

**GRANITE REIT INC.**  
**and**  
**GRANITE REAL ESTATE INVESTMENT TRUST**

**Anti-Bribery Policy**

**Application**

This Anti-Bribery Policy applies to all employees, directors and trustees of Granite REIT Inc. and Granite Real Estate Investment Trust (together “Granite”) and their subsidiaries.

**Ethical Business Practices**

Our Code of Conduct and Ethics emphasizes a theme that is also central to our anti-bribery policy: be ethical. We are committed to acting in line with our values and principles. We deliver real estate and construction-related services on the basis of price, quality, and service, and we do not provide bribes or other improper incentives.

**Dealing with Customers, Suppliers, Lenders, and Investors**

We adhere to the utmost integrity and professionalism in our acquisition, development, construction, leasing, management and property ownership activities.

- You will not provide any form of bribe or improper incentive to induce a tenant to transact with us; a contractor, subcontractor, consultant or supplier to provide us with goods or services; or a lender or investor to provide us with funds, regardless of whether our customer, contractor, subcontractor, consultant, supplier, lender, or investor is in the public or private sector. This prohibition specifically includes kickbacks in any form, offers to split or share any commissions, or any other improper or hidden compensation.

**Dealing with Regulators**

We respect the laws and regulations that apply to our business activities around the world.

- You will not provide bribes, kickbacks, side payments, special commissions, favors, or other things of value to legislative, regulatory, law enforcement, or other government officials or their family members in order to influence the creation, application, enforcement, or repeal of laws or regulations that apply or may apply to our business activities. There is no exception for small, facilitating payments (so-called “grease” payments); we do not condone “small violations” of law, nor do we condone corruption in any form.

## **Interacting with Government Officials**

Employees and other persons who act on behalf of Granite must be aware that special rules apply to doing business and interacting with government agencies (including national, provincial, municipal, and other local governments) and with persons who work for or represent government agencies, including government owned or controlled corporations. Not surprisingly, it is illegal almost anywhere to bribe government officials to obtain or retain business, to avoid or change the application of laws or regulations to our business activities, to secure permits or licenses, or otherwise to obtain favorable treatment for our company. Such bribery commonly violates both local and international anti-bribery laws.

As a company headquartered in Canada, with listings on stock exchanges in Canada and the U.S., and with operations in a number of countries, we are subject to a variety of local and international anti-bribery and anti-corruption laws. The anti-bribery and anti-corruption laws we are subject to impose criminal and/or civil penalties for offering, paying, promising to pay, or authorizing the payment of money or anything else of value to a government official, whether directly, indirectly (such as to a family member or company owned by a government official) or through an agent or other intermediary, for the purpose of influencing an act or decision or securing an improper advantage. Your belief that “that’s the way business is done” is not going to protect either Granite or you from severe legal penalties that can apply to such conduct; nor will it protect you from the disciplinary measures that our company will take against any employee or other person acting on our behalf who engages in such conduct.

- You must be alert to bribery-related issues across the full range of ways in which our business seeks action from government officials. This includes (i) granting any license or permit needed to operate our business; (ii) approving any purchase or use of our services; (iii) acting on tax, customs, and similar matters; and (iv) approving an acquisition or investment that we wish to make.
- You must also be alert to the fact that offering, promising, or providing money or anything of value to a family member of a government official can constitute a bribe of the official.
- You should assume that “anything of value” will be interpreted broadly by enforcement officials. Depending on the context, a gift, a loan, meals, entertainment, a contribution to an official’s favorite charity, use of an apartment or a car, and a promise of future employment can each constitute a bribe.

## **Understanding the Scope of “Government Officials”**

For purposes of this Policy, “government officials” should be considered to include not only officials or employees of government agencies at any level, but also employees of state-owned/controlled enterprises and state-sponsored organizations, officials of political parties, and employees of public international organizations like the UN and the

World Bank; other persons who act in an official capacity on behalf of such agencies, enterprises, parties, or organizations; and candidates for public office.

Identifying the full range of government officials can be challenging in countries where wholly or partially state-owned enterprises are common and engage in a wide range of activities and functions, many of which may appear to be private rather than public in nature.

- It is your responsibility to know enough about the status of a person with whom you wish to transact business or form a business relationship to determine whether the person should be considered a government official. If you are in doubt, you should consult with the General Counsel.

### **Gift-Giving, Entertainment, and Sponsored Travel for Government Officials**

Gift-giving, entertainment, and sponsored travel can pose special challenges in dealing with government officials.

- You will not give any gifts to government officials except for items of small value that comply with local law (for example, a souvenir with the Granite logo on it).
- You will not “wine and dine” government officials except where it is directly related to Granite’s business; the costs are modest; the activity is permitted under local law and relevant agency policy; and the activity is in line with guidelines provided by your local management.
- Even where you believe that individual gifts, meals, and/or entertainment meet the standards above, you should not repeatedly give gifts, meals, or entertainment (or any combination of these types of expenses) for a single government official.
- You will not pay for or reimburse government officials for their travel expenses without the specific, advance approval of the General Counsel. No such travel expense payment or reimbursement will be approved unless the travel destination and duration are directly related to the promotion, demonstration, or explanation of Granite’s properties or business, or the performance of Granite’s contracts; the proposed expenditure is reasonable and appropriate; and such payment or reimbursement is permitted under local law and relevant agency policy.
- For further guidance please refer to Granite’s Gifts, Meals, Entertainment, Sponsored Travel and Accommodations Policy, which supplements this Anti-Bribery Policy.

## **Political Contributions**

Contributions to political parties and to candidates for public office are prohibited or tightly restricted in many countries, and, where not prohibited outright, can raise corruption problems or concerns.

- You will not make a political contribution in the name of or on behalf of Granite, or where the contribution will be associated with Granite, without the advance approval of the General Counsel.
- You will not make a personal political contribution under any circumstances where it might be perceived as intended to generate specific governmental, political party, or political candidate decisions or actions directly related to Granite's business interests.

## **Charitable Contributions Involving Government Officials**

Any charitable contributions made by or on behalf of Granite should be based on legitimate philanthropic objectives. While it can be appropriate to make a donation to a community organization or a particular cause with the hope of generating generalized goodwill in the community or among a particular constituency, it is never permissible to make a donation in exchange for favorable treatment of Granite by a government official.

- You should obtain the advance approval of the General Counsel prior to making any donation for or on behalf of Granite to a charitable organization in which a government official or a family member of a government official has a prominent role (for example, as a board member or trustee); or where the donation is at the request of a government official; or where the organization is known or believed to be closely associated with a government official.

## **Commercial Bribery**

Although significant portions of this Policy are focused on improper payments to government officials, it is important to understand that commercial bribery is also illegal in many jurisdictions in which Granite operates. National authorities in various jurisdictions can and do bring enforcement actions related to commercial bribery.

- You may not provide a bribe or other improper incentive to anyone (including someone who is clearly not a government official) in order to help sell our services or otherwise advance Granite's business interests.

## **Dealing with Agents and Business Partners**

All of our agents, consultants, business partners and other persons who will conduct business on behalf of Granite or whose conduct will reflect on our company (“Representatives”) must be willing to conduct business on the basis of the principles set forth in this Policy.

- You may only select or retain Representatives after appropriate due diligence pursuant to Granite’s Retaining Agents/Representatives/Consultants Policy, which supplements this Anti-Bribery Policy.
- Unless otherwise permitted herein, representatives must accept anti-bribery representations and covenants in our contracts with them, and, where commercially practicable, must give us audit and termination rights tied to their compliance with these contract provisions.
- Representatives should be reviewed periodically, consistent with Granite’s Retaining Agents/Representatives/Consultants Policy.

## **Buying and Investing in Other Companies**

As with our selection of agents and business partners, we will not buy or make a significant investment in a company without conducting appropriate due diligence to ensure that the company has not violated anti-bribery laws and that the conduct of its employees is consistent with our anti-bribery standards. This is very important both to protect Granite’s reputation and to prevent Granite from stepping into any liability that might be associated with the other company’s conduct.

- You will use legal and audit expertise to ensure the quality of the due diligence performed, and to provide advice in crafting contractual provisions to protect our company.

## **Addressing “Red Flags”**

It is important not only to avoid bribery but also to avoid ignoring signs of bribery. Ignoring “red flags” can easily create significant legal and business risks for our company, and, depending on the nature and seriousness of what was ignored, can subject you to personal liability and company disciplinary measures. You may find examples of “red flags” in the last two pages of this Policy.

- If something about a proposed transaction or business arrangement “looks bad” or “smells funny,” you are expected to ask questions and, where reassuring answers are not forthcoming, to take appropriate steps to stop the transaction and refer it to the General Counsel for review and guidance.

## **Accurate Books and Records and Strong Internal Controls**

As with receipts and expenditures generally, any expenditure of Granite's funds or other use of our resources in connection with any of the activities covered by this Policy must be accurately described in supporting documents and accurately entered in our books and records.

- You will not cause or permit any expenditure to be handled "off the books," or to be buried in some nondescript account like "miscellaneous expenses."
- You will help our company to maintain a system of internal controls necessary to ensure that our books and records accurately and fairly reflect, in reasonable detail, our transactions and dispositions of assets; that our company's resources and assets are used only in accordance with directives and authorizations by the board of directors and senior management, including by adhering to the approval requirements and limitations set out in Granite's Authorization Overview; and that checks and balances are employed so as to prevent the by-passing or overriding of these controls.

## **Violations of This Policy**

This Policy applies to all employees, directors and trustees of Granite. Anyone who violates this Policy can subject both himself or herself and our company to severe criminal and civil penalties. In a case where money or other things of value are provided or offered to a government official, the consequences can potentially include liability under various anti-corruption or anti-bribery laws, leading to substantial fines and even imprisonment. In addition, depending on the circumstances, violations of this Policy can cause substantial collateral harm to our company in other areas, including our ability to obtain government licenses and permits and to conduct future business with government customers.

- Any violation of this Policy will be taken seriously and will lead to the imposition of appropriate disciplinary measures, up to and including termination of employment.

## **Reporting Violations and Asking Questions**

All known or suspected violations of this Policy should be reported without delay, either directly to the General Counsel or as otherwise permitted under our internal reporting procedures. Questions concerning application of this Policy should be directed to the General Counsel. Employees and other persons acting on behalf of Granite are also encouraged to discuss questions and concerns about our business practices or policies with their local management.

Key points of contact are as follows:

- General Counsel: Jennifer Tindale  
jtindale@granitereit.com  
(647) 925-7526

### **Annual Certification**

All employees will be required to certify annually that they have read, understand, and are complying with this Board-approved Policy.

### **Examples of “Red Flags”**

*Note: Transactions may not proceed if there are “red flags” that have not been resolved. Where you wish to proceed with a transaction that has unresolved “red flags,” you must refer the transaction to the General Counsel for review and guidance.*

- The other party has a reputation for bribery.
- The other party has refused to promise that it will comply with anti-bribery laws or to warrant that it has not paid bribes.
- The other party seeks a commission that is excessive, is paid in cash, or is otherwise irregular.
- The other party seeks payment to an account in the name of another party or at a location unrelated to the transaction (for example, an offshore account).
- The other party is owned in part by a government official or his or her family member or otherwise has close ties to a government official.
- A government official suggests hiring a particular adviser to help obtain a government contract or address an issue that is within the jurisdiction of that official.
- The other party has requested that we prepare false invoices or any other type of false documentation.
- The other party is related to a government official who is in a position to grant a business advantage, or is involved in a business in which such official owns an interest.
- The other party insists that his or her identity not be disclosed to a government agency or enterprise.
- The other party refuses to identify its owners, partners, or principals.
- We are informed that a donation to a specific charity is needed to generate or facilitate government action.
- The justification for hiring a new agent or other intermediary is that he/she can obtain preferential treatment from a government official.
- The hiring of an agent or other intermediary is suggested to perform tasks that require no special knowledge or skills or could easily be performed by our employees with capacity to perform them.

- There is substantial or extravagant “wining and dining” of government officials.
- There is sponsored travel for government officials and/or family members where there is no clear and legitimate business purpose.
- Relatives of important government officials are on the payroll of the other party.
- The other party has relevant expenses that cannot be explained or that lack supporting documentation.
- The other party has “off the books” receipts or expenses that are relevant to the contemplated transaction.
- The other party has poor internal controls or record-keeping practices that are relevant to the contemplated transaction.