

# Summit II REIT

Summit Industrial Income REIT

## DISTRIBUTION REINVESTMENT PLAN

March 15, 2013

### Introduction

This Unitholder distribution reinvestment plan (the “**Plan**”) is an amendment and restatement of the distribution reinvestment plan of Summit Industrial Income REIT (formerly, Proventure Income Fund) (the “**REIT**”) which predecessor plan came into effect on December 31, 2005 (the “**Proventure Plan**”). Plan Participants (as such term is defined in the Proventure Plan) will be deemed to be Participants (as defined herein) under the Plan immediately upon the Plan coming into effect, and the text of the Proventure Plan will be deemed to be amended and restated by the Plan.

The Plan is being offered to eligible holders of Units (as defined herein), and is administered by the Agent (as defined herein).

### Purpose

The Plan has been established for the purposes of offering Eligible Holders (as defined herein) a convenient method to reinvest distributions on units of the REIT declared and payable to them, as described below.

### Defined Terms

Where used herein, the following terms shall have the following meanings, respectively:

“**Average Market Price**” means the volume-weighted average of the closing price for a board lot (100 Units) of Units quoted in Canadian dollars on the exchange on which the Units trade for the 5 trading days immediately preceding the relevant Distribution Payment Date.

“**Agent**” means Computershare Trust Company of Canada or such other agent as may be appointed by the Trustees from time to time.

“**Business Day**” means any day on which the Agent’s offices are generally open for the transaction of commercial business but does not, in any event, include a day on which the Exchange is not open for trading, a Saturday, Sunday or any day that is a statutory holiday in Toronto, Ontario.

“**CDS**” means CDS Clearing and Depository Services Inc.

“**Close of Business**” means 5:00 p.m. (Toronto time) on a Business Day.

**“Distribution Payment Date”** means on or about the 15<sup>th</sup> day of each calendar month in each calendar year or such other dates as the Trustees may determine on which cash distributions are paid on Units.

**“Distribution Record Date”** means the last business day of each month except for December which shall be December 31, or such other dates as the Trustees may determine for the payment of distributions on Units.

**“DRS”** means the direct registration system.

**“Eligible Holders”** means Unitholders who are Canadian residents.

**“Eligible Units”** means Units held by Eligible Holders.

**“Exchange”** means the TSX Venture Exchange or such other stock exchanges designated by the Trustees in accordance with the rules and regulations of such exchanges.

**“Non-Registered Participant”** means a Participant who holds Units through an intermediary such as a financial institution, broker or nominee and has enrolled in the Plan through the intermediary via CDS.

**“Non-Registered Unitholders”** means beneficial holders of Units who hold their Units through an intermediary such as a financial institution, broker or nominee.

**“Participant”** means an Eligible Holder who has elected, in accordance with the terms hereof, to participate in the Plan and includes both Registered Participants and Non-Registered Participants.

**“Plan Enrollment Form”** means the Reinvestment Enrollment – Participation Declaration Form required to participate in this Plan.

**“Registered Participant”** means a Participant who holds a unit certificate or certificates, or holds their units through DRS, in either case, registered in his or her own name and has enrolled in the Plan.

**“Unit”** means a trust unit of the REIT.

**“Unitholder”** means a holder of a Unit.

**“Trustees”** means the trustees of the REIT.

## Features

Under the Plan, a Participant may purchase additional Units with the cash distributions paid on the Eligible Units which are registered in the name of the Registered Participant or held in a Non-Registered Participant’s account maintained pursuant to the Plan and, pursuant to the Plan, will receive an additional amount equal in value to 5% of each cash distribution which will be reinvested in additional Units (the **“Bonus Units”**). The price at which Units (including Bonus Units) will be issued from treasury with cash distributions will be calculated by reference to the Average Market Price. No commissions, service charges or brokerage fees are payable by Participants in connection with the Plan.

Distributions in respect of whole and fractional Units (up to six decimal places) purchased under the Plan will be credited to a Participant's account and will be automatically invested under the Plan in additional Units until such time as the Participant's participation in the Plan is terminated.

As of March 15, 2013, the REIT had issued 0 Units of the 1,801,311 Units available for issuance under the Plan. The REIT may increase the number of Units available to be issued under the Plan at any time subject to the approval of the stock exchange upon which the Units trade.

## **PARTICIPATION**

### **Participation and Enrollment in the Plan**

Provisions of this Plan apply to all Participants, but are subject to the administrative practices and requirements of intermediaries through whom Units are held by Non-Registered Unitholders. Those administrative practices and requirements may vary, and Non-Registered Unitholders should contact their intermediary to determine the requirements of such intermediary regarding participation in the Plan.

In order to be eligible to participate in the Plan, a holder must be an Eligible Holder. An Eligible Holder who is a registered holder of Units of record may enrol in the Plan at any time by enrolling online through Computershare's self-service web portal at [www.investorcentre.com](http://www.investorcentre.com) or by downloading the Plan Enrollment Form and duly completing and returning it to the Agent by Close of Business on the fifth Business Day prior to a Distribution Record Date for it to be effective on such Distribution Payment Date. Any Plan Enrollment Form received after such time will be applied to the next applicable Distribution Record Date.

Eligible Holders who are Non-Registered Unitholders may request Enrollment in the Plan through such broker or investment dealer. Once a Participant has enrolled in the Plan, participation continues automatically unless terminated in accordance with the terms of the Plan.

Once a Participant is enrolled, the REIT will forward to the Agent all of the Participant's cash distributions on Units and direct the Agent to invest such amounts in Units (including Bonus Units) for the benefit of the Participant. The Agent will apply such funds received under the Plan to the purchase of additional Units (including Bonus Units) under the Plan.

If any Units are held by a non-resident of Canada, such Unitholder is not eligible to participate in the Plan. Upon ceasing to be a resident of Canada, a Participant shall forthwith notify the Agent or his or her broker or other investment dealer recognized by CDS of same and shall automatically be deemed to cease to be a Participant as of the date the Participant ceased to be a resident of Canada.

A Plan Enrollment Form may be obtained from the Agent at any time upon written request addressed to the Agent or by calling the Agent's National Customer Contact Centre at 1-800-564-6253.

No interest will be paid to Participants on any funds held for investment under the Plan.

### **Transfer of Participation Rights**

The right to participate in the Plan may not be transferred by a Participant.

## **Termination of Participation**

Participation in the Plan may be terminated by a Registered Participant at any time through the Plan Agent by following the instructions at Computershare's Investor Centre web portal at [www.investorcentre.com](http://www.investorcentre.com) or by duly completing the termination portion of the voucher located on the reverse of the Participant's statement of account and sending it to the Agent. Non-Registered Participants can terminate their participation in the Plan by notifying the broker or other investment dealer with whom they hold their Units.

A certificate or a DRS advice/statement, as applicable, for the number of whole Units held by the Agent under the Plan for the account of such Registered Participant will be issued to, and in the name of, such Participant, together with a cheque for the value of any remaining fraction of a Unit held for the account of such Participant. The amount of the payment for any such fraction will be determined by the prevailing market price received at the time of sale or the closing price on the Exchange on the day of termination.

If the notice of termination is received by the Close of Business at least five Business Days prior to a Distribution Record Date, termination of the Participant's participation in the Plan will be effective in respect of that Distribution Record Date. Otherwise, the termination will be effective in respect of the next succeeding Distribution Record Date. For greater certainty, termination by a Participant will not prevent such Unitholder from participating in the Plan at a later date. No termination requests will be processed between a Distribution Record Date and the related Distribution Payment Date. Normally, a certificate or DRS advice/statement, as applicable, will be sent to a Participant within three weeks of receipt by the Agent of a Participant's termination request.

After termination of participation in the Plan, all subsequent distributions will be paid to the former Participant in cash in the usual manner.

## **Amendment, Suspension or Termination of the Plan**

Subject to the approval of the Exchange, the REIT reserves the right to amend, suspend or terminate the Plan at any time, but such action shall have no retroactive effect that would prejudice the interest of the Participants. Participants will be sent written notice of any such amendment, suspension or termination.

In the event of suspension or termination of the Plan by the REIT, no investment will be made by the Agent on the Distribution Payment Date immediately following the effective date of such suspension or termination. Any Unit distribution subject to the Plan and paid after the effective date of any such suspension or termination will be remitted by the REIT to the Participants in cash only, in the usual manner.

The REIT may remove the Agent at any time on not less than ninety days prior notice to the Agent, and appoint another person as the Agent.

Similarly, the Agent may resign at any time on not less than ninety days prior notice to the REIT and upon delivery to the REIT of all property and records held in connection with the Plan.

## **Rules and Regulations**

The REIT, in conjunction with the Agent, may from time to time adopt rules and regulations to facilitate the administration of the Plan. The REIT also reserves the right to regulate and interpret

the Plan as it deems necessary or desirable to ensure the efficient and equitable operation of the Plan.

### **PRICE OF UNITS AND COSTS**

On each Distribution Payment Date, the REIT shall promptly pay over to the Agent, on behalf of Participants, all cash distributions paid on their Units, which shall be applied to purchase additional Units from treasury at the then applicable Average Market Price (subject as hereinafter described) as determined by the REIT. The Agent shall remit such portion of the cash distributions to the REIT concurrently with the purchase of additional Units from treasury on behalf of Participants.

In addition, a Participant will receive, from treasury, Bonus Units equal in value to 5% of each distribution that was reinvested by the Unitholder. The REIT will advise the Agent of the Average Market Price for purposes of calculating the number of additional Bonus Units no later than the applicable Distribution Payment Date.

#### **Costs**

There shall not be any commissions, service charges or brokerage fees payable in connection with the issuance of Units under the Plan. All administrative costs of the Plan shall be borne by the REIT.

### **RECORDING AND CERTIFICATES OR DRS ADVICES/STATEMENTS**

#### **Reports**

Registered Participants:

An account will be maintained by the Agent for each Participant with respect to purchases of Units under the Plan for the account of such Participant. An unaudited statement of account regarding purchases under the Plan will be mailed on a quarterly basis to each Participant who is a registered holder of Units. These statements of account are a Participant's continuing record of purchases of Units made on behalf of such Participant pursuant to the Plan and should be retained for income tax purposes. Unitholders are responsible for calculating and monitoring their own adjusted cost base in Units for income tax purposes, as certain averaging rules may apply and such calculations may depend on the cost of other Units held by a Unitholder.

Non-Registered Participants:

Non-Registered Unitholders who have enrolled in the Plan may receive statements of account from their intermediary in accordance with the intermediary's administrative practices. Such statements will constitute such Non-Registered Unitholder's continuing record of the date and valuation of the acquisition of Plan Units issued pursuant to the Plan and should be retained for income tax purposes. Non-Registered Unitholders should contact their intermediary to determine the procedures for requesting current statements.

#### **Withdrawals**

Registered Participants:

Units purchased under the Plan will be held by the Agent for Participants. Certificates or DRS advices/statements, as applicable, for such Units will not be issued to Participants unless specifically requested in writing.

A Participant that is a registered holder of Units may request a certificate or DRS advice/statement, as applicable, for any number of Units held for the Participant's account under the Plan even though the Participant is not terminating participation in the Plan by following the instructions at Computershare's Investor Centre web portal at [www.investorcentre.com](http://www.investorcentre.com) or by duly completing the withdrawal portion of the voucher located on the reverse of the Participant's statement of account and sending it to the Agent. Normally, a certificate or DRS advice/statement, as applicable, will be sent to a Participant within three weeks of receipt by the Agent of a Participant's request. Any remaining Units will continue to be held for the Participant's account under the Plan.

#### Non-Registered Unitholders:

Unitholders who have enrolled in the Plan should contact their intermediary to determine the procedures for withdrawing their participation in the Plan.

Units held by the Agent for a Participant may not be pledged, sold or otherwise disposed of by the Participant while so held. A Participant who wishes to effect any such transaction must request that the certificates or DRS advices/statements, as applicable, for such Units be issued in the Participant's name.

### **RESPONSIBILITIES OF THE REIT AND THE AGENT**

The REIT and the Agent shall not be liable for any act, or any omission to act, in connection with the operation of the Plan including, without limitation, any claims for liability:

- (a) relating to the prices at which Units are purchased or sold for the Participant's account and the times such purchases are made; and
- (b) arising in connection with income taxes (together with any applicable interest and/or penalties) payable by Participants in connection with their participation in the Plan.

Participants should recognize that neither the REIT nor the Agent can assure a profit or protection against a loss on the Units purchased or sold under the Plan.

### **PERSONAL LIABILITY**

The Trustees are entering into this Plan solely in their capacity as Trustees of the REIT, and that the obligations or liabilities (including those arising hereunder or arising in connection herewith or from the matters to which this Plan relates, if any, including without limitation, claims based on negligence or otherwise tortious behaviour) of the Trustees, managers, officers, consultants, agents or employees of the REIT hereunder will not be binding upon, nor will resort be had to the property of, any of the Unitholders or any annuitant under a plan of which a Unitholder is a trustee or carrier (an "**annuitant**"). The obligations or liabilities, if any, of the Trustees, managers, officers or employees of the REIT hereunder shall be satisfied only out of the property of the REIT and no resort may be had to the property of any Trustee, manager, officer or employee of the REIT. The provisions of this paragraph shall enure to the benefit of the heirs, successors, assigns and personal representatives of the Trustees, managers, officers or employees of the REIT and of the Unitholders and annuitants and, to the extent necessary to provide effective enforcement of such

provisions, the Trustees are hereby acknowledged to be acting, and shall be entitled to act as, trustees for the Unitholders and annuitants.

### **COMPLIANCE WITH LAWS**

The operation and implementation of the Plan is subject to compliance with all applicable legal requirements, including obtaining all appropriate regulatory approvals and exemptions from registration and prospectus requirements, and the requirements of any stock exchange on which the Units are listed. The REIT may limit the Units issuable under the Plan in connection with discretionary exemptive relief relating to the Plan granted by any securities regulatory authority.

### **NOTICES**

All notices required to be given under the Plan shall be mailed to a Participant at the address shown on the record of the Plan or at a more recent address as furnished by the Participant or the Participant's investment dealer, as the case may be.

Notices to the Agent shall be sent to:

Computershare Trust Company of Canada  
9th Floor, 100 University Avenue, North Tower  
Toronto, ON M5J 2Y1

Attention: Dividend Reinvestment Department

or by calling the National Customer Contact Centre at 1-800-564-6253

Or by visiting [www.investorcentre.com/service](http://www.investorcentre.com/service)

Notices to the REIT shall be sent to:

Summit Industrial Income REIT  
1801 Hollis Street, Suite 2020  
Halifax, Nova Scotia  
B3J 3N4

Attention: Chief Financial Officer  
Fax: 647-494-9798  
E-mail: [rdrake@sigmarea.com](mailto:rdrake@sigmarea.com)

### **Effective Date of the Plan**

The effective date of the Plan is March 15, 2013.