



SANDPIPER GROUP

Sandpiper Requisitions Special Meeting of First Capital REIT Unitholders, Nominates Four Highly Qualified Nominees to the Board and Highlights Strategy to Maximize Unitholder Value

- *Requisitions special meeting and nominates four highly qualified nominees to **bring a true owner's mindset to the Board** of First Capital REIT*
- *Publishes detailed analysis on the REIT and emphasizes that the Board and management should be **Putting Owners' Capital First**, available at the following website: www.puttingownerscapitalfirst.com*
- *Highlights that the incumbent Board and management have a long record of underperformance and **immediate change is required at the REIT***
- *Outlines **Sandpiper's 5P Plan** which will ensure that FCR is preserving the best assets and characteristics of its irreplaceable portfolio, aligning management incentives with the leading interests of unitholders, and pursuing strategies that serve a singular purpose: **maximizing unitholder value***

VANCOUVER, BC, December 12, 2022 – Sandpiper Group (“Sandpiper”), owners of, together with its joint actor Artis Real Estate Investment Trust, approximately 9% of the outstanding units of First Capital Real Estate Investment Trust (“First Capital”, “FCR” or the “REIT”)(TSX: FCR.UN), announced today that it has requisitioned a special meeting of unitholders of FCR (the “Requisition”) and published a presentation detailing its concerns and plans for immediate change to maximize unitholder value at FCR. Sandpiper has called for the unitholder meeting to occur by no later than March 1, 2023.

“FCR has a tremendous history, and it was the extraordinary long-term vision during the REIT’s infancy that enabled FCR to become the highest quality, necessity-based retail portfolio in Canada. But over the past several years, the incumbent Board and management have lost unitholder value and today, they are pursuing strategies that will dismantle FCR’s irreplaceable portfolio – a portfolio that had been strategically curated over the past two decades. We cannot allow these actions to continue any further,” said Samir Manji, CEO and Founder of Sandpiper Group. “We thank the FCR unitholders who, over the past couple of months, have publicly shared their feedback on FCR. We echo many of their thoughts and sentiments, but most importantly, we agree with FCR founder Dori Segal and unitholder Ewing Morris that substantial change is required at the REIT.

“We did not become investors of FCR seeking a proxy fight, but without immediate substantial change at the REIT, the current record of underperformance at FCR will continue. As one of the largest unitholders of FCR, we believe our Trustee nominees are fully aligned with all of the REIT’s owners and are committed to exploring all options available to maximize value for all unitholders.”

Sandpiper has been investing in FCR since before the onset of the COVID-19 pandemic, and as owners, we have been patient with the incumbent Board and management. We understand that it takes time to devise a strategy to create unitholder value, but with the recent announcements and actions taken by the REIT, **the owners of FCR cannot afford to be patient any longer.**

Recent announcements and actions taken by the incumbent Board and management:

1. **FCR announced a misguided “enhanced” plan** which in substance is no different than what the REIT had already been doing over the past several years during a period of significant unit price underperformance.
2. **FCR continues to pursue a flawed disposition strategy** involving sales of portfolio jewels and super urban assets which we believe reduces the value of the REIT for which the portfolio as a whole is more valuable than the sum of its parts.
3. FCR Board and management reacted defensively and have been **combative towards unitholders** who provide fair and factual feedback to the REIT.
4. FCR Board and management appear to accept no accountability or ownership over their record of significant underperformance as **the worst performing retail REIT in Canada with the lowest total unitholder return over the past five years.**
5. **FCR management continues to be rewarded generously despite a record of unitholder value destruction** as the compensation of named executive officers has increased by 34% over the last five years while the unit price has fallen by 19% over the same period.

Immediate change is required on the Board of Trustees to protect and maximize unitholder value. Sandpiper seeks to elect four highly qualified Trustees to bring a true owner’s mindset to the Board and lead substantial change at the REIT.

Sandpiper’s 5P Plan to Maximize Value for All FCR Unitholders

1. **Preserve Super Urban Status:** FCR’s misguided “enhanced” plan includes significant dispositions that dilute the super urban profile of the REIT and ultimately reduces FCR’s future growth potential. Sandpiper’s 5P Plan will ensure that FCR remains a super urban REIT and will only pursue acquisitions and dispositions that are consistent with the super urban strategy.
2. **Performance Optimization:** FCR’s misguided “enhanced” plan attempts to optimize the REIT’s portfolio by selling super urban assets with significant rent growth and development potential to achieve short-term cash flow improvements. Sandpiper’s 5P Plan will not only optimize asset portfolio performance but will also optimize management performance by aligning management compensation to key performance indicators and thresholds that are consistent with unitholder value maximization.
3. **Purposeful Dispositions:** Sandpiper’s 5P Plan will significantly reduce planned dispositions from FCR’s current \$1 billion target to a more conservative \$400 million target to be completed by the end of 2023. Net proceeds from dispositions will primarily be allocated towards the current Normal Course Issuer Bid program. Dispositions pursuant to Sandpiper’s 5P Plan will only include assets that have a low growth profile and are not consistent with the super urban strategy.
4. **Prudent Capital Allocation:** Sandpiper’s 5P Plan will focus on returning capital to unitholders and maintaining current debt levels in the near-term.
5. **Potential for Strategic Review:** After unlocking unitholder value realized from the above steps of the 5P Plan, subject to careful contemplation and at the appropriate time, Sandpiper’s 5P Plan may call for initiating a strategic review to ensure that all avenues are pursued to maximize unitholder value.

Sandpiper's Four Highly Qualified Trustee Nominees to Lead Substantial Change at the REIT

We believe that new and owner-aligned oversight is crucial and is the only solution to put an end to the significant record of underperformance at FCR and maximize unitholder value. We have no confidence in the existing Board of Trustees, as it is currently constituted, to explore all options to maximize unitholder value. To that end, we have assembled a slate of four highly qualified and motivated individuals who are fully prepared to lead substantial change at FCR. We seek to replace two long-tenured Trustees, Bernard McDonell (Chair of the Board and Member of the Compensation Committee), Andrea Stephen (Chair of the Compensation Committee and Member of the Corporate Governance Committee), in addition to Annalisa King (Chair of the Corporate Governance Committee), and Leonard Abramsky (Member of the Compensation Committee) as Trustees of the REIT.

Sandpiper's nominees are highly respected individuals with significant experience in real estate, strategic oversight, human resources & compensation, capital allocation, branding, legal, ESG, turnarounds and mergers & acquisitions. Collectively, Sandpiper's nominees are best positioned to implement Sandpiper's 5P Plan and maximize value for all FCR unitholders.

Samir Manji will bring extensive experience in real estate investment, capital allocation, and M&A activity given his involvement in over \$10 billion of real estate transactions during his prominent real estate career

- Founder & CEO of Sandpiper Group, a Vancouver-based real estate private equity firm
- A seasoned real estate investor across all asset classes with broad private and public company experience
- President and CEO and a Trustee of Artis REIT
- Former Founder, Chairman, and CEO of Amica Mature Lifestyles Inc. (1996-2015), until the sale of the company for the highest premium in Canadian public real estate history in 2015

Kerry D. Adams, FCA, FCPA, ICD.D will bring significant experience and knowledge of the Canadian necessity-based retail asset class and the broader Canadian retail REIT sector

- Founder and President of K. Adams & Associates Limited, a wealth consulting business
- Former Chair of the Governance Committee for Primaris Retail REIT at the time of the portfolio sale to H&R REIT for \$4.6 billion in 2013
- Served on the Governance Committee of Choice Properties REIT from 2013-2022
- Former Chair of the Bank of Nova Scotia Aurion Real Estate Advisory Committee, providing oversight of real estate policy, acquisitions, and conflicts of interest

Elizabeth DelBianco, LL.B, MBA, ICD.D will bring substantial experience in M&A, communications strategies and branding while maintaining a sustainability mindset

- Experienced C-suite executive, lawyer and director with deep expertise in legal, compliance, M&A, strategy and ESG
- Director of Definity Financial, a leading P&C Insurer and former Director of MindBeacon, a digital mental healthcare platform until the successful sale of the company in 2022
- Former Chief Legal and Administrative Officer at Celestica Inc., where she was directly involved in the company's IPO, multiple M&A transactions, corporate communications & branding, human resources, major real estate transactions, and complex regulatory matters. She also established and headed the Sustainability/ESG function which was responsible for the company receiving multiple awards including being named three times as one of the Global 100 Most Sustainable Corporations in the World

Jacqueline Moss, LL.B, ICD.D, GCB.D will bring a strong understanding of human resources, talent management and direct experience in establishing well-aligned executive compensation structures

- 20+ years of experience leading human resources, legal, strategy and corporate development functions at CIBC and as a partner at Blake, Cassels & Graydon LLP
- Chair of Compensation, Nominations and Governance Committee for Minto Apartment REIT
- Management Resource and Compensation Chair for the Investment Management Corporation of Ontario and HR Committee Chair for Ontario Health

Sandpiper is grateful to these qualified, independent nominees for their willingness to devote their time and energy to this effort and to FCR’s future and looks forward to engaging with fellow unitholders on our concerns and plan for FCR in the days ahead.

For more information, please visit our website www.puttingownerscapitalfirst.com

INFORMATION CONCERNING THE CONCERNED UNITHOLDERS NOMINEES

As set out in the Requisition, Samir Manji, Kerry D. Adams, Elizabeth DelBianco, and Jacqueline Moss (the “Concerned Unitholders Nominees”) have been nominated to serve as new independent Trustees of the Board until the next annual meeting of unitholders, or until their successors are elected or appointed in accordance with applicable law. The table below sets out, in respect of each of the Concerned Unitholders Nominees, his or her name, province or state and country of residence, and his or her principal occupation, business or employment within the five preceding years. None of the Concerned Unitholders Nominees have any compensation arrangement with Sandpiper or associated companies in connection with their nominations and services, should they be elected, as Trustees on the FCR Board.

Concerned Unitholders Nominees

Name, Province or State and Country of Residence	Present Principal Occupation, Business or Employment and Principal Occupation, Business or Employment During the Preceding Five Years
Samir Manji British Columbia, Canada	Founder and Chief Executive Officer of Sandpiper Group from 2016 to present; Trustee of Artis Real Estate Investment Trust from 2020 to present and its President and Chief Executive Officer from 2021 to present; director of Extendicare Inc. from 2019 to present.
Kerry D. Adams Ontario, Canada	Managing partner and owner of K. Adams & Associates Limited since 1991; formerly Trustee and member of the Governance Committee of Choice Properties Real Estate Investment Trust from 2013 to 2022; formerly Member of Fidelity Investments Canada Limited IRC from 2014 to 2019; formerly Member and chair of the Scotia Institutional Real Estate Advisory Committee at Scotiabank from 2012 to 2018.
Elizabeth DelBianco Ontario, Canada	Director of Definity Financial from 2013 to present (including as chair of the Human Resources and Compensation Committee and a member of the Corporate Governance Committee); formerly a director of MindBeacon from 2021 until the sale of the company in 2022; formerly Chief Legal and Administrative Officer of Celestica Inc., where she held senior leadership roles from 1998 to 2020.
Jacqueline Moss Ontario, Canada	Director of Minto Real Estate Investment Trust from 2018 to present (including as chair of the Compensation, Nominations and Governance Committee);

	<p>director and chair of the Management Resources and Compensation Committee of Investment Management Corporation Ontario from 2016 to present; director and chair of the HR Committee of Ontario Health from 2019 to present; founder of JMO Inc. from 2015 to present.</p>
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Other Boards of Reporting Issuers

As of the date of this Requisition, Samir Manji is a director of Artis REIT (TSX-listed), a trustee of Cominar REIT, a private reporting issuer not listed on any stock exchange, and a director of Extendicare Inc. (TSX-listed), Elizabeth DelBianco is the Chair of the Human Resources and Compensation Committee of Definity Financial Corporation (TSX-listed), and Jacqueline Moss is the Chair of the Compensation, Nominations, and Governance Committee of Minto REIT (TSX-listed). If successfully elected to the FCR Board, Samir Manji will step off from the board of Extendicare Inc. as a director.

Other Information Concerning the Concerned Unitholders Nominees

To the knowledge of Sandpiper, no Concerned Unitholders Nominee is, at the date hereof, or has been, within ten (10) years before the date hereof: (a) a director, chief executive officer or chief financial officer of any company that (i) was subject to 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 that was in effect for a period of more than thirty (30) consecutive days (each, an "order"), in each case that was issued while the Concerned Unitholders Nominee was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an order that was issued after the Concerned Unitholders Nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; (b) a director or executive officer of any company that, while such Concerned Unitholders Nominee was acting in that capacity, or within one (1) year of such Concerned Unitholders Nominee ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (c) someone who became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became 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 such Concerned Unitholders Nominee.

To the knowledge of Sandpiper, as at the date hereof, no Concerned Unitholders Nominee has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation, or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a Concerned Unitholders Nominee.

To the knowledge of Sandpiper, none of the directors or officers of Sandpiper, or any joint actors, associates or affiliates of the foregoing, or any of the Concerned Unitholders Nominees or their respective associates or affiliates, has: (a) any material interest, direct or indirect, in any transaction since the commencement of First Capital's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect First Capital or any of its subsidiaries; or (b) any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter proposed to be acted on at the Meeting, other than the re-constitution of the Board.

Additional Information

The information contained in this news release does not and is not meant to constitute a solicitation of a proxy within the meaning of applicable securities laws. Although Sandpiper and its joint actor have requisitioned a meeting of unitholders (the "Meeting"), there is currently no record or meeting date and unitholders are not being asked at this time to execute a proxy in favour of the Concerned Unitholders Nominees or any other resolutions set forth in the Requisition. In connection with any solicitation in respect of the Meeting, Sandpiper will file a dissident information circular (the "Information Circular") in due course in compliance with applicable securities laws.

Notwithstanding the foregoing, Sandpiper is voluntarily providing the disclosure required under section 9.2(4) of National Instrument 51-102 – Continuous Disclosure Obligations in accordance with securities laws applicable to public broadcast solicitations.

This news release and any solicitation made by Sandpiper in advance of the Meeting is, or will be, as applicable, made by Sandpiper, and not by or on behalf of the management of First Capital. All costs incurred for any solicitation will be borne by Sandpiper, provided that, subject to applicable law, Sandpiper may seek reimbursement from First Capital of Sandpiper's out-of-pocket expenses, including proxy solicitation expenses and legal fees, incurred in connection with a successful reconstitution of the Board.

Sandpiper is not soliciting proxies in connection with the Meeting at this time, and Unitholders are not being asked at this time to execute proxies in favour of the Concerned Unitholders Nominees (in respect of the Meeting) or any other resolution set forth in the Requisition. Proxies may be solicited by Sandpiper pursuant to an Information Circular sent to Unitholders after which solicitations may be made by or on behalf of Sandpiper, by mail, telephone, fax, email or other electronic means as well as by newspaper or other media advertising, and in person by directors, officers and employees of Sandpiper, who will not be specifically remunerated therefor. Sandpiper may also solicit proxies in reliance upon applicable exemptions to the solicitation requirements under Canadian corporate and securities laws, which may include by way of public broadcast, including through press releases, speeches or publications, and by any other manner permitted under applicable Canadian laws. Sandpiper may engage the services of one or more agents and authorize other persons to assist in soliciting proxies on behalf of Sandpiper.

Sandpiper has retained Morrow Sodali Global LLC ("Morrow") to assist Sandpiper in soliciting unitholders should Sandpiper commence a formal solicitation of proxies. Morrow's responsibilities will principally include advising Sandpiper on governance best practices, where applicable, liaising with proxy advisory firms, developing and implementing unitholder communication and engagement strategies, and advising with respect to meeting and proxy protocol. The anticipated cost of Sandpiper's solicitation is estimated to be \$350,000 plus disbursements.

Sandpiper is not requesting that First Capital unitholders submit a proxy at this time. Once Sandpiper has commenced a formal solicitation of proxies in connection with the Meeting, proxies may be revoked by instrument in writing by the unitholder giving the proxy or by its duly authorized officer or attorney, or in any other manner permitted by law and, the declaration of trust of First Capital. None of Sandpiper or, to its knowledge, any of its associates or affiliates, has any material interest, direct or indirect, (i) in any transaction since the beginning of First Capital's most recently completed financial year or in any proposed transaction that has materially affected or would materially affect First Capital or any of its subsidiaries; or (ii) by way of beneficial ownership of securities or otherwise, in any matter proposed to be acted on at the Meeting, other than the election of Trustees to the Board.

First Capital's principal office address is Suite 400 - 85 Hanna Avenue, Toronto, Ontario, M6K 3S3. A copy of this news release may be obtained on First Capital's SEDAR profile at www.sedar.com.

ADVISORS

Sandpiper has retained Morrow Sodali Global LLC as its strategic shareholder services advisor. The Special Situations Group at Norton Rose Fulbright Canada LLP is acting as legal counsel.

ABOUT SANDPIPER GROUP

Sandpiper is a Vancouver-based private equity firm focused on investing in real estate through direct property investments and public securities. For more information about Sandpiper, visit www.sandpipergroup.ca.

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