Units by Eligible Persons and the ability to elect Trust Units to satisfy any such policy.

#### **1.4 Governing Law**

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

#### **1.5 REIT Units Reserved for Issuance**

The REIT hereby reserves 4,280,554 REIT Units for issuance under this Plan, provided that REIT Units reserved for issuance pursuant to Trust Units (a) which are cancelled or terminated without having been redeemed, (b) which are redeemed for cash, or (c) which are redeemed for REIT Units purchased on the open market will again be available for issuance under this Plan. For purposes of this Section 1.5, outstanding fractional Trust Units shall not be aggregated for purposes of determining the number of REIT Units reserved for issuance under this Plan, and, instead, each outstanding fractional Trust Unit shall be counted as one whole REIT Unit reserved for issuance under this Plan.

The maximum number of REIT Units available for issuance under this Plan (i) to any one Participant is 5% of the then issued and outstanding Units and (ii) to insiders of the REIT is 10% of the then issued and outstanding Units. Under no circumstances may more than 10% of the REIT's total issued and outstanding Units be issued within a one year period or be issuable at any time to insiders of the REIT under the Plan and all of the REIT's other security based compensation arrangements.

The terms "security based compensation arrangement" and "insider" have the meanings attributed thereto in the TSX Company Manual.

### **Section 2 Grants of Awards under the Plan**

#### **2.1 Grants of Restricted Trust Units and Performance Trust Units**

Subject to such rules, regulations, approvals and conditions as the Committee may impose, the Committee may grant Restricted Trust Units and Performance Trust Units to such Eligible Persons as it in its discretion determines.

- (a) *Crediting of Awards.* Awards shall be credited to the Participant's Trust Unit Account on the Grant Date. The number of Awards (including fractional Awards) to be credited to a Participant in respect of a fiscal year shall be determined by dividing the dollar amount of the portion of the Participant's compensation which

the Committee determines is to be paid as Awards by the Market Price per REIT Unit determined as at the Grant Date.

- (b) *Distributions.* When cash distributions are paid on REIT Units, additional Trust Units shall be credited to a Participant in respect of the Trust Units credited to the Participant's Trust Unit Account as of the record date for payment of distributions. The number of additional Trust Units (including fractional Trust Units) ("**Distribution Trust Units**") to be credited to the Participant on a distribution payment date shall be determined by multiplying the aggregate number of Trust Units held on the applicable distribution record date by the amount of distributions paid by the REIT on each REIT Unit, and dividing the result by the Market Price per REIT Unit on the distribution payment date.
- (c) *RTU Grant Agreement.* Each Restricted Trust Unit granted by the Committee shall be evidenced by an agreement (an "**RTU Agreement**"), which shall set forth: (i) the Grant Date of the Restricted Trust Unit; (ii) the number of Restricted Trust Units subject to such Award; and (iii) the applicable vesting schedule, and may specify such other terms and conditions that are not inconsistent with the terms of the Plan as the Committee shall determine, or as shall be required under any other provision of the Plan.
- (d) *Vesting of Restricted Trust Units and Distribution Trust Units.* Subject to Section 2.1(i), Restricted Trust Units and related Distribution Trust Units shall vest on the date that is (the "**Vesting Date**"): (i) the third anniversary following the Grant Date of such Restricted Trust Unit; or (ii) such other date that the Committee may determine from time to time, provided that such other date shall be expressly set forth in the RTU Agreement or subsequent amendment thereto.
- (e) Except as otherwise set forth in the Participant's RTU Agreement or employment agreement, if the employment or office of a Participant ceases for any reason all Restricted Trust Units and related Distribution Trust Units which have not vested will automatically terminate and become void on the Termination Date, and the Participant shall on his or her Termination Date, unless otherwise expressly determined by the Committee in writing, forfeit all rights, title and interest with respect to all Restricted Trust Units and related Distribution Trust Units which have not vested on or prior to the Participant's Termination Date and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise (including on account of severance, payment in lieu of notice or damages for wrongful dismissal).
- (f) *PTU Grant Agreement.* Each Performance Trust Unit granted by the Committee shall be evidenced by an agreement (a "**PTU Agreement**"), which shall set forth: (i) the Grant Date of the Performance Trust Unit; (ii) the number of Performance Trust Units subject to such Award; (iii) the applicable vesting schedule; and (iv) the applicable Performance Vesting Conditions and Performance Period, and may specify such other terms and conditions that are not inconsistent with the terms of

the Plan as the Committee shall determine, or as shall be required under any other provision of the Plan.

- (g) *Vesting of Performance Trust Units and Distribution Trust Units.* Subject to Section 2.1(i), Performance Trust Units and related Distribution Trust Units shall vest in accordance with Section 2.1(h) and conditional on the satisfaction of any additional vesting conditions established by the Committee from time to time and set forth in the PTU Agreement, on the date (the “**Vesting Date**”) that is: (A) the third anniversary following the Grant Date of such Performance Trust Unit; or (B) such other date that the Committee may determine from time to time, provided that such other date shall be expressly set forth in the PTU Agreement or subsequent amendment thereto.
- (h) *Performance Vesting.* The number of Performance Trust Units and related Distribution Trust Units pertaining to a Performance Condition expressly set forth in the PTU Agreement which vest on a Vesting Date shall be equal to: (i) the number of Performance Trust Units and related Distribution Trust Units credited to the Participant’s Trust Unit Account in respect of the Performance Condition during the Performance Period; multiplied by (ii) the applicable Adjustment Factor determined as at the end of the Performance Period.
- (i) Except as otherwise set forth in the Participant’s PTU Agreement or employment agreement, if the employment or office of a Participant ceases for any reason all Performance Trust Units and related Distribution Trust Units which have not vested will automatically terminate and become void on the Termination Date, and the Participant shall on his or her Termination Date, unless otherwise expressly determined by the Committee in writing, forfeit all rights, title and interest with respect to all Performance Trust Units and related Distribution Trust Units which have not vested on or prior to the Participant’s Termination Date and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise (including on account of severance, payment in lieu of notice or damages for wrongful dismissal).
- (j) A Participant shall have no entitlement to damages or other compensation whatsoever arising from, in lieu of, or related to not receiving any Restricted Trust Units or Performance Trust Units (and related Distribution Trust Units) which would have vested or been granted after the Termination Date including but not limited to damages in lieu of notice of termination at common law.

## 2.2 Redemption of Trust Units

- (a) *Redemption of Vested Trust Units.* Subject to the terms of any RTU Agreement or PTU Agreement, as applicable, each vested Trust Unit (with any vested fractional Trust Unit (a “**Vested Fractional Trust Unit**”) being rounded up to the nearest whole number (with the difference between such whole number and the Vested Fractional Trust Unit being deemed to be an additional vested fractional Trust Unit)) shall be redeemed by the REIT on or as soon as reasonably practicable

following the earlier of the Early Vesting Date or the Vesting Date with respect to that vested Trust Unit. The day on which the applicable vested Trust Unit is redeemed shall be the “**Redemption Date**” for the Trust Units.

- (b) *Expiry Date.* Subject to the terms of any RTU Agreement or PTU Agreement, as applicable, the Redemption Date shall not be later than the tenth (10<sup>th</sup>) anniversary of the Grant Date (the “**Expiry Date**”); provided that if the Expiry Date falls within a Black-out Period, the Expiry Date shall be automatically extended to the date that is ten (10) business days from the end of the applicable Black-out Period. Any vested Performance Trust Units and Distribution Trust Units credited in respect of an underlying Restricted Trust Unit or Performance Trust Unit, as applicable, shall have the same Expiry Date as the underlying Restricted Trust Unit or Performance Trust Unit for which they were credited.

*Method of Redemption.* Subject to Sections 3.6 and 3.10 and the terms of any RTU Agreement or PTU Agreement, as applicable, the REIT shall redeem each Participant’s vested Trust Units by (A) issuing from treasury one REIT Unit for each full Trust Unit, or (B) delivering one REIT Unit purchased on the open market for each full Trust Unit; in either case to the applicable Participant or the Participant’s legal representative, if applicable, immediately upon redemption. With respect to U.S. Participants, in no case will payment of Trust Units that are short-term deferral exempt from Section 409A of the Code be made later than 2-1/2 months from the end of the U.S. Participant’s taxable year in which the Trust Units vest.

- (c) *Effect of Redemption of Trust Units.* A Participant shall have no further rights respecting any Trust Unit which has been redeemed.

## **Section 3      General**

### **3.1      Capital Adjustments**

In the event of any in specie distribution, consolidation or subdivision of securities, combination or exchange of securities, merger, spin-off or other distribution (other than normal cash distributions) of the REIT’s assets to unitholders, or any other change in the capital of the REIT affecting REIT Units, the Committee will make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change, with respect to (i) the number or kind of securities on which the Trust Units are based; (ii) the number of Trust Units; and (iii) the Performance Vesting Conditions, Performance Period and Adjustment Factor, if applicable.

### **3.2      Non-Exclusivity**

Nothing contained herein will prevent the Board from adopting other or additional compensation arrangements for the benefit of any Participant, subject to any required regulatory or unitholder approval.

### **3.3 Unfunded Plan**

To the extent any individual holds any rights under the Plan, such rights (unless otherwise determined by the Committee) shall be no greater than the rights of an unsecured general creditor of the REIT.

### **3.4 Successors and Assigns**

The Plan shall be binding on all successors and assigns of the REIT and each Participant, including without limitation, the legal representative of a Participant, or any receiver or trustee in bankruptcy or representative of the creditors of the REIT or a Participant.

### **3.5 Transferability of Awards**

Rights respecting Trust Units shall not be transferable or assignable other than by will or the laws of descent and distribution.

### **3.6 Effect of Change of Control**

Notwithstanding any other provision of this Plan, in the event of a Change of Control, any surviving, successor or acquiring entity shall assume any outstanding Trust Units or shall substitute similar units for the outstanding Trust Units (including, where applicable, in a manner that complies with subsection 7(1.4) of the *Income Tax Act* (Canada)). If the surviving, successor or acquiring entity does not assume the outstanding Trust Units or substitute similar units for the outstanding Trust Units or if the Committee otherwise determines in its sole and absolute discretion, the REIT shall give written notice to all Participants advising that the Plan shall be terminated effective immediately prior to the Change of Control and a specified number of whole Trust Units (and related Distribution Trust Units) shall be deemed to be vested and have a Redemption Date immediately prior to the termination of the Plan (with any Vested Fractional Trust Unit being rounded up to the nearest whole number (with the difference between such whole number and the Vested Fractional Trust Unit being deemed to be an additional vested fractional Trust Unit)). The number of Performance Trust Units which are deemed to be vested shall be based on an Adjustment Factor as determined in the sole and absolute discretion of the Committee in considering the Performance Vesting Conditions attained and any other factors it considers appropriate.

### **3.7 Amendment and Termination**

- (a) The Committee may amend, suspend or terminate this Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX), if any, that require the approval of unitholders or any governmental or regulatory body. The Committee may make any types of amendments to the Plan without seeking unitholder approval, except the following types of amendments which will require unitholder approval:
  - (i) any amendment to the number of REIT Units issuable under the Plan, including an increase to a fixed maximum number of REIT Units or a

change from a fixed maximum number of REIT Units to a fixed maximum percentage;

- (ii) any amendment expanding the categories of Eligible Person which would have the potential of broadening or increasing insider participation;
  - (iii) any amendment permitting transfer or assignment of a Trust Unit, except by testate or intestate succession;
  - (iv) any amendment to remove or exceed the insider participation limit;
  - (v) any amendment to this amendment provision; and
  - (vi) any amendment required to be approved by unitholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).
- (b) No amendment, suspension or termination may materially adversely affect any Trust Units, or any rights pursuant thereto, granted previously to any Participant without the consent of that Participant.
- (c) If this Plan is terminated, the provisions of this Plan and any administrative guidelines, and other rules adopted by the Committee and in force at the time of this Plan, will continue in effect as long as a Trust Unit or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the Plan, the Committee may make any amendments to the Plan or the Trust Units it would be entitled to make if the Plan were still in effect.
- (d) With the consent of the Participant affected thereby, the Committee may amend or modify any outstanding Trust Unit in any manner to the extent that the Committee has the authority under the Plan as so modified or amended from time to time to grant the award as so modified or amended.

Notwithstanding any other provision under this Plan, there is no obligation for uniformity of treatment of Participants in the Plan.

### **3.8 No Special Rights**

Nothing contained in the Plan or in any Trust Unit will confer upon any Participant any right to the continuation of the Participant's employment by or office with the REIT or its Affiliate or interfere in any way with the right of the REIT or its Affiliate at any time to terminate that employment or office or to increase or decrease the compensation of the Participant. Trust Units shall not be considered REIT Units nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of REIT Units, nor shall any Participant be considered the owner of REIT Units. Nothing in the Plan may be construed to provide any Participant with any rights whatsoever to compensation or damages in lieu of notice of termination or continued participation in, or entitlements under, the Plan as a consequence of a Participant's termination of employment or office (regardless of the reason for the termination

and the party causing the termination, including a termination without cause). The Plan does not give any Participant any right to claim any benefit or compensation except to the extent specifically provided in the Plan.

### **3.9 Other Employee Benefits**

The amount of any compensation deemed to be received by a Participant as a result of the redemption of a Trust Unit will not constitute compensation with respect to which any other employee benefits of that Participant are determined, including, without limitation, benefits under any bonus, pension, profit-sharing, insurance or salary continuation plan, except as otherwise specifically determined by the Committee.

### **3.10 Tax Consequences**

It is the responsibility of the Participant to complete and file any tax returns which may be required under Canadian, U.S. or any other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan.

Notwithstanding any other provision contained herein, a Participant shall be solely responsible for all Applicable Withholding Taxes resulting from his or her receipt of Trust Units, REIT Units or other property pursuant to this Plan. In connection with the issuance or delivery of REIT Units or other property pursuant to this Plan, the REIT may:

- (a) require that the Participant pay to the REIT an amount as necessary so as to ensure that the REIT is in compliance with the applicable provisions of any federal, provincial, local or other law relating to the Applicable Withholding Taxes in connection with such issuance or delivery;
- (b) withhold the Applicable Withholding Taxes from any remuneration or other amount otherwise payable by the REIT to the Participant;
- (c) require that the Participant authorize a securities dealer selected by the REIT, on behalf of the Participant, to sell in the market on such terms and at such time or times as such securities dealer determines a portion of the REIT Units issued or delivered hereunder to realize cash proceeds to be used to satisfy the Applicable Withholding Taxes; or
- (d) require that the Participant make other arrangements acceptable to the REIT to fund the Applicable Withholding Taxes.

### **3.11 No Liability**

Neither the REIT nor any Affiliate will be liable to any Participant for any loss resulting from a decline in the market value of any REIT Units, including as a result of any delay in a sale described in 3.10(c).



### **3.12 U.S. Participants**

Compensation payable under the Plan to U.S. Participants is intended not to be subject to U.S. federal income tax under Section 409A of the Code and the Plan shall be construed, interpreted and administered in compliance with such intent. The Committee is hereby authorized to amend the Plan or any award under the Plan to achieve this result.

### **3.13 Effective Date**

This Plan was effective on December 30, 2019 and was amended and restated on March 1, 2021, June 21, 2022 and [●], 2024. This Plan, as amended and restated, shall govern all Trust Units granted on and after March 1, 2021. All restricted share units and performance share units (and related dividend share units) granted by First Capital Realty Inc. under the former First Capital Realty Inc. Amended and Restated Restricted Share Unit Plan prior to December 30, 2019 will be governed by the terms of this Plan as of December 30, 2019.

# **FIRST CAPITAL REAL ESTATE INVESTMENT TRUST**

**THIRD AMENDED AND RESTATED**

**RESTRICTED TRUST UNIT PLAN**

**FIRST CAPITAL REAL ESTATE INVESTMENT TRUST**  
**Third Amended and Restated**  
**Restricted Trust Unit Plan**

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# FIRST CAPITAL REAL ESTATE INVESTMENT TRUST

## RESTRICTED TRUST UNIT PLAN

### Section 1 Interpretation and Administrative Provisions

#### 1.1 Purposes

The purposes of the Plan are to (i) foster long-term retention of key employees of the REIT and its Affiliates by enabling them to participate in the growth and development of the REIT by providing such persons with the opportunity, through Restricted Trust Units and/or Performance Trust Units, to build a meaningful personal investment in the REIT, and (ii) demonstrably align the long-term interests of key employees with the long-term interests of the REIT's unitholders.

#### 1.2 Definitions

For the purposes of the Plan, the following terms have the following meanings:

**“Actively Employed” or “Active Employment”** means ~~that~~the period during which a Participant is employed and actively performing employment duties for the REIT or an Affiliate,~~or a Participant is on a leave of absence approved by the REIT or an Affiliate.~~ ~~“Actively Employed” and “Active Employment” does not include any period during, or in respect of, which a Participant is receiving or is entitled to receive payments in lieu of notice, severance pay or damages for wrongful dismissal or otherwise, in each case, under statute, contract, common law or otherwise. For purposes of the Plan, a Participant is not Actively Employed if a Participant’s employment has been terminated by his or her voluntary termination or by the REIT or an Affiliate, regardless of whether a Participant’s employment has been terminated with or without cause, with or without notice, lawfully or unlawfully.~~ “Actively Employed” or “Active Employment” shall be deemed to include (i) any period of vacation, disability, or other leave permitted by legislation, and (ii) any period constituting the minimum notice of termination period that is required to be provided to an employee pursuant to applicable employment standards legislation (if any). For certainty, “Actively Employed” or “Active Employment” shall be deemed to exclude any other period that follows or ought to have followed, as applicable, the later of (i) the end of the minimum notice of termination period that is required to be provided to an employee pursuant to applicable employment standards legislation (if any), or (ii) the Participant’s last day of performing work for the REIT or an Affiliate (including any period of vacation, disability, or other leave permitted by legislation) whether that period arises from a contractual or common law right;

**“Adjustment Factor”** means the multiple used to determine the number of Performance Trust Units and related Distribution Trust Units that will vest based on the achievement of the applicable Performance Vesting Conditions, as described in the PTU Agreement or as otherwise determined pursuant to this Plan;

**“Affiliate”** means any entity which is an “affiliate” of the REIT for the purposes of National Instrument 45-106 — *Prospectus Exemptions*, as amended from time to time,

including, for greater certainty, FCR Management Sub-Trust, First Capital Asset Management LP and First Capital Realty Inc.;

**“Applicable Withholding Taxes”** means any and all taxes and other source deductions or other amounts which the REIT or any Affiliate is required by law to withhold from any amounts to be paid or credited hereunder;

**“Award”** means a Restricted Trust Unit or Performance Trust Unit granted under this Plan;

**“Black-out Period”** has the meaning set out in the REIT’s Disclosure and Insider Trading Policy dated December 30, 2019, as modified, replaced or amended from time to time, but, for greater certainty, does not include a period in which trading in the REIT Units is restricted due to a cease trade order or other restriction imposed by any person other than the REIT;

**“Board”** means the Board of Trustees of the REIT;

**“CEO”** means the Chief Executive Officer of the REIT;

~~**“Chair”** means the Chair of the Board;~~

**“Change of Control”** means:

- (i) an offer to purchase outstanding voting units of the REIT that is accepted and completed in respect of a sufficient number of holders of such units to constitute the offeror (together with such other persons as may be considered to be “acting jointly or in concert” with the offeror within the meaning given to such term in Section 91 of the *Securities Act* (Ontario)) a unitholder of the REIT entitled to exercise more than 50% of the voting rights attached to the outstanding voting units (provided that prior to the offer, the offeror and such other persons (collectively, the “Control Group”) were not entitled to exercise more than 50% of the voting rights attached to the outstanding voting units);
- (ii) a consolidation, merger or amalgamation of the REIT with or into any other entity whereby the voting unitholders of the REIT immediately prior to the consolidation, merger or amalgamation receive securities entitled to exercise less than 50% of the voting rights attaching to the voting units of the consolidated, merged or amalgamated entity;
- (iii) a sale whereby all or substantially all of the REIT’s undertakings and assets become the property of any other entity (other than an entity which was an Affiliate of the REIT immediately prior to the sale);
- (iv) a formal bid or tender offer for the voting units of the REIT being completed which results in the offeror and its Affiliates beneficially

owning in the aggregate, directly or indirectly, 50% or more of the voting units of the REIT then outstanding; or

- (v) any transaction or series of related transactions determined by the Committee to be substantially similar to any of the transactions noted above;

“**Code**” means the United States Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder;

“**Committee**” means the Compensation Committee of the Board as the same may be renamed or constituted from time to time;

“**Distribution Trust Units**” has the meaning set out in Section 2.1(b);

“**Early Vesting Date**” has the meaning set out in the applicable RTU Agreement or PTU Agreement;

“**Eligible Person**” means any employee of the REIT (including the CEO) and its Affiliates ~~and the Chair~~;

“**Expiry Date**” has the meaning set out in Section 2.2(b);

“**Grant Date**” means the date on which a Restricted Trust Unit or Performance Trust Unit is granted by the Committee;

“**Market Price**” means the weighted average trading price of REIT Units on the Toronto Stock Exchange (or, if such units are not then listed and posted for trading on the Toronto Stock Exchange, on such other stock exchange in Canada on which REIT Units are listed and posted for trading as may be selected for such purpose by the Committee) for the ten trading days on which REIT Units traded on such exchange preceding the applicable date; provided that, in the event that REIT Units are not listed and posted for trading on any stock exchange at the applicable date, the Market Price in respect thereof shall be the fair market value of a REIT Unit as determined by the Committee in its sole discretion;

“**Participant**” means each Eligible Person who participates in the Plan;

“**Performance Period**” means, with respect to Performance Trust Units, the period specified in the PTU Agreement for the achievement of any applicable Performance Vesting Conditions as a condition to vesting;

“**Performance Trust Unit**” means a right granted to a Participant to receive, on the basis set out in the Plan, a REIT Unit or, if a PTU Agreement so provides and the Participant so elects, the cash equivalent thereof (or any combination thereof) that generally becomes vested, if at all, subject to the attainment of Performance Vesting Conditions;

“**Performance Vesting Conditions**” means such performance-related conditions in respect of the vesting of Performance Trust Units determined by the Committee at the

Grant Date, which may include but are not limited to, financial or operational performance of the REIT, total unitholder return or individual performance criteria, which are measured over the Performance Period;

“**Plan**” means ~~the~~this First Capital Real Estate Investment Trust Third Amended and Restated Restricted Trust Unit Plan, as amended or restated from time to time;

“**PTU Agreement**” has the meaning set out in Section 2.1(f);

“**Redemption Date**” has the meaning set out in Section 2.2(a);

“**REIT**” means First Capital Real Estate Investment Trust;

“**REIT Unit**” means a trust unit of the REIT (other than a special voting unit of the REIT);

“**Restricted Trust Unit**” means a right granted to a Participant to receive, on the basis set out in the Plan, a REIT Unit or, if a RTU Agreement so provides and the Participant so elects, the cash equivalent thereof (or any combination thereof) on the terms contained herein;

“**RTU Agreement**” has the meaning set out in Section 2.1(c);

“**Termination Date**” means the Participant’s last day of Active Employment for any reason whatsoever, but in any case ~~(i) without regard to whether the Participant’s employment with the REIT or an Affiliate is terminated with or without cause, with or without notice, lawfully or unlawfully or with or without any adequate compensation in lieu of notice, and (ii) does not include any severance period or notice period to which the Participant might then be entitled or any period of salary continuance or deemed employment or other damages paid or payable to the Participant in respect of his or her termination of employment, and, in the case of both subsections (i) and (ii), whether pursuant to any applicable statute, contract, civil law, the common law or otherwise. Any such severance period or notice period shall not be considered a period of employment for the purposes of a Participant’s rights under the Plan. Notwithstanding the foregoing, in the case of the Chair, “Termination Date” means the date the Chair ceases to be a trustee of the REIT for any reason whatsoever;~~ For clarity, for the purposes of this definition and the Plan, a Participant’s employment with the REIT or an Affiliate shall be considered to have terminated on the last day of the Participant’s Active Employment with the REIT or an Affiliate as the case may be, whether such day is selected by agreement with the Participant, or unilaterally by the Participant or the REIT or Affiliate, and whether with or without advance notice to the Participant;

“**Trust Unit**” means either a Restricted Trust Unit, Performance Trust Unit or Distribution Trust Unit as the context requires;

“**Trust Unit Account**” means the notional account maintained for the Participant;

“Units” means the REIT Units and the special voting units of the REIT;

“U.S. Participant” means each Participant who is a United States citizen or resident; ~~and~~

“Vested Fractional Trust Unit” has the meaning set out in Section 2.2(a); and

“Vesting Date” with respect to Restricted Trust Units, has the meaning set out in Section 2.1(d) and, with respect to Performance Trust Units, has the meaning set out in Section 2.1(g).

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.

### 1.3 Administration

Subject to the Committee reporting to the Board on all matters relating to this Plan and obtaining approval of the Board for those matters required by the Committee’s mandate, this Plan will be administered by the Committee which has the sole and absolute discretion to: (i) interpret and administer the Plan; (ii) establish, amend and rescind any rules and regulations relating to the Plan; (iii) determine the Vesting Date, Performance Period, Performance Vesting Conditions, vesting schedule, limitations, conditions and restrictions applicable to Awards; (iv) set and amend the Performance Vesting Conditions; and (v) make any other determinations that the Committee deems necessary or desirable for the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan, in the manner and to the extent the Committee deems, in its sole and absolute discretion, necessary or desirable. Any decision of the Committee with respect to the administration and interpretation of the Plan shall be conclusive and binding on the Participants. The Board may establish policies respecting minimum ownership of REIT Units by Eligible Persons and the ability to elect Trust Units to satisfy any such policy.

### 1.4 Governing Law

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

### 1.5 REIT Units Reserved for Issuance

The REIT hereby reserves ~~3,680,554~~4,280,554 REIT Units for issuance under this Plan, provided that REIT Units reserved for issuance pursuant to Trust Units (a) which are cancelled or terminated without having been redeemed ~~or~~, (b) which are redeemed for cash, or (c) which are redeemed for REIT Units purchased on the open market will again be available for issuance under this Plan. For purposes of this Section 1.5, outstanding fractional Trust Units shall not be aggregated for purposes of determining the number of REIT Units reserved for issuance under this Plan, and, instead, each outstanding fractional Trust Unit shall be counted as one whole REIT Unit reserved for issuance under this Plan.



The maximum number of REIT Units available for issuance under this Plan (i) to any one Participant is 5% of the then issued and outstanding Units and (ii) to insiders of the REIT is 10% of the then issued and outstanding Units. Under no circumstances may more than 10% of the REIT's total issued and outstanding Units be issued within a one year period or be issuable at any time to insiders of the REIT under the Plan and all of the REIT's other security based compensation arrangements.

The terms "security based compensation arrangement" and "insider" have the meanings attributed thereto in the TSX Company Manual.

## **Section 2 Grants of Awards under the Plan**

### **2.1 Grants of Restricted Trust Units and Performance Trust Units**

Subject to such rules, regulations, approvals and conditions as the Committee may impose, the Committee may grant Restricted Trust Units and Performance Trust Units to such Eligible Persons as it in its discretion determines.

- (a) *Crediting of Awards.* Awards shall be credited to the Participant's Trust Unit Account on the Grant Date. The number of Awards (including fractional Awards) to be credited to a Participant in respect of a fiscal year shall be determined by dividing the dollar amount of the portion of the Participant's compensation which the Committee determines is to be paid as Awards by the Market Price per REIT Unit determined as at the Grant Date.
- (b) *Distributions.* When cash distributions are paid on REIT Units, additional Trust Units shall be credited to a Participant in respect of the Trust Units credited to the Participant's Trust Unit Account as of the record date for payment of distributions. The number of additional Trust Units (including fractional Trust Units) ("**Distribution Trust Units**") to be credited to the Participant on a distribution payment date shall be determined by multiplying the aggregate number of Trust Units held on the applicable distribution record date by the amount of distributions paid by the REIT on each REIT Unit, and dividing the result by the Market Price per REIT Unit on the distribution payment date.
- (c) *RTU Grant Agreement.* Each Restricted Trust Unit granted by the Committee shall be evidenced by an agreement (an "**RTU Agreement**"), which shall set forth: (i) the Grant Date of the Restricted Trust Unit; (ii) the number of Restricted Trust Units subject to such Award; and (iii) the applicable vesting schedule, and may specify such other terms and conditions ~~consistent~~that are not inconsistent with the terms of the Plan as the Committee shall determine, or as shall be required under any other provision of the Plan.
- (d) *Vesting of Restricted Trust Units and Distribution Trust Units.* Subject to Section 2.1(i), Restricted Trust Units and related Distribution Trust Units shall vest on the date that is (the "**Vesting Date**"): (i) the third anniversary following the Grant Date of such Restricted Trust Unit; or (ii) such other date that the Committee may

determine from time to time, provided that such other date shall be expressly set forth in the RTU Agreement or subsequent amendment thereto.

- (e) Except as otherwise set forth in the Participant's RTU Agreement or employment agreement, if the employment or office of a Participant ceases for any reason, all Restricted Trust Units and related Distribution Trust Units which have not vested will automatically terminate and become void on the Termination Date, and the Participant shall on his or her Termination Date, unless otherwise expressly determined by the Committee in writing, forfeit all rights, title and interest with respect to all Restricted Trust Units and related Distribution Trust Units which have not vested on or prior to the Participant's Termination Date and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise (including on account of severance, payment in lieu of notice or damages for wrongful dismissal).
- (f) *PTU Grant Agreement.* Each Performance Trust Unit granted by the Committee shall be evidenced by an agreement (a "**PTU Agreement**"), which shall set forth:
  - (i) the Grant Date of the Performance Trust Unit; (ii) the number of Performance Trust Units subject to such Award; (iii) the applicable vesting schedule; and (iv) the applicable Performance Vesting Conditions and Performance Period, and may specify such other terms and conditions ~~consistent~~ that are not inconsistent with the terms of the Plan as the Committee shall determine, or as shall be required under any other provision of the Plan.
- (g) *Vesting of Performance Trust Units and Distribution Trust Units.* Subject to Section 2.1(i), Performance Trust Units and related Distribution Trust Units shall vest in accordance with Section 2.1(h) and conditional on the satisfaction of any additional vesting conditions established by the Committee from time to time and set forth in the PTU Agreement, on the date (the "**Vesting Date**") that is: (A) the third anniversary following the Grant Date of such Performance Trust Unit; or (B) such other date that the Committee may determine from time to time, provided that such other date shall be expressly set forth in the PTU Agreement or subsequent amendment thereto.
- (h) *Performance Vesting.* The number of Performance Trust Units and related Distribution Trust Units pertaining to a Performance Condition expressly set forth in the PTU Agreement which vest on a Vesting Date shall be equal to: (i) the number of Performance Trust Units and related Distribution Trust Units credited to the Participant's Trust Unit Account in respect of the Performance Condition during the Performance Period; multiplied by (ii) the applicable Adjustment Factor determined as at the end of the Performance Period.
- (i) Except as otherwise set forth in the Participant's PTU Agreement or employment agreement, if the employment or office of a Participant ceases for any reason, all Performance Trust Units and related Distribution Trust Units which have not vested will automatically terminate and become void on the Termination Date, and the Participant shall on his or her Termination Date, unless otherwise

expressly determined by the Committee in writing, forfeit all rights, title and interest with respect to all Performance Trust Units and related Distribution Trust Units which have not vested on or prior to the Participant's Termination Date and no amount shall be payable to the Participant in respect thereof as compensation, damages or otherwise (including on account of severance, payment in lieu of notice or damages for wrongful dismissal).

- (j) ~~The provisions of the Plan and a Participant's RTU Agreement or PTU Agreement may take away or limit the Participant's common law rights to~~ A Participant shall have no entitlement to damages or other compensation whatsoever arising from, in lieu of, or related to not receiving any Restricted Trust Units or Performance Trust Units (and related Distribution Trust Units), as applicable, and any common law rights to damages as compensation for the loss of such Restricted Trust Units or Performance Trust Units (and related Distribution Trust Units), as applicable, during any reasonable notice period, which would have vested or been granted after the Termination Date including but not limited to damages in lieu of notice of termination at common law.

## 2.2 Redemption of Trust Units

- (a) *Redemption of Vested Trust Units.* ~~Each~~ Subject to the terms of any RTU Agreement or PTU Agreement, as applicable, each vested Trust Unit (with any vested fractional Trust Unit (a "Vested Fractional Trust Unit") being rounded up to the nearest whole number (with the difference between such whole number and the Vested Fractional Trust Unit being deemed to be an additional vested fractional Trust Unit)) shall be redeemed ~~on~~ by the REIT on or as soon as reasonably practicable following the earlier of the ~~Vesting Date or~~ Early Vesting Date, if applicable, in or the Vesting Date with respect ~~of each~~ to that vested Trust Unit. The day on which ~~at~~ the applicable vested Trust Unit is ~~to be~~ redeemed ~~is~~ shall be the "**Redemption Date**" for ~~that Trust Unit. Notwithstanding any other provision in the Plan and for greater certainty, the Redemption Date shall not be later than December 31st of the third calendar year following the year in respect of which the Trust Units are granted.~~
- (b) *Expiry Date.* Subject to the terms of any RTU Agreement or PTU Agreement, as applicable, the Redemption Date shall not be later than the tenth (10<sup>th</sup>) anniversary of the Grant Date (the "Expiry Date"); provided that if the Expiry Date falls within a Black-out Period, the Expiry Date shall be automatically extended to the date that is ten (10) business days from the end of the applicable Black-out Period. Any vested Performance Trust Units and Distribution Trust Units credited in respect of an underlying Restricted Trust Unit or Performance Trust Unit, as applicable, shall have the same Expiry Date as the underlying Restricted Trust Unit or Performance Trust Unit for which they were credited.
- ~~(a)~~ *Method of Redemption.* Subject to Sections 3.6 and 3.10 and the terms of any RTU Agreement or PTU Agreement, as applicable, the REIT shall redeem ~~all of~~ each

Participant's vested Trust Units ~~(including fractional Trust Units) by, in the discretion of the REIT,~~

~~(i) by (A) issuing from treasury one REIT Unit for each full Trust Unit and making a lump sum cash payment in respect of any partial Trust Unit determined in the same manner as set out in Section 2.2(a)(iii);~~

~~(ii), or (B) delivering one REIT Unit purchased on the open market for each full Trust Unit and making a lump sum cash payment in respect of any partial Trust Unit determined in the same manner as set out in Section 2.2(a)(iii);~~

~~(iii); in either case to the applicable making a lump sum cash payment in respect of all full and partial Trust Units equal to the number of Trust Units (including fractional Trust Units) credited to the Participant's Trust Unit Account on such date multiplied by the Market Price per REIT Unit determined as at such date; or~~

~~(iv) a combination of (i), (ii) and (iii).~~

~~to each~~ Participant or the Participant's legal representative, if applicable, immediately upon redemption. With respect to U.S. Participants, in no case will payment of Trust Units that are short-term deferral exempt from Section 409A of the Code be made later than 2-1/2 months from the end of the U.S. Participant's taxable year in which the Trust Units vest.

(c) ~~(b)~~ *Effect of Redemption of Trust Units.* A Participant shall have no further rights respecting any Trust Unit which has been redeemed.

## Section 3 General

### 3.1 Capital Adjustments

In the event of any in specie distribution, consolidation or subdivision of securities, combination or exchange of securities, merger, spin-off or other distribution (other than normal cash distributions) of the REIT's assets to unitholders, or any other change in the capital of the REIT affecting REIT Units, the Committee will make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change, with respect to (i) the number or kind of securities on which the Trust Units are based; (ii) the number of Trust Units; and (iii) the Performance Vesting Conditions, Performance Period and Adjustment Factor, if applicable.

### 3.2 Non-Exclusivity

Nothing contained herein will prevent the Board from adopting other or additional compensation arrangements for the benefit of any Participant, subject to any required regulatory or unitholder approval.

### 3.3 Unfunded Plan

To the extent any individual holds any rights under the Plan, such rights (unless otherwise determined by the Committee) shall be no greater than the rights of an unsecured general creditor of the REIT.

### 3.4 Successors and Assigns

The Plan shall be binding on all successors and assigns of the REIT and each Participant, including without limitation, the legal representative of a Participant, or any receiver or trustee in bankruptcy or representative of the creditors of the REIT or a Participant.

### 3.5 Transferability of Awards

Rights respecting Trust Units shall not be transferable or assignable other than by will or the laws of descent and distribution.

### 3.6 Effect of Change of Control

Notwithstanding any other provision of this Plan, in the event of a Change of Control, any surviving, successor or acquiring entity shall assume any outstanding Trust Units or shall substitute similar units for the outstanding Trust Units (including, where applicable, in a manner that complies with subsection 7(1.4) of the *Income Tax Act (Canada)*). If the surviving, successor or acquiring entity does not assume the outstanding Trust Units or substitute similar units for the outstanding Trust Units or if the Committee otherwise determines in its sole and absolute discretion, the REIT shall give written notice to all Participants advising that the Plan shall be terminated effective immediately prior to the Change of Control and a specified number of whole Trust Units (and related Distribution Trust Units) shall be deemed to be vested and have a ~~redemption date~~ Redemption Date immediately prior to the termination of the Plan (with any Vested Fractional Trust Unit being rounded up to the nearest whole number (with the difference between such whole number and the Vested Fractional Trust Unit being deemed to be an additional vested fractional Trust Unit)). The number of Performance Trust Units which are deemed to be vested shall be based on an Adjustment Factor as determined in the sole and absolute discretion of the Committee in considering the Performance Vesting Conditions attained and any other factors it considers appropriate.

### 3.7 Amendment and Termination

- (a) The Committee may amend, suspend or terminate this Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX), if any, that require the approval of unitholders or any governmental or regulatory body. The Committee may make any types of amendments to the Plan without seeking unitholder approval, except the following types of amendments which will require unitholder approval:
  - (i) any amendment to the number of REIT Units issuable under the Plan, including an increase to a fixed maximum number of REIT Units or a

change from a fixed maximum number of REIT Units to a fixed maximum percentage;

- (ii) any amendment expanding the categories of Eligible Person which would have the potential of broadening or increasing insider participation;
  - (iii) any amendment permitting transfer or assignment of a Trust Unit, except by testate or intestate succession;
  - (iv) any amendment to remove or exceed the insider participation limit;
  - (v) any amendment to this amendment provision; and
  - (vi) any amendment required to be approved by unitholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).
- (b) No amendment, suspension or termination may materially adversely affect any Trust Units, or any rights pursuant thereto, granted previously to any Participant without the consent of that Participant.

~~(e) Notwithstanding the foregoing, any amendment of the Plan shall ensure that the Plan is continuously excluded from the salary deferral arrangement rules under the Income Tax Act (Canada) or any successor rules.~~

(c) ~~(d)~~ If this Plan is terminated, the provisions of this Plan and any administrative guidelines, and other rules adopted by the Committee and in force at the time of this Plan, will continue in effect as long as a Trust Unit or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the Plan, the Committee may make any amendments to the Plan or the Trust Units it would be entitled to make if the Plan were still in effect.

(d) ~~(e)~~ With the consent of the Participant affected thereby, the Committee may amend or modify any outstanding Trust Unit in any manner to the extent that the Committee ~~would have had~~has the authority ~~to initially~~under the Plan as so modified or amended from time to time to grant the award as so modified or amended.

Notwithstanding any other provision under this Plan, there is no obligation for uniformity of treatment of Participants in the Plan.

### **3.8 No Special Rights**

Nothing contained in the Plan or in any Trust Unit will confer upon any Participant any right to the continuation of the Participant's employment by or office with the REIT or its Affiliate or interfere in any way with the right of the REIT or its Affiliate at any time to terminate that employment or office or to increase or decrease the compensation of the Participant. Trust Units shall not be considered REIT Units nor shall they entitle any Participant to exercise voting

rights or any other rights attaching to the ownership of REIT Units, nor shall any Participant be considered the owner of REIT Units. Nothing in the Plan may be construed to provide any Participant with any rights whatsoever to compensation or damages in lieu of notice [of termination](#) or continued participation in, or entitlements under, the Plan as a consequence of a Participant's termination of employment or office (regardless of the reason for the termination and the party causing the termination, including a termination without cause). The Plan does not give any Participant any right to claim any benefit or compensation except to the extent specifically provided in the Plan.

### **3.9 Other Employee Benefits**

The amount of any compensation deemed to be received by a Participant as a result of the redemption of a Trust Unit will not constitute compensation with respect to which any other employee benefits of that Participant are determined, including, without limitation, benefits under any bonus, pension, profit-sharing, insurance or salary continuation plan, except as otherwise specifically determined by the Committee.

### **3.10 Tax Consequences**

It is the responsibility of the Participant to complete and file any tax returns which may be required under Canadian, U.S. or any other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan.

Notwithstanding any other provision contained herein, a Participant shall be solely responsible for all Applicable Withholding Taxes resulting from his or her receipt of Trust Units, REIT Units or other property pursuant to this Plan. In connection with the issuance or delivery of REIT Units or other property pursuant to this Plan, the REIT may:

- (a) require that the Participant pay to the REIT an amount as necessary so as to ensure that the REIT is in compliance with the applicable provisions of any federal, provincial, local or other law relating to the Applicable Withholding Taxes in connection with such issuance or delivery;
- (b) withhold the Applicable Withholding Taxes from any remuneration or other amount otherwise payable by the REIT to the Participant;
- (c) require that the Participant authorize a securities dealer selected by the REIT, on behalf of the Participant, to sell in the market on such terms and at such time or times as such securities dealer determines a portion of the REIT Units issued or delivered hereunder to realize cash proceeds to be used to satisfy the Applicable Withholding Taxes; or
- (d) require that the Participant make other arrangements acceptable to the REIT to fund the Applicable Withholding Taxes.



### 3.11 No Liability

Neither the REIT nor any Affiliate will be liable to any Participant for any loss resulting from a decline in the market value of any REIT Units, including as a result of any delay in a sale described in 3.10(c).

### 3.12 U.S. Participants

Compensation payable under the Plan to U.S. Participants is intended not to be subject to U.S. federal income tax under Section 409A of the Code and the Plan shall be construed, interpreted and administered in compliance with such intent. The Committee is hereby authorized to amend the Plan or any award under the Plan to achieve this result.

### 3.13 Effective Date

This Plan was effective on December 30, 2019 and was amended and restated on March 1, 2021 ~~and on~~, June 21, 2022 and [●], 2024. This Plan, as amended and restated, shall govern all Trust Units granted on and after ~~June 21~~ March 1, 2022 ~~2021~~. All restricted share units and performance share units (and related dividend share units) granted by First Capital Realty Inc. under the former First Capital Realty Inc. Amended and Restated Restricted Share Unit Plan prior to December 30, 2019 will be governed by the terms of this Plan as of December 30, 2019.



**APPENDIX 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: February 6, 2024  
Last Reviewed: February 6, 2024

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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 Governance and Sustainability 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 Governance and Sustainability 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 Governance and Sustainability 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 Governance and Sustainability Committee recommends candidates for initial Board membership and Board members for nomination. In making its recommendations, the Governance and Sustainability 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 Governance and Sustainability Committee and, if determined appropriate by the Governance and Sustainability 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 nine or ten 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**

Trustees shall be elected at each annual meeting of unitholders of FCR for a term expiring at the conclusion of the next annual meeting of unitholders of FCR or until their successors are elected or appointed and shall be eligible for re-election. The Board believes that term limits are one of many board renewal processes which help to ensure independence and the addition of new perspectives while allowing for appropriate continuity. Independent trustees may serve for ten (10) years from their initial election or appointment to the Board after which the independent trustee will not be nominated for re-election to the Board. Exceptions may be made by the Board, upon recommendation of the Governance and Sustainability Committee, to waive such limit for a trustee under extraordinary circumstances. The President and Chief Executive Officer, if a trustee while in office, is not subject to a term limit. The Board does not have a mandatory retirement age for trustees.

**(e) Board Succession**

The Governance and Sustainability 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 Governance and Sustainability 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 Governance and Sustainability 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 People and 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 Governance and Sustainability Committee to further the creation of a healthy corporate governance culture within FCR;
- work closely with the Governance and Sustainability 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 Governance and Sustainability 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 and Risk Committee, the People and Compensation Committee, the Governance and Sustainability Committee and such other committees as it may establish from time to time.

**(b) Composition**

The Audit and Risk Committee, the People and Compensation Committee and the Governance and Sustainability Committee will be comprised solely of Independent Trustees who are selected by the Board on the recommendation of the Governance and Sustainability Committee. Members of the Audit and Risk Committee must be Independent Trustees and meet the additional independence requirements prescribed by applicable securities laws. Each member of the Audit and Risk Committee will also be “financially literate” as defined in NI 52-110.

**(c) Committee Chairs**

The Audit and Risk Committee, the People and Compensation Committee and the Governance and Sustainability Committee will each be chaired by an Independent Trustee who is selected by the Board on the recommendation of the Governance and Sustainability 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 Governance and Sustainability 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 and Risk Committee**

The Audit and Risk 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 and Risk Committee by the Board.

- **People and Compensation Committee**

The People and 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 People and Compensation Committee by the Board.

- **Governance and Sustainability Committee**

The Governance and Sustainability 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 Governance and Sustainability 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 People and 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 People and 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 People and 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 Governance and Sustainability 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 Governance and Sustainability Committee.

### **15. PERFORMANCE ASSESSMENT OF THE BOARD AND ITS COMMITTEES**

The Governance and Sustainability 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 Governance and Sustainability 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