

**GRANITE REIT INC.**  
**COMPENSATION, GOVERNANCE AND NOMINATING COMMITTEE CHARTER**

**I. Purpose And Scope**

The compensation, governance and nominating committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Granite REIT Inc. (the “**Company**”) shall, in accordance with the responsibilities and duties set out in this Charter, (i) oversee the nomination of persons for election to the Board and to the Board of Trustees (the “**Trust Board**”) of Granite Real Estate Investment Trust (the “**Trust**”), (ii) oversee the corporate governance of the Company and the Trust, (iii) without limiting the duties and responsibilities set forth below, make 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 Trust Board, and review the CEO’s recommendations respecting compensation of the other senior executives of the Company and its subsidiaries.

The Company believes that “corporate governance” means the process and structure used to oversee the management of the business affairs of the Company and the Trust in the best interests of the Company and the Trust. The process and structure define the division of power between, and establish mechanisms for achieving accountability of, the Board and senior management.

**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**

Subject to the powers and duties of the Board, the Board has delegated the following powers and duties to be performed by the Committee on behalf of and for the Board:

#### **Compensation**

- (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 recruitment, appointment of the Chief Operating Officer, the Chief Financial Officer, 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 Operating Officer, 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 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.

### **Corporate Governance**

#### ***1. Composition and Qualifications for the Board***

The Committee shall periodically undertake an examination of the size of the Board and the Trust Board and standards of independence, with a view to determining the impact of the number of directors and trustees (including the number of independent directors and trustees) on the effectiveness of the Board and the Trust Board and the ability of the Board and Trust Board to act independently of management in fulfilling their respective duties, and recommend to the Board and the Trust Board, if necessary, a reduction or increase in the size of the Board and the Trust Board and/or the number of independent directors and trustees.

#### ***2. Annual Assessments***

The Committee, in consultation with the Chair of the Board, shall endeavour to ensure that an appropriate system is in place to evaluate the effectiveness of the Board and the Trust Board, as well as the committees of the Board and the Trust Board and individual directors and trustees, with a view to ensuring that they are fulfilling their respective responsibilities and duties and working effectively together as a unit. These evaluations should take into account the competencies and skills each director and trustee is expected to bring to his or her particular role on the Board and the Trust Board or on a committee, as well as any other relevant facts.

#### ***3. Nominations and Appointments***

Based on the guidelines referred to in this Charter, the Committee shall, annually or as required, recruit and identify individuals qualified to become new members of the Board and the Trust Board and recommend to the Board and the Trust Board (i) the director and trustee nominees to stand for election at the next annual meeting of Company shareholders and Trust unitholders (“AGM”), and (ii) any candidates for appointment to the Board and the Trust Board between AGMs, as appropriate.

The Committee shall also, annually or as required, recommend to the Board and the Trust Board the individual directors and trustees to serve on the various committees of the Board or of the Trust Board and as Chair of each of the various Committees of the Board and the Trust Board (other than the Audit Committees, which are responsible for selecting their own Chairs).

In making its recommendations, the Committee shall consider the competencies and skills that the Board considers to be necessary for the Board and the Trust Board as a whole to possess, the competencies and skills that the Board considers each existing director to possess, and the competencies and skills each new nominee will bring to the boardroom, as well as the objectives of the Diversity Policy of the Company and the Trust. The Committee shall also consider the

amount of time and resources that nominees have available to fulfill their duties as Board and Trust Board members or committee members, as applicable.

**4. *Corporate Governance Review***

The Committee shall review the disclosure in the public disclosure documents of the Company and the Trust relating to corporate governance practices and prepare recommendations to the Board and the Trust Board regarding any reports required or recommended on corporate governance.

**5. *Disclosure Policy***

The Committee shall periodically review the disclosure policy of the Company and Trust, any proposed material amendments to which shall be recommended to the Board and Trust Board.

**6. *Education of Board Members***

The Committee shall review, monitor and make recommendations regarding new director and trustee orientation and the ongoing development of existing directors and trustees.

**7. *Responsibilities of Board Members and Committees***

The Committee shall review, from time to time, as required, the charters of the Board and the Trust Board and the charters for each committee of the Board and the Trust Board, together with the Position Descriptions of the Chairs of such Boards, the Chair of each committee and the Chief Executive Officer, and where necessary recommend to the Board and the Trust Board changes to such charters or Position Descriptions.

**8. *Conflicts of Interest***

The Committee shall monitor conflicts of interest (real or perceived) of members of the Board and the Trust Board and management in accordance with the Code of Conduct and Ethics.

**9. *Majority Voting Policy***

The Committee shall promptly consider any resignation offer from a member of the Board or the Trust Board and make a recommendation to the Board or the Trust Board, as the case may be, pursuant to the majority voting policy of the Company and the Trust.

**10. *Insider Trading and Blackout Policy***

The Committee shall periodically make recommendations regarding this policy to the Board ensuring compliance with the relevant securities legislation and taking into account the practices of leading public companies.

#### **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. 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.