

dream industrial REIT

DREAM INDUSTRIAL REAL ESTATE INVESTMENT TRUST

Annual Information Form

March 27, 2018

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GLOSSARY OF TERMS

When used in this annual information form, the following terms have the meanings set forth below unless expressly indicated otherwise:

“2017 MD&A” means the management’s discussion and analysis of Dream Industrial REIT in respect of our 2017 financial year filed on SEDAR on February 20, 2018.

“2017 NCIB” has the meaning given under “General Development of the Business – Normal Course Issuer Bid”.

“5.25% Debentures” means the 5.25% convertible unsecured subordinated debentures of Dream Industrial REIT due December 31, 2019.

“6.75% Debentures” means the 6.75% convertible unsecured subordinated debentures due November 30, 2017 originally issued by C2C Industrial Properties Inc. that became obligations of DIR Industrial and ultimately convertible into Units.

“Acquisition Agreement” means the acquisition agreement dated October 4, 2012 between Industrial Partnership, the REIT, and the Transferors.

“Adjusted Unitholders’ Equity” means, at any time, the aggregate of: (a) the amount of unitholders’ equity; and (b) the amount of accumulated depreciation and amortization recorded on the books and records of Dream Industrial REIT and its Subsidiaries in respect of their properties, in each case calculated in accordance with IFRS.

“Affiliate” means an affiliate within the meaning of National Instrument 45-106 - *Prospectus Exemptions*.

“AIF” means this annual information form of Dream Industrial REIT.

“Asset Management Agreement” means the amended and restated asset management agreement dated September 16, 2015 between the REIT, Industrial Partnership and DAM, as described under “Real Estate Management and Advisory Services – Asset Management Agreement”.

“Asset Manager” means DAM, acting in its capacity as the asset manager pursuant to the Asset Management Agreement.

“Board” or **“Board of Trustees”** means the board of trustees of Dream Industrial REIT.

“Business Day” means any day other than a Saturday or a Sunday on which Schedule I Canadian chartered banks are open for business in Toronto, Ontario.

“CDS” has the meaning given to that term under “Declaration of Trust and Description of REIT Units – Book-Based System for Units; No Certificates for Special Trust Units”.

“Computershare” means Computershare Trust Company of Canada.

“CRA” means the Canada Revenue Agency.

“DAM” means Dream Asset Management Corporation, a corporation governed by the laws of the Province of British Columbia and a Subsidiary of Dream.

“DAT Co-ownership” has the meaning given to that term under “General Development of the Business – Acquisition Highlights”.

“Debentures” means, collectively, the 5.25% Debentures and the 6.75% Debentures.

“Declaration of Trust” means the amended and restated declaration of trust of Dream Industrial REIT dated as of May 5, 2014, as amended or amended and restated from time to time.

“DIR Industrial” means DIR Industrial Properties Inc., a corporation governed by the laws of the Province of Ontario and a Subsidiary of Dream Industrial REIT.

“Distribution Date” means the date on which the Board of Trustees have determined that a distribution will be made by the REIT to the Unitholders.

“Distribution Record Date” means, unless otherwise determined by our trustees, the last Business Day of each month of each year, except for the month of December where the Distribution Record Date shall be December 31.

“DOLP” means Dream Office LP, a limited partnership formed under the laws of the Province of Ontario, and a Subsidiary of Dream Office REIT.

“DOMC” means Dream Office Management Corp., a corporation governed by the laws of the Province of Ontario and a Subsidiary of Dream Office Management LP.

“Dream” means Dream Unlimited Corp., a corporation governed by the laws of the Province of Ontario.

“Dream Global REIT” means Dream Global Real Estate Investment Trust, an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario.

“Dream Industrial Management LP” means Dream Industrial Management LP, a limited partnership formed under the laws of the Province of Ontario and a wholly-owned Subsidiary of Industrial Partnership.

“Dream Industrial REIT” or the **“REIT”** or the **“Trust”** means Dream Industrial Real Estate Investment Trust, an unincorporated open-ended real estate investment trust formed on July 20, 2012 under the laws of the Province of Ontario.

“Dream Office Management LP” means Dream Office Management LP, a limited partnership formed under the laws of the Province of Ontario and a wholly-owned Subsidiary of Dream Office REIT.

“Dream Office Portfolio” means the portfolio of assets acquired from an affiliate of Dream Office REIT in September 2014.

“Dream Office Private Placement” has the meaning given to that term under “Interests of Management and Others in Material Transactions”.

“Dream Office REIT” means Dream Office Real Estate Investment Trust, an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario.

“DRIP” means the distribution reinvestment and unit purchase plan adopted by Dream Industrial REIT.

“DTV LP” means Dream Technology Ventures LP, a limited partnership formed under the laws of the Province of Ontario of which a wholly-owned Subsidiary of DAM is the sole general partner and DAM, DOLP, Dream Global REIT, Industrial Partnership and Dream Alternatives Master LP are the limited partners.

“Exchange and Support Agreement” means the exchange and support agreement dated October 4, 2012 between the REIT, Industrial Partnership and the Transferors.

“**GAAP**” or “**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the Canadian Professional Accountants of Canada in Part I of The Canadian Professional Accountants of Canada Handbook – Accounting, as amended from time to time.

“**GLA**” means gross leasable area, but excludes gross leasable area resulting from parking spaces, where applicable.

“**Indentures**” means, collectively, the trust indentures and supplemental indentures governing the Debentures, as amended, supplemented or restated from time to time, and “**Indenture**” mean any one of them.

“**Independent Trustee**” has the meaning given to that term under “Trustees and Officers – Committees”.

“**Industrial GP**” means Dream Industrial (GP) Inc., a corporation governed by the laws of the Province of Ontario.

“**Industrial Partnership**” means Dream Industrial LP, a limited partnership established under the laws of the Province of Ontario of which Dream Industrial (GP) Inc. is the general partner.

“**Initial Properties**” means the income-producing properties that Industrial Partnership directly or indirectly acquired on October 4, 2012, the date of completion of our initial public offering.

“**Initial Term**” has the meaning given to that term under “Real Estate Management and Advisory Services – Asset Management Agreement”.

“**interest coverage ratio**” means our net rental income plus interest and fee income, less general and administrative expenses, all divided by interest expense on total debt. The components used in the determination of interest coverage ratio include our share from investment in joint ventures. Management believes our interest coverage ratio is an important measure in determining our ability to cover interest expense based on our operating performance; however, it is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other real estate investment trusts. See our 2017 MD&A for a calculation of our interest coverage ratio for the years ended December 31, 2017 and December 31, 2016.

“**Licensed Technology**” has the meaning given to it in “Real Estate Management and Advisory Services – Other Services – License Agreement with Dream Technology Ventures LP”.

“**Limited Partners**” means the limited partners of Industrial Partnership, which are the REIT and the Transferors, and “**Limited Partner**” means any one of them.

“**Limited Partnership Agreement**” means the amended and restated limited partnership agreement dated July 2, 2014, governing Industrial Partnership, as the same may be amended from time to time.

“**LP A Units**” means the Class A limited partnership units of Industrial Partnership, and “**LP A Unit**” means any one of them.

“**LP B Units**” means the Class B limited partnership units of Industrial Partnership, and “**LP B Unit**” means any one of them.

“**market price**” has the meaning given to that term under “Declaration of Trust and Description of REIT Units – Unit Redemption Right”.

“Master Property Management Agreement” means the amended and restated master property agreement dated January 1, 2015 between the REIT, Dream Industrial Management LP, and Industrial Partnership.

“New Licence Agreement” has the meaning given to that term under “Real Estate Management and Advisory Services – Other Services – License Agreement with Dream Technology Ventures LP”.

“NI 52-109” means National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings*.

“NI 52-110” means National Instrument 52-110 – *Audit Committees*.

“NI 58-101” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

“NOI” means net operating income, which is defined by Dream Industrial REIT as investment properties revenue, less investment properties operating expenses, plus the share of net rental income from investments in joint ventures, if any. This non-GAAP measure is an important measure used by Dream Industrial REIT in evaluating property operating performances; however, it is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other issuers. As a result of the Trust not having any net rental income from investments in joint ventures during the periods ended December 31, 2017 and December 31, 2016, NOI is the same as net rental income presented in the consolidated financial statements. See our 2017 MD&A for a reconciliation of NOI to net rental income under the heading “Net operating income”.

“Non-Competition Agreement” means the non-competition agreement dated October 4, 2012 between DAM and the REIT.

“Non-Resident” means a non-resident of Canada within the meaning of the Tax Act.

“Notes” means the promissory notes, bonds, debentures, debt securities or similar evidences of indebtedness issued by an individual, body corporate, partnership, limited partnership, joint venture, trust or unincorporated organization, the Crown or any agency or instrumentality thereof, or any other entity recognized by law.

“OBCA” means the *Business Corporations Act* (Ontario), as amended from time to time.

“Opportunities Agreement” means the opportunities agreement dated October 4, 2012 between DAM, Dream Office REIT, Dream Global REIT and Dream Industrial REIT.

“PAULS Corp” means PAULS Corp, LLC, a limited liability company formed under the laws of the State of Delaware and based in Denver, Colorado.

“Pauls PMA” has the meaning given to that term under “Interests of Management and Others in Material Transactions”.

“Pauls Private Placement” has the meaning given to that term under “Interests of Management and Others in Material Transactions”.

“Person” includes an individual, body corporate, partnership, limited partnership, joint venture, trust or unincorporated organization, the Crown or any agency or instrumentality thereof, or any other entity recognized by law.

“Plans” means, collectively, trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, tax-free savings accounts and registered education savings plans under the Tax Act.

“Properties” means the commercial revenue producing properties listed under “Real Estate Portfolio” held indirectly by Dream Industrial REIT through Industrial Partnership.

“Property Vendor” has the meaning given to that term under “Interests of Management and Others in Material Transactions”.

“PRPM” has the meaning given to that term under “Interests of Management and Others in Material Transactions”.

“Public Offering” has the meaning given to that term under “Interests of Management and Others in Material Transactions”.

“Redemption Date” has the meaning given to that term under “Declaration of Trust and Description of REIT Units – Unit Redemption Right”.

“Redemption Price” has the meaning given to that term under “Declaration of Trust and Description of REIT Units – Unit Redemption Right”.

“REIT Exception” means the exception under the SIFT Legislation applicable to certain real estate investment trusts that satisfy certain specified conditions relating to the nature of their income and investments.

“REIT Units” means, collectively, the Units and the Special Trust Units.

“Related Party” means, with respect to any person, a person who is a “related party”, as that term is defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, as such rule may be amended from time to time (and including any successor rule or policy thereto, but shall not include a wholly-owned Subsidiary of the person).

“Saskatchewan Portfolio” has the meaning given to that term under “General Development of the Business – Acquisition Highlights”.

“SEDAR” means the System for Electronic Documents Analysis and Retrieval.

“Services Agreement” means the services agreement dated October 4, 2012 between the REIT, Industrial Partnership, Dream Industrial Management LP, Dream Industrial Management Corp., and Dream Office Management Corp.

“Shared Services and Cost Sharing Agreement” means the shared services and cost sharing agreement dated December 1, 2013 between Dream Industrial REIT, Industrial Partnership, Dream Industrial Management LP, Dream Industrial Management Corp. and DAM, as amended by the amending agreement dated January 1, 2016 between Dream Industrial REIT, Industrial Partnership, Dream Industrial Management LP, Dream Industrial Management Corp. and DAM.

“SIFT” means a specified investment flow-through trust or partnership for purposes of the Tax Act.

“SIFT Legislation” means the provisions of the Tax Act that apply to a SIFT.

“**Special Trust Units**” means units in Dream Industrial REIT (other than Units) authorized and issued under the Declaration of Trust to a holder of securities which are exchangeable for Units, including the LP B Units, all of which are currently held directly and indirectly by DOLP.

“**Subsidiary**” means, with respect to any person (other than an individual), any other person that is controlled, directly or indirectly, by the person and, in addition to the foregoing, with respect to Dream Industrial REIT shall include Industrial Partnership and Dream Industrial Management LP.

“**Subsidiary Securities**” means the Notes or other securities of Industrial Partnership or the Notes or other securities of a Subsidiary of Industrial Partnership as the Board of Trustees may determine from time to time.

“**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time, and the *Income Tax Regulations* (Canada), as amended from time to time, as applicable.

“**TCJA**” has the meaning given to that term under “Risk Factors”.

“**Term**” has the meaning given to that term under “Real Estate Management and Advisory Services – Asset Management Agreement”.

“**Transferors**” means, collectively, DOLP, Dundeeal Canada Limited Partnership, LCH Properties, LAC General Partner Limited, Dundeeal Holdings Limited Partnership, Dundee Realex Holdings Limited Partnership, Whiterock Property LP, WR Trust, WR Master Limited Partnership and their respective permitted assigns, and “**Transferor**” means any one of them.

“**Trust Liability**” has the meaning given to that term under “Risk Factors – Unitholder liability may arise”.

“**Trustees**” means the trustees of the REIT from time to time, and “Trustee” means any one of them.

“**TSX**” means the Toronto Stock Exchange.

“**Units**” means a unit representing an interest in the REIT (other than Special Trust Units) authorized and issued under the Declaration of Trust.

“**Unitholders**” means holders of Units, but “**unitholders**”, when used in lower case type, refers to all holders of REIT Units.

“**U.S.**” means the United States of America.

“**Wetherly**” has the meaning given to that term under “Trustees and Officers”.

GENERAL

Dream Industrial REIT provides an opportunity for investors to gain direct exposure to the industrial real estate sector. Our portfolio currently consists of 218 income-producing properties located in key industrial markets across Canada and the Southeastern U.S., comprising approximately 19.0 million square feet of owned gross leasable area, excluding properties held for sale.

Dream Industrial REIT is an unincorporated, open-ended real estate investment trust governed by the laws of the Province of Ontario. Dream Industrial REIT is a “mutual fund trust” as defined in the Income Tax Act (Canada), as applicable, but is not a “mutual fund” within the meaning of applicable Canadian securities legislation. Our head office is located at 30 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 3H1.

Dream Industrial REIT’s investment and operating activities are limited, because our operating activities are carried out by our Subsidiaries. For simplicity, we use terms in this AIF to refer to our investments and operations as a whole. Accordingly, in this AIF, unless the context otherwise requires, when we use terms such as “we”, “us” and “our”, we are referring to Dream Industrial REIT and its Subsidiaries. When we use expressions such as “our investments”, “our business” or “our operations”, we are referring to the investments, business and operations of Dream Industrial REIT and its Subsidiaries as a whole. When we use expressions such as “our properties”, “our portfolio”, “we own” or “we invest in” in relation to our properties, we are referring to our ownership of and investment in our properties indirectly through our Subsidiaries. When we use expressions such as “we operate”, we are referring to our operations through our Subsidiaries. When we refer to “Dream Industrial REIT” or the “REIT”, we are referring only to Dream Industrial Real Estate Investment Trust. When we refer to “our initial public offering”, we are referring to the initial public offering of Dream Industrial REIT which was completed on October 4, 2012.

When we use the expression “our trustees” in this AIF, we are referring to the trustees of Dream Industrial REIT.

Where we refer to the term “market rent”, we have estimated market rent through reference to recent leasing activity in the market, leasing interest in the Properties and publicly available market research. Where we refer to the term “square feet”, we are referring to square feet of GLA, unless otherwise indicated.

Certain market information has been obtained from CBRE MarketView, Fourth Quarter 2017, a publication prepared by a commercial firm that provides information relating to the real estate industry. Although we believe this information is reliable, the accuracy and completeness of this information is not guaranteed. We have not independently verified this information and make no representation as to its accuracy.

Unless otherwise specified, all information in this AIF is presented as at December 31, 2017.

FORWARD-LOOKING INFORMATION

Certain information in this AIF may constitute “forward-looking information” within the meaning of applicable securities legislation. The forward-looking information in this AIF is presented for the purpose of providing disclosure of the current expectations of our future events or results, having regard to current plans, objectives and proposals, and such information may not be appropriate for other purposes. Forward-looking information may also include information regarding our respective future plans or objectives and other information that is not comprised of historical fact. Forward-looking information is predictive in nature and depends upon or refers to future events or conditions; as such, this AIF uses words such as “may”, “would”, “could”, “should”, “will” “likely”, “expect”, “anticipate”, “believe”, “intend”, “plan”, “forecast”, “project”, “estimate” and similar expressions suggesting future outcomes or events to identify forward-looking information.

Any such forward-looking information is based on information currently available to us, and is based on assumptions and analyses made by us in light of our respective experiences and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate in the circumstances, including but not limited to: that no unforeseen changes in the legislative and operating framework for our business will occur, including unforeseen changes to tax laws; that we will meet our future objectives and priorities; that we will have access to adequate capital to fund our future projects and plans; that our future projects and plans will proceed as anticipated; and that future market and economic conditions will occur as expected.

However, whether actual results and developments will conform with the expectations and predictions contained in the forward-looking information is subject to a number of risks and uncertainties, many of which are beyond our control, and the effects of which can be difficult to predict. Factors that could cause actual results or events to differ materially from those described in the forward-looking information include, but are not limited to: adverse changes in general economic and market conditions; our inability to raise additional capital; our inability to execute strategic plans and meet financial obligations; risks associated with our anticipated real estate operations and investment holdings in general, including environmental risks, market risks, and risks associated with inflation, changes in interest rates and other financial exposures. For a further description of these and other factors that could cause actual results to differ materially from the forward-looking information contained, or incorporated by reference, in this AIF, see the risk factors discussed under “Risk Factors” in this AIF.

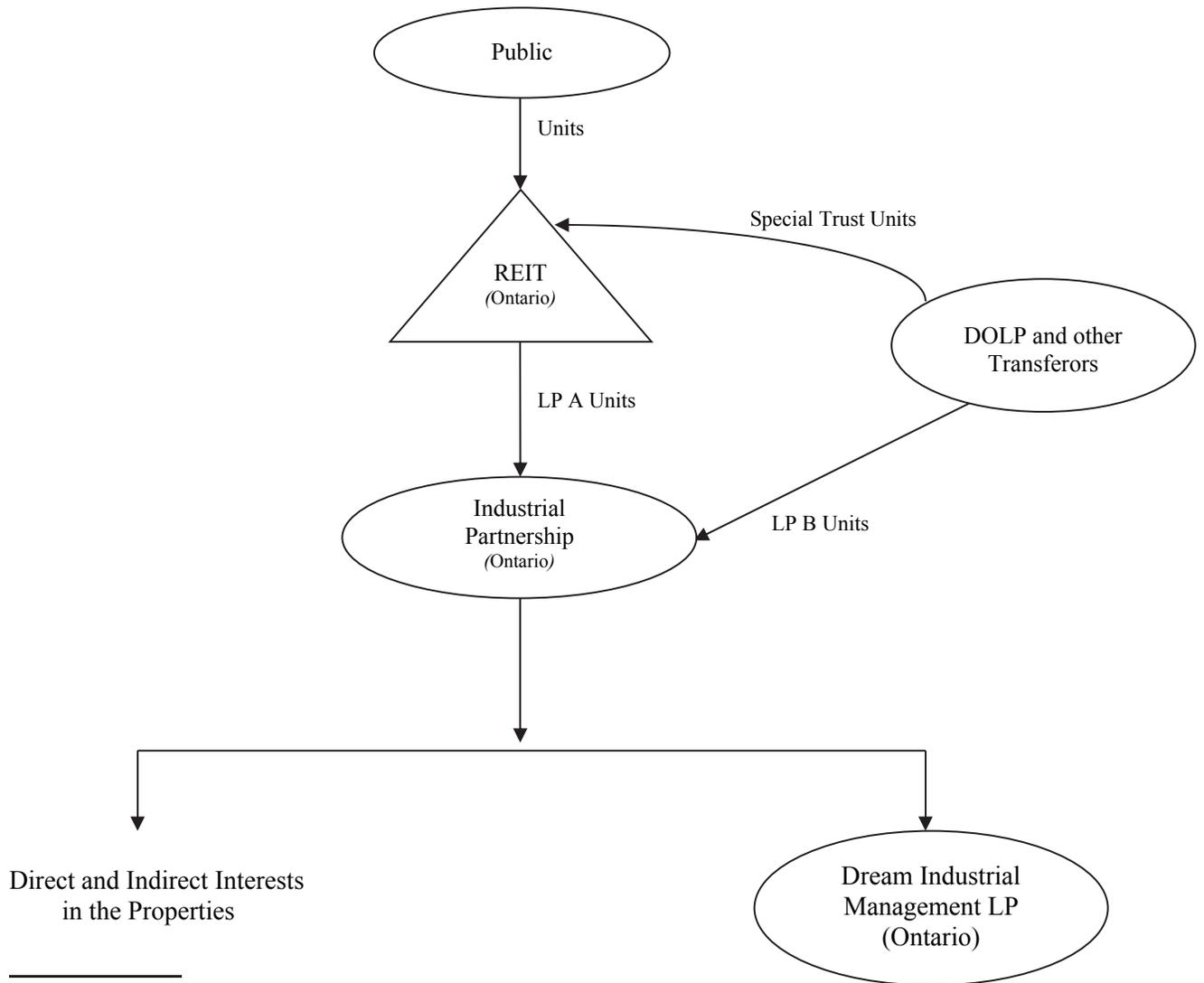
In evaluating any forward-looking information contained, or incorporated by reference, in this AIF, we caution readers not to place undue reliance on any such forward-looking information. Any forward-looking information speaks only as of the date on which it was made. Unless otherwise required by applicable securities laws, we do not intend, nor do we undertake any obligation, to update or revise any forward-looking information contained, or incorporated by reference, in this AIF to reflect subsequent information, events, results, circumstances or otherwise.

NON-GAAP MEASURES

Dream Industrial REIT’s consolidated financial statements are prepared in accordance with IFRS. In this AIF, Dream Industrial REIT discloses and discusses certain non-IFRS financial measures including NOI and interest coverage ratios, as well as other measures discussed elsewhere in this AIF. These non-IFRS measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. Dream Industrial REIT has presented such non-IFRS measures as management believes they are relevant measures of our underlying operating performance and debt management. Non-IFRS measures should not be considered as alternatives to net income, total comprehensive income, cash flows generated from operating activities or comparable metrics determined in accordance with IFRS as indicators of Dream Industrial REIT’s performance, liquidity, cash flow and profitability. See the Glossary of Terms for definitions of NOI and interest coverage ratio. For a full description of these measures and, where applicable, a reconciliation to the most directly comparable measure calculated in accordance with IFRS please refer to the “Non-GAAP Measures and Other Disclosures” section in our 2017 MD&A.

OUR STRUCTURE

The following chart is a simplified illustration of our organizational structure as at December 31, 2017:



Notes:

- (1) Mr. Michael Cooper holds 849,900 Units representing approximately 1.1% of the outstanding Units on a fully-exchanged basis as of December 31, 2017. Mr. Cooper is one of our Trustees and is also the President and Chief Responsible Officer of Dream, the parent company of our asset manager.
- (2) As at December 31, 2017, Dream Office REIT, directly and indirectly through its wholly owned subsidiaries, held 5,431,141 REIT Units and 18,551,855 LP B Units representing approximately 25.6% ownership in Dream Industrial REIT.
- (3) The general partner of Industrial Partnership is a wholly-owned Subsidiary of Dream Industrial REIT.
- (4) The general partner of Dream Industrial Management LP is a wholly-owned Subsidiary of Industrial Partnership. In addition, all of the equity of Dream Industrial Management LP is held 100% by Industrial Partnership, directly or indirectly.

Our principal Subsidiary entities are described below:

Dream Industrial LP – a limited partnership governed by the laws of Ontario. Industrial Partnership holds direct and indirect interests in our commercial revenue producing properties. Industrial Partnership is also the vehicle through which Dream Office REIT, our principal investor, holds its economic interest in our business. Dream Industrial REIT owns the majority of the voting limited partnership units of Industrial Partnership, while Dream Office REIT, through its Subsidiaries including DOLP, beneficially holds all of the non-voting limited partnership units of Industrial Partnership.

Dream Industrial Management LP – a limited partnership governed by the laws of Ontario. Dream Industrial Management LP manages substantially all of our properties and provides certain services to us. Dream Industrial REIT directly or indirectly holds all of the equity of Dream Industrial Management LP. The general partner of Dream Industrial Management LP is Dream Industrial Management (GP) Inc., a corporation incorporated under the laws of Ontario. Industrial Partnership holds all of the limited partnership units of Dream Industrial Management LP, and all of the issued and outstanding shares of Dream Industrial Management (GP) Inc. Through these interests, Industrial Partnership is entitled to 100% of the distributions of income from Dream Industrial Management LP.

Dream Industrial Management Corp. (“Dream Industrial Management”) – a corporation governed by the laws of Ontario. Dream Industrial Management assists Dream Industrial Management LP in managing substantially all of our Properties. All of the issued and outstanding shares of Dream Industrial Management are held by Dream Industrial Management LP.

GENERAL DEVELOPMENT OF THE BUSINESS

Acquisition Highlights

The following acquisitions were completed from January 1, 2015 to December 31, 2017. Additional details on certain of our key acquisitions during the past three years are set out below the table. There were no acquisitions during this period that would have been considered a “significant acquisition” under applicable Canadian securities laws.

	Interest acquired (%)	Acquired GLA (sq. ft.)	Occupancy on acquisition (%)	Purchase price allocated to investment properties ⁽¹⁾	Date acquired
7730 American Way, Orlando, Florida	100	193,133	100	\$ 15,846	December 28, 2017 ⁽²⁾
445 Couchville, Nashville, Tennessee	100	717,160	100	62,184	October 31, 2017
7803 35 th Street SE, Calgary	100	189,047	93	17,288	October 5, 2017
3230 Mainway Drive, Burlington	100	207,703	100	12,522	October 16, 2015
Saskatchewan Portfolio	50	59,366	100	9,949	May 21, 2015 ⁽³⁾
Total		1,366,409 ⁽⁴⁾		\$ 117,789	

Notes:

- ⁽¹⁾ Includes transaction costs. In thousands.
- ⁽²⁾ Property acquired was part of a portfolio acquisition of four properties. The purchase of this portfolio was completed on January 16, 2018.
- ⁽³⁾ Portfolio acquisition was completed on May 21, 2015 except for one property which was acquired on July 9, 2015.
- ⁽⁴⁾ Includes properties held for sale or sold.

2017 Acquisitions

On December 28, 2017, we completed the acquisition of a 193,000 square foot single tenant distribution centre located in Orlando, Florida for a total purchase price of \$15.8 million (US\$12.6 million), including transaction costs of \$0.3 million.

On October 31, 2017, we completed the acquisition of a 717,000 square foot single tenant distribution centre located in Nashville, Tennessee from Dream Office REIT for a total purchase price of \$62.2 million (US\$48.2 million), including transaction costs of \$1.3 million. This transaction marked our first acquisition in the United States, representing a disciplined first-step in executing our strategy in entering the United States market.

On October 5, 2017, we completed the acquisition of a 189,000 square foot multi-tenant property in Calgary, Alberta for \$17.3 million, including transaction costs \$0.3 million.

2016 Acquisitions

There were no acquisitions in 2016.

2015 Acquisitions

On October 16, 2015, we acquired a 208,000 square foot distribution centre located in Burlington, Ontario, through a sale leaseback transaction for a total purchase price of \$12.5 million, including transaction costs of \$0.5 million.

On May 21, 2015, in a co-ownership (the “**DAT Co-ownership**”) with one of the subsidiaries of Dream Alternatives Master LP, we completed the acquisition of a 105,000 square foot portfolio of five single-

tenant properties (the “**Saskatchewan Portfolio**”) located in Regina, Saskatchewan. The REIT’s share of the purchase price was \$8.9 million, including transaction costs of \$0.3 million. On July 9, 2015, the DAT Co-ownership completed the acquisition of the final property in this portfolio, a 14,000 square foot, multi-tenant, 100% occupied building. The REIT’s 50% share of the final property was \$1.0 million, including transaction costs of \$0.1 million. The Saskatchewan Portfolio is 100% occupied. One of the subsidiaries of the REIT provides property management services for the co-owned properties. Dream Alternatives Master LP, Dream Hard Asset Alternatives Trust and the REIT have a common asset manager, DAM.

Dispositions

From January 1, 2015 to December 31, 2017, we have sold the properties set out below:

	Disposed GLA	Gross proceeds ⁽¹⁾⁽³⁾	Date disposed
3800 Trans-Canada Highway, Pointe-Claire	50,000	\$ 2,750	December 16, 2016
5900 Finch Avenue East, Scarborough	164,708	12,585	December 6, 2016
700 Ormont Drive, Toronto	123,370	7,700	November 1, 2016
215 Cutler Avenue, Dartmouth ⁽²⁾	—	920	October 6, 2016
10001 Metropolitan Boulevard East, Montreal	327,000	37,500	August 4, 2016
38 Rue de Valcourt, Gatineau	16,297	850	July 29, 2016
1155 Autoroute Chomedey, Laval	115,362	6,750	June 6, 2016
722 Edinburgh Drive, Moncton	41,200	1,625	March 30, 2016
41 Metropolitan Road, Toronto	59,400	5,700	November 17, 2015
6715 85th Avenue, Fort St. John	17,405	4,150	September 14, 2015
4021 9th Street SE, Calgary	45,344	5,000	February 17, 2015
4523–4529 1st Street SE, Calgary	11,400	1,700	February 4, 2015
4515–4519 1st Street SE, Calgary	14,340	1,900	February 4, 2015
4501–4509 1st Street SE, Calgary	13,200	2,300	February 4, 2015
Total	999,026	\$ 91,430	

⁽¹⁾ Gross proceeds before transaction costs with the exception of 700 Ormont Drive, where gross proceeds included \$800 reimbursement in relation to capital repairs. In thousands.

⁽²⁾ Vacant land.

⁽³⁾ In thousands.

Repayment of 6.75% Debentures

On November 30, 2017, Dream Industrial REIT repaid the 6.75% Debentures with an aggregate principal amount of \$19,420,000 at maturity. Following the redemption of the 6.75% Debentures, Industrial Partnership and DIR Industrial Properties Inc. each ceased to be a reporting issuer.

Equity and Debt Offerings

On September 15, 2017, we filed and obtained receipts for a final base shelf prospectus. The final base shelf prospectus was filed with securities regulatory authorities in each of the provinces of Canada. The final base shelf prospectus is valid for a 25-month period, during which time we may offer and issue, from time to time, Units, subscription receipts and debt securities, or any combination thereof, having an aggregate offering price of up to \$1 billion. The specific terms of any offering of securities will be contained in a shelf prospectus supplement filed at the time of an offering.

On November 21, 2017, we completed a public offering of 9,890,000 Units at a price of \$8.75 per Unit for aggregate gross proceeds of \$86,537,500 including 1,290,000 Units issued pursuant to the exercise of the over-allotment option granted to the underwriters of such offering.

On November 21, 2017, we completed a private placement of 2,858,000 Units to Dream Office LP at a price of \$8.75 per Unit for aggregate gross proceeds of \$25,007,500 and a private placement of 115,000

Units to an affiliate of Pauls Corp, LLC, at a price of \$8.75 per Unit for aggregate gross proceeds of \$1,006,250.

The net proceeds of the public offering and the private placements were used to partially fund the acquisition of a portfolio of four industrial properties in the U.S. and to fund the repayment upon maturity of the 6.75% Debentures.

We did not complete any equity or debt offerings in 2015 or in 2016.

Normal Course Issuer Bid

In December 2016, we filed with the TSX a notice of intention to make a normal course issuer bid, which commenced on December 19, 2016 and expired on December 18, 2017 (the “**2017 NCIB**”). Under the 2017 NCIB, we had the ability to purchase for cancellation up to a maximum of 5,803,445 Units (representing 10% of our public float of 58,034,459 Units at the time of entering the bid through the facilities of the TSX). As of December 18, 2017, we had not repurchased any Units under the 2017 NCIB. The 2017 NCIB was not subsequently renewed by the REIT.

Appointment of Chief Executive Officer

On October 19, 2017, we announced the appointment of Brian Pauls as Chief Executive Officer of Dream Industrial REIT effective January 1, 2018.

RECENT DEVELOPMENTS

2018 Acquisitions

On January 16, 2018, we completed the acquisition of a portfolio of four industrial properties, totalling approximately 2.0 million square feet, located in the Southeastern U.S. The acquisition of the first property closed on December 28, 2017 with a purchase price of \$15.6 million (US\$12.4 million), excluding transaction costs. The acquisition of the remaining three properties closed on January 16, 2018 for aggregate proceeds of \$112.6 million (US\$90.7 million), excluding transaction costs.

2018 Financings

On January 12, 2018 and January 17, 2018, we completed the financings of two mortgages secured by portfolios of assets located in Calgary and Halifax. The new mortgages totalled \$95 million at an average rate of 3.65% and each have a term of five years.

Current Discussions Regarding Acquisitions and Dispositions

Consistent with our past practices and in the normal course of business, we are engaged in discussions with respect to possible acquisitions of new properties and dispositions of existing properties in our portfolio. However, there can be no assurance that any of these discussions will result in a definitive agreement and, if they do, what the terms or timing of any acquisition or disposition would be. We expect to continue current discussions and actively pursue other acquisition, investment and disposition opportunities.

DESCRIPTION OF THE BUSINESS

Objectives

We are committed to:

- managing our business to provide growing cash flow and stable and sustainable returns, through adapting our strategy and tactics to changes in the real estate industry and the economy;
- building and maintaining a diversified, growth-oriented portfolio of light industrial properties in major Canadian and United States markets, based on an established platform;

- providing predictable and sustainable cash distributions to unitholders while prudently managing our capital structure over time; and
- maintaining a REIT that satisfies the REIT exception under the SIFT Legislation in order to provide certainty to unitholders with respect to taxation of distributions.

Strategy

Dream Industrial REIT is a growth-oriented owner of income-producing industrial properties located primarily across Canada and the Southeastern U.S., providing stable and predictable distributions to unitholders on a tax-efficient basis. Our strategy is to grow our portfolio by investing in key markets to generate stable cash flows for our unitholders. We will continue to review and modify our strategy to meet the ever changing real estate and economic conditions. Our strategy includes:

Optimizing the performance, value and cash flow of our portfolio

We actively manage our assets to optimize performance, maintain value, retain and attract tenants and to maximize cash flows to our unitholders. Dream Industrial REIT employs experienced staff in all markets where we are active. We strive to ensure that our assets are the most attractive and cost-effective premises for our tenants.

Maintaining and strengthening our conservative financial profile

We operate our business in a disciplined manner with a strong focus on maintaining a conservative financial structure. We actively manage our mortgage maturity profile, maintain a conservative debt ratio and generate cash flows sufficient to fund our distributions.

Growing and diversifying our portfolio to reduce risk

We seek to grow and diversify our portfolio to increase value on a per unit basis, further improve the sustainability of our distributions, strengthen our tenant profile and mitigate risk. We anticipate that growing our portfolio will also reduce our cost of capital, allowing us to both refinance existing mortgages at lower rates and increase our ability to competitively bid on acquisition opportunities. We have experience in each of Canada's key real estate markets, which we believe provides us with the flexibility to pursue acquisitions in whichever Canadian markets offer compelling investment opportunities. Through an affiliate of PAULS Corp and the Trust's asset manager, Dream Asset Management Corporation, the Trust has access to the U.S. market and PAULS Corp's operational platform in the U.S.

Seeking accretive growth opportunities

Dream Industrial REIT seeks to invest in desirable, highly functional properties located in major industrial centres that are well-leased on a long-term basis to quality tenants. When evaluating acquisitions we consider a variety of criteria, including per unit accretion, replacement cost of the asset, its functionality and appeal to future tenants, and how it complements our existing portfolio.

Competitive Conditions

A description of the competitive conditions relevant to our business is set out in our 2017 MD&A under "Risks and Our Strategy to Manage – Competition". The disclosure in that section is incorporated by reference into this AIF.

REAL ESTATE PORTFOLIO

Overview of Our Properties

Dream Industrial REIT owns and manages high-quality light industrial properties located primarily across Canada and the Southeastern U.S.

As at March 27, 2018, our portfolio consists of 218 properties comprising approximately 19.0 million square feet of GLA. Our properties are located in desirable business parks, situated close to highways and generally considered functional and well suited for their respective markets. At December 31, 2017, the occupancy rate across our portfolio was 96.6%.

The table below highlights the geographic diversification of our properties as of December 31, 2017:

	December 31, 2017 ⁽¹⁾			December 31, 2016 ⁽¹⁾		
	Number of properties	Owned GLA (sq. ft.)	% of owned GLA	Number of properties	Owned GLA (sq. ft.)	% of owned GLA
Western Canada	83	5,057,694	30.5	82	4,867,721	30.1
Ontario	57	4,890,969	29.5	58	4,890,969	30.2
Québec	36	3,765,388	22.7	36	3,765,388	23.3
Eastern Canada	37	2,658,039	16.1	37	2,658,039	16.4
United States	21	910,293	5.3	-	-	-
Total	215	17,188,042	100.0	213	16,182,117	100.0

Note:

⁽¹⁾ Excludes property or properties held for sale.

Additional data and information regarding the geographic distribution of our properties are set out on page 6 of our 2017 MD&A, which disclosure is incorporated by reference into this AIF. The 2017 MD&A has been filed under our profile on SEDAR at www.sedar.com.

A comprehensive list of all of our properties as of December 31, 2017 are set out on page 42 of our 2017 MD&A, which disclosure is incorporated by reference into this AIF.

A description of our top ten industrial properties, as at December 31, 2017, which collectively produce approximately 21% of our NOI, is set out below.

445 Couchville Industrial Blvd., (Nissan) Nashville, TN – This 717,160 square foot single-tenant modern distribution centre is situated on 58.6 acres of land, representing a 28% site coverage ratio. Built in 2009, it has a 32 foot clear ceiling height, 93 dock-level doors and 258 parking spaces plus an additional 422 trailer parking spaces. It is 100% leased to Nissan North America Inc. until 2026.

1411, 1421 and 1451 Rue Ampère, Boucherville, Quebec – This 457,875 square foot light manufacturing industrial property is located in the Greater Montreal Area (GMA). The property is situated on 21.6 acres of land and is adjacent to the Trans-Canada Highway. It was completed in 1998 and renovated in 2002 and has a clear ceiling height of 27 feet. The property is 100% leased to Spectra Premium until 2025.

275 Wellington Street East, Aurora, Ontario – This 317,000 square foot light manufacturing industrial property is located in Aurora, a suburb just north of Toronto. The property is situated on 16.3 acres of land and is in close proximity to Highway 404. It was completed in 1986 and has a clear ceiling height of 27 feet with a two-level office space component. The property is 100% leased to TC Transcontinental until 2022.

7140 40th Street SE, Calgary – This 351,306 square foot building was built in 1978, and updated in 2007. This building is located on a 13.8 acre site, and has a clear ceiling height of 30 feet. The property is 100% leased to Gienow Windows & Doors until 2022.

1900 Dickson Street (Molson Distribution Centre), Montreal, Quebec – This 225,000 square foot single storey warehouse and distribution facility is located within 30 minutes of downtown Montreal. The property features easy access to major highways Autoroute Louis-H.-Lafontaine (Hwy 25), Autoroute Jean-Lesage (Hwy 132), Autoroute Métropolitaine (Hwy 40). It was built in 2003, has a clear ceiling height of 26 feet. The property is 100% leased to Molson Breweries until 2022.

310 Henderson Drive, Regina, Saskatchewan – This 373,284 square foot two storey multi-tenant warehouse and distribution property is situated on 24.0 acres of land and was completed in 1976. It has a clear ceiling height of 24 feet and is in close proximity to other assets in the portfolio. The property is 100% leased to tenants including United Agri Products Canada and Supreme Office Products.

6581-6601 Kitimat Road, Mississauga, Ontario – This 318,363 square foot cluster of flex industrial properties is situated on 16.9 acres of land. The property offers easy access to Highways 401 and 403, and is a short drive to Pearson International Airport. The buildings were built in 1986, and have a clear ceiling height of 25 feet. The properties are 100% leased to tenants including Westrock Company of Canada Inc., Lynden Canada Co., Ironhead Rubber Technology, Duroflex Specialty Papers Inc. and IDI Independent Distribution.

202 Brownlow Avenue, Halifax, Nova Scotia – This 213,416 square foot flex industrial property is located within the Burnside Business Park, in close proximity to other assets in our Halifax portfolio. This single storey and multi-storey, multi-tenant property was completed in 1986, and the warehouse component has a clear ceiling height of 18 feet. The property is 87% leased to tenants including Goodlife Fitness, Amity Goodwill Industries, Master Merchant, and Mattress Mart.

628-668 Henderson Drive (Chestermere), Regina, Saskatchewan – This 164,048 square foot single storey, multi-tenant industrial property is situated on 9.1 acres of land and was completed in 1975. It has a clear ceiling height of 19 feet. The property is 96% leased to tenants including Gienow Canada Inc., ERIKS Industrial Services LP, Regina Fasteners & Tools Ltd, and Richelieu Hardware Canada Ltd.

7 Mellor Avenue, Dartmouth, Nova Scotia – This 122,490 square foot two storey multi-tenant flex industrial property is situated on 7.2 acres of land and was completed in 2007. It has a clear ceiling height of 24 feet. The property is in close proximity to other assets in the Halifax portfolio and is 100% leased to tenants including Capital District Health Authority, Atlantic Lottery Corporation and Halifax Regional Police

ASSESSMENTS OF THE PROPERTIES

Environmental Site Assessments

Environmental legislation and policies have become increasingly stringent over the years. Such environmental laws provide a range of potential liabilities, including potentially significant penalties, and potential liability for the costs of removal or remediation of certain hazardous or toxic substances released on, to, in or from our properties or disposed of in any other location. The presence of such substances, if any, may also adversely affect our ability to sell or redevelop such real estate or to borrow using such real estate as collateral, and could potentially also result in civil claims by private plaintiffs.

Phase I environmental site assessments have been completed at each of the Properties by an independent environmental consultant. Going forward, such assessments may be performed in connection with financing activities with respect to the Properties, as may be required under a lease, or to facilitate the purchase of properties not currently in our portfolio. Phase I environmental site assessments are conducted to identify actual and potential site contamination and non-compliance with environmental laws and regulations based on a review of available historical and current records, interviews with available site personnel and a visual inspection of the relevant property. Where substantial potential issues are identified, including non-compliance with material environmental laws or regulation, further assessment is carried out including, where necessary, Phase II environmental site assessments which involve intrusive investigations such as soil and groundwater sampling and analyses.

Phase II environmental site assessments have been conducted on certain of the Properties. The relatively few issues identified through this site assessment process, including the need to remediate or otherwise address contamination at some of the Properties, are carefully managed with the involvement of professional consultants where appropriate.

The Properties, as well as any new acquisitions, are insured under the REIT's blanket environmental insurance policy. This coverage provides protection from new and unknown environmental conditions.

We believe that the current estimated cost of remediation or capital expenditures with respect to actual, or potential environmental conditions would not have a material adverse effect on our results of operations, business, prospects and financial condition.

We have policies and procedures in place to review and monitor environmental matters relating to our properties, and the Governance, Compensation and Environmental Committee of our Board has oversight over these matters. Our operating policies require us to conduct a Phase I Environmental Site Assessment of real properties proposed to be acquired by us, subject to certain limited exceptions. We will continue to make appropriate capital and operating expenditures to ensure compliance with environmental laws and regulations.

Building Condition Assessments

Each of the Properties have been the subject of certain building condition assessment reports prepared by an independent engineering firm, and upon which the REIT has obtained a letter stating that we may rely upon the reports.

Building condition assessment reports were prepared for each of the Properties based on a visual walk-through for the purpose of assessing and documenting the existing condition of each of the Properties, with specific attention to the exterior building envelope, but also including structural, mechanical, electrical, roofing and site elements. The reports catalogue repair work, deferred maintenance and capital maintenance that were observed during on-site reviews of the Properties and provide an opinion of probable costs that could be anticipated for capital requirements relating to deferred maintenance and capital replacement which may be expected during the next ten years. Based on the building condition assessment reports, management believes that the Properties are primarily well-maintained, in accordance with their use.

As part of our annual asset review program, we monitor the appropriate level of repairs and maintenance and capital expenditures to ensure that the Properties remain competitive. We intend to manage capital expenditures prudently and maintain the physical improvements of the Properties in good condition. We will also expend capital on upgrades where appropriate, especially if we believe that such spending will accelerate lease-up of vacant space and assist in the retention of expiring tenancies.

INDEBTEDNESS

For the year ended December 31, 2017, our interest coverage ratio was 3.3 times. This ratio is calculated as net rental income plus interest and fee income, less general and administrative expenses, plus deferred unit compensation expense, all divided by interest expense on total debt excluding amortization of financing costs and fair value adjustments. For more information, see page 33 of our 2017 MD&A. There was no variable rate indebtedness as at December 31, 2017 and the weighted average term to maturity of our debt was 3.8 years. For more information on our indebtedness, see page 14 of our 2017 MD&A.

The following table summarizes the total debt, including existing mortgages and credit facilities in place on the properties in our portfolio and convertible debentures, as at December 31, 2017. All dollar amounts are expressed in thousands of dollars.

	December 31, 2017			December 31, 2016		
	Fixed	Variable	Total	Fixed	Variable	Total
Mortgages	\$ 782,254	\$ —	\$ 782,254	\$ 741,890	\$ —	\$ 741,890
Revolving credit facility	(1,025)	—	(1,025)	(625)	—	(625)
Convertible debentures	108,567	—	108,567	127,082	—	127,082
Total	\$ 889,796	\$ —	\$ 889,796	\$ 868,347	\$ —	\$ 868,347
Percentage	100.0%	—	100.0%	100.0%	—	100.0%
Weighted average face rate						
(period-end)	3.75%	—	3.75%	3.81%	—	3.81%
Average term to maturity (years)	3.8	—	3.8	4.2	—	4.2

Mortgage Financing

Certain of our properties currently serve as security for mortgage loan facilities from a number of lenders. In some cases, a group of properties may serve as security for mortgage loans from a single lender. In some cases, there is recourse to the assets of Industrial Partnership. However, none of the lenders with respect to any of our facilities have recourse to the direct assets of Dream Industrial REIT.

During 2017, we completed \$111.9 million in new mortgages at an average face interest rate of 3.72%, and in addition to scheduled principal repayments of \$24.0 million, we repaid \$46.2 million in mortgages at an average face interest rate of 4.59%.

Credit Facilities

Revolving credit facility

On December 15, 2017, the Trust amended its revolving credit facility agreement and increased the amount available from \$100 million to \$125 million, with amounts to be drawn in Canadian and/or United States dollars.

The following table summarizes certain details of the Trust's revolving credit facility as at December 31, 2017:

	Borrowing Capacity ⁽⁴⁾	Letter of credit and forward Agreement ⁽⁴⁾	Principal amount outstanding	Available to be drawn ⁽¹⁾⁽⁴⁾	Interest rate ⁽²⁾	Maturity date
Revolving credit facility ⁽³⁾	\$ 125,000	\$ 2,000	\$ —	\$ 123,000	—	June 30, 2020

Notes:

- (1) Formula-based amount available to be drawn as at December 31, 2017.
- (2) Bankers' acceptance rate plus 1.70% or Canadian prime plus 0.70% or U.S. LIBOR plus 1.70% or U.S. base rate plus 0.70%.
- (3) Thirty properties are secured as first-ranking mortgages on the facility.
- (4) In thousands.

Debentures

As at December 31, 2017, we had one series of convertible debentures outstanding. See "Description of Debentures".

On November 30, 2017, the Trust repaid its 6.75% Debentures with an aggregate principal amount of \$19,420,000 at maturity.

The total principal amounts outstanding for the convertible debentures as at December 31, 2017 are as follows:

	Date issued	Maturity date	Conversion price	Outstanding principal December 31, 2017 ⁽¹⁾	Outstanding principal February 20, 2018 ⁽²⁾	REIT Units if converted February 20, 2018 ⁽²⁾
5.25% Debentures	December 13, 2012	December 31, 2019	\$ 13.80	\$ 86,250	\$ 86,250	6,250,000
5.25% Debentures	December 19, 2012	December 31, 2019	13.80	25,000	25,000	1,811,594
Total				\$ 111,250	\$ 111,250	8,061,594

Notes:

⁽¹⁾ In thousands.

⁽²⁾ In thousands and as at the date of our 2017 MD&A.

Additional Financing

We may seek additional financing with one or more financial institutions from time to time. Such financing will be used for general trust purposes, which may include the funding of our operations or future property acquisitions.

TRUSTEES AND OFFICERS

Pursuant to the Declaration of Trust, Dream Industrial REIT may have between five and 12 trustees at any given time and a majority of our trustees must be resident Canadians. Dream Industrial REIT currently has seven trustees.

Each of our trustees is required to exercise the powers and discharge the duties of his or her office honestly and in good faith with a view to the best interests of Dream Industrial REIT and its unitholders and, in connection with doing so, exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The following table sets forth, as at March 27, 2018, the name, province or state and country of residence, position with Dream Industrial REIT and principal occupation for each of our trustees and executive officers.

Name and Municipality of Residence	Positions Held	Independent	Principal Occupation
Michael J. Cooper ⁽¹⁾ Ontario, Canada	Trustee since October 4, 2012	No	President and Chief Responsible Officer of Dream and founder of DAM, a real estate company and Chair and Chief Executive Officer of Dream Office REIT
J. Michael Knowlton ⁽²⁾⁽³⁾ British Columbia, Canada	Trustee since June 20, 2016	Yes	Corporate Director
Ben Mulroney ⁽³⁾ Ontario, Canada	Trustee since May 7, 2013	Yes	Television Anchor and Producer
Brian Pauls ⁽¹⁾ Colorado, United States	Chief Executive Officer of the REIT	-	Chief Executive Officer of the REIT
Lenis Quan ⁽¹⁾ Ontario, Canada	Chief Financial Officer of the REIT	-	Chief Financial Officer of the REIT
Vicky Schiff ⁽²⁾ California, United States	Trustee since May 2, 2017	Yes	Co-founder and Managing Partner, Mosaic Real Estate Investors

Name and Municipality of Residence	Positions Held	Independent	Principal Occupation
Leerom Segal ⁽³⁾ Ontario, Canada	Trustee since October 4, 2012	Yes	President and Chief Executive Officer, Klick Health
Vincenza Sera ⁽¹⁾⁽⁴⁾ Ontario, Canada	Trustee since October 4, 2012	Yes	Corporate Director
Sheldon Wiseman ⁽²⁾ Ontario, Canada	Trustee since May 5, 2014	Yes	President and Chief Executive Officer, Gistex Inc.

Notes:

- (1) Member of the Executive Committee.
(2) Member of the Audit Committee.
(3) Member of the Governance, Compensation and Environmental Committee.
(4) Chair of the Board.

Each of the foregoing has held his or her present principal occupation for the past five years except for:

- Brian Pauls, who, prior to January 1, 2018 was and is the President of PAULS Corp, LLC, a capital management and real estate development firm.
- Lenis Quan, who, from January 2013 to December 2014 was Principal with Kalelou Corp. and from July 2010 to August 2012 was Chief Financial Officer of Gazit America.
- Michael J. Cooper, who was appointed Chief Executive Officer of Dream Office REIT with an effective date of January 1, 2018.

As at December 31, 2017, our Trustees and executive officers beneficially owned, directly or indirectly, as a group, 888,367 Units, which represent approximately 1.2% of the outstanding Units and which may not include Units issued pursuant to our DRIP.

Committees

The Board has three committees: the Audit Committee, the Governance, Compensation and Environmental Committee and the Executive Committee. At March 27, 2018, the Audit Committee was comprised of the following three Trustees: J. Michael Knowlton, Vicky Schiff and Sheldon Wiseman (Chair), each of whom is an Independent Trustee. At March 27, 2018, the Governance, Compensation and Environmental Committee was comprised of the following three Trustees: J. Michael Knowlton, Ben Mulroney (Chair) and Leerom Segal, each of whom is an Independent Trustee. At March 27, 2018, the Executive Committee was comprised of the following two officers of Dream Industrial REIT: Brian Pauls and Lenis Quan, and the following two Trustees: Michael Cooper (Chair) and Vincenza Sera.

The corporate governance guidelines in National Policy 58-201 – *Corporate Governance Guidelines* recommend that an issuer’s nominating committee and compensation committee be composed entirely of “independent” directors, within the meaning of NI 58-101. Our Declaration of Trust also requires that committees of the trustees be composed of a majority of “Independent Trustees”. Our Declaration of Trust requires that a majority of the trustees on each of these committees be resident Canadians. Each member of a committee shall serve on such committee until such member resigns from such committee or otherwise ceases to be a trustee. Please see our most recent management information circular for a description of the committees of the Board.

Audit Committee

NI 52-110 and the Declaration of Trust require the Board of Trustees to have an Audit Committee consisting of at least three trustees. NI 52-110 requires that, subject to limited exceptions, every member

of the Audit Committee be “independent” for purposes of NI 52-110 and the Declaration of Trust requires that the Chair of the Audit Committee be selected from the group of Independent Trustees who are resident Canadians appointed to serve on the Audit Committee. The Board of Trustees has adopted a charter for the Audit Committee, a copy of which is attached as Schedule A to this AIF.

The Audit Committee is responsible for monitoring Dream Industrial REIT’s systems and procedures for financial reporting and internal controls and the performance of Dream Industrial REIT’s external auditor. It is responsible for reviewing certain public disclosure documents prior to their approval by the full Board and release to the public including, among others, Dream Industrial REIT’s quarterly and annual financial statements and management’s discussion and analysis. The Audit Committee is also responsible for recommending to the Board the firm of chartered professional accountants to be nominated for appointment as the external auditor, and for approving the assignment of any non-audit work to be performed by the external auditor. The Audit Committee meets regularly in private session with Dream Industrial REIT’s external auditor and internal audit function, without management present, to discuss and review specific issues as appropriate. The Audit Committee met four times in 2017.

Applicable law and the Declaration of Trust require the Board to have an Audit Committee consisting of at least three Trustees, each of whom must be independent and “financially literate”. At March 27, 2018, the Audit Committee was comprised of the following three Trustees: J. Michael Knowlton, Vicky Schiff and Sheldon Wiseman (Chair), each of whom is an Independent Trustee. The Board has determined that each of the members of the Audit Committee is “financially literate” within the meaning of NI 52-110.

Relevant Education and Experience

Each member of the Audit Committee possesses considerable education and experience relevant to the performance of his or her responsibilities as an Audit Committee member.

Mr. J. Michael Knowlton is a corporate director and has over 25 years of experience in real estate. He retired from DAM, Dream Industrial REIT’s asset manager, in 2011 where he held the position of President and Chief Operating Officer of Dundee REIT (now Dream Office REIT). He joined DAM in 1998, holding various positions with DAM and Dundee REIT, before becoming President of Dundee REIT in 2006. Prior to that, he worked at OMERS Realty Corp. from 1990 until 1998 as Senior Vice President and Chief Financial Officer. Mr. Knowlton also serves on the board of Crombie REIT, Tricon Capital Corp. and Dream Global REIT and is a former trustee of True North Apartment REIT and Northwest Healthcare Properties REIT. Mr. Knowlton holds a Bachelor of Science degree in Engineering and a Master of Business Administration from Queen’s University. Mr. Knowlton is qualified as a Chartered Professional Accountant and holds an ICD.D designation from the Institute of Corporate Directors.

Ms. Vicky Schiff is the Co-Founder of MREC Management, LLC and its affiliate co-mingled open-ended fund Mosaic Real Estate Credit which is focused on origination and managing debt investments in the construction and redevelopment area. Ms. Schiff is a highly experienced and respected real estate executive whose investment career began in the early 1990s as an acquisitions and diligence executive for Summit Commercial/Highridge Partners in Los Angeles, where she worked on approximately \$1 billion in real estate transactions. Ms. Schiff is a career entrepreneur, co-founding 5 firms over the past 22 years; including a self-storage company with over 100 employees, a \$400+ million institutional real estate fund of funds, a boutique investment banking firm which raised over \$6 billion for top-tier real estate and private equity firms; and an investment platform that invested in post-crisis distressed debt and assets in target markets across the United States. Ms. Schiff has been a frequent industry panelist and has spoken at institutional real estate, emerging manager and trustee fiduciary executive conferences. She has written for various publications and has appeared on Bloomberg TV. She has been named as one of the Most Powerful Women in Real Estate and one of Commercial Property News’ Rising Stars. She served a three-year term as a Commissioner for the Los Angeles City Employees’ Retirement System and served on its Investment Committee; served on the Board of Advisors of Vanir Construction Management; and served

on the Board of Directors and Audit Committee of Dream from 2014-2017. In addition, she currently serves on the Board of Advisors of privately held Morgan Properties, a multi-family property owner/operator with over 45,000 units in the U.S. Ms. Schiff has been committed to service through various organizations; as a board member of Young Presidents Organization (YPO), YPO's International Real Estate Network, YPO's Women's International Network, The Robert Toigo Foundation, The Lusk Center for Real Estate at USC and was the Founder of PoWRE, an organization of elite C-Suite women real estate investors in the U.S. and Europe. She earned a Bachelor of Science degree from the University of Southern California in 1988 and an MBA from The Anderson School of Management at UCLA in 1996.

Mr. Sheldon Wiseman is the President and Chief Executive Officer of Gistex Inc., a diversified, medium-sized real estate private equity company. He has held this position since 1996. From 2013 to 2014, Mr. Wiseman served as a director of Dream. From 2006 to 2009, Mr. Wiseman served as a trustee of InterRent Real Estate Investment Trust, a publicly traded real estate investment trust owning and managing rental apartments in Ontario. From 1996 to 1997, Mr. Wiseman was President of Dundee Realty and was involved in its start-up and establishment as a public company. From 1985 to 1996, he was the Vice President of Gistex Inc. From 1983 to 1985, he was a member of an audit team at the predecessor of PricewaterhouseCoopers, auditing real estate, manufacturing, finance and non-profit companies. He received his B.Comm from the University of Toronto in 1983 and his Chartered Accountant designation in 1985.

Pre-Approval Policies and Procedures

The Audit Committee charter requires that all non-audit services to be provided to Dream Industrial REIT or any of its Subsidiaries by the external auditor or any of its affiliates are subject to pre-approval by the Audit Committee; however, the Audit Committee may delegate such responsibility to one or more of its members.

Auditor's Fees

The aggregate fees billed by PricewaterhouseCoopers LLP, Dream Industrial REIT's external auditor, or fees accrued by Dream Industrial REIT in 2017 and 2016 for professional services, are presented below:

	Year ended December 31, 2017	Year ended December 31, 2016
Audit fees⁽¹⁾		
Audit fees	\$204,000	\$204,810
Review of interim financial statements	82,700	83,401
Audit of acquisitions and dispositions	9,000	10,500
Audit-related fees⁽²⁾		
Audit of Dream Industrial REIT's subsidiaries and operating cost statements	55,205	55,137
Prospectus related fees (including French translation and other fees)	330,292	80,500
Tax fees⁽³⁾		
Tax fees (advisory and compliance)	31,150	31,728
All other fees⁽⁴⁾	-	-
Total	\$712,347	\$466,076

Notes:

(1) "Audit fees" are aggregate fees related to the audit of Dream Industrial REIT's financial statements.

- (2) "Audit-related fees" are aggregate fees for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements, management's discussion and analysis, annual information form and management information circular and prospectus related fees and which are not reported under "Audit fees" in the table above.
- (3) "Tax fees" include the aggregate fees related to tax compliance.
- (4) "All other fees" are aggregate fees billed in 2017 and 2016 for products and services provided by Dream Industrial REIT's external auditor, other than the services reported under "Audit fees", "Audit-related fees" and "Tax fees" in the table above.

Term of Office

Our trustees will be elected at each annual meeting of our unitholders for a term expiring at the conclusion of the next annual meeting or until their successors are elected or appointed and will be eligible for re-election. A trustee appointed by the trustees between meetings of unitholders or to fill a vacancy will be appointed for a term expiring at the conclusion of the next annual meeting of our unitholders or until his or her successor is elected or appointed and will be eligible for election or re-election.

Our Declaration of Trust provides that a trustee may resign upon written notice to us and may be removed with or without cause by a majority of the votes cast at a meeting of unitholders called for that purpose or with cause by two-thirds of the remaining trustees.

A vacancy occurring among our trustees may be filled by resolution of the remaining trustees, so long as they constitute a quorum, or by the unitholders at a meeting of the unitholders.

Independent Trustee Matters

In addition to requiring the approval of a majority of our trustees, the following matters require the approval of at least a majority of our Independent Trustees who have no interest in the matter to become effective:

- making any material change to the Asset Management Agreement, the Services Agreement or the Opportunities Agreement (including any termination thereof) or any increase in the fees payable thereunder (or any change thereto which has the effect of increasing the fees payable thereunder);
- entering into any agreement or transaction in which any Related Party has a material interest or making a material change to any such agreement or transaction;
- approving or enforcing any agreement entered into by us with a Related Party;
- permitting any of our Subsidiaries to acquire any real or other property in which a Related Party has an interest or to sell any interest in any real or other property to a Related Party; and
- making or prosecuting any claim by or against any Related Party.

Management of Dream Industrial REIT

The following table sets forth the name, province or state and country of residence, position with Dream Industrial REIT and principal occupation of each executive officer of Dream Industrial REIT as of March 27, 2018:

<u>Name, Province or State and Country of Residence</u>	<u>Title</u>
Brian Pauls..... Colorado, United States	Chief Executive Officer
Lenis Quan..... Ontario, Canada	Chief Financial Officer

Further to his appointment as Chief Executive Officer of Dream Industrial REIT on January 1, 2018, Brian Pauls also serves as President of PAULS Corp, LLC. Prior to his appointment as Chief Executive Officer of Dream Industrial REIT, Mr. Pauls' principal occupation was and is President of PAULS Corp, LLC.

Prior to her appointment as Chief Financial Officer of Dream Industrial REIT on January 5, 2015, Lenis Quan was the Chief Financial Officer of Gazit America. Prior to being with Gazit America, Lenis worked at Brookfield Asset Management where she served in a number of progressive executive finance positions.

Effective March 1, 2015, all portfolio management and property operations, including property management and property accounting, but excluding property management and leasing for our U.S. portfolio, are provided by Dream Industrial Management LP, with the assistance of its wholly-owned Subsidiary, Dream Industrial Management Corp. Property management and leasing services for our U.S. portfolio are provided by PRPM. Certain administrative and support functions continue to be provided by Dream Office Management LP, with the assistance of its wholly-owned Subsidiary, Dream Office Management Corp., to support the executive officers of Dream Industrial REIT in fulfilling their duties. See "Real Estate Management and Advisory Services –Property Management". In addition, the Asset Manager provides advisory, asset management, and administrative services to Dream Industrial REIT pursuant to the Asset Management Agreement. See "Real Estate Management and Advisory Services – Asset Management Agreement" below.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

Corporate Cease Trade Orders and Bankruptcies

Other than as described below, none of the trustees or executive officers of Dream Industrial REIT are, as at the date of this AIF, or have been within the 10 years before the date of this AIF, (a) a director, chief executive officer or chief financial officer of any company that was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. None of the trustees or executive officers of Dream Industrial REIT are, and to the best of Dream Industrial REIT's knowledge, no unitholder holding a sufficient number of the REIT's securities to affect materially the control of Dream Industrial REIT is, or have been within the 10 years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. For the purposes of this paragraph, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Ms. Schiff was a managing director of Wetherly Capital Group, LLC ("**Wetherly**") from 2000 until 2010. In 2010, Wetherly entered into an agreement with the Attorney General of New York to cease acting as a placement agent in connection with public pension fund investments in the United States and to wind down its operations. In connection therewith, Wetherly paid approximately U.S. \$730,000 for the benefit of the New York State Common Retirement Fund and approximately \$70,000 in reimbursement of the Attorney General's costs. Ms. Schiff was not a personal signatory to the agreement with the Attorney General of New York. In 2013, Ms. Schiff entered into a settlement agreement with the New Mexico State Investment Counsel and paid \$40,000 in connection with the settlement of the civil lawsuit related to Wetherly acting as a placement agent in connection with public pension fund investments in New Mexico.

Individual Bankruptcies

None of the trustees or executive officers of Dream Industrial REIT, and to the best of Dream Industrial REIT's knowledge, no unitholder holding a sufficient number of the REIT's securities to affect materially the control of Dream Industrial REIT, have, within the 10 years prior to the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold the assets of that individual.

Penalties or Sanctions

None of the trustees or executive officers of Dream Industrial REIT, and to the best of Dream Industrial REIT's knowledge, no unitholder holding a sufficient number of the REIT's securities to affect materially the control of Dream Industrial REIT, have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or have entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflict of Interest Restrictions and Provisions

The Declaration of Trust contains "conflict of interest" provisions similar to those applicable to corporations under section 132 of the OBCA which serve to protect unitholders without creating undue limitations on us. Given that our Trustees and officers are engaged in a wide range of real estate and other business activities, our Declaration of Trust requires each of our Trustees or officers to disclose to us if he or she is a party to a material contract or transaction or proposed material contract or transaction with us or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with us. Such disclosure is required to be made by a Trustee (i) at the first meeting of the Board of Trustees or the applicable committee, as the case may be, at which a proposed contract or transaction is considered, (ii) if the Trustee was not then interested in a proposed contract or transaction, at the first such meeting after a Trustee becomes so interested, (iii) if the Trustee becomes interested after a contract is made or a transaction is entered into, at the first such meeting after the Trustee becomes so interested, or (iv) at the first meeting after an interested party becomes a Trustee. Disclosure is required to be made by each of our officers as soon as the officer becomes aware that a contract or transaction or proposed contract or transaction is to be, or has been, considered by the Board of Trustees or applicable committee thereof, as soon as the officer becomes aware of his or her interest in a contract or transaction or, if not currently one of our officers, as soon as such person becomes one of our officers. In the event that a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the Board of Trustees or unitholders, that Trustee or officer is required to disclose in writing to the Board of Trustees or applicable committee thereof or request to have entered into the minutes of the meeting of the Board of Trustees or applicable committee thereof the nature and extent of his or her interest forthwith after the Trustee or officer becomes aware of the contract or transaction or proposed contract or transaction. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to his or her remuneration for serving as our Trustee, officer, employee or agent of the REIT or an Affiliate of the REIT or one for indemnity under the indemnity provisions of our Declaration of Trust or the purchase of liability insurance. Certain of our Trustees may have conflicts of interest as a result of their current full-time positions and these conflicts will be expressly acknowledged. See "Risk Factors".

Executive Officers

The responsibilities of our senior management include: (a) leading our management and implementing the resolutions and policies of the Board of Trustees; (b) providing the Board of Trustees with information

and advice relating to the operation of our properties, acquisitions and financings; (c) establishing, at least on an annual basis, investment and operating plans for the ensuing period; (d) conducting and supervising the due diligence required in connection with proposed acquisitions and completing any acquisitions or dispositions; (e) maintaining our books and financial records; (f) determining and preparing designations, elections and determinations to be made in connection with income and capital gains for tax and accounting purposes; (g) preparing reports and other information required to be sent to unitholders and other disclosure documents; (h) calculating all distributions; (i) communicating with unitholders and other persons, including investment dealers, lenders and professionals; and (j) administering or supervising the administration, on behalf of the Board of Trustees, of the payment of cash distributions and other distributions.

Trustees' and Officers' Liability Insurance

We carry trustees' and officers' liability insurance. Under this insurance coverage, we will be reimbursed for insured claims where payments have been made under indemnity provisions on behalf of our Trustees and officers contained in the Declaration of Trust, subject to a deductible for each loss, which will be paid by us. Individual Trustees and officers will also be reimbursed for insured claims arising during the performance of their duties for which they are not indemnified by us. Excluded from insurance coverage are illegal acts, acts which result in personal profit and certain other acts. In addition, we enter into indemnity agreements with each of our Trustees and officers.

REAL ESTATE MANAGEMENT AND ADVISORY SERVICES

Asset Management Agreement

The Asset Manager of Dream Industrial REIT is DAM. Pursuant to the Asset Management Agreement, the Asset Manager has agreed to provide the following asset management services to Dream Industrial REIT:

- (a) senior management team and related services, including advisory, consultation and investment management services and monitor our financial performance;
- (b) advise the Board of Trustees on strategic matters, including potential acquisitions, dispositions, financings and development;
- (c) provide guidance to the property managers on operating and capital expenditures;
- (d) identify, evaluate, recommend and assist in the structuring of acquisition, disposition and other transactions;
- (e) advise and assist with borrowings, issuances of securities and other capital requirements, including assistance in dealings with banks and other lenders, investment dealers, institutions and investors;
- (f) make recommendations with respect to the payment of distributions;
- (g) provide advice in connection with the preparation of business plans and annual budgets, implement such plans and budgets and monitor our financial performance;
- (h) advise us with respect to investor relations strategies and activities;
- (i) advise with respect to regulatory compliance requirements, risk management policies and certain litigation matters; and

- (j) any additional services as may from time to time be agreed to in writing by DAM and us for which DAM will be compensated on terms to be agreed upon between DAM and us prior to the provision of such services.

The Asset Manager is entitled to the following fees for its asset management services:

- Base annual management fee calculated and payable in cash on a monthly basis and in arrears on the first day of each month, equal to 0.25% of the purchase price paid by Dream Industrial REIT for the properties.
- Incentive fee equal to 15% of our AFFO Per Unit (as defined in the Asset Management Agreement, which includes the gain or loss on the sale of any properties during the year), in excess of \$0.80 per Unit, increasing annually by 50% of the increase in the consumer price index.
- Capital expenditures fee equal to 5% of all hard construction costs incurred on each capital project with costs in excess of \$1.0 million, excluding work done on behalf of tenants or any maintenance capital expenditures. No capital expenditures fees have been charged to date in respect of any of our capital projects.
- Acquisition fee equal to (i) 1.0% of the purchase price of a property, on the first \$100 million of properties in each fiscal year; (ii) 0.75% of the purchase price of a property on the next \$100 million of properties acquired in each fiscal year; and (iii) 0.50% of the purchase price on properties in excess of \$200 million in each fiscal year.
- Financing fee covering actual expenses of supplying services to us relating to financing transactions. Such services are provided on a cost-reimbursement basis, and this fee is not intended to have a profit component for the Asset Manager. The financing fee is charged at 0.25% of the debt and equity of all financing transactions completed for us, but an adjustment is made at the end of each fiscal year to reflect the actual amount of expense of supplying services to us. If financing fees paid by us exceed the actual amount of this expense, the Asset Manager reimburses us for the difference. Likewise, if financing fees paid by us are less than the actual amount of this expense, we pay the Asset Manager for the difference.

In addition, we will reimburse the Asset Manager for all reasonable and necessary actual out-of-pocket costs and expenses paid by the Asset Manager in connection with the performance of the services described in the Asset Management Agreement or such other services which we and the Asset Manager agree in writing are to be provided from time to time by the Asset Manager.

The Asset Management Agreement is for a term of ten years (the “**Initial Term**”) commencing October 4, 2012 and is renewable for further five year terms (together with the Initial Term, the “**Term**”), unless and until the Asset Management Agreement terminates in accordance with the provisions thereof. Subject only to the termination provisions in the Asset Management Agreement, the Asset Manager will automatically be rehired at the expiration of each Term. The Asset Manager has the right, at any time, but upon 180 days’ notice, to terminate our Asset Management Agreement for any reason. Our Asset Management Agreement may also be terminated in other circumstances, such as in the event of default or insolvency of the Asset Manager within the meaning of the Asset Management Agreement.

DAM provides services, such as administrative, legal and regulatory, tax advisory, internal audit and control, communications, risk management, process improvements and branding, to us as agreed from time to time. DAM and we have also agreed to share the cost of business transformation projects, as agreed from time to time. See “— Other Services” below.

Property Management

Dream Industrial Management LP is responsible for providing property and facility management services in respect of our properties pursuant to the Master Property Management Agreement, and receives customary fees for such services. Dream Industrial Management LP, with the prior approval of Industrial Partnership, may delegate some or all of its obligations under the Master Property Management Agreement, provided that such delegation will not relieve Dream Industrial Management LP of its obligations under the Master Property Management Agreement.

Dream Industrial Management LP has a dedicated team of employees, who bring experience and continuity in managing the industrial portfolio. Where scale does not make it efficient to employ certain positions or perform certain functions within Dream Industrial Management LP, Dream Industrial Management LP may engage DOMC to provide such personnel and services pursuant to the Services Agreement. DOMC is a Subsidiary of Dream Office REIT and provides property management services to Dream Office REIT. DOMC has agreed to provide these services to Dream Industrial Management LP on a cost recovery basis. See “— Other Services”.

Services provided under the Master Property Management Agreement include the following: supervising and directing the making of renovations, repairs and maintenance; supervising technical services; preparing and maintaining accounting books, records and financial reports; maintaining heating, ventilation and air conditioning equipment and ensuring proper climate control; maintaining interior and exterior common areas of our properties; arranging and supervising security with respect to our properties; paying charges and expenses relating to the operation of our properties; supervising all construction and technical services; obtaining and maintaining necessary permits; monitoring the payment of taxes; and other general services necessary for the management, operation and maintenance of our properties. The term of the Master Property Management Agreement commenced on October 4, 2012 for ten years and will be automatically renewed for further five year terms. Notwithstanding the foregoing, on or after the expiry of the initial ten year term, the Master Property Management Agreement may be terminated by either Industrial Partnership or Dream Industrial Management LP at the end of a calendar year upon one year’s written notice.

Property management and leasing services in respect of our U.S. portfolio is provided by Pauls Real Property Management, LLC (“**PRPM**”), a subsidiary of PAULS Corp pursuant to a property management agreement (the “**Pauls PMA**”) entered into by a subsidiary of Dream Industrial REIT and PRPM on December 28, 2017. Under the Pauls PMA, PRPM is entitled to receive a management fee of 1.5% of gross revenue of the managed assets and is entitled to leasing fees at market rates. The Pauls PMA may be terminated on 180 days’ notice by either party. Brian Pauls, our Chief Executive Officer, is the President of PAULS Corp.

Other Services

Services Agreement

Pursuant to the Services Agreement, DOMC may provide us with both property and facility management services as well as certain administrative and support services on a cost recovery basis. The property and facility management services in the Services Agreement are the property and facility management services set out in the Master Property Management Agreement which is summarized above. DOMC has the authority to act on behalf of Dream Industrial Management LP for these purposes.

The administrative and support services to be provided by DOMC to us under the Services Agreement include: keeping and maintaining books and records; preparing returns, filings and documents; and making determinations necessary for the discharge of our obligations and those of the Board of Trustees. Under the Services Agreement, DOMC also provides us with certain administrative and support services, including: providing office space, office equipment and communications services and computer systems; providing secretarial support personnel and reception and telephone answering services; installing and maintaining signage and promotional materials; providing banking and treasury services, including

account management and transfer of funds; and providing such other administrative services as may be reasonably required from time to time.

The term of the Services Agreement commenced on October 4, 2012 for one year and will automatically renew for further one year terms thereafter. Notwithstanding the foregoing, the Services Agreement or any of the services thereunder may be terminated by us at any time during the term upon 30 days' prior notice without payment of any termination fees to DOMC. DOMC has the right to terminate the Services Agreement with respect to property management services within 12 months' notice after the expiration of the initial one year term.

The Services Agreement contains an acknowledgement that DOMC and its Affiliates and associates may engage in other businesses that may be similar to or in competition with our affairs. In the event of a conflict, DOMC will provide us with notice of the conflict and we will be entitled to retain one or more third parties to perform the administrative services to which the conflict relates and to deduct from the fees otherwise payable to DOMC under the Services Agreement the fees payable to such third parties.

Administrative Services under the Asset Management Agreement

The Asset Management Agreement provides that DAM will provide certain administrative services to us, including: (a) the preparation of budgets, financial forecasts, valuations and leasing analysis and amounts outstanding with respect to all receipts, disbursements and investments; (b) the keeping and maintaining of all books and records; (c) the preparation of regulatory filings, including our annual information forms, management information circulars, insider trading reports, financial statements, management's discussion and analysis, business acquisition reports and press releases; (d) the preparation of financing documents, such as prospectuses; (e) investor relations services, including the preparation of annual and quarterly reports, investor presentations and marketing materials, as well as holding quarterly conference calls with analysts and investors; (f) the holding of annual and/or special meetings and the preparation of and arrangement for the distribution of all materials (including notices of meetings and information circulars); (g) the preparation of reports and other disclosure documents for the Board of Trustees and unitholders; (h) ensuring compliance by us with all applicable laws and stock exchange rules, including continuous disclosure obligations; (i) the preparation of returns, designations, allocations, elections and determinations to be made in connection with our income and capital gains for tax and accounting purposes; (j) monitoring our income and investments to ensure that Dream Industrial REIT does not become liable to pay a tax; (k) the preparation of operational reporting, such as cash flow by property and by asset types; and (l) the preparation of executive summaries by asset type outlining asset issues along with various other matters and development reporting costs.

We pay DAM a service fee sufficient to reimburse it for the expenses reasonably incurred by it in providing administrative services under the Asset Management Agreement.

Shared Services and Cost Sharing Agreement

DAM provides services, such as administrative, legal and regulatory, tax advisory, internal audit and control, communications, risk management, process improvements and branding, to us as agreed from time to time. DAM is reimbursed for its expenses in providing any agreed services. DAM and we have also agreed to share the cost of business transformation projects as agreed from time to time.

License Agreement with Dream Technology Ventures LP

Prior to January 1, 2016, we were party to a non-exclusive, non-transferable, royalty-free license agreement with DAM relating to certain information technology owned by DAM and used by us in connection with the operation of our business (the "**Licensed Technology**"). On January 1, 2016, DAM transferred the Licensed Technology and its interest in its license agreement with us, to DTV LP and we contributed our interest in our license agreement with DAM to DTV LP in exchange for a limited partnership interest in DTV LP. Effective on the same date, we entered into a new non-exclusive, non-transferable license agreement (the "**New Licence Agreement**") relating to the Licensed Technology with

DTV LP, on similar terms as the previous license agreement with DAM. Under the New Licence Agreement, we pay an annual licencing fee based on our usage of the Licensed Technology. The limited partnership agreement of DTV LP provides for, among other things, the funding of costs relating to the Licensed Technology.

Non-Competition Agreement

The Non-Competition Agreement prohibits DAM and its Affiliates (excluding affiliates which are public companies as described below) from directly or indirectly acquiring an ownership interest, on its own behalf, in any industrial revenue producing real property which meets the investment criteria of Dream Industrial REIT, unless such investment opportunity has first been offered to us in accordance with the terms of the Non-Competition Agreement. See “Investment Guidelines and Operating Policies”.

The above investment restriction will not apply to investments in vacant land, residential housing, multi-residential housing units, hotels, resorts, residential condominium units, nursing homes or retirement homes. This investment restriction will not apply to: (a) passive real estate investments made by DAM or any of its Affiliates which are each less than \$25 million and represent less than a 25% interest in the real property; (b) investments in properties that do not meet the investment criteria of Dream Industrial REIT; (c) investments in any property that will be used as office or industrial space by DAM or any Affiliates; (d) investments made on behalf of fiduciary, managed or client accounts; (e) investments that result from the realization of a loan secured by the property; and (f) investments made by any Affiliate or DAM that is a public company or any Subsidiaries or Affiliates of such public companies (other than DAM and its direct Subsidiaries).

With respect to industrial revenue producing properties owned, rezoned or developed by DAM, DAM will provide us with a first opportunity to acquire such properties, but DAM will be free to offer such properties to other parties in the event that we and DAM are not able to agree on price or other terms for the acquisition.

The Non-Competition Agreement provides that DAM and its Affiliates will no longer be bound by the terms of the Non-Competition Agreement when DAM is no longer our asset manager or, in the case of any Affiliate, when such entity has ceased to be an Affiliate of DAM.

Opportunities Agreement

The Opportunities Agreement provides that if DAM, as our asset manager and as the asset manager for Dream Global REIT, identifies an investment opportunity (each, an “**Offered Investment**”) to acquire, directly or indirectly, an ownership interest in (including as a result of making a loan secured by):

- (a) a real property or interest in a real property that is, or would reasonably be considered to be, an industrial property or primarily an industrial property, which, for purposes of the Opportunities Agreement, includes real property commonly described as “flex office/industrial” or a variation of same (an “**Industrial Property**”);
- (b) a real property or interest in a real property that is, or would reasonably be considered to be, an office property or primarily an office property (an “**Office Property**”);
- (c) a portfolio of real properties or interest in a portfolio of real properties that is, or would reasonably be considered to be, a portfolio of Industrial Properties or primarily Industrial Properties (an “**Industrial Portfolio**”);
- (d) a portfolio of real properties or interest in a portfolio of real properties that is, or would reasonably be considered to be, a portfolio of Office Properties or primarily Office Properties (an “**Office Portfolio**”); or

- (e) a portfolio of Industrial Properties and Office Properties that is, or would reasonably be considered to be, neither primarily Office Properties nor primarily Industrial Properties (a “**Mixed Portfolio**”);

then in each case, DAM shall offer such Offered Investment to Dream Industrial REIT or Dream Global REIT on the following basis:

- (a) an opportunity to acquire (i) an Industrial Property in Canada or (ii) an Industrial Portfolio in Canada or primarily in Canada will, in each case, first be offered to us in accordance with the terms of the Opportunities Agreement;
- (b) an opportunity to acquire an Industrial Property, Industrial Portfolio, Office Property or Office Portfolio outside of Canada will first be offered to Dream Global REIT in accordance with the terms of the Opportunities Agreement; if Dream Global REIT is not interested in pursuing such opportunity, the opportunity will then be offered to us in accordance with the terms of the Opportunities Agreement on the same basis as if the property or portfolio of properties were in Canada;
- (c) an opportunity to acquire a Mixed Portfolio in Canada or primarily in Canada will be offered to us in accordance with the terms of the Opportunities Agreement; and
- (d) an opportunity to acquire an Industrial Portfolio, Office Portfolio or Mixed Portfolio partially in Canada and partially outside of Canada that is not required to be offered to us by the terms of the Opportunities Agreement will be offered in accordance with the terms of the Opportunities Agreement at the same time to: (i) both Dream Global REIT (in respect of that part of the portfolio outside of Canada) and to us in the case of an Industrial Portfolio; (ii) Dream Global REIT (in respect of that part of the portfolio outside Canada) in the case of an Office Portfolio; or (iii) both Dream Global REIT (in respect of that part of the portfolio outside Canada) and us in the case of a Mixed Portfolio.

The Opportunities Agreement does not apply to opportunities to make investments: (i) in any property that will be used as office space by DAM or any of its Affiliates; (ii) made on behalf of fiduciary, managed or client accounts other than Dream Office REIT, Dream Global REIT or us; and (iii) by DAM that result from the realization of a loan secured by a real property or any interest therein.

The Opportunities Agreement will cease to apply to Dream Global REIT or us at the time that DAM ceases to be the asset manager for Dream Global REIT or us, as the case may be.

EMPLOYEES

As at December 31, 2017, Dream Industrial REIT and its Subsidiaries had approximately 90 employees.

INVESTMENT GUIDELINES AND OPERATING POLICIES

Dream Industrial REIT’s investment and operating activities are limited because our operating business is carried out by our Subsidiaries. The investment guidelines governing our investments in real estate and other assets and the operating policies governing our investments exist at the Industrial Partnership level and are set out below under the headings “Investment Guidelines and Operating Policies – Investment Guidelines of Industrial Partnership” and “Investment Guidelines and Operating Policies – Operating Policies of Industrial Partnership”.

Investment Guidelines of Dream Industrial REIT

Pursuant to the Declaration of Trust, Dream Industrial REIT's assets may be invested only in accordance with the following investment guidelines:

- (a) Dream Industrial REIT will only invest in units, notes and securities of its Subsidiaries, amounts receivable in respect of such units, notes and securities, cash and similar deposits in a Canadian chartered bank or trust company and, subject to certain limitations summarized in paragraph (b) below, such other investments as the trustees of Dream Industrial REIT deem advisable from time to time; and
- (b) Dream Industrial REIT will not make or permit any of its Subsidiaries to make, and Subsidiaries of Dream Industrial REIT will not make, any investment that would result in:
 - (i) the Units being disqualified for investment by Plans;
 - (ii) Dream Industrial REIT and any of its Subsidiaries being liable under the Tax Act to pay a tax imposed under either paragraph 122(1)(b), subsection 197(2) or Part XII.2 of the Tax Act; or
 - (iii) Dream Industrial REIT ceasing to qualify as a "mutual fund trust" or a "real estate investment trust" for purposes of the Tax Act;
- (c) subject to the qualification in paragraph (g) below, Subsidiaries of Dream Industrial REIT will focus their investment activities on industrial revenue producing properties; provided, however, Subsidiaries of Dream Industrial REIT may invest in other classes of real properties if the Board determines that it is in the best interests of Dream Industrial REIT to do so;
- (d) subject to the qualification in paragraph (g) below, Subsidiaries of Dream Industrial REIT will not invest in or acquire securities of a Canadian real estate investment trust unless:
 - (i) the activities of the real estate investment trust are focused on acquiring, holding, maintaining, improving, leasing or managing revenue producing properties; and
 - (ii) in the case of any proposed investment or acquisition which would result in Subsidiaries of Dream Industrial REIT owning beneficially more than 10% of the outstanding units of such real estate investment trust (the "acquired trust"), the investment is made for the purpose of subsequently effecting the merger or combination of the business and assets of the Subsidiaries and the acquired trust or for otherwise ensuring that the Subsidiaries will control the business and operations of the acquired trust;
- (e) Subsidiaries of Dream Industrial REIT will not lease or sublease to any person any real property, premises or space where that person and its Affiliates would, after the contemplated lease or sublease, be leasing or subleasing real property, premises or space having a fair market rental rate in excess of 15% of our Adjusted Unitholders' Equity;
- (f) Subsidiaries of Dream Industrial REIT will not invest in raw land (except for the acquisition of properties adjacent to our existing properties for the purpose of renovation or expansion of existing facilities where the total cost of all such investments does not exceed 5% of our Adjusted Unitholders' Equity); and
- (g) Subsidiaries of Dream Industrial REIT may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any

indebtedness assumed or incurred by us and secured by a mortgage on such property) up to 25% of our Adjusted Unitholders' Equity in investments or transactions which do not otherwise comply with our investment guidelines, so long as the investment does not contravene paragraph (b) above.

For the purpose of the foregoing restrictions, the assets, liabilities and transactions of a corporation, trust, partnership or other entity in which we have an interest will be deemed to be those of the REIT on a proportionate consolidated basis. In addition, any references in the foregoing to an investment in real property will be deemed to include an investment in a joint venture arrangement that holds real property.

Pursuant to the Declaration of Trust, the investment guidelines set forth above may only be amended with the approval of at least 66²/₃% of the votes cast at a meeting of unitholders of Dream Industrial REIT called for that purpose except for certain amendments that may be undertaken by a majority of the trustees of Dream Industrial REIT.

Investment Guidelines of Industrial Partnership

The Dream Industrial Limited Partnership Agreement provides for certain restrictions on investments which may be made by or on behalf of Industrial Partnership. These investment guidelines are set out below.

- (a) Notwithstanding any other provision set out below, Industrial Partnership shall not make or permit any of its Subsidiaries to make any investment that would result in:
 - (i) REIT Units being disqualified for investment by Plans;
 - (ii) Dream Industrial REIT and any of its Subsidiaries being liable under the Tax Act to pay a tax imposed under paragraph 122(1)(b), subsection 197(2) or Part XII.2 of the Tax Act; or
 - (iii) Dream Industrial REIT ceasing to qualify as a "mutual fund trust" or a "real estate investment trust" for purposes of the Tax Act;
- (b) Subject to the qualification in paragraph (f) below, Industrial Partnership and its Subsidiaries shall focus their investment activities on industrial revenue producing properties; provided, however, Industrial Partnership and its Subsidiaries may invest in other classes of real properties if Industrial GP determines that it is in the best interests of Industrial Partnership to do so;
- (c) Subject to the qualification in paragraph (f) below, Industrial Partnership and its Subsidiaries shall not invest in or acquire securities of a Canadian real estate investment trust unless:
 - (i) the activities of the real estate investment trust are focused on acquiring, holding, maintaining, improving, leasing or managing revenue producing properties; and
 - (ii) in the case of any proposed investment or acquisition which would result in Industrial Partnership or its Subsidiaries owning beneficially more than 10% of the outstanding units of such real estate investment trust (the "acquired trust"), the investment is made for the purpose of subsequently effecting the merger or combination of the business and assets of Industrial Partnership and its Subsidiaries and the acquired trust or for otherwise ensuring that Industrial Partnership will control the business and operations of the acquired trust;
- (d) Industrial Partnership and its Subsidiaries shall not lease or sublease to any person any real property, premises or space where that person and its Affiliates would, after the contemplated lease or sublease, be leasing or subleasing real property, premises or space

having a fair market rental rate in excess of 15% of the Adjusted Unitholders' Equity of Dream Industrial REIT;

- (e) Industrial Partnership and its Subsidiaries shall not invest in raw land (except for the acquisition of properties adjacent to existing properties of Industrial Partnership for the purpose of renovation or expansion of existing facilities where the total cost of all such investments does not exceed 5% of the Adjusted Unitholders' Equity of Dream Industrial REIT); and
- (f) Industrial Partnership and its Subsidiaries may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any indebtedness assumed or incurred by Dream Industrial REIT and secured by a mortgage on such property) up to 25% of the Adjusted Unitholders' Equity of Dream Industrial REIT in investments or transactions which do not otherwise comply with the guidelines listed above, so long as the investment does not contravene paragraph (a) above.

For the purpose of the foregoing restrictions, the assets, liabilities and transactions of a corporation, trust, partnership or other entity in which Industrial Partnership or a Subsidiary has an interest shall be deemed to be those of Industrial Partnership or the Subsidiary on a proportionate consolidated basis. In addition, any references in the foregoing to an investment in real property will be deemed to include an investment in a joint venture arrangement that holds real property.

Operating Policies of Dream Industrial REIT

The Declaration of Trust provides that our operations and affairs must be conducted in accordance with the following operating policies and that we will not permit any Subsidiary to conduct its operations and affairs other than in accordance with the following operating policies:

- (a)
 - (i) any written instrument creating an obligation which is or includes the granting by Dream Industrial REIT of a mortgage; or
 - (ii) to the extent our trustees determine to be practicable and consistent with their fiduciary duty to act in the best interests of Dream Industrial REIT and our unitholders, any written instrument which in the judgment of our trustees is a material obligation; must, in each case, contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort will not be had to, nor will recourse or satisfaction be sought from the private property of any of the trustees, unitholders, annuitants or beneficiaries under a plan of which a unitholder acts as a trustee or carrier or officers, employees or agents of Dream Industrial REIT, but that only property of Dream Industrial REIT or a specific portion thereof will be bound;
- (b) Dream Industrial REIT will only guarantee the obligations of its wholly-owned Subsidiaries (other than any other wholly-owned Subsidiaries of Dream Industrial REIT that are general partners in partnerships that are not wholly-owned by Dream Industrial REIT), provided that Dream Industrial REIT may guarantee the obligations of wholly-owned Subsidiaries of Dream Industrial REIT that are general partners in partnerships that are not wholly-owned by Dream Industrial REIT if Dream Industrial REIT has received an unqualified legal opinion that Dream Industrial REIT's guarantee of the obligations of wholly-owned Subsidiaries of Dream Industrial REIT will not cause Dream Industrial REIT to cease to qualify as a "mutual fund trust" for the purposes of the Tax Act;
- (c) Subsidiaries of Dream Industrial REIT will not enter into any transaction involving the purchase of lands or land and improvements thereon and the leasing thereof back to the

vendor where the fair market value net of encumbrances of the property being leased to the vendor together with all other property being leased by Subsidiaries of Dream Industrial REIT to the vendor and its Affiliates is in excess of 15% of our Adjusted Unitholders' Equity;

- (d) the limitation referred to in paragraph (c) above will not apply where the lessee or sublessee is, or where the lease or sublease is guaranteed by:
 - (i) the Government of Canada, the Government of the United States, the Government of any province or territory of Canada, any state of the United States, any municipality or city in Canada or the United States, or any agency or crown corporation thereof;
 - (ii) any corporation which has securities outstanding that have received and continue to hold an investment grade rating from a recognized credit rating agency at the time the lease or sublease is entered into, or at the time other satisfactory leasing or pre-leasing arrangements were entered into that is not less than "A (low)" or its equivalent; or
 - (iii) a Canadian chartered bank or a trust company or insurance company registered or licensed federally or under the laws of a province of Canada;
- (e) Subsidiaries of Dream Industrial REIT may engage in construction or development of real property provided such real property meets our investment guidelines and operating policies;
- (f) title to each real property shall be held by and registered in the name of a Subsidiary of Dream Industrial REIT or a corporation or other entity wholly-owned, directly or indirectly, by a Subsidiary of Dream Industrial REIT or jointly-owned, directly or indirectly, by a Subsidiary of Dream Industrial REIT with joint venturers; provided that where land tenure will not provide fee simple title, a Subsidiary of Dream Industrial REIT or a corporation or other entity wholly-owned, directly or indirectly, by a Subsidiary of Dream Industrial REIT or jointly-owned, directly or indirectly, by a Subsidiary of Dream Industrial REIT with joint venturers will hold a land lease as appropriate under the land tenure system in the relevant jurisdiction;
- (g) Subsidiaries of Dream Industrial REIT will have conducted environmental and other diligence, as is commercially reasonable in the circumstance, on each real property Dream Industrial REIT or Industrial Partnership intends to acquire with respect to the physical condition thereof, including required capital replacement programs;
- (h) Subsidiaries of Dream Industrial REIT will obtain and maintain at all times insurance coverage in respect of potential liabilities of Subsidiaries of Dream Industrial REIT and the accidental loss of value of the assets of Subsidiaries of Dream Industrial REIT from risks, in amounts, with such insurers, and on such terms as the Board of Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties;
- (i) Subsidiaries of Dream Industrial REIT will have conducted a phase I environmental site assessment of each real property to be acquired by it and, if the phase I environmental site assessment report recommends that further environmental site assessments be conducted, Subsidiaries of Dream Industrial REIT shall have conducted such further environmental site assessments, in each case by an independent and experienced environmental consultant; such site assessment as a condition to any acquisition shall be satisfactory to Industrial GP; and

- (j) Subsidiaries of Dream Industrial REIT will maintain an interest coverage ratio of no less than 1.4 times. The interest coverage ratio is calculated as net operating income from continuing operations, plus interest and fee income, less general and administrative expense from continuing operations, including equity accounted investments, divided by interest expense on debt. When calculating the interest coverage ratio, we will include the results of equity accounted investments using proportionate consolidation at its ownership level.

For the purpose of the foregoing policies, the assets, liabilities and transactions of a corporation, trust, partnership or other entity in which we have an interest will be deemed to be those of Dream Industrial REIT on a proportionate consolidated basis. In addition, any references in the foregoing to investment in property will be deemed to include an investment in a joint venture arrangement.

Pursuant to the Declaration of Trust, the operating policies set forth above may only be amended with the approval of a majority of the votes cast at a meeting of unitholders of Dream Industrial REIT called for that purpose except for certain amendments that may be undertaken by a majority of the trustees of Dream Industrial REIT.

Operating Policies of Industrial Partnership

The Dream Industrial Limited Partnership Agreement provides that the operations and affairs of Industrial Partnership must be conducted in accordance with the following operating policies and that Industrial Partnership will not permit any Subsidiary to conduct its operations and affairs other than in accordance with the following operating policies:

- (a)
 - (i) any written instrument creating an obligation which is or includes the granting by Industrial Partnership of a mortgage; or
 - (ii) to the extent Industrial GP determines to be practicable and consistent with its fiduciary duty to act in the best interests of Industrial Partnership and the Limited Partners, any written instrument which in the judgment of Industrial GP creates a material obligation of Industrial Partnership;

must, in each case, contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from the private property of any of the Limited Partners or their officers, employees or agents, but that only property of Industrial Partnership or a specific portion thereof shall be bound;
- (b) Industrial Partnership shall only guarantee the obligations of wholly-owned Subsidiaries (other than any wholly-owned Subsidiaries that are general partners in partnerships that are not wholly-owned by Industrial Partnership), provided that Industrial Partnership may guarantee the obligations of wholly-owned Subsidiaries of Industrial Partnership that are general partners in partnerships that are not wholly-owned by Industrial Partnership if Industrial Partnership has received an unqualified legal opinion that Industrial Partnership that are general partners in partnerships that are not wholly-owned by Industrial Partnership shall not cause Dream Industrial REIT to cease to qualify as a “mutual fund trust” for the purposes of the Tax Act;
- (c) Industrial Partnership and its Subsidiaries shall not enter into any transaction involving the purchase of lands or land and improvements thereon and the leasing thereof back to the vendor where the fair market value net of encumbrances of the property being leased to the vendor together with all other property being leased by Industrial Partnership or its Subsidiaries to the vendor and its affiliates is in excess of 15% of the Adjusted Unitholders’ Equity of Dream Industrial REIT;

- (d) the limitations referred to in paragraph (c) above will not apply where the lessee or sublessee is, or where the lease or sublease is guaranteed by:
 - (i) the Government of Canada, the Government of the United States, the Government of any province or territory of Canada, any state of the United States, any municipality or city in Canada or the United States, or any agency or crown corporation thereof;
 - (ii) any corporation which has securities outstanding that have received and continue to hold an investment grade rating from a recognized credit rating agency at the time the lease or sublease is entered into, or at the time other satisfactory leasing or pre-leasing arrangements (as determined by Properties General Partner in its discretion) were entered into that is not less than A (low) or its equivalent; or
 - (iii) a Canadian chartered bank or a trust company or insurance company registered or licensed federally or under the laws of a province of Canada;
- (e) Industrial Partnership and its Subsidiaries may engage in construction or development of real property provided such real property meets the investment guidelines and operating policies;
- (f) title to each real property shall be held by and registered in the name of Industrial Partnership or a Subsidiary or a corporation or other entity wholly-owned, directly or indirectly, by Industrial Partnership or its Subsidiary or jointly-owned, directly or indirectly, by Industrial Partnership or its Subsidiary with joint venturers; provided that where land tenure will not provide fee simple title, Industrial Partnership or its Subsidiary or a corporation or other entity wholly-owned, directly or indirectly, by Industrial Partnership or its Subsidiary or jointly-owned, directly or indirectly, by Industrial Partnership with joint venturers shall hold a land lease as appropriate under the land tenure system in the relevant jurisdiction;
- (g) Industrial Partnership and its Subsidiaries shall have conducted environmental and other diligence, as is commercially reasonable in the circumstance, on each real property they intend to acquire with respect to the physical condition thereof, including required capital replacement programs;
- (h) Industrial Partnership and its Subsidiaries shall obtain and maintain at all times insurance coverage in respect of potential liabilities of Industrial Partnership and its Subsidiaries and the accidental loss of value of the assets of Industrial Partnership and its Subsidiaries from risks, in amounts, with such insurers, and on such terms as Industrial GP considers appropriate, taking into account all relevant factors including the practices of owners of comparable properties;
- (i) Industrial Partnership and its Subsidiaries shall have conducted a phase I environmental site assessment of each real property to be acquired by it and, if the phase I environmental site assessment report recommends that further environmental site assessments be conducted, Industrial Partnership and its Subsidiaries will have conducted such further environmental site assessments, in each case by an independent and experienced environmental consultant; such site assessment as a condition to any acquisition shall be satisfactory to Industrial GP; and
- (j) Industrial Partnership and its Subsidiaries shall maintain an interest coverage ratio of no less than 1.4 times. The interest coverage ratio is calculated as net operating income from continuing operations, plus interest and fee income, less general and administrative expense from continuing operations, including equity accounted investments, divided by interest expense on debt. When calculating the interest coverage ratio, we include the

results of equity accounted investments using proportionate consolidation at its ownership level.

For the purpose of the foregoing operating policies, the assets, liabilities and transactions of a corporation, trust, partnership or other entity in which Industrial Partnership or a Subsidiary has an interest shall be deemed to be those of Industrial Partnership or the Subsidiary on a proportionate consolidated basis. In addition, any references in the foregoing to investment in property will be deemed to include an investment in a joint venture arrangement.

Pursuant to the Dream Industrial Limited Partnership Agreement, no amendment to the investment guidelines or operating policies set forth above or any other material change to such agreement may be made without the approval of 66²/₃% of the votes cast by the limited partners entitled to vote at a meeting called for such purpose or the written approval of holders holding more than 66²/₃% of the outstanding limited partnership units entitled to vote, in each case, with holders of each class of limited partnership units voting separately as a class. The Declaration of Trust provides that Dream Industrial REIT will not agree to or approve any material change to the Dream Industrial Limited Partnership Agreement without the approval of at least 66²/₃% of the votes cast at a meeting of unitholders of Dream Industrial REIT called for such purpose.

DISTRIBUTION POLICY

The following outlines the distribution policy of Dream Industrial REIT as contained in the Declaration of Trust, but is not intended to be a complete description. You should refer to the Declaration of Trust for the full text of our distribution policy. Our distribution policy may be amended only with the approval of a majority of the votes cast at a meeting of unitholders of Dream Industrial REIT.

General

From April 2013 to date, our cash distribution rate is \$0.05833 per Unit per month.

Distributions made by us are authorized by the Board of Trustees in its sole discretion out of funds legally available for distribution to our Unitholders and will be dependent upon a number of factors, including restrictions under applicable law and other factors described below. We cannot assure you that our estimated distributions will be made or sustained. Any distributions we pay in the future will depend upon our actual results of operations, economic conditions, debt service requirements and other factors that could differ materially from our expectations. Our actual results of operations will be affected by a number of factors, including the revenue we receive from our properties, our operating expenses, interest expense, the ability of our tenants to meet their obligations and unanticipated expenditures. For more information regarding risk factors that could materially adversely affect our actual results of operations, please see "Risk Factors".

Distributions in respect of a month are paid on or about each Distribution Date to Unitholders of record as at the close of business on the corresponding Distribution Record Date. This means that the distribution for any month is generally paid to Unitholders of record at the close of business on the last day of the month on or about the 15th day of the following month.

In addition, on December 31 of each year, we will make payable to such unitholders, and such unitholders will have an enforceable right to payment on such date of, a distribution of sufficient net realized capital gains and net income for the taxation year ending on that date, net of any capital losses or non-capital losses recognized on or before the end of such year such that we will not be liable for ordinary income taxes for such year, net of tax refunds. The payment of such amounts shall be made on or before the following January 15th. Special Trust Units do not have any entitlement with respect to distributions of Dream Industrial REIT.

Where our trustees determine that we do not have available cash in an amount sufficient to make payment of the full amount of any distribution which has been declared to be payable on the due date for such payment, the payment may, at the option of our trustees, include the issuance of additional Units, as the case may be, or fractions of such Units, as the case may be, if necessary, having a fair market value as determined by our trustees equal to the difference between the amount of such distribution and the amount of cash which has been determined by our trustees to be available for the payment of such distribution in the case of Units.

Unless our trustees determine otherwise, immediately after any *pro rata* distribution of additional units to Unitholders, the number of outstanding Units will automatically be consolidated such that each of such holders will hold after the consolidation the same number of Units as such holder held before the distribution of additional units. Each unit certificate representing the number of units prior to the distribution of additional units will be deemed to represent the same number of units after the non-cash distribution of additional units and the consolidation.

Notwithstanding the foregoing, where tax is required to be withheld from a unitholder's share of the distribution, the consolidation will result in such unitholder holding that number of units equal to (i) the number of units held by such unitholder prior to the distribution plus the number of units received by such unitholder in connection with the distribution (net of the number of whole and part units withheld on account of withholding taxes) multiplied by (ii) the fraction obtained by dividing the aggregate number of units outstanding prior to the distribution by the aggregate number of units that would be outstanding following the distribution and before the consolidation if no withholding tax were required in respect of any part of the distribution payable to any unitholder. Such unitholder will be required to surrender the unit certificates, if any, representing such unitholder's original units, in exchange for a unit certificate representing such unitholder's post-consolidation units.

DRIP

We have a distribution reinvestment and unit purchase plan entitling holders to reinvest all cash distributions made by Dream Industrial REIT in additional Units. The price at which Units are acquired for DRIP participants is determined by Dream Industrial REIT but is generally a price per Unit calculated by reference to a five-day volume weighted average closing price of the Units on the TSX preceding the relevant Distribution Date. Participants electing to reinvest cash distributions in Units pursuant to our DRIP receive a further "bonus" distribution equal to 3% of the amount of each cash distribution that they reinvest, which further distribution is also reinvested in Units. Participants may also make optional cash purchases of additional Units pursuant to our DRIP in a maximum amount of \$250,000 per year. Participants in our DRIP do not receive a bonus distribution of Units in connection with any such optional cash purchases. We may amend, suspend or terminate the DRIP at any time.

Participation in our DRIP is open to holders of Units, other than those who are resident or present in the United States. If a participant in our DRIP is not resident in Canada, participation is subject to applicable withholding tax. In those circumstances, cash that would otherwise be distributed to such participants by us on any given Distribution Date is reduced by the amount of applicable withholding tax, and then applied towards the purchase of additional Units pursuant to our DRIP. No brokerage commission is payable in connection with the purchase of Units under the DRIP and all administrative costs are borne by Dream Industrial REIT. We use the proceeds received upon the issuance of additional Units under the DRIP for future property acquisitions, capital improvements and working capital.

DECLARATION OF TRUST AND DESCRIPTION OF REIT UNITS

Dream Industrial REIT has been established under the Declaration of Trust and, unless earlier terminated in accordance with the Declaration of Trust, it shall continue in full force and effect so long as any property of Dream Industrial REIT is held by our trustees. The following is a summary, which does not purport to be complete, of certain terms of the Declaration of Trust and the REIT Units. You should refer to the Declaration of Trust for the full text of its provisions and a complete description of the REIT Units.

The Declaration of Trust authorizes the issuance of an unlimited number of two classes of units: Units and Special Trust Units. REIT Units are issued only as fully paid and non-assessable. Each REIT Unit when issued vests indefeasibly in the holder thereof.

Issued and outstanding units may be subdivided or consolidated from time to time by the trustees with approval of a majority of unitholders entitled to vote.

No certificates are issued for fractional units and fractional units do not entitle holders thereof to vote, except to the extent such fractional units represent in the aggregate one or more whole units. Holders of Special Trust Units are not entitled to receive a certificate evidencing ownership of such units.

On December 16, 2004, the *Trust Beneficiaries' Liabilities Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any act, default, obligation or liability of the trust if, when the act or default occurs or the liability arises, (i) the trust is a reporting issuer under the *Securities Act* (Ontario), and (ii) the trust is governed by the laws of the Province of Ontario. Dream Industrial REIT is a reporting issuer under the *Securities Act* (Ontario) and is governed by the laws of the Province of Ontario by virtue of the provisions of the Declaration of Trust.

Units

Each Unit represents an undivided beneficial interest in Dream Industrial REIT and in distributions made by Dream Industrial REIT, whether of net income, net realized capital gains or other amounts and, in the event of our termination or winding up, in our net assets remaining after the satisfaction of all our liabilities. The Units rank among themselves equally and rateably without discrimination, preference or priority. The distribution entitlement of the Units is derived from the securities held by Dream Industrial REIT.

Each Unit entitles the holder thereof to one vote at all meetings of unitholders of Dream Industrial REIT.

The Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of such act or any other legislation. Furthermore, Dream Industrial REIT is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on nor intend to carry on the business of a trust company.

Special Trust Units

The Special Trust Units are only issued in connection with the issuance of securities exchangeable for Units, including LP B Units, and are used to provide voting rights with respect to Dream Industrial REIT to persons holding such exchangeable securities. Holders of Special Trust Units are not entitled to any share of or interest in the net assets of Dream Industrial REIT. The Special Trust Units are not transferable separately from the exchangeable securities to which they relate. The Special Trust Units will automatically be transferred upon a transfer of any exchangeable securities. In addition, as exchangeable securities are exchanged by the holder, the corresponding Special Trust Units will be automatically cancelled. Special Trust Units have no entitlement with respect to distributions of Dream Industrial REIT. Each Special Trust Unit entitles the holder thereof to one vote at all meetings of Unitholders of Dream Industrial REIT.

Issuance of REIT Units

We may allot and issue new REIT Units from time to time as our trustees determine, including for cash, through public offerings, through rights offerings to existing unitholders (i.e., in which unitholders receive rights to subscribe for new REIT Units in proportion to their existing holdings of REIT Units, which rights may be exercised or sold to other investors) or through private placements (i.e., offerings to specific investors which are not made generally available to the public or existing unitholders). In certain instances, we may issue new REIT Units as consideration for, or in connection with, the acquisition of new properties or assets. The price or the value of the consideration for which new REIT Units may be

issued will be determined by our trustees in their sole discretion, except that Special Trust Units may only be issued in connection with the issuance of securities exchangeable into Units, generally in consultation with investment dealers or brokers who may act as underwriters or agents in connection with offerings of Units.

Purchase of Units

We may from time to time purchase for cancellation Units at a price per Unit and on a basis determined by our trustees in accordance with applicable securities legislation and the rules and policies of any applicable stock exchange.

Unit Redemption Right

Units are redeemable at any time on demand by the holders thereof by sending a notice to us at our head office in a form approved by our trustees and completed and executed in a manner satisfactory to our trustees, who may require supporting documentation as to identity, capacity or authority. A unitholder not otherwise holding a fully registered Unit certificate who wishes to exercise the redemption right will be required to obtain a redemption notice from his or her investment dealer or other intermediary who will be required to deliver the completed redemption form to us. Upon receipt by us of a written redemption notice and other documents that may be required, all in a manner satisfactory to our trustees, a holder of Units shall cease to have any rights with respect to the tendered units, including any right to receive any distributions thereon which are declared payable after receipt of the redemption notice by us and the holder thereof shall be entitled to receive a price per Unit (the “**Redemption Price**”) equal to the lesser of:

- (a) 90% of the “market price” of the Units on the principal exchange or market on which Units are quoted for trading on the trading day prior to the day on which the Units were surrendered to us for redemption (the “**Redemption Date**”); and
- (b) 100% of the “closing market price” of the Units on the principal exchange or market on which the Units are quoted for trading on the Redemption Date.

For the purposes of this calculation, the “market price” in respect of Units shall be an amount equal to the weighted average of the closing price of the Units on the principal exchange or market on which the Units are listed or quoted for trading during the period of 20 consecutive trading days ending on such date; provided that if the applicable exchange or market does not provide a closing price, but only provides the highest and lowest prices of the Units traded on a particular day, the “market price” shall be an amount equal to the average of the highest and lowest prices of the Units on such exchange or market during the period of 20 consecutive trading days ending on such date; and provided further that if there was trading on the applicable exchange or market for fewer than five of the 20 trading days, the “market price” shall be the weighted average of the following prices established for each of the 20 trading days: (i) the weighted average of the last bid and last asking prices of the Units for each day on which there was no trading; (ii) the closing price of the Units for each day on which there was trading if the exchange or market provides a closing price; and (iii) the weighted average of the highest and lowest prices of the Units for each day that there was trading if the exchange or market does not provide a closing price but provides only the highest and lowest prices of the Units traded on a particular day.

The “closing market price” in respect of Units shall be: (i) an amount equal to the closing price of the Units if there was a trade on the date and the exchange or market provides a closing price; (ii) an amount equal to the weighted average of the highest and lowest prices of the Units if there was trading and the exchange or other market does not provide a closing price but provides only the highest and lowest trading prices of the Units traded on a particular day; or (iii) the weighted average of the last bid and last asking prices of the Units if there was no trading on that date.

The aggregate Redemption Price payable by us in respect of any Units tendered for redemption during any calendar month will be satisfied by way of a cheque drawn on a Canadian chartered bank or a trust company in Canadian funds, payable no later than the last day of the calendar month following the month in which the Units were tendered for redemption, provided that the entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the limitations that:

- (a) the total amount payable by us in respect of such Units and all other Units tendered for redemption in the same calendar month shall not exceed \$50,000, provided that our trustees may, in their sole discretion, waive such limitation in respect of all Units tendered for redemption in any particular calendar month;
- (b) at the time such Units are tendered for redemption, the outstanding Units shall be listed for trading or quoted on a stock exchange or market which our trustees consider, in their sole discretion, provides representative fair market value prices for the Units; and
- (c) the normal trading of outstanding Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the Redemption Date for the Units for more than five trading days during the ten day trading period commencing immediately after the Redemption Date for the Units.

If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the foregoing limitations in paragraphs (b) and (c) above, then each Unit tendered for redemption shall, subject to obtaining all applicable regulatory approvals, be redeemed by way of a distribution *in specie* of Subsidiary Securities. The fair market value of such Subsidiary Securities would be equal to the product of the Redemption Price per Unit payable by us and the number of Units tendered. However, no Subsidiary Securities with a fair market value of less than \$100 will be distributed and, where the fair market value of Subsidiary Securities to be received by the former holder of Units upon redemption *in specie* would otherwise include a Subsidiary Security with a fair market value of less than a multiple of \$100, such amount will be rounded down to the next lowest multiple of \$100 and the excess will be paid in cash.

If a Unitholder is not entitled to receive cash upon the redemption of Units as a result of the limitation in paragraph (a) above, the holder will receive a combination of cash and, subject to obtaining all applicable regulatory approvals, Subsidiary Securities, determined in accordance with our Declaration of Trust.

It is anticipated that the redemption right described above will not be the primary mechanism for holders of Units to dispose of their Units. Subsidiary Securities which may be distributed to Unitholders *in specie* in connection with a redemption will not be listed on any stock exchange, no market is expected to develop and such securities may be subject to an indefinite “hold period” or other resale restrictions under applicable securities laws. The Subsidiary Securities so distributed may not be qualified investments for Plans, depending upon the circumstances at the time.

Meetings of Unitholders

Our Declaration of Trust provides that meetings of Unitholders must be called and held for the election or removal of trustees, the appointment or removal of our auditor, the approval of amendments to our Declaration of Trust (except as described below under “— Amendments to the Declaration of Trust and Other Documents”), the sale of our assets as an entirety or substantially as an entirety (other than as part of an internal reorganization of our assets as approved by our trustees) and our termination. Meetings of Unitholders will be called and held annually within 180 days after the end of the fiscal year for the election of our trustees, appointment of the auditor and any other business that the trustees may determine.

Our trustees have the power at any time to call special meetings of Unitholders at such time and place in Canada as our trustees determine. Unitholders holding in the aggregate not less than 5% of the votes attaching to all outstanding REIT Units entitled to vote at such a meeting (on a fully diluted basis) may requisition our trustees in writing to call a special meeting of Unitholders and our trustees shall, subject to certain limitations, call a meeting of Unitholders. A requisition must state in reasonable detail the business proposed to be transacted at the meeting. Unitholders have the right to obtain a list of Unitholders to the same extent and upon the same conditions as those which apply to shareholders of a corporation governed by the *Canada Business Corporations Act*.

Unitholders may attend and vote at all meetings of the Unitholders either in person or by proxy and a proxyholder need not be a unitholder. Two persons present in person or represented by proxy and representing in the aggregate at least 10% of the votes attaching to all outstanding REIT Units (on a fully diluted basis) shall constitute a quorum for the transaction of business at all such meetings. If no quorum is present at any meeting of Unitholders when called, the meeting, if convened on the requisition of Unitholders, will be dissolved and otherwise will be adjourned for not less than 10 days, and at the adjourned meeting, the Unitholders then present in person or represented by proxy will form the necessary quorum.

Our Declaration of Trust contains provisions as to the notice required and other procedures with respect to the calling and holding of meetings of Unitholders.

Book-Based System for Units; No Certificates for Special Trust Units

Units may be represented in the form of one or more fully registered unit certificates held by, or on behalf of, CDS Clearing and Depository Services Inc. (“CDS”), as custodian of such certificates for the participants of CDS, registered in the name of CDS or its nominee, and registration of ownership and transfers of Units may be effected through the book-based system administered by CDS.

No holder of Special Trust Units is entitled to a certificate or other instrument from us evidencing the holder’s ownership of such units.

Limitation on Non-Resident Ownership

In order for Dream Industrial REIT to maintain its status as a mutual fund trust under the Tax Act, it must not be established or maintained primarily for the benefit of Non-Residents. Accordingly, our Declaration of Trust provides that at no time may Non-Residents be the beneficial owners of more than 49% of the Units or 49% of the Special Trust Units then outstanding. Our trustees may require declarations as to the jurisdictions in which beneficial owners of REIT Units are resident or declarations from unitholders as to whether such REIT Units are held for the benefit of Non-Residents. We monitor ownership of our REIT Units which are held by non-residents by periodically obtaining and reviewing REIT Unit ownership reports from our transfer agent or other service providers.

If our trustees become aware that the beneficial owners of more than 49% of the Units or more than 49% of the Special Trust Units then outstanding are, or may be, Non-Residents or that such a situation is imminent, our trustees may make a public announcement thereof and shall not accept a subscription for REIT Units from or issue or register a transfer of REIT Units to a person unless the person provides a declaration that he or she is not a Non-Resident and does not hold his or her REIT Units for the benefit of a Non-Resident. If, notwithstanding the foregoing, our trustees determine that more than 49% of the Units or more than 49% of the Special Trust Units then outstanding are beneficially owned by Non-Residents, our trustees may send a notice to Non-Resident Unitholders and Unitholders for the benefit of Non-Residents, chosen in inverse order to the order of acquisition or registration or in such other manner as our trustees may consider equitable and practicable, requiring them to sell or redeem, within a specified period of not more than 60 days, all or a portion of their REIT Units. If the holders of REIT Units receiving such notice have not sold or redeemed the specified number of REIT Units or provided our trustees with satisfactory evidence that they are not Non-Residents and do not hold their REIT Units for

the benefit of a Non-Resident within such period, our trustees may, on behalf of such unitholder, and shall have the power of attorney of such holder to, sell or redeem such REIT Units, and, in the interim, the voting and distribution rights attached to such REIT Units shall be suspended. Upon such sale or redemption, the affected holders shall cease to be holders of the REIT Units and their rights shall be limited to receiving the net proceeds of such sale upon surrender of the certificates representing such REIT Units.

Amendments to the Declaration of Trust and Other Documents

Our Declaration of Trust may be amended or altered from time to time. Certain amendments (including our termination) require approval by at least 66⅔% of the votes cast at a meeting of unitholders called for such purpose. Other amendments to our Declaration of Trust require approval by a majority of the votes cast at a meeting of the unitholders called for such purpose.

The following amendments require the approval of at least 66⅔% of the votes cast by the unitholders at a meeting called for that purpose:

- (a) any amendment to the Declaration of Trust (subject to the exceptions outlined in the Declaration of Trust);
- (b) the termination of Dream Industrial REIT by its unitholders;
- (c) the sale of property or assets of Dream Industrial REIT as an entirety or substantially as an entirety or the sale of all or substantially all of the assets of a Subsidiary (other than as part of an internal reorganization, including by way of the transfer of property or assets of Dream Industrial REIT or a Subsidiary of Dream Industrial REIT, as approved by our board);
- (d) an exchange, reclassification or cancellation of all or part of the REIT Units;
- (e) the addition, change or removal of the rights, privileges, restrictions or conditions attached to the REIT Units, including, without limiting the generality of the foregoing,
 - (i) the removal or change of rights to distributions; or
 - (ii) the addition or removal of or change to conversion privileges, redemption privileges, voting, transfer or pre-emptive rights;
- (f) the creation of new rights or privileges attaching to certain of the REIT Units;
- (g) any change to the existing constraints on the issue, transfer or ownership of the REIT Units;
- (h) the combination, amalgamation, merger or arrangement of any of the REIT or Subsidiaries of the REIT with any other entity; and
- (i) any material change to the Limited Partnership Agreement.

A majority of our trustees, may, without the approval of the unitholders, make certain amendments to the Declaration of Trust, including amendments:

- (a) to ensure compliance with applicable laws (including the Tax Act), regulations, requirements or policies of any governmental authority having jurisdiction over: (i) our board or the REIT; (ii) the status of the REIT as a “mutual fund trust” and a “real estate investment trust” under the Tax Act or to otherwise prevent Dream Industrial REIT or

- any of its Subsidiaries from becoming subject to tax under the SIFT Legislation; or (iii) the distribution of Units;
- (b) which, in the opinion of our trustees, acting reasonably, are necessary to maintain the rights of the unitholders set out in our Declaration of Trust;
 - (c) to remove any conflicts or inconsistencies in our Declaration of Trust and the provisions of any applicable law or to make minor corrections which are, in the opinion of our trustees, necessary or desirable and not prejudicial to the unitholders;
 - (d) to make any change or correction in the Declaration of Trust which is a typographical change or correction or which our board has been advised by legal counsel is required for the purpose of curing any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error contained therein;
 - (e) (i) to create and issue one or more new classes of preferred units (each of which may be comprised of unlimited series) that rank in priority to the Units and Special Trust Units (in payment of distributions and in connection with any termination or winding-up of the REIT) and/or (ii) to remove the redemption right attaching to the Units and convert Dream Industrial REIT into a closed-end limited purpose trust;
 - (f) deemed necessary or advisable to ensure that Dream Industrial REIT has not been established nor maintained primarily for the benefit of persons who are not resident Canadians; and
 - (g) as otherwise deemed by our board in good faith to be necessary or desirable.

Effect of Termination

Upon our termination, our liabilities shall be discharged forthwith, our net assets shall be liquidated and the proceeds of such liquidation shall be distributed to our unitholders. Such distribution may be made in cash, as a distribution in kind, or both, all as our trustees in their sole discretion may determine.

Pursuant to our Declaration of Trust, the termination of Dream Industrial REIT requires approval by at least 66 $\frac{2}{3}$ % of the votes cast at a meeting of the Unitholders and holders of Special Trust Units called for that purpose. The unitholders will participate *pro rata* in any remaining distributions by Dream Industrial REIT.

Take-Over Bids

Our Declaration of Trust contains provisions to the effect that if a take-over bid, as defined under the *Securities Act* (Ontario), is made for the Units, and within 120 days after the date of such a take-over bid, not less than 90% of the Units (including Units issuable upon the surrender or exchange of any securities for Units but not including any Units held at the date of the take-over bid by or on behalf of the offeror or affiliates and associates of the offeror) have been or are legally required to be taken up and paid for by the offeror, the offeror is entitled to acquire the Units held by the remaining unitholders who did not accept the take-over bid by requiring such unitholders to elect (a) to transfer their Units to the offeror on the terms on which the offeror acquired the Units of the offerees who accepted the take-over bid or (b) to demand payment of the fair value of the Units.

Information and Reports

We furnish, in accordance with and subject to applicable securities legislation, to unitholders our consolidated financial statements (including quarterly and annual consolidated financial statements) and other reports as are from time to time required by applicable law, including forms needed for the completion of unitholders' tax returns under the Tax Act and equivalent provincial legislation.

Prior to each annual or any special meeting of unitholders, our trustees provide the unitholders (along with notice of such meeting) all such information as is required by applicable law and our Declaration of Trust to be provided to such holders.

DESCRIPTION OF DEBENTURES

As of the date of this AIF, the Trust has issued and outstanding \$111.2 million of 5.25% Debentures. The following is a summary of the material attributes and characteristics of the 5.25% Debentures. This summary does not purport to be complete and is subject to, and qualified in its entirety by the terms of the 5.25% Indenture. You should refer to the 5.25% Indenture for complete descriptions of the 5.25% Debentures.

Description of the 5.25% Debentures

Defined Terms

In this description of the 5.25% Debentures, the following terms have the meanings set forth below.

“5.25% Indenture” means the trust indenture dated December 13, 2012 between Dream Industrial REIT and the Debenture Trustee, as supplemented or amended from time-to-time.

“Change of Control” means the acquisition by any person, or group of persons acting jointly or in concert, of voting control or direction over 66⅔% or more of the votes attaching, collectively, to (a) outstanding Units; and (b) Units issuable upon the conversion or exercise in accordance with their terms of securities convertible into or carrying the right to acquire Units.

“Conversion Price” means \$13.80 per Unit, reflecting a conversion ratio of 72.4638 Units per \$1,000 principal amount, as adjusted from time-to-time under the 5.25% Indenture.

“Current Market Price” means the weighted average trading price of the Units on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the date of the applicable event.

“Debenture Trustee” means the trustee under the 5.25% Indenture, which is currently Computershare.

“Definitive Debentures” means 5.25% Debentures in registered and definitive form.

“Event of Default” has the meaning given to it in the 5.25% Indenture, and includes the occurrence and continuation of any one or more of the following events with respect to the 5.25% Debentures: (a) failure for 15 days to pay interest on the 5.25% Debentures when due; (b) failure to pay principal or premium, if any, on the 5.25% Debentures, whether at the Maturity Date, upon redemption, by declaration of acceleration or otherwise; (c) an unremedied breach of any material covenant or condition of the 5.25% Indenture by Dream Industrial REIT after a 30 day cure period following notice of such breach; or (d) certain events of bankruptcy, insolvency or reorganization of Dream Industrial REIT under bankruptcy or insolvency laws.

“Extraordinary Resolutions” means resolutions passed at meetings of the holders of 5.25% Debentures by votes cast thereat by holders of not less than 66⅔% of the principal amount of the then outstanding 5.25% Debentures present at the meeting or represented by proxy, or rendered by instruments in writing signed by the holders of not less than 66⅔% of the principal amount of the then outstanding 5.25% Debentures, binding on all holders of 5.25% Debentures once passed.

“Interest Payment Date” means June 30 and December 31 in each year.

“Maturity Date” means December 31, 2019.

“Put Date” means the date which is 30 days following the giving of notice to holders of 5.25% Debentures of a Change of Control.

“Put Price” means the price equal to 101% of the principal amount of the 5.25% Debentures.

“Record Date” means the record date for the payment of interest on the 5.25% Debentures, being June 15 and December 15 in each year, or if such date is not a business day, the next business day.

“Senior Indebtedness” means any and all indebtedness of Dream Industrial REIT (other than the 5.25% Debentures) (whether outstanding on the date of the 5.25% Indenture or thereafter incurred) and including, for greater certainty and without limitation, claims of trade creditors of Dream Industrial REIT and any and all mortgages, debentures, charges or other encumbrances or financings in respect of the personal or real property of Dream Industrial REIT, which in each or all cases by the terms of the instrument creating or evidencing such indebtedness, is not expressed to be *pari passu* with, or subordinate in right of payment to, the 5.25% Debentures.

“Total Put Price” means the Put Price plus accrued and unpaid interest up to but excluding the Put Date.

“Unit Interest Payment Option” means the right of Dream Industrial REIT to elect to sell freely-tradeable Units in order to raise funds to satisfy all or any part of its obligations to pay interest on the 5.25% Debentures in accordance with the 5.25% Indenture.

General

The 5.25% Debentures are limited in the aggregate principal amount to \$111,250,000. We may, however, from time to time, without the consent of the holders, issue additional or other debentures in addition to the 5.25% Debentures. As at December 31, 2017, there were outstanding, approximately \$111,250,000 aggregate principal amount of 5.25% Debentures. The 5.25% Debentures were issued in denominations of \$1,000 and are held in book-entry only form through the facilities of CDS. Holders of beneficial interests in the 5.25% Debentures do not have the right to receive physical certificates evidencing their ownership of 5.25% Debentures except under certain circumstances described under “— Book-entry, Delivery and Form”. No fractional 5.25% Debentures have been issued.

The 5.25% Debentures bear interest at a rate of 5.25% per annum, payable in equal semi-annual payments on June 30 and December 31 in each year.

Interest on the 5.25% Debentures is payable in lawful money of Canada based on a 365-day year, as specified in the 5.25% Indenture. At our option, and subject to regulatory approval, we may issue and solicit bids to sell sufficient freely-tradeable Units in order to raise funds to satisfy all or any part of our obligations to pay interest on the 5.25% Debentures, but, in any event, the holders of 5.25% Debentures shall be entitled to receive cash payments equal to the interest otherwise payable on the 5.25% Debentures. See “— Interest Payment Election”.

The principal on the 5.25% Debentures is payable in lawful money of Canada or, at our option and subject to applicable regulatory approval, by payment of freely-tradeable Units to satisfy, in whole or in part, our obligation to repay the principal amount of the 5.25% Debentures, as further described under “— Payment upon Redemption or Maturity”, “— Redemption and Purchase” and “— Put Right upon a Change of Control”.

The 5.25% Debentures are our direct obligations and are not secured by any mortgage, pledge, hypothec or other charge and are subordinated to all of our other liabilities, as described under “— Subordination”. The Trust Indenture does not restrict us from incurring additional indebtedness for borrowed money or from mortgaging, pledging or charging our real or personal property or properties to secure any indebtedness.

The 5.25% Debentures are transferable, and may be presented for conversion, at the principal offices of the Debenture Trustee in Toronto, Ontario.

Conversion Privilege

The 5.25% Debentures are convertible at the holder's option into fully-paid, non-assessable and freely-tradeable Units at any time prior to 5:00 p.m. (Toronto time) on the earlier of the Maturity Date and the business day immediately preceding the date specified by us for redemption of the 5.25% Debentures at the Conversion Price.

No adjustment to the Conversion Price is made for distributions on Units issuable upon conversion or for interest accrued on 5.25% Debentures surrendered for conversion; however, holders converting their 5.25% Debentures are entitled to receive, in addition to the applicable number of Units, accrued and unpaid interest in respect thereof for the period from and including the last Interest Payment Date on their 5.25% Debentures, but excluding, the last record date set by us occurring prior to the date of conversion for determining the Unitholders entitled to receive a distribution on the Units. Notwithstanding the foregoing, no 5.25% Debentures may be converted during the period from the close of business on the Record Date preceding the Interest Payment Date to and including such Interest Payment Date, as the registers of the Debenture Trustee are closed during such periods.

Subject to the provisions thereof, the 5.25% Indenture provides for the adjustment of the Conversion Price in certain events, including: (a) the subdivision or consolidation of the outstanding Units; (b) the distribution of Units to all or substantially all holders of Units by way of distribution or otherwise other than an issue of securities to holders of Units or LP B Units who participate in our distribution reinvestment or unit purchase plans or similar arrangements of Industrial Partnership; (c) the issuance of options, rights or warrants to all or substantially all holders of Units entitling them for a period of not more than 45 days after the record date for such issuance to acquire Units or other securities convertible into Units at less than 95% of the then Current Market Price of the Units; and (d) the distribution to all holders of Units of any units (other than Units), rights, options or warrants (other than those entitling the holders thereof for a period of 45 days to subscribe for or purchase Units or securities convertible or exchangeable into Units), evidences of our indebtedness, or other assets (other than distributions paid in the ordinary course). There is no adjustment of the Conversion Price in respect of any event described in (b), (c) or (d) above if, subject to prior regulatory approval, the holders of the 5.25% Debentures are allowed to participate as though they had converted their 5.25% Debentures prior to the applicable record date or effective date. We are not required to make adjustments to the Conversion Price unless the cumulative effect of such adjustments would change the Conversion Price by at least 1%.

In the case of any reclassification of the Units or a capital reorganization of Dream Industrial REIT (other than a change resulting only from consolidation or subdivision) or in case of our amalgamation, consolidation, arrangement or merger with or into any other entity, or in the case of any sale or conveyance of our properties and assets as, or substantially as, an entirety to any other entity, or a liquidation, dissolution or winding-up of Dream Industrial REIT, the terms of the conversion privilege shall be adjusted so that each 5.25% Debenture shall, after such reclassification, capital reorganization, amalgamation, consolidation, arrangement or merger, sale or conveyance or liquidation, dissolution or winding-up, be exercisable for the kind and amount of our securities or property, or such continuing, successor or purchaser entity, as the case may be, which the holder thereof would have been entitled to receive as a result of such reclassification, capital reorganization, amalgamation, consolidation, arrangement or merger, sale or conveyance or liquidation, dissolution or winding-up, if on the effective date or record date thereof it had been the holder of the number of Units into which the 5.25% Debenture was convertible prior to the effective date of such event.

No fractional Units may be issued on any conversion of the 5.25% Debentures but in lieu thereof we will satisfy such fractional interest by a cash payment equal to the current market price of such fractional interest.

Payment upon Redemption or Maturity

On redemption or at the Maturity Date, we will repay the indebtedness represented by the 5.25% Debentures by paying to the Debenture Trustee in lawful money of Canada an amount equal to the principal amount of the outstanding 5.25% Debentures, together with accrued and unpaid interest thereon. We may, at our option, on not more than 60 days' and not less than 30 days' prior notice and subject to any required regulatory approvals, unless an Event of Default has occurred and is continuing, elect to satisfy our obligation to repay, in whole or in part, the principal amount of the 5.25% Debentures which are to be redeemed or which have matured by issuing freely-tradeable Units, in whole or in part, to the holders of the 5.25% Debentures. The number of Units to be issued will be determined by dividing the principal amount of the 5.25% Debentures by 95% of the Current Market Price of the Units on the date fixed for redemption or the Maturity Date, as the case may be. No fractional Units will be issued to holders of 5.25% Debentures but in lieu thereof we will satisfy such fractional interest by a cash payment equal to the current market price of such fractional interest.

Interest Payment Election

Unless an Event of Default has occurred and is continuing, we may elect, at any time and from time to time, subject to applicable regulatory approval, to issue and solicit bids to sell freely-tradeable Units in order to raise funds to satisfy all or any part of our obligations to pay interest on the 5.25% Debentures in accordance with the 5.25% Indenture, in which event holders of the 5.25% Debentures are entitled to receive a cash payment equal to the interest payable from the proceeds of the sale of such Units. The 5.25% Indenture provides that, upon such election, the Debenture Trustee shall (a) accept delivery of the proceeds from the sales of such Units; (b) invest the proceeds of such sales in specified short term Canadian federal or provincial government or Canadian chartered bank obligations which mature prior to the applicable Interest Payment Date; (c) deliver proceeds to the holders of 5.25% Debentures sufficient to satisfy Dream Industrial REIT's interest payment obligations; and (d) perform any other action necessarily incidental thereto as directed by Dream Industrial REIT in its absolute discretion. The amount received by a holder in respect of interest and the timing of payment thereof is not affected by whether or not we elect to utilize the Unit Interest Payment Option.

Neither our making of the Unit Interest Payment Option nor the consummation of sales of Units (a) results in the holders of 5.25% Debentures not being entitled to receive, on the applicable payment date, cash in an aggregate amount equal to the interest payable on such payment date, or (b) entitles such holders to receive any Units in satisfaction of the interest payable on the applicable payment date.

Redemption and Purchase

On and after December 31, 2016, but prior to December 31, 2017, we had the right to redeem the 5.25% Debentures in whole at any time or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest on not more than 60 days' and not less than 30 days' prior written notice, provided that, the Current Market Price on the date immediately preceding the date upon which notice of redemption was given was at least 125% of the Conversion Price.

On and after December 31, 2017 and prior to the Maturity Date, we may redeem the 5.25% Debentures in whole at any time or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest in respect thereof for the period up to, but excluding, the date of redemption from the latest Interest Payment Date on not more than 60 days' and not less than 30 days' prior written notice.

We have the right to purchase 5.25% Debentures in the market, by tender or by private contract subject to regulatory requirements; provided, however, that if an Event of Default has occurred and is continuing, we do not have the right to purchase the 5.25% Debentures by private contract.

In the case of redemption of less than all of the 5.25% Debentures, the 5.25% Debentures to be so redeemed will be selected by the Debenture Trustee on a *pro rata* basis to the nearest multiple of \$1,000

according to the principal amount of such 5.25% Debentures registered in the respective name of each holder of 5.25% Debentures or by lot in such manner as the Debenture Trustee deems equitable, subject to the consent of the stock market on which the Units are traded.

Cancellation

All 5.25% Debentures converted, redeemed or purchased as aforesaid will be cancelled and may not be reissued or resold.

Subordination

The payment of the principal of, and interest on, the 5.25% Debentures is subordinated in right of payment, in the circumstances referred to below and more particularly as set forth in the 5.25% Indenture, to our Senior Indebtedness. The 5.25% Debentures do not limit our ability to incur additional indebtedness, including indebtedness that ranks senior to the 5.25% Debentures, or from mortgaging, pledging or charging our real or personal property or properties to secure any indebtedness.

The 5.25% Indenture provides that in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings relative to us, or to our property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or other winding up of us, whether or not involving insolvency or bankruptcy, or any marshalling of our assets and liabilities, all creditors entitled to Senior Indebtedness will receive payment in full before the holders of 5.25% Debentures will be entitled to receive any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in any such event in respect of any of the 5.25% Debentures or any unpaid interest accrued thereon.

The 5.25% Debentures are effectively subordinate to claims of our Subsidiaries' creditors (including trade creditors) except to the extent we are a creditor of such Subsidiaries ranking at least *pari passu* with such other creditors.

Put Right upon a Change of Control

Upon the occurrence of a Change of Control, each holder of 5.25% Debentures may require us to purchase on the Put Date the whole or any part of such holder's 5.25% Debentures at the Total Put Price.

If 90% or more in aggregate principal amount of the 5.25% Debentures outstanding on the date of the giving of notice of the Change of Control have been tendered for purchase on the Put Date, we have the right but not the obligation to redeem all the remaining 5.25% Debentures on the Put Date at the Total Put Price. Notice of such redemption must be given to the Debenture Trustee prior to the Put Date and as soon as reasonably possible thereafter, by the Debenture Trustee to the holders of the 5.25% Debentures not tendered for purchase.

The Total Put Price will be payable in lawful money of Canada or, at our option and subject to applicable regulatory approval, by payment of Units to satisfy, in whole or in part, our obligation to pay the Put Price.

The 5.25% Indenture contains notification provisions to the following effect that:

- (a) we must promptly give written notice to the Debenture Trustee of the occurrence of a Change of Control and the Debenture Trustee will thereafter give to the holders of 5.25% Debentures a notice of the Change of Control, the repayment right of the holders of 5.25% Debentures and our right to redeem untendered 5.25% Debentures under certain circumstances; and
- (b) a holder of 5.25% Debentures, to exercise the right to require us to purchase its 5.25% Debentures, must deliver to the Debenture Trustee, not less than five business days prior

to the Put Date, written notice of the holder's exercise of such right, together with a duly endorsed form of transfer.

We will comply with the requirements of Canadian securities laws and regulations to the extent such laws and regulations are applicable in connection with the repurchase of the 5.25% Debentures in the event of a Change of Control.

Modification

The rights of the holders of the 5.25% Debentures may be modified in accordance with the terms of the Trust Indenture. The 5.25% Indenture contains certain provisions which make Extraordinary Resolutions binding on all registered holders of the 5.25% Debentures. Under the 5.25% Indenture, the Debenture Trustee has the right to make certain amendments to the 5.25% Indenture in its discretion, without the consent of the registered holders of the 5.25% Debentures.

Events of Default

If an Event of Default has occurred and is continuing, the Debenture Trustee may, in its discretion, and shall, upon the request of holders of not less than 25% in principal amount of the then outstanding 5.25% Debentures, declare the principal of (and premium, if any) and interest on all outstanding 5.25% Debentures to be immediately due and payable. Certain Events of Default may be waived by written direction of the holders of 66⅔% of the principal amount of the outstanding 5.25% Debentures, by Extraordinary Resolution or by the Debenture Trustee in certain circumstances in accordance with the terms of the 5.25% Indenture.

Offers for 5.25% Debentures

The 5.25% Indenture contains provisions to the effect that if an offer is made for the 5.25% Debentures which is a takeover bid for 5.25% Debentures within the meaning of the *Securities Act* (Ontario) and not less than 90% of the outstanding principal amount of the 5.25% Debentures (other than 5.25% Debentures held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror or any person acting jointly or in concert with the offeror) are taken up and paid for by the offeror, the offeror is entitled to acquire the 5.25% Debentures held by holders of 5.25% Debentures who did not accept the offer on the terms offered by the offeror.

Limitation on Non-Resident Ownership

At no time may non-residents of Canada be the beneficial owners (on either a basic or fully diluted basis) of (i) more than 49% of the Units, whether by way of conversion of 5.25% Debentures to Units, repayment of 5.25% Debentures by issuance of Units, or otherwise, or (ii) more than 49% of the Special Trust Units. The Debenture Trustee may, upon our instruction, require declarations as to the jurisdictions in which beneficial owners of 5.25% Debentures are resident. If we notify the Debenture Trustee that the beneficial owners (on either a basic or fully diluted basis) of more than 49% of the Units or more than 49% of the Special Trust Units are, or may be, non-residents, or that such a situation is imminent, we may require the Debenture Trustee to make a public announcement thereof and we may instruct the Debenture Trustee not to register a transfer of 5.25% Debentures to a person unless the person provides a declaration that the person is not a non-resident and does not hold his or her 5.25% Debentures for the benefit of a non-resident. If, notwithstanding the foregoing, we notify the Debenture Trustee that beneficial owners (on either a basic or fully diluted basis) of more than 49% of the Units or more than 49% of the Special Trust Units are non-residents, we may instruct the Debenture Trustee to, or our Trustees may, send a notice to non-resident holders of 5.25% Debentures and holders of 5.25% Debentures for the benefit of non-residents, chosen in inverse order to the order of acquisition or registration of the 5.25% Debentures or in such manner as the Debenture Trustee or our Trustees may consider equitable and practicable, requiring them to sell their 5.25% Debentures or a portion thereof within a specified period of not more than 60 days. If the holders of 5.25% Debentures or unitholders receiving such notice have not sold the specified number of 5.25% Debentures or provided the Debenture Trustee and us with satisfactory

evidence that they are not non-residents and do not hold 5.25% Debentures or REIT Units for the benefit of a non-resident within such period, our trustees may or we may instruct the Debenture Trustee, on behalf of such holder or unitholder, and our Trustees or the Debenture Trustee, as applicable, shall have the power of attorney of such holder to, sell or redeem such 5.25% Debentures and, in the interim, shall suspend the rights attached to such 5.25% Debentures. Upon such sale or redemption, the affected holders shall cease to be holders of 5.25% Debentures and their rights shall be limited to receiving the net proceeds of sale or redemption upon surrender of such 5.25% Debentures.

DESCRIPTION OF INDUSTRIAL PARTNERSHIP

General

Industrial Partnership is a limited partnership formed under the laws of the Province of Ontario and governed by the Limited Partnership Agreement. Industrial Partnership holds our direct and indirect interests in all of the Properties. The general partner of Industrial Partnership is Industrial GP and the limited partners of Industrial Partnership are the Transferors.

Partnership Units

Industrial Partnership is authorized to issue an unlimited number of LP A Units, an unlimited number of LP B Units, Class A Notes and such other classes of securities of the Partnership as Industrial GP may decide from time to time. The LP Class A Units are issuable only to the REIT or its Subsidiaries to the extent that the REIT has issued the same number of REIT Units. The LP B Units are issuable only to Persons other than the REIT.

The LP A Units entitle the holder thereof to receive notice of, to attend and to one vote for such unit held at all meetings of Limited Partners in respect thereof.

The LP B Units, together with the accompanying Special Trust Units, except as otherwise noted, have economic and voting rights equivalent in all material respects to the REIT Units. In particular, subject to certain limitations contained in the Limited Partnership Agreement and the Exchange and Support Agreement, each LP B Unit entitles the holder thereof to receive a distribution from Industrial Partnership equal to the amount of a distribution we declare on a REIT Unit. Additional principal terms of the LP B Units are as follows: (i) the LP B Units may be surrendered or, if such surrender cannot be effected, indirectly exchanged, on a one-for-one basis (subject to customary anti-dilution provisions) for REIT Units at the option of the holder, at any time unless our trustees determine, acting reasonably this would cause a significant risk to Dream Industrial REIT's status as a "mutual fund trust" or "real estate investment trust" under the Tax Act; (ii) each LP B Unit will be accompanied by a Special Trust Unit which will entitle the holder thereof to receive notice of, to attend and to vote at all meetings of unitholders (except in respect of LP B Units previously surrendered or exchanged); (iii) except as required by law and in certain specified circumstances where the rights of a holder of LP B Units are affected, holders of the LP B Units are not entitled to vote at any meeting of the limited partners of Industrial Partnership; and (iv) the LP B Units, may not be transferred, subject to certain limited exceptions.

Pursuant to the Declaration of Trust and the Exchange and Support Agreement, if an offer, issuer bid, takeover bid or similar transaction with respect to the REIT Units is proposed by us or is proposed to us or holders of Units and is recommended by our trustees, or is otherwise effected or to be effected with the consent or approval of our trustees, and the LP B Units are not acquired by Industrial Partnership or exchanged, Dream Industrial REIT will, expeditiously and in good faith, take all such actions and do all such things as are necessary or desirable to enable and permit holders of those LP B Units to participate in such offer to the same extent and on an economically equivalent basis as the holders of Units, without discrimination. Without limiting the generality of the foregoing, Dream Industrial REIT will, expeditiously and in good faith, ensure that holders of LP B Units may participate in all such offers without being required to exercise their right to exchange such units (or, if so required, to ensure that any such exchange will be effective only upon, and will be conditional upon, the closing of the offer and only

to the extent necessary to tender to or deposit under the offer). In the case of offers, issuer bids, take-over bids or similar transactions which are not effected or to be effected with the consent or approval of our trustees, Dream Industrial REIT will take such actions only to the extent possible in the circumstances.

Distributions

Industrial Partnership will distribute to Industrial GP and to the limited partners holding LP A Units and LP B Units their *pro rata* portions of distributable income as set out below. Distributions will be made forthwith after Industrial GP determines the distributable income of Industrial Partnership and determines its expenses for acting as general partner, which shall take place no later than the 10th day of each month. Distributable income will represent, in general, all of Industrial Partnership's cash on hand that is derived from any source (other than amounts received in connection with the subscription for additional interests in Industrial Partnership) and that is determined by Industrial GP not to be required in connection with the business of Industrial Partnership. The amount of distributable income that will be distributed to the limited partners of Industrial Partnership will be the amount of distributable income which remains after the distribution of (a) an amount to Industrial GP sufficient to reimburse it for its expenses incurred in performing its duties and obligations under the Limited Partnership Agreement; (b) an amount to the holders of LP A Units sufficient to allow Dream Industrial REIT to pay their expenses on a timely basis; and (c) an amount to Industrial GP equal to 0.001% of the balance of the distributable income of Industrial Partnership remaining after the distributions in (a) and (b) have been made. However, holders of LP B Units will be entitled to receive distributions on each such unit equal to the amount of the distribution declared by Dream Industrial REIT on each Unit. The record date and the payment date for any distribution declared on the LP B Units will be the same as those for the Units.

A holder of LP B Units has the right to elect to reinvest all or a portion of distributions payable on its LP B Units on the same economic terms as participants in our DRIP. A holder may reinvest such distributions in LP B Units, Units or any combination thereof. If a holder elects to reinvest all or a portion of its distributions, the holder will receive a bonus distribution of 3% of the amount elected to be reinvested, which bonus distribution will be reinvested in the units that the holder elects to receive.

Allocation of Net Income and Losses

Industrial Partnership's income or loss for tax purposes for a fiscal year will be allocated to Industrial GP and to each person who was a limited partner of Industrial Partnership in that year in the manner provided below. At the end of each fiscal year, Industrial GP will be allocated taxable income of Industrial Partnership, as determined in accordance with the Tax Act, in an amount equal to the aggregate of (a) all of the amounts paid to Industrial GP as reimbursement for its expenses in performing its duties and obligations under Limited Partnership Agreement and (b) all distributions from Industrial Partnership that it has received during that year. After giving effect to the allocation of taxable income to Industrial GP, each person who was a limited partner of Industrial Partnership at any point during that year will be allocated taxable income or losses of Industrial Partnership, as determined in accordance with the Tax Act, in an amount based on the total sum of the cash distributions received by that limited partner with respect to that fiscal year. However, if, with respect to a given fiscal year, no cash distribution is made by Industrial Partnership to its limited partners, the taxable income or loss of Industrial Partnership for such fiscal year will be allocated to the limited partners, reduced by the amount, if any, determined in respect of the fiscal year as taxable income allocable to Industrial GP, and such taxable income or loss allocated to the limited partners will be allocated to each person who was a limited partner at any time in such fiscal year in the proportion determined by Industrial GP.

Amendments to the Limited Partnership Agreement

Pursuant to the Limited Partnership Agreement, no amendment to the investment guidelines or operating policies set forth above or any other material change to such agreement may be made without the approval of 66⅔% of the votes cast by the limited partners entitled to vote at a meeting called for such

purpose or the written approval of holders holding more than 66⅔% of the outstanding limited partnership units entitled to vote.

Functions and Powers of Industrial GP

Subject to the provisions of the Limited Partnership Agreement, Industrial GP is authorized to carry out the business of Industrial Partnership with the full power and exclusive authority to administer, manage, control and operate the operations and affairs of Industrial Partnership and the business of Industrial Partnership and to bind Industrial Partnership. In addition, Industrial GP has all of the power and authority for and on behalf of Industrial Partnership to do or cause to be done any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or document on behalf of Industrial Partnership permitted by the Limited Partnership Agreement and involving matters or transactions which are necessary for or incidental to carrying on the business of Industrial Partnership. Industrial GP is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of Industrial Partnership and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and as would the director of a corporation in comparable circumstances. Industrial GP is not entitled to dissolve Industrial Partnership, wind up its affairs or effect a sale of all or substantially all of Industrial Partnership's assets except in accordance with the provisions of the Limited Partnership Agreement.

The Limited Partnership Agreement provides that all material transactions and agreements involving Industrial Partnership must be approved by Industrial GP's board of directors.

Restrictions on the Authority of Industrial GP

The authority of Industrial GP is limited in certain respects by the Limited Partnership Agreement. For example, Industrial GP is prohibited, without the prior approval of the limited partners given by special resolution, from selling or otherwise disposing of all or substantially all of the assets of Industrial Partnership.

Reimbursement of Industrial GP

Industrial Partnership will reimburse Industrial GP for all expenses incurred by Industrial GP in the performance of its duties as general partner under the Limited Partnership Agreement on behalf of Industrial Partnership.

Limited Liability

Industrial GP will operate and carry on the business of Industrial Partnership and conduct the affairs of Industrial Partnership in a manner so as to ensure to the greatest extent possible the limited liability of its limited partners. However, limited partners may lose their limited liability in certain circumstances.

RISK FACTORS

Risk factors inherent in an investment in our Units or our Debentures include but are not limited to the following:

Risks inherent in the real estate industry may affect our financial performance

Real estate ownership is generally subject to numerous risks, including changes in general economic conditions (such as the availability, terms and cost of mortgage financings and other types of credit), local economic conditions (such as an oversupply of industrial properties or a reduction in demand for real estate in the area), the attractiveness of properties to potential tenants or purchasers, competition of others with available space, and the ability of the owner to provide adequate maintenance at competitive costs.

Our portfolio of properties generates income through rent payments made by our tenants. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced for a number

of reasons. Furthermore, the terms of any subsequent lease may be less favourable than the existing lease. Our cash flows and financial position would be materially adversely affected if a number of tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in our properties were not able to be leased on economically favourable lease terms. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting our investment may be incurred. Furthermore, at any time, a tenant may seek the protection of bankruptcy, insolvency or similar laws which could result in the rejection and termination of the lease of such tenant and, thereby, cause a reduction in the cash flow available to us.

An investment in real estate is relatively illiquid. Such illiquidity will tend to limit our ability to vary our portfolio promptly in response to changing economic or investment conditions. In recessionary times it may be difficult to dispose of certain types of real estate. The costs of holding real estate are considerable and during an economic recession we may be faced with ongoing expenditures with a declining prospect of incoming receipts. In such circumstances, it may be necessary for us to dispose of properties at lower prices in order to generate sufficient cash for operations and making distributions.

Competition in the office, industrial and retail real estate market may adversely affect our financial performance

We compete with other investors, managers and owners of properties in seeking tenants and for the purchase and development of desirable real estate properties. Some of the industrial properties of our competitors are newer, better located or better capitalized than our Properties. Certain of these competitors have greater financial and other resources and greater operating flexibility than us. The existence of competing managers and owners could have a material adverse effect on our ability to lease space in our Properties and on the rents we are able to charge, and could materially adversely affect our revenues and our ability to meet our obligations.

Environmental contamination on properties may expose us to liability and adversely affect our financial performance

Our properties may contain ground contamination, hazardous substances, and/or other residual pollution and environmental risks. Buildings and their fixtures might contain asbestos or other hazardous substances such as polychlorinated biphenyl, dichlorodiphenyltrichloroethane, pentachlorophenol or lindane above the allowable or recommended thresholds, or other environmental risks could be associated with the buildings.

We bear the risk of cost-intensive assessment, remediation or removal of such ground contamination, hazardous substances or other residual pollution. The discovery of any such residual pollution on the sites and/or in the buildings, particularly in connection with the lease or sale of properties or borrowing using the real estate as security, could trigger claims for rent reductions or termination of leases for cause, for damages and other breach of warranty claims against us. The remediation of any pollution and the related additional measures we would have to undertake could have a material adverse effect on us and could involve considerable additional costs that we may have to bear. We are also exposed to the risk that recourse against the polluter or the previous owners of the properties might not be possible, for example, because they cannot be identified, no longer exist or have become insolvent. Moreover, the existence or even the mere suspicion of the existence of ground contamination, hazardous materials or other residual pollution can materially adversely affect the value of a property and our ability to lease or sell such a property.

As an owner of real property, we are subject to various federal, provincial, state and municipal laws relating to environmental matters. Such laws provide a range of potential liability, including potentially significant penalties, and potential liability for the costs of removal or remediation of certain hazardous substances or ground contamination. The presence of such substances, if any, could materially adversely affect our ability to sell or redevelop such real estate or to borrow using such real estate as collateral and, potentially, could also result in civil claims against us. In order to obtain financing for the purchase of a

new property through traditional channels, we may be requested to arrange for an environmental site assessment to be conducted. Although such an assessment provides us and our lenders with some assurance, we may become subject to liability for undetected pollution or other environmental hazards on our properties against which we cannot insure, or against which we may elect not to insure where premium costs are disproportionate to our perception of relative risk.

We have formal policies and procedures to review and monitor environmental exposure. These policies include the requirement to conduct a Phase I environmental site assessment before acquiring any real property or any interest therein.

Some of the properties have tenants that use hazardous or toxic substances or create waste. In addition, asbestos containing materials, underground storage tanks, petroleum hydrocarbons and lead paint are known to be present at certain of the properties. Where circumstances so warrant, designated substance surveys and/or Phase II environmental site assessments are conducted to determine the presence and/or extent of these or any other materials or potential environmental hazards. If appropriate, we remediate such situations. Notwithstanding the above, we are not aware of any environmental conditions with respect to any of the properties that we believe would involve material expenditure by us.

Insurance to protect against certain environmental liability is in place in respect of certain of the Properties with limits which we believe are customary for portfolios similar to the REIT's. In addition, certain of the existing tenant leases in respect of the Properties specify that the tenant will conduct its business in accordance with environmental laws and regulations and be responsible for any liabilities arising out of infractions against such laws and regulations.

We make the necessary capital and operating expenditures to ensure compliance with environmental laws and regulations. Although there can be no assurances, we do not believe that costs relating to environmental matters will have a material adverse effect on our business, financial condition, results of operations or distributions. However, environmental laws and regulations can change and we may become subject to more stringent environmental laws and regulations (or more stringent enforcement or administration of existing legislation) in the future.

We may incur significant capital expenditures and other fixed costs

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, are made throughout the period of ownership of real property, regardless of whether the property is producing sufficient income to pay such expenses. In order to retain desirable rentable space and to generate adequate revenue over the long term, we must maintain or, in some cases, improve each property's condition to meet market demand. Maintaining rental properties in accordance with market standards entails significant costs, which we may not be able to pass on to our tenants. Numerous factors, including the age of the relevant building structure, the material and substances used at the time of construction or currently unknown building code violations, could result in substantial unbudgeted costs for refurbishment or modernization.

If the actual costs of maintaining or upgrading properties exceed our estimates, or if hidden defects are discovered during maintenance or upgrading which are not covered by insurance or contractual warranties, or if we are not permitted to raise the rents due to legal constraints, we will incur additional and unexpected costs. If competing properties of a similar type are built in the area where one of our properties is located or similar properties located in the vicinity of one of our properties are substantially refurbished, the net operating income derived from and the value of such property could be reduced.

Any failure by us to undertake appropriate maintenance and refurbishment work in response to the factors described above could materially adversely affect the rental income that we earn from such properties. Any such event could have a material adverse effect on our cash flows, financial condition and results of operations and our ability to make distributions on the Units.

Financing risks, leverage and restrictive covenants may limit our ability for growth

The real estate industry is capital intensive. We require access to capital to maintain our properties, as well as to fund our growth strategy and significant capital expenditures from time to time. There is no assurance that capital will be available when needed or on favourable terms. Our failure to access required capital could materially adversely impact our investments, cash flows, operating results or financial condition, our ability to make distributions on the Units and our ability to implement our growth strategy.

Our access to third-party financing is subject to a number of factors, including:

- general market conditions;
- the market's perception of our growth potential;
- our current and expected future earnings;
- our cash flow and cash distributions; and
- the market price of our Units.

We have certain third-party debt service obligations pursuant to our indebtedness. The degree to which we are leveraged could have important consequences to Unitholders. Such factors include:

- a significant portion of our cash flow may be dedicated to the payment of the principal of, and interest on, our indebtedness, thereby reducing the amount of funds available for the payment of cash distributions to Unitholders;
- certain of our borrowings will be at variable rates of interest which exposes us to the risk of increased interest rates;
- a high level of debt would increase vulnerability to general adverse economic and industry conditions;
- covenants contained in debt facilities will limit our ability to borrow additional funds, dispose of assets, encumber our assets, pay distributions and make potential investments;
- a high level of debt may place us at a competitive disadvantage compared to other owners of similar real estate assets that are less leveraged and therefore may be able to take advantage of opportunities that our indebtedness would prevent us from pursuing;
- our debt covenants may also affect flexibility in planning for, and reacting to, changes in the economy and in the industry;
- a high level of debt may make it more likely that a reduction in our borrowing base following a periodic valuation (or redetermination) could require us to repay a portion of then-outstanding borrowings; and

- a high level of debt may impair our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general trust or other purposes.

Certain of our competitors may operate on a less leveraged basis, and therefore could have greater financing flexibility than us. Our ability to make scheduled payments of the principal of, or interest on, and to otherwise satisfy our debt obligations will depend on our future performance, which is subject to the financial performance of our properties, prevailing economic conditions, prevailing interest rate levels and financial, competitive, business and other factors, many of which are beyond our control. These factors might inhibit us from refinancing indebtedness at all or on favourable terms, which could have a materially adverse effect on our ability to make distributions on the Units.

Upon the expiry of the term of the financing or refinancing of any particular property or debt facilities, we may need to refinance, and there can be no assurance that we will be able to do so or will be able to do so on terms as favourable as those currently in place with respect to the indebtedness. Future financing may take many forms, including debt or equity financing which could alter the current debt-to-equity ratio or which could be dilutive to our Unitholders. If we are unable to refinance our indebtedness, or are only able to refinance our indebtedness on less favourable terms, this may have a material adverse effect on our financial position, or distributable income. Similarly, if we were to be in default under the terms of our indebtedness, the applicable lender could foreclose on any of our properties on which the lender took security to satisfy our obligations under our indebtedness. In either case, this could result in the reduction or suspension of cash distributions to Unitholders.

Certain of our indebtedness contains restrictive covenants that may limit the discretion of management with respect to certain business matters. These covenants place restrictions upon, among other things, our ability to (i) incur additional indebtedness, (ii) create liens or other encumbrances, (iii) pay distributions or certain other payments, investments, loans and guarantees, (iv) sell or otherwise dispose of assets, and (v) merge or consolidate with another entity. In addition, our indebtedness may contain financial covenants that require us to maintain certain financial ratios and financial condition tests. Failure to comply with such obligations could result in an event of default which, if not cured or waived, could result in acceleration of the relevant indebtedness. If any indebtedness was to be accelerated, there can be no assurance that our assets would be sufficient to repay that indebtedness in full. If an event of default under any indebtedness was to occur, distributions may be suspended.

Changes in government regulations may affect our investment in our properties

We are subject to laws and regulations governing the ownership and leasing of real property, employment standards, environmental matters, taxes and other matters. It is possible that future changes in applicable federal, provincial, state, local or common laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting us (including with retroactive effect). Any changes in the laws to which we are subject could materially adversely affect the rights and title to the properties. It is not possible to predict whether there will be any further changes in the regulatory regime(s) to which we are subject or the effect of any such change in our investments.

An investment in securities of Dream Industrial REIT is subject to certain tax considerations

We intend to continue to qualify as a “mutual fund trust” for purposes of the Tax Act. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of “mutual fund trusts” will not be changed in a manner that adversely affects Unitholders. If we cease to qualify as a “mutual fund trust” under the Tax Act, the income tax considerations applicable to us, would be materially and adversely different in certain respects, including that the Units may cease to be qualified investments for Plans.

Although we have been structured with the objective of maximizing after-tax distributions, tax charges and withholding taxes in various jurisdictions in which we invest will affect the level of distributions made to us by our subsidiaries. No assurance can be given as to the level of taxation suffered by us or our

subsidiaries. Currently, our revenues are derived from our investments located in Canada and the U.S., which will subject us to legal and political risks specific to those countries, any of which could adversely impact our investments, cash flows, operating results or financial condition, our ability to make distributions on the Units and our ability to implement our growth strategy. See “ – Our properties and tenants may be geographically concentrated”. The taxable income portion of our distributions is affected by a variety of factors, including the amount of foreign accrual property income that we recognize annually, gains and losses, if any, from the disposition of properties and the results of our operations. These components will change each year and therefore, the taxable income allocated to our unitholders each year will also change accordingly.

Late in 2017, the *Tax Cuts and Job Act* (“TCJA”) was introduced and enacted in the U.S. There are a variety of provisions in the TCJA that are expected to be particularly impactful on the real estate industry and the Trust’s U.S. operations. Management is currently revisiting and reviewing its current structure to ensure that adverse commercial and negative tax consequences are mitigated and tax planning opportunities are investigated, for both current and future operations.

The SIFT Legislation applies to a trust that is a SIFT or a partnership that is a SIFT. Dream Industrial REIT and Industrial Partnership will not be SIFTs for the purposes of these rules because Dream Industrial REIT expects to qualify and continue to qualify for the REIT Exception and Industrial Partnership and each of our Subsidiaries expect to qualify and continue to qualify as an “excluded subsidiary entity” within the meaning of the Tax Act. In the event the SIFT Legislation applies to Dream Industrial REIT, the impact to holders of Units will depend on the status of the Unitholder and, in part, on the amount of income distributed which would not be deductible by Dream Industrial REIT in computing its income in a particular year and what portions of Dream Industrial REIT’s distributions constitute “non-portfolio earnings”, other income and returns of capital.

Having regard to the present intention of the Board of Trustees, we are required to distribute a sufficient amount of our net income and net realized capital gains each year to Unitholders in cash, or otherwise in order to eliminate our liability for tax under Part I of the Tax Act. Where such amount of net income and net realized capital gains in a taxation year exceeds our cash available for distribution in the year, such excess net income and net realized capital gains will be distributed to Unitholders in the form of additional Units. Unitholders will generally be required to include an amount equal to the fair market value of those units in their taxable income, in circumstances where they do not directly receive a cash distribution.

Although we are of the view that all expenses to be claimed by us and our Subsidiaries will be reasonable and deductible and that the cost amount and capital cost allowance claims of entities indirectly owned by us will have been correctly determined, there can be no assurance that the Tax Act, or the interpretation of the Tax Act, will not change, or that the CRA will agree. If the CRA successfully challenges the deductibility of such expenses or the allocation of such income, our taxable income, and indirectly the taxable income of Unitholders, may change.

The extent to which distributions will be non-taxable in the future will depend in part on the extent to which entities indirectly owned by us are able to deduct depreciation, interest, loan expenses and other reasonable expenses relating to our properties for purposes of the Tax Act.

We will endeavour to ensure that the Units continue to be qualified investments for Plans; however, there can be no assurance that this will occur. In addition, Subsidiary Securities received on a redemption *in specie* of Units may not be qualified investments for Plans. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments.

Recent amendments to the Ontario land transfer tax regime may adversely affect our financial performance

On February 18, 2016, the Ontario government amended Regulation 70/91 to the Land Transfer Tax Act (Ontario). These amendments address the application of the *de minimis* partnership exemption to certain transfers of interests in partnerships which beneficially own land situated in Ontario and provide that such exemption is not available for certain transactions involving acquisitions of partnership interests by trusts and partnerships. The amendments purport to apply retroactively to acquisitions of interests in land-owning partnerships occurring on or after July 19, 1989, being the date that the legislation was amended to apply to beneficial transfers. However, the Ministry has announced that as an administrative matter they will only assess/reassess transactions occurring on or after February 18, 2012. As a result of the amendments, the REIT may be liable for land transfer tax on certain of our property acquisitions and this may give rise to an adverse impact on our financial results.

We depend on the business of Industrial Partnership

We are entirely dependent on the business of Industrial Partnership. The cash distributions to Unitholders are dependent on the ability of Industrial Partnership to pay distributions in respect of the units of Industrial Partnership. The ability of Industrial Partnership to pay distributions or make other payments or advances to us may be subject to contractual restrictions contained in any instruments governing the indebtedness of Industrial Partnership. The ability of Industrial Partnership to pay distributions or make other payments or advances is also dependent on the ability of Industrial Partnership's subsidiaries to pay distributions or make other payments or advances to Industrial Partnership.

There are certain risks associated with having single tenant properties

The table below illustrates the largest ten tenants of the Properties by annualized base rent as of December 31, 2017:

Tenant	Annualized base rent (%)
Spectra Premium Industries Inc.	4.0
Nissan North America Inc.	3.5
TC Transcontinental	3.4
Gienow Windows & Doors Inc.	2.5
Molson Breweries Properties	2.1
United Agri Products Canada Inc.	1.2
Nellson Nutraceutical Canada	1.2
Clean Harbors Industrial	1.2
Array Canada Inc.	1.1
Royal Group Inc.	0.9
Total	21.1

In the event that the above-listed tenants were to terminate their tenancies or become insolvent, our financial results would be materially adversely affected. Until such a time that we will be in a position to acquire more assets and further diversify our tenant base, we will take certain steps to mitigate any credit risk by closely monitoring our tenants' compliance with the terms of their respective leases and to report any issues as soon as they are identified.

Our properties and tenants may be geographically concentrated

Currently, our properties are located in Canada and the U.S., and as a result, are impacted by economic and other factors specifically affecting the real estate markets in Canada and the U.S. These factors may differ from those affecting the real estate markets in other regions. Due to the concentrated nature of our properties, a number of our properties could experience any of the same conditions at the same time. If

real estate conditions in Canada or the U.S. decline relative to real estate conditions in other regions, our cash flows and financial condition may be more adversely affected than those of companies that have more geographically diversified portfolios of properties.

Given the prominence of the oil and gas industry in the province of Alberta, the economy of this province can be significantly impacted by the price of oil. For the year ended December 31, 2017, approximately 32% of our NOI was generated from our properties situated in Alberta. Accordingly, any substantial decline or prolonged weakness in the price of oil could also adversely affect our operating results and our ability to renew or refinance mortgages relating to the properties in this province. We continuously evaluate the economic health of the markets in which we operate through various means to ensure that we have identified and, where possible, mitigate risks to the REIT, including the potential impacts of changes in the price of oil.

Changes in interest rates could adversely affect our cash flows and our ability to pay distributions and make interest payments

We require extensive financial resources to complete our planned acquisitions and to implement our future investment and growth strategy. When concluding financing agreements or extending such agreements, we will depend on our ability to agree on terms, including in respect of interest payments and amortization that will not impair our desired profit and that do not restrict our ability to pay distributions. In addition to our mortgages and credit facilities, we may enter into future financing agreements with variable interest rates if the current historical low level of interest rates continue. There is a risk that interest rates will increase. An increase in interest rates could result in a significant increase in the amount paid by us and our Subsidiaries to service debt, resulting in a decrease in distributions to Unitholders, and could materially adversely affect the trading price of the Units. In addition, increasing interest rates may put competitive pressure on the levels of distributable income paid by us to Unitholders, increasing the level of competition for capital faced by us, which could have a material adverse effect on the trading price of the Units.

We may implement hedging programs in order to offset the risk of revenue losses and to provide more certainty regarding the payment of distributions to Unitholders should current variable interest rates increase. However, to the extent that we fail to adequately manage these risks, our financial results, and our ability to pay distributions to Unitholders and interest payments under our existing indebtedness and future financings may be adversely affected. Increases in interest rates generally cause a decrease in demand for properties. Higher interest rates and more stringent borrowing requirements, whether mandated by law or required by banks, could have a material adverse effect on our ability to sell any of our properties.

Changes in currency exchange rates could adversely affect our business

Some of our investments and operations are conducted in U.S. dollars; however, we pay distributions to unitholders in Canadian dollars. As a result, fluctuations in the U.S. dollar against the Canadian dollar could have a material adverse effect on our financial results, which are denominated and reported in Canadian dollars, and on our ability to pay cash distributions to unitholders. The Trust's exposure to currency exchange risk could increase if the proportion of income from Properties located in the U.S. increases as a result of future property acquisitions.

Acquisitions of properties may expose us to undisclosed defects and obligations

Our external growth prospects depend in large part on identifying suitable acquisition opportunities, pursuing such opportunities and consummating acquisitions. We intend to make acquisitions and dispositions of properties in accordance with our external growth strategy. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, as well as our ability to realize our anticipated growth opportunities and synergies from our newly acquired properties.

Notwithstanding pre-acquisition due diligence, it is not possible to fully understand a property before it is owned and operated for an extended period of time. For example, we could acquire a property that contains undisclosed defects in design or construction. Furthermore, we are not always able to obtain from the seller the records and documents that we need in order to fully verify that the buildings we acquire were constructed in accordance, and that their use complies, with planning laws and building code requirements. Accordingly, in the course of acquiring a property, specific risks might not be or might not have been recognized or correctly evaluated. Thus, we could have overlooked or misjudged legal and/or economic liabilities. These circumstances could lead to additional costs and could have a material adverse effect on our proceeds from sales and rental income of the relevant properties. In addition, after the acquisition of a property by us, the market in which the acquired property is located may experience unexpected changes that materially adversely affect the property's value. The occupancy of properties that we acquire may decline during their ownership, and rents that are in effect at the time a property is acquired may decline thereafter. For these reasons, among others, our property acquisitions may cause us to experience significant losses. If we are unable to manage our growth and integrate our acquisitions effectively, our investments, operating results and financial condition could be materially adversely affected.

We may not be able to source suitable acquisitions

Our strategy includes growth through identifying suitable acquisition opportunities, pursuing such opportunities, consummating acquisitions and effectively operating and leasing such properties. If we are unable to manage growth effectively, it could materially adversely affect our cash flows, financial condition and results of operations. There can be no assurance as to the pace of growth through property acquisitions or that we will be able to acquire assets on an accretive basis, and as such there can be no assurance that distributions to Unitholders will increase in the future.

We may be subject to development risk

As we continue to implement our longer term strategy, which includes expanding into the U.S. market and may include future industrial development or redevelopment projects, we may become more exposed to development risks, including:

- (a) the potential insolvency of a developer;
- (b) a developer's failure to use advanced funds in payment of construction costs;
- (c) construction or other unanticipated delays;
- (d) incurring construction costs before ensuring rental revenues will be earned from the project;
- (e) cost over-runs on the project; and
- (f) the failure of tenants to occupy and pay rent in accordance with lease arrangements.

Such risks are minimized by generally not commencing construction until satisfactory levels of preleasing/sales are achieved. We also plan to undertake development projects with DAM and other established developers. In addition, we plan to use a staggered approach in our development program to avoid unnecessary concentration of development projects in a single period of time so as to manage our development risk exposure and properly allocate our capital and personnel resources. Our risk exposure is further mitigated by our Declaration of Trust, which limits the amount we are able to commit to development activity at any one time to no more than 25% of unitholders' equity adjusted for accumulated depreciation and amortization.

Investments in real estate properties through joint ventures may restrict our ability to deal with those properties or expose us to liability

We are a participant in jointly controlled entities and co-ownerships, combined ("joint arrangements") with third parties. A joint arrangement involves certain additional risks, including: (i) the possibility that such third parties may at any time have economic or business interests or goals that will be inconsistent

with ours, or take actions contrary to our instructions or requests or to our policies or objectives with respect to our real estate investments, (ii) the risk that such third parties could experience financial difficulties or seek the protection of bankruptcy, insolvency or other laws, which could result in additional financial demands on us to maintain and operate such properties or repay the third parties' share of property debt guaranteed by us or for which we will be liable, and/or result in our suffering or incurring delays, expenses and other problems associated with obtaining court approval of the joint arrangement, (iii) the risk that such third parties may, through their activities on behalf of or in the name of the joint arrangements, expose or subject us to liability, and (iv) the need to obtain third parties' consents with respect to certain major decisions, including the decision to distribute cash generated from such properties or to refinance or sell a property. In addition, the sale or transfer of interests in certain of the joint arrangements may be subject to rights of first refusal or first offer, and certain of the joint venture and partnership agreements may provide for buy-sell or similar arrangements. Such rights may be triggered at a time when we may not desire to sell but may be forced to do so because we do not have the cash to purchase the other party's interests. Such rights may also inhibit our ability to sell an interest in a property or a joint arrangement within the time frame or otherwise on the basis we desire. Our investment in properties through joint arrangements is subject to the investment guidelines set out in our Declaration of Trust.

Losses of key personnel may affect our ability to operate effectively

Our operations are dependent upon the participation of our key personnel, including our chief executive officer and chief financial officer. While we believe that we could find replacements for these key employees, the loss of their services and our inability to attract and retain qualified and experienced personnel may materially adversely affect our ability to operate and expand which could materially adversely affect our operating results and financial condition.

Investments in, and profits and cash flows from, properties may be lost in the event of uninsured or underinsured losses to properties or losses from title defects

We carry general liability, umbrella liability and excess liability insurance with limits which are typically obtained for similar real estate portfolios in Canada and otherwise acceptable to the Board of Trustees. For the property risks we carry "All Risks" property insurance including but not limited to, flood, earthquake and loss of rental income insurance (with at least a 24 month indemnity period). We also carry Boiler and Machinery insurance covering all boilers, pressure vessels, HVAC systems and equipment breakdown. There are, however, certain types of risks (generally of a catastrophic nature such as from war or nuclear accident) which are uninsurable under any insurance policy. Furthermore there are other risks that are not economically viable to insure at this time. We partially self-insure against terrorism risk for our entire portfolio. We have insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements. Should an uninsured or underinsured loss occur, we could lose our investment in, and anticipated profits and cash flows from, one or more of our properties, but we would continue to be obligated to repay any recourse mortgage indebtedness on such properties. We do not carry title insurance on all of the Initial Properties. If a loss occurs resulting from a title defect with respect to a property where there is no title insurance or the loss is in excess of insured limits, we could lose all or part of our investment in, and anticipated profits and cash flows from, such property.

We depend on information technology systems

Our businesses depend on information technology systems for day-to-day operations. If we are unable to operate our systems or make enhancements as needed, or if our systems go down, it could have an adverse effect on our ability to service tenants, manage our operations or meet our obligations, which in turn could have an adverse impact on our results and financial position. Important processes such as roll-outs, software and equipment upgrades and information security procedures are continually being assessed to ensure they are as effective as possible in order to support management in achieving our strategic objectives.

Cyber security risks could result in disruptions in business operations

As we continue to increase our dependence on information technologies to conduct our operations, the risks associated with cyber security also increase. We rely on management information systems and computer control systems. Business disruptions, utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm our operations and materially adversely affect our operating results. Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the misuse or loss of control over computer control systems, and breaches due to employee error. Our exposure to cyber security risks includes exposure through third parties on whose systems we place significant reliance for the conduct of our business. We have implemented security procedures and measures in order to protect our systems and information from being vulnerable to cyber-attacks. We believe these measures and procedures are appropriate. To date, we have not experienced any material impact from cyber security events. However, we may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to our information and control systems could have severe financial and other business implications.

Controls and procedures may not perform as intended

Dream Industrial REIT has established internal controls over financial reporting and disclosure controls and procedures designed in accordance with NI 52-109. A control system, no matter how well conceived and operated, can provide only reasonable and not absolute assurance that the objectives of the control system are met. As a result of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected. These inherent limitations include, amongst other items: (i) that management's assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances; and (ii) the impact of isolated errors. In addition, controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people, or by management override. The design of any system of controls is also based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design procedures will succeed in achieving its stated goals under all potential (future) conditions.

Market for securities and prices of securities may fluctuate

Dream Industrial REIT is an unincorporated open-ended investment trust and its Units and Debentures are listed on the TSX. There can be no assurance that an active trading market in the Units or Debentures will be sustained. A publicly traded real estate investment trust does not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Instead, the Units and Debentures may trade at a premium or a discount to such values. A number of factors may influence the market price of the Units and Debentures, including general market conditions, fluctuations in the markets for equity and/or debt securities, short-term supply and demand factors for real estate investment trusts and numerous other factors beyond our control.

The ability of Unitholders to redeem Units is subject to restrictions on redemption

It is anticipated that the redemption right attached to the Units will not be the primary mechanism by which holders of such Units will liquidate their investments. The entitlement of holders of Units to receive cash upon the redemption of their Units is subject to the limitations that: (a) the total amount payable by us in respect of such Units and all other Units tendered for redemption in the same calendar month shall not exceed \$50,000 (provided that such limitations may be waived at the discretion of the Board of Trustees); (b) at the time such Units are tendered for redemption, the outstanding Units shall be listed for trading on a stock exchange or traded or quoted on another market which the Board of Trustees consider, in their sole discretion, provides representative fair market value prices for such series of the Units; and (c) the normal trading of the Units is not suspended or halted on any stock exchange on which such Units are listed (or, if not listed on a stock exchange, on any market on which such Units are quoted

for trading) on the redemption date or for more than five trading days during the 20-day trading period commencing immediately after the redemption date.

Cash distributions are not guaranteed and may fluctuate with our financial performance

Our distribution policy is established in the Declaration of Trust and may only be changed with the approval of a majority of unitholders. However, the Board of Trustees may reduce or suspend cash distributions indefinitely, which could have a material adverse effect on the market price of the Units.

Although we intend to make cash distributions in accordance with our distribution policy, the actual cash flow available for distribution to Unitholders is dependent on the amount of cash flow paid to us by our operating entities and can vary significantly from period to period for a number of reasons, including among other things: (a) the amount of net rental income derived from our properties; (b) the amount of cash required or retained for debt service or repayment; (c) amounts required to fund capital expenditures and working capital requirements; (d) tenant allowances; (e) leasing commissions; (f) Unit redemptions; (g) interest rates; and (h) other factors that may be beyond our control. These amounts are subject to the discretion of the Board of Trustees, which will regularly evaluate our distribution payout with respect to anticipated cash flows, debt levels, capital expenditure plans and amounts to be retained to fund acquisitions and expenditures. In addition, our level of distributions per Unit will be affected by the number of outstanding Units and other securities that may be entitled to receive cash distributions. Distributions may be increased, reduced or suspended entirely depending on our operations and the performance of our assets. The market value of the Units may materially deteriorate if we are unable to meet distribution expectations in the future.

Unitholders do not have legal rights normally associated with ownership of shares of a corporation

Unitholders do not have all of the statutory rights normally associated with ownership of shares of a company including, for example the right to bring “oppression” or “derivative” actions against us.

Unitholder liability may arise

The Declaration of Trust provides that no holder of REIT Units or annuitant or beneficiary of a trust governed by a Plan/or of any Plan of which a holder of REIT Units acts as an annuitant will be held to have any personal liability as such, and that no resort shall be had to, nor shall recourse or satisfaction be sought from, the private property of any holder of REIT Units or annuitant for any liability whatsoever, whether constituting extra contractual or contractual liability or arising in tort, contract or otherwise, to any Person in connection with our property or our affairs, including for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of us or of the Board of Trustees or any obligation which a holder of REIT Units or annuitant would otherwise have to indemnify a Trustee for any personal liability incurred by the Trustee as such (“**Trust Liability**”). Only our assets are intended to be liable and subject to levy or execution for satisfaction of such Trust Liability. Each holder of REIT Units and annuitant is entitled to be reimbursed out of our assets in respect of any payment of such Trust Liability made by such holder of REIT Units or annuitant.

The Declaration of Trust further provides that the Board of Trustees shall cause our operations to be conducted, with the advice of counsel, in such a way and in such jurisdictions as to avoid, to the extent they determine practicable and consistent with their fiduciary duty to act in the best interests of the holders of the REIT Units, any material risk of liability on the holders of REIT Units for claims against us, and shall, to the extent available on terms which they determine to be practicable, including the cost of premiums, cause the insurance carried by us, to the extent applicable, to cover the holders of REIT Units and annuitants as additional insured. Any written instrument creating an obligation which is or includes the granting by us of a mortgage and, to the extent the Board of Trustees determine it to be practicable and consistent with their fiduciary duties to act in the best interest of the holders of REIT Units, any written instrument which is a material obligation, shall contain a provision that the obligation created is not personally binding upon the Trustees, the holders of REIT Units or officers, employees or agents of us, but that only our property or a specific portion thereof is bound. Except in case of bad faith or gross

negligence on their part, no personal liability will attach under the laws of the Province of Ontario to unitholders or annuitants for contract claims under any written instrument disclaiming personal liability as aforesaid.

However, in conducting our affairs, we are acquiring immovable property investments, subject to existing contractual obligations, including obligations under hypothecs, mortgages and leases. The Board of Trustees will use commercially reasonable efforts to have any such obligations, other than leases, modified so as not to have such obligations binding upon any of the unitholders or annuitants personally. However, we may not be able to obtain such modification in all cases. If a claim is not satisfied by us, there is a risk that a unitholder or annuitant will be held personally liable for the performance of the obligations of us where the liability is not disavowed as described above. The possibility of any personal liability attaching to unitholders or annuitants under the laws of the Province of Ontario for contract claims where the liability is not so disavowed is remote.

The issuance of additional Units will result in dilution

The number of Units we are authorized to issue is unlimited. We may, in our sole discretion, issue additional Units from time to time. Any issuance of Units, including Units issued in consideration for properties acquired by us, will have a dilutive effect on existing unitholders.

Regulatory approvals may be required in connection with a distribution of securities on a redemption of Units termination

Upon a redemption of Units or termination of the REIT, the Board of Trustees may distribute securities directly to the unitholders, subject to obtaining any required regulatory approvals. No established market may exist for the securities so distributed at the time of the distribution and no market may ever develop. In addition, the securities so distributed may not be qualified investments for Plans, depending upon the circumstances at the time.

Our ability to enforce contracts may be limited

From time to time we enter into contracts with third parties who make representations and warranties to us with respect to certain matters or agree to indemnify us if certain circumstances should occur. There can be no assurance that we will be fully protected in the event of a breach of such representations and warranties or if such circumstances should occur or that such party will be in a position to indemnify us in any such event. We may not be able to successfully enforce an indemnity contained in an agreement against such party or any such indemnity may not be sufficient to fully indemnify us from third party claims. In addition, we may be subject to undisclosed liability to third parties and such liability may be material, which could negatively impact our financial condition and results of operations and decrease the amount of cash available for distribution to Unitholders.

Our Trustees, executive officers and DAM may be put in a position of conflict as a result of their positions held and interests in other businesses

Certain of our Trustees and executive officers are also Trustees, directors and/or officers of other entities such as Dream Office REIT and DAM, or are otherwise engaged, and may continue to be engaged, in activities that may put them in conflict with our business strategy. Accordingly, these individuals may not devote all of their time and attention to us. Consequently, these positions could create, or appear to create, conflicts of interest with respect to matters involving us. Pursuant to the Declaration of Trust, all decisions to be made by the Board of Trustees which involve us are required to be made in accordance with the Trustee's duties and obligations to act honestly and in good faith with a view to the best interests of the REIT and the unitholders. In addition, our Trustees and officers are required to declare their interests in, and such Trustees are required to refrain from voting on, any matter in which they may have a material conflict of interest. However, there can be no assurance that the provisions in the Declaration of Trust will adequately address potential conflicts of interest or that such actual or potential conflicts of interest will be resolved in our favour.

DAM acts as the asset manager for Dream Global REIT and Dream Hard Asset Alternatives Trust and also provides management services to Dream Office REIT and other public and private companies. As asset manager and service provider for other entities and on its own behalf, DAM will pursue other business opportunities, including but not limited to real estate and development business opportunities outside of the REIT. These multiple responsibilities to public entities and other businesses could create competition for the time and efforts of DAM which materially adversely affect our cash flows, operating results and financial condition.

We rely on DAM for asset management services

We rely on DAM with respect to the asset management of our properties. Consequently, our ability to achieve our investment objectives depend in large part on DAM and its ability to properly advise us. This means that our investments are dependent upon DAM's business contacts, its ability to successfully hire, train, supervise and manage its personnel and its ability to maintain its operating systems. If we were to lose the services provided by DAM or its key personnel, our investments and growth prospects may significantly decline. We may be unable to duplicate the quality and depth of management available to it by becoming a self-managed company or by hiring another asset manager. Prospective investors should not purchase any Units unless they are prepared to rely on our Board of Trustees, executive officers and DAM.

Although the Asset Management Agreement provides that DAM will automatically be rehired at the expiration of each term (subject to certain termination provisions), DAM has the right, at any time after the initial 10-year term and upon 180 days' notice, to terminate the Asset Management Agreement for any reason. The Asset Management Agreement may also be terminated in other circumstances, such as upon the occurrence of an event of default or insolvency of DAM within the meaning of such agreement. Accordingly, there can be no assurance that DAM will continue to be our asset manager. If DAM should cease for whatever reason to be our asset manager, the cost of obtaining substitute services may be greater than the fees we will pay DAM under the Asset Management Agreement, and this may materially adversely affect our ability to meet our objectives and execute our strategy which could materially adversely affect our cash flows, operating results and financial condition.

The 5.25% Debentures are unsecured, subordinated obligations of Dream Industrial REIT

The likelihood that purchasers of the 5.25% Debentures will receive payments owing to them under the terms of the 5.25% Debentures will depend on our financial condition and creditworthiness. In addition, the 5.25% Debentures are unsecured obligations and are subordinate in right of payment to all of our existing and future senior indebtedness. Therefore, if Dream Industrial REIT becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, Dream Industrial REIT's assets will be available to pay its obligations with respect to the 5.25% Debentures only after it has paid all of our senior and secured indebtedness in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the 5.25% Debentures then outstanding, and holders of indebtedness of Dream Industrial REIT (including holders of 5.25% Debentures) may become subordinate to lenders to the Subsidiaries of Dream Industrial REIT.

The 5.25% Indenture does not prohibit or limit the ability of Dream Industrial REIT or any other Subsidiaries to incur additional debt or liabilities (including senior indebtedness and secured indebtedness) or to make distributions except in respect of cash distributions where an event of default under the Indentures has occurred and such default has not been cured or waived. The 5.25% Indentures does not contain any provision specifically intended to protect holders of 5.25% Debentures in the event of a future leveraged transaction involving Dream Industrial REIT.

The effect of certain transactions on the 5.25% Debentures could substantially lessen or eliminate the value of the conversion privilege

In the case of certain transactions involving Dream Industrial REIT that could occur in the future, the 5.25% Debentures will become convertible into the securities, cash or property receivable by a unitholder

in the kind and amount of securities, cash or property into which the 5.25% Debentures were convertible immediately prior to the transaction. This change could substantially lessen or eliminate the value of the conversion privilege associated with the 5.25% Debentures in the future. For example, if Dream Industrial REIT were acquired in a cash merger, the 5.25% Debentures would become convertible solely into cash and would no longer be convertible into securities whose value would vary depending on Dream Industrial REIT's future prospects and other factors.

Inability to purchase 5.25% Debentures on a change of control

We may be required to purchase all outstanding 5.25% Debentures upon the occurrence of a change of control as defined in the 5.25% Indenture. However, it is possible that following a change of control, we will not have sufficient funds at that time to make any required purchase of outstanding 5.25% Debentures or that restrictions contained in other indebtedness will restrict those purchases.

Debentures redemption right risk

The 5.25% Debentures are redeemable in accordance with their terms. We may choose to redeem those 5.25% Debentures prior to maturity, in whole or in part, at any time or from time to time, especially when prevailing interest rates are lower than the rate borne by those 5.25% Debentures. If prevailing rates are lower at the time of redemption, a holder of those 5.25% Debentures would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the 5.25% Debentures being redeemed.

MARKET FOR SECURITIES

Trading Price and Volume

The Units are listed on the TSX under the symbol "DIR.UN". The following table sets forth the high and low reported trading prices and the trading volume of the Units on the TSX for each month of the most recently completed financial year:

<u>Period</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
January 2017	8.69	8.22	2,133,169
February 2017	8.86	8.45	1,634,354
March 2017	8.51	8.03	1,726,603
April 2017.....	8.74	8.14	1,813,096
May 2017	8.86	8.40	1,732,491
June 2017	8.98	8.57	1,541,880
July 2017	9.15	8.54	1,857,419
August 2017	9.15	8.74	1,057,493
September 2017	9.20	8.90	1,886,713
October 2017	9.25	9.01	1,613,435
November 2017	9.10	8.70	4,603,952
December 2017	8.89	8.72	2,001,498

The 5.25% Debentures are listed on the TSX under the symbol “DIR.DB”. The following table sets forth the high and low reported trading prices and the trading volume of such 5.25% Debentures on the TSX for each month of the most recently completed financial year:

<u>Period</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
January 2017.....	102.50	101.20	5,270
February 2017	102.75	101.49	4,550
March 2017	102.50	100.00	6,040
April 2017	103.51	101.51	6,400
May 2017	104.00	102.25	6,450
June 2017	103.01	100.00	5,540
July 2017	102.50	100.00	3,520
August 2017	101.75	100.10	6,480
September 2017	101.51	100.41	7,260
October 2017	102.26	101.15	4,135
November 2017	102.45	101.00	5,095
December 2017	102.00	100.45	6,130

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described below or elsewhere in this AIF, no Trustee, officer of Dream Industrial REIT, or unitholder that beneficially owns, or controls or directs more than 10% of the REIT Units, or any associate or Affiliate of any of the foregoing persons, has or has had any material interest in any transaction within the last three years or during the current financial year, or any proposed transaction, that has materially affected or would materially affect Dream Industrial REIT or any of its Subsidiaries.

On September 9, 2014, we acquired the Dream Office Portfolio from a Subsidiary of Dream Office REIT (the “**Property Vendor**”) pursuant to an agreement of purchase and sale dated August 13, 2014 by and among the Property Vendor, Industrial Partnership and Dream Industrial REIT. To satisfy a portion of the purchase price for the Dream Office Portfolio, we issued 2,269,759 LP B Units and a corresponding 2,269,759 Special Trust Units to the Property Vendor. The 2,269,759 LP B Units were issued based on a per unit price of \$9.40 and the 2,269,759 Special Trust Units were issued based on a per unit price of \$0.0000001. The LP B Units are exchangeable on a one-for-one basis for Units at the option of the holder. The LP B Units and corresponding Special Trust Units together have economic and voting rights equivalent in all material respects to our Units.

On May 21, 2015, Dream Industrial REIT, through the DAT Co-ownership, completed the acquisition of the Saskatchewan Portfolio. Dream Industrial REIT’s share of the purchase price was \$8.9 million, including transaction costs of \$0.3 million. On July 9, 2015, the DAT Co-ownership completed the acquisition of the final property in this portfolio, a 14,000 square foot, multi-tenant, 100% occupied building. Dream Industrial REIT’s 50% share of the final property was \$1.0 million, including transaction costs of \$0.1 million. The Saskatchewan Portfolio is 100% occupied. One of the subsidiaries of the REIT provides property management services for the co-owned properties. Dream Hard Asset Alternatives Trust, Dream Alternatives Master LP and Dream Industrial REIT have a common asset manager, DAM. One of our Trustees, Michael Cooper, is also a director and officer of Dream Alternatives Master GP Inc.,

the general partner of Dream Alternatives Master LP, which is a subsidiary of DAM. DAM is a subsidiary of Dream and an associate of Michael Cooper and Michael Cooper is a director and officer of DAM.

On October 31, 2017, Dream Industrial REIT completed the acquisition of a 717,000 square foot single tenant distribution centre located in Nashville, Tennessee from Dream Office REIT for a total purchase price of \$62.2 million, including transaction costs of \$1.3 million.

On November 21, 2017, Dream Office LP, a subsidiary of Dream Office REIT, acquired 2,858,000 Units at a price of \$8.75 per Unit for an aggregate subscription price of \$25,007,500, on a non-brokered private placement basis (the “**Dream Office Private Placement**”). The Dream Office Private Placement was completed concurrently with the closing of a public equity offering of 9,890,000 Units at a price of \$8.75 per Unit by us (the “**Public Offering**”), as well as a concurrent private placement of 115,000 Units issued by us to PRPM, a subsidiary of Pauls Corp, LLC at a price of \$8.75 per Unit (the “**Pauls Private Placement**”). The Public Offering, the Dream Office Private Placement and the Pauls Private Placement were completed on November 21, 2017. As at November 21, 2017, after giving effect to the public offering and concurrent private placements of Industrial Units, Dream Office REIT indirectly owned 5,269,245 Units and LP B Units (and an equivalent number of Special Trust Units), representing on an as-converted basis, an approximately 25.50% ownership interest in Dream Industrial REIT and PAULS Corp indirectly owned 115,000 Units representing less than 1% of the outstanding REIT Units. Two of our Trustees, being Michael Cooper and Robert Goodall, are also trustees of Dream Office REIT. Mr. Cooper is also the Chairman and Chief Executive Officer of Dream Office REIT. Brian Pauls, our Chief Executive Officer, is the President of PAULS Corp.

On December 28, 2017, a subsidiary of Dream Industrial REIT entered into the Pauls PMA with PRPM, pursuant to which PRPM provides Dream Industrial REIT with property management and leasing services in respect of its U.S. assets. Under the Pauls PMA, PRPM is entitled to receive a management fee of 1.5% of gross revenue of the managed assets and is entitled to leasing fees on market rates.

MATERIAL CONTRACTS

The only material contracts, other than contracts entered into in the ordinary course of business, that we entered into in 2017 or after, or entered into before 2017 but are still in effect, are:

- (a) the Acquisition Agreement for our initial public offering pursuant to which Industrial Partnership acquired the Initial Properties from the Transferors for an aggregate purchase price of approximately \$575.9 million;
- (b) the Declaration of Trust described under “Declaration of Trust and Description of REIT Units”;
- (c) the Asset Management Agreement described under “Real Estate Management and Advisory Services — Asset Management Agreement”;
- (d) the Master Property Management Agreement described under “Real Estate Management and Advisory Services — Property Management”;
- (e) the Services Agreement described under “Real Estate Management and Advisory Services — Other Services”;
- (f) the Exchange and Support Agreement described under “Description of Industrial Partnership”;
- (g) the Non-Competition Agreement described under “Real Estate Management and Advisory Services — Non Competition-Agreement”;

- (h) the Limited Partnership Agreement described under “Description of Industrial Partnership”;
- (i) the Opportunities Agreement described under “Real Estate Management and Advisory Services — Opportunities Agreement”;
- (j) the underwriting agreements between Dream Industrial REIT and various syndicates of underwriters regarding our previous issuance and sale of Units. Each underwriting agreement provided that we would pay to the underwriters an aggregate fee in respect of the Units offered thereunder and that we would indemnify the underwriters and their directors, officers and employees against certain liabilities pursuant to the underwriting agreement, including liabilities under Canadian securities legislation; and
- (k) the 5.25% Indenture described under “Description of Debentures”.

Copies of the foregoing documents are available on SEDAR at www.sedar.com.

LEGAL PROCEEDINGS

We are not involved in any litigation or proceedings which, if determined adversely, would be material to us, and no such proceedings are known to us to be contemplated.

INTEREST OF EXPERTS

Our auditor is PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have prepared an independent auditor’s report dated February 20, 2018 in respect of Dream Industrial REIT’s consolidated financial statements as at December 31, 2017 and December 31, 2016 and for the years then ended. PricewaterhouseCoopers LLP has advised that they are independent with respect to Dream Industrial REIT within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Units and the 5.25% Debentures is Computershare at its principal offices in Toronto, Ontario.

ADDITIONAL INFORMATION

Additional information relating to Dream Industrial REIT may be found on SEDAR at www.sedar.com. Additional information, including with respect to trustees’ and officers’ remuneration and indebtedness, principal holders of Dream Industrial REIT’s securities and units authorized for issuance under equity compensation plans, is contained in Dream Industrial REIT’s information circular for its most recent annual meeting of unitholders that involved the election of trustees.

Additional financial information is provided in the consolidated financial statements and notes to the consolidated financial statements and management’s discussion and analysis of Dream Industrial REIT for 2017.

SCHEDULE A

DREAM INDUSTRIAL REAL ESTATE INVESTMENT TRUST

(the “Trust”)

AUDIT COMMITTEE CHARTER

(the “Charter”)

PURPOSE

The Audit Committee (the “Committee”) is a standing committee appointed by the board of trustees of the Trust (the “Board”). The Committee is established to fulfill applicable securities law obligations respecting audit committees and to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting, including to:

- oversee the integrity of the Trust’s financial statements and financial reporting process, including the audit process and the Trust’s internal accounting controls and procedures and compliance with related legal and regulatory requirements;
- oversee the qualifications and independence of the external auditors;
- oversee the work of the Trust’s financial management, internal controls function and external auditors in these areas; and
- provide an open avenue of communication between the external auditors, the internal controls function, the Board, the asset manager of the Trust and management of the Trust.

The function of the Committee is oversight. It is not the duty or responsibility of the Committee or its members (a) to plan or conduct audits, (b) to determine that the Trust’s financial statements are complete and accurate and are in accordance with International Financial Reporting Standards or (c) to conduct other types of auditing or accounting reviews or similar procedures or investigations. The Committee, its chair and its audit committee financial expert members are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Trust, and are specifically not accountable or responsible for the day to day operation or performance of such activities. In particular, the member or members identified as audit committee financial experts shall not be accountable for giving professional opinions on the internal or external audit of the Trust’s financial information.

Management is responsible for the preparation, presentation and integrity of the Trust’s financial statements. Management is also responsible for maintaining appropriate accounting and financial reporting principles and policies and systems of risk assessment and internal controls and procedures designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized, recorded and reported and to assure the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with accounting standards and applicable laws and regulations. The chief financial officer is responsible for monitoring and reporting on the adequacy and effectiveness of the system of internal controls. The external auditors are responsible for planning and carrying out an audit of the Trust’s annual financial statements in accordance with generally accepted auditing standards to provide reasonable assurance that, among other things, such financial statements are in accordance with International Financial Reporting Standards.

PROCEDURES, POWERS AND DUTIES

The Committee shall have the following procedures, powers and duties:

General

- (a) *Composition* – The Committee shall consist of at least three members, all of whom shall be independent within the meaning of National Instrument 52-110 – *Audit Committees* and a majority of whom shall be resident Canadians. All members of the Committee must be or, within a reasonable period following appointment, become financially literate, meaning that each has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Trust’s financial statements.
- (b) *Separate Executive Meetings* – The Committee shall meet periodically with the chief financial officer, the head of the internal controls function (if other than the chief financial officer) and the external auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately and such persons shall have access to the Committee to bring forward matters requiring its attention. However, the Committee shall also meet periodically without management present.
- (c) *Professional Assistance* – The Committee may require the external auditors and the internal controls function to perform such supplemental reviews or audits as the Committee may deem desirable. In addition, the Committee may retain such special legal, accounting, financial or other consultants as the Committee may determine to be necessary to carry out the Committee’s duties at the Trust’s expense.
- (d) *Reliance* – Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Committee shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Trust from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations and (iii) representations made by management and the external auditors as to any information technology, internal audit, internal controls and other non-audit services provided by the external auditors to the Trust and its subsidiaries.
- (e) *Reporting to the Board* – The Committee will report through the chair of the Committee to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.
- (f) *Procedure* – The Committee meetings shall be conducted as follows: (i) questions arising at any meeting shall be decided by a majority of the votes cast; (ii) decisions may be taken by written consent signed by all members of the Committee; and (iii) meetings may be called by the external auditors of the Trust or any member of the Committee upon not less than 48 hours notice, unless such notice requirement is waived by the Committee members. The external auditors of the Trust are entitled to receive notice of every meeting of the Committee and, at the expense of the Trust, to attend and be heard thereat and, if so requested by a member of the Committee, shall attend any meeting of the Committee held during the term of office of the external auditors.
- (g) Unrestricted access to management and Trust information.

AUDIT RESPONSIBILITIES OF THE COMMITTEE

Selection and Oversight of the External Auditors

1. The external auditors are ultimately accountable to the Committee and the Board as the representatives of the unitholders of the Trust and shall report to the Committee and the Committee shall so instruct the external auditors. The Committee shall evaluate the performance of the external auditors and make recommendations to the Board on the reappointment or appointment of the external auditors of the Trust to be proposed in the Trust's management information circular for approval of the unitholders of the Trust and the compensation to be paid by the Trust to the external auditors. If a change in external auditors is proposed, the Committee shall review the reasons for the change and any other significant issues related to the change, including the response of the incumbent auditors, and enquire on the qualifications of the proposed auditors before making its recommendation to the Board.
2. The Committee shall approve in advance the terms of engagement of the external auditors with respect to the conduct of the annual audit. The Committee may approve policies and procedures for the pre-approval of services to be rendered by the external auditors, including *de minimis* exceptions, which policies and procedures shall include reasonable detail with respect to the services covered. All non-audit services to be provided to the Trust or any of its subsidiaries by the external auditors or any of their affiliates which are not covered by pre-approval policies and procedures approved by the Committee shall be subject to pre-approval by the Committee. The Committee will review disclosure respecting fees paid to the external auditors for audit and non-audit services. Any services under pre-approval will be reported at the following meeting.
3. The Committee shall review the independence of the external auditors and shall make recommendations to the Board on appropriate actions to be taken which the Committee deems necessary to protect and enhance the independence of the external auditors. In connection with such review, the Committee shall:
 - (a) actively engage in a dialogue with the external auditors about all relationships or services that may impact the objectivity and independence of the external auditors;
 - (b) require that the external auditors submit to it on a periodic basis, and at least annually, a formal written statement delineating all relationships between the Trust and its subsidiaries, on the one hand, and the external auditors and their affiliates on the other hand;
 - (c) consider the auditor independence standards promulgated by applicable auditing regulatory and professional bodies; and
 - (d) ensure periodic rotation of the lead audit partner.
4. The Committee shall establish and monitor clear policies for the hiring by the Trust of employees or former employees of the external auditors.
5. The Committee shall require the external auditors to provide to the Committee, and the Committee shall review and discuss with the external auditors, all reports which the external auditors are required to provide to the Committee or the Board under rules, policies or practices of professional or regulatory bodies applicable to the external auditors, and any other reports which the Committee may require.

6. The Committee is responsible for resolving disagreements between management and the external auditors or the internal controls function regarding financial reporting and the application of any accounting principles or practices. The Committee shall discuss with the external auditors any difficulties that arose with management or the internal controls function during the course of the audit and the adequacy of management's responses in correcting audit-related deficiencies.

Appointment and Oversight of Internal Controls Function

7. The appointment, terms of engagement, compensation, replacement or dismissal of the internal controls function shall be subject to prior review and approval by the Committee. When the internal controls function is performed by employees of the Trust, the Committee may delegate responsibility for approving the employment, term of employment, compensation and termination of employees engaged in such function other than the head of the Trust's internal controls function.
8. The Committee shall obtain from the internal controls function and shall review summaries of the significant reports to management prepared by the internal controls function, or the actual reports if requested by the Committee, and management's responses to such reports.
9. The Committee shall, as it deems necessary, communicate with the internal controls function with respect to their reports and recommendations, the extent to which prior recommendations have been implemented and any other matters that the internal controls function brings to the attention of the Committee. The head of the internal controls function shall have unrestricted access to the Committee.
10. The Committee shall, annually or more frequently as it deems necessary, evaluate the internal controls function including their activities, organizational structure and qualifications and effectiveness.

Oversight and Monitoring of Audits

11. The Committee shall review with the external auditors, the internal controls function and management the audit function generally, the objectives, staffing, locations, co-ordination, reliance upon management and the internal audit and general audit approach and scope of proposed audits of the financial statements of the controls function and its subsidiaries, the overall audit plans, the responsibilities of management, the internal controls function and the external auditors, the audit procedures to be used and the timing and estimated budgets of the audits.
12. The Committee shall meet periodically with the internal controls function to discuss the progress of their activities and any significant findings stemming from any internal audits or internal controls testing and any difficulties or disputes that arise with management and the adequacy of management's responses in correcting audit-related deficiencies.
13. The Committee shall review with management the results of internal and external audits.
14. The Committee shall take such other reasonable steps as it may deem necessary to satisfy itself that the audit was conducted in a manner consistent with all applicable legal requirements and auditing standards of applicable professional or regulatory bodies.

Oversight and Review of Accounting Principles and Practices

15. The Committee shall, as it deems necessary, oversee, review and discuss with management, the external auditors and the internal controls function:

- (a) the quality, appropriateness and acceptability of the Trust’s accounting principles and practices used in its financial reporting, changes in the Trust’s accounting principles or practices and the application of particular accounting principles and disclosure practices by management to new transactions or events;
- (b) all significant financial reporting issues and judgements made in connection with the financial statements, including the effect of any alternative treatment within International Financial Reporting Standards;
- (c) any material change to the Trust’s auditing and accounting principles and practices as recommended by management, the external auditors or the internal controls function or which may result from proposed changes to applicable International Financial Reporting Standards;
- (d) the effect of regulatory or accounting limitations on the Trust’s financial reporting;
- (e) any reserves, accruals, provisions, estimates or Trust programs and policies, including factors that affect asset and liability carrying values and the timing of revenue and expense recognition, that may have a material effect upon the financial statements of the Trust;
- (f) any legal matter, claim or contingency that could have a significant impact on the financial statements and any material reports, inquiries or correspondence from regulators or governmental authorities regarding compliance with applicable requirements and any analysis respecting disclosure with regard to any such legal matter, claim or contingency in the financial statements;
- (g) the treatment for financial reporting purposes of any significant transactions which are not a normal part of the Trust’s operations;
- (h) the use of any “pro-forma” or “adjusted” information not in accordance with International Financial Reporting Standards; and
- (i) management’s determination of goodwill impairment, if any, as required by applicable accounting standards.

Oversight and Monitoring of Internal Controls

- 16. The Committee shall, as it deems necessary, exercise oversight of, review and discuss with management, the external auditors and the internal controls function:
 - (a) the adequacy and effectiveness of the Trust’s internal accounting and financial controls and the recommendations of management, the external auditors and the internal controls function for the improvement of accounting practices and internal controls;
 - (b) any material weaknesses in the internal control environment, including with respect to computerized information system controls and security; and
 - (c) management’s compliance with the Trust’s processes, procedures and internal controls.

Communications with Others

- 17. The Committee shall establish and monitor procedures, such as a Whistleblower Policy for the receipt and treatment of complaints received by the Trust regarding accounting, internal

accounting controls or audit matters and the anonymous submission by employees of concerns regarding questionable accounting or auditing matters and review periodically with management and the internal controls function these procedures and any significant complaints received.

Oversight and Monitoring of the Trust's Financial Disclosures

18. The Committee shall:
- (a) review with the external auditors and management and recommend to the Board for approval the audited annual financial statements and the notes and management's discussion and analysis accompanying such financial statements, and the Trust's annual report;
 - (b) review with the external auditors and management each set of interim financial statements and the notes and management's discussion and analysis accompanying such financial statements; and
 - (c) if requested by the Board, review with the external auditors and management any financial statements included or to be included in a prospectus, any financial information of the Trust contained in any management information circular of the Trust, and any other disclosure documents or regulatory filings of the Trust containing or accompanying financial information of the Trust.

Such reviews shall be conducted prior to the release of any summary of the financial results or the filing of such reports with applicable regulators.

19. Prior to their distribution, the Committee shall discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and ratings agencies, it being understood that such discussions may, in the discretion of the Committee, be done generally (i.e., by discussing the types of information to be disclosed and the type of presentation to be made) and that the Committee need not discuss in advance each earnings release or each instance in which the Trust gives earning guidance.
20. The Committee shall review with management the assessment of the Trust's disclosure controls and procedures and material changes in their design

Oversight of Finance Matters

21. Appointments of the key financial executives involved in the financial reporting process of the Trust, including the chief financial officer, shall require the prior review of the Committee.
22. The Committee shall receive and review:
- (a) periodic reports on compliance with requirements regarding statutory deductions and remittances, the nature and extent of any non-compliance together with the reasons therefor and the management's plan and timetable to correct any deficiencies;
 - (b) material policies and practices of the Trust respecting cash management and material financing strategies or policies or proposed financing arrangements and objectives of the Trust; and
 - (c) material tax policies and tax planning initiatives, tax payments and reporting and any pending tax audits or assessments.

23. The Committee shall meet periodically with management to review and discuss the Trust's major financial risk exposures and the policy steps management has taken to monitor and control such exposures, including the use of financial derivatives and hedging activities.
24. The Committee shall meet with management to review the process and systems in place for ensuring the reliability of public disclosure documents that contain audited and unaudited financial information and their effectiveness.

Business and Ethical Conduct

25. The Committee shall:
 - (a) periodically review and approve any changes to the code of conduct or similar document for any directors, officers and employees of the Trust and its subsidiaries and be responsible for granting any waivers from the application of such code; and
 - (b) review management's monitoring of compliance with such code.

Additional Responsibilities

26. The Committee shall review any significant or material transactions outside the Trust's ordinary activities.
27. If requested by the Board, the Committee shall review and make recommendations to the Board concerning the financial condition of the Trust and its subsidiaries, including with respect to annual budgets, corporate borrowings, investments, capital expenditures, long term commitments and the issuance and/or repurchase of securities.
28. The Committee shall review and/or approve any other matter specifically delegated to the Committee by the Board and undertake on behalf of the Board such other activities as may be necessary or desirable to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting.

AUDIT COMMITTEE CHARTER

The Committee shall review and reassess the adequacy of this Charter at least annually and otherwise as it deems appropriate and recommend changes to the Board. The performance of the Committee shall be evaluated with reference to this Charter annually.

The Committee shall ensure that this Charter or a summary of it which has been approved by the Committee is disclosed in accordance with all applicable securities laws or regulatory requirements in the annual management information circular or annual information form of the Trust.