

GRANITE REIT INC.
COMPENSATION COMMITTEE CHARTER

I. Purpose And Scope

The compensation committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Granite REIT Inc. (the “**Company**”) shall exercise the responsibilities and duties set forth below, including but not limited to making recommendations with respect to all forms of compensation to be granted to the Chief Executive Officer of the Company (the “**CEO**”) and the members of the Board and the board of trustees (the “**Trust Board**”) of Granite Real Estate Investment Trust (the “**Trust**”) and reviewing the CEO’s recommendations respecting compensation of the other senior executives of the Company and its subsidiaries.

II. Membership

1. Number of Members

The Committee shall be composed of three or more members of the Board.

2. Independence

Each member of the Committee shall be independent within the meaning of the provisions of National Policy 58-201 – *Corporate Governance Guidelines* of the Canadian Securities Administrators and the applicable rules and regulations of the United States Securities and Exchange Commission and the New York Stock Exchange, each as may be amended from time to time.

3. Term

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

4. Chair

At the time of the annual appointment of the members of the Committee, the Board shall appoint a member of the Committee as Chair of the Committee.

III. Duties and Responsibilities

To fulfil its responsibilities and duties, the Committee shall:

- (a) at least annually, report to the Board concerning the Company’s approach to executive compensation;
- (b) review and approve organizational goals and objectives relevant to CEO compensation;

- (c) periodically evaluate the CEO's performance in light of those organizational goals and objectives, and determine/make recommendations to the Board with respect to the CEO's compensation level based on its evaluation;
- (d) periodically review and make recommendations to the Board with respect to the CEO's position description;
- (e) periodically review and make recommendations to the Board with respect to succession planning matters concerning the CEO and other key executive officers, as well as general executive development programs, after consideration of the objectives of the Diversity Policy of the Company and the Trust;
- (f) review the recommendations of the CEO respecting the appointment of all senior management reporting directly to the CEO, and all other officers appointed by the Board and, if advisable, after consideration of the objectives of the Diversity Policy of the Company and the Trust, recommend for Board approval any such appointment;
- (g) review the recommendations of the CEO respecting the compensation and other terms of employment of the Chief Financial Officer, all senior management reporting directly to the CEO, and all other officers appointed by the Board and, if advisable, recommend for Board approval, with or without modifications, any such compensation and other terms of employment;
- (h) recommend to the Board and the Trust Board the remuneration (fees and/or retainer) to be paid to and the benefits to be provided to directors of the Company and trustees of the Trust;
- (i) review compensation disclosure of the Company and the Trust before it is publicly disclosed including disclosure of the process undertaken by the Committee in its review and preparation of recommendations to the Board in respect of compensation;
- (j) review the terms and administration of the equity-based compensation plans of the Company and its subsidiaries and the Trust and, if advisable, recommend plans and grants thereunder for approval of the Board; and
- (k) review and assess the adequacy of this Charter from time to time, as required, to ensure compliance with any rules or regulations promulgated by any regulatory body and recommend to the Board for its approval any modifications to this Charter as are considered appropriate.

In its review of compensation policies and practices, the Committee shall consider the potential risks associated with the adoption of such policies and practices and the adoption of particular organizational and individual objectives under such policies and practices.

IV. Meetings

1. Procedure

The time and place of the meetings of the Committee, the calling of meetings of the Committee and the procedure at such meetings in all respects shall be determined by the Committee; provided, however, that a majority of the members of the Committee shall constitute a quorum.

2. Reporting to the Board

The Chair shall provide a report to the Board on material matters considered by the Committee.

V. Outside Advisors

The Committee has the authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties. Before retaining any such outside advisor, the Committee shall consider the independence of such advisor, including any independence factors that it is required to consider by law or NYSE rules. The Company shall provide appropriate funding, as determined by the Committee, for the services of these advisors. The Committee shall have the sole authority to determine the terms of engagement and the extent of funding necessary for payment of compensation to any outside advisor or other professional retained to advise the Committee and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. If the Committee retains an independent compensation consultant to advise the Committee directly, any additional work undertaken by such independent compensation consultant at the request of management must be pre-approved by the Chair of the Committee.