



# **First Capital Realty Inc.**

## **Mandate of the Board of Directors**

Adopted by the Board of Directors on November 10, 2005,

Revised, March 8, 2007, March 6, 2008, March 2, 2011, November 9, 2016, April 3, 2017,  
November 7, 2017, April 3, 2018 and July 31, 2019

## TABLE OF CONTENTS

1.	GENERAL.....	1
2.	BOARD COMPOSITION .....	1
	(a) Board Membership Criteria .....	1
	(b) Director Independence .....	2
	(c) Board Size.....	2
	(d) Term.....	2
	(e) Board Succession .....	3
	(f) Service on Other Boards .....	3
3.	DIRECTORS' DUTIES AND RESPONSIBILITIES .....	3
4.	BOARD DUTIES AND RESPONSIBILITIES.....	3
	(a) Appointment and Supervision of Chief Executive Officer and Senior management .....	4
	(b) Strategic Planning and Risk Management .....	4
	(c) Financial Reporting and Management .....	4
	(d) Disclosure, Communications and Insider Trading.....	5
	(e) Corporate Governance .....	5
	(f) Approval of Certain Other Matters .....	5
5.	ROLE OF MANAGEMENT .....	6
6.	CHAIR OF THE BOARD .....	6
	(a) Appointment .....	6
	(b) General.....	6
	(c) Specific Role and Responsibilities.....	7
7.	LEAD DIRECTOR.....	8
	(a) Appointment .....	8
	(b) General.....	8
	(c) Specific Roles and Responsibilities .....	8
8.	SECRETARY .....	9
	(a) Appointment .....	9
	(b) General.....	9
	(c) Specific Role and Responsibilities.....	9

9.	BOARD COMMITTEES .....	9
	(a) Appointment .....	9
	(b) Composition.....	10
	(c) Committee Chairs .....	10
	(d) Charters .....	11
10.	BOARD AND COMMITTEE MEETINGS.....	12
	(a) Scheduling.....	12
	(b) Agenda .....	12
	(c) Meetings of Independent Directors.....	13
	(d) Distribution of Information.....	13
	(e) Preparation, Attendance and Participation.....	13
	(f) Attendance of Non-Directors and Board Meetings .....	13
	(g) Procedures.....	14
	(h) Secretary .....	14
11.	DIRECTOR COMPENSATION .....	14
12.	SHARE OWNERSHIP REQUIREMENTS .....	14
13.	DIRECTOR ORIENTATION AND CONTINUING EDUCATION .....	15
14.	BOARD ACCESS TO MANAGEMENT, OUTSIDE COUNSEL AND ADVISORS.....	14
15.	PERFORMANCE ASSESSMENT OF THE BOARD AND ITS COMMITTEES.....	15
16.	CODE OF BUSINESS CONDUCT AND ETHICS.....	15
17.	FEEDBACK .....	15

## **FIRST CAPITAL REALTY INC.**

### **MANDATE OF THE BOARD OF DIRECTORS**

#### **1. GENERAL**

The Board of Directors (the “**Board**”) believes that sound corporate governance practices are essential to the well-being of the Corporation and the promotion and protection of its shareholders’ interests. The Board oversees the functioning of the Corporation’s governance system, in part through the work of the Corporate Governance Committee.

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

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

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

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

#### **2. BOARD COMPOSITION**

##### **(a) Board Membership Criteria**

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

The Corporate Governance Committee recommends candidates for initial Board membership and Board members for nomination. In making its recommendations, the Corporate Governance Committee focuses on the competencies, skills, personal qualities, real estate or other business experience, as well as taking into account diversity

considerations such as gender, age, background and other qualities of the candidates to enhance the Board's decision-making process and the overall management of the business and affairs of the Corporation.

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

**(b) Director Independence**

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

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

**(c) Board Size**

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

**(d) Term**

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

**(e) Board Succession**

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

**(f) Service on Other Boards**

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

**3. DIRECTORS' DUTIES AND RESPONSIBILITIES**

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

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

**4. BOARD DUTIES AND RESPONSIBILITIES**

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

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

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

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

**(b) Strategic Planning and Risk Management**

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

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

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

**(c) Financial Reporting and Management**

The Board will:

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

**(d) Disclosure, Communications and Insider Trading**

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

- disclose all material information in compliance with the Corporation's timely disclosure obligations and to prevent selective disclosure of material information to analysts, institutional investors, market professionals and others;
- verify that news releases and corporate documents issued by the Corporation and public oral statements made by or on behalf of the Corporation are accurate and do not contain a misrepresentation;
- inform all directors, officers, and other employees of the Corporation about their obligation to preserve the confidentiality of undisclosed material information about the Corporation; and
- inform all directors, officers and other employees of the Corporation about prohibitions on illegal insider trading and tipping under applicable law and stock exchange rules.

**(e) Corporate Governance**

The Board will:

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

**(f) Approval of Certain Other Matters**

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



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

**(g) Delegation to Management**

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

**5. ROLE OF MANAGEMENT**

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

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

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

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

## **6. CHAIR OF THE BOARD**

### **(a) Appointment**

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

### **(b) General**

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

### **(c) Specific Role and Responsibilities**

The Chair will:

- confirm that appropriate procedures are in place to allow the Board to work effectively and efficiently and to function independently from management;
- confirm that the responsibilities of the Board are understood by both the directors and management and that the boundaries between the Board's and management's responsibilities are understood and respected;
- confirm that the functions delegated to Board committees are carried out by the committees and reported to the Board;
- maintain an effective relationship between the Board and management of the Corporation;
- provide direction and advice to management of the Corporation, including defining major issues, maintaining accountability to stakeholders and building relationships;
- confirm that the Board and its committees have the necessary resources to support their work (in particular, timely and relevant information);
- monitor compliance with the governance policies of the Corporation, including those regarding regularity and conduct of Board meetings, managing and reporting information and other policies relating to the Board's business;
- provide leadership to ensure that the Board works as a cohesive team;
- convene Board meetings as often as necessary for the directors to carry out their duties and responsibilities effectively;

- on an ongoing basis, work with the Chief Executive Officer to develop schedules of meetings of the Board and committees and, in consultation with other directors and the Chief Executive Officer, establish the agenda of the Board;
- chair meetings of the Board, including requiring appropriate briefing materials to be delivered in a timely fashion, stimulating debate, providing adequate time for discussion of issues, facilitating consensus, encouraging full participation and discussion by individual directors and confirming that clarity regarding decisions is reached and duly recorded;
- chair meetings of the shareholders of the Corporation;
- work closely with the Chief Executive Officer and the Chair of the Corporate Governance Committee to further the creation of a healthy corporate governance culture within the Corporation;
- work closely with the Corporate Governance Committee to develop strategic criteria for the recruitment of directors and succession planning;
- work closely with the Chief Executive Officer to facilitate effective relations with the Board and external stakeholders such as shareholders, the investment community, the media, governments and the public;
- actively participate in and oversee the administration of an annual evaluation of the performance and effectiveness of the Chief Executive Officer, the Board, its committees and all individual directors and committee chairs; and
- carry out other duties as requested by the directors, as needs and circumstances arise.

## **7. LEAD DIRECTOR**

### **(a) Appointment**

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

### **(b) General**

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

**(c) Specific Role and Responsibilities**

The Lead Director will:

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

**8. SECRETARY**

**(a) Appointment**

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

**(b) General**

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

**(c) Specific Role and Responsibilities**

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

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

**9. BOARD COMMITTEES**

**(a) General**

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

**(b) Composition**

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

**(c) Committee Chairs**

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

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

**(d) Charters**

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

- **Audit Committee**

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

- **Compensation Committee**

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

- **Corporate Governance Committee**

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

- **Investment Committee**

The Investment Committee consists of the Chair of the Board, the President and Chief Executive Officer of the Corporation and at least three "independent directors" as defined in section 1.4 of National Instrument 52-110 – Audit Committees, as amended from time to time. Three members will constitute a

quorum for any meeting of the Investment Committee. The Chair of the Board serves as Chair of the Investment Committee.

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

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

## **10. BOARD AND COMMITTEE MEETINGS**

### **(a) Scheduling**

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

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

### **(b) Agenda**

The Chair establishes the agenda for each Board meeting in consultation with the other directors and the Chief Executive Officer and Chief Financial Officer, as appropriate. Any director may propose the inclusion of items on the agenda, request the presence of or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

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



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

**(c) In Camera Meetings and Meetings of Independent Directors**

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

**(d) Distribution of Information**

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

**(e) Preparation, Attendance and Participation**

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

**(f) Attendance of Non-Directors at Board Meetings**

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

**(g) Procedures**

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

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

Procedures for meetings of Independent Directors are determined by the Chair, if the Chair is an Independent Director, or Lead Director (if one is appointed) or in his or her

absence, the Independent Director who acts as chair of such meeting, unless otherwise determined by the by-laws of the Corporation or a resolution of the Board.

**(h) Secretary**

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

**11. DIRECTOR COMPENSATION**

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

**12. SHARE OWNERSHIP REQUIREMENTS**

Directors are subject to share ownership requirements prescribed in the Corporation's Policy on Director and Executive Leadership Team Share Ownership.

**13. DIRECTOR ORIENTATION AND CONTINUING EDUCATION**

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

**14. BOARD ACCESS TO MANAGEMENT, OUTSIDE COUNSEL AND ADVISORS**

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

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

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

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

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

## **16. CODE OF BUSINESS CONDUCT AND ETHICS**

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

## **17. FEEDBACK**

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

Board of Directors of First Capital Realty Inc.  
c/o Corporate Secretary  
First Capital Realty Inc.  
85 Hanna Avenue  
Suite 400  
Toronto, Ontario  
M6K 3S3

OR

Corporate.Secretary@fcr.ca