

MADISON PACIFIC PROPERTIES INC.

MAJORITY VOTING POLICY

The Board of Directors is committed to fulfilling its responsibility for the stewardship of Madison Pacific Properties Inc. (the “**Company**”) and the enhancement of shareholder value, and believes that each member of the Board of Directors should carry the confidence and support of the Company’s shareholders. 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 Company's shareholders where an "uncontested election" of directors is held. For the purposes of this policy, an "uncontested election" of directors of the Company 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 Company's shareholders at which an uncontested election of directors is to be conducted provides the Company's shareholders 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 promptly submit his or her resignation to the Chair of the Board of Directors following the applicable meeting of the Company's shareholders.

Following receipt of a resignation submitted pursuant to this policy, the Corporate Governance Committee of the Company (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.

In considering whether or not to accept the resignation, the Governance Committee and the Board of Directors will consider all factors deemed relevant by members of the Governance Committee and the Board, including, without limitation:

- the stated reasons why shareholders withheld votes from the election of that nominee;
- the length of service and the qualifications of the director whose resignation has been submitted;
- such director's contributions to the Company; and
- the effect that such resignation(s) may have on the Board of Directors’ ability to (i) effectively continue fulfilling its responsibility for the stewardship of the Company and the enhancement of shareholder value; and (ii) the Company’s ability to comply with any applicable governance rules and policies.

Except in the exception of exceptional circumstances that would warrant the continued service of the applicable director on the Board of Directors, the Governance Committee shall be expected to accept and recommend acceptance of the resignation by the Board of Directors and the Board will be required to accept the resignation.

Within 90 days following the applicable meeting of the Company's shareholders, 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, if applicable. A copy of the press release will be forwarded to the Toronto Stock Exchange. If a resignation is accepted, the Board of Directors may in accordance with the provisions of the Company's by-laws and the *Canada Business Corporations Act*, as may be amended 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 general meeting of the shareholders of the Company, call a special meeting of shareholders 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.

In the event that a sufficient number of the Governance Committee members 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. 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 Board of Director members 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 Director, 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 Company 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.