

H&R REAL ESTATE INVESTMENT TRUST

Majority Voting Policy for Trustee Elections

The board of trustees (the “**Board of Trustees**”) of H&R Real Estate Investment Trust (the “**REIT**”) believes that each of its members should carry the confidence and support of holders (the “**REIT Unitholders**”) of units of the REIT (the “**REIT Units**”) and holders (the “**Special Voting Unitholders**”) of special voting units of the REIT (the “**Special Voting Units**”) and, together with the REIT Units, the “**Voting Units**”) and is committed to upholding high standards in corporate governance. The REIT has accordingly adopted this Majority Voting Policy as set out below.

Unitholder Vote

The Board of Trustees have adopted a policy that entitles REIT Unitholders and Special Voting Unitholders to vote for each nominee trustee (the “**Trustee**”) on an individual basis rather than for a fixed slate of nominees. Promptly following any meeting of REIT Unitholders and Special Voting Unitholders to elect Trustees (the “**Meeting**”), the REIT shall disclose the results of such vote. Any disclosure regarding the election of Trustees shall disclose the number of Voting Units voted by proxy or by show of hands, or both, in favour or withheld for each Trustee.

Trustee Resignation

Each Trustee must be elected by the vote of a majority of the Voting Units represented in person or proxy at the Meeting that are voted in respect of that nominee. In circumstances involving an “uncontested” election of Trustees only, if any nominee for election as a Trustee receives, from the Voting Units voted at the Meeting in person or by proxy, a greater number of votes “withheld” than votes “for” his or her election (a “**Majority Withhold Vote**”), the Trustee shall immediately tender his or her resignation to the chair of the Board of Trustees for consideration following the Meeting. In this policy, an “uncontested election” shall mean an election in which the number of nominees for Trustee shall be equal to the number of Trustees to be elected. In a contested election, this policy shall not apply and nominees shall be elected by plurality voting.

The Board of Trustees shall determine whether to accept any such resignation within 90 days after the date of the Meeting. The Board of Trustees shall accept such resignation absent exceptional circumstances, and such resignation will be effective when accepted by the Board of Trustees.

In considering a tendered resignation, the Board of Trustees is authorized to consider all factors it deems relevant to the best interests of the REIT.

Any Trustee who tenders his or her resignation pursuant to this policy shall not participate in any meeting of: (i) the Board of Trustees to consider the decision to accept his or her resignation; or (ii) any committee pertaining to the resignation. However, such Trustee shall remain active and engaged in all other Board of Trustees’ activities, deliberations and decisions during this Board of Trustees process.

Following the Board of Trustees' decision on the resignation, the Board of Trustees shall promptly disclose, via press release, its decision whether to accept the Trustee's resignation offer, including fully stating the reasons for rejecting the resignation offer, if applicable. The Board of Trustees will also provide a copy of such press release to the Toronto Stock Exchange. If the Board of Trustees declines to accept any such resignation, such Trustee will continue to hold office for the remainder of his or her elected term.

General

In accordance with the rules of the Toronto Stock Exchange, the REIT shall fully describe this Majority Voting Policy on an annual basis, in its materials sent to REIT Unitholders and Special Voting Unitholders in connection with a meeting at which Trustees are being elected.

The Board of Trustees may at any time in its sole discretion supplement or amend any provision of this policy in any respect, repeal the policy in whole or part or adopt a new policy relating to Trustee elections with such terms as the Board of Trustees determines in its sole discretion to be appropriate. The Board of Trustees will have the exclusive power and authority to administer this policy, 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 Board of Trustees in good faith will be final, conclusive and binding.