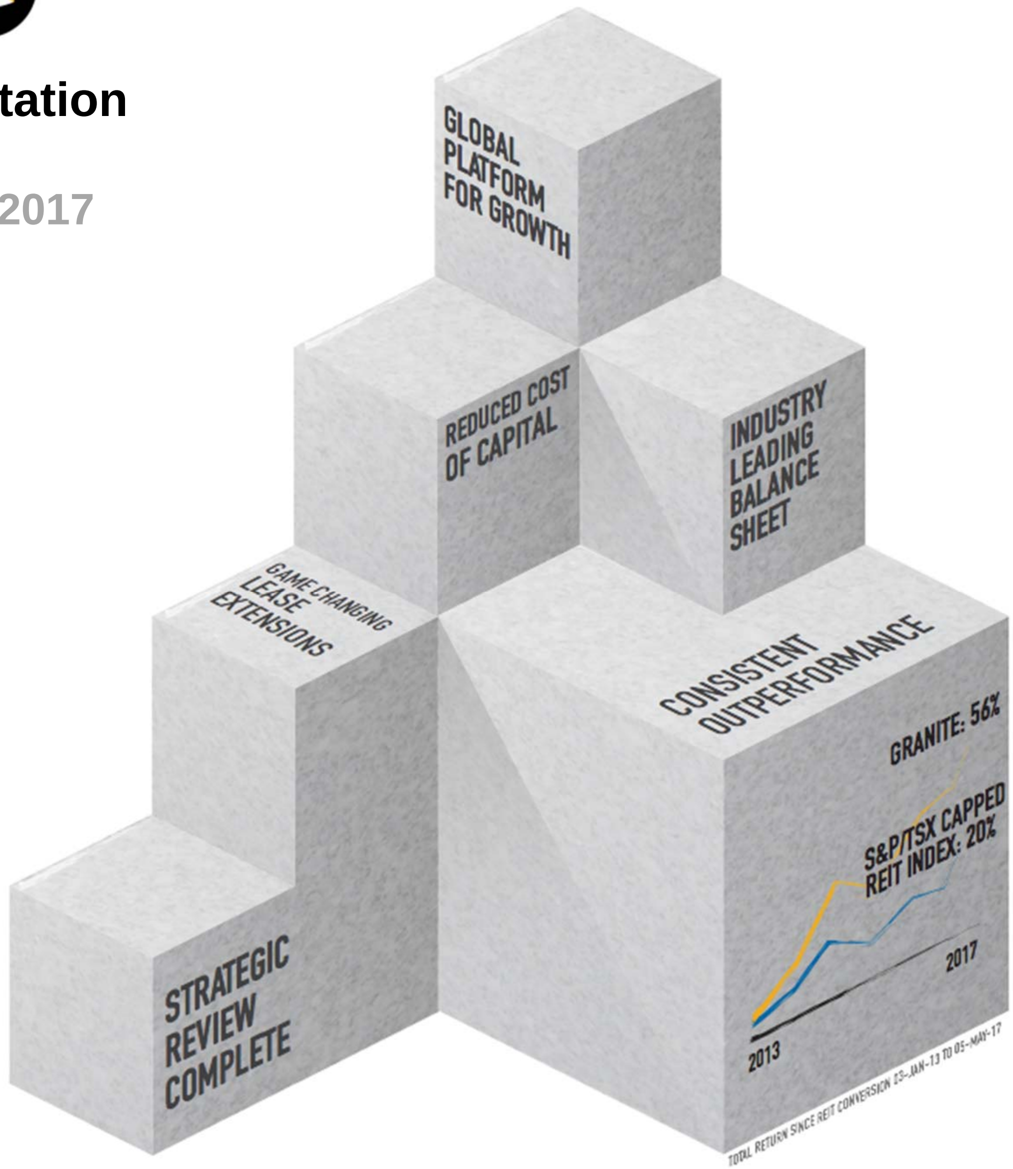
Investor Presentation

Updated May 31, 2017



FORWARD-LOOKING STATEMENTS AND USE OF NON-IFRS MEASURES

Caution Regarding Forward-looking Statements

This presentation contains statements that, to the extent they are not recitations of historical fact, may constitute ‘‘forward-looking statements’’ or ‘‘forward-looking information’’ within the meaning of applicable securities legislation, including the United States Securities Act of 1933, as amended, the United States Securities Exchange Act of 1934, as amended, and applicable Canadian securities legislation. Forward-looking statements and forward-looking information may include, among others, statements regarding Granite’s future plans, goals, strategies, intentions, beliefs, estimates, costs, objectives, economic performance, expectations, or foresight or the assumptions underlying any of the foregoing. Words such as ‘‘may’’, ‘‘would’’, ‘‘could’’, ‘‘should’’, ‘‘will’’, ‘‘likely’’, ‘‘expect’’, ‘‘anticipate’’, ‘‘believe’’, ‘‘intend’’, ‘‘plan’’, ‘‘forecast’’, ‘‘project’’, ‘‘estimate’’, ‘‘seek’’ and similar expressions are used to identify forward-looking statements and forward-looking information. Forward-looking statements and forward-looking information should not be read as guarantees of future events, performance or results and will not necessarily be accurate indications of whether or the times at or by which such future performance will be achieved. Undue reliance should not be placed on such statements. In particular, there can be no assurance that the intended developments in Granite’s business and financial condition, including, the expansion and diversification of Granite’s real estate portfolio, the stability and growth of future cash flows, the growth of future distributions, the achievement of Granite’s target net debt leverage and a reduction in the overall cost of capital can be achieved in a timely manner, with the expected impact or at all.

Forward-looking statements and forward-looking information are based on information available at the time and/or Granite management’s good faith assumptions and analyses made in light of Granite’s perception of historical trends, current conditions and expected future developments, as well as other factors Granite believes are appropriate in the circumstances, and are subject to known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond Granite’s control, that could cause actual events or results to differ materially from such forward-looking statements and forward-looking information. Important factors that could cause such differences include, but are not limited to, the risk of changes to tax or other laws and treaties that may adversely affect Granite REIT’s mutual fund trust status under the Income Tax Act (Canada) or the effective tax rate in other jurisdictions in which Granite operates; economic, market and competitive conditions and other risks that may adversely affect Granite’s ability to achieve desired developments in its relationships with its tenants, expand and diversify its real estate portfolio and increase its leverage; and the risks set forth in the ‘‘Risk Factors’’ section in Granite’s Annual Information Form for 2016 dated March 1, 2017, filed on SEDAR at www.sedar.com and attached as Exhibit 1 to the Trust’s Annual Report on Form 40-F for the year ended December 31, 2016 filed with the SEC and available online on EDGAR at www.sec.gov, all of which investors are strongly advised to review. The ‘‘Risk Factors’’ section also contains information about the material factors or assumptions underlying such forward-looking statements and forward-looking information. Forward-looking statements and forward-looking information speak only as of the date the statements and information were made and unless otherwise required by applicable securities laws, Granite expressly disclaims any intention and undertakes no obligation to update or revise any forward-looking statements or forward-looking information contained in this press release to reflect subsequent information, events or circumstances or otherwise.

Use of Non-IFRS Financial Measures

In addition to using financial measures determined in accordance with International Financial Reporting Standards (**“IFRS”**), Granite also uses certain non-IFRS measures in managing its business including to measure financial and operating performance as well as for capital allocation decisions and valuation purposes. Granite believes that providing these measures on a supplemental basis to the IFRS results is helpful to investors in assessing the overall performance of Granite’s business. These non-IFRS measures include, among others, net operating income (**“NOI”**), funds from operations (**“FFO”**), net asset value (**“NAV”**) before and after deferred taxes, and any related per unit amounts. Investors are cautioned that non-IFRS measures do not have standardized meanings prescribed under IFRS and, therefore, should not be construed as alternatives to net income, cash flow from operating activities or any other measure calculated in accordance with IFRS. Additionally, because these terms do not have standardized meanings prescribed by IFRS, they may not be comparable to similarly titled measures used by other reporting issuers. For definitions and reconciliations of non-IFRS measures to IFRS financial measures, please refer to ‘‘Non-IFRS Measures’’ in Management’s Discussion and Analysis of Results of Operations and Financial Position for Granite’s interim period ended March 31, 2017 and December 31, 2016 which are available on SEDAR, EDGAR and Granite’s website at www.granitereit.com.

SETTING THE RECORD STRAIGHT

- ***Granite is one of the best performing REITs in Canada.*** Since converting to a REIT on January 3, 2013, Granite's total cumulative return of 55.9% substantially exceeds the total cumulative return of 19.8% for the S&P/TSX Capped REIT Total Return Index over the same period. In 2016, Granite generated a total cumulative return of 24.5%, compared to 17.4% for the S&P/TSX Capped REIT Total Return Index over the same period and Granite continues to significantly outperform the index in 2017
- ***Granite has executed on its strategy and is well positioned for further growth.*** Since 2011, Granite has converted to a REIT, grown and diversified its asset base by adding $600 million worth of new high quality industrial assets, dramatically de-risked its portfolio with significant lease extensions in October 2016 and over $225 million of asset sales including its Mexican portfolio, and reduced its cost of capital by locking down its balance sheet with low cost foreign denominated unsecured debt. As a result, Granite has built a stable foundation to further pursue its growth strategy of acquiring high quality real estate assets that will generate long-term value for its unitholders by using its proven and disciplined approach
- ***Granite has a highly qualified Board.*** Granite is committed to strong corporate governance and given its evolution, the board commenced a renewal process last year which resulted in the addition of two highly accomplished individuals in 2016 and two other highly qualified individuals being nominated for election at our upcoming meeting. As a whole, the board provides a strong combination of a fresh perspective, extensive real estate expertise, a thorough understanding of Granite's unique history, and needed continuity in the boardroom. This board renewal process will continue into 2018 and beyond
- ***Granite remains on the right track and continues to implement change.*** Without the prompting of the dissidents, Granite had already taken steps to refresh its board, reduce G&A expenses and execute a growth and diversification plan to prudently increase its balance sheet leverage. The dissidents' ideas are not new. Initiatives were already developed internally and/ or were raised by our existing unitholder base – the only difference was one of timing as to their implementation. Granite will always choose a well thought out long-term plan building on its foundation and sequencing the steps in a prudent order – rather than the short-term agenda of the dissidents
- **Granite trustees and management have continued to meet with unitholders over the past weeks and appreciate the strong level of support received relating to Granite's strategy and the current management team and board responsible for executing this strategy**

THE DISSIDENTS ARE PUTTING THE GRANITE OPPORTUNITY AT RISK

- ***The dissidents are putting the Granite opportunity at risk.*** FrontFour Capital and Sandpiper Group have nominated three trustees to promote an agenda that we believe will lead to the acquisition of lower quality assets and value destruction over the long term
- ***The dissidents have a track record of value destruction in the real estate sector, a history of related party transactions and a short-term orientation.*** The dissidents' agenda is aimed at pushing Granite to take short-sighted actions that would threaten our ability to continue to capitalize on the strong foundation for growth we have established
- ***The dissidents have made several false or inaccurate statements in their materials which we believe are intended to mislead Granite's unitholders.*** We also believe that the dissident nominees if elected will undermine the effective functioning of the Granite Board and put unitholders' investment at risk
- ***The dissidents' business culture is one that promotes and endorses unethical tactics that include making false and misleading statements to achieve their objectives***. This is at odds with Granite's culture and what Granite's unitholders should expect from our Board members

> *"<u>We believe that FF/S's portrayal of the situation omits certain key facts that result in a negative bias regarding the analysis/conclusions</u> (e.g., disregarding property-level administrative expenses in the peers' G&A cost ratios). Regardless of the proxy fight outcome, the board is being refreshed and compensation reduced, and unitholders should ultimately benefit from Granite's global platform and ~$1bln balance sheet capacity. <u>However, we maintain our view that FF/S's $60-plus view of value is unrealistic</u>, and relies on largely unachievable G&A reductions, unsubstantiated value assessments, and AFFO accretion that would likely require acquiring lower quality/higher risk properties."*
>
> **– TD Securities (May 30, 2017)**

We believe the dissidents' plan is not in the best interest of all unitholders and that their business ethics are not aligned with Granite's

DISSIDENTS' CIRCULAR MAKES FALSE OR DISINGENUOUS STATEMENTS

Dissident Assertion	Response
Granite "rejected a very reasonable and fair settlement offer"	• The dissidents advised Granite in early May that their Board nominees would be Zach George and Samir Manji. There was no further contact until weeks later, when a significant unitholder asked to meet with us on May 24, 2017. A proposal was made to us by the unitholder at that meeting in an attempt to resolve the issues that exist between the Granite Board and the dissidents. A revised version of that proposal, which we learned had the backing of the dissidents, was considered by the Granite Board and unanimously rejected • The proposal was not fair, reasonable or in the best interests of unitholders, and would have, we believe, undermined the effective functioning of the Granite Board
The dissidents' stance on Granite's costs	• The dissidents fail to acknowledge that Granite includes almost all management expense costs in its G&A expenses and does not capitalize any management expenses, which other REITs almost universally do. Granite's level of management expenses is well aligned with those of other industrial and international Canadian REITs • Despite the dissidents' focus on cost reduction, their settlement demands included that Granite pay the unspecified, uncapped costs of their legal counsel, financial advisor and proxy solicitor
"Failed" Strategic Review	• The strategic review provided significant learnings about Granite's assets, in particular the special purpose assets that facilitated Granite's ability to establish a working business model with Magna to successfully negotiate the lease extensions announced in October 2016 • It reaffirmed Granite's current strategy and provided the Board with critical external perspectives on the value of Granite's assets • Since the completion of the strategic review, Granite has returned 38% for unitholders compared to 16% for the S&P/TSX Capped REIT Index(1) and eliminated the discount to consensus net asset value per unit • Granite's current unit price is significantly higher than the price offered under any acquisition proposal received or any other alternative pursued by Granite during the review process

(1) Returns include cash distributions.

DISSIDENTS' CIRCULAR MAKES FALSE OR DISINGENUOUS STATEMENTS RELATING TO GRANITE'S NOMINEES

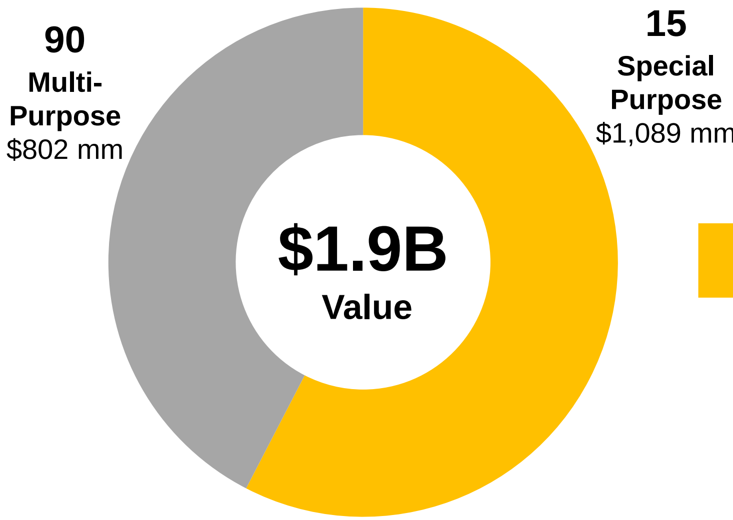
Dissident Assertion	Response
Dissidents state that one of Granite's trustees "has privately inquired about investors' appetite for an external management structure in the future"	• This is false and is meant to alarm unitholders • None of Granite's Board members or management have ever discussed an external management structure for Granite, nor is such a structure being considered
Mr. Voorheis and Mr. Dey worked together at failed firms and these companies had poor performance	• Both individuals have been appointed to the boards of companies that were widely known to be in difficult situations • They were appointed to these boards specifically because of their outstanding expertise and governance credentials • The dissidents are trying to mislead you by suggesting Mr. Dey and Mr. Voorheis were responsible for creating the challenges these companies faced, when in fact they were brought in to address them • Sun Times Media was a company controlled by Conrad Black, and Mr. Voorheis and Mr. Dey became directors after it was discovered that Sun Times Media and Mr. Black had significant financial, regulatory and legal issues • Their involvement in Atlas occurred after Atlas disclosed issues with its reported financial statements. • Their involvement with Coventree occurred after the asset backed commercial paper market meltdown and the resulting financial and regulatory issues that were thrust upon Coventree • The dissidents seek to misinform Granite's unitholders by associating Mr. Voorheis and Mr. Dey with these troubled companies without revealing the true circumstances and timing of their involvement

Dissidents' circular makes inaccurate or disingenuous statements relating to Granite's nominees

GRANITE EVOLUTION – THEN AND NOW

Income-Producing Properties Summary

Then – December 31, 2011

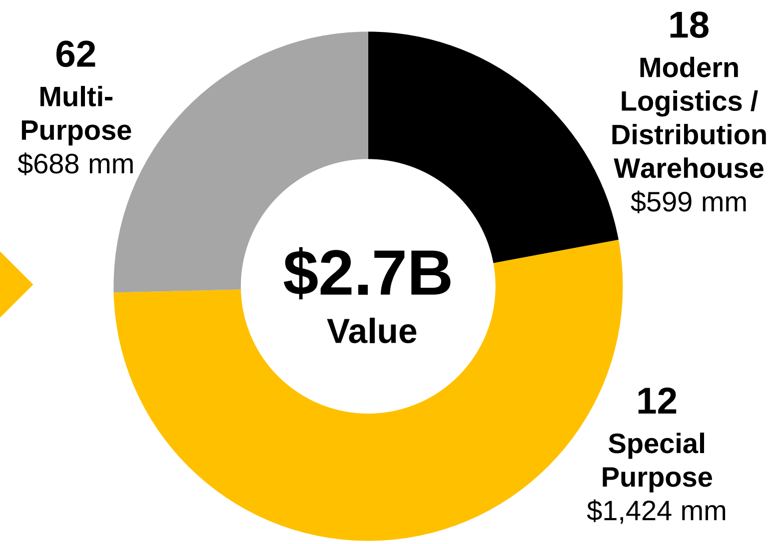


105
# of Income-Producing Properties

97%
Magna % of Annualized Lease Payments

14%
Leverage Ratio

Now – March 31, 2017



92
# of Income-Producing Properties

76%(1)
Magna % of Revenue for Quarter ended 3/31/2017

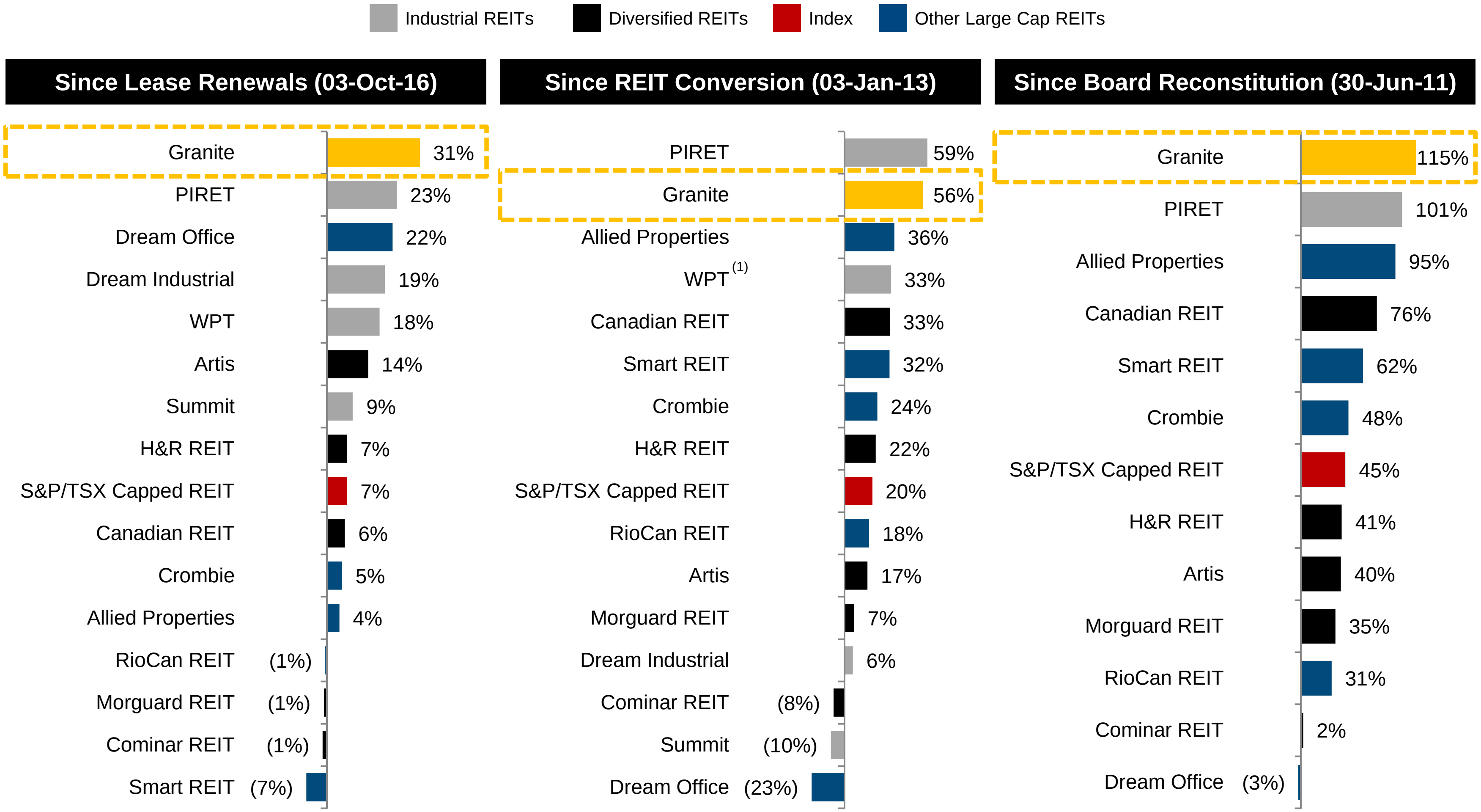
24%
Leverage Ratio

De-risked the portfolio while maintaining low leverage, creating significant value, lowering our cost of capital and enhancing our debt capacity

(1) Granite no longer discloses ALP and therefore the basis for Q1 2017 has been adjusted to "% of Revenue".

GRANITE REIT

GRANITE HAS DELIVERED INDUSTRY LEADING RETURNS FOR UNITHOLDERS



Granite has consistently outperformed its direct peers and the broader Canadian REIT sector

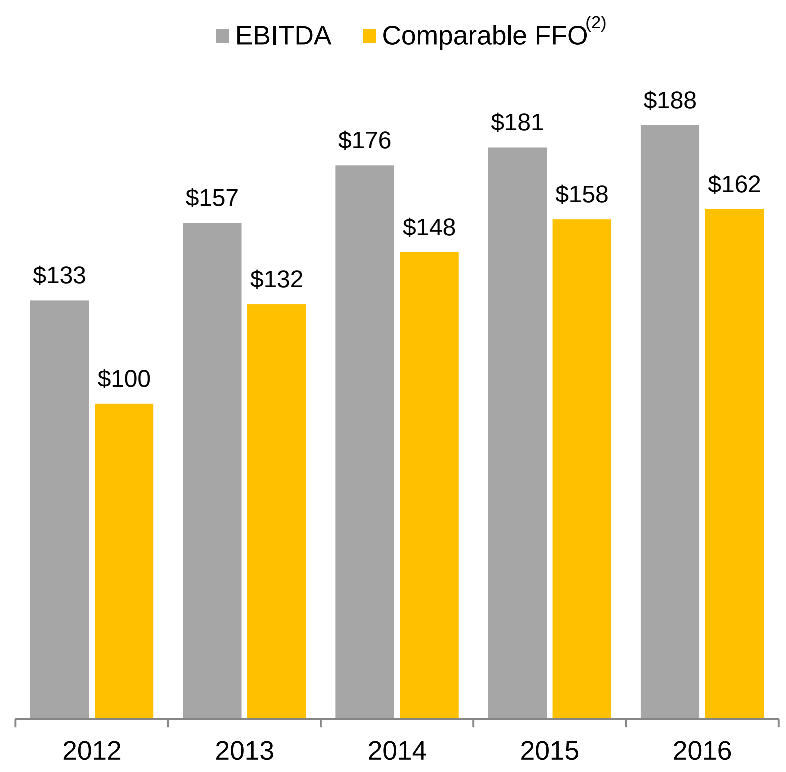
Note: Total returns as at 05-May-17, returns shown in local currency.
(1) Return since WPT Industrial's IPO on April 26, 2013 at US$10.00.

"… Granite REIT has posted significant outperformance versus the S&P/TSX Capped REIT Index on a one-, three- and five-year basis." – Neil Downey, RBC Capital Markets (May 11, 2017)

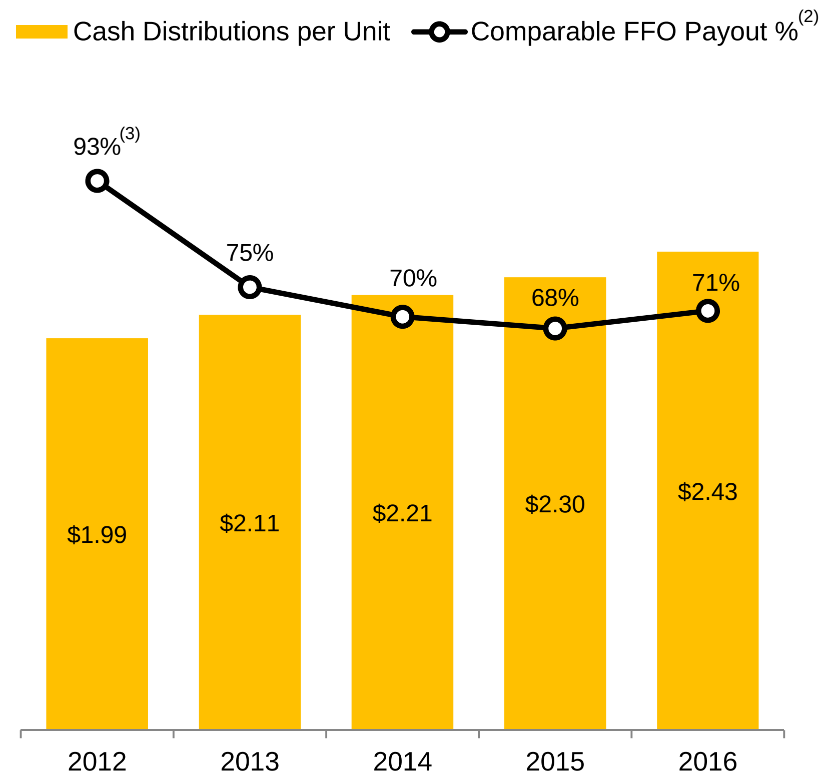
GRANITE REIT

GRANITE HISTORICAL PERFORMANCE

Historical Operating Performance ($ mm)(1)



Cash Distributions and Comparable FFO Payout %(1)



Track record of consistent growth and stable cash flows with conservative payout ratio

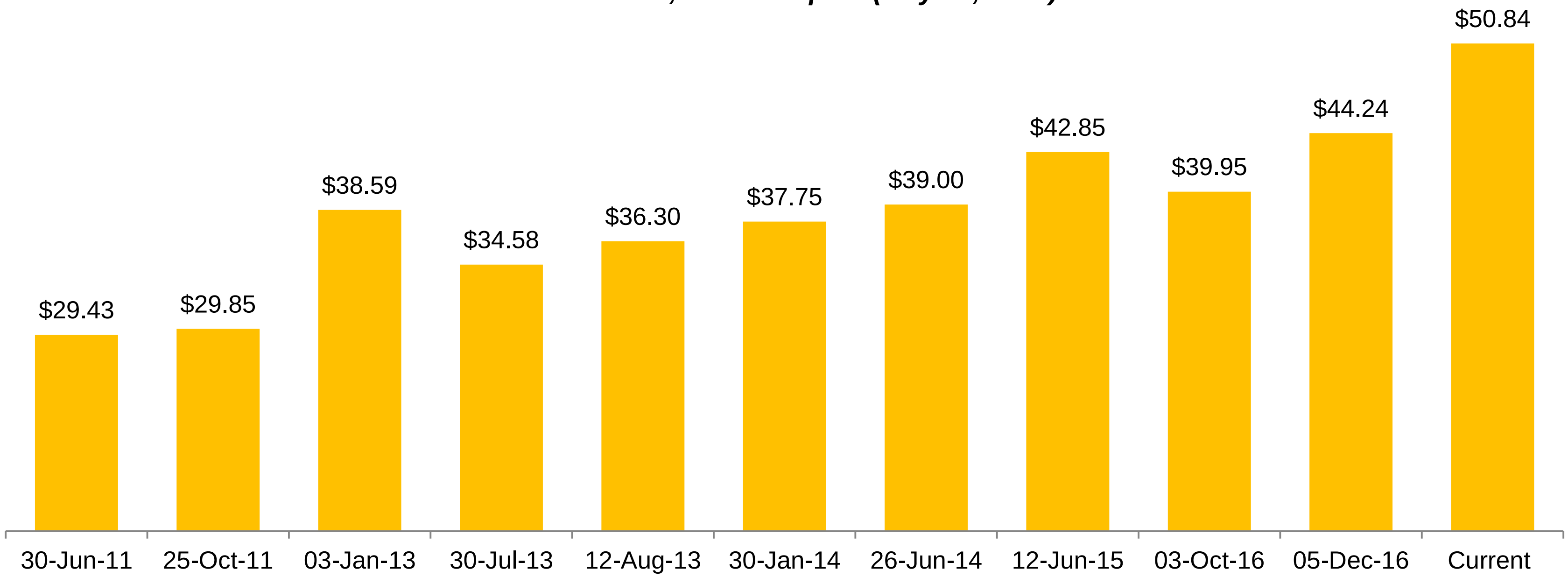
(1) For the year ended December 31st, unless otherwise noted. These figures should be read in conjunction with Granite's unaudited condensed combined financial statements for the three and 12 month periods ended December 31, 2016 and 2015 and audited combined financial statements for the years ended December 31, 2015 and 2014, together in each case with the Management's Discussion and Analysis of Results of Operations and Financial Position accompanying such financial statements, each of which is available on SEDAR at www.sedar.com, and each of which is incorporated by reference here in its entirety.
(2) Comparable FFO is defined as FFO adjusted for certain large unusual items.
(3) Reflects payout per share for 2012, prior to REIT conversion.

GRANITE'S BOARD AND MANAGEMENT TRACK RECORD SPEAKS FOR ITSELF

Unit Price at Certain Key Milestones since 2011

Board Reconstitution	**2011 Strategic Review Completed**	**REIT Conversion**	**Acquired 7 U.S. Assets**	**€129mm European Portfolio Acquisition**	**Magna Steyr (Graz) Lease Extension**	**Sale of Mexico Portfolio for US$105mm**	**Launch of Strategic Review Process**	**2016 Magna Lease Renewal**	**$400mm Euro-Denominated Bond Offering**	**Current Unit Price**

"Net-net, although we believe parts of the dissident group's plan have merit, we believe structural advances made by management over the last several years position GRT well to continue enhancing unitholder value."
– Pammi Bir, Scotia Capital (May 17, 2017)



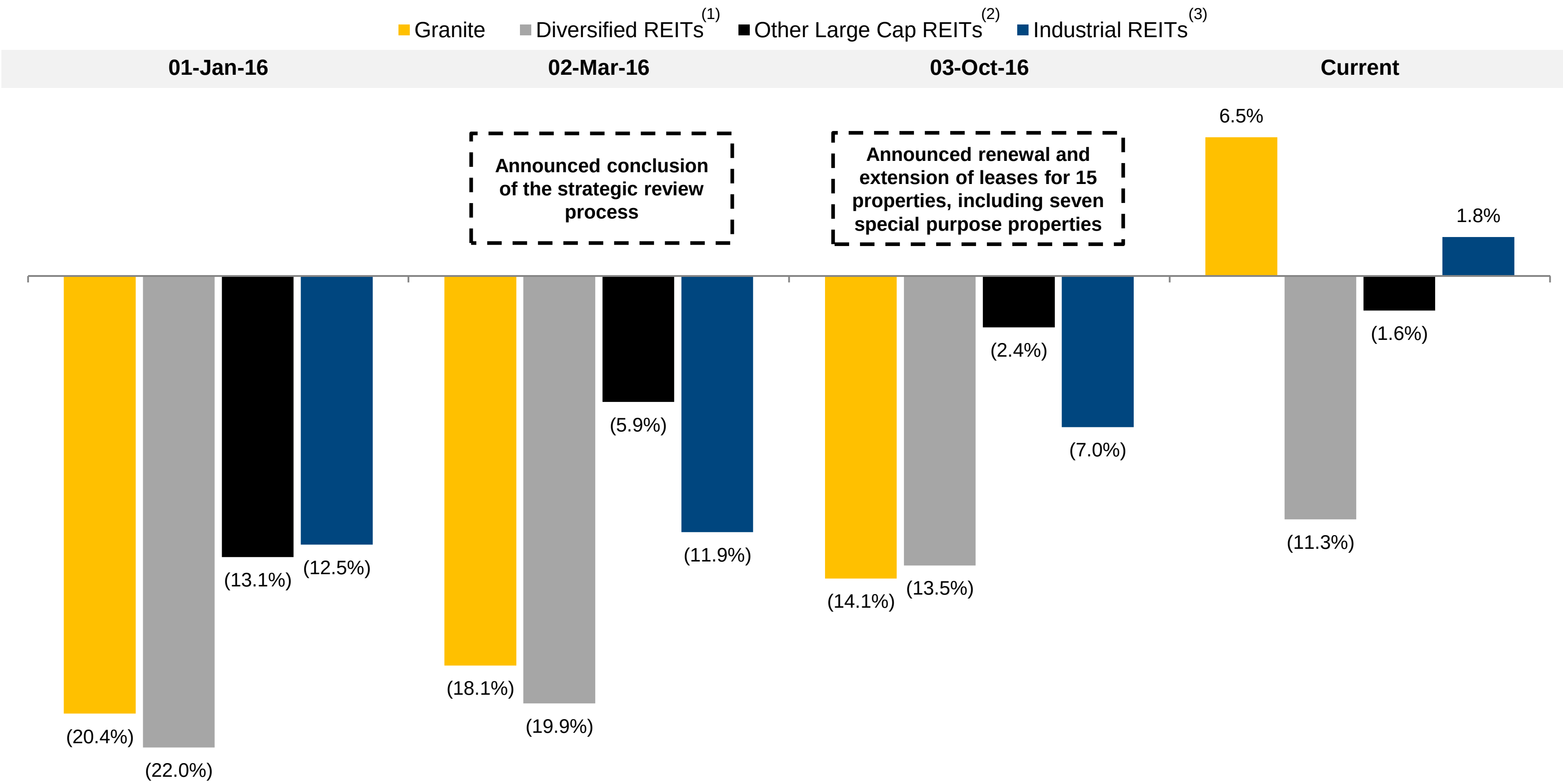
Initiatives completed by Granite's Board and Management since 2011 have created significant value for unitholders

Source: FactSet

GRANITE REIT

OCTOBER LEASE RENEWALS AND EXTENSIONS WAS TRANSFORMATIONAL FOR GRANITE – IT UNLOCKED SUBSTANTIAL VALUE AND ELIMINATED GRANITE'S DISCOUNT TO NAV

Premium / (Discount) to Consensus NAV per unit



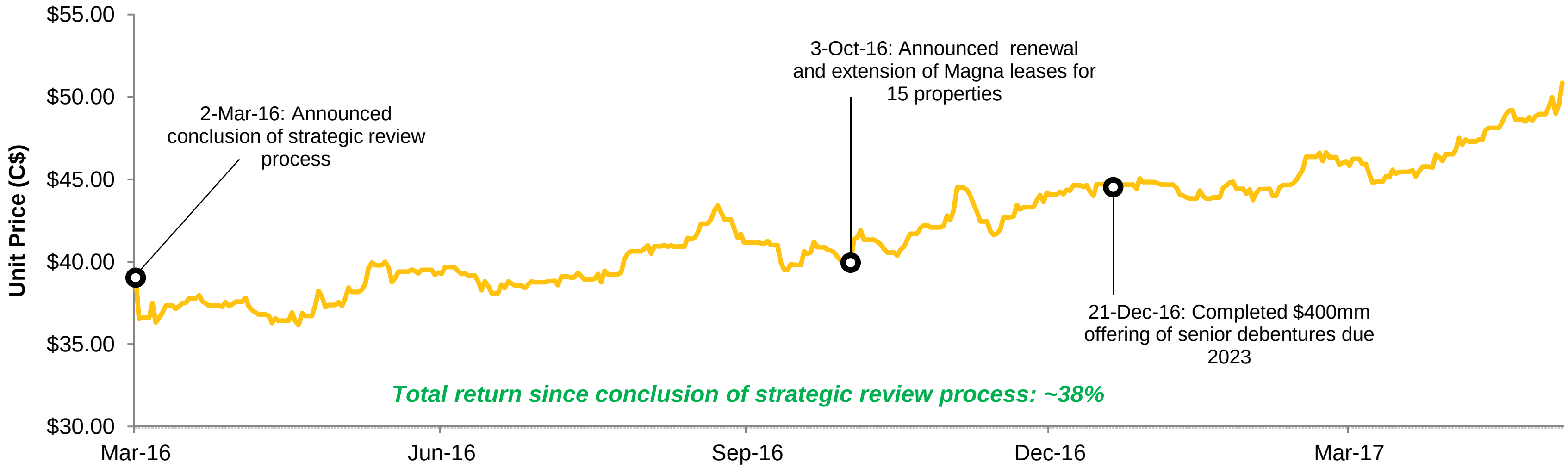
With the successful Magna lease renewal and extension complete and enhanced debt capacity, Granite now has an incredible opportunity to execute its growth and diversification strategy to build unitholder value over the long-term

Source: FactSet
(1) Consists of Artis REIT, Cominar REIT, CREIT, H&R REIT and Morguard REIT.
(2) Consists of Allied Properties, Crombie REIT, Dream Office REIT, RioCan REIT and Smart REIT.
(3) Consists of Dream Industrial, PIRET, Summit Industrial and WPT Industrial.

GRANITE REIT

AN INCREDIBLE OPPORTUNITY TO GROW

Granite Price Chart Annotated for Significant Events



- Since the conclusion of the strategic review process, Granite has executed on its near term strategy to renew and extend leases and completed an attractive debt financing to provide it with increased financial flexibility
- With these two strategic milestones complete, Granite is well positioned to execute its acquisition strategy in a disciplined manner

	Portfolio Weighted Average Lease Term	Special Purpose Property Weighted Average Lease Term	Leases up for Renewal in Next 3 Years (C$ mm)	Leases up for Renewal in Next 3 Years (% of Revenue)
	(Years)	(Years)	(C$ mm)	(%)
Conclusion of Strategic Review[(1)]	4.7	5.7	~$91.7	40.6%
Current[(1)]	6.9	10.7	~$39.6	18.8%

With the successful Magna lease renewal and extension complete and enhanced debt capacity, Granite now has an incredible opportunity to execute its growth and diversification strategy to build unitholder value over the long-term

(1) Conclusion of the strategic review reflects Q1 2016 results; current period reflects Q1 2017 results.

GRANITE REIT

ANALYST COMMENTARY

"In Exhibit 5 below, we have provided Granite's one, three and five year total returns through to May 8, 2017. The chart graphically illustrates that Granite's units have earned a cumulative five-year return of 97%, substantially in excess of the 32% from the S&P/TSX Capped REIT Index. And, interestingly, Granite REIT has posted significant outperformance versus the S&P/TSX Capped REIT Index on a one-, three- and five-year basis." **– RBC Capital Markets (May 11, 2017)**

"On a constant-currency basis, operations are solid and Granite has managed to renew and extend most of its lease maturities. While leases for 11.4% of revenue are scheduled to expire in 2018, the majority of these leases are at properties in the GTA which Magna renewed in 2013, and management indicated on the conference call that they expect Magna to remain at most, if not all, of the properties." **– Canaccord Genuity (May 11, 2017)**

"Granite is a work-in-progress, more so than many other companies, but this is largely because of its origins. Significant progress has already been made, and we firmly believe that further positive initiatives are underway. With much heavy-lifting done on the risk side, and with the CEO position filled and strategic review completed, we look forward with increased confidence that Granite will put its balance sheet to work in a disciplined and accretive manner." **– TD Securities (May 17, 2017)**

"With respect to the unit price, we believe management has had a direct hand in the recent outperformance and unitholder value creation via the significant de-risking accomplished through the Magna lease extensions in October 2016 and the December 2016 issuance of its Series 3 unsecured debentures which reduced its cost of capital and extended debt duration." **– Scotia Capital (May 17, 2017)**

SECTION 2: WHAT MAKES GRANITE DIFFERENT – A UNIQUE GLOBAL REAL ESTATE PLATFORM

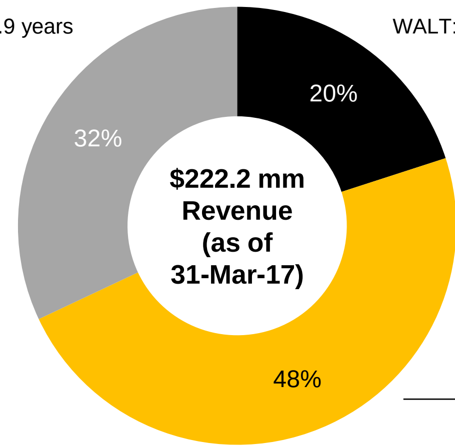
GRANITE REIT

UNIQUE ASSET AND TENANT BASE

Income-Producing Properties by Revenue Segmented by Asset Class

Multi-Purpose
62 Properties
10.0 mm sq. ft.
$688.4 mm Fair Value
WALT: 3.9 years

Modern Warehouse
18 Properties
6.9 mm sq. ft.
$598.6 mm Fair Value
WALT: 4.3 years

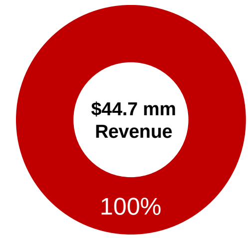


Special Purpose
12 Properties
13.2 mm sq. ft.
$1,423.7 mm Fair Value
WALT: 10.7 years

Modern Warehouse · Special Purpose · Multi-Purpose

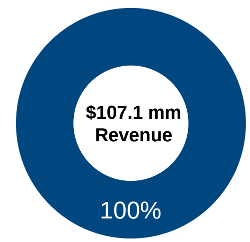
Modern Warehouse

Acquired or developed / redeveloped within the last four years



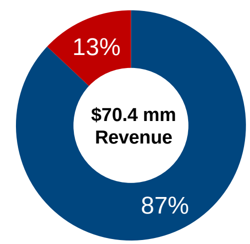
Special Purpose

Designed and built with unique features



Multi-Purpose

Tenantable by a wide variety of potential users



Magna · Non-Magna

Previous 12 months revenue of $222.2 million with an overall WALT of 6.9 years provides visibility to $1.7 billion in contractual rental commitments payable to Granite

Source: Public filings

THE MAGNA RELATIONSHIP

What it Provides:

- **Long-Term Cash Flow Stability and Visibility**
  - Net lease structure and term with Magna provides Granite with stability and visibility on its future cash flows
  - Steady cash flow growth through embedded lease rate increases
  - Overall Magna-tenanted WALT of 8.2 years (10.7 years for special purpose properties)
- **Highest Quality Major Tenant in the Canadian REIT sector**
  - Granite owns the land and buildings of approximately one-third of Magna's real estate with the 12 Special Purpose Properties believed to be "mission critical"
  - Magna's credit rating (Moody's - A3) represents the highest credit rating of any major tenant (>30% of a portfolio's cash flow) amongst all Canadian REITs
  - Magna's strong credit worthiness provides Granite with the ability to achieve lower cost financing
- **Organic Growth Opportunities**
  - Selective expansion projects at existing facilities provide Granite with an internal growth pipeline at attractive cap rates

What it Requires:

- **A Global Presence in 10 Countries:** Management expertise in multiple jurisdictions' law, leasing, language, structuring and tax necessitates European and North American offices and "boots-on-the-ground" local expertise
- **Trust and Confidence**: Granite management has substantial experience and knowledge of Magna and has earned the trust, confidence and respect of Magna's executives
- **Significant expertise required in the following areas:**
  - **Tax:** Complex internal legal and tax structure to facilitate a tax efficient flow of funds to unitholders within a Canadian domiciled REIT
  - **Environmental:** In-house expertise to monitor and ensure lease compliance globally
  - **Legal:** In-house legal in North America and Europe responsible for all leasing related matters, third party agreements and litigation
  - **Construction Management:**
    - High volume of major building alteration requirements (as Magna invests in the facilities) when compared to traditional logistics/distribution properties
    - New developments, both direct and with partners globally
    - Repositioning of previously Magna-tenanted properties
    - More intensive restoration and make good obligations upon termination of a special purpose property lease when compared to traditional logistics/distribution properties

Maintaining Granite's highly valuable relationship with Magna requires a comprehensive and global platform

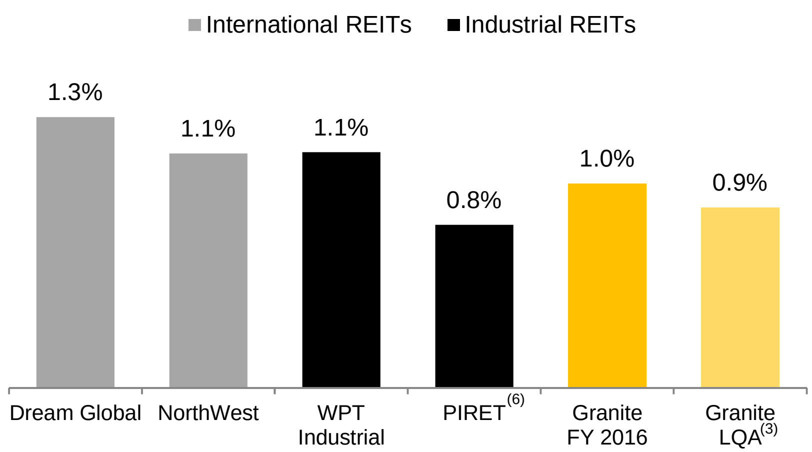
**Leveraging up the balance sheet without visibility on cash flow,
as suggested by the dissidents, would have been reckless**

GRANITE REIT

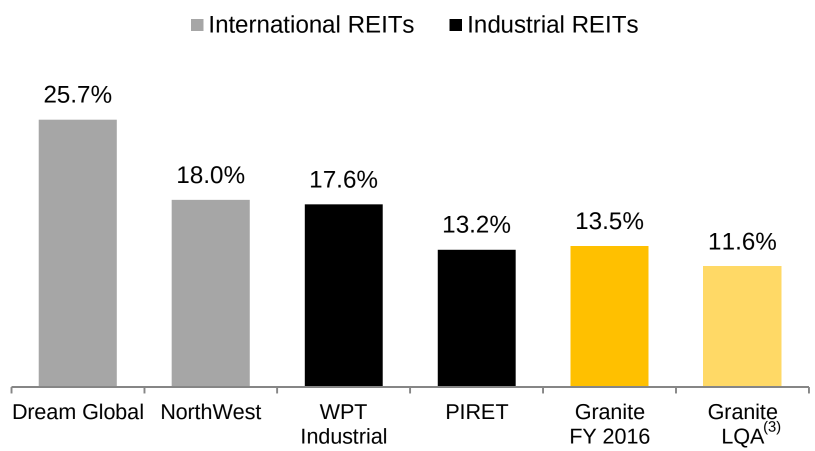
BENCHMARKING OF GRANITE'S OPERATING EXPENSES WITH INDUSTRIAL AND INTERNATIONALLY FOCUSED REITS

	International		Industrial		Granite	
(in C$ 000s)	**Dream Global**	**NorthWest**	**WPT Industrial**[(1)]	**PIRET**[(2)]	**FY 2016**	**LQA**[(3)]
Property-Level Management Costs	$9,070[(4)]	$14,050	$3,931	$9,545	$592	$640
Capitalized Management Costs	$2,195	$2,626	--	n.a.	--	--
Corporate-Level Costs	$29,897	$19,772	$8,733	$7,992	$27,960[(5)]	$24,616[(5)]
Total Operating Expenses	**$41,162**	**$36,448**	**$12,664**	**$17,537**	**$28,552**	**$25,256**

Operating Expenses as % of Gross Book Value



Operating Expenses as % of NOI



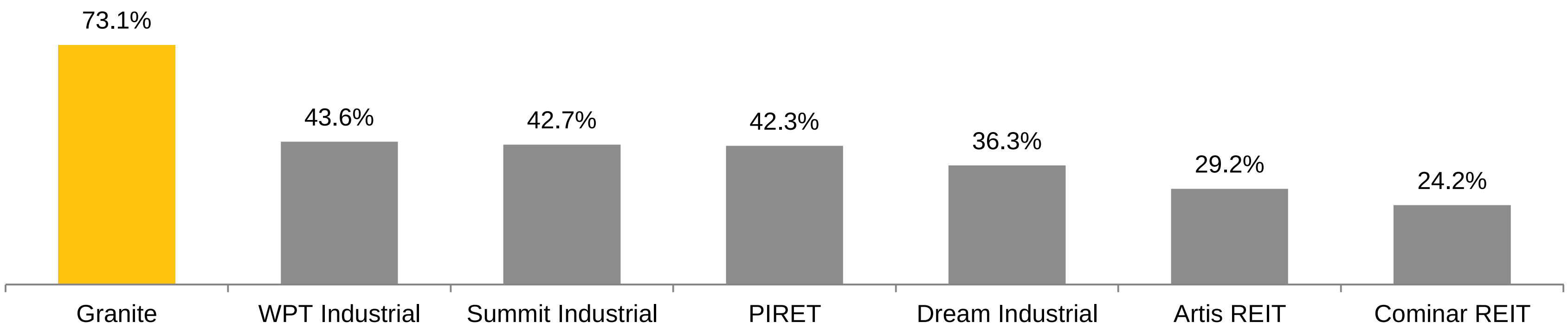
Granite's operating expenses are in-line with other industrial and internationally focused REITS

(1) Converted to C$ at a USD/CAD exchange rate of ~1.369 (05-May-17).
(2) Per the dissidents' analysis in a press release dated May 15, 2017.
(3) Q1 2017 annualized.
(4) Property management costs are calculated based on property management agreements with Tectareal and other managers as disclosed in Dream Global REIT's 2016 annual information form.
(5) Reported general and administrative expenses.
(6) Gross book value is calculated based on the average quarterly asset base for 2016.

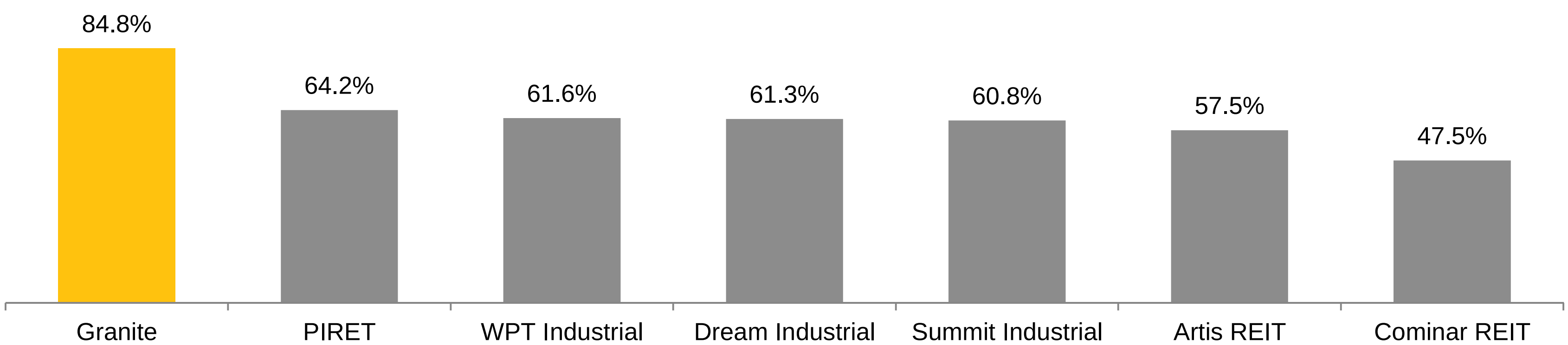
GRANITE REIT

GRANITE HAS BEST-IN-CLASS LEVERED AND UNLEVERED MARGINS

Q1 2017 AFFO Margin (% of Revenue)



Q1 2017 EBITDA Margin (% of Revenue)



Unique nature of Granite's business model enables it to have the highest margins and cash conversion among its peers

Source: Public filings, FactSet

GRANITE REIT

INITIATIVES TAKEN – BOARD MATTERS

- Shareholders of MI Developments voted in 2011 to eliminate the multiple voting shareholding of Frank Stronach and replace the board of MI Developments in its entirety. At that time, MI Developments was effectively a captive real estate division of Magna located on the Magna campus. It had excessive G&A costs, the annual dividend was US$0.40, Magna represented 98% of revenues and the stock price was trading in the $28 - $29 range. It required a board that that had the skill set and would invest the significant time required to effect a significant restructuring. Board compensation was set accordingly and was agreed by the shareholders who settled with Frank Stronach and approached the initial slate of directors

- As the strategic plan laid out in October 2011 was taking hold and following the completion of a second strategic review in March 2016, the board commenced a board renewal process last year which resulted in the addition of two highly accomplished individuals in 2016. This process was continued this year and Granite has nominated two additional highly qualified individuals for election at Granite’s upcoming AGM. As a group, the nominees proposed by Granite have extensive experience in business-critical areas, including real estate investment, accounting, finance, legal, governance and human resources. Together with the continuing directors, they provide a strong combination of a fresh perspective, significant real estate expertise, a thorough understanding of Granite’s unique history, and essential boardroom and director continuity. As Granite continues to evolve and execute its strategic plan, the board is committed to continue the renewal process into 2018 and beyond

- Given the state of the company in 2011 and the restructuring that was required, the time commitment required of the board was in excess of that of a typical company. With the lease extensions and renewals announced in October 2016, another significant milestone, Granite became closer to being a more typical real estate company. Accordingly, given the expected time commitment will be less significant than it has been in previous years and the position of our unitholders on this issue, the board decided to reduce the fees

- The initiatives completed to date and Granite’s go-forward strategy reflect views from our unitholders

BOARD OF TRUSTEES WITH A DEPTH OF REAL ESTATE EXPERIENCE

All Trustees, except for Michael Forsayeth, are independent

G. Wesley Voorheis *Chairman*	• Since 1995, Mr. Voorheis has been the Managing Director of VC & Co. and a Partner of Voorheis & Co., strategic advisors to institutional and other shareholders • He served as a director and Chairman of the Board of Hudbay Minerals from March 2009 until May 2015 • He also served as a director of RONA from January 2013 until May 2015
Peter Dey *Vice-Chairman*	• Mr. Dey has been Chairman of Paradigm Capital since November 2005 • He has been a director of Gran Tierra Energy since May 2015 and was a director of Goldcorp from 2006 to 2017 • He was formerly the Chairman of the Ontario Securities Commission and a Partner of the law firm Osler, Hoskin & Harcourt LLP, where he specialized in corporate governance issues and M&A, from 2001 to 2005, and prior to that from 1985 to 1994 and from 1973 to 1983
Donald Clow *Trustee*	• Mr. Clow has been the President and Chief Executive Officer of Crombie REIT since 2009 • Prior to joining Crombie, he was the President of ECL Developments, a real estate development subsidiary of Empire Company • Prior to joining Empire, he was the President of Southwest Properties
Brydon Cruise *Trustee*	• Mr. Cruise is currently Chairman of the Board of Brookfield Financial Securities LP • Mr. Cruise was a Managing Partner of Brookfield Financial from June 2003 to April 2016 • Prior to joining Brookfield Financial, he was a Managing Director at RBC Capital Markets
Michael Forsayeth *CEO and Trustee*	• Mr. Forsayeth has been Granite's CEO since March 31, 2016 and a director and trustee since January 2016. Mr. Forsayeth joined Granite as Chief Financial Officer in 2011 • From June 2007 to July 2011, Mr. Forsayeth was Chief Financial Officer of Intrawest • He has been a director of Imvescor Restaurant Group since November 2014
Gerald Miller *Trustee*	• Mr. Miller was Executive Vice President, Finance and Chief Financial Officer of West Fraser Timber from January 2009 until his retirement in July 2011 • He has been a director of West Fraser since April 2012
Remco Daal *Granite Nominee*	• Mr. Daal has been President of Canadian Real Estate for QuadReal Property Group since its establishment in June 2016 • From 2000 to 2016, Mr. Daal worked at Bentall Kennedy Group, most recently as President and COO from 2009 to 2016
Kelly Marshall *Granite Nominee*	• Mr. Marshall is Managing Partner, Corporate Finance at Brookfield Asset Management Inc. • During his 16 years with Brookfield Asset Management, he has completed in excess of US$100 billion in debt and equity transactions across the real estate, renewable power and infrastructure sectors

GRANITE REIT

GRANITE CONTINUES TO STRENGTHEN ITS BOARD OF TRUSTEES

- The additions of Mr. Daal and Mr. Marshall increase the board's depth of real estate expertise which complements the significant financial and public company director expertise held by the remainder of the board

"Granite nominated two highly qualified and experienced independent Trustees to its Board: Remco Daal (President of Cdn. Real Estate, QuadReal Property Group); and Kelly Marshall (Managing Partner, Corporate Finance, Brookfield Asset Mgmt.). This follows the appointment of two additional highly qualified Trustees last year - Brydon Cruise (Chairman and Managing Partner, Brookfield Financial) and Donald Clow (CEO, Crombie REIT). Not standing for re-election are Michael Brody and Barry Gilbertson - both members since 2011. Granite intends to continue its Board renewal process into 2018 and beyond. The moves thus far should serve the REIT well and inspire additional investor confidence, in our view. Granite has also reduced its Board compensation rates by 20%-47% (see Exhibit), based on less expected time commitment going forward."

– TD Securities (May 17, 2017)

INITIATIVES TAKEN – GENERAL & ADMINISTRATION COSTS

- Significant progress has been made on the G&A front. G&A expenses for Q1 2017 were approximately 11% lower year-over-year. Excluding the impact of the increase in our unit price on our stock-based compensation expense in the quarter, G&A expenses were almost 16% lower than in Q1 last year
- Based on Q1, the G&A annualized run-rate for 2017 is less than $25 million or $3 million lower than the $28 million reported for 2016
- Granite's current headcount is approximately 15% lower than it was prior to commencing the strategic review
- Granite does not allocate any of its real estate related personnel or certain other G&A costs to non-recoverable property costs
- That said, more work needs to be done and we continue to focus on our G&A expense levels as our business model evolves to ensure a cost effective structure that is appropriately scaled to deliver value to our unitholders

THE VISION

Build a "Best in Class" diversified global industrial real estate business

- **A global real estate operating company diversified by tenancy and geographic presence**
- **Industry leading expertise in acquisitions, asset management, development and property management**
- **Industry leading balance sheet, sustainable cash flows and competitive weighted average cost of capital**

Leading Global Industrial Real Estate Business

THE PATH FORWARD

HOW WE GET THERE

- Systematically deploy Granite's balance sheet to acquire accretive, high quality, liquid real estate assets targeting a net debt leverage of approximately 40%
- Target to reduce Magna concentration, including the special purpose properties, to enable increased leverage and enhanced credit ratings driving an FFO multiple expansion resulting in a competitive weighted average cost of capital
- Continue to develop and adapt Granite's relationship with Magna to maintain long-term stable cash flows to facilitate the transition from highly specialized assets to modern and readily leasable liquid industrial assets
- Ultimately, with scope, scale and competitive cost of capital, continue to grow as a perpetual REIT

STRATEGIC PRIORITIES

Build a high quality diversified industrial real estate business by patiently growing and diversifying its asset base

Growth & Diversification

- Leverage Granite's geographic footprint to seek investment opportunities that:
  - Meet Granite's investment criteria and disciplined approach
  - Are opportunistic in terms of the real estate cycle
  - Are accretive to both FFO and NAV
- Explore and pursue:
  - Property, portfolio and company acquisitions and development opportunities
  - Joint venture and similar arrangements with local partners
- Reduce Magna concentration over the long term

Optimize Value of Core Business

- Actively manage Granite's core portfolio for value creation opportunities:
  - Manage and optimize operating efficiencies of core business
  - Support growth of tenants, including Magna, where economics justify doing so
  - Recycle non-core properties (primarily Magna-tenanted)
  - Exploit development opportunities from existing portfolio

Capital Structure

- Preserve and work to enhance investment grade rating and strong liquidity
- Target long term net debt leverage ratio of approximately 40%
- Use global footprint to access lowest cost and most flexible sources of capital
- Reduce overall cost of capital

Return of Capital

- Seek to consistently grow distributions over the long term while retaining financial flexibility and a prudent FFO payout ratio
  - Recently announced fifth consecutive annual increase to distributions
- Purchase of units via normal course issuer bid (NCIB) at appropriate prices

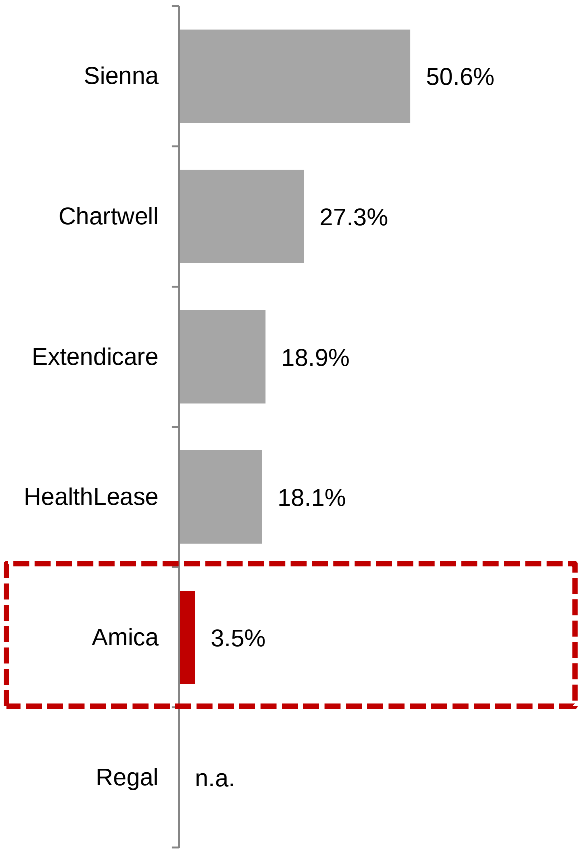
Strategic priorities to be guided by value creation potential on a risk adjusted basis

Source: Public filings

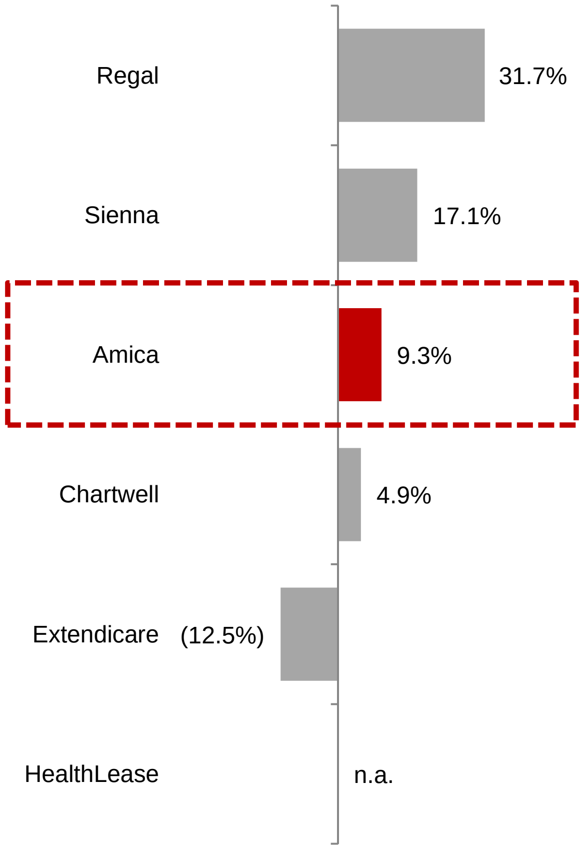
APPENDIX A: FRONTFOUR AND SANDPIPER TRACK RECORD – NOT ONES TO INVEST WITH

SANDPIPER – AMICA MATURE LIFESTYLES INC. BENCHMARKED PERFORMANCE

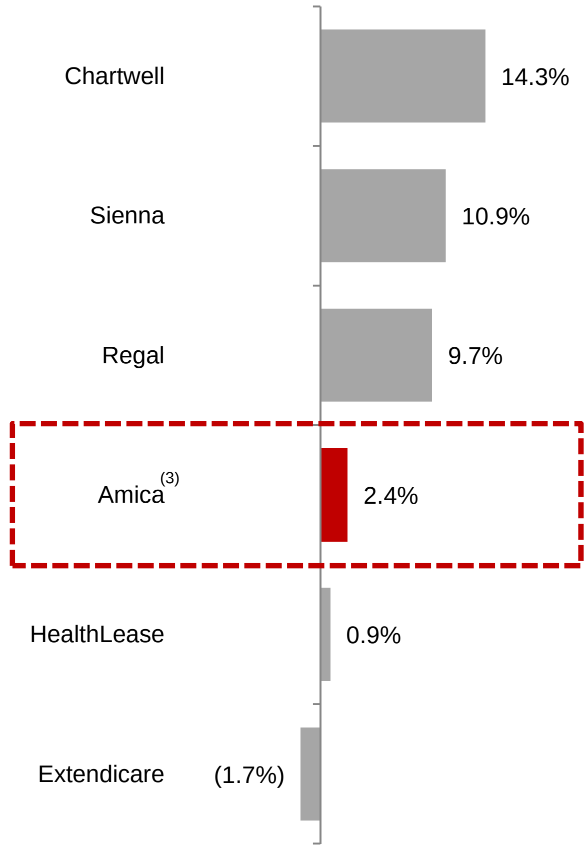
3-Year Aggregate Return (Prior to Amica Sale) (1)



FFO Growth Performance(2)



Consensus NAV Growth Performance(2)



Amica under Samir Manji's (principal of Sandpiper) watch was an underperformer

Source: Public filings, FactSet
(1) Includes cash distributions, does not include premium received by Amica unitholders.
(2) Average annual growth between 2010 and 2015.
(3) Based on consensus NAV until the quarter prior to its acquisition.

GRANITE REIT

AMICA, UNDER SAMIR MANJI'S AND AL MAWANI'S WATCH, WAS INVOLVED IN SEVERAL RELATED PARTY TRANSACTIONS

- Samir Manji, principal of Sandpiper, was the CEO of Amica during its time as a public entity
  - **Every single year that Amica was a public company it disclosed related party transactions with the Manji family in its regulatory filings**
- Al Mawani was a director of Amica from 2005 to 2011
  - Mr. Mawani reviewed and approved related party transactions with entities controlled by the Manji family in his capacity as a member of Amica's Investment Committee and as an Amica director
- Amica's 2015 annual report (its last one as a public entity), discloses that Samir Manji and his brother Salim Manji, through a company they controlled (Manjis Holdings Ltd.) had an interest in 10 co-tenancy investments alongside Amica *(see Exhibit 1)*
  - Amica extended loans to these co-tenancy investments **and also restructured and forgave these loans which Samir Manji personally benefited from** *(see Exhibit 2)*
- Amica also completed at least two transactions which involved Amica acquiring interests in properties held by entities controlled by the Manji family (Amica Whitby and Bayview properties)

Exhibit 1

Key management involvement in co-tenancies

Investments on terms identical to other investors (either directly or through a holding company) are as follows:

Management personnel:	Number of co-tenancy investments:	Ownership interest:
Samir Manji, CEO	10	4% - 12.5%
Salim Manji, Director	10	4% - 12.5%
Andrew Oppenheim, Director	1	1.5%

Exhibit 2

"In the year ended May 31, 2014, the Company restructured and forgave $9,642,000 of loans provided by the Company to three co-tenancies, of which the non-controlling interests' share was $6,702,000. The Company determined that the amended terms of the remaining loans for one co-tenancy were modified substantially so that the non-controlling interest's share of the fair value of the amended loans to be $735,000 less than their carrying value.... ***A company controlled by Samir Manji and Salim Manji are owners in the co-tenancies and their company's share of the benefit to the non-controlling interests was $611,000."***

Pg. 25 - 26, Amica's 2015 Annual Report

Amica, under Samir Manji's and Al Mawani's watch, approved and completed the related party hat trick (co-investments, loans and acquisitions)

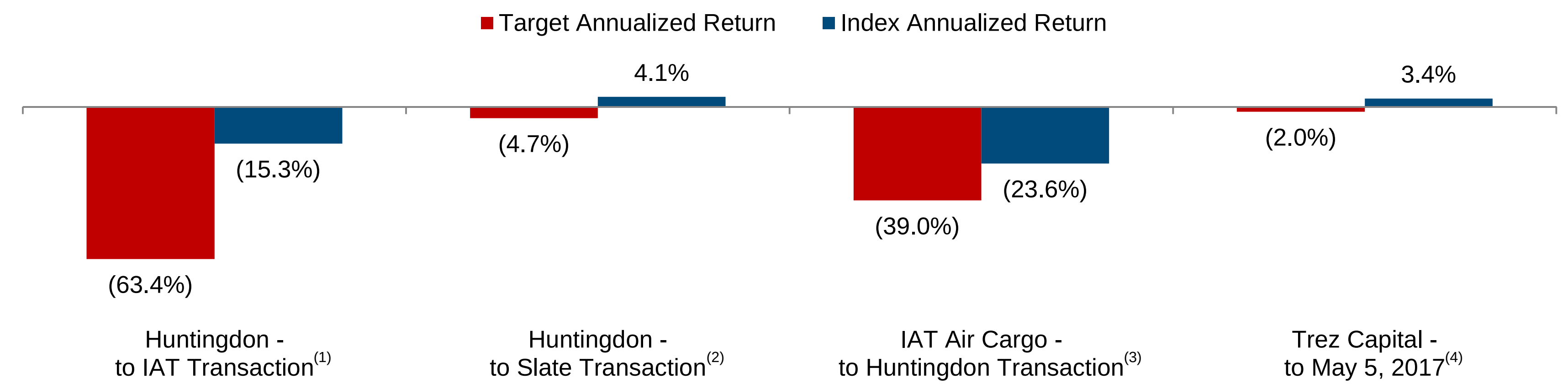
Source: Public filings

GRANITE REIT

FRONTFOUR ACTIVIST BOARD NOMINEES HAVE NOT CREATED VALUE IN THE REAL ESTATE SECTOR

- **The dissidents artificially engineered the time periods they are showing for the return numbers set out in their circular. The return figures shown below are based on the entire period from when a FrontFour nominee (s) became a director until a strategic transaction (as applicable) was announced. The fact remains that FrontFour has a dismal track record in the real estate sector**
- While seeking to be an agent of (presumably positive) change, the facts suggest otherwise:
  - **Huntingdon:** Three nominees of FrontFour were appointed to the board of Huntingdon as part of a settlement on January 17, 2008
    - Huntingdon's performance severely lagged that of the S&P/TSX Capped REIT Index from that date to August 2009, when it entered into a transaction with IAT Air Cargo Facilities Income Fund, and to August 2014, when its acquisition by Slate Asset Management LP was announced
  - **IAT Air Cargo:** Three FrontFour nominees were appointed to IAT's Board on September 15, 2008, shortly after FrontFour increased its ownership interest in IAT to approximately 45%
    - The result was more value destruction, with IAT's performance comparing unfavourably to that of the S&P/TSX Capped REIT Index
  - **Trez Capital Mortgage Investment Corporation:** Zach George, co-founder of FrontFour was appointed to the board of Trez Capital as part of a settlement on May 9, 2016
    - Trez Capital's performance from that date to May 5, 2017 significantly lagged that of the S&P/TSX Capped REIT Index

Annualized Total Returns During FrontFour Board Tenures



Where FrontFour received board representation on companies in the real estate sector, the target companies underperformed peers during the tenure of the FrontFour nominees

(1) Reflects period from 17-Jan-08 to 17-Aug-09; utilizes the S&P/TSX Capped REIT Index as a benchmark.
(2) Reflects period from 17-Jan-08 to 11-Aug-14; utilizes the S&P/TSX Capped REIT Index as a benchmark, does not include premium received by Huntingdon unitholders in conjunction with the Slate transaction.
(3) Reflects period from 15-Sep-08 to 17-Aug-09; utilizes the S&P/TSX Capped REIT Index as a benchmark.
(4) Reflects period from 09-May-16 to 05-May-17; utilizes the S&P/TSX Real Estate Index as a benchmark.

GRANITE REIT

FRONTFOUR'S HOLDINGS SUGGEST THEY HAVE A SHORT-TERM STRATEGY

- Over 20% of FrontFour's position in Granite is held in call options with strike prices ranging from $42.00 - $50.00
- Over 90% of the Granite call options held by FrontFour have an expiry date of 21-Jul-17, which is only 36 days after Granite's annual meeting on 15-Jun-17
- **Material portion of FrontFour's position in short-dated call options means its interests are not aligned with those of other unitholders**
- **FrontFour's option holdings suggest they are focused on a short-term strategy**

FrontFour Holdings in Granite		
Units Owned	(mm)	1.40
Call Options Held, 21-Jul-17 Expiry	(mm)	0.36
Call Options Held, 20-Oct-17 Expiry	(mm)	0.03
Total Unit Exposure	(mm)	1.80
Ownership (incl. Options)	(%)	3.8%
Ownership (excl. Options)	(%)	3.0%
% of Total Unit Exposure Held in Call Options	(%)	22%
% of Call Options, 21-Jul-17 Expiry	(%)	**92%**
% of Call Options, 20-Oct-17 Expiry	(%)	8%

According to WhaleWisdom:

FrontFour has an average investment holding period of ~3 quarters

FrontFour's AUM has decreased from ~US$430 mm to ~US$310 mm

According to Symmetric:

FrontFour has a negative 4.5% alpha(1) over the last three years relative to the S&P 500

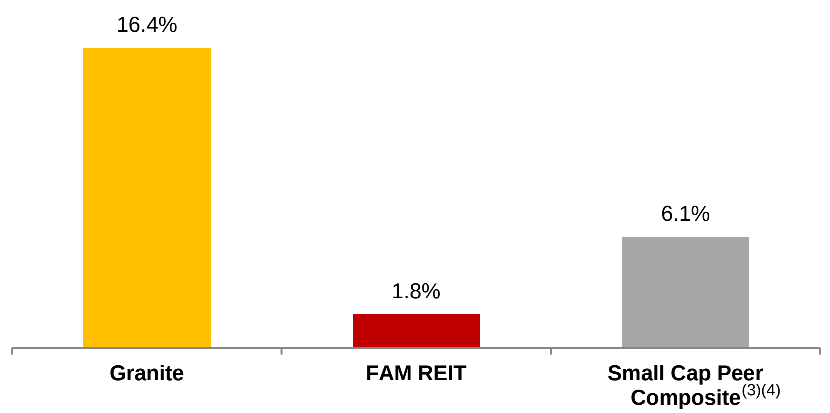
Some of FrontFour's LPs are no longer investing with them, having voted with their wallets and feet

Source: Symmetric and WhaleWisdom are services which provide information on hedge fund filings and performance
(1) Alpha is a measure of performance of an investment benchmarked against a market index on a risk adjusted basis.

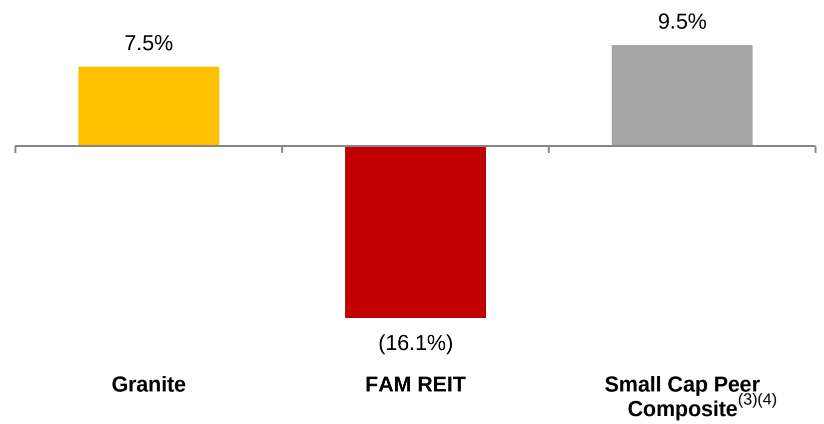
FAM REIT WAS A WEAK PERFORMER UNDER FRONTFOUR'S OVERSIGHT

- Huntingdon was a ~30% unitholder of FAM REIT and Zach George was Chairman during the period from December 28, 2012 to August 12, 2014 (date transaction with Slate was announced)
- FAM REIT underperformed Granite and its key peers on an aggregate return and NAV per unit growth basis during this period

Aggregate Return[(1)]



IFRS NAV Per Unit Growth[(2)]



FAM was a weak performer relative to Granite and FAM's peers on an aggregate return and NAV per unit growth basis under FrontFour's oversight

(1) Aggregate return is inclusive of distributions paid during the observed period, shown from January 3, 2013 (date of Granite REIT conversion) to August 11, 2014 (day prior to Slate transaction announcement).

(2) From December 31, 2012 to December 31, 2014.

(3) Composite consists of Agellan, BTB REIT, Melcor REIT, Plaza Retail REIT and True North Commercial.

(4) Agellan's and Melcor's aggregate return is calculated beginning at their IPO dates; NAV per unit growth begins at Q1 2013 and Q2 2013, respectively.

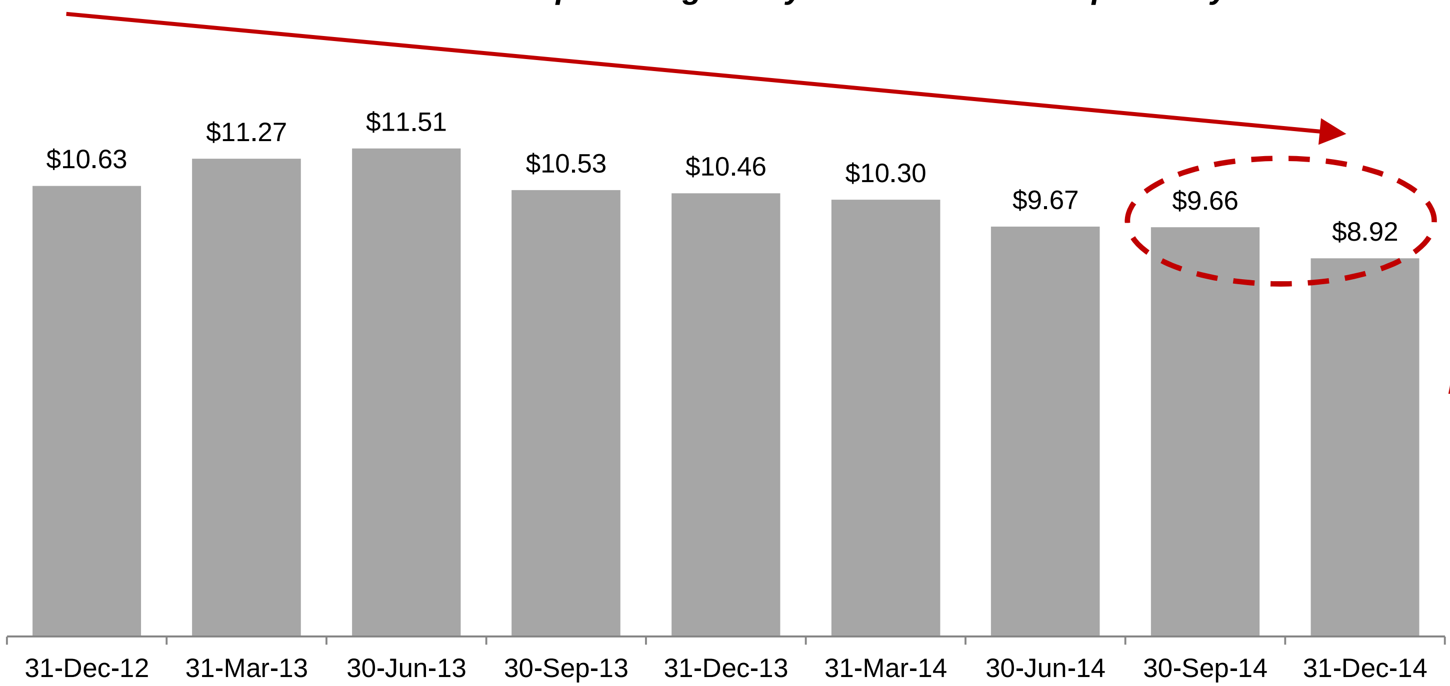
GRANITE REIT

MANAGEMENT FEES INCENTIVIZED HUNTINGDON-LED FAM REIT TO MAKE HIGHLY DILUTIVE ACQUISITIONS

FAM REIT IFRS NAV Per Unit Over Time

FAM REIT's NAV per unit declined by ~(16%) during FrontFour's oversight – A SPAN OF TWO YEARS

During the same two-year period, FAM REITs large cap and small cap peers'[(1)(2)] NAVs per unit grew by ~8% and ~10% respectively



With Zach George as Chairman, FAM REIT completed a transaction with Slate Asset Management resulting in a (7.6%) decline in FAM REIT's IFRS fair value per unit

Under FrontFour's watch, FAM REIT's NAV per unit declined by ~16% over a span of two years driven by dilutive acquisitions while the average NAV per unit for its large cap and small cap peers grew by ~8% and ~10%

(1) Large cap peer group consists of Morguard REIT, Artis REIT, H&R REIT, PIRET and Cominar REIT.
(2) Small Cap peer group consists of Agellan REIT, BTB REIT, Melcor REIT, Plaza Retail REIT and True North Commercial.

GRANITE REIT

COMPARATIVE APPROACH TO ACQUISITIONS

- Under FrontFour's stewardship, FAM REIT completed several acquisitions which had a significantly dilutive impact on NAV per unit
- Resulted in a ~16% decrease in FAM REIT's NAV per unit while the average NAV per unit for its large cap and small cap peers grew by ~8% and ~10%
- FAM REIT's external management contract with Huntingdon provided an incentive for FrontFour's nominees on the board of FAM REIT to pursue acquisitions at all costs
  - The dissidents' own circular states that "an external manager is naturally incentivized to maximize its own interest, often at the expense of unitholders"

Research commentary on Granite's approach to acquisitions :

"In our view, the greatest long-term wealth creation in the listed property sector comes from REITs that are: 1) methodical in their execution; 2) sticklers for not diluting unitholders; and, 3) demonstrated stewards of their unitholders' capital. Today, Granite REIT continues to have the advantage of the lowest gearing of any Canadian REIT. We see Granite's low financial leverage not as some sort of problem or indication of a company "plagued by inaction" or "strategic failures". Instead, we see the REIT's significant balance sheet capacity as one of its greatest strengths"

– RBC Capital Markets (May 11, 2017)

RELATED PARTY TRANSACTIONS

Huntingdon – IAT Cargo

- At the time of the merger between Huntingdon and IAT Air Cargo:
  - FrontFour had a ~45% ownership interest in IAT and its nominees represented a majority of the board
  - FrontFour had a ~7% ownership interest in Huntingdon and its nominees held 3 of 6 board seats
- Terms of the transaction were subsequently amended to reduce the consideration to be received by IAT unitholders
- Zach George became President & CEO of the combined entity

Commentary

- "We believe the merger would likely not yield additional value to unitholders, but would rather reduce it. As such, **the merits of this proposed transaction are not obvious to us**."
  - Jeff Roberts, Desjardins Securities (2009)
- "**Zachary George muscled his way onto the board of Huntingdon Real Estate Investment Trust** (HREIT) at the beginning of 2008 looking to shake things up... Although HREIT is a larger entity both in asset value of real estate holdings and market capitalization, **IAT unitholders will own 53 per cent of the merged entity and HREIT unitholders will own the other 47 per cent.**" – *Winnipeg Free Press (2009)*

Huntingdon, FAM REIT – Slate

- Concurrent with the acquisition by Slate Asset Management of all of the outstanding units of Huntingdon for cash, FAM REIT announced a transaction to acquire office properties from Slate Asset Management
  - FrontFour owned ~13% of Huntingdon
  - Zach George was the Chairman of FAM REIT
  - Resulted in a material change in scope for FAM REIT
  - Slate Asset Management assumed and amended the management agreement for FAM REIT

Commentary

- "**Thumbs down**. At least three analysts have poured scorn on the first of this week's two real estate investment trusts acquisitions: the purchase of Huntingdon Capital Corp. by Slate Properties Inc.. According to Canaccord's Rothschild, "**it is not clear to us why FAM unitholders would vote in favour of a dilutive acquisition, especially considering that the management contract is being amended without much benefit to unitholders.**" - *National Post (2014)*
- "**So very, very good deal for Slate, very, very good deal for Huntingdon...** has the potential for being a good deal for FAM, though on the surface right now it is not something I am hugely positive about…**They are not really paying enough for the control that they are getting [at FAM REIT], so it is not a great deal on that side**" - *Rob Sutherland, Euro Pacific (2014)*

FrontFour also played a central role in controversial related party transactions at both Huntingdon and FAM REIT

PETER AGHAR, NOMINEE OF THE DISSIDENTS, HAS BEEN INVOLVED IN SEVERAL RELATED PARTY TRANSACTIONS

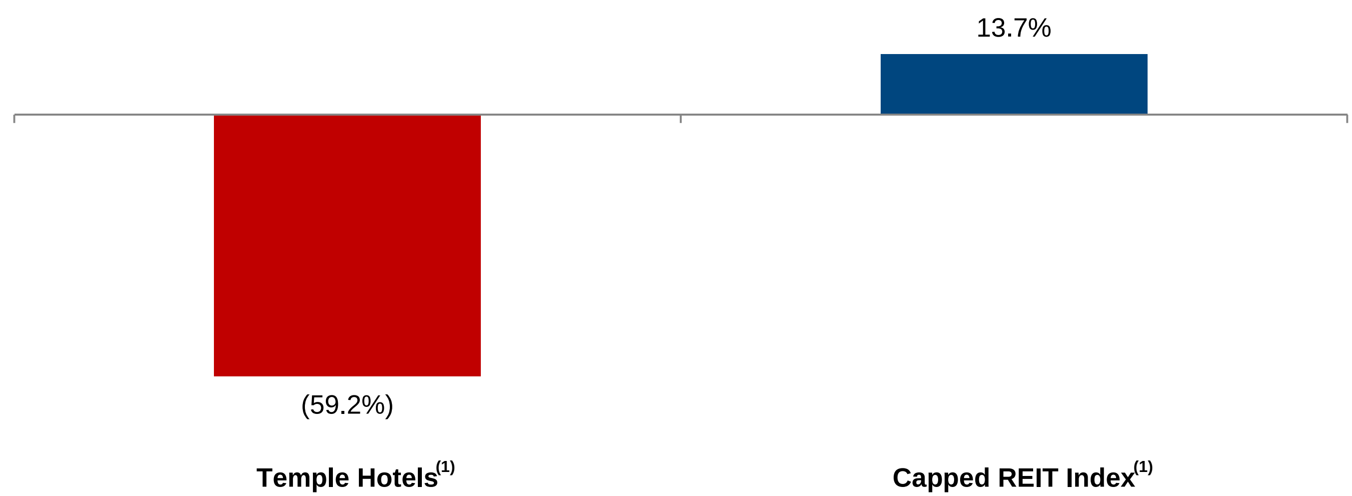
- In connection with PRO REIT's September 2014 IPO, Lotus Crux (a partnership between Lotus Pacific and Crux Capital which is controlled by Peter Aghar) and PRO REIT entered into a Strategic Investment Agreement
- Peter Aghar has been a trustee of PRO REIT since June 2015
- **Strategic Investment Agreement:** Lotus Crux Acquisition will receive a fee 0.875% of the purchase cost from PRO REIT on acquisitions of certain of the properties owned by Lotus Crux Acquisition or a Lotus Crux Related Party that have been identified by PRO REIT. Lotus Crux will also receive from the REIT a fee based on the purchase cost on acquisitions of third party properties brought to PRO REIT by Lotus Crux (fee ranges from 0.50% to 0.25% of the purchase cost of the third party properties)
  - Agreement provides an incentive for Peter Aghar in his capacity as a trustee of PRO REIT to pursue related party acquisitions with Lotus Crux
  - PRO REIT has acquired seven properties from Lotus Crux, all related party transactions, resulting in approximately C$550,000 of additional fees for Lotus Crux
- **Structure is highly unusual and is designed to benefit Lotus Crux and Peter Aghar**
- **Since the public announcement of the dissidents' campaign on May 8, 2017, PRO REIT has completed two related party transactions, including one with Lotus Crux, in less than one month**
- **The dissidents buried in the back of their proxy circular information that their third nominee, Peter Aghar, is a trustee of PRO REIT, despite prominently highlighting the public company board directorship of another one of their nominees in their May 26, 2017 press release. You would think that his position as a trustee of a public REIT would be a material detail to include in a press release for unitholders. Are the dissidents trying to hide something from unitholders?**

Peter Aghar has been involved in several related party transactions

PETER AGHAR HAS BEEN A DISSIDENT NOMINEE BEFORE, WITH DISAPPOINTING RESULTS

- On May 26, 2015, Centennial Group launched an activist campaign against Temple Hotels by nominating five individuals, including Peter Aghar, for election to Temple's Board
  - Temple subsequently announced on June 4, 2015 that Peter Aghar would be one of the company's new director nominees
  - On June 30, 2015, Peter Aghar was elected to Temple's Board

Aggregate Return for Temple Hotels During Peter Aghar's Tenure on Board



Peter Aghar does not have a strong track record as a dissident nominee

Source: Bloomberg
(1) Reflects period from 30-Jun-15 to 26-May-17, inclusive of distributions.

GRANITE REIT

APPENDIX B: FRONTFOUR AND SANDPIPER PRESENTATION – MISLEADING AND INACCURATE

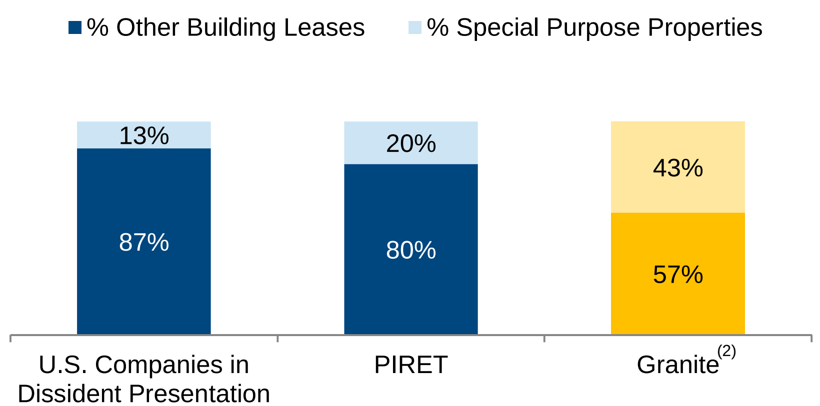
MISLEADING STATEMENTS RELATING TO FRONT FOUR'S PERFORMANCE

- FrontFour claims that its funds have been strong performers
  - Have opportunistically selected time periods for showing performance over
  - We would invite Front Four to disclose its 3 and 5 year performance to Granite unitholders (consistent with the time period that ISS considers when examining the performance of companies)
  - Have compared the returns for its funds to the S&PTSX index despite the majority of its portfolio being invested in the U.S.
    - FrontFour underperformed the S&P500 over a 1, 2 and 3 year time period as well as since the fund's inception
- Interestingly FrontFour has not addressed the claim that their AUM has suffered a significant decline
- According to public sources, FrontFour's AUM has declined by more than 27%, from approximately US$430 million to US$310 million
- **What better proof is there of how well their funds have been performing than the withdrawal of funds by their LPs?**

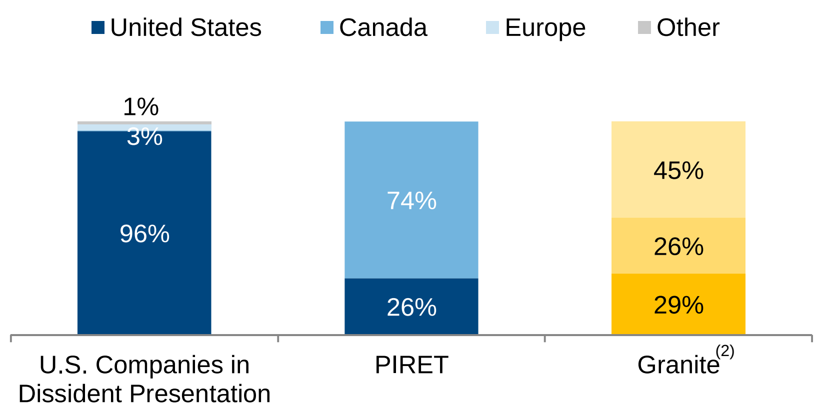
MISLEADING ANALYSIS NOT USEFUL FOR COMPARISON PURPOSES

- In evaluating Granite's performance, the dissidents' presentation claims that Granite is directly comparable to certain U.S. real estate companies
- Granite's portfolio composition is materially different than that of the U.S. companies named in the dissidents' presentation
  - Special purpose properties represent over 40% of Granite's portfolio[(1)(2)] vs. ~10% for U.S. companies highlighted in the dissidents' presentation
- Granite derives ~29% of its revenue from the U.S., but it also derives ~26% and ~45% from Canada and Europe, respectively. The U.S. companies named in the dissidents' presentation derive ~96% of their revenue from the U.S.
  - The market fundamentals are different across these regions

Portfolio Composition[(1)]



GLA by Geography



Evaluation of Granite's performance in the dissidents' presentation is misleading and neglects key facts

Source: Public filings

(1) Reflects breakdown by gross leasable area.

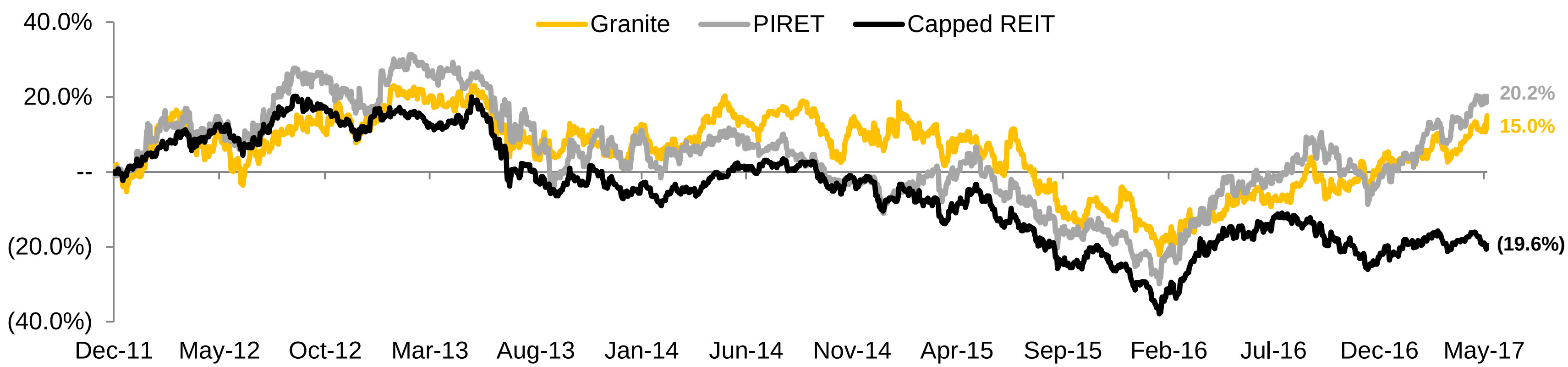
(2) Reflects Granite breakdown as of Q4 2016.

GRANITE REIT

MISLEADING ANALYSIS TO MAKE GRANITE PERFORMANCE LOOK WEAK

- The dissidents' presentation provides a misleading representation on the impact of the U.S. dollar on Granite's trading price performance
- Obviously Granite's U.S. dollar denominated performance, like that of other Canadian companies, will look weaker during a period when the Canadian dollar is weakening relative to the U.S. dollar
- Granite's focus is not on managing its business to currency fluctuations
- To highlight the misleading nature of the dissidents' analysis we have compared Granite's performance on a USD adjusted basis along with PIRET, which has 26% U.S. exposure, and the S&P/TSX Capped REIT Index (comprised of many REITs with U.S. exposure)
  - Only 29% of Granite's cash flows are generated within the U.S.

Price Performance (Shown in USD)



Granite has been a strong performer even when considering its performance in U.S. dollars

GRANITE REIT

MISLEADING STATEMENTS REGARDING REASONS FOR GRANITE'S STRONG UNIT PRICE PERFORMANCE

- Dissidents imply that Granite's unit price increase has been driven by FrontFour and Sandpiper's buying
  - Neglect to mention the positive effect of the October 2016 Magna lease renewals on the unit price
- Granite believes and its financial advisor has advised that the dissidents' transactions amounting to 20% of trading volume would not have a significant impact on the trading price of Granite's units

The Real Reasons for Granite's Strong Performance: Strong Momentum Stemming from Management's Initiatives

Date	Action	Total Return Since
October 3, 2016	• Magna Re-Leasing Initiative Completed	31%
December 21, 2016	• Attractive Debt Financing Completed	17%
March 1, 2017	• Release of Strong 2016 Results	11%

"Therefore, we take issue with the far too one-sided, and in some instances, aggressive tone of the presentation. In this regard, the FrontFour-Sandpiper presentation seemingly fails to give management and the board credit for the many positive things that have been achieved over the past five years." – Neil Downey, RBC Capital Markets (May 11, 2017)

Dissidents are trying to mislead and distract investors from the real reasons for Granite's strong execution and performance

GRANITE REIT

OTHER CONCERNING AND CONFUSING COMMENTS MADE BY THE DISSIDENTS

Dissidents can't decide whether they are buyers or sellers of real estate assets

- The dissidents urge Granite to pursue acquisitions while also stating several times that Granite should be selling assets
- Dissidents' presentation advocates for the "strategic sale of a single special purpose property at private market valuation"

Dissidents' presentation states that "FrontFour and Sandpiper recently toured the 40 CAD properties with an active industrial buyer"

- Who is this party? Have the dissidents discussed potential sales of Granite assets with this buyer? Why would this party expend this effort on Granite's Canadian properties or assist the dissidents? Is it a related party to FrontFour or Sandpiper?

Do FrontFour and Sandpiper have an undisclosed agenda?

Dissidents lack understanding of Granite's relationship with Magna

- Dissidents' "Action Plan" suggests Granite "immediately sell GTA based Magna asset", one of many reckless actions recommended by the dissidents that would negatively impact Granite's relationship with Magna, would reduce negotiating leverage of renewals and ultimately negatively impact value

Mixed messaging on two key themes suggests a lack of understanding of Granite's business and a possible undisclosed agenda

GRANITE REIT