

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

MAJORITY VOTING POLICY

Forms of proxy for the vote at a meeting of holders of common shares of Granite REIT Inc. (the “**Company**”) and holders of trust units of Granite Real Estate Investment Trust (the “**Trust**”) where directors of the Company and/or trustees of the Trust are to be elected will enable each holder to vote in favour of, or to withhold from voting for, each nominee on an individual basis. In an uncontested election of directors or trustees, as applicable, any nominee for election as a director or trustee who does not receive a greater number of votes “for” his or her election than votes “withheld” from such election (a “**Majority Withheld Vote**”) shall immediately tender his or her resignation both as a director of the Company and as a trustee of the Trust, to the board of directors of the Company (the “**Company Board**”) and the board of trustees of the Trust (the “**Trust Board**”; each of the Company Board and the Trust Board is referred to herein as a “**Board**”), respectively, following the meeting at which the director or trustee is elected, which will become effective upon acceptance by the applicable Board. An “uncontested election” shall mean an election where the number of nominees for election as director or trustee shall be equal to the number of directors or trustees to be elected as determined by the applicable Board. In any election of directors or trustees other than an uncontested election, this policy shall not apply. Following each uncontested election of directors or trustees at which a Majority Withheld Vote occurs, the Board shall forthwith issue a news release disclosing the detailed voting results for the election of each director, and shall forthwith provide a copy of the news release to the Toronto Stock Exchange by email to disclosure@tsx.com.

The Compensation, Governance and Nominating Committee of the Company Board (the “**CGN Committee**”) shall promptly consider any resignation offer from a director or trustee who has received a Majority Withheld Vote and recommend to the Boards the action to be taken with respect to such tendered resignation. Such recommendation of the CGN Committee may be to: (i) accept the resignation, in the absence of exceptional circumstances; (ii) reject the resignation, but address what the CGN Committee believes to be the underlying reasons for the Majority Withheld Vote in respect of that nominee; or (iii) reject the resignation. The CGN Committee shall recommend acceptance of the resignation except in situations where exceptional circumstances would warrant the applicable director or trustee continuing to serve on the Board.

In considering a tendered resignation and whether exceptional circumstances exist, the CGN Committee will consider all factors deemed relevant to the best interests of the Company and the Trust by members of the CGN Committee, including, without limitation: (i) any stated reasons why shareholders or unitholders, as applicable, “withheld” votes from the election of that nominee; (ii) what the CGN Committee believes to be the underlying reasons for the Majority Withheld Vote, including whether these reasons relate to the incumbent director’s or trustee’s performance as a director or trustee, whether these reasons relate to the Company,

the Trust or another company or issuer, and whether these reasons are curable and alternatives for effecting any cure; (iii) the percentage of outstanding shares or trust units represented by votes cast and withheld from voting on the election of the subject director or trustee; (iv) the length of service and the qualifications of the individual whose resignation has been tendered; (v) such individual's past and expected future contributions to the Company or the Trust, as applicable; (vi) the Company's and the Trust's corporate governance policies; and (vii) the overall composition of the Boards (including the current mix of skills and attributes of the Boards and also including whether accepting the resignation would cause the Company and/or the Trust to fail to meet any applicable regulatory or stock exchange listing requirements).

The Company Board and the Trust Board, as applicable, shall consider and determine whether to accept or reject the CGN Committee's recommendation within 90 days following the applicable election of directors or trustees. In considering the CGN Committee's recommendation, each Board will consider the factors considered by the CGN Committee and such additional information and factors that the Board considers to be relevant. The Board shall accept the resignation except in situations where exceptional circumstances would warrant the applicable director or trustee continuing to serve on the Board. Following the Board's decision, the Board shall promptly disclose, via press release, its decision whether to accept the director's or trustee's resignation offer and shall provide a copy of such press release to the Toronto Stock Exchange (by email to disclosure@tsx.com). If the Board rejects the resignation offer, the press release shall fully state the reasons for the rejection. If the resignation offer is accepted, the applicable Board may, in accordance with the provisions of applicable law and the declaration of trust governing the Trust, (i) leave the resultant vacancy in the Board unfilled until the next annual meeting of shareholders of the Company or unitholders of the Trust, (ii) appoint a new director or trustee to fill the vacancy created by such resignation, (iii) reduce the size of the Board, or (iv) call a special meeting of shareholders and/or unitholders at which there will be presented a new candidate to fill the vacant position(s).

Any individual who tenders his or her resignation pursuant to this policy and who is a member of the CGN Committee shall not participate in any meeting of the CGN Committee held to consider the resignation. If each member of the CGN Committee receives a Majority Withheld Vote in the same election, or if a sufficient number of CGN Committee members receives a Majority Withheld Vote in the same election such that the CGN Committee no longer has a quorum, then the independent directors and trustees of each Board who did not receive a Majority Withheld Vote shall appoint a committee amongst themselves to consider the resignation offers and make recommendations regarding them to the applicable Board and any such committee shall comply with the provisions in this policy which are otherwise applicable to the CGN Committee; provided that if fewer than two independent directors or trustees did not receive Majority Withhold Votes in the same election, the Boards shall each establish a committee composed of all the independent directors or trustees, as applicable, to consider the resignation offers and recommend to the Board whether to accept them and any such committee shall comply with the provisions in this policy which are otherwise applicable to the CGN Committee.

In the event that a sufficient number of Board members receives a Majority Withheld Vote in the same election, such that the Board no longer has a quorum, then although

each director and trustee receiving a Majority Withheld Vote shall not be permitted to vote in any meeting of the Board at which his or her resignation offer is considered, he or she shall be eligible to be counted for the purpose of determining whether the Board has quorum.

Subject to the immediately following paragraph, the CGN Committee may adopt such procedures as it sees fit to assist it in its determinations with respect to this policy.

The Company Board and the Trust Board may at any time in its sole discretion supplement or amend any provision of this policy in any respect, repeal this policy in whole or part or adopt a new policy relating to director or trustee elections with such terms as each Board determines in its sole discretion to be appropriate. The Company Board and the Trust Board will have the exclusive power and authority to administer this policy for the Company and the Trust, respectively, including without limitation the right and power to interpret the provisions of this policy and make all determinations deemed necessary or advisable for the administration of this policy. All such actions, interpretations and determinations which are done or made by the applicable Board in good faith will be final, conclusive and binding.