



DREAM UNLIMITED CORP.

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

“**2018 NCIB**” has the meaning given under “General Development of the Business – Normal Course Issuer Bid”.

“**AIF**” means this annual information form of Dream.

“**Arrangement**” has the meaning given in “General Development of the Business – History of Dream and DAM”.

“**Arrangement Agreement**” means the arrangement agreement dated April 12, 2013 between Dundee Corporation, Dream, DAM and SDC, as described under “Material Contracts – Arrangement Agreement”.

“**Assets under management**” means the respective carrying value of total assets managed by DAM on behalf of its clients, investors or partners under asset management agreements and/or management services agreements. Assets under management is a measure of success against the competition and consists of growth or decline due to asset appreciation, changes in fair market value, acquisitions and dispositions, operations gains and losses, and inflows and outflows of capital.

“**Board**” or “**Board of Directors**” means the board of directors of Dream.

“**Common Shares**” means the Class B common shares in the capital of Dream.

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

“**Directors**” means the directors of Dream from time to time, and “**Director**” means any one of them.

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

“**Dream Alternatives**” means Dream Hard Asset Alternatives Trust, an unincorporated open-ended trust governed by the laws of the Province of Ontario.

“**Dream Entities**” means Dream, Dream Office REIT, Dream Industrial REIT, Dream Global REIT and Dream Alternatives.

“**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 Global REIT Non-Competition Agreement**” means the non-competition agreement dated August 3, 2011 between DAM and Dream Global REIT, as described under “Material Contracts – Dream Global REIT Non-Competition Agreement”.

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

“**Dream Industrial REIT Non-Competition Agreement**” means the non-competition agreement dated October 4, 2012 between DAM and Dream Industrial REIT, as described under “Material Contracts – Dream Industrial REIT Non-Competition Agreement”.

“**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.

“**Dream Office REIT Non-Competition Agreement**” means the amended and restated non-competition agreement dated April 2, 2015 between Dream, DAM, Dream Office LP and Dream Office REIT, as described under “Material Contracts – Dream Office REIT Non-Competition Agreement”.

“**Firelight**” means Firelight Infrastructure Partners LP.

“**First Preference Shares**” has the meaning given in “Description of Capital Structure”.

“**FIT**” means Feed in Tariff.

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

“**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.

“**Independent Director**” means a Director that is independent within the meaning of NI 58-101. Pursuant to NI 58-101, an Independent Director is one who is not an employee or executive officer of Dream and who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with such Director’s independent judgment.

“**Listed Funds**” means Dream Office REIT, Dream Global REIT, Dream Industrial REIT and Dream Alternatives.

“**Management Services Agreement**” means the management services agreement dated April 2, 2015 between Dream Office REIT, DAM and Dream Office LP, as amended or amended and restated from time to time.

“**Net margin**” is an important measure of operating earnings in each business segment of Dream and represents gross margin, including selling, marketing and other operating costs. Net margin may be expressed as an absolute number or as a percentage of revenue.

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*.

“**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*.

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

“**PPA**” means a power purchase agreement.

“**REIT**” means a real estate investment trust.

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

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

“**Series 1 Preference Shares**” means the first preference shares, Series 1 in the capital of Dream.

“**Subordinate Voting Shares**” means the Class A subordinate voting shares in the capital of Dream.

“**Subsidiary**” has the meaning given to that term in NI 45-106.

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

NOTICE TO READER

This is the annual information form of Dream for the year ended December 31, 2017. In this AIF, unless the context otherwise requires, when we use terms such as “we”, “us” and “our”, we are referring to Dream and the Subsidiaries of, and partnership interests held by, Dream subsequent to May 30, 2013, the effective date of the Arrangement.

Unless otherwise specified, all dollar amounts are expressed in Canadian dollars and all references to “dollars” or to “\$” are to Canadian dollars.

This AIF includes market and industry data and other information that has been obtained from third party sources. 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 the respective businesses will occur; 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-IFRS MEASURES

Dream’s consolidated financial statements are prepared in accordance with IFRS. In this AIF, Dream discloses and discusses certain non-IFRS financial measures including assets under management, as well as other measures discussed elsewhere in this section. 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 has presented such non-IFRS measures as management believes they are relevant measures of our underlying operating performance. Non-IFRS measures should not be considered as alternatives to metrics determined in accordance with IFRS as indicators of Dream’s performance, liquidity, cash flow and profitability. For a full description of these measures please refer to the “Non-IFRS Measures” section in our 2017 MD&A.

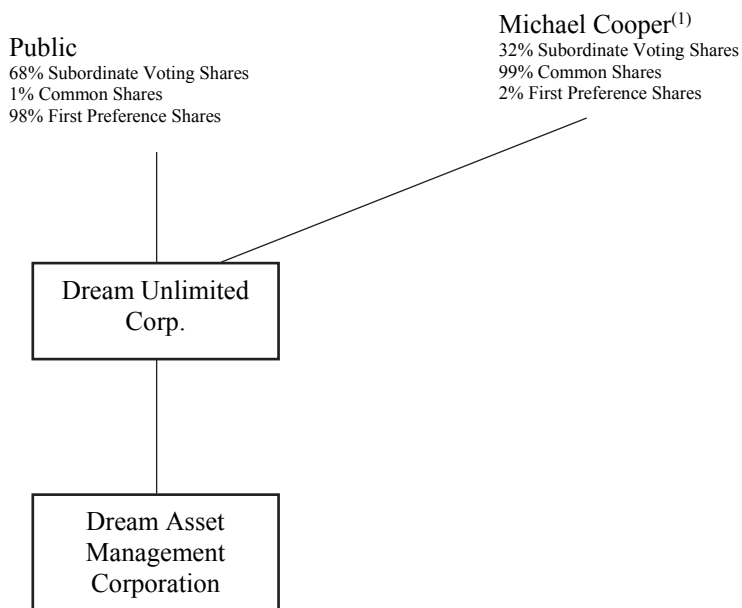
CORPORATE STRUCTURE

Dream Unlimited Corp. was incorporated on April 9, 2013 under the OBCA for purposes of effecting the Arrangement. Pursuant to the Arrangement, Dream and 2368464 Ontario Inc. amalgamated under the OBCA on May 30, 2013 with the amalgamated company’s name being “Dream Unlimited Corp.”. Dream’s head and registered office is located at State Street Financial Centre, 30 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 3H1. Prior to completion of the Arrangement, Dream and 2368464 Ontario Inc. did not carry on any active business and did not issue any shares.

For a further description of the Arrangement, see “General Development of the Business – History of Dream and DAM”.

Intercorporate Relationships

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



(Amounts set out above are approximate percentages)

Notes:

(1) The Common Shares and Subordinate Voting Shares beneficially owned by Mr. Cooper are held indirectly by Sweet Dream Corp., a private corporation controlled by Mr. Cooper, and Sweet LP, a limited partnership of which the sole general partner is a corporation controlled by Mr. Cooper. A limited partner of Sweet LP has the right to acquire up to 2,805,084 Subordinate Voting Shares from Sweet LP.

The principal Subsidiaries of Dream are DAM, Dundee Realty Holdings I Limited Partnership and LDL Properties.

Dream owns 100% of the voting securities of DAM. DAM controls 100% of the voting securities of each of Dundee Realty Holdings I Limited Partnership and LDL Properties, through its direct and indirect ownership of 100% of the general partnership interest in each of such partnerships. DAM also owns, directly or indirectly, limited partnership interests in each of Dundee Realty Holdings I Limited Partnership and LDL Properties.

The jurisdiction of formation of each of the principal Subsidiaries of Dream is listed below:

Name	Jurisdiction of Formation
Dream Asset Management Corporation	British Columbia
Dundee Realty Holdings I Limited Partnership	Ontario
LDL Properties	Ontario

GENERAL DEVELOPMENT OF THE BUSINESS

The scope of Dream's business includes residential land development, housing and condominium development, retail development, asset management and management services, renewable energy infrastructure and commercial property ownership. Dream became a public company on May 30, 2013 following the Arrangement. Although Dream has been a public company only since 2013, its Subsidiary, DAM, started its real estate business in 1989. DAM is an innovative real estate manager and developer primarily focused on the commercial and residential sectors in North America and Europe.

History of Dream and DAM

DAM was founded as a public company in 1996 with one employee and initial equity of \$0.5 million. Today DAM has almost \$1 billion of total equity on the balance sheet and approximately 800 employees across Canada, the United States and Europe, employed directly by DAM or the entities within the Dream Group of Companies. In 2003, DAM formed Dream Office REIT as a new publicly-traded real estate investment trust and transferred its commercial revenue producing properties to Dream Office REIT. DAM retained its land development and other businesses and was concurrently privatized by Dundee Corporation and Mr. Michael Cooper. Dream Office REIT grew significantly after its formation, more than doubling its total assets and nearly doubling its total revenues until 2007 when it sold its portfolio of real estate assets in Ontario, Quebec and Atlantic Canada for a total purchase price of approximately \$2.3 billion. Dream Office REIT has continued to transform significantly since that transaction, completing approximately \$6 billion of high quality acquisitions. In 2016, Dream Office REIT announced a strategic plan which involved a target to sell at least \$1.2 billion of non-core assets that it believed would realize attractive pricing in the private markets relative to IFRS values. As at December 31, 2017, Dream Office REIT has successfully sold or has under contract approximately \$3.3 billion of properties with the intent to sell more assets over and above this, to concentrate on operating its highest and best quality properties.

In 2011, management of DAM believed that opportunities in real estate in Europe were offering attractive valuations, especially when compared to the historic relative values between Canadian and European real estate. In addition, there were many Canadian pension funds diversifying their real estate investments globally on the basis that the overall retirement needs of their pensioners would be met with global real estate diversification. However, there were few, if any, opportunities for individuals to plan for their retirement by diversifying their real estate investments outside of North America. Based on these two observations, DAM and Mr. Michael Cooper collectively invested \$120 million into Dream Global REIT and raised \$310 million from institutional and retail investors. Concurrently with its formation, Dream

Global REIT acquired approximately 12.3 million square feet of multi-use properties predominantly occupied by Deutsche Post. Since the acquisition of the original portfolio, Dream Global REIT has focused on diversifying its portfolio and has acquired over \$2.7 billion of high quality office properties in key markets in Germany, in Vienna, Austria and in Brussels, Belgium. In July 2017, Dream Global REIT completed a transformative \$963.3 million transaction resulting in an indirect investment in 135 office and light industrial properties in the Netherlands. As at December 31, 2017, Dream Global REIT's portfolio consisted of approximately 20.1 million square feet of office, industrial and mixed-use properties across Germany, the Netherlands, Austria and Belgium. Dream Global REIT is one of the largest REITs among its German REIT peer group with a market capitalization of approximately \$2.2 billion.

Dream Industrial REIT was created from the spin out of Dream Office REIT's industrial properties and the acquisition of a co-owners' interest in a number of those properties. The \$178 million initial public offering was very well received, with it being oversubscribed, the proceeds of which, together with a concurrent \$25 million investment by Dundee Corporation and Mr. Michael Cooper, collectively, were used to acquire the initial portfolio for \$575.9 million. On November 21, 2017, Dream Industrial REIT raised approximately \$113 million through an oversubscribed public offering and private placements of units of Dream Industrial REIT. In mid-2017 Dream Industrial REIT announced its U.S. expansion strategy. It currently owns 2.8 million square feet of GLA across five properties in Southeastern U.S. Since its creation in October 2012, Dream Industrial REIT has opportunistically sourced over \$1 billion of high quality acquisitions in key industrial nodes across Canada and the Southeastern U.S. Today, Dream Industrial REIT owns approximately 19 million square feet of high quality, light industrial properties in key markets across Canada and Southeastern U.S. Dream Industrial REIT is one of Canada's largest dedicated industrial REITs.

On May 30, 2013, Dream became a public company pursuant to a plan of arrangement involving Dundee Corporation, Dream, DAM and SDC (the "**Arrangement**"). Under the terms of the Arrangement, Dream acquired an approximate 70% voting and equity interest in DAM from Dundee Corporation, Dundee Corporation received Subordinate Voting Shares representing approximately 28.6% of the total number of outstanding Subordinate Voting Shares and Common Shares and each shareholder of Dundee Corporation received their proportionate interest in Dream based on their Dundee Corporation share ownership through a distribution of shares of Dream. In total, Dream issued 72,614,163 Subordinate Voting Shares, 3,116,326 Common Shares and 6,000,000 Series 1 Preference Shares. The Subordinate Voting Shares and Series 1 Preference Shares were listed on the Toronto Stock Exchange on May 31, 2013.

Dream Alternatives was established in July 2014 to provide investors with the opportunity to participate in hard asset alternative investments, including real estate, real estate developments, real estate loans, and infrastructure including renewable power which are generally less correlated to the public markets and have not traditionally been available to retail investors. Dream Alternatives was structured to leverage various expertise across the platform that supports the Dream Entities and offer tremendous flexibility in identifying and executing on diverse investment opportunities that can provide above average risk-adjusted returns that are tax favourable for unitholders. Dream Alternatives is an important step in Dream's desire to improve and extend its asset management and management services business and management intends to fully commit its people and resources to provide the best possible outcome for unitholders. The objectives of Dream Alternatives are to provide predictable and sustainable cash distributions to unitholders on a tax efficient basis and re-position and grow its assets to increase the value of its business to unitholders over time.

On April 2, 2015, Dream and Dream Office REIT announced a reorganization where DAM received limited partnership units of a subsidiary of Dream Office REIT exchangeable for 4,850,000 units of Dream Office REIT. In return, the annual management fee, acquisition fee, financing fee and capital expenditure fee payable by Dream Office REIT to DAM under its asset management agreement were eliminated. DAM and Dream Office REIT also entered into the Management Services Agreement effective April 2, 2015, pursuant to which DAM agreed to continue to provide strategic advice to Dream

Office REIT and the services of a Chief Executive Officer as requested on a cost recovery basis. DAM continues to be entitled to receive an incentive fee which is payable upon termination of the Management Services Agreement.

DAM is the asset manager and strategic advisor to each of Dream Global REIT, Dream Industrial REIT, and Dream Alternatives and provides management advisory services to Dream Office REIT, and as such receives fees as described under “Description of Business – Asset Management and Management Services” below.

Sale of Land to the Province of Alberta

On February 5, 2016, Dream transferred 172 acres of raw land in its Providence development to the Province of Alberta to construct parts of the Southwest Calgary Ring Road in exchange for cash consideration.

Acquisition of Control by Michael Cooper

On August 15, 2016, Mr. Michael Cooper, the Co-Founder, President and Chief Responsible Officer of Dream, and SDC, a private corporation controlled by Michael Cooper, announced that they had entered into agreements with Ned Goodman, who at that time was the Chairman of Dream, and Caylee Development Corporation, a corporation controlled by Ned Goodman, pursuant to which Michael Cooper acquired control of Dream.

Sweet Dream Corp. Exercises Exchange Right

On May 15, 2017, SDC exercised its right to be issued 31,533,682 Subordinate Voting Shares in exchange for all of SDC’s non-voting common and Class C preferred shares of DAM pursuant to the terms of an existing exchange agreement. Following completion of the exchange, Dream owns 100% of the equity and voting shares of DAM.

Acquisition of Control of Windmill Dream Zibi Master LP

On October 13, 2017, the Corporation acquired control of Zibi through a restructuring of Zibi’s ownership whereby the Corporation obtained control of the ultimate general partner of Zibi. Prior to the acquisition date, the Corporation owned a 50% economic interest in Zibi and a 35% voting interest in the ultimate general partner and accounted for its interest as an equity accounted investment. As a result of the restructuring, the Corporation owns a 40% economic interest in Zibi and an 80% voting interest in Zibi’s ultimate general partner. As part of the restructuring, Dream Alternatives also acquired a 40% interest in the project, with the residual 20% interest held by a third-party partner.

Normal Course Issuer Bid

In September 2016, we filed with the TSX a notice of intention to make a normal course issuer bid, which commenced on September 20, 2016 and expired on May 19, 2017 (the “**2017 NCIB**”). Under the 2017 NCIB, we had the ability to purchase for cancellation up to a maximum of 3,245,397 Subordinate Voting Shares (representing 10% of our public float of 32,453,975 Subordinate Voting Shares at the time of entering the bid through the facilities of the TSX). On May 19, 2017 the 2017 NCIB expired as Dream purchased the maximum number of Subordinate Voting Shares, totaling 3,245,397 Subordinate Voting Shares, permitted under the 2017 NCIB at an average price of \$6.84 for a total cost of \$22.2 million.

In September 2017, we renewed our prior normal course issuer bid (the “**2018 NCIB**”), which commenced on September 20, 2017, and will remain in effect until the earlier of September 19, 2018, or the date on which we have purchased the maximum number of Subordinate Voting Shares permitted under the 2018 NCIB. Under the 2018 NCIB, we have the ability to purchase for cancellation up to a maximum of 7,165,062 Subordinate Voting Shares (representing 10% of our public float of 71,650,625 Subordinate Voting Shares at the time of entering the bid through the facilities of the TSX). Daily purchases under the 2018 NCIB are limited to 42,256 Subordinate Voting Shares (representing 25% of

the average daily trading volume during the six calendar months preceding the approval of the bid, being 169,026 Subordinate Voting Shares per day), other than purchases pursuant to an applicable block purchase exception. As of March 23, 2018 under the 2018 NCIB, we have purchased 254,500 Subordinate Voting Shares for cancellation for a total cost of approximately \$2.1 million.

Equity and Debt Offerings

We did not complete any equity or debt offerings in 2017, 2016 or 2015.

RECENT DEVELOPMENTS

Amendment to the Non-Revolving Term Facility and Margin Loan

Subsequent to December 31, 2017, Dream executed an amendment to its \$175.0 million non-revolving term facility with a syndicate of Canadian financial institutions, increasing the borrowing capacity on the facility to \$225.0 million and extending the maturity date to February 28, 2021. On closing of the amendment in March 2018, additional net proceeds generated from the non-revolving term facility were used to repay amounts outstanding under the Corporation's operating line, for no net increase in the amount of the Corporation's total corporate debt facilities outstanding.

In addition in March 2018, Dream closed on an amendment to the Corporation's margin loan, increasing the borrowing limit available under the facility from \$40.0 million to \$80.0 million.

Control of Dream Hard Asset Alternatives Trust

Subsequent to December 31, 2017, for accounting purposes, the Corporation was deemed to acquire control of Dream Alternatives as it was determined Dream's exposure to variable returns from its involvement with the entity had increased substantially through units held in Dream Alternatives and existing contractual arrangements. As a result, the Corporation will consolidate Dream Alternatives' financial results effective January 1, 2018.

Current Discussions Regarding Acquisitions and Dispositions

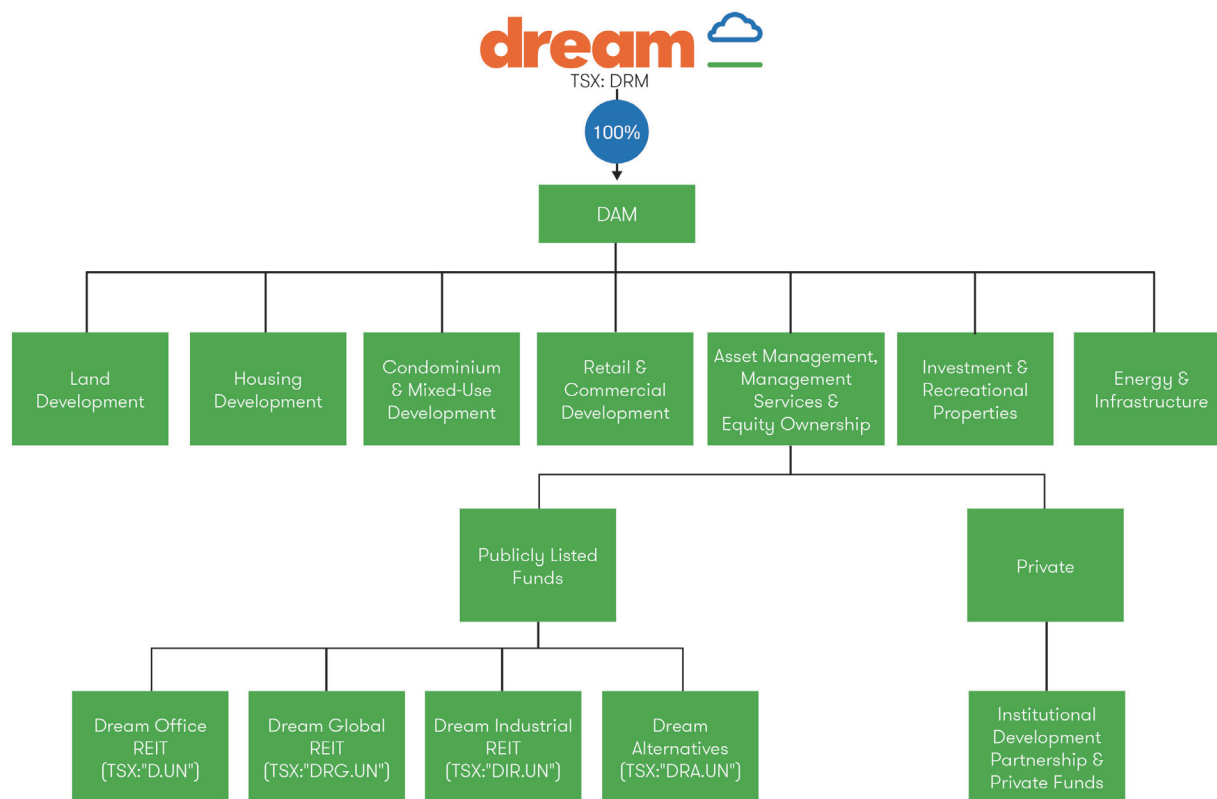
Consistent with our past practices and in the normal course of business, we are engaged in discussions with respect to possible acquisitions of new assets and dispositions of existing assets. However, there can be no assurance that any of these discussions will result in a definitive agreement and, if 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

General Business Overview

Dream is one of Canada's leading real estate companies with approximately \$14 billion of assets under management in North America and Europe. The scope of the business includes residential land development, housing and multi-family development, condominium and mixed-use development, asset management and management services for four TSX-listed trusts and institutional partnerships, investments in and management of Canadian renewable energy infrastructure and commercial property ownership. Dream has an established track record for being innovative and for its ability to source, structure and execute on compelling investment opportunities.

From the outset, we have successfully identified and executed on opportunities for the benefit of the business and shareholders, including the creation of Dundee Realty Corporation in 1996 as a public company, its subsequent privatization in 2003, the creation of Dream Office REIT in 2003 and its sale of substantial assets in 2007, the establishment of our asset management business, and the creation of Dream Global REIT, Dream Industrial REIT and Dream Alternatives in 2011, 2012 and 2014, respectively.



Notes:

(1) Dream owns 100% of voting and equity shares of DAM.

Land Development

Dream actively develops land in Saskatoon, Regina, Calgary and Edmonton. Land development involves the conversion of raw land to the stage where homes and commercial buildings may be constructed on the land. This process begins with the purchase or control of raw land, generally known as land held for development, and is followed by the entitlement and development of the land. Once the process of converting raw or undeveloped land for end use has begun, that portion of the land that we conduct activity on is generally known as land under development.

We currently own and have under contract approximately 10,000 acres of land in Western Canada, of which almost 9,200 acres are in 10 large master-planned communities at various stages of approval. We estimate that, when approved, these master-planned communities will supply lots for the next 30 to 40 years.

We are continuously working to increase the number of lots that we develop in each of these markets. We are also looking to build more on our owned lands, which we expect will increase our profitability over the long term. Although historically we sold all multi-family, retail and commercial sites to third parties, we have expanded our operations to further diversify our revenue streams and develop on our owned

lands by: (i) increasing homebuilding activities in Saskatoon, Regina and Calgary; and (ii) developing income producing retail and commercial properties within our master-planned communities.

Housing Development

We currently have housing operations in Saskatoon and Regina and have recently established homebuilding capacity in Calgary. Residential homebuilding involves the construction of single-family houses and multi-family buildings, such as townhouses. Each dwelling is generally referred to as a “unit”. A planned community typically includes a number of “lots” on which single-family units will be situated, as identified in the neighbourhood plan. Construction time for a residential home depends on a number of factors, including the availability of labour, materials and supplies, weather, and the type and size of home.

Condominium and Mixed-Use Development

Our core high-rise condominium and mixed-use development business consists of operations in Toronto, where we have approximately 1,700 units (600 units at Dream’s share) in marketing, development or construction phases. We also own interest in projects in Toronto and Ottawa with additional high-rise residential density, which are in the planning or approval stages. We also have another 8,500 residential units (3,000 units at Dream’s share) in our development pipeline. High-rise condominium development typically does not commence until a substantial number of units have been pre-sold, thereby meeting requirements to secure construction financing. A few months after substantial completion and customer occupancy of the building, the developer obtains all necessary approvals and the building is registered, purchasers pay the balance of the purchase price and title is transferred.

We are continuously looking for unique investment opportunities which will further grow our development business in Toronto. We also believe there is potential for significant growth within Dream Alternatives and Dream Office REIT's development portfolios. We anticipate, over time, that our ownership in both entities will continue to increase on an opportunistic basis. In the significant investments that we have acquired with Dream Alternatives over the last 15 months (including the Frank Gehry development, the Lakeshore East development and Port Credit), Dream will act as either the lead or co-developer for each project.

Asset Management, Management Services and Equity Interests in Publicly Listed Funds

As the manager of four publicly listed funds and numerous development partnerships, we are on the front line and well-positioned to observe, in real time, the impact of economic trends on the drivers of demand for real property, such as demand for space, urbanization trends and employment levels in each of the markets in which we operate. This access to real-time economic data may provide us with a competitive advantage. We also provide asset management services to various institutional partnerships and our renewable power business. The majority of our asset management fees and investment income in 2017 was derived from our asset management contracts and equity investments with the Listed Funds.

Our asset management and management services team consists of real estate and energy/infrastructure professionals with backgrounds in property management, architecture, urban planning, engineering, development and redevelopment, construction, finance, accounting and law. The team brings experience from a range of major organizations in Canada; is actively involved with internal training opportunities; and has expertise in capital markets, structured finance, real estate investments, renewable power and management across a broad spectrum of property types in diverse geographic markets. We carry out our own research and analysis, financial modelling, due diligence and financial planning, and have completed over \$25 billion of commercial real estate and renewable power transactions over the past 22 years.

We will continue to be proactive in seeking out opportunities to independently manage assets of third parties and/or create new, unique investment vehicles or partnerships that can provide value to investors.

We have demonstrated our skills and track record in sourcing unique investment opportunities and generating high risk-adjusted returns through active asset management.

Investment and Recreational Properties

Our investment properties include interests in commercial and retail properties both under development and fully income producing comprising over one million square feet of GLA, including the Distillery District, retail developments in Western Canada, a 73-acre commercial site in Toronto, and through jointly controlled entities. In many cases, the construction on our retail properties is not overly complex and the demand for retail is created by our development of the master-planned community. Currently Dream Centres, our internal retail development division, has approximately 46 net acres of active retail projects, which will result in over 450,000 square feet of GLA upon completion. In total, we are actively developing approximately 140 net acres in Western Canada that are in various stages of approvals.

Our recreational properties include a ski area in Colorado and a 50% interest in the newly developed Broadview Hotel in downtown Toronto, which opened in the year ended December 31, 2017.

These are only some of the levers through which we expect to generate higher profitability within our Company over the long term. Our management team is strong and experienced. Dream has a proven track record of creating value. We believe that, as a public company, we benefit from increased profile awareness which will lead to even more opportunities for profitability and growth in the periods ahead.

Land Development

Overview

Land development is a highly cyclical business resulting from its inextricability from world and local economic conditions, political and industry factors including immigration, employment, housing affordability, planning policy, interest rates and supply available for new and existing homes, among others.

After two years of negative GDP growth, Alberta has been showing clear signs of turning the corner, with 2017 GDP expected to lead all provinces at a rate of 4.0% in a ‘bounce-back’ year before moderating to just over 2.0% in 2018 and 2019. Much uncertainty still remains about major resource project and pipeline investment, but strong gains in consumer spending, the stemming of interprovincial migration losses and a return to pre-recession employment levels show that the recovery is in full swing⁽¹⁾.

Saskatchewan is also expecting to show GDP growth of 2.1% in 2017 after a two-year recession, with overall economic growth expected to remain at similar levels over the next two years. Total employment in Saskatchewan remained flat over 2017, while slight unemployment gains were made due largely to a declining labour force participation rate. Interprovincial migration losses have risen to the highest level since 2006, however these losses are being countered against a steady inflow on the international side which has resulted in continued positive net migration⁽²⁾.

Based on continued positive migration to the Western Provinces and a strengthening global economy driving moderate improvements in resource pricing, it is clear that the road to recovery has begun. Exceptionally well-positioned developers such as Dream will continue to cultivate and capitalize on current and long-term growth opportunities in these markets.

We estimate that our land holdings as at December 31, 2017 will result in approximately 83,000 residential lots and multi-family units and approximately 12.5 million square feet of commercial space. Dream takes a disciplined approach when selecting the markets in which to conduct business and

⁽¹⁾ Source of information <http://www.rbc.com/economics/economic-reports/pdf/provincial-forecasts/alta.pdf>

⁽²⁾ Source of information <http://www.rbc.com/economics/economic-reports/pdf/provincial-forecasts/sask.pdf>

considers a number of factors, including the underlying supply and demand, competitiveness, employment base and profitability specific to each location.

Our lands are categorized as either land held for development or land under development. As at December 31, 2017, Dream owned or had under contract 9,371 acres of land held for development and 434 acres of land under development, including 1,420 single-family lots as well as land for multi-family, commercial and other use, for a total of 9,805 acres in Western Canada.

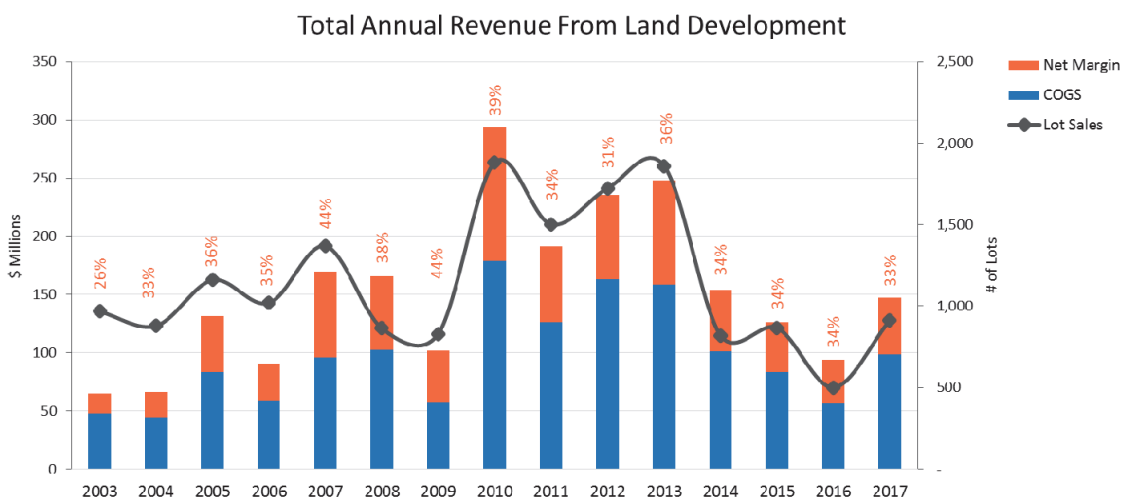
City	Land Held for Development ⁽¹⁾		Land Under Development	
	Owned (acres)	Under Contract (acres)	Total Lots ⁽²⁾	Acres ⁽³⁾
Saskatoon	3,097	0	775	73
Regina	2,934	153	366	77
Calgary	2,316	0	169	52
Edmonton	871	0	110	8
Total	9,218	153	1,420	210

Notes:

- (1) Land held for development will include certain multi-family and commercial parcels once entitled.
- (2) There is an average of 6.3 lots per acre.
- (3) Includes multi-family, commercial and acres not yet subdivided.

The lands owned by Dream were purchased at an attractive cost and are well located within each market. As at December 31, 2017, the aggregate book value of Dream’s land held for development is \$419.6 million (\$421.3 million including land under contract) and the aggregate book value of land under development is \$155.3 million; however, we believe that the current market value is substantially greater than book value.

The following graph illustrates the number of lots sold by Dream over the past 15 years as well as the total revenue and net margin from our land development activities:



We are in the process of completing the development of ten master planned communities, including five in Saskatoon (Stonebridge, Hampton Village, Willows, Brighton and Kensington), two in Regina (Harbour Landing and Eastbrook), two in Calgary (Vista Crossing and High River) and one in Edmonton (The Meadows). Collectively, these master planned communities contained approximately 4,700 acres (or

approximately 31,000 lots and multi-family units) at the time development commenced. As at December 31, 2017, approximately 1,300 acres (or 10,000 lots and multi-family units as well as 1.4 million commercial square feet) remain to be developed and/or sold within these communities. At the time development commenced, management had anticipated that Stonebridge and Harbour Landing would take more than 15 years to develop. It is now expected that Dream will complete development of these communities within 10 years from the time of commencement.

We expect to commence the development of eight new master planned communities over the next few years, including two in Saskatoon (2,800 acres or approximately 25,000 lots and multi-family units), three in Regina (almost 2,900 acres or 25,000 lots and multi-family units), two in Calgary (2,100 acres or 17,600 lots and multi-family units) and one in Edmonton (500 acres or 3,400 lots and multi-family units).

Dream's land development business is operated by a strong central management team in Toronto that oversees the operations across four separate cities based on Dream's geographic footprint. Each city's operations is managed by a Vice President with substantial experience, local market expertise and long-term relationships in each sub-market. Over many years, Dream has established strong relationships with local land owners, regulatory officials, suppliers and sub-contractors. This on-the-ground expertise will provide Dream with access to a stable pipeline of land and enables it to recognize growth nodes within each of its markets and derive savings at the community level.

Dream's strong market share in each of its sub-markets enables it to achieve and benefit from economies of scale and, together with its strong brand recognition, affords the opportunity to successfully execute the development of large-scale projects.

We intend to proactively manage each stage of the development process. Management believes that its land development expertise and experience with navigating the land entitlement process with local municipalities will provide Dream with competitive advantages. Since Dream maintains its land held for development at robust levels, new projects can be brought online when appropriate based on demand. Construction is meticulously planned and scheduled in sequence on a street-by-street basis in each of our master planned communities. This process seeks to minimize working capital needs, reduces exposure in the event of a market slowdown and allows for trade scheduling efficiencies.

Saskatoon, Saskatchewan

Dream owns or has under contract approximately 3,300 acres of land in Saskatoon including land under development, which is expected to produce about 29,300 lots and multi-family units. Dream has five master planned communities currently under development, and expects to be active on another two large master planned communities over the next few years, being Holmwood and Elk Point in Blairmore.

DAM has consistently been the largest developer in Saskatoon since the mid-1990's. Based upon current holdings, at the current pace of development, we expect we will have a sufficient inventory of land for at least 25 years of development. Management expects that Dream's market share will likely increase as development on its lands in Holmwood commences.

There are five active developments in Saskatoon: Blairmore (Kensington), Hampton Village, Stonebridge, Brighton and the Willows residential golf community. Hampton Village is a development just south of the airport in which Dream is developing 270 acres and was approved for approximately 950 housing lots and 23 acres for multi-family consisting of 350 units. The development commenced in 2004 and it is substantially complete with the exception of 51 acres designated for commercial use, which have not yet been developed. Dream is however pursuing development approvals to proceed with development of these remaining lands.

Stonebridge is a master planned community that began in 2005 in which we are developing approximately 760 acres, including approximately 2,700 lots, 1,000 units of multi-family and 60 acres of commercial development. Upon commencement of this development, management estimated the

development would take between 15 and 20 years to complete. As of December 31, 2017, over 2,700 lots, and all of the multi-family and commercial lands have been sold.

In 2013, we initiated the development in the Kensington neighbourhood within the Blairmore sector in west Saskatoon. A significant portion of lot sales for this neighbourhood were achieved in 2013 and 2014 with the majority of construction already completed.

Dream has also commenced planning for the final stage of development of approximately 23 acres of land in the Willows, a residential golf community. This land is expected to translate into approximately 230 lots and multi-family units, expected to be developed in the next few years.

Dream's major land position in Saskatoon is the 3,000 acres in the east sector of the city, known as Holmwood. In 2015 we began the first major development within Holmwood, known as Brighton. As of December 31, 2017, Brighton consisted of 430 acres, and is expected to produce approximately 1,500 lots, 2,200 units of multi-family and 27 acres of commercial development. The remainder of the development within Holmwood outside of Brighton is expected to produce 23,900 lots and multi-family units and 490 acres of future regional retail, office, industrial and other uses to support the community. Based on the city's planning process, it is expected that the development will take over 20 years to be completed. The Holmwood Sector of Saskatoon has land sufficient for up to nine future neighbourhoods (including Brighton) and approximately 100,000 people. The highest density developments are expected to be located on land owned by Dream.

Regina, Saskatchewan

Dream currently owns or has under contract approximately 3,200 acres of well situated land in Regina which is expected to yield approximately 28,000 lots and multi-family units.

We are nearing completion of a 780 acre master planned community (Harbour Landing), which is anticipated to be fully developed by 2018. Dream began servicing for the Eastbrook community in 2016, which is expected to produce approximately 2,100 lots, over 250 multi-family units and 24 acres of commercial development.

We expect to develop three new master planned communities on our lands. These include almost 1,100 acres in Coopertown, 1,200 acres in Harbour Landing West and 600 acres in Foxtail Grove. Dream is in various stages of the approval process for all three areas. Based on current land holdings, management expects that Dream's supply of land in Regina will last between 15-25 years.

Coopertown reached a significant milestone as City Council officially approved its Neighbourhood Plan in May 2017 which encompasses approximately 1,050 acres of Dream's lands.

Calgary, Alberta

Dream owns, or has under contract, approximately 2,400 acres of land in Calgary and the surrounding area. These lands will form some of the most desirable master planned community sites within the City of Calgary. We expect that approximately 19,700 lots and multi-family units will be developed on these sites once all necessary approvals are granted, which will make Dream one of the larger residential developers in Calgary. We are expecting to develop our remaining 139 acres of land in Montrose, High River, located south of Calgary, which benefits from a solid mix of housing sites and retail/commercial parcels in a prime location.

In Calgary, Dream has historically acquired or assembled sites ranging in size from five to 60 acres that are often developed as a single project, but is currently responsible for a larger development in North Calgary and a master-planned development in High River (located one-half hour south of Calgary) that are being developed over a number of years. Dream has also achieved significant planning approvals pertaining to its ownership of the first 650 acres in Providence East and 320 acres in Glacier Ridge

(Panorama). In 2013, the Tsuu T'ina nation and the Province of Alberta finalized an agreement regarding the construction of the southwest portion of Calgary's ring road. This future highway extension interfaces with approximately 1,600 acres of our land held in Providence East and West, for which Dream transferred 172 acres of raw land to the Province of Alberta in exchange for cash consideration in February 2016. Construction of the Southwest portion of the ring road was initiated in 2016, and is expected to be substantially completed by 2021⁽¹⁾.

In 2015, Dream began development of Vista Crossing in Crossfield, a small town 30 minutes north of Calgary. The 155 acre development is expected to yield over 1,000 lots and multi-family units upon completion.

Edmonton, Alberta

In Edmonton and surrounding areas, Dream owns or has under contract approximately 900 acres of land.

In Edmonton, our historic development has been on the 1,400 acre development in the southeast, referred to as The Meadows, which we acquired with Lehndorff in 1997. The Meadows is approximately 3,500 acres in size and consists of seven planned neighbourhoods. Upon completion, The Meadows will be home to a population in excess of 60,000 people. Dream and its predecessors have been responsible for the orderly build of approximately 8,200 single family lots and multi-family units, 80 acres of commercial land, all on about 1,400 acres. Going forward, and subject to land use approvals, Dream expects to develop approximately 1,000 lots and approximately 500 multi-family units on the remaining undeveloped land. In 2015, we achieved retail occupancies within our first retail development in Western Canada on 18 acres of land in the Meadows community, within Tamarack.

In November 2016, the Province of Alberta approved the Town of Beaumont's request to annex nearly 3,400 acres of Leduc County land into its municipal boundaries. The annexation, effective January 1, 2017, encompasses approximately 371 acres of our land and we have since received Area Structure Plan approvals from Town Council. This significant milestone provides substantial clarity concerning timing of development and allows Dream to continue advancing planning approvals. Dream expects the development of these lands could begin as early as 2019. Current projections estimate the lands could accommodate approximately 4,000 residential units and roughly 11,000 people at full build-out over the next 10 years.

Risk Management

Risk is managed at each stage of the land development and homebuilding process. Development approval risk is expected to continue to be mitigated by conducting significant due diligence before land acquisitions are completed. Lots and parcels will be sold when ready for building and there is demand. Dream also actively pre-sells lots ahead of commencing development.

When building homes in the future, Dream intends to ensure client satisfaction and limit product liability risk by carefully selecting sub-contractors and building materials, ensuring a high standard of quality and workmanship and providing on-site quality control.

Dream will seek to limit its exposure to the risk of overbuilding by attempting to ensure that construction starts and sales rates are aligned.

Given the diversified business structure, Dream's interest in land development and housing will be, to some extent, hedged against other stable businesses such as our asset management and management services business, equity investments in the Listed Funds which has strong and stable cash flow and/or distributions, revenue properties and its renewable power business, each of which has longer-term contracts.

⁽¹⁾ Source of information <https://www.transportation.alberta.ca/sw-crrgp.htm>

We are currently at various stages of having eight large master planned communities approved in Western Canada. These communities account for approximately 8,300 acres of land and, when approved, will supply lots for between 25 and 35 years. Dream plans to leverage its expertise to develop phased, master planned communities. By increasing the proportion of land used for residential retail and commercial development activities to generate margin, the margin will also increase.

Regulatory, Environmental, Health and Safety Matters

Zoning and Planning

Land development is subject to various local, provincial and federal statutes, ordinances, rules and regulations concerning zoning, building design, construction and similar matters, including local regulations that impose restrictive zoning and density requirements in order to limit the number of homes that can eventually be built within the boundaries of a particular property or locality. In many jurisdictions, there has been an increase in provincial and local legislation authorizing the acquisition of land as dedicated open space, mainly by governmental, quasi-public and non-profit entities. There also may be various licensing, registration and filing requirements in connection with the construction, advertisement and sale of homes. These are variables that could impact a developer's overall costs, potentially delay the opening of communities or cause Dream to re-evaluate its position relative to a particular project or community.

Environmental, Health and Safety

Land developers are required to comply with existing federal, provincial and local statutes, ordinances, rules and regulations which are designed to protect the environment, including requiring current or previous owners or operators of real property to bear the costs of removing or remediating hazardous or toxic substances on, under or in property, and to ensure the safety of those involved in the development process, including contractors, clients and the general public.

Housing Development and Condominium and Mixed-Use Development

Housing Development Overview

Dream currently builds homes in Saskatoon, Regina and Calgary. Almost all of the homes we build are on land that we develop ourselves. Building on our own lands helps us sell land, influence the development of the communities in which we operate and generate profits.

In Saskatchewan, Dream builds many of its residential units in master planned communities. Construction in a master planned community allows us to maintain an efficient production process. Each master planned community is meticulously planned and scheduled. This process seeks to minimize working capital needs, reduce exposure in the event of a market slowdown and allow for trade scheduling efficiencies. Dream acts as the general contractor for the construction of its projects. Trade sub-contractors are sourced through historical relationships and are generally retained on a fixed-price basis after a competitive bidding process. Dream has building representatives that are responsible for supervising on-site construction, including scheduling, ensuring compliance with plans and specifications and resolving construction problems.

Construction time for a residential home depends on a number of factors, including the availability of labour, materials and supplies, weather and the type and size of the home. The construction of a single-family home is typically completed within four to six months following commencement of construction.

Condominium and Mixed-Use Development Overview

In Toronto, Dream develops mid and high rise condominiums. Dream has looked to acquire land for development that is well located and undervalued, and is focused on the mid-market to appeal to a broad array of purchasers. We generally develop condominiums with partners to capitalize on their expertise and to mitigate development risk.

With respect to new investments in 2017, together with Dream Alternatives, Dream entered into an agreement to purchase a 25% interest in the Frank Gehry designed Mirvish development located on King Street West in downtown Toronto being developed by Great Gulf. This landmark site is slated to be re-developed into two residential towers, each in excess of 80 stories. Dream is expected to own a 6.25% interest in the development, with Dream Alternatives owning 18.75%.

We continue to seek out further opportunities to increase our capital invested in Toronto condominium and mixed-use projects. This is expected to include new investments, in addition to launching new projects on condominium lands owned in our inventory over the next two to three years being Riverside Square, the Canary District and the Distillery District.

Housing Industry Conditions in Canada

The residential housing market is driven by a number of variables, including population growth, employment, affordability and interest rates. During the past half-decade, the Canadian residential housing market has performed relatively well due to stable supply with a balanced demand and conservative mortgage lending practices. Housing absorption totals in both Alberta and Saskatchewan in 2017 were a close match to 2016's performance, with improving optimism leading to increased start activity and a moderate increase in units-under-construction figures in both provinces after construction activity bottomed out in early 2017. This increased activity is anticipated to push absorptions higher in 2018. Important characteristics of the Canadian housing market include: sustainable levels of housing starts; balanced sales-to-listings ratios; steady growth in demand due to favourable immigration policies; strong job growth and low mortgage interest rates.

Sales and Marketing

Dream uses a variety of advertising and marketing methods to sell its homes and condominiums, including posting advertisements on social media, local newspapers and magazines as well as direct mailings, special promotional events, illustrated brochures, websites and model homes and condo units. In selling its homes and condominiums, Dream uses its own sales representatives as well as independent real estate brokers.

Other Development

Typically, about 5% to 10% of the land in a master planned community is allocated for non-residential purposes. Historically, Dream has sold these lands to third party builders. In order to capture more value on its land, Dream has begun to develop retail projects on its land through the Retail and Commercial Development divisions and will hold or sell the properties once completed.

Retail and Commercial Development

Overview

Our Retail and Commercial Development division currently focuses on the development of new format and/or grocery-anchored unenclosed retail centres predominantly in Western Canada. New format retail centres are large aggregations of dominant retailers grouped together at high traffic and easily accessible locations. These unenclosed campus-style centres are generally anchored by supermarkets and may include entertainment (movie theatres and restaurants) and other needs-based retail components. Our retail developments are branded under the 'Dream Centres' banner.

The Retail and Commercial Development division traditionally manages a project through the entire development cycle, commencing with planning, pre-development, leasing, construction and post-development. We have targeted our development activities on lands owned or controlled by Dream within our master planned communities; however, in certain instances, our Retail and Commercial Development division may enter into joint ventures with partners to capitalize on their expertise or their access to lands.

In 2017, we achieved stabilization of our newly completed retail centres in Saskatoon and Edmonton. In many cases, the construction is not overly complex and the demand for retail is created by our development of the master-planned community. Currently Dream Centres, our internal retail development division, has approximately 46 net acres of active retail projects, which will result in over 450,000 square feet of GLA upon completion. In total, we are actively developing approximately 140 net acres in Western Canada that are in various stages of approvals.

Asset Management and Management Services

Overview

Dream's asset management and management services team consists of real estate and energy/infrastructure professionals with backgrounds in property management, architecture, urban planning, engineering, development and re-development, construction, finance, accounting and law. The team brings experience from a range of the major organizations in Canada; is actively involved with internal training opportunities; and has expertise in capital markets, structured finance, real estate investments, renewable power and management across a broad spectrum of property types in diverse geographic markets. We carry out our own research and analysis, financial modeling, due diligence, and financial planning, and have completed over \$25 billion of commercial real estate and renewable power transactions over the past 22 years.

Dream provides asset management and/or management services to the Listed Funds, our renewable power business and various institutional partners, and development projects and partnerships. Each of the Listed Funds was formed by DAM's management and provides a solid platform for capital appreciation and reliable income generation for its unitholders. As at December 31, 2017, Dream managed assets with a value of approximately \$14 billion.

Asset management (for which base fees are generated) for Dream Global REIT, Dream Industrial REIT and Dream Alternatives includes the overall management of these Listed Funds' businesses, including the provision of a Chief Executive Officer and Chief Financial Officer as required and overseeing the operations of accounting and property management. As the asset manager, Dream also provides acquisition and disposition personnel and, on a cost recovery basis, oversees debt and equity financing. Dream has not reached benchmarks to earn incentive fees as at December 31, 2017.

Details of the fee structure for Dream Global REIT and Dream Industrial REIT are:

- Base management fee of 0.25% (Dream Industrial REIT) and 0.35% (Dream Global REIT) on historical cost of assets.
- Acquisition fee equal to: (a) 1.0% of the purchase price of a property on the first \$100 million of properties acquired in each fiscal period; (b) 0.75% of the purchase price of a property on the next \$100 million of properties acquired in each fiscal period; and (c) 0.50% of the purchase price on properties acquired in excess of \$200 million in each fiscal period.
- Financing fee equal to 0.25% of the debt and equity of all financing transactions completed; the financing fee is adjusted on an annual basis to ensure the fee does not exceed the amount of actual expenses incurred by Dream in supplying services relating to financing transactions.
- Incentive fees of 15% of AFFO (as defined in the applicable asset management agreement, which includes the gain or loss on the sale of properties during the year) earned above a benchmark. The benchmarks vary by REIT and change by 50% of the increase in the consumer price index as outlined in the respective asset management agreement.

- Capital expenditure fees equal to 5.0% 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.

Details of the fee structure for Dream Alternatives are:

- Base annual management fee calculated and payable on a monthly basis, equal to 1.00% of the gross value of the assets.
- Acquisition/origination fee equal to: (a) 0.40% of the principal amount of any loan originated by Dream Alternatives or a Subsidiary having an expected term of less than five years; (b) 1.0% of the principal amount of any loan originated by Dream Alternatives or a Subsidiary having an expected term of five years or more; and (c) 1.0% of the gross cost of any asset acquired or originated by Dream Alternatives or a Subsidiary represented by all other investments, assets or projects.
- Disposition fee equal to 0.25% of the gross sale proceeds of any asset (including all indebtedness) sold by Dream Alternatives or any Subsidiary represented by loans, investments, assets or projects disposed of during a fiscal year, including any part of the initial assets, except for the disposition of individual loans having a term to maturity of 12 months or less, (other than as part of a portfolio disposition) or the disposition of assets (other than initial assets unless approved by the independent trustees) acquired in the preceding 12 months and excluding the regular and scheduled repayment of loans.

On April 2, 2015, Dream and Dream Office REIT completed a reorganization (the “**2015 Reorganization**”) pursuant to which DAM received 4,850,000 LP Class B Units, Series 1, of Dream Office LP, a subsidiary of Dream Office REIT, which are exchangeable for 4,850,000 Dream Office REIT units. In return, the annual management fee, acquisition fee, financing fee and capital expenditure fee payable by Dream Office REIT to Dream under its asset management agreement were eliminated.

In connection with the 2015 Reorganization, DAM and Dream Office REIT entered into a Management Services Agreement effective April 2, 2015, pursuant to which DAM continues to provide strategic advice to Dream Office REIT and continues to provide the services of a Chief Executive Officer to Dream Office REIT as requested on a cost recovery basis. This agreement will continue until it is terminated by either party in accordance with the termination provisions of the agreement.

DAM also provides services, such as administrative, legal and regulatory, tax advisory, internal audit and control, communications, risk management, process improvements and branding, to each of the Listed Funds as agreed from time to time. DAM is reimbursed for its expenses in providing any agreed services.

DAM also co-manages two private equity funds (Dream CMCC Capital Fund I and Dream CMCC Capital Fund II) that have raised approximately \$90 million to be invested over time in residential development real estate projects in markets where DAM has expertise through mezzanine financing or equity investment with other project developers.

Management of Dream is constantly looking for opportunities to improve its funds through creative and skillful management of the properties, new acquisitions, sourcing third party capital sources and selective sales. Dream has been a very active participant in the private acquisition market and has been able to source and execute many desirable opportunities that have helped grow the value of the businesses.

Renewable Power

Overview

DAM is the co-manager of Firelight. Firelight invests in Canadian renewable power projects with a focus on wind and solar. We own 20% of the renewable power fund and 50% of its related management company, which are included in our equity investments. Through DAM and its partner, Firelight has funded \$276.6 million, net of return of capital, of renewable energy projects (of which Dream's portion is \$55.3 million). The fund invests in and manages renewable power projects with a focus on wind and solar projects. Dream has and intends to pursue growth in the renewable power industry through Dream Alternatives in the future.

Firelight's projects include wind projects in Nova Scotia, ground-mount solar projects in Ontario and rooftop solar projects on industrial and retail properties in Ontario consisting of 214 MW.

Investment and Recreational Properties

Overview

Through DAM, Dream has a variety of other investments and intends to continue expanding its investment portfolio. Dream's investment decisions will be made based on one-time opportunities that are very attractive. In addition, Dream intends to make small investments in areas where it believes that, by developing its knowledge and talent in an industry, it can grow that portion of its business into a larger and profitable area of expertise.

Our investment properties include interests in commercial and retail properties both under development and fully income producing comprising over 1 million square feet of GLA, including the Distillery District, retail developments in Western Canada, a 73 acre commercial site in Toronto, and through jointly controlled entities. Our recreational properties include a ski area in Colorado and a 50% interest in The Broadview Hotel, in a neighbourhood just east of downtown Toronto.

Employees

As at December 31, 2017, Dream had 283 employees.

RISK FACTORS

General Risks Related to the Industry

General Risk

The land development and homebuilding industry is cyclical and is significantly affected by changes in general and local economic and industry conditions, such as employment levels, availability of financing for homebuyers, government regulations, interest rates, consumer confidence, levels of new and existing homes for sale, demographic trends, housing demand and competition from other real estate companies.

An oversupply of alternatives to new homes, such as resale homes, including homes held for sale by investors and speculators, foreclosed homes and rental properties, may reduce our ability to sell new homes, depress prices and reduce margins from the sale of new homes. Depending on market conditions, we may not be able, or may not wish, to develop our land holdings. Development of land holdings and properties that are to be constructed are subject to a variety of risks, not all within our control. Such risks include lack of funding, variability in development costs and unforeseeable delays.

Real estate assets, particularly raw land, are relatively illiquid in down markets. Such illiquidity tends to limit our ability to vary our real estate portfolio promptly in response to changing economic or investment conditions. If there are significant adverse changes in economic or real estate market conditions, we may have to sell properties at a loss or hold undeveloped land or developed properties in inventory longer than

planned. Inventory carrying costs can be significant and may result in losses in a poorly performing project or market.

Asset Management and Management Services

Our ability to successfully expand our asset management and management services activities is dependent on a number of factors, including certain factors that are outside our control. In the event that the asset base of our funds were to decline, our management fees could decline as well. In addition, we could experience losses on our investments of our own capital in our funds as a result of poor performance by our funds. Termination of an asset management agreement or a management services agreement in accordance with its terms by any of our funds would also result in a decline in our management fees.

Mortgage Rates and Regulations

Increases in mortgage rates, decreases in the availability of mortgage financing or changes in laws or regulations relating to mortgage lending practices could depress the market for new homes. Even if potential customers do not need financing, changes in mortgage interest rates and mortgage availability could make it harder for them to sell their homes to potential buyers who need financing, which would result in reduced demand for new homes. As a result, rising mortgage rates and reduced mortgage availability could adversely affect our ability to sell new homes and/or the price(s) at which we can sell them.

Regulatory Risks

The real estate development process is subject to a variety of laws and regulations. In particular, governmental authorities regulate such matters as zoning and permitted land uses, levels of density, and building standards. We will have to continue to obtain approvals from various governmental authorities and comply with local, provincial and federal laws, including laws and regulations concerning the protection of the environment in connection with such development projects. Obtaining such approvals and complying with such laws and regulations may result in delays which may cause us to incur additional costs which impact the profitability of a development project, or may restrict development activity altogether with respect to a particular project.

Environmental Risks

As an owner of real estate property, we are subject to various federal, provincial and state laws relating to environmental matters. Such laws provide that we could be liable for the costs of removal and remediation of certain hazardous, toxic substances released on or in our properties or disposed of at other locations, as well as potentially significant penalties. We have insurance and other policies and procedures in place to review and monitor environmental exposure, which we believe mitigate these risks to an acceptable level. Some of the properties in which we have an interest currently have or have had occupants that use hazardous substances or create waste. Such uses can potentially create environmental liabilities. A few issues have been identified through site assessments, including the need to remediate or otherwise address certain contaminations. These issues are being carefully managed with the involvement of professional consultants. Where circumstances warrant, designated substance surveys and/or environmental assessments are conducted. Although environmental assessments provide some assurance, we may become liable 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 do not currently anticipate material expenditures in respect of any required remediation.

Geographic Concentration

Our land development and housing operations are concentrated in Saskatchewan and Alberta. Some or both of these regions could be affected by severe weather; natural disasters; shortages in the availability or increased costs of obtaining land, equipment, labour or building supplies; changes to the population growth rates and therefore the demand for homes in these regions; and changes in the regulatory and

fiscal environment. Due to the concentrated nature of our expected land development and housing operations, negative factors affecting one or a number of these geographic regions at the same time could result in a greater impact on our financial condition or results of operations than they might have on other companies that have a more diversified portfolio of operations.

Given the prominence of the oil and gas industry in Alberta and Saskatchewan, the economies of these provinces can be significantly impacted by the price of oil. Similarly, because of our substantial land and housing development operations in Alberta and Saskatchewan, any substantial decline in the price of oil could also adversely affect the Corporation's operating results. 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 Corporation, including the potential impacts of changes in the price of oil. Additionally, the land development process is longer term in nature, which, to some extent, mitigates the impacts of short term fluctuations in the health of the economies in which we operate. As of December 31, 2017 Dream had not identified any material adverse effect on our business as a result of the current softening of oil prices.

Our Saskatchewan and Alberta operations have historically focused on Dream's land and housing businesses, as well as a golf course reported under our recreational properties. Dream has also recognized the potential of our substantial land holdings in these markets for retail and multi-family residential development opportunities and we expect to continue to increase the activity for these types of developments in the future. Our retail developments utilize Dream's existing land inventory to develop assets that will derive cash flows over a longer term.

Similarly, a substantial portion of the projects of our Condominium and Mixed-Use Developments division are located in and around the GTA and we have invested significantly in this region through both our Condominium and Mixed-Use Developments operations and our investment in units of Dream Office REIT, whose portfolio is concentrated in Toronto. Accordingly, any negative fluctuation in Toronto market fundamentals could result in a greater impact on our financial condition or results of operations than they might have on other companies that have a more diversified portfolio of operations.

Supply of Materials and Services

The homebuilding industry has from time to time experienced significant difficulties in the supply of materials and services, including with respect to shortages of skilled and experienced contractors and tradespeople, labour disputes, shortages of building materials, unforeseen environmental and engineering problems, and increases in the cost of certain materials. If any of these difficulties should occur, we may experience delays and increased costs in the construction of homes.

Delays and Cost Over-runs

Delays and cost over-runs may occur in completing the construction of development projects, prospective projects and future projects that may be undertaken. A number of factors that could cause such delays or cost over-runs include, but are not limited to, permitting delays, changing engineering and design requirements, the performance of contractors, labour disruptions, adverse weather conditions and the availability of financing. In addition, if a renewable power development project is not brought into commercial operation within the time stipulated in its related PPA, it may be subject to penalty payments or the counterparty may be entitled to terminate the related PPA which could adversely affect our business, operating results financial conditions or prospects in the future.

Competition

The residential homebuilding industry is highly competitive. Residential homebuilders compete for homebuyers, desirable properties, building materials, labour and capital. We compete with other local, regional and national homebuilders. Any improvement in the cost structure or service of these competitors will increase the competition we face. We also compete with sellers of existing homes, housing speculators and investors in rental housing. Competitive conditions in the homebuilding industry

could result in: difficulty in acquiring desirable land at acceptable prices, increased selling incentives, lower sales volumes and prices, lower profit margins, impairments in the value of our inventory and other assets, increased construction costs and delays in construction.

Our ability to successfully expand our asset management and management services activities in the future is dependent on our reputation with clients. We believe that our track record, the expertise of the asset management and management services team and the performance of the assets currently under management will enable us to continue to develop productive relationships with these companies and to grow the assets under management. However, if we are not successful in doing so, our business and results of operations may be adversely affected.

Joint Venture Risks

Real estate investments are often made as joint ventures or partnerships with third parties. These structures involve certain additional risks, including the possibility that the co-venturers/partners may, at any time, have economic or business interests inconsistent with ours, the risk that such co-venturers/partners could experience financial difficulties which could result in additional financial demands on us to maintain and operate such properties or repay debt in respect of such properties, and the need to obtain the co-venturers'/partners' consents with respect to certain major decisions in respect of such properties. We attempt to mitigate these risks by performing due diligence procedures on potential partners and contractual arrangements, and by closely monitoring and supervising the joint ventures or partnership.

Seasonality

The nature of our land development and housing business is inherently seasonal as it depends on sales of specific projects dictated by the marketplace and the availability of buyers as well as weather-related delays. We have historically experienced, and we expect that we will continue to experience, variability in our results on a quarterly basis. We generally have more homes under construction, close more home sales and have greater revenues and operating income from our housing business in the second quarter of our fiscal period. Therefore, although new home contracts are obtained throughout the period, a significant portion of our home closings typically occur during the second fiscal quarter. Our revenues from our land and housing development business therefore may fluctuate significantly on a quarterly basis and we must maintain sufficient liquidity to meet short-term operating requirements.

Adverse Weather Conditions and Natural Disasters

Adverse weather conditions and natural disasters such as hurricanes, tornadoes, earthquakes, droughts, floods, fires, extreme cold, snow and other natural occurrences could have a significant effect on our ability to develop land. These adverse weather conditions and natural disasters could cause delays and increased costs in the construction of new homes and the development of new communities. If insurance is unavailable to us or is unavailable on acceptable terms, or if the insurance is not adequate to cover business interruption or losses resulting from adverse weather or natural disasters, our business and results of operations could be adversely affected. In addition, damage to new homes caused by adverse weather or a natural disaster could cause our insurance costs to increase.

Adverse weather conditions and natural disasters could also limit the ability to generate or sell power. In certain cases, some events may not excuse us from performing obligations pursuant to agreements with third parties and we may be liable for damages or suffer further losses as a result. In addition, many of our power generation assets are located in remote areas which make access for repair of damage difficult.

Financing Risk

We will require access to capital to ensure properties are maintained as well as to fund our growth strategy and significant capital expenditures. There is no assurance that capital will be available when needed or on favourable terms. Our access to third-party financing will be subject to a number of factors,

including general market conditions, the market's perception of our growth potential, our then current and expected future earnings, and our cash flows. Upon the expiry of the term of the financing of any particular property, refinancing may not be available or may not be available on reasonable terms.

Ability to Obtain Performance, Payment, Completion and Surety Bonds and Letters of Credit

We may often be required to provide performance, payment, completion and surety bonds or letters of credit to secure the completion of our construction contracts, development agreements and other arrangements. We have obtained facilities to provide the required volume of performance, payment, completion and surety bonds and letters of credit for our expected growth in the medium term; however, unexpected growth may require additional facilities. Our ability to obtain further performance, payment, completion and surety bonds and letters of credit primarily depends on our perceived creditworthiness, capitalization, working capital, past performance and claims record, management expertise and certain external factors, including the capacity of the performance bond markets. If our future claims record or our providers' requirements or policies are different, if we cannot obtain the necessary consent from lenders to renew or amend our existing facilities, or if the market's capacity to provide performance and completion bonds is not sufficient, we could be unable to obtain further performance, payment, completion and surety bonds or letters of credit when required, which could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Master-Planned Communities

Before a master-planned community generates any revenues, material expenditures are incurred to acquire land, obtain development approvals and construct significant portions of project infrastructure, amenities, model homes and sales facilities. It generally takes several fiscal periods for a master-planned community development to achieve cumulative positive cash flow. If we are unable to develop and market our master-planned communities successfully and generate positive cash flows from these operations in a timely manner, this may have a material adverse effect on our business and results of operations.

Home Warranty and Construction Defect Claims

As a homebuilder, we are subject to construction defect and home warranty claims arising in the ordinary course of our business. These claims are common in the homebuilding industry and can be costly. Where we act as the general contractor, we will be responsible for the performance of the entire contract, including work assigned to subcontractors. Claims may be asserted against us for construction defects, personal injury or property damage caused by the subcontractors, and if successful these claims give rise to liability. Where we hire a general contractor, if there are unforeseen events such as the bankruptcy of, or an uninsured or under-insured loss claimed against our general contractor, we will sometimes become responsible for the losses or other obligations of the general contractor. The costs of insuring against construction defect and product liability claims are high and the amount of coverage offered by insurance companies may be limited. There can be no assurance that this coverage will not be further restricted and become more costly. If we are not able to obtain adequate insurance against these claims in the future, our business and results of operations may be adversely affected.

Reliance on Key Clients

Our revenues from the advisory services division are dependent on agreements with a few key clients. Although we have long-term, stable management contracts with clients that may only be terminated in limited circumstances, any such termination could have a material adverse effect on our revenue from management fees.

Dependence 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.

Regulatory Regime, Political Environment and Permits

The development and operation of renewable power projects is subject to extensive regulation by various government agencies at the municipal, provincial and federal levels. As legal requirements frequently change and are subject to interpretation and discretion, we are unable to predict the ultimate cost of compliance with these requirements or their effect on our operations. Any new law or regulation could require additional expenditure to achieve or maintain compliance or could adversely affect the ability to generate and deliver energy. If we fail to meet regulatory requirements, we may become subject to enforcement action and the operation of our facilities could be adversely affected or be subject to penalties, or additional costs, or revocation of our permits or licenses. In addition, delays may occur in obtaining necessary government approvals required for future power projects.

The Corporation holds permits and licences from various regulatory authorities for the construction and operation of our renewable power facilities. These licences and permits are critical to the operation of the renewable power business. It may not be possible to renew, maintain or obtain all necessary licences, permits and governmental approvals required for the continued operation or further development of projects, which could adversely impact our business, results of operations and cash flow.

The profitability of any wind or solar project will be in part dependent upon the continuation of a favourable regulatory climate with respect to the continuing operations, future growth and development of the independent power industry. Government regulations and incentives currently have a favourable impact on the building of wind and solar power facilities. Should the current governmental regulations or incentive programs be modified, our business, operating results, financial condition or prospects may be adversely affected.

Inability to Negotiate Purchase Agreements

Securing new PPAs is a key component of our growth strategy. We expect that we will continue to enter into PPAs for the sale of power. PPAs are mainly obtained through participation in competitive requests for proposals. During these processes, we face competitors ranging from large utilities to small independent power producers. There is no assurance that we will be selected as power supplier following any particular request for proposals in the future or that existing PPAs will be renewed or will be renewed

on acceptable terms and conditions upon the expiry of their respective terms. Failure to secure or renew PPAs on acceptable terms will limit the expansion and growth of the renewable power business and could adversely affect our business, operating results, financial condition or prospects in the future.

Contract Performance

Renewable power operations are highly dependent upon parties to certain agreements fulfilling their contractual obligations, including counterparties to PPAs or FIT contracts and other key suppliers. An inability or failure of any such party to meet its contractual commitments may adversely affect our financial condition, results of operations and cash flow as it may not be possible to replace the agreement with an agreement on equivalent terms and conditions.

The ability of our facilities to generate the maximum amount of power that can be sold to purchasers of electricity under PPAs is an important determinant of the revenues of our renewable power business. If one of these facilities delivers less than the required quantity of electricity in a given contract period, penalty payments may be payable to the relevant purchaser. The payment of any such penalties could adversely affect the revenues and profitability of our renewable power business.

Changes in Technology

There are other alternative technologies that can produce renewable power, such as fuel cells and micro turbines. Research and development activities are ongoing to seek improvements in such alternative technologies, and their cost of producing electricity is gradually declining. It is possible that advances will further reduce the cost of alternative methods of power generation. If this were to happen, the competitive advantage of our projects may be impaired and our business, financial condition, results of operations and cash flow could be materially adversely affected.

Operations and Maintenance

There can be no assurance that our maintenance program will be able to detect potential failures in equipment associated with our renewable power projects. In addition, weather related interference, work stoppages and other unforeseen problems may disrupt the operation and maintenance of our projects and may materially affect our business. While we may maintain an inventory of, or otherwise make arrangements to obtain, spare parts to replace critical equipment and maintain insurance for property damage to protect against certain operating risks, these protections may not be adequate to cover lost revenues or increased expenses and penalties which could result if we are unable to operate our projects at a level necessary to comply with PPAs or FIT contracts, or operating requirements under permits or planning conditions.

Assessment of Solar or Wind Resource and Associated Solar or Wind Energy

The strength and consistency of the solar or wind resource at any project site may vary from the anticipated solar or wind resource. Weather patterns could change or the historical data could prove to be an inaccurate reflection of the strength and consistency of the solar or wind resource in the future. The conclusions of solar or wind resource studies and energy production estimates in relation to any solar or wind energy facility are based on a particular methodology and a set of assumptions about the existence of certain conditions, and the assumption that these conditions will continue in the future. The assumptions and factors are inherently uncertain and may result in actual energy production being different from estimates. A decline in solar or wind conditions at any of our solar or wind energy facilities could materially adversely affect revenues and cash flows from such facilities.

Transmission Capacity and Curtailment

Electrical distribution grid systems have finite capacity to accommodate additional electricity that is supplied to the system. In order for projects to be developed, they need to be connected to the distribution grid system in a location where there is sufficient capacity to handle the additional electricity produced by

the project. In most cases the distribution grid system can be upgraded in order to accommodate such increased capacity; however, we are generally required to cover all or a portion of costs and expenses in connection with any construction and/or upgrades that are required, which impacts the financial viability of such projects. There is also a potential risk associated with transmission curtailment measures being contemplated by the transmission system operator. These measures could be imposed in the future on renewable energy generators. The curtailments may reduce the amount of annual revenue generated by our renewable energy projects below the forecasted financial models, thus reducing the expected investment return from these projects.

Rollover of Leases

Revenue properties generate income through rent received from 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 those of the existing lease. Our cash flows and financial position could be adversely affected if tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in our revenue properties could not be leased on economically favourable lease terms. In the event of default by a tenant, we may experience delays or limitations in enforcing our rights as lessor and incur substantial costs in protecting our investment. In addition, 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 the tenant and, thereby, cause a reduction in the cash flows available to us.

Market Conditions

Revenue properties are subject to economic and other factors affecting the real estate markets in the geographic areas where we own and manage properties. These factors include government policies, demographics and employment patterns, the affordability of rental properties, competitive leasing rates and long-term interest and inflation rates. These factors may differ from those affecting the real estate markets in other regions. If real estate conditions in areas where these properties are located 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.

Real Estate Ownership

An investment in real estate is relatively illiquid. Such illiquidity tends to limit our ability to vary our commercial property 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 to dispose of properties at lower prices in order to generate sufficient cash for operations.

Certain significant expenditures (e.g. property taxes, maintenance costs, mortgage payments, insurance costs and related charges) must be made regardless of whether or not a 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, properties must be maintained or, in some cases, improved to meet market demand. Maintaining a rental property in accordance with market standards can entail significant costs, which may not be able to be passed on to 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. Any failure by us to ensure appropriate maintenance and refurbishment work is undertaken could materially adversely affect the rental income that we earn from such properties; for example, such a failure could entitle tenants to withhold or reduce rental payments or even terminate existing leases. Any such event could have an adverse effect on our cash flows, financial condition and results of operations.

Controls and Procedures

Dream has established internal controls over financial reporting and disclosure controls and procedures are 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.

Changes in Law

We are subject to laws and regulations governing the ownership and leasing of real property, (including the expropriation thereof), employment standards, environmental matters, taxes and other matters. It is possible that future changes in such laws or regulations or changes in their application, enforcement or regulatory interpretation could result in changes in the legal requirements affecting commercial properties (including with retroactive effect). Any changes in the laws to which we are subject or in the political environment in the jurisdictions where the commercial properties in which we have an interest are operated could adversely affect us and the revenues we are able to generate from our investments.

Tax Risks

We are subject to income taxes both federally and provincially in Canada and the United States. Significant judgments and estimates are required in the determination of our tax balances. Our income tax expense and deferred tax liabilities reflect management's best estimate of current and future taxes to be paid. We are subject to tax audits from various government and regulatory agencies on an ongoing basis. As a result, from time to time, taxing authorities may disagree with the interpretation and application of tax laws taken by us in our tax filings. These reassessments could have a material impact on us in future periods.

The determination of our income and other tax liabilities requires interpretation of complex laws and regulations, often involving multiple jurisdictions. Judgment is required in determining whether deferred income tax assets should be recognized on the consolidated statements of financial position. Deferred income tax assets are recognized to the extent that we believe it is probable that the assets can be recovered. Furthermore, deferred income tax balances are recorded using enacted or substantively enacted future income tax rates. Changes in enacted income tax rates are not within the control of management. However, any such changes in income tax rates may result in actual income tax amounts that may differ significantly from estimates recorded in deferred tax balances.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

General Risks Related to Dream

Controlling Shareholder Risk

Dream's business and affairs are controlled by Mr. Michael Cooper through his ownership of Subordinate Voting Shares and Common Shares. Accordingly, Mr. Cooper may be able to cause Dream to effect corporate transactions without the consent of the minority shareholders or to cause or prevent a change of control of Dream. Under Canadian law, an offer to purchase the Common Shares, depending on the offered price, would not necessarily result in an offer to purchase the Subordinate Voting Shares.

Key Executives

Dream’s executive and other senior officers have a significant role in its success and oversee the execution of our strategy. Should Dream lose the services of one or all of its executive officers and they cannot be adequately replaced, Dream’s ability to accomplish its business objectives and its financial condition could be adversely affected. Further, such a loss could be negatively perceived in the capital markets, which could have a negative effect on the market price of the Subordinate Voting Shares.

Market Price of Shares

The trading price of our shares in the open market is subject to volatility and cannot be predicted. Our shareholders may not be able to resell their Subordinate Voting Shares at or above the price at which they purchased their Subordinate Voting Shares due to such trading price fluctuations. The trading price could fluctuate significantly in response to factors both related and unrelated to our operating performance and/or future prospects, including, but not limited to: (i) variations in our quarterly or annual operating results and financial condition; (ii) changes in government laws, rules or regulations affecting our businesses; (iii) material announcements by our competitors; (iv) market conditions and events specific to the industries in which we operate; (v) changes in general economic conditions; (vi) differences between our actual financial and operating results and those expected by investors and analysts; (vii) changes in analysts’ recommendations or earnings projections; (viii) changes in the extent of analysts’ interest in covering the Corporation; (ix) the depth and liquidity of the market for our shares; (x) dilution from the issuance of additional equity; (xi) investor perception of our businesses and industries; (xii) investment restrictions; (xiii) our dividend policy; (xiv) the departure of key executives; (xv) sales of Subordinate Voting Shares by senior management or significant shareholders; and (xvi) the materialization of other risks described in this section.

Dividends

Except as otherwise stated herein, Dream does not have any intention of paying dividends on its shares at this time. Whether Dream will pay dividends on its shares, and the timing and amount of those dividends, will be subject to approval and declaration by the Board, and will depend on a variety of factors, including the projected earnings and cash flow, cash requirements and financial condition of Dream and other factors deemed relevant by the Board.

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of Subordinate Voting Shares, an unlimited number of Common Shares and an unlimited number of first preference shares, issuable in series (the “**First Preference Shares**”), of which the first series is designated as “first preference shares, series 1” (being the Series 1 Preference Shares). The following is a summary of the rights, privileges, restrictions and conditions attached to each class of shares of the Corporation.

As of December 31, 2017, the Corporation had the following securities outstanding:

Subordinate Voting Shares	106,120,323
Common Shares	3,115,299
Series 1 Preference Shares	4,005,729

Subordinate Voting Shares and Common Shares

Holders of Subordinate Voting Shares and Common Shares are entitled to one vote and 100 votes, respectively, for each such share held on all votes taken at meetings of the shareholders of the Corporation. As at December 31, 2017, the Common Shares represented an aggregate of 75% of the

outstanding voting rights and the Subordinate Voting Shares represented 25% of the outstanding voting rights.

Subject to the rights of holders of Series 1 Preference Shares and other shares of the Corporation ranking prior to the Subordinate Voting Shares and Common Shares, the Subordinate Voting Shares and Common Shares participate equally, share for share, as to dividends. The Common Shares are convertible into Subordinate Voting Shares on a one-for-one basis at any time, subject to adjustment.

In order to ensure that the holders of the Subordinate Voting Shares can participate in any offer which is made to the holders of the Common Shares (but is not made to the holders of Subordinate Voting Shares on the same terms in terms of price per share, percentage of shares to be taken up and other essential terms), which offer, by reason of applicable securities legislation or the requirements of a stock exchange on which the Subordinate Voting Shares may then be listed, would have been required to be made to all or substantially all the holders of Subordinate Voting Shares who are in any province of Canada to which the requirement applies if the Common Shares were Subordinate Voting Shares (an “**Exclusionary Offer**”), each holder of Subordinate Voting Shares will, for the purposes of the Exclusionary Offer only, be permitted to convert all or part of the Subordinate Voting Shares held into an equivalent number of Common Shares during the applicable conversion period. In certain circumstances (namely, the delivery of certificates, at specified times, by holders of 50 per cent or more of the issued and outstanding Common Shares to the effect that they will not, among other things, tender to such Exclusionary Offer or make an Exclusionary Offer), these conversion rights will not come into effect.

Subject to the rights of holders of Series 1 Preference Shares and other shares of the Corporation ranking prior to the Subordinate Voting Shares and Common Shares, holders of Subordinate Voting Shares and Common Shares are entitled to participate equally in the property and assets of the Corporation available to such holders in the event of the liquidation, dissolution or winding-up of the Corporation.

First Preference Shares

Each series of First Preference Shares, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, will rank on a parity with the First Preference Shares of every other series and senior to the Subordinate Voting Shares and Common Shares.

Except in accordance with any voting rights which may be attached to any series of First Preference Shares or as otherwise provided by law, the holders of First Preference Shares will not be entitled, as such, to receive notice of, or to attend, any meeting of shareholders of the Corporation, nor will they be entitled to vote at any such meeting; provided that such holders shall be entitled to receive notice of any meetings of shareholders of the Corporation called for the purpose of authorizing the dissolution of the Corporation or the sale, lease or exchange of all or substantially all of its property. The approval of holders of First Preference Shares as a class to any matters which, by law, require such approval, may be given by the affirmative vote of holders of not less than two-thirds of the First Preference Shares represented and voted at a meeting called and held for such purpose.

Series 1 Preference Shares

Voting Rights

Holders of Series 1 Preference Shares are not entitled to any voting rights (except as otherwise provided by law or in the conditions attaching to the First Preference Shares as a class). However, if at any time the Corporation is in arrears for eight quarterly dividends in respect of the Series 1 Preference Shares, whether or not consecutive or declared, and whether or not there are any monies of the Corporation properly applicable for the payment of such dividends, the holders of Series 1 Preference Shares shall be entitled, together with all other shares of the Corporation, to receive notice of all meetings of shareholders of the Corporation and thereat to vote one vote for each share held, except for meetings at which only holders of another class or series are entitled to vote, until such arrears for such dividends shall have been paid.

Redemption Rights

The Series 1 Preference Shares are redeemable at the option of the Corporation or at the option of the holder for a cash price of \$7.16 per Series 1 Preference Share, together with all accrued and unpaid dividends thereon.

Conversion Rights

Subject to compliance with all applicable laws, including receipt of all necessary regulatory approvals, the Series 1 Preference Shares are convertible, at the option of the Corporation, into Subordinate Voting Shares at any time.

The number of Subordinate Voting Shares into which each Series 1 Preference Share may be so converted will be determined by dividing the then applicable redemption price per Series 1 Preference Share, together with all accrued and unpaid dividends up to but excluding the date fixed for conversion, by the greater of: (i) \$2.00; and (ii) 95% of the weighted average trading price of the Subordinate Voting Shares on the TSX for the 20 consecutive trading days ending on the fourth day prior to the date specified for conversion or, if such fourth day is not a trading day, the immediately preceding trading day.

Repurchase Rights

The Corporation may purchase for cancellation all or any part of the then outstanding Series 1 Preference Shares on the open market by private agreement or otherwise.

Dividends

The holders of Series 1 Preference Shares are entitled to receive quarterly fixed cumulative preferential cash dividends, if, as and when declared by the Board of Directors, in an amount equal to \$0.12530 per share per annum (less any tax required to be deducted and withheld by the Corporation from payments to non-residents) to accrue daily from and including the original date of issue, payable on the last day of March, June, September and December in each year.

Winding Up, Dissolution

In the event of the liquidation, dissolution or winding up of the Corporation, holders of Series 1 Preference Shares are entitled to receive from the assets of the Corporation an amount equal to \$7.16 per Series 1 Preference Share, together with an amount equal to all accrued but unpaid dividends thereon, before any amount shall be paid by the Corporation to holders of any shares ranking junior as to capital to the Series 1 Preference Shares.

Dividend Policy

The current practice of the Corporation is to pay dividends to the holders of its Series 1 Preference Shares as described above. In the year ended December 31, 2017, Dream declared an aggregate of \$2 million of cash dividends on its Series 1 Preference Shares.

The Corporation has not established a dividend policy with respect to the Subordinate Voting Shares or the Common Shares. Any future determination to pay dividends is at the discretion of the directors of the Corporation and will depend upon the financial condition, results of operations and capital requirements of the Corporation and such other factors as the directors of the Corporation consider appropriate.

MARKET FOR SECURITIES

Trading Price and Volume

The Subordinate Voting Shares are currently listed on the TSX under the symbol “DRM”. The following table sets forth the high and low reported trading prices and the trading volume of the Subordinate Voting Shares on the TSX for each month of the most recently completed financial year:

Month	High (\$)	Low (\$)	Volume
January 2017	7.16	6.70	1,604,791
February 2017	7.03	6.56	716,814
March 2017	7.15	6.49	2,633,905
April 2017	7.07	6.59	804,358
May 2017	8.24	6.47	17,905,574
June 2017	7.91	7.04	1,579,874
July 2017	7.47	7.14	774,231
August 2017	7.50	6.87	1,182,832
September 2017	7.52	6.98	1,462,085
October 2017	7.45	7.12	4,551,846
November 2017	8.15	7.34	1,367,544
December 2017	8.22	7.44	1,192,305

The Series 1 Preference Shares are currently listed on the TSX under the symbol “DRM.PR.A”. The following table sets forth the high and low reported trading prices and the trading volume of the Series 1 Preference Shares on the TSX for each month of the most recently completed financial year:

Month	High (\$)	Low (\$)	Volume
January 2017	7.38	7.25	46,026
February 2017	7.32	7.25	44,844
March 2017	7.35	7.19	53,857
April 2017	7.31	7.24	40,071
May 2017	7.41	7.26	60,754
June 2017	7.39	7.25	67,494
July 2017	7.39	7.26	49,800
August 2017	7.40	7.32	88,020
September 2017	7.39	7.25	61,500
October 2017	7.33	7.23	40,432
November 2017	7.35	7.25	93,130
December 2017	7.40	7.25	61,328

DIRECTORS AND EXECUTIVE OFFICERS

Names, Occupations and Security Holdings

The following table sets forth the name and place of residence, position held with the Corporation and principal occupation of each of the directors and executive officers of the Corporation as of March 27, 2018. Directors of the Corporation hold office until the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed.

Name, Province or State and Country of Residence	Position Held in the Corporation	Director Since	Independent	Principal Occupation
Pauline Alimchandani Toronto, Ontario	Executive Vice President and Chief Financial Officer	–	–	Executive Vice President and Chief Financial Officer, Dream and DAM
Michael J. Cooper ⁽⁴⁾ Toronto, Ontario	President and Chief Responsible Officer, Director	May 30, 2013	No	President and Chief Responsible Officer, Dream and DAM
Joanne Ferstman ⁽¹⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Toronto, Ontario	Director	May 12, 2014	Yes	Corporate Director
Richard N. Gateman ⁽²⁾⁽³⁾ Calgary, Alberta	Director	May 30, 2013	Yes	Vice President, Major Projects Business Development, TransCanada PipeLines Limited
P. Jane Gavan ⁽⁴⁾ Toronto, Ontario	President, Asset Management, Director	May 12, 2014	No	President, Asset Management, Dream, President and Chief Executive Officer, Dream Global REIT, and Chief Executive Officer of Dream Office REIT
Duncan Jackman Toronto, Ontario	Director	May 9, 2017	Yes	Chairman and Chief Executive Officer of E-L Financial Corporation Limited
Joshua Kaufman Toronto, Ontario	Senior Vice President, Retail and Commercial Developments	–	–	Senior Vice President, Retail and Commercial Developments
Jennifer Lee Koss ⁽¹⁾⁽²⁾ Toronto, Ontario	Director	May 12, 2014	Yes	Co-Founder, BRIKA
Jason Lester Toronto, Ontario	Vice Chair, Development	–	–	Vice Chair, Development, Dream
Daniel Marinovic Vaughan, Ontario	Chief Development Officer, Land and Housing	–	–	Chief Development Officer, Land and Housing, Dream
Vincenza Sera ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ Toronto, Ontario	Director	May 30, 2013	Yes	Corporate Director

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Governance and Nominating Committee.
- (3) Member of the Organization Design and Culture Committee.
- (4) Member of the Leaders and Mentors Committee.
- (5) Chair of the Board of Directors.

Each of the foregoing has held his or her present principal occupation or other executive offices with the same company or its predecessors or affiliates for the past five years except for:

- Ms. Pauline Alimchandani who, prior to January 2014, held the role of Vice President, Corporate Strategy at Dream; prior to March 2013, Ms. Alimchandani covered the Canadian real estate sector as a Vice President in equity research at a major Canadian bank.
- Mr. Joshua Kaufman who, prior to November 2012, was the Vice President of Development at SmartCentres, one of Canada's largest shopping centre developers and operators.
- Mr. Daniel Marinovic who, prior to February 2014, was the Vice President of Finance for First Gulf Corporation, the commercial affiliate of the Great Gulf Group of Companies, a major property developer and landlord with operations in Canada and the United States.

As at December 31, 2017, our directors and executive officers beneficially owned, or controlled or directed, directly or indirectly, as a group, 34,441,956 Subordinate Voting Shares, which represented approximately 32.5% of the outstanding Subordinate Voting Shares, and 3,086,583 Common Shares, which represented approximately 99.1% of the outstanding Common Shares.

Committees

The Board has four committees: the Audit Committee, the Governance and Nominating Committee, the Organization Design and Culture Committee and the Leaders and Mentors Committee.

Audit Committee

The Audit Committee is responsible for monitoring the Corporation's systems and procedures for financial reporting and internal controls and the performance of the Corporation'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, the Corporation'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 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 the Corporation's external auditor and internal audit function, without management present, to discuss and review specific issues as appropriate.

Applicable law requires the Board of Directors to have an Audit Committee consisting of at least three Directors, each of whom must be independent and "financially literate". At March 27, 2018, the Audit Committee was comprised of the following three Directors: Joanne Ferstman (Chair), Jennifer Koss, and Vincenza Sera, each of whom is an Independent Director. The Board has determined that each of the members of the Audit Committee is "financially literate" within the meaning of NI 52-110. The Board of directors has adopted a charter for the Audit Committee, a copy of which is attached as Schedule A to this AIF.

Relevant Education and Experience

Ms. Joanne Ferstman is a corporate director. Over an 18 year period and until her retirement in June 2012, Ms. Ferstman held a variety of executive positions with the Dundee Group of Companies. Most recently, Ms. Ferstman was the President and Chief Executive Officer of Dundee Capital Markets Inc., a full service investment dealer with principal businesses including investment banking, institutional sales and trading and private client financial advisory. Prior to January 31, 2011, Ms. Ferstman was Vice-Chair and Head of Capital Markets of DundeeWealth Inc., a diversified wealth management company. Prior to 2009, Ms. Ferstman was Executive Vice President and Chief Financial Officer of Dundee Wealth Inc. and Executive Vice President, Chief Financial Officer and Corporate Secretary of Dundee Corporation. In these senior financial roles, Ms. Ferstman was actively involved in all corporate strategy, including acquisitions and financings, and was responsible for all public financial reporting. In addition, Ms.

Ferstman regularly represented Dundee Corporation on investee company boards and audit committees across various sectors. Prior to joining the Dundee Group of Companies, Ms. Ferstman spent four years as Chief Financial Officer for a national securities firm and five years at a major international accounting firm. Ms. Ferstman earned a Bachelor of Commerce and a Graduate degree in Public Accountancy from McGill University and is a Chartered Professional Accountant. Ms. Ferstman also sits on the board of trustees of Dream Office REIT.

Ms. Jennifer Lee Koss is the Co-Founder and Builder of Business of BRIKA – the pre-eminent retail platform for contemporary, elevated craft online and offline representing a community of over 400 of the most talented artisans and designers. Prior to launching her business, she spent nearly five years at Ontario Teachers’ Private Capital investing in consumer/retail companies and in large private equity global funds. Her work experience also includes management consulting at The Bridgespan Group and The Parthenon Group, focusing on private equity due diligence, and in investment banking at JPMorgan. Jennifer is a Juilliard-trained cellist and holds an AB degree magna cum laude from Harvard College, an MPhil from Oxford University and an MBA from Harvard Business School.

Ms. Vincenza Sera is an active corporate director who currently sits on the board of Investment Management Corporation of Ontario (IMCO) which manages over \$50 billion in assets for various Ontario stakeholders. Prior to this appointment, she was Chair of the Ontario Pension Board for nine years. In addition to the public companies listed below, Ms. Sera currently sits on the Board of Directors of the Ontario Financing Authority. Ms. Sera was an investment banker with more than 25 years of experience in capital markets, corporate finance and corporate governance. She has held senior positions with National Bank Financial, First Marathon Securities and Canadian Imperial Bank of Commerce. Ms. Sera holds an MBA from the University of Toronto and is a graduate of the Directors Education Program (ICD.D). Ms. Sera is also the Chair of the board of trustees of Dream Industrial REIT.

Pre-Approval Policies and Procedures

The charter of the Audit Committee requires that all non-audit services to be provided to Dream 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’s external auditor, or fees accrued by Dream in 2017 and 2016 for professional services, are presented below:

	Year ended December 31, 2017	Year ended December 31, 2016
Audit fees	\$444,300	\$432,840
Review of interim financial statements and MD&A	\$135,000	\$135,000
Audit-related fees ⁽¹⁾	\$75,000	\$25,000
Audit and review of Dream’s Subsidiaries	\$308,250	\$288,000
Tax fees ⁽²⁾	\$210,295	\$39,831
All other fees	-	-
Total	\$1,172,845	\$920,671

Notes:

⁽¹⁾ “Audit-related fees” are aggregate fees billed by our external auditor in 2017 and 2016 for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under “Audit Fees” in the table above, and includes services relating to regulatory filings, future IFRS standards and French translation services.

⁽²⁾ “Tax fees” include the aggregate fees paid to the external auditor for tax compliance, tax advice, tax planning and advisory services.

Governance and Nominating Committee

It is the responsibility of the Governance and Nominating Committee, in consultation with the Chair of the Board of Directors, to assess from time to time the size and composition of the Board and its committees; to review the effectiveness of the Board's operations and its relations with management; to assess the performance of the Board, its committees and individual directors; to review the Corporation's statement of corporate governance practices; and to review and recommend the directors' compensation.

The Governance and Nominating Committee reviews the performance of the Board, its committees and the contribution of individual Directors on an annual basis. The Board has in place a formal procedure for evaluating the performance of the Board, its committees and individual Directors, consisting of questionnaires, private interviews by the Chair of the Board and/or the Chair of the Governance and Nominating Committee with each Director, and a report from the Chair of the Governance and Nominating Committee.

The Governance and Nominating Committee is responsible for reviewing the credentials of proposed nominees for election or appointment to the Board and for recommending candidates for Board membership, including the candidates proposed to be nominated for election to the Board at the annual meeting of shareholders of the Corporation. To do this, the Governance and Nominating Committee together with the Chair of the Board regularly considers and meets with potential Director nominees to ensure outstanding candidates with the needed skills can be quickly identified to fill planned or unplanned vacancies. Candidates are assessed in relation to the criteria established by the Board to ensure that the Board has the appropriate mix of talent, quality, skills and other requirements necessary to promote sound governance and Board effectiveness.

Dream has adopted a formal board diversity policy (the "**Diversity Policy**"). In identifying potential director candidates, in addition to skills and experience, the Governance and Nominating Committee also considers the diversity of the Board and in particular the representation of women on the Board. The existing number of women on the Board is a factor considered in assessing potential new director candidates. In accordance with Dream's Diversity Policy, the Governance and Nominating Committee, with the assistance of the Leaders and Mentors Committee, identifies diverse candidates for election to the Board. In identifying nominees for election as Directors, the Corporation targets representation of women on the Board of at least 30%. Four of the eight director nominees standing for election at Dream's 2018 annual meeting of shareholders, comprising 50% of the proposed board of directors, are women. For further information on our Diversity Policy, see Dream's management information circular for its annual meeting of shareholders to be held on May 17, 2018.

The Governance and Nominating Committee reviews, at least once a year, the composition of the Board's committees to ensure that committee membership complies with the relevant governance guidelines, that the workload for its Independent Directors is balanced, and that committee positions are rotated as appropriate. In doing so, the Governance and Nominating Committee consults with the Chair of the Board and makes recommendations to the Board, which appoints committee members. The Corporation's Chief Responsible Officer does not participate in this process.

The Governance and Nominating Committee is also responsible for reviewing the environmental state of any real property owned by Dream's Subsidiaries and for establishing policies and procedures to review and monitor Dream's environmental exposure. Monitoring and reviewing the environmental state of Dream's properties may include: (a) review of environmental liability risk assessments; (b) review of environmental incident reports; (c) inspection and monitoring of any ongoing environmental control measures; (d) review of compliance with local jurisdictional regulations and orders; and (e) preparation of a hazardous materials management plan.

At March 27, 2018, the Governance and Nominating Committee was comprised of the following three Directors: Richard Gateman, Jennifer Koss and Vincenza Sera (Chair), all of whom are Independent Directors.

Organization Design and Culture Committee

The Organization Design and Culture Committee is responsible for reviewing and reporting to the Board on management resource planning, including succession planning and proposed senior management appointments, the job descriptions and annual objectives of senior executives, the form of executive compensation in general, and the levels of compensation of the Chief Responsible Officer and other senior executives. The Organization Design and Culture Committee also reviews the performance of senior management against written objectives and reports thereon to the Board.

The Organization Design and Culture Committee is also responsible to work with the Chief Responsible Officer to review internal practices (both formal and informal) that promote the culture of the Corporation. The success of Dream's business is influenced by the performance of management. Management is influenced by compensation and the environment in which it works. The Organizational Design and Culture Committee works with the Chief Responsible Officer to encourage a working culture that motivates colleagues to belong to the organization, perform at the highest level and to want to continue with the organization for reasons beyond compensation.

At March 27, 2018, the Organization Design and Culture Committee was comprised of the following three directors: Joanne Ferstman, Richard Gateman (Chair) and Vincenza Sera, all of whom are Independent Directors.

Leaders and Mentors Committee

The Leaders and Mentors Committee oversees Dream's commitment to creating an environment at Dream that fosters excellence in what we do and how we do it. The mandate of the Leaders and Mentors Committee is to:

- Identify, mentor and champion exceptional talent within the organization;
- Oversee Dream's commitment to being a leader in diversity and inclusion at all levels of the organization;
- Work with the Governance and Nominating Committee to identify excellent candidates for Board positions, irrespective of prior board experience, who are most likely to help Dream achieve its goals; and
- Provide mentorship to new Board members.

The Leaders and Mentors Committee also reviews the number of women working for Dream and their salaries compared to men working for the Corporation, and women's representation in senior management of Dream and within the entire business.

Dream has adopted a policy to provide mentorship by Board members to strong performers in the Corporation to promote further success with diversity within the Corporation.

At March 27, 2018, the Leaders and Mentors Committee was comprised of the following four Directors: Michael Cooper (Chair), Joanne Ferstman, Jane Gavan and Vincenza Sera.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

Corporate Cease Trade Orders and Bankruptcies

None of the Directors or executive officers of Dream 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 directors or executive officers of Dream are, and to the best of the Corporation's knowledge, no shareholder holding a sufficient number of the Corporation's securities to affect materially the control of Dream 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.

Individual Bankruptcies

None of the Directors or executive officers of Dream, and to the best of the Corporation's knowledge, no shareholder holding a sufficient number of Dream's securities to affect materially the control of Dream, 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 Directors or executive officers of Dream, and to the best of the Corporation's knowledge, no shareholder holding a sufficient number of Dream's securities to affect materially the control of Dream, 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.

Conflicts of Interest

Certain executive officers and Directors of the Corporation are officers and directors of, or are associated with, other public and private companies. Such associations may give rise to conflicts of interest with the Corporation from time to time. The OBCA requires, among other things, the executive officers and directors of the Corporation to act honestly and in good faith with a view to the best interest of the Corporation, to disclose any personal interest which they may have in any material contract or transaction which is proposed to be entered into with the Corporation and, in the case of directors, to abstain from voting as a director for the approval of any such contract or transaction.

Directors' and Officers' Liability Insurance

Dream carries directors' and officers' liability insurance with a total annual aggregate policy limit of \$40 million (comprised of a \$10 million primary policy and three \$10 million excess policies). Under this insurance coverage, Dream is reimbursed for payments made under indemnity provisions on behalf of Directors and officers contained Dream's by-laws, and pursuant to individual indemnity agreements between Dream and each officer and Director (the "Indemnities") subject to a deductible payable by Dream of \$50,000 for securities claims and \$50,000 for all other claims. The by-laws and the Indemnities provide for the indemnification in certain circumstances of Directors and officers from and against liability and costs in respect of any action or suit against them in respect of the execution of their duties of office.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Corporation and its operating Subsidiaries may become liable under guarantees that are issued in the normal course of business and with respect to litigation and claims that arise from time to time. In the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on the consolidated financial statements of the Corporation.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described below or elsewhere in this AIF, no Director, officer of Dream, or person or company that beneficially owns, or controls or directs more than 10% of any class or series of shares of Dream, or any associate or affiliate of any of the foregoing persons, has or has had any material interest in any past transaction within the last three years, or any proposed transaction, that has materially affected or would materially affect Dream or any of its Subsidiaries.

On August 15, 2016, Dream received an exchange notice from SDC, a private corporation controlled by Michael Cooper, pursuant to the Exchange Agreement dated May 30, 2013 among Dream, DAM and SDC, exercising SDC's right to receive 2,670,813 newly issued Subordinate Voting Shares of Dream, in consideration for the transfer to Dream of 22.15 non-voting common shares and Class C voting preference shares of DAM. Upon completion of the exchange on August 18, 2016, Dream owned 691.21 non-voting common shares of DAM, representing approximately 72.6% of the outstanding equity. SDC continued to own 261.52 non-voting common shares, representing 27.4% of the outstanding equity of DAM.

On August 15, 2016, Michael Cooper, the Co-Founder, President and Chief Responsible Officer of Dream, and SDC announced that they had entered into agreements with Ned Goodman, who at that time was the Chairman of Dream, and Caylee Development Corporation, a corporation controlled by Ned Goodman, pursuant to which Michael Cooper, acquired control of Dream. Michael Cooper beneficially acquired 3,086,583 Common Shares representing 99.07% of the then-issued and outstanding Common Shares and an approximate 80% voting interest in Dream. See "Recent Developments – Acquisition of Control by Michael Cooper".

On May 15, 2017, SDC exercised its right to be issued 31,533,682 Subordinate Voting Shares of Dream in exchange for the transfer to Dream of all of SDC's non-voting common and Class C preferred shares of DAM pursuant to the terms of the Exchange Agreement. Following completion of the exchange on May 19, 2017, Dream owns all of the equity and voting shares of DAM. See "Recent Developments – Sweet Dream Corp. Exercises Exchange Right".

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the shares of Dream is Computershare Trust Company of Canada at its principal offices in Toronto, Ontario.

MATERIAL CONTRACTS

The only material contracts, other than contracts entered into in the ordinary course of business, that we have entered into and that are still in effect are as follows:

- the Arrangement Agreement dated April 12, 2013 between Dundee Corporation, Dream, DAM and SDC (the "**Arrangement Agreement**"), as described below;
- the non-competition agreement dated October 4, 2012 between DAM and Dream Industrial REIT (the "**Dream Industrial REIT Non-Competition Agreement**"), as described below;
- the non-competition agreement dated August 3, 2011 between DAM and Dream Global REIT (the "**Dream Global REIT Non-Competition Agreement**"), as described below; and

- the amended and restated non-competition agreement dated April 2, 2015 between Dream, DAM, Dream Office REIT and Dream Office LP (the “**Dream Office REIT Non-Competition Agreement**”), as described below.

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

Arrangement Agreement

Dundee Corporation, Dream, DAM and SDC entered into the Arrangement Agreement providing for, among other things, the terms of the Arrangement, the conditions to the completion of the Arrangement, actions to be taken prior to and after the effective date of the Arrangement and certain indemnities. The parties to the Arrangement Agreement also made certain representations and warranties to each other and agreed to certain other terms and conditions which are standard in a transaction of the nature of the Arrangement.

Dream Industrial REIT Non-Competition Agreement

The Dream Industrial REIT Non-Competition Agreement prohibits DAM and its affiliates (excluding affiliates which are public entities 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 Dream Industrial REIT in accordance with the terms of the Dream Industrial REIT Non-Competition Agreement.

The above investment restriction does 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 also does 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 of 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 Dream Industrial REIT with a first opportunity to acquire such properties, but DAM will be free to offer such properties to other parties in the event that Dream Industrial REIT and DAM are not able to agree on price or other terms for the acquisition.

The Dream Industrial REIT Non-Competition Agreement provides that DAM and its affiliates are no longer bound by the terms of the Dream Industrial REIT Non-Competition Agreement when DAM is no longer Dream Industrial REIT’s asset manager or, in the case of any affiliate, when such entity has ceased to be an affiliate of DAM.

Dream Global REIT Non-Competition Agreement

The Dream Global REIT 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 real property which meets the investment criteria of Dream Global REIT, unless such investment opportunity has first been offered to Dream Global REIT in accordance with the terms of the Dream Global REIT Non-Competition Agreement.

The above investment restriction applies to real properties located outside Canada and does not apply to investments in vacant land, residential housing, multi-residential housing units, resorts, residential condominium units, nursing homes or retirement homes. This investment restriction also does not apply

to: (a) passive real estate investments made by DAM or any of its affiliates which are each less than \$10 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 Global REIT; (c) investments in any property that will be used as office 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 of DAM that is a public company or any Subsidiaries or affiliates of such public companies (other than DAM and its direct Subsidiaries).

The Dream Global REIT Non-Competition Agreement provides that DAM and its affiliates are no longer bound by the terms of the Dream Global REIT Non-Competition Agreement when DAM is no longer Dream Global REIT's asset manager or, in the case of any affiliate, when such entity has ceased to be an affiliate of DAM.

Dream Office REIT Non-Competition Agreement

The Dream Office REIT Non-Competition Agreement prohibits Dream, DAM and each of their respective subsidiaries from directly or indirectly acquiring an ownership interest in a Restricted Property (as defined in the Dream Office REIT Non-Competition Agreement), unless such investment opportunity has first been offered to Dream Office LP in accordance with the terms of the Dream Office REIT Non-Competition Agreement.

The above investment restriction applies to a Restricted Property, which is defined as a commercial office property located in Canada including any mixed use property where a substantial portion of the property is used for commercial office purposes and any portfolio including such office properties, but does not include vacant land, residential housing, multi-residential housing units, residential condominium units, hotels (except to the extent that DAM intends to repurpose such hotel for use as an office building), retail shopping centres (except to the extent that DAM intends to repurpose such shopping centre for use as an office building), industrial properties (except to the extent that DAM intends to repurpose such industrial property for use as an office building), nursing homes or retirement homes. This investment restriction does not apply to Dream or its Subsidiaries with respect to any real property investment made in connection with or as a condition of their securing a property, facilities or leasing management assignment with respect to such investment; provided that if the investment (i) equals or exceeds \$25 million, or (ii) equals or exceeds \$10 million and results in Dream or its Subsidiary acquiring a 10% or greater interest in the property, Dream Office LP will be offered the right to co-invest with Dream or its Subsidiary, as the case may be, on an equal basis. Further, this investment restriction does not apply to: (a) passive real estate investments made by Dream or any Subsidiary which are each less than \$10 million and represent less than a 25% interest in the real property; (b) *bona fide* investments in any property that will be used as office space primarily by Dream or any Subsidiary; (c) investments that were already owned by Dream or any Subsidiary; (d) *bona fide* investments made on behalf of fiduciary, managed or client accounts; and (e) *bona fide* investments that result from the realization of a loan secured by the property.

In addition, Dream Office LP has the first right to acquire a minimum 50% interest in any commercial office property (or interest in such property if the entire property is not available for purchase, and including mixed use properties where a substantial portion represents commercial office space) and portfolios of such properties in Canada identified by DAM or its subsidiaries for purchase, as principal, or which any client of DAM or any subsidiary intends to acquire, to the extent that DAM or any subsidiary can, acting in good faith, control or direct the opportunity to acquire such 50% interest.

The Dream Office REIT Non-Competition Agreement provides that Dream and its Subsidiaries will no longer be bound by the terms of the Dream Office REIT Non-Competition Agreement upon the termination of the Management Services Agreement (or 90 days following termination of the Management Services Agreement if terminated by notice from DAM) or in the case of a Subsidiary of Dream, when such person is no longer a Subsidiary of Dream.

INTEREST OF EXPERTS

Our auditor is PricewaterhouseCoopers LLP, Chartered Professional Accountants, who has prepared an independent auditor's report dated February 27, 2018 in respect of the Corporation'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 the Corporation within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct.

ADDITIONAL INFORMATION

Additional information with respect to the Corporation, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, and securities authorized for issuance under equity compensation plans, is contained in the Corporation's management information circular for its annual meeting of shareholders of the Corporation to be held on May 17, 2018.

Additional financial information is provided in the Corporation's audited consolidated comparative financial statements and notes to the consolidated comparative financial statements and management's discussion and analysis for 2017.

Additional information relating to the Corporation has been filed with the securities regulators in Canada and may be accessed on SEDAR at www.sedar.com.

APPENDIX A

DREAM UNLIMITED CORP.

(the “Corporation”)

AUDIT COMMITTEE CHARTER

(the “Charter”)

PURPOSE

The Audit Committee (the “**Committee**”) is a standing committee appointed by the board of directors of the Corporation (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 Corporation’s financial statements and financial reporting process, including the audit process and the Corporation’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 Corporation’s financial management, internal auditors and external auditors in these areas; and
- provide an open avenue of communication between the external auditors, the internal auditors, the Board and management of the Corporation.

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 Corporation’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 Corporation, 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 Corporation’s financial information.

Management is responsible for the preparation, presentation and integrity of the Corporation’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 Corporation’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*. 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 Corporation’s financial statements.
- (b) *Separate Executive Meetings* – The Committee shall meet periodically with the chief financial officer, the head of the internal audit 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 internal auditors 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 Corporation’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 Corporation 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 and other non-audit services provided by the external auditors to the Corporation 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 Corporation 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 Corporation are entitled to receive notice of every meeting of the Committee and, at the expense of the Corporation, 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 company 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 shareholders of the Corporation 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 Corporation to be proposed in the Corporation's management information circular for approval of the shareholders of the Corporation and the compensation to be paid by the Corporation 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 Corporation 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 Corporation 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 lead audit partner.
4. The Committee shall establish and monitor clear policies for the hiring by the Corporation 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 internal auditors 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 auditors during the course of the audit and the adequacy of management's responses in correcting audit-related deficiencies.

Appointment and Oversight of Internal Auditors

7. The appointment, terms of engagement, compensation, replacement or dismissal of the internal auditors shall be subject to prior review and approval by the Committee. When the internal audit function is performed by employees of the Corporation, 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 Corporation's internal audit function.
8. The Committee shall obtain from the internal auditors and shall review summaries of the significant reports to management prepared by the internal auditors, 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 auditors with respect to their reports and recommendations, the extent to which prior recommendations have been implemented and any other matters that the internal auditor brings to the attention of the Committee. The head of the internal audit function shall have unrestricted access to the Committee.
10. The Committee shall, annually or more frequently as it deems necessary, evaluate the internal auditors 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 auditors and management the audit function generally, the objectives, staffing, locations, co-ordination, reliance upon management and internal audit and general audit approach and scope of proposed audits of the financial statements of the Corporation and its subsidiaries, the overall audit plans, the responsibilities of management, the internal auditors 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 auditors to discuss the progress of their activities and any significant findings stemming from internal audits 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 auditors:
 - (a) the quality, appropriateness and acceptability of the Corporation's accounting principles and practices used in its financial reporting, changes in the Corporation'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 judgments 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 Corporation's auditing and accounting principles and practices as recommended by management, the external auditors or the internal auditors or which may result from proposed changes to applicable International Financial Reporting Standards;
- (d) the effect of regulatory or accounting limitations on the Corporation's financial reporting;
- (e) any reserves, accruals, provisions, estimates or Corporation 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 Corporation;
- (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 Corporation'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 auditors:
 - (a) the adequacy and effectiveness of the Corporation's internal accounting and financial controls and the recommendations of management, the external auditors and the internal auditors 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 Corporation'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 Corporation 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 auditors these procedures and any significant complaints received.

Oversight and Monitoring of the Corporation'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 Corporation'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 Corporation contained in any management information circular of the Corporation, and any other disclosure documents or regulatory filings of the Corporation containing or accompanying financial information of the Corporation.

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 Corporation gives earning guidance.
20. The Committee shall review with management the assessment of the Corporation'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 Corporation, 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 Corporation respecting cash management and material financing strategies or policies or proposed financing arrangements and objectives of the Corporation; 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 Corporation'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 Business Conduct and Ethics" for any directors, officers and employees of the Corporation 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 Corporation'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 Corporation 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 Corporation.