First Capital Real Estate Investment Trust

ANNUAL INFORMATION FORM

February 11, 2025

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GLOSSARY

“**Acquired Issuer**” has the meaning given to it under the heading “Investment Guidelines and Operating Policies of the Trust – Investment Guidelines”.

“**Advance Notice Provision**” has the meaning given to it under the heading “Declaration of Trust and Description of Trust Units – Nomination of Trustees”.

“**Affiliate**” has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus Exemptions*.

“**Aggregate Assets**” means, as of any date, the total assets of the Trust, excluding goodwill and future income tax assets, determined on a consolidated basis and in accordance with GAAP, and giving effect to Proportionate Consolidation Adjustments as adjusted as and to the extent applicable, for any adjustments which correspond to those made in accordance with the Declaration of Trust (other than fair value adjustments reflecting an increase or decrease in the fair value of investment properties and the effect on future income taxes (also referred to as deferred income taxes) of such adjustment).

“**AIF**” means this Annual Information Form.

“**Arrangement**” means and refers to the arrangement in connection with the establishment of the Trust effective December 30, 2019.

“**Board**” means the Board of Trustees of the Trust, as the same is constituted from time to time.

“**Business Day**” means any day of the year, other than a Saturday, Sunday or any day on which Schedule I Canadian chartered banks are closed for business in Toronto, Ontario.

“**Class A LP Unit**” means a unit of interest in FCR LP designated as a Class A LP Unit and having the rights and attributes described in the FCR LP Agreement with respect thereto.

“**Closing Market Price**” has the meaning given to it under the heading “Declaration of Trust and Description of Trust Units – Redemption Right”.

“**Company**” means First Capital Realty Inc.

“**Computershare**” means Computershare Trust Company of Canada.

“**DBRS**” has the meaning given to it under the heading “Organizational Structure – Credit Ratings”.

“**Declaration of Trust**” has the meaning given to it under the heading “Organizational Structure”.

“**Deferred Income Plan**” means any trust governed by a RRSP, a RRIF, a DPSP, a RDSP, a TFSA or a RESP, each as defined in the Tax Act.

“**Distribution Date**” means, in respect of a Distribution Period, a Business Day on or about the fifteenth (15^{th}) day of the immediately following month or such date as may be determined from time to time by the Trustees.

“**Distribution Period**” means each calendar month from and including the first day thereof to and including the last day thereof whether or not such day is a Business Day.

“**DPSP**” means a deferred profit-sharing plan.

“**Exchangeable LP Unit**” means a unit of interest in FCR LP designated as a Class B LP Unit and having the rights and attributes described in the FCR LP Agreement with respect thereto.

“**Exchangeable Securities**” means any securities of any trust, limited partnership (including FCR LP) or corporation other than the Trust that are convertible or exchangeable directly for Trust Units without the payment of additional consideration therefor and, for greater certainty, includes the Exchangeable LP Units but does not include Trust Exchangeable Securities.

“**Excluded Person**” means a Person (a) that is not a “taxable Canadian corporation” under the Tax Act; or (b) that would acquire Exchangeable LP Units as a “tax shelter investment” for the purposes of the Tax Act; or (c) an interest in which is a “tax shelter investment” for the purposes of the Tax Act.

“**FCR LP**” means First Capital REIT Limited Partnership.

“**FCR LP Agreement**” means the limited partnership agreement of FCR LP.

“**First Capital REIT**”, the “**Trust**” or the **“REIT”** means First Capital Real Estate Investment Trust.

“**GAAP**” means generally accepted accounting principles in Canada (including IFRS) as in effect from time to time and as adopted by the Trustees.

“**Governmental Entity**” means (a) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission (including any securities commission or similar regulatory authority), board, bureau, ministry, agency or instrumentality, domestic or foreign, (b) any subdivision, agent or authority of any of the above, (c) any quasi-governmental body, professional body or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, or (d) any stock exchange.

“**IFRS**” means International Financial Reporting Standards.

“**Independent Trustee**” means, at any time, a Trustee who, in relation to the Trust, is “independent” for purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

“**Joint Venture Arrangements**” means any real estate asset or operation in which the Trust participates where the Trust does not own 100% of the equity interests in the asset or operation.

“**Law**” or “**Laws**” means, with respect to any Person, any and all applicable law (including statutory and common law), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling, published administrative policy, or other similar requirement, whether domestic or foreign, enacted, adopted, incorporated by reference, promulgated or applied by a Governmental Entity, in each case having the force of law and that is binding upon or applicable to such Person or its business, undertaking, property or securities.

“**Limited Partners**” means the limited partners of FCR LP.

“**Loans and Mortgages Receivable**” has the meaning given to it under the heading “Risk Factors – Investments Subject to Credit and Market Risk”.

“**Management**” has the meaning given to it under the heading “Cautionary Notice Regarding Forward-Looking Statements”.

“**Market Price**” has the meaning given to it under the heading “Declaration of Trust and Description of Trust Units – Redemption Right”.

“**MD&A**” has the meaning given to it under the heading “General and Incorporation by Reference”.

“**Monthly Limit**” has the meaning given to it under the heading “Declaration of Trust and Description of Trust Units – Redemption Right”.

"**Nominating Unitholder**" has the meaning given to it under the heading "Declaration of Trust and Description of Trust Units – Nomination of Trustees".

"**Non-Resident**" means any Person that is not a resident Canadian.

"**Non-Resident Holder of Trust Units**" means a Unitholder that is not a resident Canadian.

"**Notice Date**" has the meaning given to it under the heading "Declaration of Trust and Description of Trust Units – Nomination of Trustees".

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including a Governmental Entity), syndicate or other entity, whether or not having legal status.

"**Proportionate Consolidation Adjustments**" means the effects on assets, liabilities, equity, revenues and expenses of accounting for Joint Venture Arrangements using the proportionate consolidation method irrespective of, and in place of, the accounting treatment applied under GAAP.

"**RDSP**" means a registered disability savings plan.

"**Redemption Date**" has the meaning given to it under the heading "Declaration of Trust and Description of Trust Units – Redemption Right".

"**Redemption Price**" has the meaning given to it under the heading "Declaration of Trust and Description of Trust Units – Redemption Right".

"**RESP**" means a registered education savings plan.

"**RRIF**" means a registered retirement income fund.

"**RRSP**" means a registered retirement savings plan.

"**Securities Laws**" means the *Securities Act* (Ontario), regulations and rules thereunder and similar Laws in the other provinces of Canada.

"**Senior Unsecured Debentures**" has the meaning given to it under the heading "Organizational Structure – Credit Ratings".

"**Special Voting Units**" means the special voting units of the Trust to be received by the holders of Exchangeable LP Units and authorized under the Declaration of Trust.

"**Subsidiary**" means, with respect to a Person, a corporation, partnership, trust, limited liability company, unlimited liability company, joint venture or other Person of which either: (a) such Person or any other subsidiary of the Person is a general partner, managing member or functional equivalent; (b) voting power to elect a majority of the board of directors or trustees or others performing a similar function with respect to such organization is held by such Person or by any one or more of such Person's subsidiaries; or (c) more than 50% of the equity interest is controlled, directly or indirectly, by such Person.

"**Subsidiary Notes**" means promissory notes of FCR LP, a trust all of the units of which, or a corporation all of the shares of which, are owned directly or indirectly by the Trust or another entity that would be consolidated with the Trust under GAAP, having a maturity date and interest rate determined by the Trustees at the time of issuance.

"**Tax Act**" means the *Income Tax Act* (Canada).

"**TFSA**" means a tax-free savings account.

"**Trust Exchangeable Securities**" means rights, warrants, subscription receipts or options or other instruments or securities created and issued by the Trust, including securities convertible to or exchangeable for Trust Units, to subscribe for fully paid Trust Units.

"**Trust Unit**" means a trust unit of the Trust (other than a Special Voting Unit) issued pursuant to the Declaration of Trust and having the attributes described therein.

"**Trustees**" means, as of any particular time, all of the trustees holding office under and in accordance with the Declaration of Trust, in their capacity as trustees hereunder, and "**Trustee**" means any of them.

"**TSX**" means the Toronto Stock Exchange.

"**Unitholder**" means a holder of Trust Units.

"**Voting Unitholders**" means, collectively, holders of Voting Units, and "**Voting Unitholder**" means any one of them.

"**Voting Units**" means, collectively, the Trust Units and the Special Voting Units, and "**Voting Unit**" means any one of them.

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included in the "Description of the Business" and "Risk Factors" sections of this AIF, as well as other statements concerning First Capital REIT's objectives and strategies and the beliefs, plans, estimates and intentions of management of the Trust ("Management"), constitute forward-looking statements within the meaning of applicable securities law. Forward-looking statements can generally be identified by the expressions "anticipate", "believe", "plan", "estimate", "project", "expect", "intend", "outlook", "objective", "may", "will", "should", "continue" and similar expressions. All statements, other than statements of historical fact, in this AIF that address activities, events or developments that the Trust or a third party expect or anticipate will or may occur in the future, including the Trust's future growth, results of operations, performance and business prospects and opportunities, and the assumptions underlying any of the foregoing, are forward-looking statements. The forward-looking statements are not historical facts but, rather, reflect the Trust's current expectations regarding future results or events and are based on information currently available to Management. Certain material factors and assumptions were applied in providing these forward-looking statements. Forward-looking information involves numerous assumptions such as rental income (including assumptions on timing of lease-up, development coming on line and levels of percentage rent), interest rates, tenant defaults, borrowing costs (including the underlying interest rates and credit spreads), the general availability of capital and the stability of the capital markets, the ability of the Trust to make loans at the same rate or in the same amount as repaid loans, amount of development costs, capital expenditures, operating costs and corporate expenses, level and timing of acquisitions of income-producing properties, the Trust's ability to complete dispositions and the timing, terms and anticipated benefits of any such dispositions, the Trust's ability to redevelop, sell or enter into partnerships with respect to the future uncommitted incremental density it has identified in its portfolio, the Trust's ability to execute on its investment strategy (both grocery-anchored and top-tier suburban), number of units outstanding and numerous other factors.

Management believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions; however, Management can give no assurance that actual results will be consistent with these forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under the "Risk Factors" section of this AIF.

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 those described in the "Risk Factors" section of this AIF and 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 and property 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 Trust'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 acquisitions, development and construction; unexpected costs or liabilities related to dispositions; geographic and tenant concentration; residential development, sales and leasing; challenges associated with the integration of acquisitions into the Trust; compliance with financial covenants; changes in governmental regulation; environmental liability and compliance costs; uninsured losses and First Capital REIT's ability to obtain insurance coverage at a reasonable cost; risks in joint ventures; Unitholder activism, investments subject to credit and market risk; loss of key personnel; the ability of tenants to maintain licenses, certifications 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.

Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. First Capital REIT undertakes no obligation to publicly update any such statement to reflect new information or the occurrence of future events or circumstances except as required by applicable securities law.

All forward-looking statements in this AIF are made as of February 10, 2025 and are qualified by these cautionary statements.

GENERAL AND INCORPORATION BY REFERENCE

In this AIF, unless the context requires otherwise, references to the "Trust" or "First Capital REIT" include First Capital Real Estate Investment Trust, its direct and indirect wholly-owned subsidiaries (including trusts) and its interests in partnership, co-ownership and limited liability corporate venture arrangements. Unless otherwise indicated, all information in this AIF is provided as at December 31, 2024.

Financial data is prepared in accordance with IFRS. All amounts are in Canadian dollars, unless otherwise noted.

The Trust's management's discussion and analysis for the year ended December 31, 2024 (the "MD&A") is incorporated by reference in this AIF, a copy of which is available on SEDAR+ at www.sedarplus.ca.

ORGANIZATIONAL STRUCTURE

First Capital REIT (TSX: FCR.UN) acquires, develops, owns and operates open-air grocery-anchored shopping centres in neighbourhoods with the strongest demographics in Canada. As at December 31, 2024, the Trust owned interests in 138 neighbourhoods, totaling approximately 22.1 million square feet of gross leasable area.

In February 2024, the Trust announced its three-year strategic roadmap centered around financial growth and leverage reduction objectives. The roadmap is focused on the key objectives of stability and growth in FFO, Net Asset Value and distributions per unit, coupled with a continued strengthening of key credit metrics.

First Capital's operating activities are focused upon managing its core portfolio of multi-tenant grocery-anchored centres to their maximum potential as it relates to growth in same-property net operating income and long-term value appreciation. FCR's core portfolio of grocery-anchored shopping centres has a value of approximately $7.2 billion and comprises approximately 82% of First Capital's total real estate investments.

First Capital's investment activities are focused on retail development and redevelopment of core grocery-anchored shopping centres, select tuck-in and multi-tenant grocery-anchored shopping centre acquisitions, its entitlements program, and the development of strategic mixed-use properties where the REIT will typically have an ownership interest within the 25% to 50% range.

Asset divestitures will continue to be focused on FCR's density and development properties and other non-grocery anchored properties. This pool of assets currently comprises approximately 18% of FCR's total real estate investments and has a value of approximately $1.6 billion.

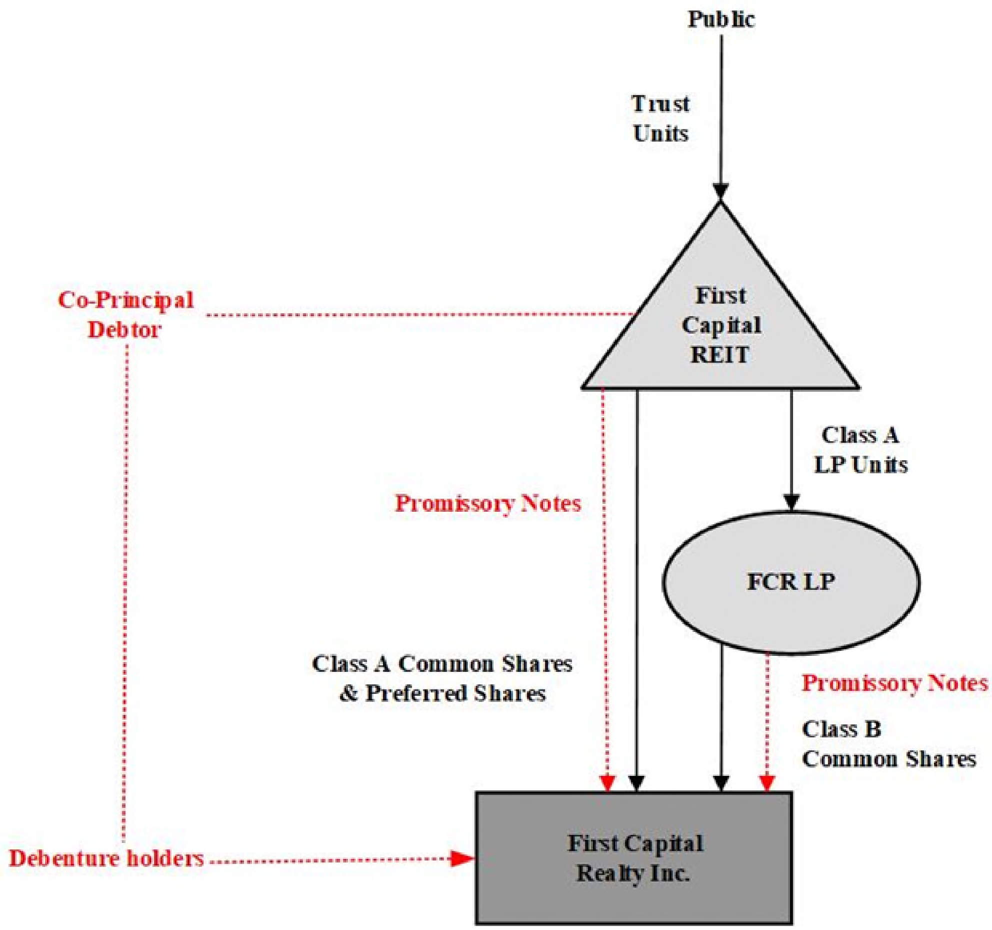
The Trust is an unincorporated, open-ended real estate investment trust established pursuant to a declaration of trust dated as of October 16, 2019 (the "Declaration of Trust") under, and governed by, the laws of the Province of Ontario. The registered and principal office of the Trust is located at King Liberty Village, 85 Hanna Avenue, Suite 400, Toronto, Ontario, M6K 3S3.

The Trust is not a trust company and is not registered under applicable legislation governing trust companies as it does not carry on or intend to carry on the business of a trust company. The Trust Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that statute or any other legislation.

Principal Subsidiaries and Employees

All of the Trust's properties are wholly-owned by the Trust (through direct and indirect wholly-owned subsidiaries of the Trust), with the exception of some partially owned properties, as described in "Appendix A: Properties". The Trust owns, either directly or indirectly, 100% of the voting and non-voting securities of each of its principal subsidiaries.

The following chart illustrates the organizational structure of the Trust:



In addition, the Company (which is existing under the laws of the province of Ontario) has one principal subsidiary, First Capital Holdings Trust, a 100%-owned trust established under the laws of the province of Ontario, which had total assets amounting to more than 10% of the consolidated assets of the Trust as at December 31, 2024 or total revenues amounting to more than 10% of the consolidated revenues of the Trust for the year ended December 31, 2024. The Company is the sole beneficiary of this trust.

Certain subsidiaries of the Trust, each of which represents not more than 10% of the consolidated assets and not more than 10% of the consolidated revenues of the Trust, and all of which, in the aggregate, represent not more than 20% of the total consolidated assets and the total consolidated revenues of the Trust as at and for the year ended December 31, 2024, have been omitted from this disclosure.

As at December 31, 2024, First Capital REIT had 372 full-time employees in leasing, construction management, investments, property management, development, legal, accounting and corporate financing, information technology and human resources departments. Employees are employed by First Capital REIT or its subsidiaries under employment contracts, are entitled to a base salary, and may receive various benefits (such as medical and dental benefits, life insurance coverage and fitness expense benefit), performance-based annual bonuses and may also be eligible to participate in the long-term equity-based compensation plans.

Credit Ratings

On June 10, 2024, DBRS Morningstar (“DBRS”) confirmed the Trust’s Issuer Rating and each series of the Trust’s outstanding senior unsecured debentures (the “Senior Unsecured Debentures”) rating at “BBB” and changed the trend to “Positive” from Stable.

Long-term ratings assigned by DBRS provide an opinion of DBRS on the risk of default; that is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which a long-term obligation has been issued.

DBRS’ long-term credit ratings scale ranges from “AAA” (typically assigned to obligations of the highest credit quality) to “D” (typically assigned when an issuer has filed under any applicable bankruptcy, insolvency or winding-up statute or there is a failure to satisfy an obligation after the exhaustion of grace periods). DBRS may also use “SD” (selective default) in cases where only some securities are impacted, such as the case of a “distressed exchange”. A long-term obligation rated “BBB” by DBRS is the fourth highest rated obligation after those rated “AAA”, “AA” and “A” and is, in DBRS’ view, of adequate credit quality. The capacity for the payment of financial obligations is considered acceptable by DBRS. DBRS indicates that “BBB” rated obligations may be vulnerable to future events. All DBRS rating categories other than “AAA” and “D” also contain subcategories “(high)” and “(low)”. The absence of either a “(high)” or “(low)” designation indicates the rating is in the middle of the category.

DBRS uses “rating trends” for its ratings in, among other areas, the corporate finance sector. DBRS’ rating trends provide guidance in respect of DBRS’ opinion regarding the outlook for the rating in question, with rating trends falling into one of three categories: “Positive”, “Stable” or “Negative”. The rating trend indicates the direction in which DBRS considers the rating may move.

There can be no assurance that a rating will remain in effect for any given period of time or that a rating will not be lowered, withdrawn, or revised by a credit rating agency if in their respective judgment circumstances so warrant. The rating of the Senior Unsecured Debentures is not a recommendation to buy, sell or hold such securities, in as much as such ratings do not comment as to market price or suitability for a particular investor. See “Risk Factors – Credit Ratings”.

First Capital REIT has paid customary rating fees to DBRS in connection with the above-mentioned ratings. First Capital REIT has not made any payments to DBRS in respect of any other service provided to First Capital REIT by DBRS.

DESCRIPTION OF THE BUSINESS

For a description of the business of First Capital REIT, including its strategy, investments, acquisition, disposition and development and redevelopment activities in 2024 and top 40 tenants as at December 31, 2024, see “Business and Strategy Overview” and “Business and Operations Review” in the MD&A. For a description of First Capital REIT’s environmental, social and governance policies see “Corporate Responsibility and Sustainability” in the MD&A.

DEVELOPMENT OF THE BUSINESS

Recent Developments – 2025

Distributions

The Trust paid a distribution for the month of January 2025 on February 18, 2025 of approximately $0.074 per Trust Unit to Unitholders of record as at the close of business on January 31, 2025, representing an annualized distribution of $0.89 per REIT unit (a 3.0% increase from the prior year).

The Trust announced that it will pay a distribution for the month of February 2025 on March 17, 2025 of approximately $0.074 per Trust Unit to Unitholders of record as at the close of business on February 28, 2025.

Acquisition Activities

On February 3, 2025, First Capital REIT acquired a 100% interest in a property located in Toronto, Ontario for a purchase price of $21.25 million.

See also “Current Business Environment and Outlook” in the MD&A.

Three Years Ended December 31, 2024

Acquisitions

The income-producing property acquisitions completed by the Trust during 2022 are summarized in the table below.

Income-producing Properties

Count	Property Name	City/Province	Quarter Acquired	Interest Acquired	GLA (sq. ft.)	Acreage	Acquisition Cost (in millions)
1.	272 Lawrence Avenue West	Toronto, ON	Q1	100%	16,046	0.4	$ 21.3
2.	102 Atlantic Avenue	Toronto, ON	Q1	50%	8,734	0.1	7.6
3.	66 Montgomery Avenue	Toronto, ON	Q1	100%	-	0.1	2.5
4.	70 Montgomery Avenue	Toronto, ON	Q2	100%	-	0.1	3.6
5.	Amberlea Shopping Centre	Pickering, ON	Q3	50%	50,088	6.3	23.0
6.	64 Montgomery Avenue	Toronto, QC	Q3	100%	-	0.1	2.5
7.	328 Bloor Street West	Toronto, ON	Q4	50%	2,117	-	3.3
	Total				76,985	7.1	$ 63.8

The acquisitions completed by the Trust during 2023 and 2024 are set forth under the sections “Business and Operations Review – 2023 Acquisitions” and “Business and Operations Review – 2024 Acquisitions” in the MD&A.

Dispositions

The dispositions completed by the Trust during 2022 are summarized in the table below.

Count	Property Name	City/Province	Quarter Sold	Interest Sold	GLA (sq. ft.)	Acreage	Gross Sales Price (in millions)
1.	Carrefour St-Hubert (land)	St-Hubert, QC	Q1	100%	-	1.0	
2.	Staples Gateway	Edmonton, AB	Q2	100%	39,879	2.9	
3.	La Porte de Gatineau	Gatineau, QC	Q3	100%	161,496	16.4	
4.	Bayview Lane Plaza	Markham, ON	Q3	100%	43,052	3.6	
5.	Derry Heights Plaza (land)	Milton, ON	Q3	100%	-	4.1	
6.	Place Portobello (land)	Brossard, QC	Q3	100%	-	0.2	
7.	King High Line residential	Toronto, ON	Q4	50%	161,434	0.9	
8.	Yonge & Roselawn (land)	Toronto, ON	Q4	25%	-	0.5	
	Total				405,861	29.6	$ 277.4

The dispositions completed by the Trust during 2023 and 2024 are set forth under the sections “Business and Operations Review – 2023 Dispositions” and “Business and Operations Review – 2024 Dispositions” in the MD&A.

Senior Unsecured Debentures: Issuances, Redemptions and Maturities

On January 31, 2022, upon maturity, the REIT repaid its 4.43% Series O Senior Unsecured Debentures in the amount of $200.0 million.

On December 5, 2022, upon maturity, the REIT repaid its 3.95% Series P Senior Unsecured Debentures in the amount of $250.0 million.

On October 30, 2023, upon maturity, the REIT repaid its 3.90% Series Q Senior Unsecured Debentures in the amount of $300.0 million.

On August 30, 2024, upon maturity, the REIT repaid its 4.79% Series R Senior Unsecured Debentures in the amount of $281.0 million.

Trust Units

On January 17, 2022, the REIT issued 7,027 Trust Units to a former Trustee of the Board in connection with the redemption of deferred trust units.

On March 7, 2022, the REIT issued 127,166 Trust Units in connection with the redemption of restricted trust units held by several employees of the REIT.

On April 12, 2022, the REIT issued 30,932 Trust Units in connection with the redemption of restricted trust units held by several employees of the REIT.

During 2022, 6,500 options were exercised at a weighted average exercise price of $17.90 per Trust Unit, resulting in proceeds to the REIT of approximately $116,350.

During 2022, the REIT issued 43,202 Trust Units in exchange for the cancellation of an equivalent number of related Exchangeable LP Units in accordance with their terms.

On February 28, 2023, the REIT issued 77,365 Trust Units in connection with the redemption of restricted trust units held by several employees of the REIT.

On March 2, 2023, the REIT issued 142,526 Trust Units in connection with the redemption of restricted trust units held by several employees of the REIT.

On March 22, 2023, the REIT issued 561 Trust Units in connection with the redemption of restricted trust units to an employee of the REIT.

On July 31, 2023, the REIT issued 77,758 Trust Units to a former Trustee of the Board in connection with the redemption of deferred trust units.

On December 29, 2023, the REIT issued 60,021 Trust Units in exchange for the cancellation of an equivalent number of related Exchangeable LP Units in accordance with their terms.

On March 19, 2024, the REIT issued 56,859 Trust Units in connection with the redemption of restricted trust units held by several employees of the REIT.

On March 21, 2024, the REIT issued 651 Trust Units in connection with the redemption of restricted trust units held by several employees of the REIT.

On August 19, 2024, the REIT issued 77,439 Trust Units to a former Trustee of the Board in connection with the redemption of deferred trust units.

September 13, 2024, the REIT issued 3,330 Trust Units in connection with the redemption of restricted trust units held by several employees of the REIT.

Normal Course Issuer Bid

On May 16, 2024, the REIT received TSX approval for the renewal of its Normal Course Issuer Bid (“NCIB”) pursuant to which it may repurchase and cancel up to 21,113,939 of its Trust Units, or approximately 10% of the REIT’s public float as at May 7, 2024, until May 20, 2025. During 2024, the Trust did not repurchase any units for cancellation pursuant to the NCIB. On a cumulative basis, from May 2022 to December 31, 2024, the Trust has acquired and cancelled 7.9 million Units at a weighted average purchase price of $15.15 per unit, for a total cost of $120.1 million.

The number of Trust Units that can be purchased pursuant to the NCIB is subject to a current daily maximum of 101,530 Trust Units (other than pursuant to a block purchase exception), which represents 25% of the average daily trading volume of the Trust Units on the TSX for the six months ended April 30, 2024.

As at December 31, 2024, there were 212,322,588 Trust Units outstanding.

Exchangeable LP Units

As at December 31, 2024, there were no Exchangeable LP Units outstanding.

INVESTMENT GUIDELINES AND OPERATING POLICIES OF THE TRUST

Investment Guidelines

The Declaration of Trust provides certain restrictions on investments that may be made by the Trust. The assets of the Trust may be invested, directly or indirectly, only in accordance with the following restrictions:

(a) the Trust will invest primarily, directly or indirectly, (including by way of direct or indirect investments in shares, debt obligations and other securities of the Company or its successors) in interests (including fee ownership and leasehold interests) in income-producing real estate and assets ancillary thereto necessary for the operation of such real estate and such other activities as are consistent with the other investment guidelines of the Trust;

(b) notwithstanding anything else contained in the Declaration of Trust, the Trust shall not make or hold any investment, take any action or omit to take any action or permit a Subsidiary to make or hold any investment or take any action or omit to take any action that would result in:

  (i) the Trust not qualifying as a “mutual fund trust” or a “unit trust” both within the meaning of the Tax Act;

  (ii) Trust Units not qualifying as qualified investments for Deferred Income Plans;

  (iii) the Trust not qualifying as a “real estate investment trust” within the meaning of the Tax Act if, as a consequence of the Trust not so qualifying, the Trust or any of its Subsidiaries would be liable to pay a tax imposed under either Paragraph 122(1)(b) or Subsection 197(2) of the Tax Act, unless the Trustees have determined that it would be in the best interests of the Unitholders, as a whole, to do so; or

  (iv) the Trust being liable to pay a tax under Part XII.2 of the Tax Act, unless the Trustees have determined that it would be in the best interests of the Unitholders, as a whole, to do so;

(c) the Trust may make its investments and conduct its activities, directly or indirectly, through an investment in one or more persons on such terms as the Trustees may from time to time determine, including by way of joint ventures, partnerships (general or limited), and limited liability companies;

(d) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province or territory of Canada, deposits with a savings institution, trust company, credit union or similar financial institution that is organized or chartered under the laws of a state of the United States or of the United States, short-term government debt securities or money market instruments maturing prior to one year from the date of issue and except as permitted pursuant to these investment guidelines and operating policies of the Trust, the Trust may not hold securities of a person other than to the extent such securities would constitute an investment in real property (as determined by the Trustees) and provided further that, notwithstanding anything contained in the Declaration of Trust to the contrary, but in all events subject to paragraph (b) above, the Trust may hold securities of a person: (i) acquired in connection with the carrying on, directly or indirectly, of the Trust’s activities or the holding of its assets; or (ii) which focuses its activities primarily on the activities described in paragraph (a) above, provided in the case of any proposed investment or acquisition which would result in the beneficial ownership of more than 10% of the outstanding equity securities (including any equity-linked securities on a fully converted or exchanged basis) of an issuer (the “Acquired Issuer”), except for investments held by the Trust, directly or indirectly, on December 30, 2019, the investment is made for the purpose of subsequently effecting the merger or combination of the business and assets of the Trust and the Acquired Issuer or for otherwise ensuring that the Trust will control the business and operations of the Acquired Issuer;

(e) the Trust may invest in mortgages and mortgage bonds (including participating or convertible mortgages) and similar instruments; and

(f) the Trust may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any debt incurred or assumed in connection with such investment) up to 15% of the Aggregate Assets of the Trust in investments which do not comply with one or more of paragraphs (a), (d) and (e).

Any references in the foregoing to investment in real property will be deemed to include an investment in a joint arrangement that invests in real property.

Operating Policies

The Declaration of Trust provides that the operations and affairs of the Trust will be conducted in accordance with the following policies:

(a) except with respect to any written instruments entered into prior to the date hereof, to the extent the Trustees determine to be practicable and consistent with their fiduciary duties to act in the best interest of the Unitholders, any written instrument which is, in the judgment of the Trustees, a material obligation, shall contain a provision, or be subject to an acknowledgement to the effect, that the obligation being created is not personally binding upon, and that resort must not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise, the private property of any of the Trustees, Unitholders, annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the Trust, but that only property of the Trust or a specific portion thereof is bound; the Trust, however, is not required to comply with this requirement in respect of obligations assumed by the Trust upon the acquisition of real property;

(b) the Trust may engage in construction or development of real property, including to maintain its real properties in good repair or to improve the income-producing potential of properties in which the Trust has an interest;

(c) title to each real property shall be held by and registered in the name of the Trust, the Trustees or a person wholly-owned, directly or indirectly, by the Trust or jointly-owned, directly or indirectly, by the Trust, with joint venturers or by any other persons in such manner as the Trustees consider appropriate, taking into account advice of legal counsel; provided that, where land tenure will not provide fee simple title, the Trust, the Trustees or a corporation or other entity wholly-owned, directly or indirectly, by the Trust or jointly owned, directly or indirectly, by the Trust or such person as the Trustees consider appropriate shall hold a land lease as appropriate under the land tenure system in the relevant jurisdiction; and

(d) except in connection with or related to the acquisition of the assets of the Trust on the closing of the Arrangement, the Trust shall not directly or indirectly guarantee any indebtedness or liabilities of any person unless such guarantee is given in connection with or incidental to an investment that is otherwise permitted by the Trust's investment guidelines; has been approved by the Trustees; and (A) would not disqualify the Trust as a "mutual fund trust" within the meaning of the Tax Act, and (B) would not result in the Trust losing any status under the Tax Act that is otherwise beneficial to the Trust and its Unitholders.

Any references in the foregoing to investment in real property will be deemed to include an investment in a joint arrangement that invests in real property.

Where any maximum or minimum percentage limitation is specified in any of the investment guidelines or operating policies, such investment guidelines or operating policies shall be applied on the basis of the relevant amounts calculated on a pro forma basis immediately after the making of such investment or the taking of such action and, if applicable, the application of proceeds therefrom. Any subsequent change relative to any percentage limitation which results from a subsequent change in the amount of Aggregate Assets will not require the divestiture of any investment.

Amendments to Investment Guidelines and Operating Policies

Pursuant to the Declaration of Trust, the investment guidelines set forth under "— Investment Guidelines" and the operating policies set forth in sub-paragraph (d) under "— Operating Policies" may be amended only with the approval of not less than two-thirds of the votes cast at a meeting of Voting Unitholders called for such purposes (or a written resolution signed by Voting Unitholders representing at least two-thirds of the outstanding Voting Units). The remaining operating policies may be amended with the approval of a majority of the votes cast at a meeting of Voting Unitholders called for such purposes (or a written resolution signed by Voting Unitholders representing at least a majority of the outstanding Voting Units).

Regulatory Conflict

Notwithstanding the foregoing paragraph, if at any time a government or regulatory authority having jurisdiction over the Trust or any property of the Trust shall enact any Law, regulation or requirement which is in conflict with any investment guideline or operating policy of the Trust then in force, such investment guideline or operating policy in conflict shall, if the Trustees on the advice of legal counsel to the Trust so resolve, be deemed to have been amended to the extent necessary to resolve any such conflict and, notwithstanding anything to the contrary, any such resolution of the Trustees shall not require the prior approval of Unitholders.

DECLARATION OF TRUST AND DESCRIPTION OF TRUST UNITS

General

The Trust is an unincorporated open-ended real estate investment trust established pursuant to the Declaration of Trust under, and governed by, the laws of the Province of Ontario. Although the Trust qualifies as a “mutual fund trust” as defined in the Tax Act, the Trust is not a “mutual fund” as defined by applicable securities legislation.

Authorized Capital and Outstanding Securities

The Declaration of Trust authorizes the issuance of an unlimited number of two classes of units, namely the Trust Units and Special Voting Units. Special Voting Units are only issued in tandem with the issuance of Exchangeable Securities. As at December 31, 2024, the Trust had a total of 212,322,588 Trust Units outstanding and no Special Voting Units outstanding.

Trust Units

Each Trust Unit is transferable and represents an equal, undivided beneficial interest in the Trust and any distributions from the Trust, whether of net income, net realized capital gains (other than such gains allocated and distributed to redeeming Unitholders) or other amounts and, in the event of the termination or winding-up of the Trust, in the net assets of the Trust remaining after satisfaction of all liabilities. All Trust Units rank among themselves equally and rateably without discrimination, preference or priority. Each Trust Unit entitles the holder thereof to receive notice of, to attend and to one vote at all meetings of Voting Unitholders or in respect of any written resolution of Voting Unitholders.

Unitholders are entitled to receive distributions from the Trust (whether of net income, net realized capital gains or other amounts) if, as and when declared by the Trustees. Upon the termination or winding-up of the Trust, Unitholders will participate equally with respect to the distribution of the remaining assets of the Trust after payment of all liabilities. Such distribution may be made in cash, as a distribution in kind, or both, all as the Trustees in their sole discretion may determine. Trust Units have no associated conversion or retraction rights. No person is entitled, as a matter of right, to any pre-emptive right to subscribe for or acquire any Trust Unit, except as otherwise agreed to by the Trust pursuant to a binding written agreement.

Special Voting Units

Special Voting Units are only issued in tandem with Exchangeable Securities and are not transferable separately from the Exchangeable Securities to which they relate, and, upon any valid transfer of Exchangeable Securities, such Special Voting Units will automatically be transferred to the transferee of the Exchangeable Securities. As Exchangeable Securities are exchanged for Trust Units or redeemed or purchased for cancellation, the corresponding Special Voting Units will be cancelled for no consideration.

Each Special Voting Unit entitles the holder thereof to receive notice of, to attend, and to one vote at all meetings of Voting Unitholders or in respect of any resolution in writing of Voting Unitholders. Except for the right to attend and vote at meetings of Voting Unitholders or in respect of written resolutions of Voting Unitholders, Special Voting Units do not confer upon the holders thereof any other rights. A Special Voting Unit does not entitle its holder to any economic interest in the Trust, or to any interest or share in the Trust, any of its distributions (whether of net income, net realized capital gains or other amounts) or in any of its net assets in the event of the termination or winding-up of the Trust.

Issuance of Trust Units

Trust Units or rights to acquire Trust Units or other securities may be created, issued and sold at such times, to such persons, for such consideration and on such terms and conditions as the Trustees determine, including pursuant to a rights plan, distribution reinvestment plan, purchase plan or any incentive option or other compensation plan. Trust Units will be issued only when fully paid in money, property or past services, and they will not be subject to future calls or assessments, provided that Trust Units may be issued and sold on an instalment basis and the Trust may take security over any such Trust Units so issued. Where the Trustees determine that the Trust does not have available cash in an amount sufficient to pay the full amount of any distribution, the payment may, at the option of the Trustees, include or consist entirely of the issuance of additional Trust Units having a fair market value determined by the Trustees equal to the difference between the amount of the distribution and the amount of cash that has been determined by the Trustees to be available for the payment of such distribution. These additional Trust Units will be issued pursuant to applicable exemptions under applicable Securities Laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing. The Declaration of Trust also provides that unless the Trustees determine otherwise, and subject to all necessary regulatory approvals, immediately after any pro rata distribution of additional Trust Units to all Unitholders as described above or otherwise as determined by the Trustees, the number of outstanding Trust Units will automatically be consolidated such that each Unitholder will hold after the consolidation the same number of Trust Units as the Unitholder held before the distribution of such additional Trust Units. In such circumstances, each certificate representing a number of Trust Units prior to the distribution of additional Trust Units will be deemed to represent the same number of Trust Units after the distribution of such additional Trust Units and the consolidation. If tax is required to be withheld from a Unitholder's share of the distribution, the consolidation will not result in such Unitholder holding the same number of Trust Units. Each such Unitholder will be required to surrender the certificates, if any, representing that Unitholder's original Trust Units in exchange for a certificate representing that Unitholder's post-consolidation Trust Units.

The Trustees may refuse to allow the issuance of or to register the transfer of Trust Units where such issuance or transfer would, in their opinion, adversely affect the treatment of the Trust under applicable Canadian tax laws or their qualification to carry on any relevant business. See "Declaration of Trust and Description of Trust Units — Limitations on Non-Resident Ownership of Trust Units".

Repurchase of Trust Units

The Trust may, from time to time, purchase all or a portion of the Trust Units for cancellation at a price per Trust Unit and on a basis determined by the Trustees in accordance with applicable Securities Laws and stock exchange rules.

Limitations on Non-Resident Ownership of Trust Units

In order for the Trust to maintain its status as a mutual fund trust under the Tax Act, it must not be established or maintained primarily for the benefit of Non-Residents. Accordingly, the Declaration of Trust provides that at no time may Non-Residents be the beneficial owners of more than 49% of the Trust Units (on either a Basic Basis or a Fully Diluted Basis as defined in the Declaration of Trust) and the Trust has informed its transfer agent and registrar of this restriction. The Trustees may require a registered holder of Trust Units to provide them with a declaration as to the jurisdictions in which beneficial owners of Trust Units registered in such holder's name are resident and as to whether such beneficial owner is Non-Resident (and, in the case of a partnership, whether the partnership is Non-Resident). If the Trustees become aware, as a result of such declarations as to beneficial ownership or as a result of any other investigations, that the beneficial owners of more than 49% of the Trust Units (on either a Basic Basis or a Fully Diluted Basis as defined in the Declaration of Trust) are, or may be, Non-Residents or that such a situation is imminent, the Trustees may make a public announcement thereof and will not accept a subscription for Trust Units from, or issue or register a transfer of Trust Units to, a person unless the person provides a declaration in form and content satisfactory to the Trustees that the person is not a Non-Resident and does not hold such Trust Units for the benefit of Non-Residents. If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Trust Units (on either a Basic Basis or a Fully Diluted Basis as defined in the Declaration of Trust) are held by Non-Residents, the Trustees may send or cause to be sent a notice to such Non-Resident Holders of Trust Units chosen in inverse order to the order of acquisition or registration or in such other manner as the Trustees may consider equitable and practicable, requiring them to sell their Trust Units or a portion thereof within a specified period of not more than 30 days. If the Unitholders receiving such notice have not sold the specified number of Trust Units or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may on behalf of such persons sell or cause to be sold such Trust Units and, in the interim, will suspend the voting and distribution rights attached to such Trust Units. Upon such sale, the affected holders will cease to be holders of the relevant Trust Units and their rights will be limited to receiving the net proceeds of sale upon surrender of the certificates, if any, representing such Trust Units. Notwithstanding the foregoing, the Trustees may determine not to take any of the actions described above if the Trustees have been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the Trust as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Trust as a mutual fund trust for purposes of the Tax Act.

Nomination of Trustees

The 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 the Voting Unitholders made in accordance with the 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 the Trust'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 tenth day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of Voting Unitholders called for the purpose of electing Trustees (whether or not called for other purposes), not later than the close of business on the 15th day following the day that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the special meeting of Voting Unitholders was made.

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

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

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

Redemption Right

A Unitholder may at any time demand redemption of some or all of its Trust Units by delivering to the Trust a duly completed and properly executed notice requiring redemption in a form satisfactory to the Trustees, together with written instructions as to the number of Trust Units to be redeemed. Upon receipt of the redemption notice by the Trust, all rights to and under the Trust Units tendered for redemption shall be surrendered and the holder thereof will be entitled to receive a price per Trust Unit (the “Redemption Price”) equal to the lesser of:

(a) 90% of the Market Price (as defined below) of a Trust Unit calculated as of the date on which the Trust Units were surrendered for redemption (the “Redemption Date”); and

(b) 100% of the Closing Market Price (as defined below) on the Redemption Date.

For purposes of this calculation, the market price of a Trust Unit as at a specified date (the “Market Price”) will be:

(a) an amount equal to the weighted average trading price of a Trust Unit on the principal exchange or market on which the Trust Units are listed or quoted for trading during the period of 10 consecutive trading days ending on such date;

(b) an amount equal to the weighted average of the Closing Market Prices of a Trust Unit on the principal exchange or market on which the Trust Units are listed or quoted for trading during the period of 10 consecutive trading days ending on such date, if the applicable exchange or market does not provide information necessary to compute a weighted average trading price; or

(c) if there was trading on the applicable exchange or market for fewer than five of the 10 trading days, an amount equal to the simple average of the following prices established for each of the 10 consecutive trading days ending on such date: the simple average of the last bid and last asking price of the Trust Units for each day on which there was no trading; the closing price of the Trust Units for each day that there was trading if the exchange or market provides a closing price; and the simple average of the highest and lowest prices of the Trust Units for each day that there was trading, if the market provides only the highest and lowest prices of Trust Units traded on a particular day.

For the purposes of this calculation, the “Closing Market Price”, as at a specified date, will be:

(a) an amount equal to the weighted average trading price of a Trust Unit on the principal exchange or market on which the Trust Units are listed or quoted for trading on the specified date if the principal exchange or market provides information necessary to compute a weighted average trading price of the Trust Units on the specified date;

(b) an amount equal to the closing price of a Trust Unit on the principal market or exchange on the specified date if there was a trade on the specified date and the principal exchange or market provides only a closing price of the Trust Units on the specified date;

(c) an amount equal to the simple average of the highest and lowest prices of the Trust Units on the principal market or exchange, if there was trading on the specified date and the principal exchange or market provides only the highest and lowest trading prices of the Trust Units on the specified date; or

(d) the simple average of the last bid and last asking prices of the Trust Units on the principal market or exchange, if there was no trading on the specified date.

If Trust Units are not listed or quoted for trading in a public market, the Redemption Price will be the fair market value of the Trust Units, which will be determined by the Trustees in their sole discretion. The aggregate Redemption Price payable by the Trust in respect of any Trust Units surrendered for redemption during any calendar month will be satisfied by way of a cash payment in Canadian dollars on or before the last day of the calendar month immediately following the month in which the Trust Units were tendered for redemption, provided that the entitlement of Unitholders to receive cash upon the redemption of their Trust Units is subject to the limitations that:

(a) the total amount payable by the Trust in respect of such Trust Units and all other Trust Units tendered for redemption in the same calendar month must not exceed $50,000 (subject to rounding to two decimal places on a per Trust Unit basis, the "Monthly Limit") (provided that such limitation may be waived at the discretion of the Trustees in respect of all Trust Units tendered for redemption in such calendar month);

(b) at the time such Trust Units are tendered for redemption, the outstanding Trust Units must be listed for trading on the TSX or traded or quoted on any other stock exchange or market which the Trustees consider, in their sole discretion, provides representative fair market value prices for the Trust Units; and

(c) the normal trading of Trust Units is not suspended or halted on any stock exchange on which the Trust Units are listed (or, if not listed on a stock exchange, in any market where the Trust Units are quoted for trading) on the Redemption Date or for more than five trading days during the 10-day trading period commencing immediately after the Redemption Date.

To the extent a Unitholder is not entitled to receive cash upon the redemption of Trust Units as a result of the Monthly Limit, then the portion of the Redemption Price per Trust Unit equal to the Monthly Limit divided by the number of Trust Units tendered for redemption in the month shall be paid and satisfied by way of a cash payment in Canadian dollars and the remainder of the Redemption Price per Trust Unit shall be paid and satisfied by way of a distribution in specie to such Unitholder of Subsidiary Notes having a fair market value equal to the product of: (i) the remainder of the Redemption Price per Trust Unit of the Trust Units tendered for redemption and (ii) the number of Trust Units tendered by such Unitholder for redemption. To the extent a Unitholder is not entitled to receive cash upon the redemption of Trust Units as a result of the limitations described at (b) or (c) of the foregoing paragraph, then the Redemption Price per Trust Unit shall be paid and satisfied by way of a distribution in specie of Subsidiary Notes having a fair market value determined by the Trustees equal to the product of (i) the Redemption Price per Trust Unit of the Trust Units tendered for redemption and (ii) the number of Trust Units tendered by such Unitholder for redemption. No Subsidiary Notes in integral multiples of less than $100 will be distributed and, where Subsidiary Notes to be received by a Unitholder includes a multiple less than that number, the number of Subsidiary Notes shall be rounded to the next lowest integral multiple of $100 and the balance shall be paid in cash. The Redemption Price payable as described in this paragraph in respect of Trust Units tendered for redemption during any month shall be paid by the transfer to or to the order of the Unitholder who exercised the right of redemption, of the Subsidiary Notes, if any, and the cash payment, if any, on or before the last day of the calendar month immediately following the month in which the Trust Units were tendered for redemption. Payments by the Trust as described in this paragraph are conclusively deemed to have been made upon the mailing of certificates representing the Subsidiary Notes, if any, and a cheque, if any, by registered mail in a postage prepaid envelope addressed to the former Unitholder and/or any party having a security interest and, upon such payment, the Trust shall be discharged from all liability to such former Unitholder and any party having a security interest in respect of the Trust Units so redeemed. The Trust shall be entitled to all accrued interest, paid or unpaid on the Subsidiary Notes, if any, on or before the date of distribution in specie as described in the foregoing paragraph. Any issuance of Subsidiary Notes will be subject to receipt of all necessary regulatory approvals, which the Trust shall use reasonable commercial efforts to obtain forthwith.

It is anticipated that the redemption right described above will not be the primary mechanism for Unitholders to dispose of their Trust Units. Subsidiary Notes which may be distributed to Unitholders in connection with a redemption will not be listed on any exchange, no market is expected to develop in Subsidiary Notes and such securities may be subject to an indefinite "hold period" or other resale restrictions under applicable Securities Laws. Subsidiary Notes so distributed may not be qualified investments for Deferred Income Plans, depending upon the circumstances at the time.

Trustees

The Declaration of Trust provides that the Trust will have a minimum of three and a maximum of twelve Trustees, the majority of whom must be resident Canadians. The number of Trustees may be increased or decreased within such limits from time to time by the Voting Unitholders by ordinary resolution or by the Trustees, provided that the Trustees may not, between meetings of the Voting Unitholders, appoint an additional Trustee if, after such appointment, the total number of Trustees would be greater than one and one-third times the number of Trustees in office immediately following the previous annual meeting of Voting Unitholders. A vacancy occurring among the Trustees may be filled by resolution of the remaining Trustees or by the Voting Unitholders at a meeting of the Voting Unitholders. If at any time a majority of Trustees are Non-Residents because of the death, resignation, adjudicated incompetence, removal or change in circumstances of any Trustee who was a resident Canadian, the remaining Trustees, whether or not they constitute a quorum, will appoint a sufficient number of resident Canadian Trustees to comply with the requirement that a majority of Trustees will be at all times resident Canadians.

In addition, a majority of the Trustees must at all times be Independent Trustees. If at any time a majority of Trustees are not Independent Trustees because of the death, resignation, bankruptcy, adjudicated incompetence, removal or change in circumstance of any Trustee who was an Independent Trustee, this requirement will not be applicable for a period of 60 days after such occurrence, during which time the remaining Trustees shall appoint a sufficient number of Independent Trustees to comply with this requirement.

The Declaration of Trust provides that, subject to its terms and conditions, the Trustees have, without further authorization and free from any control or direction on the part of the Voting Unitholders, full, absolute and exclusive power, control and authority over the assets and affairs of the Trust to the same extent as if the Trustees were the sole and absolute beneficial owners of the assets of the Trust, to do all acts and things as in their sole and absolute judgment and discretion are necessary or incidental to, or desirable for, carrying out any of the purposes or conducting the affairs of the Trust. All meetings of the Trustees (and any committees) shall take place in Canada.

Trustees are appointed at each annual meeting of Voting Unitholders to hold office for a term expiring at the close of the next annual meeting and are eligible for re-election. The Declaration of Trust provides that a Trustee may resign at any time upon written notice to the Chair or, if there is no Chair, to the Lead Trustee or, if there is no Lead Trustee, to the Chief Executive Officer of the Trust or, if there is no Chief Executive Officer, to the Unitholders. A Trustee may be removed at any time with or without cause by an ordinary resolution of the Voting Unitholders at a meeting of Voting Unitholders or by the written consent of Voting Unitholders holding in the aggregate not less than a majority of the outstanding Voting Units or with cause by a resolution passed by at least two-thirds of the other Trustees.

The Declaration of Trust provides that the Trustees will act honestly and in good faith with a view to the best interests of Unitholders and, in connection with that duty, will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Committees

The Declaration of Trust requires that the Trustees appoint an Audit Committee, a Compensation Committee, and a Corporate Governance Committee. In addition, the Trustees may create such additional committees as they, in their discretion, determine to be necessary or desirable for the purposes of properly governing the affairs of the Trust. First Capital REIT's Board currently has three standing committees: the Audit and Risk Committee, the People and Compensation Committee, and the Governance and Sustainability Committee and from time to time has formed ad-hoc committees to make recommendations to the Board.

Conflicts of Interest

The Declaration of Trust contains provisions, similar to those contained in the CBCA, that require each Trustee to disclose to the Trust any interest in a material contract or transaction or proposed material contract or transaction with the Trust (including a contract or transaction involving the making or disposition of any investment in real property or a joint venture agreement) or the fact that such person is a director or officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Trust. Such disclosure is required to be made at the first meeting at which a proposed contract or transaction is considered. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating to: (i) his or her direct remuneration as a Trustee, officer, employee or agent of the Trust; or (ii) indemnity of himself or herself as a Trustee or the purchase or maintenance of liability insurance. In addition, First Capital REIT has adopted a Board Conflicts of Interest Policy which applies to all Trustees and the directors of its Subsidiaries.

Meetings of Voting Unitholders

The Declaration of Trust provides that meetings of Voting Unitholders be called and held annually for the election of Trustees and the appointment of auditors for the ensuing year, the presentation of the consolidated financial statements of the Trust for the immediately preceding fiscal year, and the transaction of such other business as the Trustees may determine or as may be properly brought before the meeting.

A meeting of Voting Unitholders may be convened by the Trustees at any time and for any purpose and must be convened, except in certain circumstances, if requisitioned by the holders of not less than 5% of the Voting Units then outstanding by a written requisition. A requisition must state in reasonable detail the business proposed to be transacted at the meeting.

Voting Unitholders may attend and vote at all meetings of Voting Unitholders either in person or by proxy and a proxyholder need not be a Voting Unitholder. Two or more persons present in person or represented by proxy and representing in total at least 25% of the votes attached to all outstanding Voting Units constitute a quorum for the transaction of business at all meetings.

The Declaration of Trust contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of Voting Unitholders similar to those required under the CBCA.

The Declaration of Trust also provides the Trustees with the discretion to hold unitholder meetings in person, electronically or both.

Amendments to the Declaration of Trust and Other Extraordinary Matters

The Declaration of Trust, except where specifically provided otherwise, may be amended only with the approval of a majority of the votes cast by the Voting Unitholders at a meeting called for that purpose or the written approval of the Voting Unitholders holding a majority of the outstanding Voting Units. Notwithstanding the foregoing, certain actions or amendments and certain extraordinary matters require the approval of at least two-thirds of the votes cast by the Voting Unitholders at a meeting of Voting Unitholders called for that purpose or the written approval of Voting Unitholders holding more than two-thirds of the outstanding Voting Units, including:

(a) any amendments to the amendment provisions of the Declaration of Trust;

(b) an exchange, reclassification or cancellation of all or part of the Trust Units or Special Voting Units;

(c) the change or removal of the rights, privileges, restrictions or conditions attached to the Trust Units or Special Voting Units, including, without limitation,

    (i) the removal or change of rights to distributions;

    (ii) the removal of or change to conversion privileges, redemption privileges, options, voting, transfer or pre-emptive rights; or

    (iii) the reduction or removal of a distribution preference or liquidation preference;

(d) the creation of new rights or privileges attaching to certain of the Trust Units or Special Voting Units;

(e) any change to the existing constraints on the issue, transfer or ownership of the Trust Units or Special Voting Units, except as provided in the Declaration of Trust;

(f) the sale of the Trust’s property as an entirety or substantially as an entirety (other than as part of an internal reorganization approved by the Trustees);

(g) the combination, amalgamation or arrangement of the Trust or any of its Subsidiaries with any other entity that is not the Trust or a Subsidiary of the Trust (other than as part of an internal reorganization as approved by the Trustees or that is part of the Arrangement);

(h) a material change to the FCR LP Agreement; and

(i) certain amendments to the investment guidelines and operating policies of the Trust.

A majority of the Trustees may, however, without the approval of the Voting Unitholders, make certain amendments to the Declaration of Trust, including amendments for the purpose of:

(a) ensuring continuing compliance with applicable Laws, regulations, requirements or policies of any governmental authority having jurisdiction over the Trustees, the Trust or the distribution of the Trust Units or Special Voting Units;

(b) providing additional protection or added benefits which are, in the opinion of the Trustees, necessary to maintain the rights of the Voting Unitholders set out in the Declaration of Trust;

(c) removing any conflicts or inconsistencies in the Declaration of Trust or making corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Voting Unitholders;

(d) making amendments of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest errors, which amendments are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Voting Unitholders;

(e) making amendments which are, in the opinion of the Trustees, necessary or desirable as a result of changes in taxation or other Laws or accounting standards from time to time which may affect the Trust or the Voting Unitholders or to ensure the Trust Units qualify as equity for purposes of GAAP;

(f) making amendments which, in the opinion of the Trustees are necessary or desirable to enable the Trust to implement a Trust Unit option or purchase plan, a distribution reinvestment plan, or to issue Trust Units or Special Voting Units for which the purchase price is payable in instalments;

(g) creating and issuing one or more new classes of “preferred units” that rank in priority to the Trust Units (in respect of payment of distributions and in connection with any termination or winding-up of the Trust), provided, however, that the number of “preferred units” that may be created and issued may not be greater than: (A) 20% of the number of outstanding Trust Units at such time if the terms of such “preferred units” provide for conversion rights or voting rights; or (B) 50% of the number of outstanding Trust Units at such time if the terms of such “preferred units” do not provide for conversion rights, voting rights or any other right which could dilute or adversely impact in any material respect the Trust Units or the rights of Unitholders at the time such “preferred units” are created and issued;

(h) remove the redemption right attaching to Trust Units and convert the Trust into a closed-end trust;

(i) that are deemed necessary or advisable to ensure that the Trust has not been established nor maintained primarily for the benefit of persons who are not resident Canadians; or

(j) for any purpose which, in the opinion of the Trustees, is not prejudicial to Voting Unitholders in any material respect and is necessary or desirable.

In no event will the Trustees amend the Declaration of Trust if such amendment would: (a) amend Voting Unitholders’ voting rights, (b) cause the Trust to fail to qualify as a “mutual fund trust”, “real estate investment trust” or “unit trust” under the Tax Act or (c) cause the Trust or a Subsidiary of the Trust to be subject to tax under Paragraph 122(1)(b), Subsection 197(2) or Part XII.2 of the Tax Act. Notwithstanding the foregoing, the restrictions set forth above under item (b) in respect of qualifying as a “real estate investment trust” and item (c) do not apply to the extent that the Trustees have determined that such amendments would be in the best interests of Unitholders.

Take-Over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid is made for Trust Units and not less than 90% of the Trust Units (including Trust Units issuable on the exchange of any exchangeable securities, including Exchangeable LP Units, but excluding Trust Units held at the date of the take-over bid by or on behalf of the offeror or associates or Affiliates of the offeror or those acting jointly or in concert with them) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Trust Units held by holders who did not accept the take-over bid on the terms on which the offeror acquired Trust Units from holders who accepted the take-over bid.

Information and Reports

Prior to each meeting of Voting Unitholders, the Trustees will make available to the Voting Unitholders (along with notice of the meeting) information similar to that required to be provided to shareholders of a corporation governed by the CBCA and as required by applicable Securities Laws and stock exchange requirements.

Rights of Unitholders

The rights of the Unitholders and the attributes of the Trust Units are established and governed by the Declaration of Trust. Although the Declaration of Trust confers upon a Unitholder many of the same protections, rights and remedies as an investor would have as a shareholder of a corporation governed by the CBCA, significant differences exist, some of which are described below.

Many of the provisions of the CBCA respecting the governance and management of a corporation are incorporated in the Declaration of Trust. For example, Unitholders are entitled to exercise voting rights in respect of their holdings of Trust Units in a manner comparable to shareholders of a CBCA corporation and to elect Trustees and the auditors of the Trust. The Declaration of Trust also includes provisions modeled after comparable provisions of the CBCA dealing with the calling and holding of meetings of Voting Unitholders and Trustees, the procedures at such meetings and the right of the Voting Unitholders to participate in the decision-making process where certain fundamental actions are proposed to be undertaken.

Similar to the dissent right which shareholders of a CBCA corporation are entitled, Voting Unitholders may dissent to certain fundamental changes affecting the Trust are undertaken (such as the sale of all or substantially all of its property, a going private transaction or the addition, change or removal of provisions restricting: (a) the business or businesses that the Trust can carry on; (b) the issue, transfer or ownership of Trust Units; or (c) the rights or privileges of any class of Trust Units) and are entitled to receive the fair value of their Trust Units where such changes are undertaken. The matters in respect of which approval by the Voting Unitholders is required under the Declaration of Trust effectively extend to certain fundamental actions that may be undertaken by the Subsidiaries of the Trust. These approval rights are supplemented by provisions of applicable Securities Laws that are generally applicable to issuers (whether corporations, trusts or other entities) that are “reporting issuers” or the equivalent or are listed on the TSX.

Under the Declaration of Trust, Unitholders have recourse to an oppression remedy similar to that which is available to shareholders of a CBCA corporation. Under the CBCA, shareholders of a CBCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest, or oppressive conduct has occurred. The Declaration of Trust does not include a comparable right. The CBCA also permits shareholders to bring or intervene in derivative actions in the name of a corporation or any of its subsidiaries, with the leave of a court. The Declaration of Trust does not include a comparable right.

Non-Certificated Inventory System

Other than pursuant to certain exceptions, registration of interests in and transfers of Trust Units held through CDS, or its nominee, are made electronically through the NCI system of CDS. Trust Units held in CDS must be purchased, transferred and surrendered for redemption through a CDS participant, which includes securities brokers and dealers, banks and trust companies. All rights of Unitholders who hold Trust Units in CDS must be exercised through, and all payments or other property to which such Unitholders are entitled are made or delivered by CDS, or the CDS participant through which the Unitholder holds such Trust Units. A Unitholder participating in the NCI system will not be entitled to a certificate or other instrument from the Trust or the Trust’s transfer agent evidencing that person’s interest in or ownership of Trust Units, nor, to the extent applicable, will such Unitholder be shown on the records maintained by CDS, except through an agent who is a CDS participant.

The ability of a beneficial Unitholder to pledge such Trust Units or otherwise take action with respect to such Unitholder’s interest in such Trust Units (other than through a CDS participant) may be limited due to the lack of a physical certificate.

Readers should refer to the Declaration of Trust, available on SEDAR+ at www.sedarplus.ca, for full details of the provisions of the Declaration of Trust.

THE PARTNERSHIP AND DESCRIPTION OF PARTNERSHIP UNITS

General

The following description of FCR LP is a summary only, is not comprehensive and is qualified in its entirety by reference to the full text of the FCR LP Agreement.

FCR LP is a limited partnership formed under the laws of the Province of Ontario and is governed by the FCR LP Agreement. FCR LP owns and operates directly or indirectly, primarily income-producing real estate and assets ancillary thereto necessary for the operation of such real estate and such other activities as are consistent with any investment restrictions of FCR LP. The general partner of FCR LP is First Capital REIT GP Inc., a corporation incorporated under the laws of the Province of Ontario that is wholly-owned by the Trust (the “General Partner”) and the limited partners of FCR LP are the Trust (which owns all of the Class A LP Units) and the public holders of Exchangeable LP Units. The board of directors of the General Partner is made up of the same members as the Board.

Partnership Units

FCR LP has outstanding Class A LP Units, all of which are held by the Trust. The General Partner has a general partner interest in FCR LP. As at December 31, 2024, 9,169,966 Class A LP Units were outstanding and no Exchangeable LP Units were outstanding.

Exchangeable LP Units are, in all material respects, economically equivalent to the Trust Units on a per unit basis. Exchangeable LP Units are exchangeable on a one-for-one basis for Trust Units at any time at the option of their holder, unless the exchange would jeopardize the Trust’s status as a “mutual fund trust” or “real estate investment trust” under the Tax Act or cause or create significant risk that the Trust would be caused to be subject to tax under Paragraph 122(1)(b) of the Tax Act and subject to satisfaction of conditions set out in the Tax Act.

Except as required by law or the FCR LP Agreement and in certain specified circumstances in which the rights of a holder of Exchangeable LP Units are affected, holders of Exchangeable LP Units are not entitled to vote at any meeting of the holders of units of FCR LP.

On or prior to the issuance of any Exchangeable LP Units, FCR LP shall enter into one or more exchange agreements with, among others, the REIT and each person who becomes, from time to time, a holder of Exchangeable LP Units pursuant to which, among other things, Exchangeable LP Units may be exchanged for Trust Units.

Investment Guidelines and Operating Policies

The FCR LP Agreement provides substantially similar restrictions on investments that may be made by FCR LP and policies for the operations and affairs of FCR LP as those provided for in the Declaration of Trust in respect of the Trust. See “Investment Guidelines and Operating Policies of the Trust”.

Operation

The business and affairs of FCR LP is managed and controlled by the General Partner which is bound by the same investment guidelines and operating policies applicable to the Trust. The Limited Partners are not entitled to take part in the management or control of the business or affairs of FCR LP. Except as provided below, FCR LP will reimburse the General Partner for all direct costs and expenses incurred by the General Partner in the performance of its duties as the general partner of FCR LP.

FCR LP operates in a manner to ensure, to the greatest extent possible, the limited liability of the Limited Partners. The Limited Partners may lose their limited liability in certain circumstances. If the limited liability of any Limited Partner is lost by reason of the negligence of the General Partner in performing its duties and obligations under the FCR LP Agreement, the General Partner will indemnify the applicable Limited Partner against all claims arising from assertions that its liabilities are not limited as intended by the FCR LP Agreement. The General Partner has no significant assets or financial resources other than its de minimis distribution entitlements from FCR LP. Accordingly, this indemnity may only be of nominal value.

Duties and Responsibilities of the General Partner

The General Partner is the general partner of FCR LP and manages and controls the operations and affairs of FCR LP and makes all decisions regarding the business and activities of FCR LP.

Distributions

FCR LP has and will continue to distribute to the General Partner and to the holders of its Class A LP Units and Exchangeable LP Units their respective portions of distributable cash as set out below.

Distributions will be made forthwith after the General Partner determines the distributable cash of FCR LP and determines the amount of all costs and expenses incurred by it in the performance of its duties under the FCR LP Agreement as general partner, which determination shall be made no later than the 10th day of each calendar month.

Distributable cash will represent, in general, all of FCR LP's cash on hand that is derived from any source (other than amounts received in connection with the subscription for additional interests in FCR LP) and that is determined by the General Partner not to be required in connection with the business of FCR LP. The distributable cash of FCR LP will be distributed in the following order and priority: (a) an amount to the General Partner equal to 0.001% of the balance of the distributable cash of FCR LP; and (b) an amount equal to the remaining balance of the distributable cash of FCR LP to the holders of Class A LP Units and Exchangeable LP Units in accordance with their entitlements as holders of Class A LP Units and Exchangeable LP Units as set out in the FCR LP Agreement. Holders of Exchangeable LP Units will be entitled to receive distributions on each such unit equal to the amount of the distribution declared by the Trust on each Trust Unit. The record date and, subject to the following paragraph, the payment date for any distribution declared on the Exchangeable LP Units will be the same as those for the Trust Units.

In lieu of receiving distributions declared by FCR LP from time to time when declared, the holder of Class A LP Units may elect to receive distributions on the first Business Day following the end of the fiscal year in which such distribution would otherwise have been made, provided in the event that such an election is made by a holder of Class A LP Units, such a holder will be loaned an amount from FCR LP, on the date of each distribution, equal to the amount of such distribution. Each such loan will not bear interest and will be due and payable in full on the first Business Day following the end of the fiscal year during which the loan was made.

Allocation of Partnership Net Income

The net income of FCR LP, determined in accordance with the provisions of the Tax Act, will generally be allocated at the end of each fiscal year in the following manner:

(a) first, to the General Partner in an amount equal to 0.001% of the balance of the distributable cash of FCR LP;

(b) so long as there are Exchangeable LP Units outstanding, to the holders of Exchangeable LP Units, including for greater certainty a holder of Exchangeable LP Units who becomes or ceases to be a holder of Exchangeable LP Units during such fiscal year, in proportions that produce a resulting allocation to such holder of Exchangeable LP Units that approximates the amount of income or loss for purposes of the Tax Act that would be recognized by it under the Tax Act for such fiscal year if it held its interest directly as a holder of Trust Units rather than indirectly as a holder of Exchangeable LP Units; and

(c) the balance shall be allocated to the Trust as holder of the Class A LP Units.

Transfer of LP Units

The transfer of Class A LP Units and Exchangeable LP Units is subject to a number of restrictions, including: (i) the Class A LP Units and Exchangeable LP Units may not be transferred to a transferee who is an Excluded Person; (ii) no fractional Class A LP Units or Exchangeable LP Units will be transferable; (iii) no transfer of Exchangeable LP Units will be accepted by the General Partner if such transfer would cause FCR LP to be liable for tax under Subsection 197(2) of the Tax Act; and (iv) no transfer of Class A LP Units or Exchangeable LP Units will be accepted by the General Partner unless a transfer form, duly completed and signed by the registered holder of such Class A LP Units or Exchangeable LP Units, as applicable, has been remitted to the registrar and transfer agent of FCR LP. In addition, a transferee of Class A LP Units or Exchangeable LP Units must provide to the General Partner such other instruments and documents as the General Partner may require, in appropriate form, completed and executed in a manner acceptable to the General Partner, acting reasonably. A transferee of a unit of FCR LP will not become a partner or be admitted to FCR LP and will not be subject to the obligations and entitled to the rights of a partner under the FCR LP Agreement until the foregoing conditions are satisfied and such transferee is recorded on FCR LP's record of limited partners.

In addition to the above restrictions, the FCR LP Agreement also provides that no holder of Exchangeable LP Units is permitted to transfer such Exchangeable LP Units, other than for Trust Units in accordance with the terms of the applicable exchange agreement or the FCR LP Agreement, unless: (i) the transfer is to an Affiliate of the holder; (ii) such transfer would not require the transferee to make an offer to Unitholders to acquire Trust Units on the same terms and conditions under applicable Securities Laws if such Exchangeable LP Units, and all other outstanding Exchangeable LP Units, were converted into Trust Units at the then-current exchange ratio in effect under the applicable exchange agreement immediately prior to such transfer; or (iii) the offeror acquiring such Exchangeable LP Units makes a contemporaneous identical offer for the Trust Units (in terms of price, timing, proportion of securities sought to be acquired and conditions) and acquires such Exchangeable LP Units along with a proportionate number of Trust Units actually tendered to such identical offer.

Amendments to the FCR LP Agreement

The FCR LP Agreement may be amended with the prior consent of the holders of at least 66⅔% of the Class A LP Units voted on the amendment at a duly constituted meeting of holders of Class A LP Units or by a written resolution of partners holding at least 66⅔% of the Class A LP Units entitled to vote at a duly constituted meeting of holders of Class A LP Units, except for certain amendments which require unanimous approval of holders of limited partnership units, including: (i) changing the liability of any limited partner; (ii) changing the right of a limited partner to vote at any meeting of holders of Class A LP Units; and (iii) changing FCR LP from a limited partnership to a general partnership. The General Partner may also make amendments to the FCR LP Agreement without the approval or consent of the Limited Partners to reflect, among other things: (i) a change in the name of FCR LP or the location of the principal place of business or registered office of FCR LP; (ii) the admission, substitution, withdrawal or removal of Limited Partners in accordance with the FCR LP Agreement; (iii) a change that, as determined by the General Partner, is reasonable and necessary or appropriate to qualify or continue the qualification of FCR LP as a limited partnership in which the Limited Partners have limited liability under applicable Laws; (iv) a change that, as determined by the General Partner, is reasonable and necessary or appropriate to enable FCR LP to take advantage of, or not be detrimentally affected by, changes in the Tax Act or other taxation laws; or (v) a change to amend or add any provision, or to cure any ambiguity or to correct or supplement any provisions contained in the FCR LP Agreement which may be defective or inconsistent with any other provision contained in the FCR LP Agreement or which should be made to make the FCR LP Agreement consistent with certain public disclosure. Notwithstanding the foregoing: (i) no amendment which would adversely affect the rights and obligations of the General Partner, as a general partner, may be made without the consent of the General Partner; and (ii) no amendment which would adversely affect the rights and obligations of any other holders of limited partnership units or any class of limited partner differently than any other class of limited partner may be made without the consent of such holder or class, including with respect to amendments to the restrictions on transfer of Exchangeable LP Units.

In addition, the Declaration of Trust provides that the Trust will not agree to or approve any material amendment to the FCR LP Agreement without the approval of at least two-thirds of the votes cast at a meeting of the Voting Unitholders of the Trust called for such purpose (or by written resolution in lieu thereof).

UNITHOLDERS' RIGHTS PLAN

The REIT has established a Unitholders' rights protection plan (the "Rights Plan"). The material terms of the Rights Plan are summarized below. This summary is qualified in its entirety by reference to the actual provisions of the Rights Plan, which is available under the Trust's issuer profile at www.sedarplus.ca. Capitalized terms used in this section but not defined herein have the meanings attributed to them in the Rights Plan. The below summary reflects the terms of the Rights Plan, established in accordance with National Instrument 62-104 – *Take-Over Bids and Issuer Bids*.

General

Each Right entitles the registered holder to purchase from the Trust, upon the occurrence of a Flip-in Event, and pursuant to the terms set out in the Rights Plan, the number of Trust Units that have, at the date of the Flip-in Event, a Market Price equal to twice the Exercise Price, for an amount in cash equal to the Exercise Price. The Rights are not exercisable until the Separation Time. The Rights will expire, in accordance with the terms of the Rights Plan, on the termination of the Trust's annual meeting of unitholders in 2026, unless terminated or redeemed before that time.

Flip-in Event

A Flip-in Event means a transaction that causes a person to become an Acquiring Person. On the occurrence of a Flip-in Event, any Rights beneficially owned by an Acquiring Person (including any affiliate or associate thereof or any person acting jointly or in concert with the Acquiring Person) will become void and any such holder will not have any right to exercise Rights under the Rights Plan.

Acquiring Person

An "Acquiring Person" is, generally, a person who beneficially owns 20% or more of the outstanding Trust Units or the Trust. Under the Rights Plan, there are various exceptions, including: (i) the Trust and any subsidiary of the Trust, (ii) a person who acquired 20% or more of the outstanding Trust Units through a Permitted Bid or a Competing Permitted Bid, or as a result of the Trust acquiring or redeeming Trust Units, (iii) a person who acquired 20% or more of the outstanding Trust Units (but does not thereafter beneficially own a number of Units that is more than 25% of the Trust Units outstanding immediately prior to the acquisition) pursuant to an acquisition transaction described in a securities exchange take-over bid circular issued by the Trust or in a management proxy circular in respect of a merger pursuant to which the Trust acquires all or substantially all of the assets of another real estate investment trust in exchange for Trust Units on terms approved by the Trustees, or by way of private placement, (iv) a person who beneficially owned 20% or more of the outstanding Trust Units at the Record Time, provided however, that this exception will not apply in the event such Person shall, after the Record Time, become the beneficial owner of an additional 1% or more of the Trust Units of the Trust other than through one or any combination of Voting Unit Reductions, Permitted Bid Acquisitions, Exempt Acquisitions, Pro Rata Acquisitions or Convertible Security Acquisitions, and (v) an underwriter or selling group member during the course of a public distribution.

Beneficial Ownership

A person is deemed to be the beneficial owner of Trust Units in circumstances where that person or any of its affiliates or associates: (i) is the owner of Trust Units at law or in equity or (ii) has the right to acquire Trust Units within 60 days, and includes any Trust Units beneficially owned by any other person acting jointly or in concert with such person. Under the Rights Plan, there are various exceptions, including where:

(a) a holder of Trust Units has agreed to deposit or tender Trust Units to a Take-Over Bid made by such person pursuant to a Permitted Lock-up Agreement; or

(b) such person, or any of its affiliates or associates or any persons with which any of them is acting jointly or in concert, is an investment or fund manager holding securities that are in non-discretionary accounts held on behalf of a client by a broker or dealer registered under applicable laws, a trust company acting as trustee or administrator, an administrator or trustee of a registered pension fund or plan established by statute to manage investment funds for employee benefit plans, pension plans and/or insurance plans or a crown agent or agency, provided that such person is not making or has not announced a current intention to make a Take-Over Bid alone or jointly or in concert with any other person.

Permitted Bid

A Flip-in Event will not occur if a Take-Over Bid is structured as a Permitted Bid. A Permitted Bid is a Take-Over Bid made by means of a Take-Over Bid circular that also complies with the following provisions:

(a) the Take-Over Bid is made to all registered unitholders, wherever resident, other than the person making the bid;

(b) the Take-Over Bid contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, irrevocable and unqualified conditions that:

(i) no Trust Units will be taken up or paid for pursuant to the Take-Over Bid: (A) before the close of business on a date that is not less than 105 days following the date of the Take-Over Bid or such shorter period that a take-over bid (that is not exempt from the general take-over bid requirements of NI 62-104) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104 and (B) unless, at the close of business on such date, the Trust Units deposited or tendered pursuant to the Take-Over Bid and not withdrawn constitute more than 50% of the Trust Units outstanding which are held by independent unitholders;

(ii) unless the Take-Over Bid is withdrawn, Trust Units may be deposited pursuant to the Take-Over Bid at any time during the period described in subsection (b)(i)(A) above;

(iii) any Trust Units deposited pursuant to the Take-Over Bid may be withdrawn until taken up and paid for; and

(iv) if the requirement in clause (b)(i)(B) is satisfied, the person making the bid will make a public announcement of that fact and the Take-Over Bid will remain open for deposits and tenders of Trust Units for not less than 10 days from the date of such public announcement.

Trading of Rights

Until the Separation Time, the Rights will be evidenced by Unit certificates. The Rights Plan provides that until the Separation Time, the Rights will be transferred only with the associated Trust Units. Until the Separation Time, or earlier termination or expiration of the Rights, each new Unit certificate issued after the Record Time will display a legend incorporating the terms of the Rights Plan by reference. As soon as practicable following the Separation Time, separate certificates evidencing the Rights ("Rights Certificates") will be mailed to registered unitholders as of the close of business at the Separation Time, and thereafter the Rights Certificate alone will evidence the Rights.

Separation Time

The Rights will separate and trade apart from the Trust Units after the Separation Time. The Separation Time means the close of business on the tenth Business Day after the earliest of: (i) the first date of a public announcement of facts indicating that a person has become an Acquiring Person, (ii) the commencement of, or first public announcement of the intent of any person to commence, a Take-Over Bid other than a Permitted Bid or a Competing Permitted Bid and (iii) the date upon which a Permitted Bid ceases to be a Permitted Bid or a Competing Permitted Bid, as applicable.

Waiver

Without the consent of unitholders, or, if applicable, holders of Rights, the Trustees may waive a Flip-in Event that would occur by reason of a Take-Over Bid made by means of a take-over bid circular to all unitholders provided that, if the Trustees waive such Flip-in Event, they will be deemed to have waived any other Flip-in Event occurring by reason of a Take-Over Bid made by means of a take-over bid circular to all unitholders which is made prior to the expiry of any Take-Over Bid in respect of which a waiver has been granted by the Trustees. The Trustees may also waive the application of the Flip-in Event provisions to a Flip-in Event triggered by inadvertence.

Power to Amend

The Trustees may make amendments to the Rights Plan without the approval of the holders of Rights to cure ambiguities or correct provisions which may be inconsistent or defective, to correct clerical or typographical errors, or to preserve the validity of the Rights Plan in the event of any change in applicable legislation. In other circumstances, amendments may require approval of the unitholders or, in certain circumstances, the holders of Rights.

DESCRIPTION OF THE UNSECURED DEBENTURES

Under the Arrangement, the Trust became bound by the terms of the then-outstanding Senior Unsecured Debentures as a co-principal debtor, with the Company remaining as a co-principal debtor. The Senior Unsecured Debentures that existed at the time of the Arrangement and which remain outstanding are direct, senior unsecured obligations of each of the Trust and the Company and rank equally with one another and with all other unsecured and unsubordinated indebtedness of each of the Trust and the Company (including each other series of Senior Unsecured Debentures), except for sinking fund provisions applicable to other debt securities issued under the applicable trust indenture or to other similar types of obligations of each of the Trust and the Company, if any, and except to the extent prescribed by law.

In respect of the outstanding Senior Unsecured Debentures issued by the Trust following the Arrangement, the Trust is the sole principal debtor. Such Senior Unsecured Debentures of the Trust are direct, senior unsecured obligations of the Trust and rank equally with one another and with all other unsecured and unsubordinated indebtedness of the Trust (including each other series of Senior Unsecured Debentures issued by the Trust), except for sinking fund provisions applicable to other debt securities issued under the applicable trust indenture or to other similar types of obligations of the Trust, if any, and except to the extent prescribed by law.

At its option, the Trust and/or the Company, as the case may be, may redeem each series of Senior Unsecured Debentures, in whole or in part, at any time and from time to time, on payment of a redemption price equal to the greater of: (i) the Canada Yield Price (as defined in the applicable supplemental indenture) and (ii) par, together in each case with accrued and unpaid interest to but excluding the date fixed for redemption. Following certain prescribed “par call dates”, certain series of Senior Unsecured Debentures may also be redeemed by the Trust and/or the Company, as the case may be, at a redemption price equal to par, plus accrued and unpaid interest to but excluding the date fixed for redemption.

See the table “Capital Structure and Liquidity – Senior Unsecured Debentures” in the MD&A for a summary of each series of outstanding Senior Unsecured Debentures, including the annual interest rate, the dates in each year upon which interest is payable semi-annually in arrears, the maturity date and the aggregate principal amount outstanding as at December 31, 2024.

RISK FACTORS

Investing in securities of First Capital REIT involves certain risks. Investors in the Trust’s securities should carefully consider the following risks and all other information contained in this AIF and the MD&A. While the risks described below are the ones Management believes are most important for investors to consider, these risks are not the only ones that the Trust faces. If any of the following risks actually occur, the Trust’s business, operating results and/or financial condition could be materially adversely affected, the market value of First Capital REIT securities could decline and investors could incur financial losses as a result of investing in the Trust’s securities.

Economic Conditions and Ownership of Real Estate

Real property investments are affected by various factors including changes in general economic conditions (such as the availability of financing, fluctuations in interest rates and unemployment levels) and in local market conditions (such as inflation, an oversupply of space or a reduction in demand for real estate in the area), the attractiveness of the properties to tenants, competition from other real estate developers, managers and owners in seeking tenants, the ability of the owner to provide adequate maintenance at an economic cost, and various other factors including changing consumer habits, demographic and shopping trends, a downturn in consumer confidence, market instability, transaction activity and other macroeconomic conditions, including but not limited to those caused by the occurrence of a natural disaster, a public health emergency or other force majeure events. The economic conditions in the markets in which the Trust operates can also have a significant impact on the Trust’s tenants and, in turn, the Trust’s financial success. Adverse changes in general or local economic conditions can result in some retailers being unable to sustain viable businesses and meet their lease obligations to the Trust and may also limit the Trust’s ability to attract new or replacement tenants. Should inflation remain high and more persistent than expected, any additional increases in interest rates may adversely affect consumer spending and debt levels, which may impact the Trust’s tenants and/or the Trust’s financial performance.

Revenue from the Trust's properties depends primarily on the ability of the Trust's tenants to pay the full amount of rent and other charges due under their leases on a timely basis. Leases comprise any agreements relating to the occupancy or use of the Trust's real property. There can be no assurance that tenants and other parties will be willing or able to perform their obligations under any such leases. If a significant tenant or a number of smaller tenants were to become unable or unwilling to meet their obligations to the Trust, the Trust's financial position and results of operations would be adversely affected. In the event of default by a tenant, the Trust may experience delays and unexpected costs in enforcing its rights as landlord under lease terms, which may also adversely affect the Trust's financial position and results of operations. The Trust may also incur significant costs in making improvements or repairs to a property required in order to re-lease vacated premises to a new tenant.

First Capital REIT's net income could be adversely affected in the event of a downturn in the business, or the bankruptcy or insolvency, of any anchor store or anchor tenant. Anchor tenants generally occupy large amounts of leasable area, pay a significant portion of the total rents at a property and contribute to the success of other tenants by drawing significant numbers of customers to a property. The closing of one or more anchor stores at a property could have a significant adverse effect on that property. Vacated anchor tenant space also tends to adversely affect the entire property because of the loss of the departed anchor tenant's power to draw customers to the property, which in turn may cause other tenants' operations to suffer and adversely affect such other tenants' ability to pay rent or perform any other obligations under their leases. Moreover, a lease termination by an anchor tenant or a failure by that anchor tenant to occupy the premises may entitle other tenants of the property to cease operating from their premises, to a reduction of rent payable under their leases and/or to terminate their leases. No assurance can be given that the Trust will be able to quickly re-lease space vacated by an anchor tenant on favourable terms, if at all. In addition, although certain, but not all, leases contain a provision requiring tenants to maintain continuous occupancy of leased premises, there can be no assurance that such tenants will continue to occupy such premises. Further, certain tenants have a right to terminate their leases upon payment of a penalty.

The Trust's financial position and results of operations would be adversely affected if tenants become unable to pay rent or other charges on a timely basis or if the Trust is unable to lease a significant amount of available space in its properties on economically favourable terms.

At December 31, 2024, the Trust's properties had approximately 3,853 leases with tenants, and the top 40 tenants represented approximately 55.8% of the annualized minimum rent from such properties and occupied approximately 58.5% of the gross leasable area of such properties. For a table setting out the Trust's top 40 tenants and the square footage occupied by such tenants, see "Business and Operations Review – Top Forty Tenants" in the MD&A. See also "– Geographic and Tenant Concentration".

The success of its tenants' operations as well as their credit and financial stability may also impact the value of the subject real property and any improvements. In addition, a very limited number of the Trust's major tenants have rights of first refusal and/or offer to purchase their leased premises, which may also affect the value of the related properties.

Certain significant expenditures involved in real property investments, such as real estate taxes, ground rent, maintenance costs, insurance costs and mortgage payments, represent liabilities which must be satisfied regardless of whether the property is producing any income or sufficient income to meet these obligations. Many of these costs, and utility costs, continue to rise and may continue to do so at a rate beyond what is recoverable from tenants. If the Trust is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or power of sale.

To the extent the properties in which the Trust has or will have an interest are located on leased land, the land leases may be subject to periodic rent rate resets which may fluctuate and may result in significant rental rate adjustments. Under the terms of a typical ground lease, the Trust will pay rent for the use of the land and will generally be responsible for all costs and expenses associated with the building improvements. An event of default by the Trust under the terms of a ground lease could result in a loss of the property subject to such ground lease. The ground lease may provide for restrictions on financing or refinancing the properties subject to the ground lease and the transferability of the interests in such properties. Unless the ground lease is extended or the Trust exercises its option to purchase the property, where available, the land together with all improvements thereon will revert to the land owner upon the expiration of the lease term or other termination of the lease.

Some premises are leased on a base year or semi-gross basis or otherwise have maximum upper limits on operating costs and/or tax recoveries. As a result, the Trust will bear the economic cost of increases in certain of the operating costs and/or property taxes in such cases and may not be able to fully recover operating costs and property taxes from tenants.

Real property investments are relatively illiquid and generally cannot be sold quickly. This illiquidity will likely limit the ability of the Trust to vary its portfolio promptly in response to changed economic or investment conditions, including changes in capitalization rates or property operating income. The Trust's inability to respond quickly to changes in the performance of its investments could adversely affect its ability to meet its obligations, its financial position and its results of operations. Moreover, if the Trust were required to quickly liquidate its assets, there is a risk that the Trust would realize sale proceeds less than the current carrying value of its properties.

The fair value of the Trust's portfolio as at December 31, 2024 was $8.2 billion ($8.5 billion at the Trust's interest) at a weighted average capitalization rate of 5.5%. The sensitivity of the fair values of properties to capitalization rates as at December 31, 2024 is set out in the following table:

As at December 31, 2024	*(millions of dollars)*
(Decrease) increase in capitalization rate	Resulting increase (decrease) in value of properties
(1.00)%	$1,770
(0.75)%	$1,258
(0.50)%	$797
(0.25)%	$380
0.25%	$(347)
0.50%	$(665)
0.75%	$(957)
1.00%	$(1,228)

Additionally, a 1% increase or decrease in stabilized net operating income ("SNOI") would result in a $80 million increase or a $80 million decrease, respectively, in the fair value of properties. SNOI is not a measure defined by IFRS. SNOI reflects stable property operations, assuming a certain level of vacancy, capital and operating expenditures required to maintain a stable occupancy rate. The average vacancy rates used in determining SNOI for non-anchor tenants generally range from 2% to 5%. A 1% increase in SNOI coupled with a 0.25% decrease in capitalization rate would result in an increase in the fair value of properties of $464 million, and a 1% decrease in SNOI coupled with a 0.25% increase in capitalization rate would result in a decrease in the fair value of properties of $423 million.

Unpredictability and Volatility of Trust Unit Price

A publicly-traded real estate investment trust will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Trust Units will trade cannot be predicted. The market price of the Trust Units could be subject to significant fluctuations in response to variations in quarterly operating results, distributions, a downturn in consumer confidence and other factors such as uncertainty regarding global economic conditions, including but not limited to those caused by the occurrence of a natural disaster, a public health emergency or other force majeure events. The annual yield on the Trust Units as compared to the annual yield on other financial instruments may also influence the price of the Trust Units in the public trading markets. In addition, the securities markets have experienced significant price and volume fluctuations from time to time in recent years that often have been unrelated or disproportionate to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of the Trust Units.

Lease Renewals and Rental Increases

Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. Expiries of certain leases will occur in both the short and long term, including expiry of leases of certain significant tenants, and although certain lease renewals and/or rental increases are expected to occur in the future, there can be no assurance that such renewals or rental increases will in fact occur. At December 31, 2024, lease expirations in each of the next ten years range from 0.8% to 14.9% of the annualized minimum rent in the Trust's portfolio (including month-to-month leases). The failure to achieve renewals and/or rental increases may have an adverse effect on the financial position and results of operations of the Trust. In addition, the terms of any subsequent lease may be less favourable to the Trust than the existing lease. There can also be no assurance that a tenant will be able to fulfill its existing commitments under leases up to the expiry date. For a table setting out the Trust's lease maturity profile at December 31, 2024, see "Business and Operations Review – Lease Maturity Profile" in the MD&A.

Changes in lease accounting rules may require tenants to account for real property leases differently and, as a result, may incentivize tenants to seek new and renewal leases on different terms. Tenants may favour shorter lease terms, fewer renewals and a heavier weighting to variable as opposed to fixed rents, which could adversely affect the stability of the Trust's rental income, the level of secured financing available, the value of the Trust's properties and the Trust's financial position and results of operations.

Financing, Interest Rates, Repayment of Indebtedness and Access to Capital

The Trust has outstanding indebtedness in the form of mortgages, loans, credit facilities and senior unsecured debentures and, as such, is subject to the risks normally associated with debt financing, including the risk that the Trust's cash flow will be insufficient to meet required payments of principal and interest. As at December 31, 2024, the Trust had approximately $4.2 billion of outstanding indebtedness.

The amount of indebtedness outstanding could require the Trust to dedicate a substantial portion of its cash flow from operations to service its debt, thereby reducing funds available for operations, acquisitions, development activities and other business opportunities that may arise. There is also a possibility that the Trust's internally generated cash may not be sufficient to repay all of its outstanding indebtedness. However, the Trust may elect to repay certain indebtedness through the issuance of equity securities or the sale of assets, where appropriate.

Interest rates have a significant effect on the profitability of commercial properties as interest represents a significant cost in the ownership of real property where debt financing is used as a source of capital.

As of December 31, 2024, the Trust had a total of $1.8 billion principal amount of fixed rate interest-bearing instruments outstanding, including mortgages, senior unsecured debentures and unsecured term loans maturing between January 1, 2025 and December 31, 2027 at a weighted average annual interest rate of 3.9%. If these amounts were refinanced at an average interest rate that was 100 basis points higher or lower than the existing rate, the Trust's annual interest cost would respectively increase or decrease by $18.3 million.

In addition, as at December 31, 2024, the Trust had $133.3 million principal amount of debt outstanding, at the Trust's proportionate share (or 3% of the Trust's aggregate debt as of such date) at floating interest rates.

Upon the expiry of the term of the financing on any particular property owned by the Trust, refinancing on a conventional mortgage loan basis may not be available in the amount required or may be available only on terms less favourable to the Trust than the existing financing. This will be dependent upon the prevailing economic circumstances at such time. Also, a credit disruption in the capital markets could have an adverse impact on the Trust's ability to meet its obligations and grow its business.

The real estate industry is highly capital-intensive. The Trust will require access to capital to maintain its properties, as well as to fund its acquisition, development, redevelopment and intensification initiatives and significant capital expenditures from time to time. There is no assurance that capital financing will be available when needed or on favourable terms. The Trust's access to debt or equity capital depends on a number of factors, including equity and debt market conditions, as well as the market's perception of the Trust's growth potential, ability to pay dividends, financial position, credit ratings and current and potential future earnings. Depending on the outcome of these factors, the Trust could experience delay or difficulty in implementing its operations and/or investment strategies on satisfactory terms or be unable to implement these strategies. The issuance of equity securities in connection with any acquisition, investment, debt refinancing or for any other purposes could be substantially dilutive to shareholders.

Management and the Board have discretion under the Declaration of Trust to increase the amount of outstanding debt. The decisions with regard to the incurrence and maintenance of debt are based on available investment opportunities for which capital is required, the cost of debt in relation to such investment opportunities, whether secured or unsecured debt is available, the effect of additional debt on existing financial ratios and the maturity of the proposed new debt relative to maturities of existing debt. The Trust could become more highly leveraged, resulting in increased debt service costs that could adversely affect cash flows and operating results. The Trust's intention is to gradually return its leverage to levels prior to the share buyback that took place in 2019 and may do so in a number of ways, including by disposing of selected assets. Any failure to gradually return its leverage to levels prior to the share buyback may have a material adverse impact on the Trust's capital requirements, its financial position or its ability to achieve its business objectives.

Credit Ratings

Any credit rating that is assigned to the Senior Unsecured Debentures may not remain in effect for any given period of time or may be lowered, withdrawn or revised by one or more of the rating agencies if, in their judgment, circumstances so warrant. Any lowering, withdrawal or revision of a credit rating may have an adverse effect on the market price of the Senior Unsecured Debentures and the other securities of the Trust, may adversely affect a security holder's ability to sell its Senior Unsecured Debentures or other securities of the Trust and may adversely affect the Trust's access to financial markets and its cost of borrowing.

Acquisitions, Expansions, Developments, Redevelopments and Strategic Dispositions

An important factor in the Trust's ongoing success will be its ability to create and enhance value through the skill, creativity and effectiveness of its management team and the opportunities the market presents. First Capital REIT will continue to seek acquisition, expansion and selective development opportunities that offer acceptable risk-adjusted rates of return, although the Trust may not succeed in identifying such opportunities or may not succeed in executing them.

The Trust competes for suitable real property investments with individuals, corporations, real estate investment companies, trusts, pension funds and other institutions (both Canadian and foreign) that may seek real property investments similar to those desired by the Trust. Many of these investors may also have financial resources that are comparable to, or greater than, those of the Trust. An increase in the availability of investment funds, and an increase of interest in real property investments, increases competition for real property investments, thereby increasing purchase prices and reducing the yield therefrom.

Increased competition in the real estate market leads to lower capitalization rates for new acquisitions in certain of the markets in which the Trust operates, while a decrease in competition leads to higher capitalization rates. Lower capitalization rates mean a smaller spread between the Trust's cost of capital and initial return on acquisitions and may therefore have a negative impact on the Trust's earnings growth. Higher capitalization rates may have a similar negative effect on the Trust's earnings growth if there is an associated increase in interest rates such that capital cannot be secured at a cost which provides an appropriate return on investment.

The Trust's acquisition and investment strategy and market selection process may not ultimately be successful and may not provide positive returns on investment. The acquisition of properties or portfolios of properties entails risks that include the following, any of which could adversely affect the Trust's financial position and results of operations and its ability to meet its obligations: (i) the Trust may not be able to identify suitable properties to acquire or may be unable to complete the acquisition of the properties identified; (ii) the Trust may not be able to successfully integrate any acquisitions into its existing operations; (iii) properties acquired may fail to achieve the occupancy or rental rates projected at the time of the acquisition decision, which may result in the properties' failure to achieve the returns projected; (iv) the Trust's pre-acquisition evaluation of the physical condition of each new investment may not detect certain defects or identify necessary repairs, which could significantly increase the Trust's total acquisition costs; (v) the Trust's investigation of a property or building prior to acquisition may fail to reveal various liabilities, which could reduce the cash flow from the property or increase its acquisition cost; and (vi) representations and warranties obtained from third party vendors may not adequately protect against unknown, unexpected or undisclosed liabilities and any recourse against such vendors may be limited by the financial capacity of such vendors.

Further, the Trust's development and redevelopment commitments are subject to those risks usually attributable to construction projects, which include: (i) construction or other unforeseen delays; (ii) cost overruns; (iii) the failure of tenants to occupy and pay rent in accordance with existing lease agreements, some of which are conditional; (iv) the inability to achieve projected rental rates or anticipated pace of lease-ups; and (v) an increase in interest rates during the life of the development or redevelopment. Furthermore, residential property development and redevelopment is a relatively new line of business for the Trust. As a result, development risks associated with such projects may be greater due to the Trust's limited experience in this area (see also "– Residential Development, Sales and Leasing").

In addition, the Trust undertakes strategic property dispositions historically from time to time and more recently in connection with the execution of its Enhanced Capital Allocation and Portfolio Optimization Plan, in order to recycle its capital and maintain an optimal portfolio composition. The Trust may be subject to unexpected costs or liabilities related to such dispositions, which could adversely affect the Trust's financial position and results of operations and its ability to meet its obligations. For example, the Trust may be required to provide representations, warranties and/or indemnities to third party purchasers which may expose the Trust to costs or liabilities for breaches of representations and warranties as a result of unexpected or unknown changes in the condition of the disposed property. Furthermore, the Trust may not be able to execute property dispositions on terms that are acceptable in accordance with its strategic plans and its disposition process may not ultimately be successful or provide positive returns on investment.

If the Trust acquires a business, the Trust will be required to integrate the operations, personnel and accounting and information systems of the acquired business and train, retain and motivate any key personnel from the acquired business. In addition, acquisitions of, or investments in, companies may cause disruptions in the Trust's operations and divert Management's attention away from day-to-day operations, which could impair the Trust's relationships with current tenants and employees.

Geographic and Tenant Concentration

First Capital REIT's portfolio by major market which includes a breakdown by annual minimum rent, gross leasable area and fair value is set forth under the section "Portfolio Overview" in the MD&A.

The Trust's portfolio is concentrated predominantly in selected top-tier suburban markets. Economic, real estate and other general conditions in one or more markets where First Capital REIT has a concentration of properties will significantly affect the Trust's revenues and the value of its properties. Business layoffs or downsizing, industry slowdowns, declines in real estate values, changing demographics, increases in insurance costs and real estate taxes and other factors may adversely affect the economic climate in the markets in which the Trust operates. Any resulting reduction in demand for retail properties in one or more markets where First Capital REIT has a concentration of properties will adversely affect the Trust's financial position, results of operations and the value of its properties concerned.

As at December 31, 2024, the Trust's top 10 tenants represented 33.7% of the Trust's annualized minimum rent and occupied 40.5% of the Trust's gross leasable area. First Capital REIT's single largest tenant, Loblaw Companies Limited ("Loblaws") (which operates stores under multiple banners and formats), accounts for 10.6% of the Trust's annual minimum rent and 10.4% of the Trust's gross leasable area. In the event that one or more tenants of the Trust that individually or collectively account for an important amount of the Trust's annual minimum rent experience financial difficulty and are unable to pay rent or fulfill their lease commitments, the Trust's financial position, results of operations and the value of the affected properties would be adversely affected.

Competition

The real estate business is competitive. Numerous other developers, managers and owners of retail properties compete with the Trust in seeking tenants. Some of the properties located in the same markets as the Trust's properties may be newer, better located and/or have stronger anchor tenants than the Trust's properties. The existence of developers, managers and owners in the markets in which the Trust operates, or any increase in supply of available space in such markets (due to new construction, tenant insolvencies or other vacancy) and competition for the Trust's tenants could adversely affect the Trust's ability to lease space in its properties in such markets and on the rents charged or concessions granted. In addition, the internet and other technologies increasingly play a more significant role in consumer preferences and shopping patterns, which presents an evolving competitive risk to the Trust that is not easily assessed. Any of the aforementioned factors could have an adverse effect on the Trust's financial position and results of operations.

Competition for acquisitions of real properties can be intense, and some competitors may have the ability or inclination to acquire properties at a higher price or on terms less favourable than those the Trust may be prepared to accept. An increase in the availability of investment funds, an increase in interest in real property investments or a decrease in interest rates may increase competition for real property investments thereby increasing purchase prices and reducing the return on investment. See also "– Acquisitions, Expansions, Developments, Redevelopments and Strategic Dispositions".

Unitholder Activism

Responding to activist campaigns that contest or conflict with First Capital REIT's governance and strategic direction can be costly and time-consuming, disrupting business operations and diverting the attention and resources of the Board, Management and employees. Unitholder activism may result in uncertainty relating to the leadership, governance and strategic direction of First Capital REIT, which could adversely affect or undermine First Capital REIT's ability to execute on its real estate strategy, harm First Capital REIT's business and create adverse volatility in the market price and trading volume of Trust Units. Events such as these could also adversely affect First Capital REIT's operating and financial results.

Residential Development, Sales and Leasing

First Capital REIT is involved in the development of mixed-use properties that include residential condominiums and rental apartments. These developments are often carried out with an experienced residential developer as the Trust's partner. Purchaser demand for residential condominiums is cyclical and is significantly affected by changes in general and local economic and industry conditions, such as employment levels, availability of financing for homebuyers, interest rates, consumer confidence, levels of new and existing homes for sale, demographic trends and housing demand. In addition, an oversupply of alternative housing, such as new homes, resale homes (including homes held for sale by investors and speculators), foreclosed homes and rental properties and apartments may (i) reduce First Capital REIT's ability to sell new condominiums, depress prices and reduce margins from the sale of condominiums, and (ii) have a material adverse effect on the Trust's ability to lease rental apartments and on the rents charged or concessions granted therefor.

Home and condominium buyers typically finance their home or condominium acquisitions through lenders providing mortgage financing. Increases in mortgage rates or decreases in the availability of mortgage financing could depress the market for new condominiums because of the increased monthly mortgage costs to potential buyers. Even if potential customers do not need financing, changes in mortgage interest rates and mortgage availability could make it harder for them to sell their existing homes to potential buyers who need financing, which would result in reduced demand for new homes. As a result, rising mortgage rates and reduced mortgage availability could adversely affect the Trust's ability to sell new condominiums and the price at which it can sell them.

As a residential landlord in its properties that include rental apartments, First Capital REIT is subject to the risks inherent in the multi-unit residential rental property industry. In addition to the risks highlighted above, these include exposure to private individual tenants (as opposed to commercial tenants in the Trust's retail properties), fluctuations in occupancy levels, the inability to achieve economic rents (including anticipated increases in rent), controlling bad debt exposure, rent control regulations, increases in operating costs including the costs of utilities (residential leases are often "gross" leases under which the landlord is not able to pass on costs to its residents), the imposition of increased taxes or new taxes and capital investment requirements.

Environmental Matters

First Capital REIT maintains comprehensive environmental insurance and conducts environmental due diligence upon the acquisition of new properties. There is, however, a risk that the value of any given property in the REIT's portfolio could be adversely affected as a result of unforeseen or uninsured environmental matters or changes in governmental regulations. Under various federal, provincial and local laws, the REIT, as an owner, and potentially as a person in control of or managing real property, could potentially be liable for costs of investigation, remediation and monitoring of certain contaminants, hazardous or toxic substances present at or released from its properties or disposed of at other locations, whether the REIT knows of, or is responsible for, the environmental contamination and whether the contamination occurred before or after the REIT acquired the property. The costs of investigation, removal or remediation of hazardous or toxic substances are not estimable, may be substantial and could adversely affect the REIT's results of operations or financial position. The presence of contamination or the failure to remediate such substances, if any, may adversely affect the REIT's ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims, including proceedings by government regulators or third-party lawsuits. Environmental legislation can change rapidly and the REIT may become subject to more stringent environmental laws in the future, and compliance with more stringent environmental laws, or increased enforcement of the same, could have a material adverse effect on its business, financial position or results of operations.

Financial Covenants

First Capital REIT's revolving credit facilities and its outstanding Senior Unsecured Debentures contain customary covenants and conditions, including, among others, compliance with various financial ratios and restrictions upon the incurrence of additional indebtedness and liens on the Trust's properties. Furthermore, the terms of some of this indebtedness may adversely affect the Trust's ability to consummate transactions that result in a change of control. The existing mortgages also contain customary negative covenants such as those that limit the Trust's ability, without the prior consent of the lender, to further mortgage the applicable property. If the Trust were to breach covenants in these debt agreements, the lender could declare a default and require the Trust to repay the debt immediately. If the Trust fails to make such repayment in a timely manner, the lender may be entitled to take possession of any property securing the loan. If the lenders declared a default under the Trust's revolving credit facilities, all amounts outstanding thereunder would become due and payable and the Trust's ability to borrow in future periods could be restricted. In addition, any such default on indebtedness in excess of a stipulated amount, unless waived, would constitute a default under First Capital REIT's revolving credit facilities and Senior Unsecured Debentures, giving rise to the acceleration of such indebtedness.

Governmental Regulation and Environmental Matters

The Trust and its real estate investments are subject to various requirements imposed by governmental legislation and regulation. Any change in such legislation or regulation, or the level of enforcement of the same, that is adverse to the Trust or its investments could adversely affect the operating and financial performance of the Trust.

The Trust maintains comprehensive environmental insurance and conducts environmental due diligence upon the acquisition of new properties. There is, however, a risk that the value of any given property in the Trust's portfolio could be adversely affected as a result of unforeseen or uninsured environmental matters or changes in governmental regulations.

Under various federal, provincial and local laws, the Trust, as an owner, and potentially as a person in control of or managing real property, could potentially be liable for costs of investigation, remediation and monitoring of certain contaminants, hazardous or toxic substances present at or released from its properties or disposed of at other locations, whether the Trust knows of, or is responsible for, the environmental contamination and whether the contamination occurred before or after the Trust acquired the property. The costs of investigation, removal or remediation of hazardous or toxic substances are not estimable, may be substantial and could adversely affect the Trust's results of operations or financial position. The presence of contamination or the failure to remediate such substances, if any, may adversely affect the Trust's ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims, including proceedings by government regulators or third-party lawsuits. Environmental legislation can change rapidly and the Trust may become subject to more stringent environmental laws in the future, and compliance with more stringent environmental laws, or increased enforcement of the same, could have a material adverse effect on its business, financial position or results of operations.

Uninsured Losses

The Trust carries comprehensive general liability, trustee and officer, environmental, fire, flood, and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar companies and similar properties. There are, however, certain types of risk (including without limitation catastrophic events, such as war or terrorist acts, and pre-existing circumstances, such as existing litigation and environmental contamination) which may be either uninsurable, in whole or in part, or, in the opinion of Management, not economically insurable. Should an uninsured or underinsured loss occur, the Trust could lose some or all of its investment in, and anticipated profit and cash flows from, one or more of its properties, and the Trust would continue to be obligated to repay any recourse mortgage indebtedness on such properties.

The Trust cannot guarantee that material losses in excess of insurance proceeds will not occur in the future. If any of the Trust's properties were to experience a catastrophic loss, it could seriously disrupt the Trust's operations, delay revenue and result in large expenses to repair or rebuild the property. Also, due to inflation, changes in codes and regulations, environmental considerations and other factors, it may not be feasible to use insurance proceeds to replace a building after it has been damaged or destroyed or the proceeds could be insufficient. Events such as these could adversely affect the Trust's financial position and results of operations and its ability to meet its obligations.

Partnerships

First Capital REIT has investments in properties with non-affiliated partners through partnership, co-ownership and limited liability corporate venture arrangements (collectively, “partnerships”). As a result, the Trust does not control all decisions regarding those properties and may be required to take actions that are in the interest of the partners collectively, but not in the Trust’s sole best interests. A partner may fail to provide capital or fulfill its obligations, which may result in certain liabilities to First Capital REIT for guarantees and other commitments. Any of the foregoing may give rise to conflicts between the Trust and its partners, which may be difficult and costly to manage and resolve. In addition, it may be difficult to manage or otherwise monitor partnerships.

Although partnerships may allow First Capital REIT to share risks with partners, these arrangements may also decrease the Trust’s ability to manage risk. Partnerships involve additional risks, such as: diverging business goals and strategies and the need for the partners’ continued cooperation; First Capital REIT’s inability to take actions with respect to partnership activities that the Trust believes are favourable if its partner does not agree; First Capital REIT’s inability to control the legal entity that has title to the real estate associated with the partnership; lenders may not be easily able to sell First Capital REIT’s partnership assets and investments or may view them less favourably as collateral, which could negatively affect the Trust’s liquidity and capital resources; a partner or its affiliates might become insolvent or bankrupt, which may adversely affect the Trust and any property owned through the partnership; and a partner’s business decisions or other actions or omissions may result in harm to First Capital REIT’s reputation or adversely affect the value of the Trust’s investments.

Investments Subject to Credit and Market Risk

The Trust provides co-owner financing, priority mortgages and mezzanine loans to third parties in connection with certain transactions and partnerships (“Loans and Mortgages Receivable”). First Capital REIT also invests in marketable and other securities. The Trust is exposed to customary risks in the event that the values of its Loans and Mortgages Receivable and/or its investments, in marketable and other securities, decrease due to overall market conditions, business failure, and/or other non-performance/defaults by the counterparties or investees. Not all lending activities will translate into acquisitions or equity participation in a project and the value of the assets securing the Trust’s Loans and Mortgages Receivable is dependent on real estate market conditions and in the event of a large market correction, their value may be unable to support the investments. There can also be no assurance that the Trust will advance new Loans and Mortgages Receivable at the same rate or in the same amount repaid, which could negatively impact future earnings. Additionally, repayment of one or more of the current loans outstanding would result in an immediate decrease of the Trust’s Loans and Mortgages Receivable unless and until such time that the Trust advances new loans.

Key Personnel

First Capital REIT’s executives and other senior officers oversee the development and execution of the Trust’s strategy and have a significant role in its success. The Trust’s ability to retain its key management personnel or attract suitable replacements should any of them leave the Trust is dependent on, among other things, the competitive nature of the employment market. First Capital REIT has experienced departures of key management personnel in the past and may again experience such departures in the future. The loss of services from key members of the management team could have an adverse effect on the Trust’s operations until such time as suitable replacements are engaged.

Licensing, Certification and Accreditation Requirements

Many of the Trust’s tenants are subject to numerous legal, regulatory, professional and private licensing, certification and accreditation requirements. For instance, in the case of health care facilities, these include, but are not limited to, requirements imposed by provincial health insurance plans and private payors. Receipt and renewal of licenses, certifications and accreditations are often based on inspections, surveys, audits, investigations or other reviews, some of which may require affirmative compliance actions by tenants that could be burdensome and expensive. In addition, the applicable standards may change in the future and there can be no assurance that subject tenants will be able to maintain all necessary licenses or certifications or that they will not be required to incur substantial costs in doing so. The failure to maintain all necessary licenses, certifications and accreditations, or the requirement to incur substantial costs to maintain them, could have a material adverse effect on the business of these tenants. The Trust’s financial position and results of operations may be adversely affected if such tenants become unable to pay rent or other charges on a timely basis, or if the Trust is unable to lease a significant amount of available space in its properties on economically favourable terms.

Climate Change and Carbon Reduction Initiatives

Changing weather patterns and other effects of climate change have created uncertainty as to future trends and weather conditions and could have an impact on the Trust's properties, adversely impacting its results. The Trust's properties, tenants and communities may become impacted by more severe weather events and natural disasters. Over time, these conditions could result in a decreased demand for space in the Trust's impacted properties or, in extreme cases, it may impact the Trust's ability to operate the properties at all. Climate change may also have indirect effects on the Trust's business by increasing the cost of (or making unavailable) property insurance on favourable terms, resulting in additional costs to repair or replace damaged properties or protect its properties against such risks, which could negatively impact the Trust's earnings, liquidity or capital resources. The occurrence of natural disasters or severe weather conditions can also delay new development projects. In addition, compliance with new laws or regulations related to climate change may require the Trust to make improvements to its existing properties or increase taxes and fee assessments, which could result in declining demand for the Trust's properties and increased expenses and may adversely affect operating and financial results.

As the Trust continues to work towards achieving its science-based 2030 greenhouse gas reduction targets and net-zero commitment, its progress may be deterred by challenges such as the availability of the necessary technology or the cost of adopting carbon reduction initiatives. This could result in the Trust being unable to meet its decarbonization goals. The failure or perceived failure by the Trust to execute its carbon reduction initiatives, maintain its environmental and sustainability practices or comply with emerging and evolving regulatory requirements or stakeholder expectations could result in fines or adversely affect the Trust's reputation, operations or financial performance.

Cybersecurity

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of the Trust's information technology resources. More specifically, a cyber incident is an intentional attack or an unintentional event that can include gaining unauthorized access to information systems to disrupt operations, corrupt data or steal confidential information. As the Trust's reliance on technology has increased, so have the risks posed to its systems. The Trust's primary risks that could directly result from the occurrence of a cyber incident include operational interruption, damage to its reputation, damage to its business relationships with tenants as well as the disclosure of confidential information. Events such as these could adversely affect the Trust's financial position and results of operations.

Cash Distributions Are Not Guaranteed; Non-Cash Distributions

Distributions on the Trust Units are established by the Board and are subject to change at the discretion of the Board. While First Capital REIT's distribution policy has been established pursuant to the Declaration of Trust and may only be changed with the approval of a majority of Unitholders, the actual amount of distributions paid in respect of the Trust Units will depend upon numerous factors, all of which are susceptible to a number of risks and other factors beyond the control of First Capital REIT. The market value of the Trust Units may deteriorate if First Capital REIT is unable to meet its distribution targets in the future, and that deterioration could be significant. In addition, the composition of cash distributions for tax purposes may change over time and could affect the after-tax return for Unitholders.

In addition, certain distributions declared by the Trustees on the Trust Units may be payable in cash, Trust Units or a combination of cash and Trust Units. Immediately after any *pro rata* distribution of additional Trust Units to all Unitholders, the number of the outstanding Trust Units may be automatically consolidated such that each such holder will hold after the consolidation the same number of Trust Units as such holder held before the distribution of additional Trust Units (provided that Unitholders not resident in Canada for Canadian federal income tax purposes may be subject to applicable withholding taxes in connection therewith, which may reduce their unitholdings). Such an automatic consolidation may affect a Unitholder's after-tax return relating to their investment in Trust Units.

Limitation on Non-Resident Ownership

The Declaration of Trust imposes various restrictions on holders of Trust Units. Non-Resident Holders of Trust Units are prohibited from beneficially owning more than 49% of the Trust Units (on either a Basic Basis or a Fully Diluted Basis as defined in the Declaration of Trust). These restrictions may limit (or inhibit the exercise of) the rights of certain persons, including Non-Residents and non-Canadians, to acquire the Trust Units, to exercise their rights as Unitholders and to initiate and complete take-over bids in respect of the Trust Units. As a result, these restrictions may limit the demand for the Trust Units from certain persons and thereby adversely affect the liquidity and market value of the Trust Units held by the public.

Dependence on FCR LP and the Company

The Trust is an open-ended, limited purpose trust, which will, for purposes of its income, be entirely dependent on FCR LP and the Company, and in turn on their respective subsidiaries. Although the Trust intends to distribute the majority of the consolidated income earned by the Trust, there can be no assurance regarding the Trust's ability to make distributions, which remains dependent upon the ability of FCR LP and the Company to pay distributions, dividends or returns of capital in respect of the FCR LP Units and Class A common shares of the Company, and amounts on certain intercompany promissory notes that may exist from time to time, which ability, in turn, is dependent upon the operations and assets of the Company's subsidiaries.

Taxation Matters

The Trust or its subsidiary, the Company, may not qualify as a "mutual fund trust" or a "mutual fund corporation" (as applicable) for purposes of the Tax Act, or it may cease to so qualify. If the Trust or the Company did not so qualify for such purposes continuously throughout a taxation year, it would be subject to adverse tax consequences which likely may materially reduce its ability to make distributions on the Trust Units. Furthermore, if the Trust or the Company was considered to have been established primarily for the benefit of non-resident persons, it would be permanently disqualified from qualifying as a "mutual fund trust" or a "mutual fund corporation" (as applicable) for such purposes.

There is a risk (for example, as a result of an unanticipated event) that the Trust will not qualify (under the exception for real estate investment trusts from the rules applicable to SIFT trusts or SIFT partnerships in the Tax Act) as a "real estate investment trust" under the Tax Act for one or more of its taxation years. Were this to occur, the level of monthly cash distributions made on the Trust Units may be materially reduced. Furthermore, there is no assurance that the provisions of the Tax Act regarding the exemption afforded to REITs from the SIFT rules will not change in a manner that adversely impacts the Unitholders.

Although First Capital REIT is of the view that all expenses to be claimed by it and its subsidiaries will be reasonable and deductible and that the cost amount and capital cost allowance claims of entities indirectly owned by First Capital REIT will have been correctly determined, there can be no assurance that the Tax Act, or the interpretation of the Tax Act, will not change, or that the Canada Revenue Agency (the "CRA") will agree. If the CRA successfully challenges the deductibility of such expenses or the allocation of such income, First Capital REIT's taxable income, and indirectly the taxable income of Unitholders, will increase or change.

The bill containing the excessive interest and financing expenses limitation ("EIFEL") rules received Royal Assent on June 20, 2024, which are effective for taxation periods beginning on or after October 1, 2023. The EIFEL rules limit the deductibility of net interest and financing expenses in certain circumstances. The Trust's position is that it and its subsidiaries should not be subject to these deduction limitations. However, there is no assurance that the Tax Act, or the interpretation of the Tax Act will not change, or that the CRA will agree with the Trust's position, which could result in an increase in the amount of taxable income in FCR's taxable subsidiaries.

Pursuant to proposed amendments to the Income Tax Act introduced in 2024, certain corporations controlled by or for the benefit of certain shareholder(s) would be disqualified from being a mutual fund corporation for taxation years commencing after 2024. Pursuant to such amendments and if enacted as proposed, First Capital Realty Inc., a subsidiary of the Trust which currently qualifies as a mutual fund corporation, would cease to be a mutual fund corporation for its taxation year beginning December 30, 2025. The Trust is continuing to monitor the status of the proposed legislation and analyzing its potential effects on First Capital Realty Inc. and the Trust.

Nature of the Trust Units

The Trust Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that Act or any other legislation. Furthermore, the Trust is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company. In addition, although the Trust is intended to qualify as a “mutual fund trust” as defined by the Tax Act, the Trust will not be a “mutual fund” as defined by applicable securities legislation.

The Trust Units do not represent a direct investment in the business of First Capital REIT’s Subsidiaries and should not be viewed by investors as shares or interests in such entities.

Redemption Right

It is anticipated that the redemption right will not be the primary mechanism for holders of Trust Units to liquidate their investment. Upon a redemption of Trust Units, the Trustees may distribute cash or (in the manner described above) Subsidiary Notes to the redeeming Unitholders, subject to obtaining any required regulatory approvals and complying with the requisite terms and conditions of such approvals.

Additionally, such Subsidiary Notes are not expected to be listed on any stock exchange and no established market is expected to develop in such Subsidiary Notes and they may be subject to resale restrictions under applicable Securities Laws.

Dilution

The Trust may issue an unlimited number of Trust Units for the consideration and on those terms and conditions as are established by the Trustees of the Trust, without the approval of any holders of Trust Units. Any further issuance of Trust Units will dilute the interests of existing holders.

Pandemics, Epidemics or Other Outbreaks

A pandemic, epidemic or other outbreak (collectively, a “public health crisis”) could have a materially adverse impact on the REIT’s financial position and results of operations. A substantial portion of the REIT’s tenants could be forced to close in accordance with government regulations or operate at a reduced capacity, which may negatively impact their ability to pay rent in accordance with the terms of their lease. Additionally, the REIT may be required to take further action that negatively impacts its financial results and operations in response to directives of government and public health authorities or that are in the best interests of the health and safety of its employees, tenants, partners and other stakeholders, as necessary.

In addition to the risks described above and the potential macroeconomic impact, specific effects of a public health crisis that may impact the REIT’s business operations, financial results and its ability to execute on its strategy, may include: consumer demand for tenants’ products or services, changing consumer habits, a temporary or long-term increase in vacancy, temporary or long-term stoppage of development projects, temporary or long-term stoppage of construction projects, temporary or long-term labour shortages or disruptions, temporary or long-term impacts on global supply chains, closures or slowdowns of government offices and increased risks to employee engagement, IT systems and networks. Changes to operations in response to these and other effects of a public health crisis on the economy and consumer habits could materially adversely impact the REIT’s financial results and may negatively impact several aspects of the REIT’s business, including but not limited to: the fair value of its properties and other investments; the net realizable value of residential inventory and ability to lease residential space; the carrying amount of its investment in joint ventures; its ability to execute on its strategy, including dispositions and acquisitions and surfacing value from its density pipeline; tenants’ ability to pay rent in full or at all (including deferred rent); its ability to complete construction required to transfer possession of leased premises to tenants; its ability to renew expiring leases and to lease vacant space; its ability to collect on interest and loans receivables; its ability to meet deleveraging targets, maintain current and/or achieve target debt metrics, maintain current credit ratings and to comply with debt covenants; its ability to make distributions; its ability to maintain its balance sheet and to access capital on acceptable terms or at all.

A public health crisis may cause economic uncertainty and increased volatility in financial markets, which may negatively impact the market price for the REIT’s securities and could adversely impact the REIT’s operations and financial performance.

DISTRIBUTION POLICY

The following outlines the distribution policy of the Trust adopted pursuant to the Declaration of Trust. Determinations as to the amounts distributable, however, will be made in the sole discretion of the Trustees from time to time.

The Trust has adopted a distribution policy, as permitted under the Declaration of Trust, pursuant to which it will make monthly cash distributions to Unitholders and, through FCR LP, holders of Exchangeable LP Units. However, subject to compliance with the Declaration of Trust, the actual distribution amount will be determined by the Trustees in their sole discretion. Pursuant to the Declaration of Trust, the Trustees have full discretion respecting the timing, composition and amounts of distributions, including the adoption, amendment or revocation of any distribution policy. It is the Trust’s current intention to make distributions to Unitholders at least equal to the amount of net income and net realized capital gains of the Trust as is necessary to ensure that the Trust will not be liable for ordinary income taxes on such income.

Unitholders of record as at the close of business on the last Business Day of the month preceding a Distribution Date will have an entitlement on and after that day to receive distributions in respect of that month on such Distribution Date. Distributions may be adjusted for amounts paid in prior periods if the actual adjusted cash flow from operations for the prior periods is greater than or less than the estimates for the prior periods. Under the Declaration of Trust and pursuant to the distribution policy of the Trust, where the Trust’s cash is insufficient to make payment of the full amount of a distribution, or where the Trustees otherwise determine, such payment will, to the extent necessary, be distributed in the form of additional Trust Units. See “Declaration of Trust and Description of Trust Units — Issuance of Trust Units”.

Immediately after any *pro rata* distribution of additional Trust Units to all Unitholders, the number of the outstanding Trust Units may be automatically consolidated by the Trustees such that each such holder will hold after the consolidation the same number of Trust Units as such holder held before the distribution of additional Trust Units (provided that Unitholders not resident in Canada for Canadian federal income tax purposes may be subject to applicable withholding taxes in connection therewith, which may reduce their unitholdings). See “Risk Factors — Cash Distributions Are Not Guaranteed; Non-Cash Distributions”.

The following table sets out the monthly distributions per Trust Unit made by the Trust during the three fiscal years ended December 31, 2024 and for the months of January and February 2025:

	2025		**2024**	**2023**	**2022**	
	January	**February**			Jan. – Aug.	Sep. – Dec.
Distribution per Trust Unit (Declared)	$0.074	$0.074	$0.072	$0.072	$0.036	$0.072

In December 2024, the REIT announced a distribution increase of 3.0%, effective for the January 2025 distribution. In 2025, the Trust expects to pay monthly distributions of approximately $0.074 per Trust Unit, representing $0.89 on an annualized basis.

In September 2022, the REIT announced the reinstatement of the REIT’s regular distribution in place prior to the pandemic of $0.072 per Trust Unit, or $0.86 on an annualized basis, which was double the previous month’s distribution. Through the benefit of retained capital, the reduced distribution rate effective from January 2021 to August 2022 provided the REIT with additional financial flexibility.

The ability of the Trust to make cash distributions, and the actual amount distributed, will be entirely dependent on the operations and assets of the Trust and will be subject to various factors, including financial performance, obligations under applicable credit facilities and restrictions on payment of distributions thereunder on the occurrence of an event of default, fluctuations in working capital, the sustainability of income derived from the tenants of the Trust’s properties and any capital expenditure requirements. See “Risk Factors”.

The General Partner, on behalf of FCR LP, will make monthly cash distributions to holders of Class A LP Units and holders of Exchangeable LP Units, if any, by reference to the monthly cash distributions payable by the Trust to Unitholders. Distributions to be made on the Exchangeable LP Units will be equal to the distributions that the holders of Exchangeable LP Units would have received if they were holding Trust Units instead of Exchangeable

LP Units. Distributions to the General Partner will be made in priority to distributions to holders of Class A LP Units (subject to certain exceptions) and holders of Exchangeable LP Units. See "The Partnership and Description of Partnership Units — Distributions" and "Risk Factors".

STOCK EXCHANGE LISTINGS

Trust Units

From January 1, 2024 through December 31, 2024, the Trust Units were listed for trading on the TSX under the symbol "FCR.UN". The following table lists the price ranges and volume traded for the Trust Units on the TSX, on a monthly basis, during the year ended December 31, 2024, as reported by the TSX.

Month	Open ($)	High ($)	Low ($)	Close ($)	# of Trades	Volume Traded	Value Traded ($)
January	15.22	16.20	14.91	15.81	34,030	8,343,684	129,237,443
February	15.80	16.76	15.45	15.54	34,057	7,900,770	127,850,026
March	15.53	16.16	15.30	15.71	27,854	11,233,006	175,690,051
April	15.70	16.01	14.40	14.78	33,714	7,272,969	109,975,719
May	14.78	15.48	14.19	14.37	25,898	7,838,526	116,256,896
June	14.54	15.29	14.34	14.70	31,597	6,049,528	89,060,990
July	14.73	16.66	14.57	16.37	23,614	4,759,039	75,027,407
August	16.45	17.57	15.81	17.35	26,173	5,127,956	86,183,241
September	17.24	18.98	17.18	18.75	36,349	7,770,285	142,496,695
October	18.78	18.80	17.64	17.78	37,479	7,756,599	139,811,291
November	17.85	18.26	17.47	17.94	26,787	5,634,618	100,491,809
December	17.91	18.03	16.64	16.96	30,279	7,153,289	124,291,552

TRUSTEES, OFFICERS AND SENIOR MANAGEMENT

The names and municipalities of residence of the trustees, officers and senior management of the Trust, their respective positions and offices held with the Trust and their principal occupation for the last five or more years are shown below as at February 10, 2025. Trustees are elected to serve until the next annual meeting of unitholders or until their successors are elected or appointed, unless their office is earlier vacated.

Name and Province/State and Country of Residence	Office	Principal Occupations During the Last Five or more Years	Period Served
Adam E. Paul, CPA, CA Ontario, Canada	President, Chief Executive Officer and Trustee	President, Chief Executive Officer and Trustee of the Trust. Previously, Director of Real Property Association of Canada (REALpac); Executive Vice President, Investments and Leasing of Canadian Real Estate Investment Trust.	Director of the Company since February 16, 2015 Trustee of the Trust since October 16, 2019
Paul C. Douglas[3][4] Ontario, Canada	Chair of the Board	Chair of the Board of the Trust; Chair of Canadian Business Banking and Special Advisor to the CEO at TD Bank Group; Board member of Minto Holdings Inc.; Non-Executive Director of TD Global Finance Unlimited and TD Group US Holdings LLC. Previously, Group Head, Canadian Business Banking at TD Bank Group; Chair of the Board of Governors of McMaster University.	Director of the Company since June 4, 2019 Trustee of the Trust since October 16, 2019
Leonard Abramsky[1][2] Ontario, Canada	Trustee	Trustee of the Trust; President of The Dunloe Group Inc.; Independent Trustee, Chair of the Governance, Compensation and Environmental Committee and member of the Audit Committee of Dream Residential REIT; Independent Trustee and member of the Audit Committee of H&R REIT; Past Chair and Member of the Investment Advisory Committee of the Jewish Foundation of Greater Toronto. Previously, Managing Partner of Brookfield Financial Corp.; Director of Rouse Properties Inc.; Co-Chair of the UJA Federation 2020 Campaign.	Director of the Company since June 4, 2019 Trustee of the Trust since October 16, 2019
Sheila Botting[2][3] Ontario, Canada	Trustee	Trustee of the Trust; Principal and President, Americas Professional Services and Member of the Avison Young's Global Real Estate Executive; Advisory Board member to MBI Brands. Previously, Senior Partner & Canadian Real Estate Leader at Deloitte LLP and member of Deloitte's Global Real Estate Executive; Executive Managing Director at Cushman & Wakefield Canada.	Trustee of the Trust since June 22, 2021

Name and Province/State and Country of Residence	Office	Principal Occupations During the Last Five or more Years	Period Served
Ian Clarke, FCPA, FCA, ICD.D[1][2] Ontario, Canada	Trustee	Trustee of the Trust; Director and Member of Audit Committee and Nominating and Governance Committee of Altria Group Inc., Director, Chair of Audit Committee and Compensation Committee Member of AGF Management Limited and Director and Chair of the Audit, Finance, Risk Management Committee of the Canadian Olympic Committee. Previously, Chief Financial Officer of the Greater Toronto Airports Authority (GTAA), GTAA Board Member and Audit Committee chair; Chief Financial Officer, Business Development at Maple Leaf Sports & Entertainment Ltd. (MLSE) and senior financial roles with MLSE.	Trustee of the Trust since June 22, 2021
Dayna Gibbs[1][3] Ontario, Canada	Trustee	Trustee of the Trust; Vice Chair of the Foundation Board of King’s University College, The University of Western Ontario. Previously, Chief Operating Officer of Summit Industrial Income REIT (“Summit”); Trustee and Chair of the Compensation and Nominating Committee of Summit; Trustee and Chair of the Corporate Governance and Nominating Committee of Agellan Commercial REIT.	Trustee of the Trust since April 11, 2023
Ira Gluskin[1][2] Ontario, Canada	Trustee	Trustee of the Trust; Chief Investment Officer of Irager + Associates Inc.; Trustee of European Residential Real Estate Investment Trust; Member of the Advisory Board of Vision Capital Corporation and the University of Toronto’s Real Estate Advisory Committee; Member of the University of Toronto’s Boundless Campaign Executive Committee; Board and Investment Committee Member of Sinai Health System; Board Member of the Investment Committee of The Jewish Federation of Palm Beach County; Board Member of the Canadian Jewish News, The Walrus Magazine, Capitalize for Kids and the National Theatre School of Canada; Member of the Investment Advisory Committee of the Jewish Foundation of Greater Toronto. Previously, Co-Founder, President & Chief Investment Officer, and Director and Vice-Chair of Gluskin Sheff + Associates Inc.; Director of Tricon Residential Inc.; Member of the Advisory Board of Ewing Morris & Co. Investment Partners Ltd.; Chair of the University of Toronto Asset Management Corporation; Chair of the Investment Advisory Committee of the Jewish Foundation of Greater Toronto.	Trustee of the Trust since February 7, 2023

Name and Province/State and Country of Residence	Office	Principal Occupations During the Last Five or more Years	Period Served
Annalisa King, ICD.D(2)(3) British Columbia, Canada	Trustee	Trustee of the Trust; Chair of the Board of Vancouver Airport Authority; Director and Chair of Audit Committee of Saputo Inc.; Director and Chair of Audit Committee of The North West Company Inc.; Director of McArthurGlen Designer Outlet Centre (a joint venture between McArthurGlen Group and the Vancouver Airport Authority); Director of Natures Path Organic Foods. Previously, Chief Financial Officer and Chief Information Officer of Best Buy Canada Ltd.; Senior Vice President of Business Transformation at Maple Leaf Foods.	Director of the Company since November 9, 2016; Trustee of the Trust since October 16, 2019
Aladin (Al) W. Mawani, CPA, CA(1)(3) Ontario, Canada	Trustee	Trustee of the Trust; Principal of Exponent Capital Partners Inc.; Trustee of Granite Real Estate Investment Trust; Chair of the Investment Committee of Extendicare Inc. Previously, Independent Lead Trustee of Boardwalk Real Estate Investment Trust; Trustee of SmartCentres Real Estate Investment Trust, Slate Office Real Estate Investment Trust, and IPC US Real Estate Investment Trust; Director of Amica Mature Lifestyle Inc.; President and Chief Executive Officer of Rodenbury Investments Limited; President and Chief Executive Officer of SmartCentres Real Estate Investment Trust; Chief Financial Officer of Oxford Properties Group, Inc.	Director of the Company since May 29, 2018 Trustee of the Trust since October 16, 2019
Richard Nesbitt(1)(3) London, United Kingdom	Trustee	Trustee of the Trust; Vice Chair of the Board of Trustees of OPTrust Pension Fund; Chair of the Audit Committee and Board member (Advisory) of Kruger Inc.; Senior Visiting Fellow and Chair of the Board of The Inclusion Initiative at the London School of Economics; Adjunct Professor at the Rotman School of Management at the University of Toronto; Member of the Advisory Board of Vision Capital Corporation; Member of the Board of Directors of Irish Residential Properties Reit plc in Ireland. Previously, Chief Executive Officer of the Global Risk Institute; Chief Operating Officer of CIBC and Chief Executive Officer of CIBC World Markets; Chief Executive Officer of the Toronto Stock Exchange Group; Co-Founder and Managing Partner of KalNes Capital Partners.	Trustee of the Trust since February 23, 2023
Neil Downey, CPA, CA, CFA Ontario, Canada	Executive Vice President, Enterprise Strategies and Chief Financial Officer	Executive Vice President, Enterprise Strategies and Chief Financial Officer of the Trust. Previously, Managing Director and Associate Director of Canadian Research at RBC Capital Markets.	Officer of the Trust since January 4, 2021

Name and Province/State and Country of Residence	Office	Principal Occupations During the Last Five or more Years	Period Served
Carmine Francella Ontario, Canada	Senior Vice President, Real Estate Services	Senior Vice President, Real Estate Services of the Trust. Previously, Vice President, Leasing of Scotiabank; Senior Director, Real Estate & Development of Walmart Canada.	Officer of the Company since January 25, 2016 Officer of the Trust since October 16, 2019
Alison Harnick Ontario, Canada	Senior Vice President, General Counsel and Corporate Secretary	Senior Vice President, General Counsel and Corporate Secretary of the Trust; Trustee and Chair of the Governance Compensation and Environmental Committee of Dream Industrial Real Estate Investment Trust; Member of the Board of Directors of Women General Counsel Canada. Previously, practiced corporate and securities law at Torys LLP; Director of Park People.	Officer of the Company since October 10, 2017 Officer of the Trust since October 16, 2019
Jordan Robins Ontario, Canada	Executive Vice President and Chief Operating Officer	Executive Vice President and Chief Operating Officer of the Trust. Previously, Senior Vice President, Planning and Development of RioCan REIT.	Officer of the Company since June 1, 2016 Officer of the Trust since October 16, 2019
Michele Walkau Ontario, Canada	Senior Vice President, Brand and Culture	Senior Vice President, Brand and Culture of the Trust; Member of Toronto Metropolitan University's Real Estate Advisory Council. Previously, a senior executive at GWL Realty Advisors, wholly-owned real estate subsidiary of Canada Life.	Officer of the Company since April 22, 2019 Officer of the Trust since October 16, 2019

(1) Member of the Audit and Risk Committee. Mr. Clarke is the Chair of the committee.
(2) Member of the People and Compensation Committee. Ms. King is the Chair of the committee.
(3) Member of the Governance and Sustainability Committee. Mr. Mawani is the Chair of the committee.
(4) Chair of the Board.

As at February 10, 2025, the trustees and executive officers (as defined in National Instrument 51-102 — *Continuous Disclosure Obligations*) of the Trust, as a group, beneficially owned, or exercised control or direction over, an aggregate of 1,092,377 Trust Units representing approximately 0.51% of the issued and outstanding Trust Units and 4,875,418 vested options granted under the Trust's stock option plan. If all vested options beneficially owned by such persons were exercised, such persons would own an additional 4,875,418 Trust Units and would hold approximately 2.75% of the issued and outstanding Trust Units.

Except as set forth below, as of the date hereof, none of the current trustees or executive officers of the Trust, and to the best of the Trust's knowledge, no unitholder expected to hold a sufficient number of securities to affect materially the control of the Trust, is, or has been within the 10 years before the date of this AIF, (a) a director, chief executive officer or chief financial officer of any company that was subject to an order that was issued while the existing or proposed director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; (b) subject to an order that was issued after the existing or proposed director or executive officer 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; (c) 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 (d) 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.

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 the Trust's financial statements; the Trust's compliance with legal and regulatory requirements related to financial reporting; the qualifications, independence and performance of the Trust's auditor; the design and implementation of internal controls and disclosure controls; the Trust'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 the Trust'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 the Trust's unitholders at the next annual unitholders' meeting.

Audit and Risk Committee Charter

The Board adopted an amended charter for the Audit and Risk Committee of the Trust effective October 31, 2023 and was last reviewed on October 28, 2024. The Audit and Risk Committee and the Governance and Sustainability Committee each review and assess the Audit and Risk Committee Charter on an annual basis and consider whether any amendments are advisable. A copy of the charter is attached to this AIF as Appendix B.

Composition of the Audit and Risk Committee

The members of the Audit and Risk Committee are Ian Clarke (Chair), Leonard Abramsky, Dayna Gibbs, Ira Gluskin, Al Mawani and Richard Nesbitt. All members of the Audit Committee are "independent" and "financially literate" as such terms are defined in National Instrument 52-110 — *Audit Committees*.

Relevant Education and Experience

Ian Clarke, FCPA, FCA has been a Board member since June 2021 and serves as Chair of the Audit and Risk Committee. He is a corporate director and is currently a member of the Board, Audit Committee and Nominating and Governance Committee at Altria Group Inc. A Board member, Chair of the Audit Committee and member of the Compensation 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.

Leonard Abramsky has been a Board member since June 2019. He is currently the President of The Dunloe Group Inc., a Toronto-based real estate investment company. He has 40 years of experience in the commercial real estate industry. Mr. Abramsky currently serves as a Trustee and Chair of the Governance, Compensation and Environmental Committee of Dream Residential Real Estate Investment Trust and as a member of the Audit Committee. Mr. Abramsky also serves as a member of the Audit Committee of H&R Real Estate Investment Trust. In addition, he serves as Past Chair and as a member of the Investment Committee of the Jewish Foundation of Greater Toronto.

Previously, Mr. Abramsky was Managing Partner of Brookfield Financial Corp. ("Brookfield") and served on the board of directors of Rouse Properties Inc., a US public retail company which was privatized by Brookfield in 2016. At Brookfield, he held positions of increasing responsibility in a number of areas including the active trading and financing of all forms of commercial property and oversaw the global expansion of the firm to 9 countries and 15 offices.

Dayna Gibbs has been a Board member since April 2023. She is currently the Vice Chair of the Foundation Board of King's University College, The University of Western Ontario. Ms. Gibbs was Chief Operating Officer of Summit Industrial Income Real Estate Investment Trust ("Summit") and previously was an independent Trustee of Summit, having served as Chair of the Compensation and Nominating Committee and as a member of the ESG Committee. Ms. Gibbs also served as a trustee and Chair of the Corporate Governance and Nominating Committee of Agellan Commercial Real Estate Investment Trust.

Ms. Gibbs has a depth of industry experience 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. Subsequent to RBC Capital Markets, Ms. Gibbs joined Brascan Financial Real Estate Group (Brookfield Financial) and later, BMO Capital Markets where she played a pivotal role in building a successful full-service North American real estate platform. Subsequent to BMO Capital Markets, Ms. Gibbs was a Partner with Blair Franklin Capital Partners, a boutique independently owned advisory firm. Her extensive transactional experience spans many complex, high profile and market leading transactions including initial public offerings, portfolio transactions, privatizations, strategic reviews, valuations and fairness opinions, mergers and acquisitions as well as a variety of debt and equity financings. Ms. Gibbs is a seasoned governance professional, having served on and chaired numerous committees for public, private, and not-for-profit boards.

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.

Ira Gluskin has been a Board member since February 2023. He 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 Board of European Residential REIT. 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 and The Walrus Magazine. Mr. Gluskin is also a former member of the Board of Tricon Capital Group, Capitalize for Kids and The National Theatre School of Canada, 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 Doctorate of Laws degree from Wilfrid Laurier University in 2019 and an Honorary Doctorate of Laws, honoris causa, from the University of Toronto in 2022.

Al Mawani, CPA, CA has been a Board member since May 2018 and served as Chair of the Audit Committee from May 2018 to October 2023. He continues to serve as a member of the Audit and Risk Committee and as Chair of the Governance and Sustainability Committee. He is currently a Principal of Exponent Capital Partners Inc., a private equity investor and real estate advisory firm. Mr. Mawani has over 40 years of experience in the commercial real estate industry and is currently a Trustee of Granite Real Estate Investment Trust ("Granite") and serves as Chair of the Investment Committee of Extendicare Inc. ("Extendicare"). He was Chair of the Compensation, Governance & Nominating Committee of the Board of Granite from June 2017 to January 1, 2021.

Previously, Mr. Mawani served as the Independent Lead Trustee and Chair of the Audit Committee of Boardwalk Real Estate Investment Trust. He was also a Trustee and Chair of the Audit Committee of each of SmartCentres Real Estate Investment Trust ("SmartCentres"), Slate Office Real Estate Investment Trust, IPC US Real Estate Investment Trust, and Amica Mature Lifestyle Inc. Mr. Mawani has held several executive officer positions in his career including President and Chief Executive Officer of Rodenbury Investments Limited, a private real estate owner-operator, and President and Chief Executive Officer of SmartCentres. In addition, he spent 23 years at Oxford Properties Group, Inc., including over 11 years as Chief Financial Officer.

Mr. Mawani is a Chartered Professional Accountant and Chartered Accountant and holds a Master of Business Administration from University of Toronto and a Masters in Law 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.

Richard Nesbitt has been a Board member since February 2023. Mr. Nesbitt was named Chair of OPTrust's Board of Trustees, effective November 1, 2024. He is an Adjunct Professor of 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. Mr. Nesbitt is also a member of the Board of Directors of Irish Residential Properties Reit plc in Ireland. Previously, Mr. Nesbitt was CEO of CIBC World Markets and Chief Operating Officer of CIBC from 2008 to 2014. From 2004 to 2008, he was Chief Executive Officer of the Toronto Stock Exchange after having joined as President in 2001.

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.

Pre-Approval Policies and Procedures

The Audit and Risk Committee is responsible for overseeing the work of the external auditors and has considered whether the provision of services other than audit services is compatible with maintaining the auditors' independence. The Audit and Risk Committee has adopted a policy regarding its pre-approval of all audit and permissible non-audit services provided by the external auditors. The policy gives detailed guidance to Management as to the specific types of services that have been pre-approved by the Audit and Risk Committee. The policy requires the Audit and Risk Committee's specific approval of all other permitted types of services that have not been pre-approved. Senior Management of the Trust periodically provides the Audit and Risk Committee with a summary of services provided by the external auditors in accordance with the pre-approval policy. The Audit and Risk Committee's charter permits delegation to one or more of its members of the authority to evaluate and approve engagements in the event that the need arises for approval between Audit and Risk Committee meetings provided that any pre-approvals granted pursuant to such delegation are reported to the full Audit and Risk Committee at its next scheduled meeting.

External Auditor Service Fees

Ernst & Young LLP, the Trust's external auditor, provides the Trust with advisory and other non-audit services from time to time.

Fees incurred for services performed by Ernst & Young LLP for the years ended December 31, 2024 and December 31, 2023 were as follows:

	2024 Fees		2023 Fees	
	($)	(%)	($)	(%)
Audit Fees (1)	1,065,000	73.4%	1,061,840	78.3%
Audit-Related Fees(2)	353,500	24.4%	260,850	19.2%
Tax Fees (3)	27,000	1.9%	27,000	2.0%
All Other Fees (4)	6,050	0.4%	5,950	0.4%
Total Fees	1,451,550	100%	1,355,640	100%

(1) Refers to all fees incurred in respect of audit services, being the professional services rendered by the external auditors for the audit and review of the Trust's financial statements, as well as services normally provided by the external auditors in connection with regulatory filings and engagements.
(2) Audit-Related Fees primarily relate to assurance engagements in respect of joint-venture property financial statements, common area maintenance statements and environmental reporting.
(3) Incurred in respect of tax advisory services.
(4) Refers to all fees for services not included in audit fees or tax fees.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this AIF, Management is not aware of any material interest, direct or indirect, of any trustee or executive officer of the Trust, or any person beneficially owning, directly or indirectly, more than 10% of the Trust's voting securities or any associate or affiliate thereof in any transaction since the beginning of 2021 that has materially affected or will materially affect the Trust.

CONFLICTS OF INTERESTS

To the best of the Trust's knowledge, there are no known existing or potential conflicts of interest among the Trust's trustees or executive officers with the Trust or any of its subsidiaries.

MATERIAL CONTRACTS

The following are the only material contracts, other than contracts entered into in the ordinary course of business, which have been entered into by the Trust and which are still in effect. Copies of the material contracts listed below may be found on SEDAR+ at www.sedarplus.ca.

(a) Declaration of Trust (October 16, 2019) (see "*Declaration of Trust and Description of Trust Units*");

(b) Thirty-First Supplemental Indenture (December 30, 2019) between the Trust, the Company and Computershare Trust Company of Canada, as "Indenture Trustee" ("CTC"), in connection with the assumption of obligations of the Company by the Trust under the indentures, supplemental indentures and unsecured debentures then outstanding and in connection with the Trust becoming a co-principal debtor of the then outstanding unsecured debentures together with the Company;

(c) Thirty-Second Supplemental Indenture (December 30, 2019) between the Trust, the Company and CTC regarding the assumption of remaining obligations of the Company from its predecessor under the indenture, supplemental indentures and unsecured debentures then outstanding;

(d) Trust Indenture (May 25, 2020) between the Trust and CTC, regarding the issuance of debt securities by the Trust;

(e) The Trust is a party to indentures with CTC in respect of the 4.32% 2025 Series S senior unsecured debentures, the 2026 3.60% Series T senior unsecured debentures, the 3.46% 2027 Series V senior unsecured debentures, the 3.75% 2027 Series U senior unsecured debentures, the 3.45% 2028 Series A senior unsecured debentures, the 4.51% 2030 Series D senior unsecured debentures, the 2031 5.57% Series B senior unsecured debentures and the 5.45% 2032 Series C senior unsecured debentures;

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In the ordinary course of business, the Trust is involved in or parties to various ongoing, pending and threatened legal actions and proceedings. The Trust is not, and has not been in the last fiscal year, involved in any legal proceeding which would have a material effect on the Trust, nor is the Trust aware of any such legal proceeding being contemplated.

No penalties or sanctions relating to securities legislation were imposed, nor were any related settlement agreements entered into, nor were there any material penalties or sanctions imposed by a court or regulatory body, on or by the Trust during the last fiscal year.

TRANSFER AGENT, REGISTRAR AND INDENTURE TRUSTEE

The transfer agent, registrar and indenture trustee for the Trust is Computershare, at its principal office in Toronto, Ontario.

EXPERTS

The auditor of the Trust is Ernst & Young LLP. Ernst & Young LLP is independent of the Trust in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario

ADDITIONAL INFORMATION

Additional information relating to the Trust may be found under the Trust's issuer profile on SEDAR+ at www.sedarplus.ca.

Additional information, including trustees' and officers' remuneration and indebtedness, principal holders of the Trust's securities and securities authorized for issuance under equity compensation plans, will be contained in the Trust's Management Information Circular in connection with its Annual and Special Meeting of Unitholders to be held later this year. Additional financial information is provided in the Trust's comparative financial statements and Management's Discussion & Analysis for its most recently completed fiscal year. A copy of such documents may be obtained, without charge, upon written request to the Assistant Corporate Secretary of the Trust.

APPENDIX A: PROPERTIES

The following table summarizes the properties owned by First Capital REIT as at December 31, 2024:

Income Producing Properties ("IPP") and Development Properties

	Property / Neighbourhood	City	Ownership Interest	Gross Leasable Area (Square Feet)[1]	Anchor and Select Tenants
CENTRAL					
1	Adelaide Shoppers	London	50%	10,000	Shoppers Drug Mart
2	Appleby Village Assets	Burlington	100%	253,000	Fortinos, Rexall, TD Canada Trust, BMO, Jackson's Landing, The Burger's Priest, Pizza Hut, Dollarama, LCBO, Pet Valu, The Beer Store, Home Hardware, Women's Fitness Clubs of Canada
3	Avenue & Lawrence Assets • 1507 Avenue Road - 100% • 1525 Avenue Road - 100% • 1537 Avenue Road - 100% • 1539 & 1541 Avenue Road - 100% • 272 Lawrence Ave West - 100% • 286-288 Lawrence Ave West - 100% • 290 Lawrence Ave West - 100%	Toronto	100%	61,000	Pusateri's Fine Foods, Starbucks, Cosmopolitan Homes, Fancy Franks, Freedom Mobile, and various medical-related tenants
4	Bayside Village	Toronto	50%	24,000	Marche Leo's Market, Scotiabank, Simona Restaurant
5	1670 Bayview Avenue	Toronto	100%	39,000	BMO, Benya Inc.
6	Bloor and Dundas (221-227 Sterling Road)	Toronto	35%	29,000	Pia Bouman School for Ballet
7	Bloor and Spadina • 320-326 Bloor St. West - 50% • 328 Bloor St. West - 50% • 332 Bloor St. West - 100%	Toronto	50% - 100%	17,000	Scotiabank
8	Brampton Corners	Brampton	100%	326,000	Fortinos, Walmart, RBC Royal Bank, Scotiabank, Kelsey's, Petsmart, Indigo, Your Dollar Store With More
9	Bridgeport Plaza Assets	Waterloo	100%	237,000	Sobeys, Shoppers Drug Mart, Walmart, Tim Hortons, Subway, Pet Valu, Anytime Fitness, Bulk Barn, Magnussen Home Furnishings Ltd., Moore's, Your Dollar Store With More
10	Brooklin Towne Centre	Whitby	100%	117,000	Sobeys, Shoppers Drug Mart, Scotiabank, Tim Hortons, Subway, Dollarama, LCBO, Pet Valu, The Beer Store
11	Burlingwood Shopping Centre Assets	Burlington	50%	34,000	No Frills, Rexall
12	Byron Village	London	50%	44,000	Metro, Rexall, TD Canada Trust, LCBO, Pet Valu
13	Cedarbrae Mall Assets	Toronto	100%	506,000	No Frills, Shoppers Drug Mart, Wellwise by Shoppers Drug Mart, Canadian Tire, Mark's, RBC Royal Bank, Scotiabank, CIBC, BMO, Burger King, Tim Hortons, KFC, Dollarama, LCBO, Winners, Fit4Less by GoodLife, The Beer Store, Home Accents, Scarborough Centre for Healthy Communities, TK Home, Ministry of Government Services, Ardene, Healthy Planet

	Property / Neighbourhood	City	Ownership Interest	Gross Leasable Area (Square Feet)[1]	Anchor and Select Tenants
14	Chartwell Shopping Centre Assets	Toronto	100%	154,000	Bestco Foodmart, CIBC, BMO, Tim Hortons, Grandeur Palace, Sushi Legend, Ding Tai Fung Shanghai Dim Sum, Dollarama
15	Clairfield Commons Assets	Guelph	100%	230,000	Food Basics, TD Canada Trust, RBC Royal Bank, Scotiabank, BMO, The Keg Steakhouse & Bar, State & Main Kitchen & Bar, Harvey's, Starbucks, Subway, Dollarama, Petsmart, GoodLife Fitness, The Beer Store, Cineplex, JYSK Linen 'N Furniture
16	Cliffcrest Plaza	Toronto	100%	80,000	Loblaws, Shoppers Drug Mart, Scotiabank, CIBC Subway, Dollarama, LCBO
17	Credit Valley Town Plaza	Mississauga	100%	107,000	No Frills, Rexall, TD Canada Trust, BMO, Tim Hortons, Subway, KFC, Bulk Barn
18	Danforth Sobeys	Toronto	100%	29,000	Sobeys
19	Delta Centre	Cambridge	100%	79,000	FreshCo, Starbucks, Subway, Pizza Hut, Chicago Pub & Billiards, Dollarama
20	Derry Heights Plaza	Milton	100%	68,000	Shoppers Drug Mart, RBC Royal Bank, CIBC, Tim Hortons
21	Dufferin Corners	Toronto	100%	74,000	Shoppers Drug Mart, TD Canada Trust, RBC Royal Bank
22	897-901 Eglinton Ave West	Toronto	50%	6,000	Rexall
23	Fairview Mall Assets	St. Catharines	100%	328,000	Zehrs[2], Food Basics, Sport Chek, Scotiabank, CIBC, Tim Hortons, Burger King, Swiss Chalet, Subway, Dollarama, LCBO, Winners, Petsmart, Staples, Fit4Less, Ashley Homestore, Chapters, Fairview Bowling Lanes, Canada Computers, Healthy Planet
24	Fairway Plaza Assets	Kitchener	100%	295,000	Food Basics, TD Canada Trust, Swiss Chalet, State & Main Kitchen & Bar, Harvey's, Starbucks, Dollarama, LCBO, Marshalls, Petsmart, GoodLife Fitness, MEC, Ashley Homestore, Visions Electronics, IKEA, The Shoe Per Store
25	Grimsby Square Shopping Centre Assets	Grimsby	100%	167,000	Sobeys, Shoppers Drug Mart, Canadian Tire, Mark's, RBC Royal Bank, McDonald's, Pet Valu, Brewers Retail
26	Harwood Plaza	Ajax	100%	212,000	Food Basics, Shoppers Drug Mart, RBC Royal Bank, Scotiabank, Tim Hortons, Popeye's, Subway, Dollarama, GoodLife Fitness, Skilled Trades College of Canada, Designer Row, Newton Trelawney Property Management
27	Humbertown Shopping Centre	Toronto	100%	100,000	Loblaws, Shoppers Drug Mart, RBC Royal Bank, Scotiabank, LCBO, Humbertown Jewellers, Humbertown Orthodontics
28	Hyde Park Plaza	London	50%	26,000	Remark Fresh Markets, Shoppers Drug Mart, BMO, Starbucks
29	King and Peter (400 King St. West)	Toronto	35%	-	Development property
30	2150 Lake Shore Blvd. West (Christie Cookie)	Toronto	50%	-	Development property

	Property / Neighbourhood	City	Ownership Interest	Gross Leasable Area (Square Feet)[(1)]	Anchor and Select Tenants
31	895 Lawrence Avenue East	Toronto	100%	29,000	Subway, Pet Valu
32	Laurelwood Shopping Centre	Waterloo	100%	94,000	Sobeys, TD Canada Trust, CIBC, Starbucks, Subway, LCBO
33	Leaside Village Assets	Toronto	100%	198,000	Longo's, Shoppers Drug Mart, CIBC, Tim Hortons, Amsterdam Barrel House, Local Public Eatery, Petsmart, Pet Valu, Bulk Barn, The Beer Store, Smile Squad/Kindercare, Linen Chest
34	Meadowvale Town Centre Assets	Mississauga	100%	422,000	Metro, Shoppers Drug Mart, Canadian Tire, TD Canada Trust, CIBC, BMO, Tim Hortons, Popeye's, Swiss Chalet, McDonald's, Subway, KFC, Union Social Eatery, LCBO, GoodLife Fitness, Brewers Retail, Your Dollar Store With More, Lullaboo Nursery and Childcare Centre, Regional Municipality of Peel
35	Merchandise Building	Toronto	100%	52,000	Metro, Toronto Metropolitan University
36	Midland Lawrence Plaza	Toronto	100%	81,000	FreshCo, Shoppers Drug Mart, TD Canada Trust, Pures College of Technology, Smart Dollar
37	Morningside Crossing Assets	Toronto	100%	313,000	No Frills, Food Basics, Shoppers Drug Mart, Rexall, TD Canada Trust, Scotiabank, CIBC, Tim Hortons, Swiss Chalet, McDonald's, Subway, KFC, Pizza Hut, Halibut House, Bereket Kebab House Turkish Cuisine, Dollarama, LCBO, Pet Valu, Bulk Barn, Fit4Less by GoodLife, The Beer Store, BSW Beauty Supply, National Thrift Store
38	1842-1852 Queen Street East	Toronto	100%	11,000	CIBC, Starbucks
39	Queenston Place Assets	Hamilton	100%	153,000	No Frills, Mark's, Kelsey's, Pizza Hut, GoodLife Fitness, Home Hardware, Dollar Tree, Visions Electronics, Pennington's
40	Queensway Assets	Etobicoke	100%	31,000	Tesla Motors
41	Rona Stockyards	Toronto	100%	84,000	Rona
42	Rutherford Marketplace	Vaughan	100%	197,000	Longo's, Shoppers Drug Mart, RBC Royal Bank, CIBC, Harvey's, Me Va Me, LCBO, L.A. Fitness, Childventures Early Learning Academy
43	Sheridan Plaza	Toronto	100%	171,000	Food Basics, Walmart, Popeye's, Tim Hortons, Black Creek Community Health
44	Shoppes on Dundas	Oakville	100%	66,000	Shoppers Drug Mart, TD Canada Trust, Starbucks, Monkey See Monkey Do

	Property / Neighbourhood	City	Ownership Interest	Gross Leasable Area (Square Feet)[1]	Anchor and Select Tenants
45	Shops at King Liberty Assets • 102 Atlantic Avenue - 50% • 1029 King St. West - 100% • 116 Atlantic Avenue - 100% • 120 Lynn Williams - 100% • 128 Atlantic Avenue - 100% • 129 Jefferson Avenue - 100% • 134 Atlantic Avenue - 100% • 150 East Liberty - 100% • 43 Hanna Avenue - 100% • 51 Hanna Avenue - 100% • 85 Hanna Avenue - 100% • 775 King Street West - 100% • Barrymore Building - 100% • DNA Retail - 100% • DNA 3 - 100% • Fuzion Retail - 100% • King High Line -Retail - 100% • Shops at King Liberty - 100%	Toronto	50%-100%	497,000	No Frills, Metro, Longo's, Shoppers Drug Mart, Canadian Tire, TD Canada Trust, RBC Royal Bank, CIBC, Tim Hortons, Harvey's, Starbucks, McDonald's, Mildred's Temple Kitchen, Nodo, LCBO, Winners, Petsmart, West Elm, GoodLife Fitness, WeWork, Wasserman Sports & Entertainment, Kasian Architecture, EQ3, Knoll, WeFX, Kids & Company, Kitchen Stuff Plus, Structube, Bioconnect, WELL Health Technologies Corp[4]
46	South Oakville Assets • Maple Grove Village - 100% • Olde Oakville Market Place - 100% • Shops of Oakville South - 50%	Oakville	50%-100%	298,000	Sobeys, Longo's[4], Whole Foods Market, Shoppers Drug Mart, Rexall, RBC Royal Bank, CIBC, BMO[4], Tim Hortons, Harper's Landing[4], The Burger's Priest[4], Starbucks, Beertown Public House, Zenbar[4], Dollarama, RBC Insurance, LCBO, Pet Valu, Kids & Company[4], Indigo, Home Hardware, Knar Jewellery
47	Stanley Park Mall	Kitchener	100%	196,000	Zehrs, Shoppers Drug Mart, Canadian Tire, TD Canada Trust, LCBO, Pet Valu, Dollar Tree
48	Station Place	Toronto	35%	16,000	Farm Boy, Scotiabank, Anytime Fitness
49	Steeple Hill Shopping Centre Assets • Amberlea Shopping Centre - 50% • Steeple Hill Shopping Centre - 100% • Steeple Hill East and West - 100%	Pickering	50%-100%	143,000	FreshCo, Metro[4], Shoppers Drug Mart, Rexall[4], TD Canada Trust[4], Scotiabank, Burger King, Subway[4], Dollarama[4]
50	Stoneybrook Plaza	London	50%	27,000	Sobeys, Rexall, TD Canada Trust, The Home Depot[2]
51	Sunningdale Village	London	50%	36,000	No Frills, Shoppers Drug Mart, Starbucks
52	Thickson Place Assets	Whitby	50%	210,000	Sobeys, Metro, TD Canada Trust, CIBC, BMO, Starbucks, McDonald's, Subway, Taco Bell, Melanie Pringles, Dollarama, LCBO, Cosmaroma, Talize, Whitby Medical Clinic, Urbank Planet, Optima Communication, Ontario Shores, Passport Office, Home Decor Furnishing, March of Dimes Canada, Lakeridge Health, Impexxus Medical Imaging, Dollar Power Discount Store, Healthy Planet
53	Tomken Plaza	Mississauga	100%	93,000	No Frills, TD Canada Trust, Subway, Pizza Hut, Bulk Barn
54	Victoria Park Centres Assets	Toronto	100%	485,000	No Frills, Metro, Shoppers Drug Mart, TD Canada Trust, CIBC, Popeye's, Tim Hortons, Burger King, Starbucks, McDonald's, Subway, Pizza Hut, Georgy Porgys Grill and Bar, Dollarama, LCBO, Staples, Toys "R" Us, Pet Valu, Bulk Barn, GoodLife Fitness, Parkway Bowl, Skilled Trades College of Canada, Toronto Public Library, DriveTest, Home Hardware, Healthy Planet, National Thrift Store, Parkway Dental

	Property / Neighbourhood	City	Ownership Interest	Gross Leasable Area (Square Feet)[1]	Anchor and Select Tenants
55	Wellington Corners Assets	London	50%	40,000	FreshCo, Shoppers Drug Mart, Wellwise by Shoppers Drug Mart, BMO, Montana's, Starbucks, Subway, Pet Valu
56	Westney Heights Plaza	Ajax	100%	163,000	Sobeys, Shoppers Drug Mart, TD Canada Trust, Scotiabank, CIBC, Harvey's, Starbucks, KFC, Dollarama, Canada Computers, Westney Heights Medical Centre, BSW Beauty Supply
57	3080 Yonge Street	Toronto	100%	239,000	Loblaws, Tim Hortons, Dollarama, Visualsonics Inc, Anatomy Fitness, Express Scripts, Sleep Country Canada
58	Yonge and Roselawn Assembly	Toronto	50%	-	Development property
59	York Mills Gardens Assets	Toronto	100%	155,000	Longo's, Shoppers Drug Mart, TD Canada Trust, BMO, Starbucks, McDonald's, Pizza Hut, LCBO, Uptown Spa and Liangtse Wellness
60	Yorkville Village Assets • Yorkville Village - 100% • 80-100 Yorkville Ave - 100% • 102-108 Yorkville Ave - 100% • 121 Scollard - 100% • One Bloor East - 100% • 101 Yorkville Ave - 50% • 199 Avenue Road - 20%	Toronto	20%-100%	359,000	Whole Foods Market, Rexall, Scotiabank, Altea, Equinox Fitness, The Ballroom Bowl Yorkville, TNT Concept, Nike, Kith, Chanel, BloombergSen Investment Partners[4], Balenciaga, Vintage Conservatory, Brunello Cucinelli, OV Surgical Centre, Mango, The Webster, The Toronto Clinic, Radford, Stone Island, Myodetox, Polestar (Electric cars), Waxon
	Total Central			**8,511,000**	
EASTERN					
	Ottawa				
1	College Square	Ottawa	50%	192,000	Loblaws, Rexall, BMO, Tim Hortons, Popeye's, Starbucks, McDonald's, Subway, Allo Mon Coco, Dollarama, LCBO, Pet Valu, The Home Depot, Anytime Fitness, The Beer Store, Spence Diamonds, Carter's/Oshkosh Babies and Kids, Ottawa Orthopaedic Centre
2	Eagleson Place	Ottawa	50%	64,000	Shoppers Drug Mart, TD Canada Trust, Harvey's, Starbucks, Subway, Fit4Less by GoodLife, The Beer Store, Home Hardware, Westend FamilyCare Clinic FHT, Kids & Company
3	Elgin and Lisgar (216 Elgin Street)	Ottawa	50%	6,000	Harvey's, Starbucks, Johnny Farina
4	Gloucester City Centre	Ottawa	50%	182,000	Loblaws, Rexall, Walmart, Scotiabank, CIBC, Tim Hortons, Subway, Big Rig Brew Pub, Moxie's Classic Grill, Dollarama, LCBO, Pet Valu, Bulk Barn, The Co-Operators, Eastern Ottawa Resource Centre
5	Hunt Club Marketplace Assets • Hunt Club Marketplace - 67% • Hunt Club (Petrocan) - 50%	Ottawa	50%-67%	87,000	T&T Supermarket, TD Canada Trust, St. Hubert Express[4], Subway, Moxie's Classic Grill, Bambu, Royal Rooster, Dollarama, Petro-Canada[4], Anytime Fitness
6	Loblaws Plaza Assets	Ottawa	50%	71,000	Loblaws, RBC Royal Bank, BMO, Starbucks, Pet Valu, GoodLife Fitness, Fabricland, Dollar Giant, Greta Leeming Studio of Dance

	Property / Neighbourhood	City	Ownership Interest	Gross Leasable Area (Square Feet)(1)	Anchor and Select Tenants
7	Merivale Mall	Ottawa	50%	109,000	Farm Boy, Shoppers Drug Mart, Sport Chek, TD Canada Trust, CIBC, Harvey's, Subway, Marshall's, Planet Fitness, Tailgators, VR Adventures, YMCA-YWCA
8	Strandherd Crossing	Ottawa	50%	62,000	Metro, Shoppers Drug Mart, TD Canada Trust, RBC Royal Bank, Starbucks, Subway, GoodLife Fitness
	Total Ottawa			***773,000***	

	Quebec				
1	Carrefour du Plateau	Gatineau	50%	120,000	IGA, Jean Coutu, Canadian Tire, Sports Experts, RBC Royal Bank, CIBC, Desjardins, McDonald's, La Cage Brasserie Sportive, Boston Pizza, Dollarama, Anytime Fitness
2	Carrefour du Versant Assets	Gatineau	50%	57,000	IGA, Familiprix, TD Canada Trust, RBC Royal Bank, CIBC, Tim Hortons, Subway, Dollarama
3	Centre commercial Beaconsfield Assets • Plaza Baie–D'Urfe - 100% • Centre Commercial Beaconsfield - 50% • Plaza Beaconsfield - 50%	Beaconsfield	50%-100%	129,000	Provigo, Metro(4), Pharmaprix(4), TD Canada Trust(4), RBC Royal Bank(4), Tim Hortons(4), McDonald's(4), Subway, Klub Athletik 20(4)
4	Centre commercial Côte St-Luc	Côte St-Luc	100%	140,000	IGA, Jean Coutu, RBC Royal Bank, McDonald's, Subway, Dollarama, Maison Caplan, Garderie Pret ou Pas
5	Centre commercial Domaine Assets	Montreal	100%	222,000	Metro, Walmart, CIBC, Dollarama, Industries Goodwill Renaissance Montreal, C.R.C. St-Donat, Rossy, Salon de Quilles Domaine
6	Centre commercial Maisonneuve	Montreal	100%	115,000	Provigo, Brunet, Canadian Tire, TD Canada Trust
7	Centre commercial Van Horne	Montreal	100%	81,000	IGA, Pharmaprix, RBC Royal Bank, Tim Hortons, Destination Dollar Plus
8	Carré Lucerne	Mount Royal	100%	118,000	Provigo, Pharmaprix, Scotiabank, Starbucks, Subway, Dollarama
9	Centre Kirkland Assets	Kirkland	50%	90,000	IGA, Uniprix, CIBC, Rotisserie St. Hubert, Starbucks, Subway, Dollarama, SAQ, Ville De Montreal, Centre Dentaire Kirkland
10	Côte-des-Neiges	Montreal	100%	92,000	RBC Royal Bank, Tim Hortons, Anytime Fitness, CLSC Cote Des Neiges
11	2600 Daniel-Johnson	Laval	100%	69,000	Tim Hortons, Subway, Toys "R" Us
12	Édifice Gordon	Verdun	100%	17,000	Pharmaprix, Societe Immobiliere Du Quebec
13	Galeries de Repentigny Assets	Repentigny	50%	96,000	IGA, Super C, Shoppers Drug Mart, Uniprix, Laurentian Bank, Tim Hortons, Subway, Bulk Barn, Dollar Max, Group Yellow Inc.
14	Galeries Normandie Assets	Montreal	100%	234,000	IGA, Pharmaprix, Jean Coutu, TD Canada Trust, RBC Royal Bank, BMO, Tim Hortons, McDonald's, Dollarama, Econofitness, Industries Goodwill Renaissance Montreal, Librairie Monet, Maison en Gros, Garderie Educative, Clinique Medicale Theo
15	Griffintown Assets	Montreal	100%	254,000	Metro, Pharmaprix, Brunet, TD Canada Trust, RBC Royal Bank, Scotiabank, Tim Hortons, McDonald's, Palma, Zibo, Dollarama, Winners, Anytime Fitness, Parkland Corporation, Structube
16	Jardins Millen Assets	Montreal	100%	56,000	IGA, Uniprix, TD Canada Trust

	Property / Neighbourhood	City	Ownership Interest	Gross Leasable Area (Square Feet)(1)	Anchor and Select Tenants
17	Lachenaie Assets	Charlemagne	50%	274,000	Metro, Uniprix, Rousseau Sports, TD Canada Trust, RBC Royal Bank, McDonald's, Barbie's Resto Bar Grill, Pizzeria Monza, Dollarama, Rona, Winners, Staples, Toys "R" Us, Sail, World Gym, Dollar Max, Party Expert, Globo, Omer Deserres, Tommy Hilfiger, IKEA, La Vie en Rose, Suzy Shier, Metalas Dauphin, RW&CO, Reitmans, The Home Depot(2)
18	Le Campanîle & Place du Commerce Assets	Montreal	100%	105,000	IGA, Pharmaprix, Jean Coutu, TD Canada Trust, Scotiabank, BMO
19	Marché du Vieux Longueuil	Longueuil	100%	58,000	Metro, Pharmaprix
20	Pharmaprix St. Denis	Montreal	100%	11,000	Pharmaprix
21	Place Anjou	Anjou	100%	52,000	Toys "R" Us, Maison en Gros
22	Place Cité Des Jeunes	Gatineau	50%	32,000	Metro, Uniprix, Tim Hortons
23	Place Fleury Assets	Montreal	100%	129,000	Metro, Pharmaprix, BMO, Tim Hortons, Dollarama, Libraire Renaud-Bray Inc.
24	Place Jean-Talon	Montreal	100%	9,000	Avis Rent A Car
25	Place Lorraine	Lorraine	100%	70,000	Provigo, Dollarama
26	Place Nelligan Assets	Gatineau	50%	37,000	Sobeys, Brunet, Subway, Dollarama
27	Place Portobello Assets	Brossard	100%	484,000	Maxi, Jean Coutu, RBC Royal Bank, CIBC, Subway, Buffets des Continents, Seoul Yokoso, Dollarama, Rona, World Gym, Décor Depot, Industries Goodwill Renaissance Montreal, Canada Computers, Societe De Gestion Cogir S.E.N.C, RD Furniture, Continental Capital Investments Inc., Kazoom Café, Amusement 2020
28	Place Viau Assets	Montréal	100%	335,000	IGA, Pharmaprix, Walmart, TD Canada Trust, Rotisserie St. Hubert, Pizza Hut, Dollarama, Marshalls, Staples, Michaels, Econofitness, Clinique Medicale Mieux Etre
29	Place Vilamont	Laval	100%	71,000	Provigo, Jean Coutu, Tim Hortons, Subway, Chaussures Rubino
30	St-Hubert Assets	Longueuil	50%	164,000	IGA, Metro, Pharmaprix, Jean Coutu, TD Canada Trust, RBC Royal Bank, Scotiabank, CIBC, National Bank, Tim Hortons, Rotisserie St. Hubert, McDonald's, Subway, Dollarama, Energie Cardio, CSSS Champlain, SAQ, Billard Maximum
31	Wilderton Centre	Montreal	100%	110,000	Metro, Pharmaprix, RBC Royal Bank, Tim Hortons, Subway, KFC, Dollarama, Anytime Fitness
	Total Quebec			**3,831,000**	
	TOTAL EASTERN			**4,604,000**	
WESTERN					
	Alberta				
1	906 - 1st Avenue NE	Calgary	100%		Planned for redevelopment
2	Cranston Market	Calgary	100%	83,000	Sobeys, Scotiabank, Subway, The Berwick Public House, Cranston Market Clinic
3	Deer Valley Market Place	Calgary	100%	212,000	Calgary Co-op, Shoppers Drug Mart, RBC Royal Bank, CIBC, Starbucks, Filos, Dollarama, Pet Valu, Ace Liquor Discounter, The Big Box, Crunch Fitness, Willowbrae Childcare Academy, Deer Valley Dental Care

	Property / Neighbourhood	City	Ownership Interest	Gross Leasable Area (Square Feet)[(1)]	Anchor and Select Tenants
4	Fairmount Place Shopping Centre	Calgary	100%	55,000	Italian Centre Shop, RBC Royal Bank, Tim Hortons, Ace Liquor Discounter
5	Gateway Village	St. Albert	50%	53,000	Safeway, Scotiabank, CIBC, Tim Hortons, Subway, Best Start Daycare
6	Kingsland Shopping Centre	Calgary	100%	46,000	Shoppers Drug Mart, Starbucks
7	Kingsway Mews	Edmonton	100%	45,000	Subway, Lifemark Physiotherapy, Pet Valu, Anytime Fitness, Hera Beauty
8	Lakeview Plaza	Calgary	50%	35,000	IGA, Shoppers Drug Mart, Scotiabank, Pet Valu, Ace Liquor Discounter
9	Macleod Trail Assets	Calgary	100%	289,000	Wellwise by Shoppers Drug Mart, BMO, Asian Buffet, King's Head Calgary, Smitty's, Dollarama, Rona, Bulk Barn, Fit4Less by GoodLife, Women in Need Society, Willowbrae Childcare Academy, Canadian Appliance Source, Trail Tire, The Buy and Sell Store
10	McKenzie Towne Centre Assets	Calgary	100%	234,000	Sobeys, Rexall, TD Canada Trust, Scotiabank, BMO, ATB Financial, Servus Credit Union Ltd, Tim Hortons, Subway, Brewsters Brewing Co & Restaurant, Kilt and Caber Ale House, Liquor Depot, GoodLife Fitness, Brightpath Early Learning & Childcare, My Orthodontist, High Street Dental Clinic
11	Meadowbrook Centre Assets	Edmonton	50%	35,000	Sobeys, Shoppers Drug Mart, Subway, Western Cellars, Ace Liquor Discounter
12	Meadowlark Health & Shopping Centre	Edmonton	100%	300,000	Safeway, Shoppers Drug Mart, Walmart, RBC Royal Bank, CIBC, Tim Hortons, McDonald's, Pizza Hut, Brewsters Brewing Co & Restaurant, Lifemark Health Services, Dollarama, Liquor Depot, Insight Medical Imaging, Alberta Health Services, Edmonton West Primary Care Network, Plastic & Cosmetic Surgical Centre
13	Mount Royal Village Assets	Calgary	100%	363,000	Save-On-Foods, Shoppers Drug Mart, Canadian Tire, Tim Hortons, LVL III Bar & Restaurant, Dollarama, West Elm, GoodLife Fitness, Telus Health Care, Oasis Wellness Centre & Spa, Case Mogul, Vovia, Stawowski McGill & Partners LLP, Mas Studios
14	Northgate Centre	Edmonton	100%	485,000	Safeway, Walmart, RBC Royal Bank, Tim Hortons, McDonald's, Subway, Good Buddy Restaurant, Smitty's, Dollarama, Marshall's, Ace Liquor Discounter, Alberta Health Services, Edmonton Bone & Joint Centre, LMIC - Labour Market Centre, GYMVMT, Healthcare Solutions, Veterans Affairs, The X-Ray Clinic at Northgate Centre,Sung Lee Taekwondo Academy, iLahui Learning Store at Northgate, The Learning Seed Daycare, Pivotal Physiotherapy
15	Old Strathcona Shopping Centre	Edmonton	100%	91,000	No Frills, Bell In Scona, Dollarama, Anytime Fitness, Ace Liquor Discounter, Old Scona Medical Centre
16	Richmond Square Assets	Calgary	100%	264,000	Save-On-Foods, London Drugs, Canadian Tire[(2)], BMO, Baejeong Korean BBQ, HomeSense, GoodLife Fitness, Brightpath Early Learning & Child Care, Richmond Square Medical Centre, Dynalife Medical Labs
17	Royal Oak Centre	Calgary	100%	334,000	Sobeys, London Drugs, Walmart, RBC Royal Bank, Scotiabank, BMO, Subway, Western Cellars, Dollarama, Pet Valu, Evolve Strength, Royal Oak Clinic, Kids & Company

	Property / Neighbourhood	City	Ownership Interest	Gross Leasable Area (Square Feet)[1]	Anchor and Select Tenants
18	Seton Gateway Assets • Seton Cineplex - 100% • Seton Gateway 100% [3]	Calgary	100%	190,000	Save-On-Food, Shoppers Drug Mart, TD Canada Trust, BMO, Subway, Tommyfield's Pub, Starbelly, Cineplex, Seton Dental, Highlander Wine and Spirits
19	Sherwood Towne Square Assets	Sherwood Park	50%	167,000	Safeway, Save-On-Foods[2], Shoppers Drug Mart, London Drugs, RBC Royal Bank, Scotiabank, CIBC, Swiss Chalet, Starbucks, Average Joe's Sports Bar, Dollarama, HomeSense, Staples, The Home Depot[2], Ace Liquor Discounter, Michaels, Goodwill, Affinity Dental
20	South Park Centre	Edmonton	100%	377,000	H Mart, Walmart, TD Canada Trust, Starbucks, IHOP, Beijing Beijing Restaurant, Bulk Barn, GoodLife Fitness, Goodwill, JYSK Linen 'N Furniture, Petland, Dollar Tree, Canadian Appliance Source, Alberta Health Services, Lammle's Western Wear Ltd, Pennington's, Toys "R" Us[2]
21	The Brewery District • Edmonton Brewery District - 50% • Longstreet Shopping Centre - 100%	Edmonton	50%-100%	185,000	Loblaws[4], Shoppers Drug Mart[4], TD Canada Trust[4], BMO, Starbucks[4], Subway, Pizza Hut, Nero Restaurant[4], Dollarama[4], Winners[4], GoodLife Fitness[4], MEC[4], DSW - Designer Shoe Warehouse[4], Petland[4], Kal Tire, Citizen Salon Studios[4], S2 Architecture[4]
22	TransCanada Centre	Calgary	100%	185,000	Save-On-Foods, Rexall, Tim Hortons, Subway, Pizza Hut, Mr. Schnapps Restaurant & Bar, Anatolia Turkish Cuisine, Dollarama, Liquor Barn, Value Buds, Bulk Barn, GYMVMT, Family Services
23	Tuscany Market	Calgary	100%	85,000	Sobeys, Rexall, Scotiabank, Starbucks, Subway, The Last Straw, Western Cellars
24	West Springs Village	Calgary	50%	32,000	Shoppers Drug Mart, Scotiabank, Starbucks, Subway, Mercato, Preventous Cosmetic Medicine
25	Westmount Shopping Centre Assets	Edmonton	100%	465,000	Safeway, Shoppers Drug Mart, Rexall, Mark's, TD Canada Trust, Scotiabank, BMO, Tim Hortons, McDonald's, Subway, Boston Pizza, Smitty's, Dollarama, Pet Valu, The Home Depot, Anytime Fitness, Ace Liquor Discounter, McFrugal's Discount Outlet, GYMVMT, McElhanney Ltd., Ayre & Oxford Inc., Covenant Health, Woodcroft Medical Centre, Alberta Cancer Board
	Total Alberta			***4,610,000***	

	British Columbia				
1	Broadmoor Shopping Centre Assets	Richmond	100%	47,000	Shoppers Drug Mart, RBC Royal Bank, Subway, KFC, Anytime Fitness
2	False Creek Village	Vancouver	100%	63,000	Urban Fare, London Drugs, TD Canada Trust, Subway, Legacy Liquor Store
3	Harbour Front Centre Assets	North Vancouver	100%	165,000	Canadian Tire, Mark's, Tim Hortons, McDonald's, Petsmart, Michaels
4	Langley Crossing Shopping Centre	Langley	100%	125,000	Shoppers Drug Mart, Chuck E. Cheese's, Earl's, Dollarama, Bulk Barn, Fit4Less by GoodLife, Long & McQuade, BDO Canada LLP, Creative Kids Learning Centers
5	Pemberton Plaza Assets	North Vancouver	100%	99,000	Save-On-Foods, TD Canada Trust, Vancity, White Spot, Willowbrae Childcare Academy
6	Peninsula Village Shopping Centre	Surrey	100%	171,000	Safeway, London Drugs, KFC, Dollarama, Bulk Barn, BC Liquor Store, Rothewood Academy

	Property / Neighbourhood	City	Ownership Interest	Gross Leasable Area (Square Feet)(1)	Anchor and Select Tenants
7	Scott 72 Centre	Delta	100%	167,000	Day to Day Grocery & Produce, London Drugs, TD Canada Trust, Vancity, Starbucks, Subway, White Spot, Staples, Anytime Fitness, Dollar Max
8	Semiahmoo Shopping Centre Assets	Surrey	100%	295,000	Save-On-Foods, Shoppers Drug Mart, CIBC, BMO, Tim Hortons, Subway, White Spot, Dollarama, Winners, Chevron, Fitness World, Rothewood Academy, Dollar Tree, Fraser Health Authority, BC Liquor Store
9	Shops at New West	New Westminster	100%	198,000	Safeway, Shoppers Drug Mart, CIBC, Tim Hortons, Subway, Big Way Hot Pot, Landmark Cinema, Dynamic Health and Fitness, Dollar Tree, Royal Metro College
10	Staples Lougheed	Burnaby	100%	32,000	Staples
11	Terra Nova Village	Richmond	100%	72,000	Save-On-Foods, RBC Royal Bank, Popeye's, Subway, Pizza Hut, Dollarama, Bosley's Pet Food Plus
12	The Olive	Vancouver	100%	21,000	Shoppers Drug Mart, Subway
13	Time Marketplace Assets • Time Marketplace - 100% • Time Marketplace II - 100%	North Vancouver	100%	53,000	IGA Marketplace, Shoppers Drug Mart, TD Canada Trust, Boston Pizza
14	Tuscany Village Assets	Victoria	100%	75,000	Thrifty Foods, Rexall, RBC Royal Bank, CIBC, Popeye's, Subway, Thrifty Foods Liquor Store
	Total British Columbia			***1,583,000***	
	TOTAL WESTERN			**6,193,000**	
TOTAL CANADA – December 31, 2024				**19,308,000**	

(1) Gross Leasable Area represents First Capital REIT's ownership interest.
(2) Non-owned anchor (not included in Gross Leasable Area).
(3) On January 31, 2024, First Capital REIT acquired remaining 50% ownership in Seton Gateway.
(4) 50% ownership interest in the property with this tenant.

Active Development Projects

	Project/ Neighbourhood	City	Province	Ownership Interest	IPP Gross Leasable Area (Square Feet)(1)(2)	Retail Area Under Development (Square Feet)(1)	Residential Area Under Development (Square Feet)(1)	Anchor and Select Tenants
1.	Yonge & Roselawn	Toronto	Ontario	50%	-	33,000	211,000	
2.	Edenbridge Condos	Toronto	Ontario	50%	-	4,000	123,000	
3.	400 King Street W	Toronto	Ontario	35%	-	12,000	151,000	
4.	138 Yorkville Avenue (Yorkville Village Assets)	Toronto	Ontario	33%	-	18,000	98,000	
5.	1071 King Street W(3)	Toronto	Ontario	25%	-	1,000	49,000	
	Total					**68,000**	**632,000**	

(1) Area represents First Capital REIT's ownership interest.
(2) Area is included in Income Producing Properties at the time tenant takes possession of its space.
(3) Added for 2024.

Future Development Projects

	Project / Neighbourhood	Type of Development(1)	City	Province	Ownership Interest	Existing IPP Gross Leasable Area (Square Feet)(2) (3)	Parcel Acreage(2)
1.	2150 Lake Shore Blvd. West (Christie Cookie)	Master-planned mixed use development	Toronto	Ontario	50%	-	13.8
2.	Humbertown Shopping Centre(4)	Mixed-use	Toronto	Ontario			
	Phase 2				100%	48,000	2.6
	Phase 3				100%	61,000	3.4
	Total					**109,000**	**19.8**

(1) Anticipated as of the date hereof.
(2) Area and acreage represent First Capital REIT's ownership interest.
(3) Existing IPP GLA to be impacted by future development.
(4) Added for 2024.

Residential

	Property / Neighbourhood	City	Province	Ownership Interest	Gross Leasable Area (Square Feet)(1)	Unit Count
	Residential Income Producing Property					
1.	Yorkville Village Condo	Toronto	Ontario	100%	21,000	14
2.	Station Place	Toronto	Ontario	35%	95,000	333
3.	Other			100%	9,000	24
	Sub-total				***125,000***	***371***
	Residential Inventory(2)					
4.	Edenbridge Condos	Toronto	Ontario	50%	123,000	209
5.	400 King Street W.(3)	Toronto	Ontario	35%	151,000	617
6.	138 Yorkville Ave. (4) (Yorkville Village Assets)	Toronto	Ontario	33%	98,000	67
	Sub-total				***372,000***	***893***

(1) Area represents First Capital REIT's ownership interest and was excluded from the IPP and development properties area reported in the MD&A. Unit count is at 100%.
(2) Square feet for residential inventory reflect gross *floor* area rather than gross leasable area.
(3) Structural forming of the 34th floor is underway and exterior precast and window installation is underway.
(4) The tower crane has been installed on site, and construction of the underground structure is underway.

APPENDIX B

AUDIT AND RISK COMMITTEE CHARTER

First Capital Real Estate Investment Trust

Audit and Risk Committee Charter

Last revised: October 31, 2023
Last reviewed: October 28, 2024

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FIRST CAPITAL REAL ESTATE INVESTMENT TRUST

AUDIT AND RISK COMMITTEE CHARTER

1. RESPONSIBILITY

The Audit and Risk Committee is responsible for assisting the Board of Trustees (the "Board") of First Capital Real Estate Investment Trust ("FCR") in fulfilling its oversight responsibilities in relation to:

- the integrity of FCR's financial statements;
- FCR's compliance with legal and regulatory requirements related to financial reporting;
- the internal audit function of FCR;
- the qualifications, independence and performance of FCR's auditor;
- the design, implementation and maintenance of internal controls and disclosure controls;
- FCR'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.

2. MEMBERS

The Board must appoint a minimum of three trustees to be members of the Audit and Risk Committee. The members of the Audit and Risk Committee will be selected by the Board on the recommendation of the Governance and Sustainability Committee.

All of the members of the Audit and Risk Committee will be "independent trustees" ("**Independent Trustees**") as defined in sections 1.4 and 1.5 of National Instrument 52-110 — *Audit Committees*, as amended from time to time ("**NI 52-110**"). In addition, every member of the Audit and Risk Committee will be "**financially literate**" as defined in section 1.6 of NI 52-110.

3. DUTIES

The Audit and Risk Committee is responsible for performing the duties set out below as well as any other duties delegated to the Audit and Risk Committee by the Board.

(a) Appointment and Review of the Auditor

The auditor is ultimately accountable to the Audit and Risk Committee and reports directly to the Audit and Risk Committee. Accordingly, the Audit and Risk Committee will evaluate and be responsible for FCR's relationship with the auditor. Specifically, the Audit and Risk Committee will:

- select, evaluate and nominate the auditor to be proposed for appointment or reappointment, as the case may be, by the unitholders;

- review and approve the auditor's engagement letter;

- review the independence, experience, qualifications and performance of the auditor, including the engagement and lead partners, in recommending its appointment or reappointment, including considering whether the auditor's provision of any permitted non-audit services is compatible with maintaining its independence;

- resolve any disagreements between senior management and the auditor regarding financial reporting;

- at least annually, obtain and review a report by the auditor describing:

  - the auditor's internal quality-control procedures, including with regard to safeguarding confidential information;

  - any material issues raised by the most recent internal quality control review, or peer review, of the auditor, or review by any independent oversight body, such as the Canadian Public Accountability Board, or governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the auditor, and the steps taken to deal with any issues raised in any such review; and

- where appropriate, terminate the auditor.

(b) Confirmation of the Auditor's Independence

At least annually, and before the auditor issues its report on the annual financial statements, the Audit and Risk Committee will:

- review a formal written statement from the auditor describing all of its relationships with FCR;

- discuss with the auditor any relationships or services that may affect its objectivity and independence;

- obtain written confirmation from the auditor that it is objective within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of Chartered Accountants to which it belongs and is an independent public accountant within the meaning of the Independence Standards of the Canadian Institute of Chartered Accountants; and

- confirm that the auditor has complied with applicable rules, if any, with respect to the rotation of certain members of the audit engagement team.

(c) Pre-Approval of Non-Audit Services

The Audit and Risk Committee will pre-approve the appointment of the auditor for any non-audit service to be provided to FCR. Before the appointment of the auditor for any non-audit service, the Audit and Risk Committee will consider the compatibility of the service with the auditor's independence. The Audit and Risk Committee may pre-approve the appointment of the auditor for any non-audit services by adopting specific policies and procedures, from time to time, for the engagement of the auditor for non-audit services. Such policies and procedures will be detailed as to the particular service, and the Audit and Risk Committee must be informed of each service, and the procedures may not include delegation of the Audit and Risk Committee's responsibilities to management. In addition, the Audit and Risk Committee may delegate to one or more members the authority to pre-approve the appointment of the auditor for any non-audit service to the extent permitted by applicable law provided that any pre-approvals granted pursuant to such delegation shall be reported to the full Audit and Risk Committee at its next scheduled meeting.

(d) Communications with the Auditor

The Audit and Risk Committee has the authority to communicate directly with the auditor and will meet privately with the auditor periodically to discuss any items of concern to the Audit and Risk Committee or the auditor, such as:

- the scope, planning and staffing of the audit;
- the auditor's materiality threshold for the audit;
- the assessment by the auditor of significant audit risk;
- any material written communications between the auditor and senior management, such as any management letter or schedule of unadjusted differences;
- whether or not the auditor is satisfied with the quality and effectiveness of financial recording procedures and systems;
- the extent to which the auditor is satisfied with the nature and scope of its examination;
- whether or not the auditor has received the full co-operation of senior management and other employees of FCR;
- the auditor's opinion of the competence and performance of the Chief Financial Officer and other key financial personnel;
- the items required to be communicated to the Audit and Risk Committee under the Canadian authoritative guidance;
- critical accounting policies and practices to be used by FCR;

- alternative treatments of financial information within generally accepted accounting principles that have been discussed with senior management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor;
- any difficulties encountered in the course of the audit work, any restrictions imposed on the scope of activities or access to requested information, any significant disagreements with senior management and their response; and
- any illegal act that may have occurred and the discovery of which is required to be disclosed to the Audit and Risk Committee.

(e) Review of the Audit Plan

The Audit and Risk Committee will discuss with the auditor the nature of an audit and the responsibility assumed by the auditor when conducting an audit under generally accepted auditing standards. The Audit and Risk Committee will review a summary of the auditor's audit plan for each audit.

(f) Review of Audit Fees

The Audit and Risk Committee will determine the auditor's fee and the terms of the auditor's engagement. In determining the auditor's fee, the Audit and Risk Committee should consider, among other things, the number and nature of reports to be issued by the auditor, the quality of the internal controls of FCR, the size, complexity and financial condition of FCR and the extent of support to be provided to the auditor by FCR.

(g) Review of Financial Statements

The Audit and Risk Committee will review and discuss with senior management and the auditor the annual audited financial statements, together with the auditor's report thereon, and the interim financial statements, before recommending them for approval by the Board. The Audit and Risk Committee will also review and discuss with senior management and the auditor management's discussion and analysis relating to the annual audited financial statements and interim financial statements. The Audit and Risk Committee will also engage the auditor to review the interim financial statements prior to the Audit and Risk Committee's review of such financial statements.

Before recommending any financial statements to the Board for approval, the Audit and Risk Committee will satisfy itself that such financial statements, together with the other financial information included in FCR's annual and interim filings, fairly present in all material respects the financial condition, results of operations and cash flows of FCR as of the relevant date and for the relevant periods.

In conducting its review of the financial statements and related management's discussion and analysis, the Audit and Risk Committee will:

- consider the quality of, and not just the acceptability of, the accounting principles, the reasonableness of senior management's judgments and estimates that have a significant effect upon the financial statements, and the clarity of the disclosures in the financial statements;

- discuss any analyses prepared by senior management or the auditor that set out significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP;

- discuss the effect of off-balance sheet transactions, arrangements, obligations (including contingent liabilities) and other relationships with unconsolidated entities or other persons that may have a material current or future effect on FCR's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues and expenses;

- consider any changes in accounting practices or policies and their impact on financial statements of FCR;

- discuss with senior management, the auditor and, if necessary, legal counsel, a report from senior management describing any litigation, claim or other contingency, including tax assessments, that could have a material effect upon the financial position of FCR, and the manner in which these matters have been disclosed in the financial statements;

- discuss with senior management and the auditor any correspondence with regulators or governmental agencies, employee complaints or published reports that raise material issues regarding FCR's financial statements or accounting policies;

- discuss with the auditor any special audit steps taken in light of material weaknesses in internal control;

- review the results of the audit, including any reservations or qualifications in the auditor's opinion;

- discuss with the auditor any difficulties encountered in the course of the audit work, including any restrictions on the scope of their procedures and access to requested information, accounting adjustments proposed by the auditor but were "passed" (as immaterial or otherwise), and significant disagreements with senior management;

- discuss with the auditor any issues on which FCR's audit and/or internal audit teams consulted the auditor's national office; and

- consider any other matter which in its judgment should be taken into account in reaching its recommendation to the Board concerning the approval of the financial statements.

(h) Review of Other Financial Information

The Audit and Risk Committee will review:

- all earnings press releases and other material press releases containing financial information. The Audit and Risk Committee will also review the use of "pro forma" or "adjusted" non-GAAP information in such press releases and financial information. Such review may consist of a general discussion of the types of information to be disclosed or the types of presentations to be made;

- all other financial statements of FCR that require approval by the Board before they are released to the public, including, without limitation, financial statements for use in prospectuses or other offering or public disclosure documents and financial statements required by regulatory authorities;

- as set out in the Disclosure and Insider Trading Policy, all earnings guidance and any changes to earnings guidance when issued by FCR must be reviewed by the Audit and Risk Committee prior to approval by the Board;

- the effect of regulatory and accounting initiatives as well as off-balance sheet structures on FCR's financial statements; and

- disclosures made to the Audit and Risk Committee by the Chief Executive Officer and Chief Financial Officer during their certification process for applicable securities law filings about any significant deficiencies and material weaknesses in the design or operation of FCR's internal control over financial reporting which are reasonably likely to adversely affect FCR's ability to record, process, summarize and report financial information, and any fraud involving senior management or other employees who have a significant role in FCR's internal control over financial reporting.

(i) Relations with Senior Management

The members will periodically meet privately with senior management and the person responsible for FCR's internal audit function to discuss any areas of concern to the Audit and Risk Committee, senior management or internal audit.

The Audit and Risk Committee will provide input to the Governance and Sustainability Committee on the competence and performance of the Chief Financial Officer and will provide input to the Chief Financial Officer on the competence and performance of other key financial personnel, including the person responsible for FCR's internal audit function.

(j) Oversight of Internal Controls and Disclosure Controls

The Audit and Risk Committee will review with senior management and the person responsible for FCR's internal audit function the adequacy of the internal controls and procedures that have been adopted by FCR to safeguard assets from loss and unauthorized use and to verify the accuracy of the financial records. This review will include a comparable review of the adequacy of the internal controls and procedures adopted by any third party with whom FCR has contracted and whose duties include the collection of monies and preparation of financial information. The Audit and Risk Committee will review any special audit steps adopted in light of material control deficiencies.

The Audit and Risk Committee will review with senior management and the person responsible for FCR's internal audit function the controls and procedures that have been adopted by FCR to confirm that material information about FCR and its subsidiaries that is required to be disclosed under applicable law or stock exchange rules is disclosed.

The Audit and Risk Committee will review and monitor the administration of and compliance with FCR's Declaration of Trust as it may affect the integrity of FCR's financial statements and its systems of internal controls.

(k) Review of the Internal Audit Function

The Audit and Risk Committee will review the mandate, planned activities, staffing, organizational structure and performance of the internal audit function (which may be fully or partially outsourced to a firm other than the auditor) to confirm that it is has sufficient resources to carry out its planned activities and that it is carrying-out those activities. The person responsible for FCR's internal audit function will report to the Audit and Risk Committee at least annually regarding internal audit's activities for prior year and the results thereof. The Audit and Risk Committee will review the significant reports to management prepared by the internal auditor and management's responses. If necessary, the Audit and Risk Committee will discuss the internal audit function and its activities with the auditor.

(l) Legal Compliance

The Audit and Risk Committee will review with legal counsel any legal matters that could have a significant effect on FCR's financial statements. It will also review with legal counsel material inquiries received from regulators and governmental agencies and advise the Board accordingly.

(m) Risk Management

The Audit and Risk Committee will oversee FCR's risk assessment and management function with respect to the risks allocated to it on FCR's enterprise risk register and, on a quarterly basis, will review a report from senior management describing the major financial (including taxation matters), legal, operational and reputational risk exposures of FCR and the steps senior management has taken to monitor and control such exposures, including FCR's policies with respect to monitoring risk assessment and managing and controlling risks. At least annually, the Audit and Risk Committee will meet separately with members of senior management and, if desired by the Audit and Risk Committee, the person responsible for FCR's internal audit function and/or FCR's auditors, to assess FCR's risk assessment and management policies and practices, including an assessment of FCR's most significant areas of risk and FCR's plans to monitor and manage those areas of risk (including FCR's insurance relating thereto).

Included in FCR's enterprise risk management framework are matters relating to information technology and cyber security. At least annually, the Audit and Risk Committee will receive a cybersecurity update and will receive and review regular reports on the adequacy and quality of FCR's infrastructure, policies, controls and procedures relating to information technology and cyber security.

(n) Taxation Matters

The Audit and Risk Committee will review with senior management the status of taxation matters of FCR. The Audit and Risk Committee will also review a report from senior management confirming that FCR has withheld or collected and remitted all amounts required to be withheld or collected and remitted by it in respect of any taxes, levies, assessments, reassessments and other charges payable to any governmental authority.

(o) Employees of the Auditor

The Audit and Risk Committee will pre-approve the hiring by FCR of any existing or former partner or employee of the auditor who has been personally engaged on behalf of the auditor in performing any audit, review, attest or related services for or relating to FCR within 24 months preceding the date of hire by FCR.

4. COMPLAINTS PROCEDURE

The Audit and Risk Committee will review the procedures established in FCR's Ethics Reporting Policy for the receipt, retention and follow-up of complaints received by FCR regarding accounting, internal controls, disclosure controls or auditing matters and for the confidential, anonymous submission of concerns by employees of FCR regarding such matters.

5. REPORTING

The Audit and Risk Committee will regularly report to the Board on:

- the auditor’s independence;
- the performance of the auditor and the Audit and Risk Committee’s recommendations regarding its reappointment or termination;
- the performance of FCR’s internal audit function;
- the adequacy of FCR’s internal controls and disclosure controls;
- its recommendations regarding the annual and interim financial statements of FCR, including any issues with respect to the quality or integrity of the financial statements;
- its review of the annual and interim management’s discussion and analysis;
- FCR’s compliance with legal and regulatory requirements related to financial reporting;
- FCR’s risk assessment and management policies and practices; and
- all other significant matters it has addressed and with respect to such other matters that are within its responsibilities.

6. AUDIT AND RISK COMMITTEE MEETINGS

(a) Scheduling

The Audit and Risk Committee will meet as often as it determines is necessary to fulfill its responsibilities, which will be not less than four times a year. A meeting of the Audit and Risk Committee may be called by the Chair of the Audit and Risk Committee, the Chair of the Board, the Chief Executive Officer or any Audit and Risk Committee member.

Meetings will be held at a location determined by the Chair of the Audit and Risk Committee.

(b) Notice

Notice of the time and place of each meeting will be given to each member either by telephone or other electronic means not less than 48 hours before the time of the meeting or by written notice not less than five days before the date of the meeting. Meetings may be held at any time without notice if all of the members have waived or are deemed to have waived notice of the meeting. A member participating in a meeting will be deemed to have waived notice of the meeting.

(c) Agenda

The Chair of the Audit and Risk Committee will establish the agenda for each meeting. Any member may propose the inclusion of items on the agenda, request the presence of or a report by any member of senior management, or at any meeting raise subjects that are not on the agenda for the meeting.

(d) Distribution of Information

The Chair of the Audit and Risk Committee will distribute, or cause the Secretary to distribute, an agenda and meeting materials in advance of each meeting to allow members sufficient time to review and consider the matters to be discussed.

(e) Attendance and Participation

Each member is expected to attend all meetings. A member who is unable to attend a meeting in person may participate by telephone or teleconference.

(f) Quorum

A majority of the members will constitute a quorum for any meeting of the Audit and Risk Committee.

(g) Voting and Approval

At meetings of the Audit and Risk Committee, each member will be entitled to one vote and questions will be decided by a majority of votes. In case of an equality of votes, the Chair of the Audit and Risk Committee will not have a second or casting vote in addition to their original vote.

(h) Procedures

Procedures for Audit and Risk Committee meetings will be determined by the Chair of the Audit and Risk Committee unless otherwise determined by the Declaration of Trust of FCR or a resolution of the Audit and Risk Committee or the Board.

(i) Transaction of Business

The powers of the Audit and Risk Committee may be exercised at a meeting where a quorum is present in person or by telephone or other electronic means, or by resolution in writing signed by all members entitled to vote on that resolution at a meeting of the Audit and Risk Committee.

(j) Absence of Chair of the Audit and Risk Committee

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

(k) Secretary

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

(l) Minutes of Meetings

A person designated by the Chair of the Audit and Risk Committee at each meeting will keep minutes of the proceedings of the Audit and Risk Committee and the Chair will cause the Assistant Secretary to circulate copies of the minutes to each member on a timely basis.

(m) Separate *In Camera* Meetings

The Audit and Risk Committee will meet at each meeting of the Audit and Risk Committee without management or non-independent trustees present, unless otherwise determined by the Committee Chair.

7. CHAIR

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

8. REMOVAL AND VACANCIES

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

9. ASSESSMENT

At least annually, the Governance and Sustainability Committee will review the effectiveness of the Audit and Risk Committee in fulfilling its responsibilities and duties as set out in this Charter and in a manner consistent with the mandate adopted by the Board.

10. REVIEW AND DISCLOSURE

The Audit and Risk Committee will review this Charter and the Position Description for the Chief Financial Officer at least annually and submit them to the Governance and Sustainability Committee together with any proposed amendments. The Governance and Sustainability Committee will review these documents and submit them to the Board for approval with such further amendments as it deems necessary and appropriate.

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

11. ACCESS TO OUTSIDE ADVISORS AND RECORDS

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

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