

# FrontFour & Sandpiper Highlight Credentials of Its Three Highly-Qualified, Independent Nominees

- *Provides further details regarding best-in-class, highly qualified independent nominees*

TORONTO, June 1, 2017 – FrontFour Capital Group LLC (“**FrontFour**”) and Sandpiper Group (“**Sandpiper**”), owners of approximately 6.2% of the outstanding stapled units of Granite Real Estate Investment Trust (“**Granite**”) (GRT.UN:TSX, GRP.U:NYSE), reiterated today the strong track record and credentials of its three nominees and reminded unitholders that they should vote the **BLUE form of proxy FOR** FrontFour and Sandpiper’s nominees prior to 12:00 p.m. ET on Monday, June 12, 2017.

We are appreciative of the significant unsolicited support we have received from unitholders to date and the positive response to our nominees. Our simple objective in nominating these highly qualified individuals to Granite’s Board of Trustees (the “**Board**”) is to elevate Granite’s Board to best-in-class and bring a much-needed mix of governance, transactional and operational expertise to the Board. Each nominee is committed to restoring a culture of good governance, credibility and cost control at Granite and is excited about the unique opportunity that Granite presents. There are a number of actionable steps a new Board can take to enhance value for unitholders over the next 36 months and our nominees are focused on creating this value.

## OUR HIGHLY-QUALIFIED NOMINEES

### Mr. Al Mawani

*Focused on Governance & Shareholder Rights*

**Mr. Mawani** is the former President & CEO of Calloway/Smart REIT and CFO of Oxford Properties Group, prior to its sale to Ontario Municipal Employees' Retirement System (OMERS). Mr. Mawani is extremely accomplished in the Canadian real estate space and considered a champion of governance and shareholder rights. **He is viewed as an elder statesman in the real estate industry and his track record as a director is second to none.**

RECENT PUBLIC BOARD & EXECUTIVE EXPERIENCE			
Company	Duration	Annual TSR	Cumulative TSR
SmartREIT - PRESIDENT/CEO	2YRS	14%	29%
Slate Office REIT – TRUSTEE	2 YRS	10%	23%
Boardwalk REIT- TRUSTEE	15 YRS	13%	529%
SmartREIT - TRUSTEE	8 YRS	13%	176%
Amica Lifestyles - DIRECTOR	6 YRS	10%	75%
IPC US REIT - TRUSTEE	6 YRS	8%	58%

### Mr. Peter Aghar

*Significant Transactional Experience*

**Mr. Aghar** has a successful 20-year track record as an investor on an institutional scale, having been responsible for more than one hundred real estate transactions totaling over \$10 billion in value since 1997. He is currently the President of Crux Capital, a privately-owned value-add real estate investor and developer with significant public market, private market and industrial real estate experience. **Mr. Aghar was formerly President and Chief Investment Officer of KingSett Capital, Canada’s preeminent real estate private equity firm, from 2002 to 2010.**

RECENT TRANSACTIONAL EXPERIENCE		
<b>GE CAPITAL</b> (1997 – 2002)	~\$5 Billion	Completed acquisition / financing of <b>\$5B</b> in real estate driving <b>&gt;20% equity returns</b> and no loan losses. Included the acquisition, financing and/or sale of over <b>10 million sq. ft</b> of industrial real estate.
<b>KINGSETT CAPITAL</b> (2002 – 2010)	~\$5 Billion	Acquired close to <b>\$5B</b> (30 million sq. ft) of real estate on behalf large institutional investors driving <b>&gt;20% equity returns and equity multiples of &gt;2x</b> . Included the privatization of public companies Altas Cold Storage and VersaCold, both of which had an industrial focus.
<b>CRUX CAPITAL</b> (2013+)	~\$300 Million	Completed <b>~\$0.3B</b> in acquisitions including approximately <b>1.6 million sq. ft.</b> of value add industrial. Equity returns from direct asset acquisition or development have surpassed a <b>50% annualized IRR</b> and an equity multiple of 2.5x.

**Mr. Samir Manji**

*Focused on Value Creation & Operational Execution*

**Mr. Manji** was Founder, Chairman and CEO of Amica Mature Lifestyles Inc., a publicly traded seniors housing company, from 1996 until its sale to the Ontario Teachers’ Pension Plan in 2015. He is currently the Founder and CEO of Sandpiper, a Vancouver-based real estate private equity firm focused on investing in direct real estate and securities. **Mr. Manji has extensive experience investing across a number of real estate asset classes and is widely credited with building Amica into the premier high-end independent living brand in Canada.**

RECENT PUBLIC BOARD & EXECUTIVE EXPERIENCE			
Company	Duration	Annual TSR	Cumulative TSR
Amica Mature Lifestyles Inc. - PRESIDENT/CEO	18 YRS	9%	373%

Mr. Manji has considerable experience on the operational side of real estate businesses and understands what is required to strategically grow a portfolio. Mr. Manji is also a strong believer in the alignment of interests which is why he always has a meaningful ownership interest in any assignment he undertakes.

**SIGNIFICANT GOVERNANCE ISSUES AT GRANITE**

In a recent letter to unitholders, Granite acknowledged that the current Board rejected a settlement offer proposed by one of Granite’s “significant” unitholders. Notwithstanding the clear support from the majority of Granite’s largest institutional unitholders, the current Board, led by Chairman Wes Voorheis and Vice Chairman Peter Dey, determined that the unitholder-led settlement proposal was “not fair, reasonable or in the best interests of unitholders”.

This is simply another example of the deep hypocrisy practiced by the self-proclaimed champions of governance, Mr. Voorheis and Mr. Dey. What now should be clear to all unitholders is that Mr. Voorheis and Mr. Dey unequivocally view Granite as “their” company and “their” Board, and that the opinions of unitholders with real ownership do not matter. Unitholders should also recognize the Board’s recent reactive and cosmetic changes for what they are – an admission of poor judgment and weak governance.

**For further information, contact Zachary George at FrontFour Capital Group LLC – (203) 274-9053 or Samir Manji at Sandpiper Group – (604) 558-4885.**

**YOUR SUPPORT IS EXTREMELY IMPORTANT – ONLY YOUR VOTE CAN ENSURE POSITIVE CHANGE IS ACCOMPLISHED AND VALUE IS UNLOCKED AT GRANITE**

**The Concerned Unitholders of Granite REIT recommend that unitholders vote their BLUE form of proxy FOR FrontFour and Sandpiper's nominees prior to 12:00 p.m. ET on Monday, June 12, 2017.**

If you require any assistance in completing your BLUE form of proxy, please contact our strategic unitholder advisor and proxy solicitor, Kingsdale Advisors ("**Kingsdale**") by telephone at 1-855-682-4840 toll-free in North America or call collect at 416-867-2272 outside of North America or by e-mail at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

#### **FRONTFOUR CAPITAL GROUP LLC**

FrontFour Capital Group LLC, located in the United States at 35 Mason Street, Greenwich, CT 06830, was formed in December 2006. FrontFour Capital Group LLC is registered with the Securities & Exchange Commission as an investment adviser under the Investment Advisers Act of 1940, as amended.

#### **SANDPIPER GROUP**

Sandpiper is a Vancouver-based private equity firm focused on investing in real estate through direct property investments and securities. For more information about Sandpiper, visit [www.sandpipergroup.ca](http://www.sandpipergroup.ca).