

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

**HIRING POLICY TO PROTECT AUDITOR INDEPENDENCE**

**I. Statement of Principles**

While there is no prohibition on employing a current or former partner or employee of the current or former external auditor of Granite REIT Inc. (the “**Company**”) or Granite Real Estate Investment Trust (the “**Trust**”) (together, “**Granite**”), the Board of Directors of the Company and Board of Trustees of the Trust recognize that doing so may create a conflict of interest for the external auditor and threaten the external auditor’s independence. Accordingly, the audit committees of the Board of Directors of the Company and the Board of Trustees of the Trust (each, the “**Audit Committee**”) have reviewed and approved this policy (the “**Policy**”) to prevent potential and actual conflicts of interest for, and to help ensure the independence of, the external auditor of Granite. This policy shall apply to both the Company and the Trust.

**II. Hiring Restrictions**

1. Granite shall not, and shall ensure that its subsidiaries do not, directly or indirectly employ or engage any person as a business partner, director, trustee, officer, employee of Granite or any of its subsidiaries (i) while the person is a member of Granite’s external auditor, or (ii) while the person is a business partner of Granite’s external auditor.
2. The Audit Committee shall pre-approve the hiring or appointment of any individual to serve:
  - (a) in a financial reporting oversight role at Granite or any of its subsidiaries if such individual was a member of the engagement team for an audit of Granite, unless at least 12 months have elapsed from the date of the filing with the relevant securities regulatory authorities of Granite’s most recent audited financial statements in respect of which such individual was a member of the engagement team;
  - (b) as a director, trustee or officer of Granite or any of its subsidiaries or as an employee of Granite or any of its subsidiaries in a position to exert direct and significant influence over the subject matter of an assurance engagement of Granite’s external auditor if such individual’s spouse (or equivalent) is, or has been, a member of the engagement team for an ongoing assurance engagement; or
  - (c) in any accounting role or financial reporting oversight role with Granite or any of its subsidiaries if such individual’s parent, child or sibling is, or was, a member of the engagement team for an ongoing audit engagement.

3. Prior to hiring any current or former partner, principal, shareholder or employee of its independent auditor (or a spouse, parent, dependent, non-dependent child or sibling of such a person), such potential hiring will be reported to the General Counsel so that the General Counsel may review applicable Canadian and U.S. auditor independence requirements.

### **III. Reporting to the Board**

The Audit Committee shall report to the Board of Directors of the Company or Board of Trustees of the Trust, as applicable, regarding all hiring decisions made pursuant to the Policy, including decisions that did not result in approval by the Audit Committee.

### **IV. Definitions**

For the purposes of this Policy:

“**accounting role**” means a position in which a person may or does exercise more than minimal influence over: (a) the contents of the financial statements; or (b) anyone who prepares the financial statements.

“**financial reporting oversight role**” means a position in which a person may or does exercise influence over: (a) the contents of the financial statements; or (b) anyone who prepares the financial statements.

“**member of the engagement team**” means (a) each member of Granite’s external auditor participating in the assurance engagement; (b) all other members of Granite’s external auditor who can directly influence the outcome of the assurance engagement (such as those who recommend the compensation of, or who provide direct supervisory, management or other oversight of, the assurance engagement partner, including those at all successively senior levels above the lead engagement partner); and (c) for an audit engagement, all persons in a network firm who can directly influence the outcome of the audit engagement.

“**member of Granite’s external auditor**” means a person, whether or not a member of a provincial Institute or Order, who is: (a) a partner, professional employee or student of the external auditor; (b) an individual engaged under contract by the external auditor to provide services that might otherwise be provided by a partner or professional employee of an external auditor; (c) an individual who provides to the external auditor the assurance or audit services which are referred to in Rule 204.1 of the Institute of Chartered Professional Accountants of Ontario and includes any corporate or other entity through which the individual contracts to provide such services; or (d) a retired partner of the external auditor who retains a close association with the firm.

“**network firm**” means an entity under common control, ownership or management with the external auditor, or any entity that a reasonable observer who has knowledge of the facts would conclude to be part of the external auditor nationally or internationally. A network firm does not include an entity that constitutes a related business or practice in Canada.