

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws, and, subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly, in the United States.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of First Capital Realty Inc., at King Liberty Village, 85 Hanna Avenue, Suite 400, Toronto, Ontario, Canada M6K 3S3 (telephone: (416) 504-4114), and are also available electronically at [www.sedar.com](http://www.sedar.com).

## SHORT FORM PROSPECTUS

Secondary Offering

March 13, 2019



## FIRST CAPITAL REALTY INC.

**\$453,200,000**

**22,000,000 Common Shares**  
**(Represented by Instalment Receipts)**

This short form prospectus qualifies the distribution (the “**Offering**”) of 22,000,000 common shares (the “**Offered Shares**”) of First Capital Realty Inc. (“**First Capital Realty**” or the “**Company**”) to be sold by Gazit Canada Inc. (the “**Selling Shareholder**”), a wholly-owned subsidiary of Gazit-Globe Ltd. (“**Gazit-Globe**”), at a price of \$20.60 per Offered Share, payable in two instalments. The first instalment of \$10.30 per Offered Share (the “**First Instalment**”) is payable on the closing of the Offering and the final instalment of \$10.30 per Offered Share (the “**Final Instalment**”) is payable, subject to the occurrence of a Termination Event (as defined below), at any time following completion of the Concurrent Share Repurchase (as defined below) and no later than 3:30 p.m. (Toronto time) on the one-year anniversary date of the closing of the Offering. At the closing of the Offering, the Offered Shares will be pledged to the Selling Shareholder to secure payment of the Final Instalment (the “**Share Pledge**”). Before payment of the Final Instalment, beneficial ownership of the Offered Shares will be subject to the Share Pledge and will be represented by instalment receipts (the “**Instalment Receipts**”). Certain directors and officers of the Company intend to purchase an aggregate of 156,000 Offered Shares, including the purchase of 75,000 Offered Shares by Dori Segal, Chairman of the Board of Directors of the Company, and the purchase of 60,000 Offered Shares by Adam Paul, the President and Chief Executive Officer of the Company (collectively, the “**D&O Purchases**”). The Underwriters (as defined below) will not receive any Underwriters’ Fee (as defined below) in respect of the D&O Purchases.

**If a holder of an Instalment Receipt does not pay or cause to be paid through CDS (as defined below) the Final Instalment when due, the related Offered Shares will, subject to the provisions of the Instalment Receipt Agreement (as defined below) and applicable laws, (i) be forfeited to the Selling Shareholder in full satisfaction of the obligations of the Defaulting Holder (as defined below), or (ii) be directed by the Selling Shareholder to be sold on behalf of the applicable Defaulting Holder and the Defaulting Holder will remain liable to the Selling Shareholder in the event the proceeds of such sale are insufficient to cover the amount of the Final Instalment and the Custodian’s (as defined below) costs of sale. See “Details of the Offering”.**

The Company is not issuing or selling any securities under the Offering and will not receive any proceeds from the sale of the Offered Shares (See “Selling Shareholder” and “Plan of Distribution”).

In conjunction with the announcement of this Offering, the Selling Shareholder concurrently entered into a transaction agreement with the Company and Gazit-Globe dated February 28, 2019 (the “**Share Repurchase Agreement**”), pursuant to which the Company has agreed to repurchase from the Selling Shareholder 36,000,000 common shares of the Company at a price of \$20.60 per common share (the “**Concurrent Share Repurchase**” and, together with the Offering, the “**Transactions**”). A copy of the Share Repurchase Agreement has been filed on SEDAR under the Company’s issuer profile at [www.sedar.com](http://www.sedar.com). The Concurrent Share Repurchase is subject to a number of conditions, including the closing of this Offering and approval by the requisite majority of votes cast by shareholders of the Company at an upcoming special meeting

of shareholders of the Company expected to be held on April 10, 2019 and no later than April 18, 2019 (the “**Special Meeting**”). In the event that this Offering does not close, the Share Repurchase Agreement will terminate in accordance with its terms. In addition, closing of the Offering will be subject to the condition that the Concurrent Share Repurchase is approved by the requisite majority of votes cast by shareholders of the Company at the Special Meeting.

Upon closing of the Offering, the aggregate amount of the First Instalment (the “**Escrowed Funds**”), and any interest earned thereon, will be held by the Custodian, as custodian for the Selling Shareholder, and invested in Permitted Investments (as defined below) to be released upon the earlier to occur of: (i) the closing of the Concurrent Share Repurchase and the delivery by the Selling Shareholder of the Release Notice (as defined below); and (ii) a Termination Event.

Holders of Instalment Receipts will have the same rights and privileges, and be subject to the same limitations, as registered holders of common shares of the Company (“**Common Shares**”), subject to certain exceptions set out in the Instalment Receipt Agreement. Ownership of the Offered Shares represented by Instalment Receipts will be transferred to the holders of Instalment Receipts upon closing of the Offering and will be subject to the terms and conditions of the Instalment Receipt Agreement. Any cash dividends to be paid in respect of the Offered Shares represented by Instalment Receipts as of a record and payment date that is on or after February 28, 2019 (the “**Announcement Date**”) and before the closing date of the Concurrent Share Repurchase shall be placed in escrow with the Custodian pending the earlier to occur of (i) the closing of the Concurrent Share Repurchase and the delivery by the Selling Shareholder of the Release Notice, and (ii) a Termination Event. Upon the closing of the Concurrent Share Repurchase, any such cash dividends held in escrow will be remitted to the registered holders of Instalment Receipts on such date, together with any interest earned thereon; or, if a Termination Event occurs, an amount equal to such cash dividends will instead be released from escrow and remitted to the Selling Shareholder, together with any interest earned thereon. See “Details of the Offering”.

Upon completion of the Concurrent Share Repurchase and the execution and delivery of a release notice by the Selling Shareholder to the Custodian, the Company, Gazit-Globe and RBC Dominion Securities Inc. (“**RBC**”), on behalf of the Underwriters, certifying that the Concurrent Share Repurchase has closed in accordance with the Share Repurchase Agreement (the “**Release Notice**”): the Custodian will (i) release to the Selling Shareholder the Escrowed Funds, together with any interest earned thereon, less the remaining 50% of the Underwriters’ Fee and any interest earned thereon (in total, the “**Net Proceeds**”), and (ii) remit to the Underwriters 50% of the Underwriters’ Fee, together with any interest earned thereon. See “Details of the Offering”.

In the event that (i) the Concurrent Share Repurchase does not occur prior to 5:00 p.m. (Toronto time) on May 17, 2019 (the “**Escrow Release Deadline**”), or (ii) the Company delivers a notice to the Selling Shareholder, Gazit-Globe, RBC, on behalf of the Underwriters, and the Custodian declaring that the Share Repurchase Agreement has been terminated (each, a “**Termination Event**”, and the date upon which such Termination Event occurs, the “**Termination Date**”), holders of Instalment Receipts shall, commencing on the Business Day (as defined below) following the Termination Date, be entitled to receive from the Custodian an amount equal to the First Instalment multiplied by the number of Instalment Receipts held by such holder plus an amount equal to their *pro rata* share of any interest earned on the Escrowed Funds (the “**Earned Interest**”) in cash as partial consideration for the sale of the Offered Shares back to the Selling Shareholder, calculated from and including the Closing Date (as defined below) to but excluding the Termination Date and less any applicable withholding taxes. The Selling Shareholder will be required to make up any deficiency that may occur as a result of any loss on the investment of the Escrowed Funds, by payment to the Custodian, where the balance of the Escrowed Funds and any interest earned thereon is insufficient to satisfy the repayment of the First Instalment plus any Earned Interest.

**There is currently no market through which the Instalment Receipts may be sold and purchasers may not be able to resell the Instalment Receipts purchased under this short form prospectus. This may affect the pricing of the Instalment Receipts in the secondary market, the transparency and availability of trading prices, the liquidity of the Instalment Receipts and the extent of issuer regulation. An investment in the Offered Shares represented by the Instalment Receipts is subject to a number of risks that should be considered by prospective investors. See “Risk Factors”.** The Toronto Stock Exchange (the “**TSX**”) has conditionally approved the listing of the Instalment Receipts on the TSX under the symbol “**FCR.IR**”. Listing is subject to the Company fulfilling all of the listing requirements of the TSX on or before June 6, 2019. It is anticipated that the Instalment Receipts will trade on the TSX on an “if, as and when issued” basis commencing on the first trading date after a receipt has been issued from the securities regulatory authorities in each of the provinces of Canada for this short form prospectus. The TSX has advised the Company and the Underwriters that Due Bills (as defined below) are to be used in connection with trades of Instalment Receipts through the facilities of the TSX for the period from and including April 11, 2019 to and including the date that the Company’s first quarter 2019 dividend becomes payable to holders of Instalment Receipts in accordance with the related TSX bulletin. The TSX has advised that the use of Due Bills in connection with this Offering is a result of holders of Instalment Receipts having only a conditional right to receive the Company’s first quarter 2019 dividend, which is subject to a condition (the closing of the Concurrent Share Repurchase) which will not be satisfied before the normal ex-dividend trading date (i.e., one trading day before the dividend record date). As a result, in order to defer ex-dividend trading of the Instalment Receipts, trading of the Instalment Receipts with Due Bills (i.e., trading on a cum-dividend basis) will commence on and include April 11, 2019 and continue to and including the date that the Company’s first quarter 2019 dividend becomes payable to holders of Instalment Receipts

in accordance with the related TSX bulletin. For additional information respecting Due Bills and the trading procedures to be followed, please see “Details of the Offering–Transfer of Instalment Receipts”.

The Common Shares are listed and posted for trading on the TSX under the symbol “FCR”. The closing price of the Common Shares on the TSX on February 28, 2019, the last completed trading day before announcement of the Offering, was \$21.42.

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**Price: \$20.60 per Offered Share, of which \$10.30 is payable on closing of the Offering**

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	<u>Price to the Public</u>	<u>Underwriters’ Fee<sup>(1)(2)</sup></u>	<u>Net Proceeds to the Selling Shareholder<sup>(3)</sup></u>
Per Offered Share .....			
First Instalment .....	\$ 10.30	\$ 0.412	\$ 9.888
Final Instalment .....	\$ 10.30	\$ –	\$ 10.30
Total per Offered Share .....	<u>\$ 20.60</u>	<u>\$ 0.412</u>	<u>\$ 20.188</u>
Total Offering .....	<u>\$ 453,200,000</u>	<u>\$ 8,999,728</u>	<u>\$ 444,200,272</u>

Notes:

- (1) The Underwriters’ fee is \$0.824 per Offered Share (the “**Underwriters’ Fee**”) for a total Underwriters’ Fee of \$17,999,456. The Underwriters’ Fee is payable as to 50% by the Company on the seventh calendar day following the filing of this short form prospectus and the remaining 50%, plus any accrued interest thereon, is payable by the Selling Shareholder upon the release of the Escrowed Funds to the Selling Shareholder following the completion of the Concurrent Share Repurchase. The “Underwriters’ Fee” of \$8,999,728 in the table above represents 50% of the total Underwriters’ Fee that is payable by the Selling Shareholder upon closing of the Concurrent Share Repurchase. If a Termination Event occurs, the Underwriters’ Fee will be reduced to the amount of \$8,999,728 payable by the Company on the seventh calendar day following the filing of this short form prospectus. For further details, please see “Plan of Distribution”.
- (2) As no fee is payable to the Underwriters on the D&O Purchases, the total “Underwriters’ Fee” and “Net Proceeds to the Selling Shareholder” have been calculated accordingly.
- (3) Before deducting expenses of the Offering, which, together with 50% of the Underwriters’ Fee, will be paid by the Selling Shareholder from the proceeds of the Offering. See “Plan of Distribution”. The total Net Proceeds to the Selling Shareholder assumes that all proceeds are ultimately received by the Selling Shareholder from the sale of Offered Shares represented by Instalment Receipts.

At the time of closing of the Offering, the Offered Shares represented by Instalment Receipts will qualify for investment as set out under “Eligibility for Investment”.

This short form prospectus does not qualify the distribution of the Offered Shares represented by Instalment Receipts outside of Canada.

The Company’s head and registered office and principal place of business is located at King Liberty Village, 85 Hanna Avenue, Suite 400, Toronto, Ontario M6K 3S3.

RBC, BMO Nesbitt Burns Inc. (“**BMO**”), CIBC World Markets Inc. (“**CIBC WM**”), Scotia Capital Inc. (“**Scotia**”), TD Securities Inc. (“**TDSI**”), National Bank Financial Inc. (“**NBF**”), Canaccord Genuity Corp. and Raymond James Ltd. (collectively, the “**Underwriters**”) have severally agreed to purchase the Offered Shares represented by Instalment Receipts from the Selling Shareholder at the price indicated above, subject to the terms and conditions of the underwriting agreement described under “Plan of Distribution”. The price was determined by negotiation between the Selling Shareholder and the Underwriters.

**RBC, BMO, CIBC WM, Scotia, TDSI and NBF are wholly-owned subsidiaries of Canadian chartered banks (the “Banks”) that are lenders to the Company. Consequently, the Selling Shareholder, as a significant securityholder of the Company, may be considered to be a connected issuer of RBC, BMO, CIBC WM, Scotia, TDSI and NBF under applicable Canadian securities legislation.**

The Underwriters, as principals, conditionally offer the Offered Shares represented by Instalment Receipts, subject to prior sale, if, as and when sold and delivered by the Selling Shareholder and accepted by the Underwriters in accordance with the conditions of the underwriting agreement described under “Plan of Distribution” and subject to the approval of certain legal matters on behalf of the Company by Torys LLP, on behalf of the Selling Shareholder by McCarthy Tétrault LLP, and on behalf of the Underwriters by Blake, Cassels & Graydon LLP. **The Underwriters may offer the Offered Shares represented by Instalment Receipts to the public at a price lower than that stated above. See “Plan of Distribution”.**

The Company has been advised by the Underwriters that, in connection with the Offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares or the Instalment Receipts at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See “Plan of Distribution”.

Subscriptions for the Offered Shares represented by Instalment Receipts will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that closing of the Offering will take place on or about April 11, 2019 (the “**Closing Date**”) or such other date as the Company, the Selling Shareholder and RBC, on behalf of the Underwriters, may agree, but in any event no later than April 22, 2019 and that Offered Shares represented by Instalment Receipts will be available for delivery in book-entry form through the facilities of CDS Clearing and Depository Services Inc. on the Closing Date. Subscribers for Offered Shares represented by Instalment Receipts will not have the right to receive physical certificates evidencing their ownership of Offered Shares or Instalment Receipts except as described herein. See “Description of Share Capital”.

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## DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commission or similar authority in each of the provinces of Canada are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

- (a) the Company's annual information form dated March 23, 2018;
- (b) the Company's information circular dated April 10, 2018 in connection with the May 29, 2018 annual meeting of shareholders (the "MIC");
- (c) the audited comparative consolidated financial statements of the Company and the notes thereto for the financial year ended December 31, 2018, together with the report of the independent auditors thereon (the "Annual Financial Statements");
- (d) management's discussion and analysis for the Annual Financial Statements (the "MD&A");
- (e) the material change report of the Company dated March 5, 2019 in respect of the Offering and Concurrent Share Repurchase; and
- (f) the template version of the term sheet dated February 28, 2019 in connection with the Offering (the "Marketing Materials").

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded, for purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set out in the document that it modifies or supersedes. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Any documents of the types referred to in the preceding paragraphs (a) through (f) (excluding confidential material change reports, if any), as well as business acquisition reports filed by the Company with the securities regulatory authorities in any of the provinces of Canada after the date of this short form prospectus and prior to the termination of the Offering shall be deemed to be incorporated by reference into this short form prospectus.

## MARKETING MATERIALS

The Marketing Materials are not part of this short form prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this short form prospectus or any amendment. Any "template version" of "marketing materials" (each as defined in National Instrument 41-101 – *General Prospectus Requirements* ("NI 41-101")) filed with the securities commission or similar authority in each of the provinces of Canada in connection with this Offering after the date hereof but prior to the termination of the distribution of the Offered Shares under this short form prospectus (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated by reference herein.

## FORWARD-LOOKING STATEMENTS

This short form prospectus includes or incorporates by reference certain statements that are "forward-looking statements", and other statements concerning the Company's objectives and strategies and management's beliefs, plans, estimates and intentions. 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 to the extent they relate to the Company or its management. All statements, other than statements of historical

fact, in this short form prospectus that address the expected benefits of the Transactions, including the expected benefits to the Company's shareholders and other stakeholders, as well as future financial and operating results; the anticipated timing for the Special Meeting and closing of the Transactions; the satisfaction of closing conditions in connection with the Transactions; activities, events or developments that First Capital Realty or a third party expect or anticipate will or may occur in the future, including First Capital Realty's future growth, results of operations, performance and business prospects and opportunities and the assumptions underlying any of the foregoing, are forward-looking statements. These forward-looking statements are not historical facts but reflect First Capital Realty's current expectations regarding future results or events and are based on information currently available to First Capital Realty and on assumptions it believes are reasonable. Forward-looking statements are based upon a number of assumptions and are subject to a number of risks and uncertainties, many of which are beyond the control of First Capital Realty, that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: the terms of any new indebtedness incurred by the Company in connection with financing the Concurrent Share Repurchase; the potential risk that the Concurrent Share Repurchase will not be approved by the Company's shareholders and the timing thereof; failure to, in a timely manner, or at all, obtain the necessary approvals for the Concurrent Share Repurchase; failure of the parties to otherwise satisfy the conditions to complete the Transactions; the effect of the announcement of the Transactions on the Company's relationships, operating results and business generally; the expected elimination of uncertainty in the Company's ownership structure resulting from the Transactions and the impact of such uncertainty on the historical market price of the Common Shares and the Company's access to the equity capital markets; the expected accretive effect of the Transactions on the Company's NAV (as defined below) per Common Share and FFO (as defined below) per Common Share; the expected improvement to liquidity of the Common Shares and related securities following completion of the Transactions; significant transaction costs or unknown liabilities, and other customary risks associated with transactions of this nature; general economic conditions; real property ownership; tenant financial difficulties, defaults and bankruptcies; the relative illiquidity of real property; increases in operating costs, property taxes and income taxes; First Capital Realty's ability to maintain occupancy and to lease or re-lease space at current or anticipated rents; the availability and cost of equity and debt capital to finance the Company'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; the Company's ability to: execute on its evolved urban investment strategy, including with respect to dispositions, capitalize on competitive advantages, optimize portfolio assets and accelerate value delivered to its investors and stakeholders, remain ahead of changing market conditions, surface unrecognized value, reach its demographic targets and ensure the Company retains its best in class position; the Company's ability and strategy to de-lever following closing of the Concurrent Share Repurchase and the timing thereof; unexpected costs or liabilities related to acquisitions, development and construction; geographic and tenant concentration; residential development, sales and leasing; compliance with financial covenants; changes in governmental regulation; environmental liability and compliance costs; unexpected costs or liabilities related to dispositions; challenges associated with the integration of acquisitions into the Company; uninsured losses and First Capital Realty's ability to obtain insurance coverage at a reasonable cost; risks in joint ventures; matters associated with significant shareholders; investments subject to credit and market risk; loss of key personnel; the ability of tenants to maintain necessary licenses, certifications and accreditations; and cybersecurity. Furthermore, no formal determination to convert to a real estate investment trust (a "REIT") has been made by the Company at this time and no assurance can be given as to whether such a reorganization will be undertaken by the Company, or the timing, or impact of such reorganization, or its terms.

Although the forward-looking statements contained in this short form prospectus are based upon what First Capital Realty believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Readers, therefore, should not place undue reliance on any forward-looking statement. Forward-looking information involves numerous assumptions such as rental income (including assumptions on timing of lease-up, development coming online 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 Company 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 Company's ability to complete dispositions and the timing, terms and anticipated benefits of any such dispositions, the Company's ability to redevelop, sell or enter into partnerships with respect to the future uncommitted incremental density it has identified in its portfolio, the Company's ability to convert into a REIT, number of shares outstanding and numerous other factors. Moreover, the assumptions underlying First Capital Realty's forward-looking statements contained in this short form prospectus may also include that consumer demand will remain stable and demographic trends will continue.

All of the forward-looking statements made in this short form prospectus are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, First Capital Realty. All forward-looking statements in this short form prospectus are made as of the date hereof and, except as may be required by applicable law, First Capital Realty assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise. Additional information about these assumptions and risks and uncertainties is contained in First Capital Realty's filings with securities regulators, including First Capital Realty's current annual information form and management's discussion and analysis.

## NON-GAAP MEASURES

The information presented, or incorporated by reference, in this short form prospectus with respect to the Company includes certain financial measures which are not defined under International Financial Reporting Standards, as adopted by the International Accounting Standards Board ("IFRS") as noted below. The method of calculating such non-GAAP measures may differ from the methods used by other issuers. Therefore, these non-GAAP measures may not be comparable to similar measures presented by other issuers.

Funds from Operations ("FFO") is a recognized measure that is widely used by the real estate industry, particularly by publicly traded entities that own and operate income-producing properties. The Company calculates FFO in accordance with the recommendations of the Real Property Association of Canada as published in its most recent "White Paper on Funds From Operations and Adjusted Funds From Operations for IFRS" dated February 2019. Management of the Company considers FFO a meaningful additional financial measure of operating performance, as it excludes fair value gains and losses on investment properties as well as certain other items included in the Company's net income that may not be the most appropriate determinants of the long-term operating performance of the Company, such as investment property selling costs, deferred income taxes, and any gains, losses or transaction costs recognized in business combinations. FFO provides a perspective on the financial performance of the Company that is not immediately apparent from net income determined in accordance with IFRS. See "Non-IFRS Reconciliations and Financial Measures" in the MD&A for more information on this measure, including a reconciliation to the most directly comparable IFRS measure.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Torys LLP, counsel to the Company, and Blake, Cassels & Graydon LLP, counsel to the Underwriters, based on the provisions of the Income Tax Act (Canada) (the "Tax Act") in effect on the date hereof, the Offered Shares represented by Instalment Receipts to be sold under this short form prospectus, if acquired on the date hereof, would be, on such date, qualified investments under the Tax Act for trusts governed by registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), registered education savings plans ("RESPs"), deferred profit sharing plans, registered disability savings plans ("RDSPs") and tax-free savings accounts ("TFSA"), provided that such shares are then listed on a "designated stock exchange" (as defined in the Tax Act, which currently includes the TSX).

Notwithstanding that such Offered Shares may be qualified investments for a trust governed by a TFSA, RDSP, RRSP, RRIF or RESP, the holder of a TFSA or RDSP, the annuitant under an RRSP or RRIF or the subscriber of an RESP will be subject to a penalty tax with respect to the Offered Shares if such Offered Shares are a "prohibited investment" (as defined in subsection 207.01(1) of the Tax Act) for the TFSA, RDSP, RRSP, RRIF or RESP, as the case may be. The Offered Shares will generally not be a prohibited investment for a trust governed by a TFSA, RDSP, RRSP, RRIF or RESP provided the holder of the TFSA or RDSP, the annuitant under the RRSP or RRIF or the subscriber of the RESP, as the case may be, deals at arm's length with the Company for purposes of the Tax Act and does not have a "significant interest" (within the meaning of subsection 207.01(4) of the Tax Act) in the Company. The Offered Shares will generally also not be a "prohibited investment" for a TFSA, RDSP, RRSP, RRIF or RESP if they are "excluded property" (as defined in subsection 207.01(1) of the Tax Act) for the TFSA, RDSP, RRSP, RRIF or RESP, as the case may be. Holders of TFSAs or RDSPs, annuitants under RRSPs or RRIFs and subscribers of RESPs should consult their own tax advisors in this regard.

## THE COMPANY

The Company is one of Canada's largest owners, developers and operators of necessity-based real estate located in Canada's most densely populated urban centres. The Company's primary strategy is the creation of value over the long term by generating sustainable growth in cash flow and capital appreciation of its urban portfolio. To achieve its strategic

objectives, management continues to: undertake selective development, redevelopment and repositioning activities on its properties, including land use intensification; be focused and disciplined in acquiring well-located properties to create super urban neighbourhoods, primarily where there are value creation opportunities, including sites in close proximity to existing properties in the Company's target urban markets; raise capital to fund future growth through select dispositions; proactively manage the Company's existing portfolio to drive rent growth; increase efficiency and productivity of operations; and maintain financial strength and flexibility to support a competitive cost of capital.

The Company 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 Company as at December 31, 2018 or total revenues amounting to more than 10% of the consolidated revenues of the Company as at December 31, 2018. First Capital Realty and First Capital (Alberta) Holdings II Inc. (a wholly-owned subsidiary of the Company) are the sole beneficiaries of this trust.

The head office and principal place of business of the Company is located at King Liberty Village, 85 Hanna Avenue, Suite 400, Toronto, Ontario M6K 3S3.

## **RECENT DEVELOPMENTS**

There have been no material developments in the business of the Company since December 31, 2018, the date of the Company's Annual Financial Statements, which have not been disclosed in this short form prospectus or in the documents incorporated by reference herein.

Consistent with the Company's past practices and in the normal course of business, the Company is engaged in discussions, and has various agreements, with respect to possible acquisitions of new properties and dispositions of existing properties in its portfolio. However, there can be no assurance that these discussions or agreements will result in acquisitions or dispositions or, if they do, what the final terms or timing of such acquisitions or dispositions would be. The Company expects to continue current discussions and actively pursue other acquisition, investment and disposition opportunities.

## **The Transactions**

### ***Overview***

On February 28, 2019, in connection with the announcement of the Offering, the Company announced that it had also entered into the Share Repurchase Agreement pursuant to which the Company will purchase for cancellation 36 million Common Shares from the Selling Shareholder at a price of \$20.60 per Common Share, for gross consideration paid to the Selling Shareholder of \$741.6 million. Completion of the Transactions is cross-conditional, with the Concurrent Share Repurchase being subject to approval by a simple majority of the votes cast at the Special Meeting, excluding votes attached to the Common Shares held directly or indirectly by the Selling Shareholder and Gazit-Globe (as well as its related parties and joint actors).

### ***Highlights of the Transactions***

The Company believes that the Transactions provide a number of benefits to its shareholders, including:

- **Immediate NAV and FFO Accretion:** The Company estimates that the Concurrent Share Repurchase will be approximately one percent (1%) accretive to the Company's pre-tax IFRS net asset value ("NAV") per Common Share, as a result of the purchase price per Common Share being at an approximately 9% discount to the Company's pre-tax IFRS NAV per Common Share of \$22.59 as at December 31, 2018. The Concurrent Share Repurchase is also expected to initially be approximately six percent (6%) accretive to the Company's FFO per Common Share. As the Company is funding the Concurrent Share Repurchase with proceeds from new debt financings, it is expected that the FFO accretion will decrease as the Company executes on its previously announced de-leveraging plan.
- **Improves FFO Payout Ratio:** The Concurrent Share Repurchase would have reduced the Company's 2018 FFO payout ratio from 71% to approximately 67%.

- **Improves Market Liquidity:** If the Transactions are successfully completed, the Company expects that its shareholders will be able to enjoy improved liquidity for their Common Shares due to an increase in the public float of the Common Shares and related securities. The Company estimates that the Company's public float in the Common Shares and related equity securities will increase from approximately 68% of the Common Shares outstanding as of the date of the Share Repurchase Agreement to approximately 89% of the Common Shares outstanding following completion of the Transactions. The Company believes that this improved liquidity will better position it to access the capital markets, and that the Company and its shareholders will benefit from a larger and more diversified investor base.
- **Prudent Balance Sheet Management:** The Company has consistently maintained a strong balance sheet, giving it the flexibility to finance the Concurrent Share Repurchase with the proceeds from new debt financing. Following completion of the Concurrent Share Repurchase, the Company's "net debt to total assets" is expected to increase from approximately 42% as at December 31, 2018 to approximately 49%. The new debt financing is not expected to have a materially adverse impact on the Company's existing capital requirements, its financial position or its ability to achieve its business objectives. While increased leverage may impact the Company's credit rating in the short term, the Company's intention is to gradually return its leverage to current levels by disposing of selected assets pursuant to its disposition program announced on February 12, 2019 in conjunction with its evolved urban investment strategy.

### ***Capital Structure and Financing Considerations***

The Company intends to fund the Concurrent Share Repurchase with proceeds from the following new debt financings: i) approximately \$400 million of 10-year mortgage debt; and ii) approximately \$400 million of senior unsecured term loans with terms expected to range from 5-7 years. The Company expects to have these new debt financings completed before the closing of the Concurrent Share Repurchase. In addition, the Company has a fully committed one-year bridge facility for up to \$800 million from RBC (the "**Bridge Facility**") in order to backstop these new debt financings.

The Company intends to de-lever back to similar debt levels as are currently in place over the next 24 months by disposing of selected assets consistent with its evolved urban investment strategy. The group of properties considered for full or partial disposition will be approximately 10%-15% of the Company's portfolio.

Subsequent to the announcement of the Transactions, DBRS Limited ("**DBRS**") and Moody's Investors Service, Inc. ("**Moody's**") announced that the Company's long-term credit ratings on its outstanding senior unsecured debentures have been placed "under review with negative implications" and "under review for downgrade", respectively. The ratings are under review pending completion of the Transactions and, in the case of DBRS, its review of the Company's intention to pursue conversion to a REIT. The Company's senior unsecured debentures are currently rated "BBB (high)" by DBRS and "Baa2" by Moody's. There can be no assurance as to the rating to be assigned by either DBRS or Moody's following their respective reviews or 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 either or both rating agencies if in their respective judgments, circumstances so warrant. See "Risk Factors".

### ***Concurrent Share Repurchase***

Closing of the Concurrent Share Repurchase is contingent upon the closing of the Offering and is subject to the approval of a simple majority of the votes cast at the Special Meeting, excluding votes attached to the Common Shares held directly or indirectly by the Selling Shareholder and Gazit-Globe (as well as its related parties and joint actors), and certain other customary closing conditions. On February 28, 2019, the Company obtained an order from the Ontario Securities Commission exempting the Company from the requirements applicable to issuer bids in Part 2 of National Instrument 62-104 – *Takeover Bids and Issuer Bids* in respect of the Concurrent Share Repurchase. The Share Repurchase Agreement includes an exclusive dealing covenant on the part of the Selling Shareholder and Gazit-Globe. The Share Repurchase Agreement also provides for a \$3.0 million expense reimbursement payment by the Company to the Selling Shareholder on signing of the Share Repurchase Agreement, which payment will be credited to the total repurchase price on closing or retained by the Selling Shareholder if the Share Repurchase Agreement is terminated in certain circumstances. Closing of the Concurrent Share Repurchase is expected to occur shortly following the Special Meeting but after closing of this Offering. The Company has agreed that, following closing of the Concurrent Share Repurchase, Gazit-Globe will have the right to

nominate one representative for election to serve on the board of directors of the Company (the “**Board**”) for so long as it beneficially owns, directly or indirectly, or exercises control or direction over at least 5% of the outstanding Common Shares. There are currently three Gazit-Globe representatives on the Board. The Special Meeting is currently scheduled to be held April 10, 2019 and shareholders of record as at the close of business on March 11, 2019 will be entitled to vote at the Special Meeting. Holders of Offered Shares represented by Instalment Receipts will, accordingly, not be entitled to vote such Offered Shares at the Special Meeting. The Selling Shareholder will also be excluded from voting any Common Shares at the Special Meeting.

The Concurrent Share Repurchase is the result of negotiations between the Selling Shareholder and its advisors and the Company, acting under the direction of the Special Committee (as defined below), and its advisors. The Board, after consultation with financial and legal advisors, and based on the unanimous recommendation of a special committee of the Board consisting of the Company’s five independent directors (the “**Special Committee**”), has unanimously determined that the Concurrent Share Repurchase is in the best interests of the Company, and recommends that the Company’s shareholders vote in favour of the Concurrent Share Repurchase. Board members Chaim Katzman, Jeffrey Mooallem and Dori Segal each declared an interest in the Concurrent Share Repurchase and, as such, recused themselves from considering the Concurrent Share Repurchase. Members of the Special Committee have agreed to vote their Common Shares in favour of the Concurrent Share Repurchase.

RBC and Blair Franklin Capital Partners Inc. (“**Blair Franklin**”) have each provided a fairness opinion to the Board stating that, in their respective opinion and subject to the assumptions, limitations and qualifications contained in each fairness opinion, as of the date of the fairness opinion, the consideration paid under the Concurrent Share Repurchase is fair, from a financial point of view, to the Company. Blair Franklin was retained by the Special Committee and compensated on a fully fixed fee basis.

The Company intends to mail a management information circular (the “**Circular**”) and certain related documents to shareholders entitled to vote at the Special Meeting, copies of which will be filed on SEDAR at [www.sedar.com](http://www.sedar.com). The Circular will include, among other things, a copy of the fairness opinions of RBC and Blair Franklin.

### CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at December 31, 2018 before and after giving effect to certain *pro forma* adjustments. This table should be read in conjunction with the Annual Financial Statements, which are incorporated by reference into this short form prospectus.

	As at December 31, 2018 <sup>(1)</sup> (historical) (\$ Millions)	As at December 31, 2018 As adjusted to give effect to the closing of the Transactions and related financing thereof ( <i>pro forma</i> ) (\$ Millions)
<b>Indebtedness</b>		
Credit facilities		
Unsecured operating <sup>(2)</sup> .....	503.0	503.0
Secured construction .....	90.0	90.0
Secured other .....	33.2	33.2
Bank Indebtedness	7.2	7.2
New senior unsecured term loans <sup>(3)</sup> .....	-	400.0
Existing mortgages .....	1,285.9	1,285.9
New mortgages <sup>(3)</sup> .....	-	356
Senior unsecured debentures .....	2,447.3	2,447.3

Total indebtedness .....	4,366.6	5,122.6
Total shareholders' equity .....	4,978.2	4,222.2
Total capitalization .....	9,344.8	9,344.8
Common shares .....	254.8	218.8

<sup>(1)</sup> Stated before deferred issue costs and premium or discount.

<sup>(2)</sup> Drawn in US\$ equivalent of C\$494.8 million at the time of draw, revalued at C\$503 million at December 31, 2018.

<sup>(3)</sup> Approximate as the precise balance between new mortgages and new unsecured term loans is not yet confirmed.

## SELLING SHAREHOLDER

As of the date hereof, the Selling Shareholder is the beneficial owner of approximately 79.6 million Common Shares, which represents approximately 31.3% of the outstanding Common Shares (or approximately 30.68% on a fully-diluted basis).

The Selling Shareholder intends to sell 58,000,000 Common Shares under this short form prospectus and the Concurrent Share Repurchase, representing approximately 21.4% of the total issued and outstanding Common Shares of the Company.

Following completion of the Offering and after giving effect to the closing of the Concurrent Share Repurchase, the Selling Shareholder will own 21.6 million Common Shares, representing approximately 9.9% of the outstanding Common Shares (or approximately 9.7% on a fully-diluted basis).

For the purposes of this section of this short form prospectus, all “fully-diluted” figures assume that Common Shares are issued in respect of the conversion, exercise or redemption in full of all of the Company’s outstanding stock options, performance share units, restricted share units and deferred share units and that the Final Instalment is paid on or before the Final Instalment Date.

## DESCRIPTION OF SHARE CAPITAL

### General

The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preference shares, issuable in series. As at the close of business on March 12, 2019, there were 254,902,354 Common Shares issued and outstanding and there were no preference shares outstanding. Upon the closing of the Concurrent Share Repurchase, the Company expects that it will have approximately 218,902,354 Common Shares issued and outstanding.

### Common Shares

Holders of Common Shares are entitled to receive: (a) notice of and attend at any meeting of the shareholders of the Company, except class meetings of other classes of shares, and are entitled to one vote for each share held; and (b) dividends in the discretion of the Company’s board of directors (the “**Board**”). Additionally, subject to the rights of holders of any shares ranking prior to the Common Shares, the holders of the Common Shares shall be entitled to receive the remaining property of the Company upon liquidation, dissolution or the winding-up of the Company.

Further information on the Common Shares, and the other share capital of the Company, is set out in the Company’s current annual information form which is incorporated by reference herein.

## DETAILS OF THE OFFERING

The Offering consists of 22,000,000 Offered Shares represented by Instalment Receipts at a price of \$20.60 per Offered Share, which are being sold by the Selling Shareholder on an instalment basis. The First Instalment is payable on the

Closing Date and the Final Instalment is payable at any time following completion of the Concurrent Share Repurchase and before the date that is one calendar year from the Closing Date (or if such date is not a Business Day, the next following Business Day) (the “**Final Instalment Date**”). Payment of the Final Instalment in full must be received by the Custodian by no later than 3:30 p.m. (Toronto time) on the Final Instalment Date (the “**Final Instalment Time**”). Holders should make arrangements with the securities broker, trust company or other financial institution through which they hold Instalment Receipts to pay the Final Instalment sufficiently in advance of the Final Instalment Time to ensure that such payment is received by the Custodian prior to this deadline.

Unless the context requires otherwise, a “**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday in the City of Toronto, Ontario.

### **Instalment Receipts**

The following is a summary of the material attributes and characteristics of the Instalment Receipts representing the Offered Shares and the rights and obligations of holders thereof. This summary does not purport to be complete and is subject to, and is qualified in its entirety by, the terms of the instalment receipt, escrow and pledge agreement (the “**Instalment Receipt Agreement**”), to be dated as of the Closing Date, among the Company, the Selling Shareholder, Gazit-Globe, the Underwriters and Computershare Trust Company of Canada in its capacities as custodian, escrow agent and security agent (the “**Custodian**”). Copies of the Instalment Receipt Agreement will be available for inspection at the principal offices of the Custodian in Toronto, Ontario. A prospective purchaser of Offered Shares represented by Instalment Receipts should carefully review the Instalment Receipt Agreement, a copy of which will be available under the Company’s issuer profile at [www.sedar.com](http://www.sedar.com) following the closing of the Offering.

Holders of Instalment Receipts will be bound by the terms of the Instalment Receipt Agreement. The Instalment Receipt Agreement will provide that legal title to the Offered Shares will be held by the Custodian following payment of the First Instalment and until the earlier of full payment of the Final Instalment with respect to such Offered Shares and the Final Instalment Date, provided that payment in full of the Final Instalment with respect to such Offered Shares has been received by the Custodian by no later than the Final Instalment Time. The Offered Shares will be pledged to the Selling Shareholder by the Underwriters (for and on behalf of the purchasers of Offered Shares represented by Instalment Receipts under the Offering) at the closing of the Offering and the physical certificate(s) representing the Offered Shares will be held in the possession of the Custodian, as security agent, on behalf of the Selling Shareholder, subject to the terms of the Instalment Receipt Agreement.

Prior to payment of the Final Instalment, beneficial ownership of the Offered Shares will be represented by Instalment Receipts and the rights of holders of Instalment Receipts will be governed by the Instalment Receipt Agreement. An Instalment Receipt will evidence, among other things, (i) the fact that the First Instalment has been paid in respect of the Offered Shares represented thereby, and (ii) the right of a holder thereof, subject to the occurrence of a Termination Event and its compliance with the provisions of the Instalment Receipt Agreement, to have the Share Pledge released as soon as practicable following the earlier of full payment of the Final Instalment with respect to such Offered Shares and the Final Instalment Date provided that payment in full of the Final Instalment with respect to such Offered Shares has been received by the Custodian by no later than the Final Instalment Time. A holder of an Instalment Receipt is entitled to make payment, in accordance with the provisions of the Instalment Receipt Agreement, of the Final Instalment at any time after the closing of the Concurrent Share Repurchase and prior to the Final Instalment Time and thereby become the holder of the Offered Shares represented by such Instalment Receipt. A holder of an Instalment Receipt is deemed to have assumed the obligation to pay the Final Instalment on or before the Final Instalment Time and to have acquired beneficial ownership of the Offered Shares represented by the Instalment Receipt, subject to the Share Pledge which secures such obligation. A holder of an Instalment Receipt is further deemed to agree that the Share Pledge will remain in effect and be binding and effective notwithstanding any transfer of or other dealings with the Instalment Receipt and the rights evidenced or arising thereby.

Upon closing of the Offering and pending the completion of the Concurrent Share Repurchase, the Escrowed Funds will be delivered to and held by the Custodian and deposited or invested, as the case may be, in short-term obligations of, or guaranteed by, the Government of Canada, investment certificates of a Canadian bank or in one or more interest bearing trust accounts to be maintained by the Custodian at one or more banks with issuer credit ratings from S&P Global Ratings, a division of S&P Global Inc. of at least “A”, or other approved investments as specified in the Instalment Receipt Agreement, provided that any such investments must be a “qualified investment” (within the meaning of section 204 of the Tax Act) (collectively, the “**Permitted Investments**”), as directed by the Selling Shareholder, to be released upon the earlier to occur

of (i) the completion of the Concurrent Share Repurchase and delivery by the Selling Shareholder of the Release Notice, and (ii) a Termination Event.

Upon completion of the Concurrent Share Repurchase and the execution and delivery of the Release Notice by the Selling Shareholder to the Company, Gazit-Globe, the Custodian and RBC, on behalf of the Underwriters, certifying that the Concurrent Share Repurchase has closed in accordance with the Share Repurchase Agreement, the Custodian will: (i) remit to the Selling Shareholder the Net Proceeds; and (ii) release to the Underwriters 50% of the Underwriters' Fee, together with any interest earned thereon.

In the event of a Termination Event, the Company will forthwith notify the Selling Shareholder, Gazit-Globe, the Custodian and RBC, on behalf of the Underwriters, and will promptly issue a news release specifying the Termination Date. Upon the occurrence of a Termination Event, a holder of Instalment Receipts shall, commencing on the Business Day following the Termination Date, be entitled to receive from the Custodian, as consideration for the sale of the Offered Shares back to the Selling Shareholder, an amount equal to the First Instalment multiplied by the number of Instalment Receipts held by such holder plus their *pro rata* share of an amount equal to any Earned Interest, calculated from and including the Closing Date to but excluding the Termination Date and less any applicable withholding taxes and, from the Selling Shareholder, an amount equal to the Final Instalment, the obligation to pay which shall be set off against the Instalment Receipt holder's obligation to pay the Final Instalment, in full and final satisfaction of both such obligations. The Selling Shareholder will be required to make up any deficiency that may occur as a result of any loss on the investment of the Escrowed Funds, by payment to the Custodian, where the balance of the Escrowed Funds and any interest earned thereon is insufficient to satisfy the repayment of the First Instalment plus any Earned Interest.

No later than 90 days before the Final Instalment Date, the Selling Shareholder will be required to issue a news release and publish a notice in the Globe and Mail and a French language newspaper of wide circulation in the Province of Québec stating the Final Instalment Time and the amount of the Final Instalment that is due in respect of each Offered Share. No later than 30 days before the Final Instalment Date, the Selling Shareholder will be required to mail a notice (the "**Final Instalment Notice**") to holders of Instalment Receipts of the Final Instalment Date and of the amount of the Final Instalment that is due in respect of each Offered Share. Payment of the Final Instalment is required regardless of whether a holder receives the Final Instalment Notice, directly or indirectly. The Final Instalment Date will be the one year anniversary date of the Closing Date, or if such date is not a Business Day, the next following Business Day. It is currently expected that the Final Instalment Date will be April 13, 2020.

A holder of Instalment Receipts that fails to pay the Final Instalment by the Final Instalment Time (a "**Defaulting Holder**") has no further right to pay the Final Instalment and all rights and privileges of the Defaulting Holder described below under "– Rights and Privileges" shall immediately cease (unless otherwise waived by the Selling Shareholder).

Subject to compliance with the provisions of the Instalment Receipt Agreement, the Custodian will, as soon as practicable following the earlier of (i) full payment of the Final Instalment by a holder of Instalment Receipts and (ii) the Final Instalment Date, provided that payment in full of the Final Instalment with respect to such Offered Shares has been received by the Custodian by no later than the Final Instalment Time, discharge and release the Share Pledge with respect to such Offered Shares. At that time, the Offered Shares will be held through the facilities of CDS Clearing and Depository Services Inc. ("**CDS**"), and the holder will typically only receive a customer confirmation of purchase of the Offered Shares from the holder's CDS Participant (as defined below).

The Instalment Receipts representing the Offered Shares will be issued in "book-entry only" form and must be purchased or transferred through a participant in CDS (a "**CDS Participant**"). The Company will cause a global certificate or certificates representing any newly issued Instalment Receipts to be delivered to, and registered in the name of, CDS or its nominee. All rights and obligations of holders of Instalment Receipts must be exercised or performed through, and all notices, payments or other property to which such holders are entitled or obligated will be made or delivered by the holder holding such Instalment Receipts through CDS or the CDS Participants in accordance with the rules and procedures applicable to CDS and such CDS Participants. Each person who acquires Instalment Receipts will typically only receive a customer confirmation of purchase from the CDS Participant from or through which the Instalment Receipts representing the Offered Shares are acquired in accordance with the practices and procedures of that CDS Participant. The practices of CDS Participants may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS is responsible for establishing and maintaining book-entry accounts for its CDS Participants having interests in Instalment Receipts. See "– Book-Entry Only System". **Because payment of the Final Instalment will be made by holders of**

**Instalment Receipts through CDS and CDS Participants, it is strongly advised that holders make arrangements with the securities broker, trust company or other financial institution through which they hold Instalment Receipts to pay their Final Instalment sufficiently in advance of the Final Instalment Date to ensure that such payment is received by the Custodian by no later than the Final Instalment Time.**

### *Transfer of Instalment Receipts*

The TSX has conditionally approved the listing of the Instalment Receipts on the TSX under the symbol “FCR.IR”. Listing is subject to the Company fulfilling all of the listing requirements of the TSX on or before June 6, 2019. It is expected that the Instalment Receipts will trade on the TSX on an “if, as and when issued” basis commencing on the first trading date after a receipt has been issued from the securities regulatory authorities in each of the provinces of Canada for this short form prospectus. It is anticipated that holders will be able to transfer Instalment Receipts through the facilities of the TSX until (and including) the trading day prior to the earliest of: (i) the Termination Date, (ii) the Final Instalment Date, or (iii) such earlier date as the Final Instalment shall have been paid with respect to all outstanding Instalment Receipts. Upon a transfer of an Instalment Receipt, the transferee will acquire the transferor’s rights, subject to the Share Pledge and become subject to the obligations of a holder of Instalment Receipts under the Instalment Receipt Agreement, including the assumption by the transferee of the obligation to pay the Final Instalment on or before the Final Instalment Time. No transfer of an Instalment Receipt after the Final Instalment Date will be accepted (except where an intermediary holds Instalment Receipts on behalf of a non-registered holder and such non-registered holder has failed to pay the Final Instalment when due, or with the express consent of the Selling Shareholder).

The TSX has advised the Company and the Underwriters that Due Bills are to be used in connection with trades of Instalment Receipts through the facilities of the TSX for the period from and including April 11, 2019 to and including the date that the Company’s first quarter 2019 dividend becomes payable to holders of Instalment Receipts in accordance with the related TSX bulletin. A due bill is defined in the TSX Company Manual as an instrument used to evidence the transfer of title to any dividend, distribution, interest, security or right to a listed security contracted for, or evidencing, the obligation of a seller to deliver such dividend, distribution, interest, security or right to a subsequent purchaser (“**Due Bill**”). Due Bills are entitlements that can be used to defer the ex-dividend trading of TSX-listed securities.

The TSX has indicated that the use of Due Bills in connection with trades of Instalment Receipts through the facilities of the TSX is a result of holders of Instalment Receipts having only a conditional right to receive the Company’s first quarter 2019 dividend, which is subject to a condition (the closing of the Concurrent Share Repurchase) which will not be satisfied before the normal ex-dividend trading date (i.e., one trading day before the dividend record date). See “- Rights and Privileges”. As a result, in order to defer ex-dividend trading of the Instalment Receipts, trading of the Instalment Receipts with Due Bills (i.e., trading on a cum-dividend basis) will commence on and include April 11, 2019 and continue to and including the date that the Company’s first quarter 2019 dividend becomes payable to holders of Instalment Receipts in accordance with the related TSX bulletin.

Without the use of Due Bills, trading of the Instalment Receipts through the facilities of the TSX on an ex-dividend basis would commence one trading day prior to the related dividend record date, and purchasers on the TSX would not be entitled to the value of the dividend on or after the ex-dividend date. The use of Due Bills will also avoid potential market confusion regarding the market value of the Instalment Receipts for the period between April 11, 2019 and the date that the Company’s first quarter 2019 dividend becomes payable to holders of Instalment Receipts in accordance with the related TSX bulletin given the Instalment Receipts will trade on a cum-dividend basis.

Any Instalment Receipts traded through the facilities of the TSX following the date that the Company’s first quarter 2019 dividend is paid will trade ex-dividend, as they will represent Instalment Receipts that do not carry any entitlement to receive the Company’s first quarter 2019 dividend.

The Company understands that holders of Instalment Receipts holding such securities through brokerage accounts will not be required to take any special action to receive the Company’s first quarter 2019 dividend, in all cases in accordance with the terms of the Instalment Receipt Agreement. The Company and the Underwriters understand from the TSX that any trades of Instalment Receipts through the facilities of the TSX that are executed during the Due Bill period will be automatically flagged to ensure purchasers receive the entitlement to receive the Company’s first quarter 2019 dividend (assuming the closing of the Concurrent Share Repurchase) and sellers do not receive the entitlement.

### ***Liability of Instalment Receipt Holders***

Pursuant to the Instalment Receipt Agreement, the Underwriters will pledge (for and on behalf of the purchasers of Offered Shares represented by Instalment Receipts under the Offering) the Offered Shares purchased on an instalment basis to secure payment of the Final Instalment. The Instalment Receipt Agreement provides that (except as set out below) if payment in full of the Final Instalment is not duly received by the Custodian from a holder of Instalment Receipts by the Final Instalment Time, any Offered Shares underlying such Instalment Receipts then remaining pledged under the Instalment Receipt Agreement may, at the option of the Selling Shareholder, subject to the provisions of the Instalment Receipt Agreement and applicable laws, (i) be forfeited to the Selling Shareholder in full satisfaction of the obligations of such holder of Instalment Receipts secured thereby, or (ii) be directed by the Selling Shareholder to be sold on behalf of the applicable Defaulting Holder, in accordance with the Instalment Receipt Agreement and applicable laws, and the Defaulting Holder will be remitted its *pro rata* portion of the proceeds of sale after deducting therefrom the amount of the remaining unpaid aggregate Final Instalment, the amount of any applicable withholding taxes and the Defaulting Holder's *pro rata* portion of the Custodian's costs of sale. **The Instalment Receipt Agreement will provide that a sale pursuant to the foregoing shall not limit any other remedies available to the Selling Shareholder against such Defaulting Holder of the Instalment Receipt in the event the proceeds of such sale are insufficient to cover the amount of the Final Instalment and the Custodian's costs of sale and accordingly, such holder shall in such circumstances remain liable to pay to the Selling Shareholder, on demand, an amount equal to such deficiency.**

### ***Rights and Privileges***

Holders of Instalment Receipts will have the same rights and privileges, and be subject to the same limitations, as registered holders of Common Shares, except for certain rights and privileges which will be limited in order to protect the value of the collateral secured by the Share Pledge or except where the exercise of such rights and privileges would not be practicable or except where the Instalment Receipt Agreement provides otherwise. Ownership of the Offered Shares represented by Instalment Receipts will be transferred to the holders of Instalment Receipts upon closing of the Offering and will be subject to the terms and conditions of the Instalment Receipt Agreement. Holders of Instalment Receipts will be entitled, through the Custodian, and in the manner set forth in the Instalment Receipt Agreement, to participate fully in all dividends and other distributions on the Offered Shares represented by their Instalment Receipts from the Announcement Date onward, and, following the closing of the Concurrent Share Repurchase, to vote the Offered Shares represented by their Instalment Receipts and to receive periodic reports and other materials in the same manner as if they were the registered holders of Common Shares. In particular, the Instalment Receipt Agreement will provide as follows:

- (a) the Custodian will use its commercially reasonable efforts to remit cash dividends (other than Excess Dividends (as defined below)) on the Offered Shares represented by Instalment Receipts to the holders of Instalment Receipts at the same time as (or as soon as practicable after) the corresponding cash dividends are paid to all other holders of Common Shares, provided that the payment date for such cash dividends is on or after the date of closing of the Concurrent Share Repurchase. Any cash dividends to be paid in respect of the Offered Shares represented by Instalment Receipts (i) with a record date that is on or after the Announcement Date and before the closing date of the Concurrent Share Repurchase and (ii) with a payment date that is prior to the date of closing of the Concurrent Share Repurchase, shall be placed in escrow with the Custodian pending the earlier to occur of (x) the closing of the Concurrent Share Repurchase, and (y) a Termination Event. Upon the closing of the Concurrent Share Repurchase, any such cash dividends held in escrow will be remitted to the registered holders of Instalment Receipts who were holders of record as at the related dividend record date, together with any interest earned thereon less any withholding taxes; or, if a Termination Event occurs, an amount equal to such cash dividends will instead be remitted to the Selling Shareholder, together with any interest earned thereon;
- (b) cash dividends paid on the Offered Shares represented by Instalment Receipts in excess of the current annualized cash dividend of \$0.86 per Offered Share represented by an Instalment Receipt per year ("**Excess Dividends**") will first be paid to the Selling Shareholder as payment towards the aggregate Final Instalment and such payment shall be applied as a *pro rata* reduction of the Final Instalment, and any balance remaining will be paid *pro rata* to holders of the Instalment Receipts (net of any applicable withholding taxes);

- (c) on or after the date of closing of the Concurrent Share Repurchase and until payment of the Final Instalment, distributions on the Offered Shares represented by Instalment Receipts (including upon liquidation, dissolution or winding-up of the Company), other than cash dividends, Excess Dividends, or any cash, securities or other property distributed or issued in conjunction with a Reorganization (as defined below) or units of a REIT which may be issued and consolidated with the then outstanding units, of (i) any securities, (ii) any options, rights or warrants to purchase any securities, (iii) any securities convertible into or exchangeable for securities, property or other assets, (iv) any evidence of indebtedness, or (v) any other property or assets of like nature, whether of the Company or of any other person, distributed or issued by the Company or any of its subsidiaries or affiliates to all, or substantially all, of the holders of Common Shares, will be sold by the Custodian and the proceeds will first be applied to pay the Custodian's costs of disposition, with the balance paid to the Selling Shareholder as payment towards the aggregate Final Instalment and such payment shall be applied as a *pro rata* reduction of the Final Instalment, and any balance remaining will be paid *pro rata* to holders of the Instalment Receipts (net of any applicable withholding taxes). For greater certainty, the net amount of any such proceeds to be paid before the closing of the Concurrent Share Repurchase shall be placed in escrow with the Custodian pending the earlier to occur of (x) the closing of the Concurrent Share Repurchase, and (y) a Termination Event. Upon the closing of the Concurrent Share Repurchase, the Custodian will pay such proceeds, together with any interest earned thereon, to the Selling Shareholder as payment towards the aggregate Final Instalment and such payment shall be applied as a *pro rata* reduction of the Final Instalment, and any balance remaining will be paid *pro rata* to holders of the Instalment Receipts, together with any interest earned thereon (net of any applicable withholding taxes); or, if a Termination Event occurs, such proceeds will be remitted to the Selling Shareholder, together with any interest earned thereon;
- (d) until payment of the Final Instalment, and forthwith after receipt by the Custodian of any cash (other than cash dividends) paid in respect of the Offered Shares represented by Instalment Receipts pursuant to (i) a Reorganization or (ii) on a liquidation, dissolution or winding-up of the Company following the date of closing of the Concurrent Share Repurchase, such cash shall be paid to the Selling Shareholder as payment towards the aggregate Final Instalment and such payment shall be applied as a *pro rata* reduction of the Final Instalment, and any balance remaining will be paid *pro rata* to holders of the Instalment Receipts (net of any applicable withholding taxes). For greater certainty, any such cash payment to be made before the closing of the Concurrent Share Repurchase shall be placed in escrow with the Custodian pending the earlier to occur of (x) the closing of the Concurrent Share Repurchase, and (y) a Termination Event. Upon the closing of the Concurrent Share Repurchase, the Custodian will pay such cash, together with any interest earned thereon, to the Selling Shareholder as payment towards the aggregate Final Instalment and such payment shall be applied as a *pro rata* reduction of the Final Instalment, and any balance remaining will be paid *pro rata* to holders of the Instalment Receipts, together with any interest earned thereon (net of any applicable withholding taxes); or, if a Termination Event occurs, such cash payment will be remitted to the Selling Shareholder, together with any interest earned thereon;
- (e) until payment of the Final Instalment, and forthwith after receipt by the Custodian of securities or other property (other than cash) distributed in exchange for, in conversion of, or in respect of the Offered Shares pursuant to a Reorganization or units of a REIT which may be issued and consolidated with the then outstanding units, such securities, other property or units of a REIT shall be registered in the name of the Custodian or, if registration is not possible, be in suitable form for transfer by delivery to or shall be accompanied by duly executed instruments of transfer or assignment in favour of the Custodian, and all such securities, other property or units of a REIT shall be held and dealt with by the Custodian as pledged collateral to secure payment of the Final Instalment; and
- (f) upon any (i) subdivision, consolidation, reclassification, or other change of the Common Shares, or (ii) reorganization, amalgamation, arrangement, merger or sale of assets affecting the Company or to which the Company is a party, a transfer of all or substantially all of the assets of the Company or similar transactions affecting the Company (including, for greater certainty, any conversion of the Company to a REIT) (a "**Reorganization**"), as a result of which the holders of Common Shares will be entitled to receive securities, cash or other property in exchange for, in conversion of, or in respect of, the Common Shares (including, for example, the trust units that may replace the Common Shares if the Company reorganizes into a REIT), the Instalment Receipts shall henceforth represent the right, upon payment of the Final

Instalment, to receive Offered Shares as modified or added to or the shares, units or other securities, cash (subject to paragraph (d) above) or property substituted for such Offered Shares resulting from the Reorganization.

Holders of Instalment Receipts who are non-residents of Canada will be subject to any applicable withholding taxes payable in respect of any dividends (including cash dividends and Excess Dividends), distributions in kind or cash to be received pursuant to a Reorganization, and payments of such amounts to such holders of Instalment Receipts may be made net of any such withholding taxes. Such withholding taxes will be payable even if such amounts are applied on account of the Final Instalment, including in respect of Excess Dividends, and even if such amounts are insufficient to pay such withholding taxes.

The Company's first quarter 2019 dividend of \$0.215 per Common Share will be paid on April 22, 2019 to shareholders of record on April 12, 2019. Assuming the Offering closes on April 11, 2019 and the Concurrent Share Repurchase closes on or prior to April 22, 2019, holders of Offered Shares represented by Instalment Receipts on April 12, 2019 (subject to any trades on the TSX on a Due Bill basis as described under "Details of the Offering—Transfer of Instalment Receipts") will receive such dividend on or as soon as practicable after April 22, 2019.

### ***Modification***

Apart from changes which do not adversely affect the interests of the holders of Instalment Receipts in a material respect (which may be made by agreement between the Company, the Selling Shareholder and the Custodian without the consent of such holders), the Instalment Receipt Agreement may not be amended without the affirmative vote of the holders of two-thirds of the Offered Shares represented by the Instalment Receipts which are represented and voted at a meeting duly called for the purpose or rendered by instruments in writing signed by the holders of Instalment Receipts representing not less than two-thirds of the Offered Shares represented by the Instalment Receipts. The procedure for such meetings will be substantially similar to the procedure for meetings of holders of Common Shares.

### ***General***

The Custodian may require holders of Instalment Receipts from time to time to execute or furnish such documents and to furnish such information as, in the reasonable opinion of the Custodian, may be necessary or appropriate to comply with any fiscal or other laws or regulations relating to the Instalment Receipts or the Offered Shares represented by the Instalment Receipts. The Custodian shall not be responsible for any taxes (including withholding taxes), duties, governmental charges or expenses which may become payable in respect of the Offered Shares or Instalment Receipts. In this regard, the Custodian shall be entitled to deduct or withhold from any payment or other distribution required or contemplated by the Instalment Receipt Agreement the appropriate amount of money or property, or to require holders of Instalment Receipts to make any required payments, and shall be permitted to sell the Instalment Receipts of such holders or the Offered Shares represented by such Instalment Receipts and apply the proceeds therefrom in satisfaction of such taxes, duties, governmental charges or expenses payable by such holders. The Custodian may also withhold delivery of certificates representing the Offered Shares until satisfactory provision for payment is made, in respect of any non-resident Canadian withholding taxes or other taxes, duties or governmental charges or expenses required by applicable law to be withheld or paid.

Holders of Instalment Receipts will not be liable for charges and expenses of the Custodian except for the Custodian's costs of sale in the case of Defaulting Holders and any taxes, duties and other governmental charges which may be payable as described above.

### ***Book-Entry Only System***

Registration of interests in and transfers of Instalment Receipts will be made only through the book-entry only system of CDS (the "**Book-Entry Only System**"). Instalment Receipts must be purchased, transferred and surrendered through a CDS Participant. Upon purchase of any Instalment Receipts representing Offered Shares, the Company understands that the holder of Instalment Receipts will typically only receive a customer confirmation from the registered dealer which is a CDS Participant and from or through which the Instalment Receipts are purchased. References in this short form prospectus to a holder of Instalment Receipts mean, unless the context otherwise requires, the owner of the beneficial interest in such Instalment Receipts.

The ability of a beneficial owner of Instalment Receipts to pledge such Instalment Receipts or otherwise take action with respect to such beneficial holder's interest in such Instalment Receipts (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Selling Shareholder has the option to terminate registration of the Instalment Receipts through the Book-Entry Only System as provided in the Instalment Receipt Agreement in which case certificates for the Instalment Receipts in fully registered form would be issued to holders of such Instalment Receipts.

## PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement (the "**Underwriting Agreement**") dated March 6, 2019 among the Underwriters, the Selling Shareholder, Gazit-Globe and the Company, the Selling Shareholder has agreed to sell and the Underwriters have agreed to purchase, on or about April 11, 2019 or such other date as may be agreed upon by the Selling Shareholder, the Company and RBC, on behalf of the Underwriters, but not later than April 22, 2019, subject to compliance with all necessary legal requirements and to the terms and conditions contained in the Underwriting Agreement, the Offered Shares at a price of \$20.60 per Offered Share, payable in cash to the Selling Shareholder as to \$10.30 per Offered Share by the Underwriters on the Closing Date against delivery of the Offered Shares, and as to \$10.30 per Offered Share (being the Final Instalment) by the applicable holders of the Instalment Receipts on or before the Final Instalment Date. The price was determined by negotiation between the Selling Shareholder and the Underwriters. The Underwriting Agreement provides that the Underwriters will be paid an aggregate fee of 4.0% of the gross proceeds of the Offering on account of underwriting services rendered in connection with the Offering, which is payable as to 50% by the Company on the seventh calendar day following the filing of this short form prospectus, with the remaining 50% of the Underwriters' Fee payable by the Selling Shareholder on closing of the Concurrent Share Repurchase, together with any interest earned thereon. Should the Underwriters collectively terminate the Underwriting Agreement in accordance with its terms (except as a result of (i) the gross negligence or wilful misconduct of the Company, the Selling Shareholder or Gazit-Globe or (ii) the requisite majority of the shareholders of the Company having not approved the Concurrent Share Repurchase), the portion of the Underwriters' Fee payable by the Company shall be refunded to the Company. The Company will not receive any proceeds of the Offering. As described above, certain directors and officers of the Company have agreed to make the D&O Purchases as part of the Offering. The Underwriters will not receive any fee in respect of the D&O Purchases. The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion upon the occurrence of certain stated events, including in the event of certain stated material changes with respect to the Company and its subsidiaries (taken as a whole), certain stated events seriously adversely affecting the financial markets in Canada or the United States or the business, operations or affairs of the Company and its subsidiaries (taken as a whole), in the event the requisite majority of the Company's shareholders voting at the Special Meeting do not approve the Concurrent Share Repurchase, or in the event that a Termination Event occurs prior to the Closing. The Underwriters are, however, obligated to take up and pay for all of the Offered Shares if any of the Offered Shares are purchased under the Underwriting Agreement.

Pursuant to policy statements of certain securities commissions or regulatory authorities, the Underwriters may not, throughout the period of distribution under this short form prospectus, bid for or purchase Instalment Receipts or Common Shares. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Instalment Receipts or Common Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of relevant self-regulatory authorities relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. The Selling Shareholder and the Company have been advised by the Underwriters that, in connection with this Offering and pursuant to the first-mentioned exception, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Instalment Receipts or Common Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. Offered Shares represented by Instalment Receipts sold by the Underwriters to the public will initially be offered at the offering price set forth on the cover page of this short form prospectus. If all of the Offered Shares represented by Instalment Receipts are not sold at the offering price, the Underwriters may reduce the offering price, and the compensation realized by the Underwriters will be reduced by the amount that the aggregate price paid by purchasers for the Offered Shares represented by Instalment Receipts is less than the price paid by the Underwriters to the Selling Shareholder.

The Underwriters are entitled under the Underwriting Agreement to indemnification by the Company on a several basis and by the Selling Shareholder and Gazit-Globe, on a joint and several basis, against certain liabilities, including

liabilities under securities legislation, or to contribution with respect to payments that they may be required to make in respect thereof. The Company, the Selling Shareholder and Gazit-Globe have agreed to indemnify one another against liabilities with respect to certain information related solely to the respective party and furnished to the other for use in this short form prospectus.

The Offered Shares represented by Instalment Receipts and the Instalment Receipts have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”). Accordingly, except in certain transactions exempt from the registration requirements of the U.S. Securities Act, the Offered Shares represented by Instalment Receipts may not be offered, sold or delivered within the United States, and each Underwriter or selling agent has agreed that it will not offer, sell or deliver the Offered Shares represented by Instalment Receipts within the United States. This short form prospectus does not constitute an offer to sell or solicitation of an offer to buy any of the Offered Shares represented by Instalment Receipts in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offered Shares represented by Instalment Receipts within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act.

Under the Underwriting Agreement, each of the Company, Gazit-Globe and the Selling Shareholder has agreed that it will not, directly or indirectly, and for greater certainty including through their respective subsidiaries, without the prior written consent of (i) RBC, on behalf of the Underwriters, and (ii) the Company (in the event of a sale by the Selling Shareholder or Gazit-Globe), in each case, such consent not to be unreasonably withheld or delayed, create, issue or sell, assign, transfer, pledge, hypothecate, otherwise encumber or dispose of in any way, or enter into any swap, hedge or other arrangement that transfers the economic, voting or beneficial interest in (any such action, a “**Transfer**”) (or agree or announce any such agreement to create, issue or Transfer) any equity securities of the Company or any securities exchangeable or convertible into equity securities of the Company, other than (i) through the Company’s existing stock option plan, employee share purchase plan, deferred share plan and restricted share plan; (ii) as consideration for the acquisition of real property assets from a vendor that is at arm’s length to the Company; or (iii) in the case of Gazit-Globe or the Selling Shareholder, pursuant to the Share Repurchase Agreement, at any time prior to 180 days after the Closing Date. Further, with respect to the Common Shares retained by the Selling Shareholder after closing of the Offering, the Selling Shareholder and Gazit-Globe will not, directly or indirectly, without the prior written consent of the Company, not to be unreasonably withheld or delayed, Transfer (or agree or announce any such agreement to Transfer) any of the Common Shares (other than pursuant to the Concurrent Share Repurchase or in connection with the entering into of any derivative hedging transaction) at any time prior to the first anniversary of the Closing Date. The foregoing restrictions will not prohibit or restrict the Selling Shareholder and Gazit-Globe from complying with their obligations under certain pledges of the Common Shares existing on the Announcement Date or entering into new pledges prior to the Closing Date (provided that the Offered Shares will be free and clear of all encumbrances on the Closing Date) and will not restrict the Selling Shareholder and Gazit-Globe from making pledges of any Common Shares retained by the Selling Shareholder after the closing of the Offering to secure certain credit facilities and other indebtedness made available to the Selling Shareholder and/or Gazit-Globe by certain commercial lenders. The Company has covenanted with the Selling Shareholder not to undertake any rights offering transactions in respect of the Common Shares until the earlier of (i) the termination of the Instalment Receipt Agreement, and (ii) the Business Day after the Final Instalment Date.

In addition, each director and officer of the Company will, upon closing of the Offering, have entered into a lock-up agreement with RBC, on behalf of the Underwriters, in form and substance satisfactory to the Underwriters, preventing such director or officer from, without the prior written consent of RBC, on behalf of the Underwriters, such consent not to be unreasonably withheld or delayed, selling, agreeing to sell or announcing an intention to sell any Common Shares or any securities convertible into or exchangeable for the Common Shares until the date which is 180 days after the Closing Date.

RBC, BMO, CIBC WM, Scotia, TDSI and NBF are wholly-owned subsidiaries of the Banks, which are lenders to the Company. Consequently, the Selling Shareholder, as a significant securityholder of the Company, may be considered to be a connected issuer of RBC, BMO, CIBC WM, Scotia, TDSI and NBF for the purposes of the securities regulations of certain Canadian provinces. As of the date of this short form prospectus, the Company is in compliance with the terms of its indebtedness, certain of which indebtedness is secured against certain of the Company’s properties. Since the indebtedness to the Banks was incurred, the financial position of the Company and the value of the collateral granted as security for the indebtedness have not materially changed. As of the close of business on March 12, 2019, the Company was indebted to the Banks in an aggregate amount of approximately \$1,018.0 million. As of closing of the Concurrent Share Repurchase, the Company estimates that it will be indebted to the Banks in the aggregate amount of approximately \$1,774.0 million as a result of debt incurred to finance the Concurrent Share Repurchase. RBC, BMO, CIBC WM, Scotia TDSI and NBF have each

advised that the decision to underwrite the Offering was made independently of the Banks and the Banks had no influence as to the determination of the terms of the distribution. None of RBC, BMO, CIBC WM, Scotia, TDSI or NBF will receive any benefit in connection with the Offering other than its respective portion of the Underwriters' Fee and, in the case of RBC, its fee for arranging the Bridge Facility and for acting as financial advisor to the Company in respect of the Concurrent Share Repurchase.

### TRADING PRICE AND VOLUME

The Common Shares trade on the TSX under the symbol "FCR". The following table sets forth certain trading information for the Common Shares on the TSX for the 12-month period before the date of this short form prospectus, as reported by the TSX.

Common Shares	Month	High (\$)	Low (\$)	Volume	
2018	March	21.00	19.67	7,666,267	
	April	20.79	20.01	6,387,231	
	May	21.41	20.02	6,193,144	
	June	21.34	20.57	6,443,567	
	July	21.23	19.71	9,583,617	
	August	20.78	19.81	6,868,411	
	September	20.52	19.28	6,558,790	
	October	19.82	18.60	8,558,704	
	November	20.21	19.05	7,733,300	
	December	20.33	18.28	7,480,527	
	2019	January	20.70	18.60	7,657,440
		February	22.17	20.44	8,951,890
March (1 to 12)		21.45	20.33	6,176,829	

### PRIOR SALES

The following table sets forth the sales for the 12-month period prior to the date of this short form prospectus for the Common Shares, the price at which such Common Shares were issued, the number of Common Shares issued and the date on which such Common Shares were issued:

Date Issued	Issuance Type	Number of Common Shares Issued	Issue Price Per Common Share
June 8, 2018	Private issuance	67,936	\$21.12
June 26, 2018	Redemption of deferred share units	27,249	\$21.06 <sup>(1)</sup>
July 18, 2018	Public offering	9,757,000	\$20.50
October 1, 2018	Redemption of restricted share units	855	\$19.60 <sup>(1)</sup>
November 5, 2018	Redemption of restricted shares units	13,571	\$19.55 <sup>(1)</sup>
December 15, 2018	Private issuance	10,000	\$20.10
Past 12 months	Option exercises	224,563	\$17.82 <sup>(2)</sup>

Notes:

(1) Based on the volume weighted average trading price of the Common Shares on the TSX for the five trading days ended on the business day immediately prior to the date of issuance.

(2) Based on weighted average exercise price per Common Share.

## USE OF PROCEEDS

The Company is not issuing or selling any securities under this short form prospectus and will accordingly not receive any proceeds in connection with the Offering. See “Plan of Distribution”.

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP, counsel to the Company, and Blake, Cassels & Graydon LLP, counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a holder who acquires Offered Shares represented by Instalment Receipts under the Offering and who, for purposes of the Tax Act and at all relevant times, is resident in Canada or deemed to be a resident of Canada, deals at arm’s length with, and is not affiliated with, the Company, the Selling Shareholder and the Underwriters, and acquires and holds the Offered Shares as capital property (a “**Holder**”).

Generally, the Offered Shares will be considered capital property to a Holder thereof provided that the Holder does not use or hold the Offered Shares in the course of carrying on a business of buying and selling securities and such Holder has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold the Offered Shares as capital property may, in certain circumstances, be entitled to have the Offered Shares and all other “Canadian securities”, as defined in the Tax Act, owned by such holders in the taxation year of the election and all subsequent taxation years deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Holders who are considering making such an election should consult their own tax advisors having regard to their particular circumstances.

This summary is not applicable to a holder (i) that is a “financial institution” for the purposes of the “mark-to-market rules” contained in the Tax Act, (ii) that is a “specified financial institution” as defined in the Tax Act, (iii) an interest in which is a “tax shelter investment” as defined in the Tax Act, (iv) that has elected to report its tax results in a “functional currency” (as defined in the Tax Act, which excludes Canadian currency), or (v) that has entered or will enter into, with respect to the Offered Shares, a “derivative forward agreement”, as defined in the Tax Act. Such holders should consult their own tax advisors with respect to an investment in Offered Shares.

This summary is based on the facts set out in this short form prospectus, the provisions of the Tax Act and the regulations thereunder (the “**Regulations**”) in force as of the date prior to the date hereof, all specific proposals to amend the Tax Act and the Regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the “**Proposals**”) and counsel’s understanding of the current administrative and assessing policies and practices published in writing by the Canada Revenue Agency (the “**CRA**”) prior to the date hereof. Except for the Proposals, this summary does not take into account any changes in law or in administrative practices or assessing policies, whether by legislative, administrative or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign income tax considerations, which may be different from those discussed herein. No assurance can be given that the Proposals will be enacted as proposed or at all. This summary is not exhaustive of all possible Canadian federal income tax consequences that may affect prospective purchasers.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representation with respect to the Canadian federal income tax consequences to any particular Holder is made. Consequently, Holders are advised to consult their own tax advisors with respect to the tax consequences to them of acquiring Offered Shares represented by Instalment Receipts pursuant to the Offering, having regard to their particular circumstances. Holders are also advised to consult their own tax advisors with respect to the tax consequences to them of the use of Due Bills in connection with the disposition of Offered Shares represented by Instalment Receipts during the Due Bill period (as discussed above). This summary assumes the Closing Date will predate the record date for the dividend to be paid on or about April 22, 2019.**

### Dividends on Offered Shares

Dividends (including deemed dividends) received on the Offered Shares by a Holder who is an individual (other than certain trusts) will be included in the individual’s income and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received by individuals from “taxable Canadian corporations”, as defined in the Tax

Act, including the enhanced dividend tax credit rules applicable to any dividends designated by the Company as “eligible dividends” in accordance with the Tax Act. There may be limitations on the Company’s ability to designate dividends as eligible dividends. Dividends received by an individual (other than certain trusts) may give rise to alternative minimum tax under the Tax Act, depending on the individual’s circumstances.

Dividends (including deemed dividends) received on the Offered Shares by a Holder that is a corporation will be included in computing the corporation’s income and will generally be deductible in computing its taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Holder that is a corporation as proceeds of disposition or a capital gain. A Holder that is a “private corporation” or a “subject corporation”, each as defined in the Tax Act, may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on the Offered Shares to the extent that such dividends are deductible in computing taxable income.

### **Disposition of Offered Shares**

Generally, upon a disposition (or a deemed disposition) of an Offered Share a Holder will realize a capital gain (or a capital loss) equal to the amount by which the Holder’s proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the Holder’s adjusted cost base of such share. The cost of an Offered Share to a Holder will include all amounts paid or payable by the Holder for the Offered Share, including the amount of the Final Instalment. For the purposes of determining the adjusted cost base to a Holder of Offered Shares represented by Instalment Receipts at any time, the cost of such Offered Shares will be averaged with the adjusted cost base of any other Common Shares owned by the Holder as capital property immediately before that time. The proceeds of disposition to a Holder who disposes of an Offered Share (including a disposition of such Offered Share to the Selling Shareholder on the occurrence of a Termination Event) will include the amount of the Final Instalment. For the tax treatment of capital gains and capital losses, see “Taxation of Capital Gains or Capital Losses” below.

### **Taxation of Capital Gains or Capital Losses**

Generally, one-half of any capital gain (a “**taxable capital gain**”) realized by a Holder in a taxation year must be included in the Holder’s income for that year and one-half of any capital loss (an “**allowable capital loss**”) realized by a Holder in a taxation year must be deducted against taxable capital gains realized by the Holder in the year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may generally be carried back and deducted against net taxable capital gains in any of the three taxation years preceding the year or any subsequent taxation year to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Holder that is a corporation on the disposition (or deemed disposition) of an Offered Share may be reduced by the amount of any dividends received or deemed to have been received by the Holder on such share (or a share substituted for such share) to the extent and under the circumstances described in the Tax Act. Similar rules may apply where an Offered Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

A Holder that is throughout the relevant taxation year a “Canadian-controlled private corporation”, as defined in the Tax Act, may be liable to pay an additional refundable tax on its “aggregate investment income”, which is generally defined in the Tax Act to include net taxable capital gains, for the year.

A taxable capital gain realized by a Holder that is an individual (excluding certain trusts) may give rise to a liability for alternative minimum tax under the Tax Act.

Where an Offered Share is reacquired by the Selling Shareholder in full satisfaction of the obligations of the Holder as a consequence of the Holder’s failure to pay the Final Instalment, the Holder may be subject to special rules in the Tax Act relating to repossession by a seller of property previously sold or the settlement or forgiveness of debts. Holders should consult their own tax advisors with respect to these special rules.

## **Occurrence of a Termination Event**

On February 12, 2019, the Company declared a dividend of \$0.215 per Common Share, payable on April 18, 2019 to shareholders of record on March 29, 2019. In conjunction with the Offering and the Concurrent Share Repurchase, the board of directors of the Company resolved to change the record date for this dividend to the close of business on April 12, 2019, payable on April 22, 2019. The Special Meeting at which approval to proceed with the Concurrent Share Repurchase will be sought is currently expected to be held on April 10, 2019. If a Termination Event occurs, a Holder will nevertheless be considered to have received such dividend for purposes of the Tax Act in respect of any Offered Shares represented by Instalment Receipts held by the Holder on the record date for such dividend. Such dividend will be included in the Holder's income and will not be offset by the obligation of the Holder to pay or direct the payment of the amount in respect of such dividend to the Selling Shareholder, and will be subject to the relevant provisions of the Tax Act respecting the taxation of dividends, as described generally above, subject to any considerations specific to the Holder's circumstances. Holders should consult their own tax advisors.

## **RISK FACTORS**

There are risks associated with the Offered Shares represented by Instalment Receipts being distributed under the Offering. In addition to the risks described herein, reference is made to the section entitled "Risk Factors" in the Company's current annual information form and the risks described in the MD&A, all of which are incorporated herein by reference.

### **Risks Relating to the Concurrent Share Repurchase**

#### ***The Concurrent Share Repurchase may result in a downgrade of the Company's credit ratings***

The Company intends to fund the Concurrent Share Repurchase with new bridge financing that will be replaced by long-term debt financings. As a result of the change in the capital structure of the Company arising due to this new debt financing, DBRS and Moody's have placed the Company's long-term debt credit ratings "under review with negative implications" and "under review for downgrade", respectively. There can be no assurance as to the rating to be assigned by either DBRS or Moody's following their respective reviews. There can also be no assurance that a rating, once assigned, will remain in effect for any given period of time or that a rating will not be lowered, withdrawn or revised by either or both rating agencies if in their respective judgments, circumstances so warrant. A downgrade in the credit ratings, or any further downgrade or review by either or both ratings agencies, could adversely affect the Company's access to financial markets and increase its cost of borrowing.

#### ***The Company may not be successful in reducing its leverage***

Following completion of the Concurrent Share Repurchase, the Company's Net Debt to Total Assets is expected to increase from approximately 42% as at December 31, 2018 to approximately 49%. The Company's intention is to gradually return its leverage to current levels and may do so in a number of ways, including by disposing of selected assets. Any failure to gradually return its leverage to current levels may have a material adverse impact on the Company's capital requirements, its financial position or its ability to achieve its business objectives.

### **Risks Relating to the Instalment Receipts**

#### ***The Concurrent Share Repurchase may not be completed***

The Concurrent Share Repurchase is subject to a number of conditions, including the closing of this Offering and approval by the requisite majority of votes cast by shareholders of the Company at the Special Meeting, as more fully-detailed in the Share Repurchase Agreement that has been filed on SEDAR under the Company's issuer profile at [www.sedar.com](http://www.sedar.com). There is no guarantee that all of these conditions will be satisfied. Failure to satisfy any of these conditions could result in the termination of the Concurrent Share Repurchase, at which time the rights evidenced by each Instalment Receipt will be automatically terminated and cancelled and each registered holder of Instalment Receipts will only be entitled to receive the aggregate amount of the First Instalment in respect of each of such holder's Instalment Receipts, together with such holder's *pro rata* share of any Earned Interest. Accordingly, it is possible that the Instalment Receipts will be outstanding for a limited period of time.

***Balance of Instalment Receipt purchase price remains outstanding and the failure of a holder of Instalment Receipts to pay the balance of the purchase price no later than the Final Instalment Time will have adverse consequences for the holder***

Each Instalment Receipt purchased in the Offering represents an obligation of the holder to pay \$10.30 per Instalment Receipt (subject to adjustment as provided in the Instalment Receipt Agreement) no later than the Final Instalment Time. If the Final Instalment is not paid when due, the Defaulting Holder will no longer be able to pay the Final Instalment without the consent of the Selling Shareholder. In addition, the Defaulting Holder will no longer be able to exercise the rights described under “Details of the Offering – Instalment Receipts – Rights and Privileges”. In addition, if the holder of an Instalment Receipt does not pay the Final Instalment when due, the Offered Shares evidenced by such Instalment Receipt may, at the option of the Selling Shareholder, subject to the provisions of the Instalment Receipt Agreement and applicable laws, (i) be forfeited to the Selling Shareholder in full satisfaction of the obligations of such holder of Instalment Receipts secured thereby, or (ii) be directed by the Selling Shareholder to be sold on behalf of the applicable Defaulting Holder, in accordance with the Instalment Receipt Agreement and applicable laws, and the Defaulting Holder will be remitted its *pro rata* portion of the proceeds of sale after deducting therefrom the amount of the remaining unpaid aggregate Final Instalment, the amount of any applicable withholding taxes and the Defaulting Holder’s *pro rata* portion of the Custodian’s costs of sale. In respect of scenario (ii) above, the Selling Shareholder will have the right to and may commence legal action against a Defaulting Holder in the event the proceeds of such sale are insufficient to cover the amount of the Final Instalment and the Custodian’s costs of sale.

***There is currently no market through which the Instalment Receipts may be sold***

There is currently no market through which the Instalment Receipts may be sold and purchasers may not be able to resell Instalment Receipts. There can be no assurance that an active trading market will develop for the Instalment Receipts after the Offering or, if developed, that such a market will be sustained. This may affect the pricing of the Instalment Receipts in the secondary market, the transparency and availability of trading prices, the liquidity of Instalment Receipts, and the extent of issuer regulation. If an active market for the Instalment Receipts fails to develop or be sustained, the prices at which the Instalment Receipts trade may be adversely affected. Whether or not the Instalment Receipts will trade at lower prices depends on many factors, including liquidity of the Instalment Receipts, the market price of the Common Shares, general economic conditions and the Company’s financial condition, historic financial performance and future prospects.

***Gazit-Globe and the Selling Shareholder may, under certain conditions, sell (or cause to be sold) the remaining Common Shares retained by the Selling Shareholder***

Following completion of the Offering and after giving effect to the closing of the Concurrent Share Repurchase, the Selling Shareholder will own 21.6 million Common Shares, representing approximately 9.9% of the outstanding Common Shares (or approximately 9.7% on a fully-diluted basis). Gazit-Globe and the Selling Shareholder have agreed to not Transfer any Common Shares retained by the Selling Shareholder after closing of the Offering prior to the first anniversary of the Closing Date. However, such agreement is subject to certain exceptions and to the consent of the Underwriters (during the first 180 days of such one-year period) and the Company. A Transfer pursuant to such exceptions, with the requisite consent or after the first anniversary of the Closing Date, could have a material adverse effect on the market price of the Common Shares.

***Rights of holders of Instalment Receipts may change***

Purchasers of Offered Shares will, prior to payment of the Final Instalment, be holders of Instalment Receipts and will be bound by the terms and conditions of the Instalment Receipt Agreement. The Instalment Receipt Agreement will provide that, pending payment of the Final Instalment, legal title to the Offered Shares represented by Instalment Receipts will be held by the Custodian subject to the Share Pledge to secure the payment of the Final Instalment. The terms and conditions of the Instalment Receipt Agreement may be amended in certain circumstances, including with the approval of two-thirds of the holders of Instalment Receipts.

### ***Non-resident holders***

Proceeds from cash dividends on the Offered Shares represented by Instalment Receipts in excess of the existing annualized cash dividend of \$0.86 per Offered Share per year and all net proceeds from non-cash dividends paid in respect of such Offered Shares (subject to certain exceptions), without regard to any applicable withholding tax, will be paid to the Selling Shareholder (or, if before the closing of the Concurrent Share Repurchase, the Custodian to be held in escrow) to be applied in reduction of the Final Instalment and, upon payment of the Final Instalment, any remaining balance will be paid to the Instalment Receipt holders. Instalment Receipt holders not resident in Canada for purposes of the Tax Act will generally be subject to Canadian withholding tax in respect of dividends, including such dividends and, in the event of a Termination Event, with respect to the Company's first quarter 2019 dividend payable on April 22, 2019 (notwithstanding that the full amount of such dividend will be paid over to the Selling Shareholder) and will be responsible to pay any such withholding tax not remitted by or on behalf of the Company. See "Details of the Offering – Instalment Receipts – Rights and Privileges" and "–General". Such Instalment Receipt holders should consult their own tax advisors in this regard (including with respect to the use of Due Bills in connection with the disposition of Offered Shares represented by Instalment Receipts during the Due Bill period).

### **Risks Relating to the Company's Potential Conversion into a REIT**

#### ***Holders of Instalment Receipts may receive trust units upon payment of the Final Instalment***

The Company has engaged legal and tax advisors to assist it in developing a structure for the Company to convert into a REIT. If the Company completes the conversion into a REIT between the Closing Date and payment of the Final Instalment, holders of Instalment Receipts will receive trust units upon payment of the Final Instalment rather than Common Shares. While any conversion into a REIT would require the approval of the shareholders of the Company, and holders of the Instalment Receipts would be entitled to vote at any meeting in respect thereof (assuming the vote takes place after the completion of the Concurrent Share Repurchase), dissenting holders of Instalment Receipts will nonetheless receive trust units upon payment of the Final Instalment if the requisite majority of the Company's shareholders represented in person or by proxy at the applicable shareholders' meeting vote in favour of the REIT conversion and all other conditions to the conversion are satisfied. The Company cannot predict at what price the trust units will trade and there can be no assurance that an active trading market for the trust units will be sustained or what prices may be realized upon the sale of trust units. In addition, holders of trust units may not have the same statutory rights and protections as holders of Common Shares under corporate law. Furthermore, no formal determination to convert to a REIT has been made by the Company at this time and no assurance can be given as to when such a reorganization will be undertaken by the Company, or the timing, impact or terms of such a reorganization.

Furthermore, DBRS has advised the Company that it is reviewing the Company's long-term debt credit ratings as a result of the Company's intention to pursue conversion to a REIT. There can be no assurance as to the rating to be assigned by DBRS following this review.

There may be tax consequences to the Company and its shareholders (including holders of Offered Shares represented by Instalment Receipts) resulting from any conversion into a REIT and, following such conversion, the treatment of the Company and of such holders for tax purposes may differ from the current treatment.

### **AUDITOR, TRANSFER AGENT AND REGISTRAR**

The independent auditor of First Capital Realty is Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants, Ernst & Young Tower, 100 Adelaide Street West, Toronto, Ontario, Canada, M5H 1S3. Such firm is independent of the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario (registered name of The Institute of Chartered Accountants of Ontario).

The transfer agent and registrar for the Common Shares and Instalment Receipts is Computershare Trust Company of Canada, at its principal office in Toronto, Ontario.

## LEGAL MATTERS

Legal matters in connection with the Offered Shares offered by this short form prospectus will be passed upon at the date of closing of the Offering on behalf of the Company by Torys LLP, on behalf of the Selling Shareholder by McCarthy Tétrault LLP, and on behalf of the Underwriters by Blake, Cassels & Graydon LLP.

As of the date hereof, the partners and associates of Torys LLP, as a group, McCarthy Tétrault LLP, as a group, and Blake, Cassels & Graydon LLP, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Company.

## AGENTS FOR SERVICE OF PROCESS

Chaim Katzman, Jeff Mooallem and Jon N. Hagan (the “**Non-Resident Directors**”) are each directors of First Capital Realty who reside outside of Canada. The Non-Resident Directors have appointed the following agents for service of process:

<u>Name of Person</u>	<u>Name and Address of Agent</u>
Chaim Katzman	First Capital Realty Inc. King Liberty Village 85 Hanna Avenue, Suite 400 Toronto, Ontario M6K 3S3
Jeff Mooallem	First Capital Realty Inc. King Liberty Village 85 Hanna Avenue, Suite 400 Toronto, Ontario M6K 3S3
Jon N. Hagan	First Capital Realty Inc. King Liberty Village 85 Hanna Avenue, Suite 400 Toronto, Ontario M6K 3S3

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

## PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment thereto contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

**CERTIFICATE OF THE COMPANY**

Dated: March 13, 2019

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

(Signed) ADAM E. PAUL  
President and Chief Executive Officer

(Signed) KAY BREKKEN  
Executive Vice President and Chief Financial Officer

On behalf of the Board of Directors

(Signed) BERNARD MCDONELL  
Director

(Signed) AL MAWANI  
Director

**CERTIFICATE OF THE SELLING SHAREHOLDER**

Dated: March 13, 2019

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

**GAZIT CANADA INC.**

(Signed) CHAIM KATZMAN  
Chief Executive Officer

(Signed) ADI JEMINI  
Chief Financial Officer

**UNDERWRITERS' CERTIFICATE**

Dated: March 13, 2019

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

**RBC DOMINION SECURITIES INC.**

By: (Signed) CAROLYN BLAIR

**BMO NESBITT BURNS INC.**

By: (Signed) ASHI MATHUR

**CIBC WORLD MARKETS INC.**

By: (Signed) CHRIS BELL

**SCOTIA CAPITAL INC.**

By: (Signed) BRYCE STEWART

**Td SECURITIES INC.**

By: (Signed) DEREK DERMOTT

**NATIONAL BANK FINANCIAL INC.**

By: (Signed) ANDREW WALLACE

**CANACCORD GENUITY CORP.**

By: (Signed) DAN SHEREMETO

**RAYMOND JAMES LTD.**

By: (Signed) LUCAS ATKINS