



DIVERSITY POLICY

The following diversity policy was adopted by the board of trustees (the “**Trustees**”) of Automotive Properties Real Estate Investment Trust (the “**REIT**”) on May 15, 2018.

The Trustees recognize and value the benefits of diversity in the REIT’s Board of Trustees (the “**Board**”). The Trustees believe that a diverse Board is one that offers a depth of perspective, experience and expertise and is required to achieve effective stewardship and it enhances Board effectiveness. Accordingly, the Board has adopted this policy which outlines its approach to achieving and maintaining diversity on the Board.

“Diversity” is, among other things, any characteristic or quality that can be used to differentiate different groups and people from one another and includes gender, age, race, nationality, culture, language and other ethnic distinctions, education, regional and industry experience, and perspective. Each of these characteristics are considered as part of the Board’s overall annual evaluation of Trustee nominees for election or re-election. However, gender is of particular importance to the REIT in ensuring diversity within the Board.

The Governance, Compensation and Nominating Committee of the Board (the “GCN Committee”) is responsible for reviewing and assessing Board size, composition and effectiveness, and for overseeing the recruitment and selection of candidates as Trustees of the REIT, other than Trustee candidates nominated by 893353 Alberta Inc. and its affiliates (“Dilawri”) in accordance with the REIT’s amended and restated declaration of trust dated July 22, 2015 (the “Declaration of Trust”). The GCN Committee is also responsible for the implementation and effectiveness of this policy.

It is an objective of this policy that diversity be considered in determining the optimal composition of the Board. The REIT is committed to a merit based system for Board composition within a diverse and inclusive culture which solicits multiple perspectives and views and is free of conscious or unconscious bias or discrimination. Recommendations concerning Trustee nominees are, foremost, based on merit and performance using objective criteria, but due consideration will be given to diversity in identifying and selecting candidates.

The REIT recruits and selects board candidates that represent both diversity, including gender diversity, and business understanding and experience. The Board 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 objective of gender diversity, the selection process for Board nominees will generally include female candidates.

In searches for new Trustees, the GCN Committee has and will continue to consider the level of female representation and diversity on the Board and this is and will continue to be one of several factors used in its search process. This has been and will continue to be achieved through monitoring the level of female representation on the Board and, where appropriate, recruiting qualified female candidates as part of the REIT’s overall recruitment and selection process to fill Board positions as the need arises, through vacancies, growth or otherwise.

Where a qualified female candidate can offer the REIT a unique skill set or perspective (whether by virtue of such candidate’s gender or otherwise), the GCN Committee expects that it would select such a female candidate over a male candidate. Where the GCN Committee believes that a male candidate and a female candidate each offer the REIT substantially the same skill set and perspective, the GCN Committee will consider numerous other factors beyond gender and the overall level of female representation in deciding the candidate to whom the offer will be made.

In furtherance of Board diversity, the REIT aspires to attain by its annual meeting in 2019, and thereafter maintain, a Board composition in which women comprise at least 20% of the independent Trustees (other than any such Trustees nominated by Dilawri pursuant to their nomination rights under the Declaration of Trust).

The Board has determined to identify a number of qualified female candidates that can be used by the GCN Committee in its selection of future Board nominees. Any search firm engaged to assist the Board or the GCN Committee in identifying candidates for appointment to the Board will be specifically directed to include diverse candidates generally, and female candidates in particular.

The GCN Committee will periodically assess the effectiveness of the Board appointment and nomination process, generally, and this policy specifically, at achieving the REIT’s diversity objectives, and report to the Board on a periodic basis. At any given time, the Board may seek to adjust one or more objectives concerning its diversity, or any recommended additional objectives, and assess progress accordingly.

Executive management of the REIT are currently employed by Dilawri. The Board has communicated its philosophy

as it relates to diversity to Dilawri and has requested consideration of this policy as it relates to succession planning matters and the appointment of members of the REIT's executive officers. As a result of this management structure, the REIT does not make hiring decisions relating to executive management and is therefore not able to establish measurable diversity goals for executive management.