



DREAM UNLIMITED CORP.

ANNUAL INFORMATION FORM

MARCH 30, 2020

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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:

“**2019 Issuer Bid**” has the meaning given under “Recent Developments – Substantial Issuer Bid”.

“**2019 NCIB**” has the meaning given under “General Development of the Business – Normal Course Issuer Bid”.

“**2020 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”.

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

“**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.

“**Diversity Policy**” has the meaning given in “Directors and Executive Officers – Committees – Governance and Nominating Committee”.

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

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

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

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

“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”.

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

“Exclusionary Offer” has the meaning given in “Description of Capital Structure – Subordinate Voting Shares and Common Shares”.

“fee-earning assets under management” means assets under management that are managed under contractual arrangements that entitle the Corporation to earn asset management revenues.

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

“FIT” means Feed in Tariff.

“GFA” means gross floor area.

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

“GTA” means Greater Toronto Area.

“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.

“Indemnities” has the meaning given under “Directors and Executive Officers – Directors’ and Officers’ Liability Insurance”.

“Independent Director” means a Director that is independent within the meaning of NI 58-101.

“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 asset value**” means net asset value with respect to Dream Alternatives, representing total unitholders’ equity per the Dream Alternatives segment, adjusted for market value adjustments for both renewable power projects and equity accounted investments (including applicable deferred income tax adjustment) and the unamortized balance of mortgages payable premiums. This non-IFRS measure is an important measure used by the Corporation in evaluating Dream Alternatives’ performance as it is an indicator of the intrinsic value of Dream Alternatives; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers. See the management’s discussion and analysis for the year ended December 31, 2019 of Dream Alternatives for a description of Dream Alternatives’ calculation of net asset value and a reconciliation of net asset value to Dream Alternatives’ total unitholders equity.

“**New Shared Services Agreement**” means the shared services agreement dated as of January 1, 2019 between DAM, Dream Office REIT, Dream Office LP, Dream Office Management LP and Dream Office Management Corp.

“**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.

“**Operating Line**” has the meaning given in “General Development of the Business – Amendment to the Operating Line and Non-Revolver Term Facility”.

“**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 which were fully redeemed on December 20, 2019 and subsequently delisted from the TSX.

“**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, 2019. 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, 2019.

FORWARD-LOOKING INFORMATION

Certain information in this AIF may constitute “forward-looking information” within the meaning of applicable securities legislation. Specific forward-looking information in this AIF includes, without limitation, expectations regarding the development of planned communities in Western Canada, expectations regarding potential opportunities to acquire additional interests in Dream Alternatives and Dream Office REIT, statements regarding future development opportunities (including with respect to anticipated sizes, densities and returns) and expectations regarding future economic and population growth in Canada. 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, priorities and growth targets; that we receive the licenses, permits or approvals in necessary connection with our projects; that we will have access to adequate capital to fund our future projects, plans and any potential future acquisitions; that our future projects and plans will proceed as anticipated; that we are able to identify high quality investment opportunities; that we find suitable partners with which to enter into joint ventures or partnerships; that we do not incur any material environmental liabilities and that future market, demographic 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; the impact of the novel coronavirus (COVID-19) pandemic on the Corporation; our inability to raise additional capital; our inability to execute strategic plans and meet financial obligations; cyber-security risks, key personnel risks, risks arising from the entering into of joint ventures, partnerships or other similar arrangements,

risks associated with our anticipated real estate operations and investment holdings in general, including environmental and climate change risks, market risks, and risks associated with inflation, changes in interest rates, credit risk 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, fee-earning assets under management, market value, net asset value, 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 2019 MD&A.

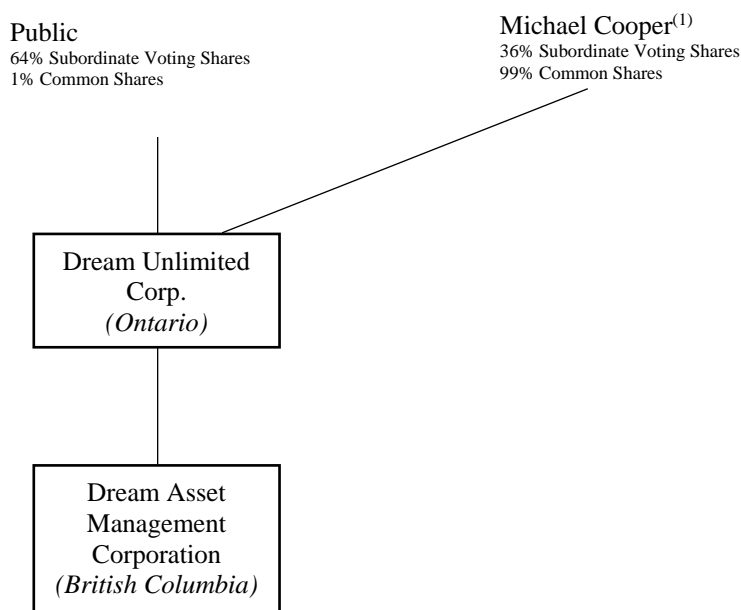
CORPORATE STRUCTURE

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, 2019:



(Amounts set out above are approximate percentages)

Note:

- ⁽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, Sweet LP, a limited partnership of which the sole general partner is a corporation controlled by Mr. Cooper, and Sweet Dream Partnership, a general partnership between Mr. Cooper and Sweet Dream Corp. 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, LDL Properties and Dream Alternatives Master LP.

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. DAM owns 100% of Dream Alternatives Master GP, the general partner of Dream Alternatives' underlying operating entity, Dream Alternatives Master LP. As at December 31, 2019, DAM also owned 15.7 million units of Dream Alternatives (representing 23% of the outstanding units of Dream Alternatives as at December 31, 2019).

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

Name	Jurisdiction of Formation
LDL Properties	Ontario
Dream Alternatives Master LP	Ontario

GENERAL DEVELOPMENT OF THE BUSINESS

The scope of Dream’s business includes the development of residential, commercial and retail assets in Toronto and Ottawa, asset management services for both public and private partnerships, and the development of land and residential assets for immediate sale in Western Canada. Dream became a public company on May 30, 2013 following the Arrangement. A Subsidiary of Dream, 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 over \$1 billion of total equity on the balance sheet and approximately 500 employees across Canada, the United States and Europe, employed directly by DAM or the Dream Entities. 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. Since then, Dream Office REIT has significantly transformed and owns a portfolio of high-quality assets primarily located in Toronto and the GTA.

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 in Germany. Subsequent to the acquisition of the original portfolio, Dream Global REIT focused on diversifying its portfolio and acquired over \$3.1 billion of high-quality office properties in key markets in Germany, in Vienna, Austria and in Brussels, Belgium, in addition to the 2017 indirect investment in the Netherlands of \$963.3 million. In December 2019, all of Dream Global REIT’s subsidiaries and assets were sold to affiliates of real estate funds managed by The Blackstone Group Inc. in an all-cash transaction valued at \$6.2 billion (the “**Dream Global Transaction**”). The Dream Global Transaction generated pre-tax earnings of \$421.6 million (\$446.5 million in the twelve months ended December 31, 2019) and net cash proceeds to Dream of approximately \$500.0 million in respect of the sale of the Dream Global REIT asset management agreement and units directly owned in Dream Global REIT.

In 2012, 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 value of the initial portfolio was \$575.9 million, which was funded through the proceeds of an initial public offering, together with a concurrent \$25 million investment by Dundee Corporation and Mr. Michael Cooper. In

2017, Dream Industrial REIT announced its U.S. expansion strategy. As at December 31, 2019, Dream Industrial REIT owned 7.3 million square feet of GLA in the U.S., representing 33.2% of its total GLA. On January 22, 2020, Dream Industrial REIT announced its expansion into the European light industrial and logistics market. Since its creation in October 2012, Dream Industrial REIT has sourced over \$1 billion of acquisitions. As at March 30, 2020, the Dream Industrial REIT portfolio consists of 262 primarily distribution and urban logistics income-producing properties located in key industrial markets across Canada, the U.S. and Europe, comprising approximately 25.8 million square feet of leasable area.

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 developments, real estate lending, real estate and renewable power, managed by an experienced team with a successful track record in these areas. Since Dream Alternatives was established, approximately \$450 million of equity has been successfully repatriated from the original portfolio (over 60% of the original equity), which has been subsequently invested into irreplaceable development assets alongside exceptional partners. In February 2019, Dream Alternatives announced a strategic plan to enhance unitholder value. The strategic goal for Dream Alternatives has been primarily to achieve a balance between reducing the number of units of Dream Alternatives (“**Dream Alternatives Trust Units**”) outstanding and maintaining a strong balance sheet to meet and exceed Dream Alternatives’ covenants supporting ongoing capital requirements for development activities, while narrowing the gap between the trading price and net asset value of the Dream Alternatives Trust Units. As at December 31, 2019, Dream Alternatives had completed its capital recycling program.

DAM is the asset manager and strategic advisor to each of Dream Industrial REIT and Dream Alternatives and provides development management and administrative services to Dream Office REIT, and as such receives fees as described under “Description of Business – General Business Overview - Asset Management and Investments in the Dream Publicly Listed Funds” below.

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, Dream acquired control of Zibi, our 34-acre waterfront development along the Ottawa River in Gatineau, Quebec and Ottawa, Ontario, through a restructuring of Zibi’s ownership whereby Dream obtained control of the ultimate general partner of the project’s master limited partnership. Prior to the acquisition date, Dream 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, Dream 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.

Control of Dream Alternatives for Accounting Purposes

On January 1, 2018, for accounting purposes, Dream was deemed to have acquired control of Dream Alternatives based on the increase in the Corporation's exposure to variable returns resulting from increased ownership through units held in Dream Alternatives and from new real estate joint venture agreements. Accordingly, the Corporation consolidated the financial results of Dream Alternatives effective January 1, 2018.

Amendment to the Operating Line and Non-Revolving Term Facility

In 2019, Dream amended its \$290.0 million revolving credit facility (the "**Operating Line**"), extending the maturity date to January 31, 2021. The amendment also revised certain covenants of DAM. The Operating Line bears interest, at DAM's option, at a rate per annum equal to either the bank's prime lending rate plus 1.25% or the bank's then prevailing bankers' acceptance rate plus 2.50%. The Operating Line matures on January 31, 2021 and is secured by a general security agreement and a first charge against various real estate assets in Western Canada.

In 2019, Dream amended its \$225.0 million non-revolving term facility with a syndicate of Canadian financial institutions, extending the maturity date to February 28, 2022. The amendment also revised certain covenants of DAM. The non-revolving term facility bears interest, at DAM's option, at a rate per annum equal to either the bank's prime lending rate plus 1.50% or the bank's then prevailing bankers' acceptance rate plus 2.75%. The non-revolving term facility expires on February 28, 2022 and is secured by a general security agreement and a first charge against various real estate assets and other financial assets of the Corporation.

Inaugural Dividend Policy

On February 26, 2019, Dream announced that as part of the Corporation's long-term strategy to maximize shareholder value, the Board of Directors approved the implementation of its inaugural dividend policy. In 2019, the Corporation paid an annual dividend of \$0.10 per Subordinate Voting Share and Common Share (paid quarterly).

Redemption of Series 1 Preference Shares

On December 20, 2019, Dream redeemed all of its outstanding Series 1 Preference Shares in accordance with their terms. The cash redemption price for the Series 1 Preference Shares was \$7.16 per share, plus all accrued and unpaid dividends from September 30, 2019 up to and including the redemption date, for an aggregate redemption price of \$29.1 million. The Series 1 Preference Shares were subsequently delisted from the TSX.

Normal Course Issuer Bid

In September 2018, we filed with the TSX a notice of intention to make a normal course issuer bid, which commenced on September 20, 2018 and expired on September 19, 2019 (the "**2019 NCIB**"). Under the 2019 NCIB, we had the ability to purchase for cancellation up to a maximum of 7,062,995 Subordinate Voting Shares (representing 10% of our public float of 70,629,950 Subordinate Voting Shares at the time of commencing the bid through the facilities of the TSX). Under the 2019 NCIB, we purchased for cancellation 2,532,650 Class A Subordinate Voting Shares at an average price of \$7.61 per Subordinate Voting Shares for a total cost of \$19.3 million.

In September 2019, we renewed our normal course issuer bid (the "**2020 NCIB**"), which commenced on September 20, 2019, and will remain in effect until the earlier of September 19, 2020, or the date on which we have purchased the maximum number of Subordinate Voting Shares permitted under the 2020 NCIB. Under the 2020 NCIB, we have the ability to purchase for cancellation up to a maximum of 6,604,023 Subordinate Voting Shares (representing 10% of our public float of 66,040,238 Subordinate Voting Shares at the time of commencing the bid through the facilities of the TSX). Daily purchases under the 2020 NCIB are limited to 15,029 Subordinate Voting Shares (representing 25% of the average

daily trading volume during the six calendar months preceding the date of acceptance of notice of the bid by the TSX, being 60,118 Subordinate Voting Shares per day), other than purchases pursuant to an applicable block purchase exception and purchases between March 23, 2020 and June 30, 2020 which are subject to a daily limit of 50% of the average daily trading volume pursuant to temporary blanket relief granted by the TSX. As of March 27, 2020 under the 2020 NCIB, we have purchased 992,658 Subordinate Voting Shares for cancellation at an average price of \$11.17 per Subordinate Voting Share for a total cost of approximately \$11.1 million.

In September 2018, we entered into an automatic securities repurchase plan (the “**ASP Plan**”) in order to facilitate purchases of our Subordinate Voting Shares under the 2019 NCIB. The ASP Plan terminated on September 19, 2019, following which we renewed the ASP Plan in connection with the 2020 NCIB, which will now expire on September 19, 2020. The ASP Plan allows for purchases by us of Subordinate Voting Shares at any time including, without limitation, times when we would ordinarily not be permitted to make purchases due to regulatory restrictions or self-imposed blackout periods. Purchases will be made by us based upon the parameters prescribed by the TSX and the terms of the parties’ written agreement. Outside of such restricted or blackout periods, Subordinate Voting Shares may also be purchased in accordance with management’s discretion.

Equity and Debt Offerings

We did not complete any equity or debt offerings in 2019, 2018 or 2017.

RECENT DEVELOPMENTS

Substantial Issuer Bid

On January 23, 2020, we successfully completed a substantial issuer bid to purchase for cancellation up to 10,000,000 Class A Subordinate Voting Shares (the “**2019 Issuer Bid**”). We took up and paid for 10,000,000 Class A Subordinate Voting Shares at a price of \$11.75 per Class A Subordinate Voting Share for an aggregate cost of approximately \$117.5 million, excluding fees and expenses relating to the 2019 Issuer Bid. The Class A Subordinate Voting Shares purchased for cancellation under the 2019 Issuer Bid represented approximately 9.78% of the issued and outstanding Class A Subordinate Voting Shares immediately prior to the expiry of the 2019 Issuer Bid.

Increase in Annual Dividend

On February 25, 2020, Dream announced that the Board of Directors approved an increase to the Corporation’s annual dividend from \$0.10 to \$0.12 per Subordinate Voting Share and Common Share (payable quarterly). The increase will be effective commencing with the dividend payable to shareholders on March 31, 2020.

Resignation of Chief Financial Officer

On March 9, 2020, we announced the resignation of Ms. Pauline Alimchandani as Chief Financial Officer of Dream effective April 9, 2020. Dream has commenced a search for a new Chief Financial Officer both externally and internally from the strong team of executives at Dream.

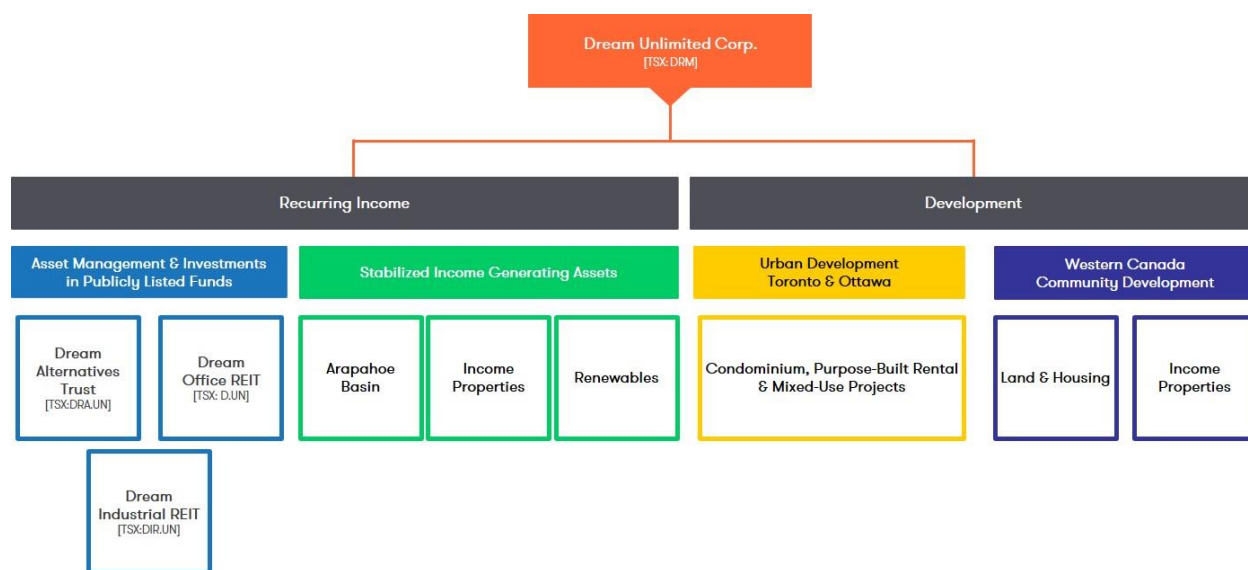
Current Discussions Regarding Acquisitions and Dispositions

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 a leading developer of exceptional office and residential assets in Toronto, owns stabilized income generating assets in both Canada and the U.S., and has an established and successful asset management business, inclusive of \$9 billion of assets under management across three TSX listed trusts and numerous partnerships. We also develop land and residential assets in Western Canada for immediate sale. Dream expects to generate more recurring income in the future as its urban development properties are completed and held for the long term. Dream has a proven track record for being innovative and for our ability to source, structure and execute on compelling investment opportunities.



Recurring Income

Asset Management and Investments in the Dream Publicly Listed Funds

As the manager of three 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.

Our asset management and management services team consists of real estate and energy/infrastructure professionals with backgrounds in 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 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 approximately \$35 billion of commercial real estate and renewable power transactions. We also act as lead or co-lead developer on behalf of Dream Office REIT, Dream Alternatives and our third-party partnerships.

The majority of our asset management fees in 2019 were derived from our asset management contracts with the Dream Publicly Listed Funds, excluding Dream Office REIT which is no longer subject to an asset management contract. Dream provides asset management services to Dream Industrial REIT and Dream Alternatives, our renewable power business and various institutional partners, and development

projects and partnerships. As at December 31, 2019, Dream had assets under management of approximately \$9 billion, including fee-earning assets under management of approximately \$4.2 billion.

On December 10, 2019, all of the assets and subsidiaries of Dream Global REIT were sold to affiliates of real estate funds managed by The Blackstone Group Inc. The sale generated aggregate net proceeds of approximately \$500.0 million both in respect of Dream's asset management agreement with Dream Global REIT and units owned directly in Dream Global REIT.

Asset management (for which base fees are generated) for Dream Industrial REIT and Dream Alternatives includes the provision of a Chief Executive Officer and Chief Financial Officer as required. The Corporation receives revenues in respect of these services including base annual management fees, acquisition fees, financing fees, capital expenditure fees and incentive fees, determined in accordance with a formula as outlined in the respective agreements. As at December 31, 2019, Dream has not reached benchmarks to earn incentive fees relating to Dream Industrial REIT.

The details of the fee structure for services provided to Dream Industrial REIT are as follows:

- Base management fee of 0.25% on the 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 asset management agreement with Dream Industrial REIT, which includes the gain or loss on the sale of properties during the year) earned above a benchmark. The benchmark changes 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.

Although fees from Dream Alternatives are eliminated from our consolidated financial statements, they are a component of cashflows from our asset management segment. Details of the fee structure for Dream Alternatives are as follows:

- 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.

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 Dream Industrial REIT and Dream Alternatives, as agreed from time to time. DAM is reimbursed for its expenses in providing any agreed services.

In 2015, DAM and Dream Office REIT entered into the Management Services Agreement effective April 2, 2015, pursuant to which DAM continued to provide strategic advice to Dream Office REIT and continued to provide the services of a Chief Executive Officer to Dream Office REIT as requested on a cost recovery basis.

In 2019, DAM and Dream Office REIT entered into the New Shared Services Agreement pursuant to which DAM will act as the development manager for Dream Office REIT's future development projects and Dream Office REIT will act as the property manager for our stabilized investment properties. The New Shared Services Agreement maintains certain resource sharing arrangements between us and Dream Office REIT. Under the New Shared Services Agreement, in connection with each future development project, DAM earns a development fee equal to 3.75% of the total net revenue of the development or, for rental properties, 3.75% of the fair value of the development upon completion, without any promote or other incentive fees. DAM and Dream Office REIT will enter into specific agreements governing each development project at the commencement of the project. In connection with the property management services provided by Dream Office REIT, DAM pays an annual fee generally equal to 3.5% of the gross revenue generated by each property under management, subject to certain typical exclusions from gross revenue, provided that for certain specific properties owned by DAM, the property management fee is 1.75% of the gross revenue generated by such properties. In connection with entering into the New Shared Services Agreement, DAM and Dream Office REIT terminated the Management Services Agreement and a then existing shared services and cost sharing agreement.

We made a strategic decision to increase our ownership position in both Dream Office REIT and Dream Alternatives from 2017 through 2019, as both businesses have been transformed and are focused on owning core assets primarily in downtown Toronto and the GTA, both through dispositions of assets outside of these markets and new investments. As of December 31, 2019, we owned approximately \$642.5 million of equity at fair value across the Dream Publicly Listed Funds and anticipate, over time, that our ownership will continue to increase on an opportunistic basis.

Our asset management and investments in the Publicly Listed Funds segment is a significant component of our recurring income sources. Recurring income is an important measure used by management to manage the ongoing cash needs of our operating platform, including interest expense on our debt facilities.

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.

Stabilized Income Generating Assets

Dream owns several assets which are key contributors to our sources of recurring income. These assets include Arapahoe Basin, our ski hill in Colorado, income producing assets in Toronto and Western Canada, the largest being the Distillery District, and a 20% investment in a renewable power portfolio.

In 2018, Arapahoe Basin, our ski hill in Colorado, completed an expansion project which increased our skiable terrain by over 40%. The ski hill has benefited financially from our capital investments and its location in the centre of one of the best ski markets in North America. In response to the ongoing novel coronavirus pandemic (COVID-19), Arapahoe Basin has closed all operations as of March 15, 2020, for an undetermined amount of time.

We expect assets in this segment to grow over time, as we intend to hold stabilized investment properties that are developed by Dream in the core markets in which we operate.

Development

Urban Development – Toronto and Ottawa

Our core urban development business consists of predominantly large-scale developments in and around the GTA and Ottawa. As of December 31, 2019, we had approximately 2,100 units in active development (either in the marketing, development or construction phases) and an additional 10,400 residential units (either condominium or rental) in our development pipeline (approximately 760 units and 3,200 units, respectively, at Dream's share). In addition to residential units, our urban development portfolio has approximately 3.6 million square feet of retail/commercial GFA (2.4 million at Dream's share) in our development pipeline. Upon completion, these retail/commercial properties will be sources of recurring income for our business.

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 and purpose-built rental properties with partners to capitalize on their expertise and to mitigate development risk. 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. Multi-family/residential rental development typically does not commence until zoning approval has been obtained and construction financing has been secured.

We are continuously looking for unique investment opportunities which will further grow our development business in Toronto and add to our recurring income generating assets. 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.

Purchaser demand for residential condominiums is significantly affected by changes in general and local economic and industry conditions affecting the Toronto real estate market such as immigration, employment, housing affordability, planning policy, interest rates and supply available for new and existing homes, among others. In light of the unprecedented business and social disruption caused by the spread of the novel coronavirus (COVID-19) pandemic, the Canadian and global economy faces uncertainty going into 2020. Although governments have launched initiatives aimed at softening the economic impact of the outbreak, including the Canadian and Ontario fiscal stimulus packages and the recent cut to interest rates by the Bank of Canada⁽¹⁾, the duration and intensity of resulting business disruption and related financial and social impact of the pandemic are uncertain.

Notes:

⁽¹⁾ BMO Economics, *North American Outlook 2020*

Western Canada Community Development

Dream actively develops land in Alberta (Calgary and Edmonton) and Saskatchewan (Saskatoon and Regina). 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 also have housing operations in Alberta (Calgary) and Saskatchewan (Saskatoon and Regina) within our master planned communities which we consider complementary to our land development business, in addition to our retail and commercial assets across our communities. 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. 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.

As at December 31, 2019, we owned approximately 9,677 acres of land in Western Canada, of which nearly 9,100 acres are in nine large master-planned communities at various stages of approval.

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. Similarly, the residential housing market is driven by a number of variables, including population growth, employment, affordability and interest rates. While continuous efforts are made to refine Dream’s competitive position to align with market trends, land and housing development within Saskatchewan and Alberta is subject to an economy which can be cyclical in nature and has generally been on an inconsistent recovery path since the initial commodity pricing shocks in 2013 and 2014, respectively. Due to the economic conditions in Western Canada, we may not make new investments in undeveloped land at the same rate as in past years unless management considers the lands to be strategic to existing land positions already owned by Dream.

Alberta and Saskatchewan both faced a challenging 2019 due to the weakness in the oil sector and trade tensions. Similarly, notwithstanding recent stimulus measures such as the decrease in interest rates, these markets continue to face significant uncertainty with the recent collapse in oil prices coupled with the COVID-19 pandemic and mounting risks to domestic and global economic growth.

Dream Alternatives

Dream Alternatives is an open-ended trust focused on hard asset alternative investments comprising real estate development, real estate lending, and income-producing real estate with a net asset value over \$601.6 million as at December 31, 2019. As at December 31, 2019, we owned 23% of Dream Alternatives’ outstanding units, or \$121.8 million at fair value. Dream intends to increase its ownership in Dream Alternatives over time on an opportunistic basis. Dream is the asset manager of Dream Alternatives and also has several co-owned development investments with Dream Alternatives. On January 1, 2018, under IFRS, Dream was deemed to have acquired control of Dream Alternatives based on the increase in Dream’s exposure to variable returns resulting from increased ownership through units held in Dream Alternatives and from new real estate joint venture agreements.

Dream Alternatives’ operating segments are as follows:

- **Development and investment holdings** – participating mortgages receivable, and direct and indirect investments in developments and income-producing properties which included certain income-producing properties with redevelopment potential;
- **Lending portfolio** – interest paying mortgages, mezzanine and corporate loans; and
- **Income properties** – a portfolio of office and commercial real estate assets in the GTA.

During recent years, Dream Alternatives has focused its efforts on new investments in exceptional development opportunities that will generate higher growth and cash flow over a period of time. In February 2019, Dream Alternatives announced a strategic plan to address Dream Alternatives' Trust Unit price performance and the gap to its net asset value.

From February 2019 to March 30, 2020, Dream Alternatives successfully completed a substantial issuer bid for an aggregate purchase price of approximately \$32.0 million (excluding fees and expenses relating to such bid) as part of its commitment to repurchase up to \$100 million of units and has completed its capital recycling program disposing of all non-core assets.

On February 3, 2020, Dream Alternatives commenced a second substantial issuer bid for an aggregate purchase price not to exceed \$33.0 million (excluding fees and expenses relating to such bid). The second substantial issuer bid was conditioned upon the satisfaction of certain conditions for the benefit of Dream Alternatives that were not met at the expiry of the offer. In March 2020, Dream Alternatives announced that its trustees intend to evaluate whether recent events have had any effect on Dream Alternative's net asset value per unit and whether and when to pursue the repurchase of units in accordance with Dream Alternatives' strategic plan when markets stabilize and there is more clarity on future business activity.

Effective April 1, 2019, the Corporation agreed that fees payable by Dream Alternatives pursuant to the management agreement would be satisfied by the delivery of units of Dream Alternatives converted at \$8.74 per unit until December 31, 2020.

For further details on Dream Alternatives, please see the annual information form of Dream Alternatives, dated March 30, 2020, which is available on SEDAR at www.sedar.com.

EMPLOYEES

As at December 31, 2019, Dream had 208 employees.

DIVIDEND POLICY

Dividends are declared at the discretion of the directors of the Corporation after consideration of the financial condition, results of operations and capital requirements of the Corporation and such other factors as the directors of the Corporation consider appropriate from time to time.

On February 26, 2019, Dream announced that as part of the Corporation's long-term strategy to maximize shareholder value, the Board of Directors approved the implementation of its inaugural dividend policy. The amount and timing of any dividends payable by the Corporation will be at the discretion of the Board. In 2019, the Corporation paid an annual dividend of \$0.10 per Subordinate Voting Share and Common Share (paid quarterly). On February 25, 2020, Dream announced that the Board of Directors approved an increase to the Corporation's annual dividend from \$0.10 to \$0.12 per Subordinate Voting Share and Common Share, effective commencing with the dividend payable to shareholders on March 31, 2020.

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 was designated as "first preference shares, series 1" (being the Series 1 Preference Shares) all of which were redeemed on December 20, 2019. 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, 2019, the Corporation had the following securities outstanding:

Subordinate Voting Shares	102,203,590
Common Shares	3,114,911

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, 2019, 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 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.

The holders of the Subordinate Voting Shares and Common Shares are entitled to receive a cash dividend, if, as and when declared by the Board of Directors. On February 26, 2019, the Board of Directors approved its inaugural dividend policy. In 2019, the Corporation paid an annual dividend of \$0.10 per Subordinate Voting Share and Common Share commencing with a dividend of \$0.025 per Subordinate Voting Share and Common Share declared payable on February 26, 2019 and paid on March 29, 2019 to shareholders of record on March 15, 2019. On February 25, 2020, Dream announced an increase to the annual dividend from \$0.10 to \$0.12 per Subordinate Voting Share and Common Share, effective with the dividend payable to shareholders on March 31, 2020. See “Dividend Policy”.

Subject to the rights of holders of 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.

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 2019	7.32	6.77	1,345,781
February 2019	8.19	6.70	1,060,176
March 2019	8.15	7.55	823,180
April 2019	7.85	7.39	970,699
May 2019	7.79	7.08	2,488,504
June 2019	7.52	7.01	1,030,190
July 2019	8.77	7.36	2,835,275
August 2019	8.75	8.13	802,186
September 2019	10.11	8.21	1,693,551
October 2019	10.26	9.40	1,296,781
November 2019	11.94	10.10	1,287,616
December 2019	11.96	11.24	1,295,599

Prior Sales of Unlisted Securities

The Common Shares are not listed or quoted on any marketplace. See “Description of Capital Structure”. In 2019, no Common Shares were issued.

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 30, 2020. 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 Ontario, Canada	Executive Vice President and Chief Financial Officer	–	–	Executive Vice President and Chief Financial Officer, Dream and DAM
Lindsay Brand Ontario, Canada	Chief Investment Officer	–	–	Chief Investment Officer, Dream and DAM
Michael J. Cooper ⁽⁴⁾ Ontario, Canada	President and Chief Responsible Officer, Director	May 30, 2013	No	President and Chief Responsible Officer, Dream and DAM, and Chief Executive Officer of Dream Office REIT
James Eaton Ontario, Canada	Director	May 17, 2018	Yes	President of Weatons Holding Ltd., a Canadian private holding company
Joanne Ferstman ⁽¹⁾⁽³⁾⁽⁴⁾⁽⁵⁾ Ontario, Canada	Director	May 12, 2014	Yes	Corporate Director
Richard N. Gateman ⁽²⁾⁽³⁾ Alberta, Canada	Director	May 30, 2013	Yes	Vice President, Canada Gas Business Development, TransCanada PipeLines Limited, an energy company
P. Jane Gavan ⁽⁴⁾ Ontario, Canada	President, Asset Management, Director	May 12, 2014	No	President, Asset Management, Dream and DAM
Duncan Jackman Ontario, Canada	Director	May 9, 2017	Yes	Chairman and Chief Executive Officer of E-L Financial Corporation Limited, an investment and insurance holding company
Jennifer Lee Koss ⁽¹⁾⁽²⁾ Ontario, Canada	Director	May 12, 2014	Yes	Co-Founder, BRIKA, a retail platform for contemporary, elevated craft
Jason Lester Ontario, Canada	Vice Chair, Development	–	–	Vice Chair, Development, Dream and DAM
Daniel Marinovic Ontario, Canada	Chief Development Officer	–	–	Chief Development Officer, Dream and DAM
Brian Pauls Denver, Colorado	Senior Vice President, Industrial	–	–	Chief Executive Officer, Dream Industrial REIT
Vincenza Sera ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ Ontario, Canada	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 offices with the same company or its predecessors or affiliates for the past five years, except for:

- Michael J. Cooper, who was appointed Chief Executive Officer of Dream Office REIT with an effective date of January 1, 2018.
- Brian Pauls, who, prior to January 1, 2018 was and is the President of PAULS Corp, LLC, a capital management and real estate development firm.

As at December 31, 2019, our directors and executive officers beneficially owned, or controlled or directed, directly or indirectly, as a group, 36,645,216 Subordinate Voting Shares, which represented approximately 35.9% 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 professional accountants to be nominated for appointment as the external auditor, and for approving the assignment of any non-audit work to be performed by the external auditor. The Audit Committee meets regularly in private session with 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 30, 2020, 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. Jennifer Lee Koss is the Co-Founder and Builder of Business of BRIKA, a 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. Ms. Koss is also a Member of the Board of Trustees of the Art Gallery of Ontario and a Director of the Board of The National Ballet of Canada. Ms. Koss 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 \$60 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 sitting on the Boards of Dream Industrial REIT and Equitable Group Inc., 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 2019 and 2018 for professional services, are presented below:

	Year ended December 31, 2019	Year ended December 31, 2018
Audit fees	\$452,300	\$452,300
Review of interim financial statements and MD&A	\$135,000	\$135,000
Audit-related fees ⁽¹⁾	\$25,000	\$53,000
Audit and review of Dream's Subsidiaries	\$316,850	\$311,550
Tax fees ⁽²⁾	\$307,397	\$274,800
All other fees	-	-
Total	\$1,236,547	\$1,226,650

Notes:

- (1) “Audit-related fees” are aggregate fees billed by our external auditor in 2019 and 2018 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 and future IFRS standards.
- (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 surveys, 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%. Currently, four of the eight directors, comprising 50% of the Board, are women.

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 President and 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 30, 2020, 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 30, 2020, 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 30, 2020, 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). Dream also carries an additional \$10 million of Side A difference in conditions (D.I.C.) coverage. 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 indemnifiable losses. 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.

RISK FACTORS

Ownership of Real Estate

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.

Returns on real estate and real estate related assets and investments are generally subject to a number of factors and risks, including changes in general economic conditions (which could affect the availability, terms and cost of mortgage financings and other types of credit), changes in local economic conditions (such as an oversupply of properties or a reduction in demand for real estate in a particular area), the attractiveness of properties to potential tenants or purchasers, competition with other landlords with similar available space, and the ability of the owner to provide adequate maintenance at competitive costs.

These factors and risks could cause fluctuations in the value of the real estate and real estate related assets and investments owned by us, or in the value of the real estate securing mortgages and other loans our Subsidiaries may issue. These fluctuations could materially adversely affect us.

The income-producing properties in the various Dream Entities' investment portfolios generate income through rent payments made by tenants. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. Furthermore, the terms of any subsequent lease may be less favourable than the existing lease. The Dream Entities' income and cash flows would be adversely affected if they were unable to lease a significant amount of the available space in any particular property on economically favourable lease terms or on a timely basis. In the event of default by a tenant, they may experience delays or limitations in enforcing their rights as lessor and incur substantial costs in protecting their investments. Furthermore, at any time, a tenant may seek the protection of bankruptcy, insolvency or similar laws which could result in the rejection and termination of the lease of the tenant and, thereby, cause a reduction in the cash flows available to the other Dream Entities which may adversely affect the asset management revenue or distributions we receive from the other Dream Entities.

Asset Management Risks

Our ability to successfully expand our asset management 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 in accordance with its terms by any of our funds would also result in a decline in our management fees.

Our ability to successfully expand asset management activities in the future is dependent on our reputation with clients. We believe that our track record, the expertise of our asset management 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.

Our revenues from the asset management segment 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.

Development Risk

The development industry is cyclical in nature 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 and condominium units, such as resale properties, including properties held for sale by investors and speculators, foreclosed homes and rental properties, may reduce the Corporation's ability to sell new homes and condominium units and may depress prices and reduce margins from the sale of new homes and condominium units. Depending on market conditions, the Corporation may not be able, or may not wish, to develop its land holdings. Development of land holdings and properties that are to be constructed are subject to a variety of risks, not all of which are within the Corporation's 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 the Corporation's ability to vary its 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, the Corporation 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.

The Corporation's and the other Dream Entities' assets may include interests in real estate under construction or held for development. We may commit to making further investments in respect of our interest in these types of properties, including through the provision of construction and completion guarantees by the co-owners to project lenders or otherwise. Our involvement in such development activity is subject to related risks that include: (i) construction or other unforeseen delays including municipal approvals; (ii) the potential insolvency of a developer; (iii) the developer's failure to use advanced funds in payment of construction costs; (iv) construction or unanticipated delays; (v) incurring construction costs before ensuring rental revenues will be earned from a project; (vi) cost over-runs on a project; and (vii) the failure of purchasers to close on purchase transactions or the failure of tenants to occupy and pay rent in accordance with lease arrangements. Such risks are minimized, but not avoided, by generally not commencing construction until satisfactory levels of preleasing or sales, as applicable, are achieved. Dream also seeks to undertake such projects with other established developers. In addition, Dream uses a staggered approach in its development program to avoid unnecessary concentration of development projects in a single period of time so as to manage our development risk exposure and properly allocate our capital and personnel resources.

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.

Supply of Materials and Services

The construction 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 and condominiums.

Competition

The residential home and condominium and rental building industry is highly competitive. Residential home and condominium and rental builders compete for buyers, desirable properties, building materials, labour and capital. We compete with other local, regional and national builders. 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 residential home and condominium and rental building industries 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 asset management activities in the future is dependent on our reputation with clients. We believe that our track record, the expertise of our asset management 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 that 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.

In addition, our co-venturers/partners may, at any time, have economic or business interests inconsistent with ours and we may be required to take actions that are in the interest of the partners collectively, but not in Corporation's sole best interests. Accordingly, we may not be able to favourably resolve issues with respect to such decisions or we could become engaged in a dispute with any of them that might affect our ability to develop or operate the business or assets in question efficiently. Any failure of the Corporation or our co-venturers and partners to meet their obligations, or disagreements with respect to strategic decision making, could have an adverse effect on the joint ventures or partnerships, which may have an adverse effect on the Corporation.

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 venture or partnership.

Geographic Concentration

Our Western Canada Development operations are concentrated in Saskatchewan and Alberta. 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 economic fiscal environment. Due to the concentrated nature of our expected urban development, 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, mitigated 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, 2019, the Corporation 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 the Corporation's land and housing businesses, as well as a golf course reported under our recreational properties. The Corporation 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 the Corporation's existing land inventory to develop assets that will derive cash flows over a longer term.

Similarly, a substantial portion of the projects in our Urban Development segment are located in and around the GTA and we have invested significantly in this region through both our Urban Development segment and our investments in Dream Office REIT and Dream Alternatives, whose portfolios are 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.

Risks Related to Acquisitions

Our external growth prospects depend in large part on our ability to identify suitable investment opportunities, pursue such opportunities and consummate acquisitions, including direct or indirect acquisitions of real estate. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, as well as our ability to realize our anticipated growth opportunities and synergies from our newly acquired investments. Integrating acquired investments and businesses also involves a number of risks that could materially and adversely affect our business, including: (i) failure of the acquired investment or businesses to achieve expected results; (ii) risks relating to the integration of the acquired investment or businesses and the retention and integration of key personnel relating to the acquired investment or businesses; and (iii) the risk that major tenants or clients of the acquired investment or businesses may not be retained.

Notwithstanding pre-acquisition due diligence, it is not possible to fully understand a property before it is owned and operated for an extended period of time and there may be undisclosed or unknown liabilities concerning the acquired properties. The Corporation may not be indemnified for some or all of these liabilities. To mitigate this risk, we conduct an appropriate level of due diligence and investigation in connection with acquisition of properties and seek, through contractual arrangements, to ensure that risks lie with the appropriate party. For example, we could directly or indirectly acquire a property that contains undisclosed environmental contamination. Accordingly, in the course of acquiring a property, specific risks might not be or might not have been recognized or correctly evaluated. Thus, we could have overlooked or misjudged legal and/or economic liabilities. These circumstances could lead to additional costs and could have a material adverse effect on our proceeds from sales and development or rental income of the relevant properties, for which we may not be entitled to any recourse against the vendor, and any contractual, legal, insurance or other remedies may be insufficient. In addition, after the acquisition of a property by us, the market in which the acquired property is located may experience unexpected changes that materially adversely affect the property's value. For these reasons, among others, our property acquisitions may cause us to experience significant losses. The occupancy of rental properties that we acquire may decline during our ownership, and rents that are in effect at the time a

rental property is acquired may decline thereafter. For these reasons, among others, our property acquisitions may cause us to experience significant losses. If we are unable to manage our growth and integrate our acquisitions effectively, our investments, operating results and financial condition could be materially adversely affected.

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 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 costlier. 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.

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 occur in 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.

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.

Residential Rental Business Risk

The Corporation expects to be increasingly involved in mixed-use development projects that include residential rentals. Purchaser demand for residential rentals is cyclical and is affected by changes in general market and economic conditions, such as consumer confidence, employment levels, availability of financing for home buyers, interest rates, demographic trends, housing supply and housing demand. As a landlord in its properties that include rental apartments, the Corporation is subject to the risks inherent in the multi-unit residential rental business, including, but not limited to, fluctuations in occupancy levels, individual credit risk, heightened reputation risk, tenant privacy concerns, potential changes to rent control regulations, increases in operating costs including the costs of utilities and the imposition of new taxes or increased property taxes.

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 that impact the profitability of a development project, or may restrict development activity altogether with respect to a particular project.

Environmental and Climate Change 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 mitigates 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.

Climate change continues to attract the focus of governments and the general public as an important threat, given the emission of greenhouse gases and other activities continue to negatively impact the planet. We face the risk that our properties will be subject to government initiatives aimed at countering

climate change, such as reduction of greenhouse gas emissions, which could impose constraints on our operational flexibility or cause us to incur financial costs to comply with various reforms. Any failure to adhere and adapt to climate change reform could result in fines or adversely affect our reputation, operations or financial performance. Furthermore, our properties may be exposed to the impact of events caused by climate change, such as natural disasters and increasingly frequent and severe weather conditions. Such events could interrupt our operations and activities, damage our properties and may potentially decrease our property values or require us to incur additional expenses including an increase in insurance costs to insure our properties against natural disasters and severe weather.

Lending Portfolio and Investment Holdings

Default Risk

If a borrower under a loan defaults under any terms of the loan, we may have the ability to exercise our enforcement remedies in respect of the loan. Exercising enforcement remedies is a process that requires a significant amount of time to complete, which could adversely impact our cash flow. In addition, as a result of potential declines in real estate values, there is no assurance that we will be able to recover all or substantially all of the outstanding principal and interest owed to us in respect of such loans by exercising our enforcement remedies. Our inability to recover all or substantially all of the principal and interest owed to us in respect of such loans could materially adversely affect us.

There can be no assurance that any of the loans comprising our borrowers' portfolio can or will be renewed at the same interest rates and terms, or in the same amounts as are currently in effect. The lenders, the borrowers or both may elect to not renew any loan. If loans are renewed, the principal balance, the interest rates and the other terms and conditions will be subject to negotiation between the lenders and the borrowers at the time of renewal.

In addition, the composition of our lending portfolio may vary widely from time to time and may be concentrated by type of security, industry or geography, resulting in it being less diversified during certain periods. A lack of diversification may result in exposure to economic downturns or other events that have an adverse and disproportionate effect on particular types of securities, industries or geographies.

Credit Risk

There is a risk that a borrower or issuer of an investment security will not make a payment on debt or that an originating lender will not make its payment on a loan participation interest purchased by us or that an issuer or an investment security or an originating lender retaining the original loan in which it grants participations may suffer adverse changes in financial condition, lowering the credit quality of its security or participation and increasing the volatility of the security or participation price. Such changes in the credit quality of a security or participation can affect its liquidity and make it more difficult to sell if we wish to do so. In addition, with respect to loans made or held by us, a change in the financial condition of a borrower could have a negative financial impact on us.

While we intend to diversify our investments to ensure that we do not have excessive concentration in any single borrower or counterparty, or related group of borrowers or counterparties, the Corporation currently holds various lending instruments and investments with the same counterparty or related counterparties within its lending portfolio and development and investment holdings portfolio. A change in the financial condition of a single borrower or counterparty or related group of borrowers or counterparties to which the Corporation has concentrated exposure could significantly and adversely affect the overall performance of the Corporation.

Renewable Power

Contract Performance

The 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.

Assessment of Wind Resource and Associated Wind Energy

The strength and consistency of the wind resource at any project site may vary from the anticipated wind resource. Weather patterns could change, or the historical data could prove to be an inaccurate reflection of the strength and consistency of the wind in the future. The conclusions of wind studies and energy production estimates 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 wind conditions at our 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 Ontario transmission system operator. These measures could be imposed in the future on renewable energy generators in Ontario. The curtailments may reduce the amount of annual revenue generated by our projects below the forecasted financial models, thus reducing the expected investment return from these projects.

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. In addition, delays may occur in obtaining necessary government approvals required for future power projects. We hold 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 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 power facilities. Should the current governmental regulations or incentive programs be modified, our business, operating results, financial condition or prospects may be adversely affected.

Financial and Liquidity Risk

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.

Investment Risks

Concentration Risk

While our intention is to diversify our investments, our current investments are relatively concentrated in a limited number of market sectors or asset types or in a limited number of issuers. An investment in Dream may therefore involve greater risk and volatility than an investment in an issuer with a broader portfolio of assets since the performance of one particular industry, market or issuer could significantly and adversely affect the overall performance of the Corporation.

Competition for Investment Opportunities

Our performance depends on our ability to source or acquire assets, including real estate and development assets, real estate, renewable power projects, mortgage and other loans and other investment opportunities at favourable yields or potential rates of return. We will compete with other investors, managers, corporations, institutions, developers and owners of real estate for investment opportunities in the financing and/or acquisition of assets, including real estate development, real estate and other lending. Certain competitors may have a higher risk tolerance, greater financial and other resources and greater operating flexibility than us, allowing these competitors to more aggressively pursue investment opportunities. Accordingly, we may be unable to acquire sufficient real property, real property lending assets, renewable power projects or other assets or investment opportunities at favourable yields or terms or at all.

Ability to Source Suitable Investments

Our strategy involves investing in, and sourcing for our asset management clients, suitable investment opportunities, pursuing such opportunities, consummating investments and, in the case of real estate property, and renewable power projects effectively operating and leasing such properties and assets. There can be no assurance as to the pace of growth through investments and/or acquisitions or that we or the other Dream Entities will be able to acquire assets on an accretive basis, which could adversely impact our financial performance. There can be no assurance that we will be able to find attractive opportunities toward which to deploy capital or the proceeds of dispositions, or that we will be able to replace the revenue from disposed investments with revenue from newly acquired investments on satisfactory terms.

Acquisitions are subject to commercial risks and satisfaction of closing conditions. Such acquisitions may not be completed or, if completed, may not be on terms that are as favourable as initially negotiated. In the event that we do not complete an announced acquisition, it may have an adverse effect on our operating results.

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 increase 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 makes access for repair of damage difficult.

Uninsured Losses

The Corporation carries comprehensive general liability, environmental, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks (including, but not limited to, environmental contamination or catastrophic events such as war or acts of terrorism) which are either uninsurable, in whole or in part, or not insurable on an economically viable basis. Should an uninsured or underinsured loss occur, the Corporation could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, and the Corporation would continue to be obliged to repay any recourse mortgage indebtedness on such properties.

Key Personnel

The Corporation's executive and other senior officers have a significant role in our success and oversee the execution of our strategy. Our ability to retain our management team or attract suitable replacements should any members of the management group leave is dependent on, among other things, the competitive nature of the employment market. The Corporation has experienced departures of key professionals in the past and may do so in the future, and we cannot predict the impact that any such departures will have on its ability to achieve its objectives. The loss of services from key members of the management team or a limitation in their availability could adversely impact our financial condition and cash flow. We rely on the services of key personnel on our executive team, including our President and Chief Responsible Officer, Executive Vice President and Chief Financial Officer, Chief Development Officer, Chief Investment Officer, President of Asset Management, Vice Chair, Development, Senior

Vice President, Industrial and the Corporation's directors. The loss of their services could have an adverse effect on the Corporation. We mitigate key personnel risk through succession planning, but do not maintain key personnel insurance.

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.

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 Risk

Cyber security has become an increasing area of focus for issuers and businesses in Canada and globally, as reliance on digital technologies to conduct business operations has grown significantly. 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 attacks against organizations are increasing in sophistication and can include but are not limited to intrusions into operating systems, theft of personal or other sensitive data and/or cause disruptions to business operations. Such cyber attacks could compromise the Corporation's confidential information as well as that of the Corporation's employees, customers and third parties with whom the Corporation interacts and may result in negative consequences, including remediation costs, loss of revenue, additional regulatory scrutiny, litigation and reputational damage. 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.

Adverse Global Market, Economic and Political Conditions, Health Crises

Adverse Canadian, U.S., European and the global market, economic and political conditions, including dislocations and volatility in the credit markets and general global economic uncertainty, could have a material adverse effect on our business, results of operations and financial condition with the potential to impact, among others: (i) the value of our properties; (ii) the availability or the terms of financing that we have or may anticipate utilizing; (iii) our ability to make principal and interest payments on, or refinance any outstanding debt when due; (iv) the occupancy rates in our properties; and (v) the ability of our tenants to enter into new leasing transactions or to satisfy rental payments under existing leases.

In late 2019, the novel coronavirus (COVID-19), was reported to have surfaced in Wuhan, China and has subsequently spread around the world, with resulting business and social disruption. On March 11, 2020, the World Health Organization declared this outbreak a global pandemic. Public health crises, pandemics and epidemics, such as those caused by new strains of viruses such as H5N1 (avian flu), severe acute respiratory syndrome (SARS) and, most recently, COVID-19, could, particularly if prolonged, adversely impact our and our customers' businesses, and thereby our and our customers' ability to meet their payment obligations, by disrupting supply chains and transactional activities, causing reduced traffic at our properties, leading to mobility restrictions and other quarantine measures, precipitating increased government regulation and negatively impacting local, national or global economies. Contagion in one of our properties or markets or the quarantine of one of our properties could negatively impact our reputation, the reputation of our customers and the attractiveness of that market. All of these factors may have a material adverse effect on our business, results of operations and our ability to pay cash dividends to shareholders.

The speed and extent of the spread of COVID-19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain, and such adverse effects may be material. Efforts to slow the spread of COVID-19 could severely impact the operation of our businesses, properties and development projects. To date, a number of governments have declared states of emergency and have implemented restrictive measures such as travel bans, quarantine and self-isolation. Currently, Arapahoe Basin remains closed as of March 15, 2020, for an undetermined amount of time due to an executive order from the Governor of Colorado. The Corporation is unable to accurately predict the impact that COVID-19 will have on its results of operations, due to uncertainties including the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and actions that may be taken by governmental authorities to contain COVID-19 or to treat its impact. While governmental agencies and private sector participants will seek to mitigate the adverse effects of COVID-19, and the medical community is seeking to develop vaccines and other treatment options, the efficacy and timing of such measures remains uncertain. If the outbreak of COVID-19 and related developments lead to a prolonged or significant impact on global, national or local markets or economic growth, the Corporation's cash flows, financial condition or results of operations and our ability to pay cash dividends to shareholders may be materially and adversely affected.

Furthermore, the outbreak of COVID-19 may affect our and our customers' businesses by disrupting supply chains and transactional activities. Many of the Corporation's customers rely on third-party suppliers and manufacturers, many of which are located outside of Canada. This outbreak has resulted, or may result, in the extended shutdown of certain businesses, which may in turn result in disruptions, delays or reductions to our and our customers' supply chains. These may include disruptions from the temporary closure of third-party supplier and manufacturer facilities, interruptions in supply or restrictions on the export, import or shipment of products, including those sourced from China, Europe or the United States. The outbreak of COVID-19 may also negatively impact consumer demand for our and our customers' products or services as well as consumer spending, which may negatively impact our business or the business of our customers. These factors may impact our customers' ability to meet their payment and other obligations due to the Corporation, which could have a material adverse effect on Dream.

Finally, the actual and threatened spread of COVID-19 globally could adversely affect global economies and financial markets resulting in a prolonged economic downturn and a decline in the value of Dream's Subordinate Voting Share price. The extent to which COVID-19 (or any other disease, epidemic or pandemic) impacts business activity or financial results, and the duration of any such negative impact, will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning COVID-19 and the actions required to contain or treat its impact, among others.

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.

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.

Market Price of Shares

The trading price of our Subordinate Voting 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

The payment of dividends is dependent on cash flows of the business and subject to change. 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. Although we intend to make and pay dividends in accordance with our policies, there can be no assurance that Dream will be in position to pay dividends in the future.

Subordination

The rights of shareholders may be subordinated to the rights of creditors in certain insolvency events. In the event of a bankruptcy, liquidation or reorganization of Dream or its subsidiaries, holders of certain of their indebtedness and certain trade creditors will generally be entitled to payment of their claims from the assets from such entities before any assets are made available for upstream distribution, eventually to the shareholders of Dream. Subordinate Voting Shares and Common Shares will be effectively subordinated to our existing credit facilities and potentially future financings and most of the other indebtedness and liabilities of Dream and its Subsidiaries.

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 results, cash flows or financial position of the Corporation. As at March 30, 2020, neither the Corporation nor any of its Subsidiaries is involved in any outstanding, threatened or pending litigation or regulatory action that would have a material adverse effect on the Corporation.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described below or elsewhere in this AIF, no Director, executive officer of Dream, or person or company that beneficially owns, or controls or directs, directly or indirectly, 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, direct or indirect, in any past transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Dream or any of its Subsidiaries.

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 "General Development of the Business – Sweet Dream Corp. Exercises Exchange Right".

On January 1, 2018, for accounting purposes, Dream was deemed to have acquired control of Dream Alternatives based on the increase in the Corporation's exposure to variable returns resulting from increased ownership through units held in Dream Alternatives and from new real estate joint venture

agreements. As a result, Dream has consolidated Dream Alternatives' financial results effective January 1, 2018. See "General Development of the Business – Control of Dream Alternatives for Accounting Purposes".

Effective as of January 1, 2019, DAM, Dream Office REIT and certain of Dream Office REIT's Subsidiaries entered into the New Shared Services Agreement, pursuant to which DAM will act as the development manager for Dream Office REIT's future development projects and Dream Office REIT will act as the property manager for DAM's stabilized investment properties. The New Shared Services Agreement maintains certain resource sharing arrangements between DAM and Dream Office REIT. Concurrently with the execution of the New Shared Services Agreement, DAM and Dream Office REIT terminated the former Management Services Agreement. Under the New Shared Services Agreement, in connection with each future development project, DAM earns a development fee equal to 3.75% of the total net revenue of the development or, for rental properties, 3.75% of the IFRS value upon completion, without any promote or other incentive fees. In connection with the property management services provided by Dream Office REIT, DAM pays a fee up to 3.5% of gross revenue of the portfolio. See "Description of the Business – General Business Overview".

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; 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 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 Non-Competition Agreement provides that Dream and its Subsidiaries will no longer be bound by the terms of the Dream Office Non-Competition Agreement upon the termination of the provisions of the New Shared Services Agreement pursuant to which DAM provides Dream Office with administrative and support services 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 25, 2020 in respect of the Corporation's consolidated financial statements as at December 31, 2019 and December 31, 2018 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 most recent annual meeting of shareholders that involved the election of directors.

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 2019.

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.