

GRANITE REIT INC.
AND
GRANITE REAL ESTATE INVESTMENT TRUST

DIVERSITY POLICY

Granite Real Estate Investment Trust (the “**Trust**”) and Granite REIT Inc. (the “**Company**”) and together with the Trust, “**Granite**”) recognize and support the benefits of diversity in the Trust board of trustees and Company board of directors (collectively, the “**Board**”) and in the Granite management team. Diversity is important to ensure that members of the Board and Granite’s executive management provide the necessary range of perspectives, experience and expertise required to achieve Granite’s objectives.

Meaning of Diversity

“**Diversity**” amongst other things is any characteristic or quality that can be used to differentiate groups and people from one another and includes gender and age, race, nationality, culture, language and other ethnic distinctions, education, regional and industry experience, and expertise.

Application of this Policy to the Board

The Compensation, Governance and Nominating Committee of the Company board of directors is responsible for reviewing and assessing Board size, composition and effectiveness, and for recommending to the Board (i) the director and trustee nominees to stand for election at the next annual meeting of Trust unitholders and Company shareholders (“**AGM**”), and (ii) any candidates for appointment to the Board between AGMs, as appropriate.

It is an objective of this policy that diversity be considered in determining the optimal composition of the Board. In reviewing Board composition and identifying suitable candidates for Board appointment or nomination for election to the Board, candidates will be selected based on merit and against objective criteria, and due consideration will be given to diversity in identifying candidates and selecting candidates.

Granite recognizes that gender diversity is a significant aspect of diversity and acknowledges the role that women with relevant competencies and skills can play in contributing to diversity of perspective in the boardroom. Accordingly, in order to promote the specific objective of gender diversity, the selection process for Board nominees will include female candidates.

In furtherance of this policy’s objectives on gender diversity, Granite is targeting a Board composition in which women comprise over 20% of all directors by June 30, 2019.

The Compensation, Governance and Nominating Committee will periodically (i) assess the effectiveness of the Board appointment/nomination process at achieving Granite’s diversity objectives and (ii) consider and, if determined advisable, recommend to the Board for adoption,

measurable objectives for achieving diversity on the Board. At any given time the Board may seek to adjust one or more objectives concerning its diversity and measure progress accordingly.

Application of this Policy to Executive Management

The Compensation, Governance and Nominating Committee of the Company board of directors is responsible for (i) periodically reviewing and making recommendations to the Board with respect to succession planning matters concerning the Chief Executive Officer and other key executive officers, and (ii) reviewing the recommendations of the Chief Executive Officer respecting the appointment of the Chief Financial Officer, all executive management reporting directly to the Chief Executive Officer, and all other officers appointed by the Board.

It is an objective of this policy that diversity be considered in connection with succession planning and the appointment of members of Granite's executive management.

The Compensation, Governance and Nominating Committee will periodically (i) assess the effectiveness of the executive management appointment process at achieving Granite's diversity objectives, and (ii) consider and, if determined advisable, recommend to the Board for adoption, measurable objectives for achieving diversity in executive management. At any given time the Board may seek to adjust one or more objectives concerning executive management diversity and measure progress accordingly.