

**MEDALIST DIVERSIFIED REIT, INC.**  
**RELATED PERSON TRANSACTION POLICY**

The Board of Directors (the “Board”) of Medalist Diversified REIT, Inc. (the “Company”) has adopted this Related Person Transaction Policy (this “Policy”) to help assure that:

- (1) any opportunity that belongs to the Company or is discovered through the use of the Company’s property, information or position is not pursued by a director, executive officer or other closely affiliated person or entity unless and until the Company has determined that it is not interested in pursuing said opportunity; and
- (2) any transactions between the Company and its directors, executive officers or other closely affiliated persons or entities are entered into only when in the best interests of the Company and only on terms which would normally be agreed upon in an arms-length transaction.

This Policy supplements the provisions of the Company’s Code of Business Conduct and Ethics and its Code of Ethics for Senior Executive and Financial Officers concerning potential conflict of interest situations, and includes guidelines that the Board and the Audit Committee of the Board of Directors (the “Audit Committee”), to whom the Board has delegated authority for implementation of this Policy, will use in the review of transactions subject to this Policy.

This Policy applies to persons with any of the following relationships to the Company at any time during the current fiscal year, even if such relationship has ceased (“Covered Persons”):

- a. Any director or executive officer;
- b. Any nominee for director;
- c. Any immediate family member of a director or executive officer, or of any nominee for director, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such director, executive officer or nominee for director, and any person (other than a tenant or employee) sharing the household of such director, executive officer or nominee for director; and
- d. Any person who is a 5% stockholder of the Company and any immediate family member of any such stockholder, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such security holder, and any person (other than a tenant or employee) sharing the household of such stockholder.

## **A. Transactions Subject to this Policy**

1. Corporate Opportunities. A “Corporate Opportunity” is any opportunity that, upon reasonable belief, (1) (a) is within the Company’s existing line of business or (b) is one in which the Company either has an existing interest or a reasonable expectancy of an interest, and (2) the Company is reasonably capable of pursuing. With respect to a Covered Person who is not employed by the Company or an affiliate of the Company, the opportunity must have been presented to or become known to that Covered Person as a direct result of his or her relationship with or to the Company to constitute a Corporate Opportunity.

2. Related Person Transactions. A “Related Person Transaction” is any existing or proposed transaction, arrangement, relationship or series of similar transactions, arrangements or relationships in which the Company is or was a participant and the amount involved exceeds \$120,000 and in which any Covered Person had or will have a direct or indirect material interest. A transaction in which a subsidiary of the Company or an entity controlled by the Company participates shall be considered a transaction in which the Company participates. An amendment to an arrangement that is a Related Person Transaction (even though such arrangement has been reviewed under this Policy) shall, unless clearly incidental in nature, be considered a separate Related Person Transaction. Corporate Opportunities and Related Person Transactions are collectively referred to in this Policy as “Proposed Transactions.”

## **B. Guidelines for Submission of Proposed Transactions to the Audit Committee**

1. A Proposed Transaction may not be entered into unless approved by the Audit Committee.
2. Covered Persons should disclose the intent to enter into a Proposed Transaction and all material facts with respect to such transaction to the Audit Committee as soon as such Covered Persons are reasonably aware of the Proposed Transaction.
3. An executive officer, director or employee of the Company who has knowledge of a Proposed Transaction involving a Covered Person has an affirmative duty to disclose known facts to the Audit Committee, and further may not cause the Company to decline an interest in a Corporate Opportunity or enter into a Related Person Transaction without the approval of the Audit Committee.
4. With respect to a “Corporate Opportunity” each Covered Person should take into account whether he or she has used, or is using, the Company property, material non-public Company information or his or her relationship with the Company in connection with an opportunity when determining whether something should be disclosed as a Corporate Opportunity, and err on the side of disclosure to the Audit Committee.

## **C. Guidelines for Review of Proposed Transactions Subject to this Policy**

1. The Audit Committee shall review promptly each Proposed Transaction that is received by it. The Audit Committee shall consider all relevant facts and circumstances to determine whether it should (i) reject the Proposed Transaction on behalf of the Company; (ii) conclude that the Proposed Transaction is appropriate and suggest that the Company pursue the Proposed Transaction on the terms presented or on different terms, and in the case of a Corporate Opportunity suggest that the Company pursue the

Corporate Opportunity on its own, with the Covered Person who brought the Proposed Transaction to the Company's attention or with another third party; or (iii) ask the full Board to consider the Proposed Transaction so the Board may then take either of the actions described in (i) or (ii) above, and, at the Audit Committee's option, make recommendations to the Board.

2. With respect to a Corporate Opportunity, if the Audit Committee or the Board rejects the Corporate Opportunity on behalf of the Company, it may or may not consent to the pursuit of the Corporate Opportunity by the Covered Person who brought the opportunity to the Company's attention.

3. The Audit Committee and the Board shall comply at all times with Maryland legal standards for directors when reviewing Proposed Transactions as well as with the requirements of Item 404 of U.S. Securities and Exchange Commission Regulation S-K and any applicable listing standards or rules of the Nasdaq Capital Market or any other national securities exchange or interdealer automated quotation system on which the Company's securities are listed, as such rules and regulations may be amended from time to time.

4. The Covered Person bringing the Proposed Transaction to the Audit Committee's attention (i) shall recuse himself or herself from the discussions of such Proposed Transaction if he or she has a material interest in the Proposed Transaction; (ii) shall not vote on the Proposed Transaction; (iii) shall be available to answer questions; and (iv) shall provide all certifications, documentation and other supporting materials, as the Audit Committee or the full Board may reasonably request. The Audit Committee and the Board may discuss the Proposed Transaction with any President, Chief Executive Officer, Chief Investment Officer, Chief Operating Officer, Chief Financial Officer and/or Chief Accounting Officer, and/or other representatives of the Company's management as it deems appropriate. The Audit Committee or the Board may also consult with other persons and retain outside advisors, as it deems appropriate. Following the review by the Audit Committee of a Proposed Transaction, the Company should determine whether or not the relationship with the Covered Person, if still in effect, serves the best interest of the Company and its stockholders and whether the relationship should be continued or eliminated.

5. The Audit Committee shall advise the Board of all of its determinations made in accordance with this Policy.

Any director, nominee for director, executive officer or employee who has any questions about this Policy should contact the Company's President.