

# Holding Company Reorganization FAQs

DECEMBER 2021

## What are we doing?

Federal Realty intends to complete a holding company reorganization resulting in a new company becoming the publicly traded parent company ("New Federal") and the current Federal Realty Investment Trust ("Federal") converting to a limited partnership that will be an Umbrella Partnership Real Estate Investment Trust.

## Where can I find detailed information?

Details of the anticipated reorganization can be found in [this press release](#) and the [Form 8K](#) filed with the Securities and Exchange Commission. We recommend that you review these documents to get a complete understanding of the reorganization.

## When will this happen?

The reorganization is expected to be effective at midnight on January 1, 2022.

## Will this impact my rights as a shareholder?

No. New Federal's declaration of trust and bylaws will be the same as Federal's were before the reorganization. All of the voting rights and other terms of your shares will remain the same.

## Why is Federal doing the reorganization?

Federal believes that the "UPREIT" corporate structure post-reorganization will improve the company's ability to acquire properties on a tax-deferred basis and also align the company's corporate structure with the majority of other REITs.

## What happens to my shares in Federal?

As part of the reorganization, all common and preferred shares of Federal will automatically be converted on a one-for-one basis into common and preferred shares, as applicable, of New Federal. If you own 100 common shares of Federal today, you will own 100 common shares of New Federal after the reorganization with all of the same rights and benefits. You do not have to do anything with your Federal shares because of the reorganization.

### **Will this impact the January 2022 dividend?**

It will not. New Federal will pay the common and preferred share dividends previously declared by Federal. Those dividends will be paid on January 18, 2022 to shareholders of record as of January 3, 2022 as [previously announced](#).

### **Will my shares still be traded on the New York Stock Exchange?**

Yes. We do not expect any change to ticker symbols or trading for shares in New Federal after the reorganization. We expect all common shares of New Federal will be traded on the New York Stock Exchange under the ticker symbol "FRT" and all Series C preferred shares in New Federal will be traded under the ticker symbol "FRT/C".

### **Will the reorganization impact my U.S. taxes?**

No. The reorganization qualifies as a tax-free reorganization under the United States Internal Revenue Code and will not result in any gain or loss to Federal's shareholders for federal income tax purposes.

### **What will be the name of the new public company?**

After completion of the reorganization, the new public company will still be known as Federal Realty Investment Trust. Federal, as it exists today, will become a limited partnership named Federal Realty OP LP.

### **Who will be running New Federal?**

The Board of Trustees of New Federal will be exactly the same as the current Board of Trustees of Federal that the shareholders elected in May 2021. The management team of New Federal will also be unchanged from the management team of Federal today. It will still be headed by Don Wood as Chief Executive Officer with his current management team and employees.

### **Will the reorganization have an impact on Federal's financial condition?**

Other than costs necessary to effectuate the reorganization which we do not expect to be material, we do not expect the reorganization to have any adverse impact on the consolidated financial condition, cash flow or results of operation of Federal.

### **Will there be any changes to the assets owned by Federal?**

No. All of the properties owned by Federal and its subsidiaries today will be owned by Federal (to be known as Federal Realty OP LP after the reorganization) and its subsidiaries after the reorganization with no change.

### **What if I still have questions about the reorganization?**

If you have questions about the reorganization that have not been answered, please contact our Investor Relations department at [ir@federalrealty.com](mailto:ir@federalrealty.com).

## Cautionary Statement

The FAQs provided in this document are intended to provide information for the topics we believe are most likely to be of interest to our shareholders and other constituents. These FAQs are not a complete description of the anticipated reorganization. For a more detailed explanation of the reorganization, you should review our [Form 8K](#) filed with the Securities and Exchange Commission. Nothing in these FAQs is intended to be business, legal or tax advice to any shareholder or other person. You should consult your own business, legal or tax advisors if you have any questions about the impact of the reorganization to you.

Certain statements in this document are forward-looking statements. Those statements include statements regarding the intent, belief or current expectations of Federal ("we," "our" or "us") and members of our management team, as well as the assumptions on which such statements are based, and generally are identified by the use of words such as "may," "will," "seeks," "anticipates," "believes," "estimates," "expects," "plans," "intends," "should" or similar expressions. Actual results may differ materially from those contemplated by such forward-looking statements. Further, forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or review forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, unless required by law. Certain risks and uncertainties may cause our actual results to differ materially from those presented in our forward-looking statements, such as the risk that we may not be able to complete the reorganization described in this documents, that the reorganization may not make us more competitive to be able to acquire properties on a tax deferred basis or that changes in legislation or regulations may change the tax consequences of the reorganization, as well as other risks and uncertainties identified as risk factors or otherwise included in our annual report on Form 10K filed with the SEC on February 11, 2021. Given these uncertainties, readers are cautioned not to place undue reliance on forward-looking statements.