



**AMERICAN HOTEL**  
INCOME PROPERTIES REIT LP

**AMERICAN HOTEL INCOME PROPERTIES REIT (GP) INC.**  
**(the “GP”)**

**MAJORITY VOTING POLICY**

The board of directors of the GP (the “**Board**”) is committed to fulfilling its responsibility for the stewardship of American Hotel Income Properties REIT LP (the “**REIT**”) and the enhancement of unitholder value and believes that each member of the Board should carry the confidence and support of the REIT’s unitholders. The Board has, in light of best practice standards in Canada, unanimously adopted this Policy providing for majority voting in director elections at any meeting of the REIT’s unitholders where an “uncontested election” of directors of the GP is held. For the purposes of this Policy, an “uncontested election” of directors of the GP means an election where the number of nominees for directors is equal to the number of directors to be elected. An “uncontested election” shall not include an election of directors where the directors determine that there is in effect a contest for the election of the directors.

The forms of proxy circulated in connection with a meeting of the REIT’s unitholders at which an uncontested election of directors is to be conducted provides the REIT’s unitholders with the ability to vote in favour of, or to withhold from voting for, each director nominee. If the number of proxy votes withheld for a particular director nominee is greater than the votes in favour of such nominee, the director nominee shall be required to immediately submit his or her resignation to the Chair of the Board following the applicable meeting of the REIT’s unitholders.

Following receipt of a resignation submitted pursuant to this Policy, the Nominating and Governance Committee of the Board (the “**Governance Committee**”) shall consider whether or not to accept the offer of resignation and shall recommend to the Board whether or not to accept it. Absent exceptional circumstances that would warrant the continued service of the applicable director on the Board: (i) the Governance Committee shall accept and recommend acceptance of the resignation by the Board; and (ii) the Board shall accept the resignation.

For the purposes of this Policy “exceptional circumstances” may include:

- (a) the effect such resignation may have on the REIT’s ability to comply with any applicable commercial agreements, governance rules and policies or applicable corporate or securities laws;
- (b) the director being a member of an established and active special committee which has a defined term or mandate (such as a strategic review) and accepting the resignation of such director may jeopardize the achievement of the special committee’s mandate;
- (c) majority voting was used for a purpose inconsistent with the policy objectives of the Toronto Stock Exchange’s majority voting requirement; or
- (d) any other factors that the Governance Committee and the Board consider relevant; provided however, that the following factors will generally not be considered “exceptional circumstances”:
  - the director's length of service;

- the director's qualifications;
- the director's attendance at meetings;
- the director's experience; or
- the director's contributions to the REIT and the GP.

Within 90 days following the applicable meeting of the REIT's unitholders, the Board shall make its decision, on the Governance Committee's recommendation. Following the Board's decision on the resignation, the Board shall promptly disclose, via press release, its decision whether to accept the director's resignation offer including the reasons for rejecting the resignation offer, if applicable, and shall provide a copy of such press release to the Toronto Stock Exchange. If a resignation is accepted, the Board may in accordance with the provisions of the amended and restated limited partnership agreement of the REIT, the GP's by-laws and the *Canada Business Corporations Act*, each as may be amended, restated and/or supplemented from time to time, appoint a new director to fill any vacancy created by the resignation, reduce the size of the Board, leave any vacancy open until the next annual meeting of the unitholders of the REIT, call a special meeting of unitholders at which there will be presented nominees to fill any vacancies, or any combination of the above.

A director who tenders his or her resignation pursuant to this Policy shall not be permitted to participate in any deliberations or vote of the Governance Committee and/or the Board at which his or her resignation is to be considered. For greater clarity, such a director shall not be permitted to attend the portion of the meeting of the Governance Committee and/or Board at which his or her resignation is considered.

In the event that a sufficient number of the members of the Governance Committee received a greater number of proxy votes withheld than the votes for such members in the same election, such that the Governance Committee no longer has a quorum, then such members of the Governance Committee receiving a majority withheld vote shall not be permitted to participate in any deliberations or vote at the meeting of the Governance Committee at which his or her resignation is to be considered, however he or she shall be counted for the purpose of determining whether the Governance Committee has quorum (even though he or she will not be permitted to attend the portion of the meeting where his or her resignation is considered). If all the members of the Governance Committee received a greater number of proxy votes withheld than the votes for each member in the same election, then the Board shall consider whether or not to accept the offer(s) of resignation without a recommendation from the Governance Committee.

In the event that a sufficient number of the members of the Board received a greater number of proxy votes withheld than the votes for such members in the same election, such that the Board no longer has a quorum, then such directors receiving a majority withheld vote shall not be permitted to participate in any deliberations or vote at the meeting of the Board at which his or her resignation is to be considered, however he or she shall be counted for the purpose of determining whether the Board has quorum. Notwithstanding the above, if all of the members of the Board received a greater number of proxy votes withheld than the votes for each member in the same election, then the entire Board shall consider whether or not to accept the offers of resignation.

In the event that any member of the Board who received a greater number of proxy votes withheld than votes in favour of such director's election does not tender his or her resignation in accordance with this Policy, he or she will not be re-nominated by the Board.

The GP shall promptly advise the Toronto Stock Exchange if a director receives a majority “withhold” vote and shall publish the voting results for the election of directors in the manner required by applicable laws.

Every member of the Board will be provided a copy of this Policy, which may be amended from time to time, and will be required to sign the form of acknowledgement attached to this Policy.

The Governance Committee may adopt such procedures as it sees fit to assist it in its determinations with respect to this Policy.

**This Policy was last updated March 10, 2020.**

**ACKNOWLEDGMENT**

TO: **AMERICAN HOTEL INCOME PROPERTIES REIT (GP) INC. (“GP”)**

RE: **MAJORITY VOTING POLICY**

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I, the **undersigned** have been given a copy of the GP’s Majority Voting Policy prior to the date hereof and hereby acknowledge that I have read it, understand it and agree to abide by it.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

By:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (please print)