

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

**DISCLOSURE POLICY**

**I. Introduction**

The Board of Directors of Granite REIT Inc. (the “**Company**”) and the Board of Trustees of Granite Real Estate Investment Trust (the “**Trust**”) (the Board of Directors and Board of Trustees, being referred to herein as the “**Board**”) have adopted this Disclosure Policy to seek to ensure that communications to the public regarding the Company and the Trust (together “**Granite**”) are timely, factual, accurate, complete, broadly disseminated and, where necessary, filed with regulators in accordance with applicable securities laws. The goal of this Disclosure Policy is to ensure a consistent approach to Granite’s disclosure practices throughout Granite.

This Disclosure Policy applies to all directors, trustees, officers and employees of Granite and its subsidiaries. It covers disclosure documents filed with, or furnished to, the Canadian and United States securities regulators and written statements made in Granite’s annual and quarterly reports, press releases, letters to stapled unit holders, presentations by senior management and information contained on Granite’s website and other electronic communications. This Disclosure Policy applies to oral statements made in group meetings, individual meetings and telephone conversations with members of the investment community (which includes analysts, investors, investment dealers, brokers, investment advisers and investment managers) or with employees, interviews with the media, as well as speeches, industry conferences, news conferences, conference calls and dealings with the public generally.

This Disclosure Policy shall be reviewed periodically by the Compensation, Governance and Nominating Committee of the Board of the Company. Any material amendments to this Disclosure Policy shall be subject to approval by the Board.

**II. Disclosure Committee**

Granite’s Disclosure Committee (the “**Disclosure Committee**”) is responsible for overseeing Granite’s disclosure controls, procedures and practices. The Disclosure Committee consists of Granite’s President and Chief Executive Officer (the “**CEO**”), as chair, and Chief Financial Officer (the “**CFO**”). However, upon consensus of the Disclosure Committee, members may be added to or removed from the Disclosure Committee, provided that the Chair of the Board is notified as soon as practicable after any such decision is made.

**1. General Responsibilities**

Subject to: (a) applicable law, (b) periodic disclosure matters (such as quarterly results), and (c) any development determined by the Board as requiring immediate public disclosure, the Disclosure Committee shall be responsible for overseeing that a reasonable investigation of

Granite's information and developments is conducted on an ongoing basis for disclosure purposes (with the results of such investigation being reported to the Disclosure Committee), assessing such information and developments for materiality and determining if and when such material information requires public disclosure. If the investigation uncovers material information for which a press release is required to be issued, the Disclosure Committee will advise the Chairman of the Board.

## **2. Meeting of the Disclosure Committee**

The Disclosure Committee shall meet as circumstances dictate. In the event that less than all members of the Disclosure Committee are available, provided that a majority of the members are available, the decision of the available members shall be sufficient. If consensus on any matter cannot be reached at a meeting of the Disclosure Committee, the matter will be referred to the Board for discussion.

## **3. Review of Public Disclosure**

Prior to disclosure, the Disclosure Committee shall review the text of public oral statements and documents that contain material information or that will be filed with the securities regulators or with the government or an agency of the government under applicable securities or corporate law or with any stock exchange or quotation and trade reporting system under its by-laws, rules or regulations ("**Stock Exchange Requirements**") in order to ensure that the statement or document, as the case may be, does not contain a misrepresentation (within the meaning of applicable Canadian securities laws) or a material misstatement or omission (within the meaning of U.S. securities laws) (collectively, a "**misrepresentation**"). Such review shall be in addition to, and not in lieu of, the review of such statements or documents by other directors, trustees, officers or employees of Granite otherwise responsible for the matters discussed in such statements or documents and/or the review of such statements or documents.

## **4. Becoming Aware of Misrepresentations**

If any person to which this Disclosure Policy applies becomes aware that (a) any information publicly disclosed by Granite contained or may have contained a misrepresentation, or (b) there has been or may have been a failure to make timely disclosure of material information, the Disclosure Committee should be promptly notified and the Disclosure Committee, after conducting a reasonable investigation of the information, shall endeavour to ensure that the material information, or correction thereof, as the case may be, is promptly disclosed in accordance with applicable laws and Stock Exchange Requirements.

## **5. Granite Spokespersons**

Subject to Section VII of this Disclosure Policy, the CEO and the CFO are hereby designated as the primary Granite spokespersons (the "**Spokespersons**"). Others within Granite or Granite's consultants, advisors or public relations service providers may be designated by the Disclosure Committee to respond to, or assist in responding to, specific inquiries as necessary or appropriate. Subject to any specific decision by the Disclosure Committee, (i) the CEO is hereby

designated to respond to media inquiries and investor relations questions or inquiries, and (ii) the Manager, Legal & Investor Services may be listed as a contact person in press releases and other documents, but must direct any inquiries to the Spokespersons.

Employees who are not authorized Spokespersons must not respond under any circumstances to inquiries from the investment community or the media, or from other parties if received outside the scope of the employee's usual responsibilities, unless specifically asked to do so by an authorized Spokesperson. Any such request for information about Granite should in all cases be directed promptly to the CEO or, in his/her absence, the CFO.

### **III. Definition of Material Information**

Material information is any development or information relating to the business and affairs of Granite that results in, or would reasonably be expected to result in, a significant change in the market price or value of Granite's securities. Information is also "material" if a reasonable investor would consider the information important to a decision to buy, hold or sell Granite's securities. Either positive or negative information may be material and unfavourable material information must be disclosed as promptly and completely as favourable material information. The Disclosure Committee shall endeavour to ensure that its approach to materiality is consistent. The Disclosure Committee, when assessing the materiality of information, shall include consideration of the proximity, probability and significance of the information in the context of the total information generally available about Granite. As a general rule, there is no requirement to interpret and disclose the impact of external political, economic or social developments on the affairs of Granite. However, if an external development will have, or has had, a direct effect on the business and affairs of Granite that (a) is both material and uncharacteristic of the effect generally experienced by other companies engaged in the same business or industry as Granite, or (b) that is material and which holders of Granite's securities would otherwise be unable to be aware, Granite should disclose the impact on it. If a director, trustee, officer or employee of Granite is unsure at any time as to whether he or she is in possession of material information about Granite, he or she should contact a Spokesperson for clarification.

### **IV. Restrictions on Disclosure by Granite Personnel**

#### **1. Disclosure by or on behalf of Granite**

No director, trustee, officer or employee of Granite shall disclose or discuss any non-public potentially material information about Granite to or with any person outside Granite, except if: (a) disclosure is required in the necessary course of Granite's business provided that, where practicable and considered appropriate by such director, trustee, officer or employee, the person receiving such information first enters into a confidentiality agreement in favour of Granite (which should contain, among other things, an acknowledgement by the recipient of the requirements of applicable securities laws relating to such recipient trading securities with knowledge of a material fact or material change in respect of Granite that has not been generally disclosed and to such recipient informing another person or company of such a material fact or material change) and the disclosure is made pursuant to the proper performance by such director,

trustee, officer or employee/person of his or her duties on behalf of Granite; or (b) disclosure is compelled by law. Disclosure of non-public, potentially material information about Granite is also subject to Granite's policies and practices with respect to confidentiality of such information. If you have any questions as to whether information is material or potentially material information or has previously been disclosed in accordance with this Disclosure Policy, contact a Spokesperson.

## **2. Disclosure by Influential Persons**

Only the Disclosure Committee or the Board shall, to the extent applicable, authorize, permit or acquiesce in public statements or disclosure, or a filing with a securities regulatory authority, by or on behalf of an "**influential person**" that relates to Granite. For these purposes, an "influential person" means a "control person", a "promoter" or an "insider" who is not a director, trustee or senior officer of Granite, in each case within the meaning of applicable Canadian provincial securities laws. In providing any such authorization, permission or acquiescence, the Disclosure Committee or the Board, as the case may be, shall apply the policies and procedures contemplated in this Disclosure Policy relating to public statements or disclosure or filings by Granite, appropriately modified for proposed public statements or disclosure or filings by or on behalf an influential person.

## **3. Expertized Disclosure**

Prior to any public statement or disclosure or a filing with a securities regulatory authority by Granite or by a person on behalf of Granite that includes, summarizes or quotes from a report, statement or opinion made by an "expert" (within the meaning of applicable Canadian provincial securities laws or U.S. securities laws) and unless the Disclosure Committee determines otherwise, Granite shall obtain the written consent of such expert to such statement, disclosure or filing (which has not been withdrawn in writing by the expert prior to Granite's disclosure or filing) and the Disclosure Committee shall make reasonable efforts to determine that Granite or the relevant person does not know and has no reasonable grounds to believe that there is a misrepresentation in the applicable statement, disclosure or filing made on the authority of the expert and to determine that the statement, disclosure or filing fairly represents the report, statement or opinion made by the expert.

## **4. Substantive Discussions about Granite**

Only Granite Spokespersons are authorized to have substantive discussions about any aspect of Granite's business with the media, any member of the investment community, any stapled unit holder or potential investor, or at any industry or other conference.

## **V. Protection of Confidential Information**

All directors, trustees, officers and employees of Granite should take appropriate steps to safeguard the confidentiality of information.

To prevent inadvertent disclosure of undisclosed material information, employees are strictly prohibited from posting information to or otherwise participating in Internet blogs, chat rooms or similar social media forums (such as Twitter, LinkedIn or Facebook) on matters pertaining to Granite's business and affairs or its securities unless authorized to do so by a Spokesperson.

## **VI. Dissemination Procedures**

### **1. Determination to Disclose Material Information**

Once the Disclosure Committee determines that a development or information is material information and such information must be disclosed, then such development or information shall be disseminated by a means designed to provide broad, non-exclusionary distribution of the information to the public, unless the Disclosure Committee determines, on a reasonable basis, that disclosure of such development or information may, in accordance with applicable laws and Stock Exchange Requirements, be kept confidential until the Disclosure Committee determines it is appropriate or necessary to publicly disclose the information. The analysis as to whether or not to make such disclosure, together with the contents of any public disclosure, in appropriate circumstances, would typically involve consultation with legal counsel. Legal counsel should be consulted prior to disseminating a news release relating to an offering of securities, particularly into the United States.

### **2. Determination to Keep Material Information Confidential**

In circumstances where the Disclosure Committee has determined to keep material information confidential, the Disclosure Committee shall take steps to safeguard the confidentiality of such information. During the period before material information is disclosed, market activity in Granite's listed securities should be monitored and the Market Surveillance Department of the Investment Industry Regulatory Organization of Canada ("**Market Surveillance**") and any applicable U.S. regulator may need to be notified of unusual market activity. The Disclosure Committee shall also determine whether the undisclosed material information constitutes a "material change" (as defined under applicable securities laws) and, if so, shall cause a confidential material change report to be filed with the applicable securities regulators. The Disclosure Committee shall periodically (at least every 10 days) review its decision to maintain the confidentiality of the material information and, in the case of an undisclosed material change, shall advise the applicable securities regulators where it believes the report should continue to remain confidential. If the basis for confidentiality ceases to exist, the Disclosure Committee shall ensure that the material information is promptly disclosed in accordance with applicable law.

Pending the public release of material information, Granite should also satisfy itself that persons who have knowledge of the material information are aware that it has not been generally disclosed and remains confidential and that such persons are subject to the requirements of applicable securities laws relating to such persons trading securities with knowledge of a material fact or material change in respect of Granite that has not been generally disclosed and such persons informing another person or company of such a material fact or material change until the material information is publicly disclosed or no longer material.

### **3. Contents and Dissemination of Press Releases**

If the Toronto Stock Exchange (or any other exchange upon which securities of Granite are listed) is open for trading at the time of a proposed announcement, prior notice of any press release announcing material information must be provided, in the case of the Toronto Stock Exchange, by telephone to Market Surveillance (Phone: 416.646.7220; Fax: 416.646.7263; Email: pr@iirc.ca), followed by submission of a written copy of the release via TSX SecureFile, fax or email, or through such other permitted means or to the otherwise applicable market surveillance department(s) to enable a trading halt, if deemed necessary by the stock exchange(s).

Press releases issued in respect of material information shall contain sufficient detail to enable the investors to understand the substance and importance of such information while avoiding exaggerated reports or promotional commentary. The Board's audit committee shall review all press releases containing: (a) financial information based on or taken from Granite's financial statements; or (b) any earnings guidance (or updates to any previously issued earnings guidance), prior to the issuance of such releases. Granite's Audit Committee Charters set forth in detail these responsibilities of the Board's audit committee.

Press releases containing material information will be disseminated through an approved news wire service that provides simultaneous Canadian, U.S. or international distribution. These press releases shall be transmitted to all stock exchanges on which Granite's securities are listed and relevant regulatory bodies to the extent required by, and in accordance with, applicable law and the Stock Exchange Requirements including, in particular, filing on SEDAR (the System for Electronic Document Analysis and Retrieval established by the Canadian securities regulators) and EDGAR (Electronic Data Gathering, Analysis and Retrieval established by the U.S. Securities and Exchange Commission), as well as distributed via business wires and to national financial media and local media in areas where Granite has its headquarters and operations, all as considered appropriate from time to time by the Disclosure Committee. Such press releases shall also be posted on Granite's website as soon as practical after release over the news wire.

Disclosure on Granite's website alone does not constitute adequate disclosure of undisclosed material information.

### **4. Inadvertent Unauthorized Disclosure**

If previously undisclosed material information has been inadvertently disclosed to any person outside Granite that is not bound by an express confidentiality obligation or disclosed on some other unauthorized basis, Granite shall cause such information to be publicly disclosed as soon as possible after learning of the inadvertent or unauthorized disclosure. In such circumstances, Granite shall take immediate steps to ensure that disclosure is made to the public via press release. Pending the public release of the information, Granite shall inform the person who has knowledge of the information that the information is material and has not been generally disclosed. Granite shall also assess whether a trading halt of Granite's listed securities on the Toronto Stock Exchange, the New York Stock Exchange or any other exchanges on which securities of Granite are listed should be requested until proper disclosure has been made.

## 5. **Material Change Reports**

The Disclosure Committee shall determine whether material information constitutes a “material change” pursuant to Canadian securities legislation, and if so, Granite shall file a “material change” report with relevant Canadian securities commissions as soon as practicable, and in any event within 10 days of the “material change”.

## VII. **Conference Calls and Press Conferences**

If authorized by the Disclosure Committee, conference calls or press conferences (each referred to herein as a conference call or a call) may be held for quarterly and annual financial results, or for material developments. During these calls, one or more of the Granite Spokespersons, or other appropriate personnel as designated by the Disclosure Committee, shall discuss key aspects of the results or developments, as the case may be, and this discussion shall be accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or, if available, via a webcast over the Internet.

At the beginning of the conference call, a Granite Spokesperson or the call operator, upon instruction by the Granite Spokesperson, shall notify all participants to the call that there may be discussion of forward-looking information on the call. The Spokesperson or operator shall then provide appropriate cautionary language with respect to any such forward-looking information and direct participants to publicly filed disclosure documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties that could affect such forward-looking statements.

Granite shall provide appropriate advance notice of the conference call and, if applicable, webcast by issuing a press release announcing the date, time and subject matter of the call and, if applicable, webcast, providing access information and noting the applicable Broadcast Period (as defined below). In addition, Granite may invite members of the investment community, the media and others to participate. Such notice will also be posted on Granite’s website. Any supplemental information provided to participants shall also be posted to Granite’s website for others to view.

**An archived audio webcast on Granite’s website, or an audio transcript of the conference call, shall be made available following the call for a minimum of 10 days (the “Broadcast Period”) for anyone interested in listening to a replay and shall be retained for a minimum of six years in Granite’s records. The archived audio webcast page of Granite’s website shall include a notice that advises the reader that the information therein is for historical reference purposes only and that while information contained within the releases was believed to be accurate at the time of issue, Granite will not, and specifically disclaims any duty to, update this information.**

## VIII. **Rumours**

Granite’s policy is to not comment, affirmatively or negatively, on rumours. Granite’s Spokespersons may respond consistently to rumours by stating: “It is our policy not to comment

on market rumours or speculation.” Should any stock exchange on which Granite’s securities are listed request that Granite make a definitive statement in response to a market rumour that may be causing significant volatility in Granite’s listed securities, the Disclosure Committee shall consider the matter and decide whether to make a statement regarding the rumour.

### **IX. Forward-Looking Information**

Granite may elect to discuss forward-looking information (such as guidance on revenues, earnings, or results) in disclosure documents filed by Granite, press releases, conference calls or presentations. If material, forward-looking information shall be broadly disseminated in accordance with this Disclosure Policy. Disclosure of material future-oriented financial information or financial outlook shall be subject to authorization from the Board’s audit committees and the Board’s audit committees will endeavour to ensure that there is a reasonable basis for drawing any conclusions or making any forecasts and projections set out in such disclosures.

Documents containing forward-looking information shall contain, proximate to the forward-looking information, (a) reasonable cautionary language clearly identifying the forward-looking information as such, (b) a statement that (i) actual results could differ materially from any conclusion, forecast or projection in the forward-looking information and (ii) indentifying the material factors that could lead to such a result, and (c) a statement of the material factors or assumptions that were applied in drawing such conclusion or making such forecast or projection.

For public oral statements, the person making such a statement shall state that: (a) the oral statement contains forward-looking information; (b) the actual results could differ materially from any conclusion, forecast or projections in the forward-looking information; (c) certain material factors or assumptions were applied in drawing such conclusion or making such forecast or projection; and (d) additional information is contained in a readily-available document (and the person making this statement shall confirm that such document has been previously filed with applicable securities regulators or generally disclosed and shall identify such document) regarding the material factors or other risks that could cause actual results to differ materially from any conclusion, forecast or projections in the forward-looking information and the material factors and assumptions that were applied in drawing such conclusion or making such forecast or projection.

For both documents and public oral statements, and subject to applicable securities laws, the disclosure should include a statement that disclaims Granite’s intention or obligation to update or revise the forward-looking information, whether as a result of new information, future events or otherwise.

### **X. Quiet Periods**

It is illegal for a public company and certain persons, including directors, trustees, officers, employees and insiders of a public company, to inform, other than in the necessary course of business, another person of material information affecting that company that has not been publicly disclosed. To avoid the potential for selective disclosure, Granite observes a regularly

scheduled “quiet period”. The quiet period commences at the end of the last day of each fiscal period through to the issuance of the press release disclosing the financial results for that fiscal period. During its quiet period, Granite’s management shall not initiate discussions or communications with members of the investment community unless authorized by the Disclosure Committee and shall restrict discussions with such persons to general and publicly disclosed information concerning Granite, including its historical financial results. No comments concerning the recently completed or current fiscal period, nor any comments respecting past or present guidance, are permitted during the quiet period. Any press release to be issued by Granite during the quiet period should be reviewed and authorized by the Disclosure Committee, unless such release has been separately reviewed and authorized by the Board.

## **XI. Contacts with Analysts, Investors and Media**

Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered non-public material information. If Granite intends to announce material information at an analyst or security holder meeting or a press conference or conference call, the announcement must be preceded by a press release containing such information, which release is disseminated in accordance with this Disclosure Policy.

Granite recognizes that meetings with analysts and significant investors are an important element of Granite’s investor relations program. Granite shall meet with analysts and investors on an individual or small group basis as needed and shall initiate contacts or respond to analyst and investor calls on a reasonable best efforts basis in a timely, consistent and accurate fashion in accordance with this Disclosure Policy.

Granite shall provide only non-material information through individual and group meetings, in addition to information that has previously been publicly disclosed. Granite cannot alter the materiality of information by breaking down the information into smaller, non-material components.

If previously undisclosed material information is disclosed in a conversation with an analyst or an investor, Granite shall immediately disclose such information broadly via a press release. If it is uncovered that a misstatement or omission was made in such a conversation, the Disclosure Committee shall consider and, if deemed advisable, authorize release of an appropriate statement or other disclosure correcting such misstatement or omission.

## **XII. Reviewing Analyst Draft Reports and Models**

It is Granite’s policy to review, upon request, analysts’ draft research reports or models. Granite shall review the draft report or the model for the sole purpose of pointing out errors in fact based on publicly disclosed information. It is Granite’s policy, when an analyst inquires with respect to his/her estimates, to question an analyst’s assumptions if the estimate is a significant outlier among the range of estimates by analysts or Granite’s published earnings guidance (if any). Granite shall limit its comments in responding to such inquiries to non-material information, which could include economic and industry trends that may affect Granite and which are

generally known. Granite shall not confirm, or attempt to influence, an analyst's opinions or conclusions and shall not express comfort with the analyst's report, model or earnings estimates.

### **XIII. No Distribution of Analyst Reports**

Analyst reports are proprietary products of the analyst's firm. Re-circulating a report by an analyst may be viewed as an endorsement by Granite of the report. For these reasons, Granite shall not provide analyst reports through any means to persons outside of Granite.

Finalized analyst reports may be posted to Granite's internal employee library, provided that any such posted report contains a notice prominently displayed on its cover page notifying the reader substantially as follows: "*Analyst reports are proprietary products of the analyst's firm. It is Granite's policy not to confirm, or attempt to influence, an analyst's opinions or conclusions and not to express comfort with the analyst's report, model or earnings estimates. Re-circulating a report by an analyst may be viewed as an endorsement by Granite of the report. For these reasons, you are not permitted to provide analyst reports through any means to persons outside of Granite.*"

Analyst's reports (including the existence thereof) shall not be posted on Granite's public website. However, Granite may post a complete list, in alphabetical order, of all the investment firms and analysts who provide research coverage on Granite on its website, regardless of their recommendation. If so provided, such list shall not include links to the analysts' or any other third party websites or publications.

### **XIV. Responsibility for Electronic Communications**

This Disclosure Policy also applies to electronic communications. Accordingly, officers and employees responsible for written and oral public disclosures, including Spokespersons, shall also be responsible for electronic communications. The Disclosure Committee will designate an individual as being responsible for updating the "Investor Relations" and "News & Events" sections of Granite's website and such person will be responsible for monitoring all Granite information placed on Granite's website to ensure that it is accurate and complete.

Investor relations material shall be contained within a separate section of Granite's website. Such investors relations material shall include, or shall include links to, all of Granite's "timely disclosure" documents issued and filed in accordance with applicable securities laws, any material that Granite has distributed to analysts and institutional investors and any other information deemed appropriate by the Disclosure Committee.

The webpage(s) where the investor relations material and press releases of Granite are accessed shall include a notice that advises the reader that the information posted was believed to be accurate at the time of posting, but that Granite will not, and specifically disclaims any duty to, update the information.

All information posted to the website, including text and audiovisual material, shall show the date such information was posted. A person designated by the Disclosure Committee shall be

responsible for maintaining a log indicating the date that material information is posted or removed from the investor relations website. The minimum retention period for material information on the website shall be two years after the date of its posting. Links from Granite's website to a third party website must be approved by the Disclosure Committee. Any such links should include a notice that advises the reader that they are leaving Granite's website and that Granite is not responsible for the contents of the other site. Granite's website shall contain contact information for the individual at Granite designated to handle website maintenance.

**XV. Education and Enforcement**

This Disclosure Policy shall be available to all persons to which this Disclosure Policy applies. The Disclosure Committee shall endeavour to ensure that all employees are aware of the existence of the Disclosure Policy, its importance and Granite's expectation that employees shall comply with the Disclosure Policy.

Any officer or employee who violates this Disclosure Policy may face disciplinary action up to and including termination of his or her employment with Granite without notice. The violation of this Disclosure Policy may also violate certain securities laws. If it appears that a director, trustee, officer or employee may have violated such securities laws, Granite may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

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Should any person subject to this Disclosure Policy have any questions or wish information concerning the above, please contact a Spokesperson.