



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 is committed to fulfilling its responsibility for the stewardship of American Hotel Income Properties REIT LP (the “**Partnership**”) and the enhancement of unitholder value and believes that each member of the Board of Directors should carry the confidence and support of the Partnership’s unitholders. The Board of Directors has, in light of best practice standards in Canada, unanimously adopted this statement of policy providing for majority voting in director elections at any meeting of the Partnership’s unitholders where an “uncontested election” of directors 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 Partnership’s unitholders at which an uncontested election of directors is to be conducted provides the Partnership’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 of Directors following the applicable meeting of the Partnership’s unitholders.

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

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

- the effect such resignation may have on the Partnership’s ability to comply with any applicable commercial agreements, governance rules and policies or applicable corporate or securities laws;
- 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;

- majority voting was used for a purpose inconsistent with the policy objectives of the Toronto Stock Exchange's majority voting requirement; or
- any other factors that the Governance Committee and the Board of Directors 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 GP and the Partnership.

Within 90 days following the applicable meeting of the Partnership's unitholders, the Board of Directors shall make its decision, on the Governance Committee's recommendation. Following the Board of Directors' decision on the resignation, the Board of Directors shall promptly disclose, via press release, their 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 of Directors may in accordance with the provisions of the amended and restated limited partnership agreement of the Partnership dated February 20, 2013, 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 of Directors, leave any vacancy open until the next annual meeting of the unitholders of the Partnership, 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 majority voting policy shall not be permitted to participate in any deliberations or vote of the Governance Committee and/or the Board of Directors 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 of Directors 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 of Directors 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 of Directors received a greater number of proxy votes withheld than the votes for such members in the same election, such that the Board of Directors 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 of Directors 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 of Directors has quorum. Notwithstanding the above, if all of the members of the Board of Directors received a greater number of proxy votes withheld than the votes for each member in the same election, then the entire Board of Directors shall consider whether or not to accept the offers of resignation.

In the event that any member of the Board of Directors 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 majority voting policy, he or she will not be re-nominated by the Board of Directors.

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.

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

Policy updated March 28, 2018.